



Sharon Grant  
CCAB  
Moorgate Place  
London  
EC2P 2BJ

31 October 2016

Dear Madam,

**Draft Statement of Recommended Practice -Accounting by Limited Liability Partnerships**

We welcome the opportunity to comment on the proposed amendments to Statement of Recommended Practice -Accounting by Limited Liability Partnerships.

**Question 1 – Micro-LLPs**

Do you agree with these proposals? If not, why not?

**Comments:**

Yes, we agree with the proposals for Micro-LLPs.

As noted by the CCAB there are differences between FRS 102 and FRS 105 and therefore LLPs applying FRS 105 should follow the guidance set out in that standard.

**Question 2 – Small LLPs**

Do you agree with these proposals? If not, why not? Do you think that it is necessary for small LLPs always to include a reconciliation of the movement in members' other interests in order to give a true and fair view? Are there any other specific disclosures that you think should be required for small LLPs?

**Comments:**

Yes, we agree with the proposals for small LLPs.

As noted by the CCAB, judgement will be needed when considering whether further disclosures over and above those required by Section 1A of FRS 102 will be needed in order to ensure that the accounts give a true and fair view. In many cases the reconciliation of the movement in members' other interests will be required to ensure that the accounts will give a true and fair view. However, we do not believe that it is not always necessary for small LLPs to include the reconciliation in order to give a true and fair view. Therefore we agree with the approach of the CCAB to encourage its inclusion.

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We do not think there are other specific disclosures that are needed for small LLPs.

**Question 3 – Ranking of loans and other debts**

Do you agree with these proposals? If not, why not?

**Comments:**

Yes, we agree with the proposals.

As noted by the CCAB, these disclosures fulfil a similar role to capital maintenance provisions and understanding the ranking of debts and other protections provided would be necessary to ensure a true and fair view. We agree that this would be relevant regardless of the size of the entity.

**Question 4 – Statement of changes in equity**

Do you agree with these proposals? If not, why not?

**Comments:**

Yes, we agree with the proposals.

Having an explicit statement that a statement of changes in equity does not need to be prepared if an LLP has no equity will be helpful to preparers of LLP financial statements.

If you have any questions or would like to discuss any of the comments we have made in this letter, please contact Peter Hogarth on 020 7213 1654.

Yours faithfully,

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP