



RELATE ACCOUNTS PRODUCTION

Limited Liability Partnership (UK) Format

- The Limited Liability Partnership (LLP) format follows the applicable regulations:
 - Limited Liability Partnership Act 2000
 - Limited Liability Partnerships Regulations 2001
 - Limited Liability Partnerships Regulations (Northern Ireland) 2004
 - Limited Liability Partnerships (Amendment) Regulations 2005
 - Statement of Recommended Practice (SORP) – Accounting by Limited Liability Partnerships
 - UK GAAP (Accounting Standards and Companies Act 1985) in so far as they are applicable to Limited Liability PartnershipsFor periods commencing on or after 1st October 2008 the format will be updated according to the following regulations:
 - Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008
 - Small Limited Liability Partnerships (Accounts) Regulations 2008
 - Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008
- The format follows closely the Company format. The main exceptions being in the following areas.
- At least two **Designated Members** must be entered in the Compliance Database (under Client Details/Member Details). The other Members need not be Designated Members. The Account Signatory order of the first two Designated Members must be entered.
- The Members and Other Information includes details on Members names and addresses. These details must be entered in the Compliance Database under Client Details/Members' Details.
- There is an option in the Compliance Database (under Reporting Parameters/Accounts Disclosure Parameters) for optionally disclosing the **Average Members' Remuneration** in the note to the accounts "Information in Relation to Members". The **average number of Members in the year** is also disclosed in this note, the information being entered in the Compliance Database under Other Note Information/Further Information on Members. Details on the **highest paid Member** are disclosed in another note, the information also being entered in the Compliance Database under Other Note Information/Further Information on Members.
- There is a question in the Compliance Database (under Reporting Parameters/Accounts Disclosure Parameters) asking if there are **two Designated Members signing the Balance Sheet**. This question must be answered.
- The **Members' Report** information needs completion in the Compliance Database (under Members' Report/Report Information) including the following items:
 - Names and countries of any branches outside the UK

- Policy on Members' Drawings and Subscriptions (incl. Repayments) and other Members' Contributions
 - A question on whether there are Post-Balance Sheet Events including Discretionary Division of Profits after the Year-End
 - Title and text for Other Discretionary Disclosures
- The **Accounting Policies** includes a section on **Members' remuneration**. The policy relates the basis of treatment of each element of Members' remuneration. You may enter text (or use the default text) in the Compliance Database under Accounting Policies/Members' Remuneration.
- The **Accounting Policies** include a section on **post-retirement payments**. The policy relates to post-retirement payments to Members. You may enter text (or use the default text) in the Compliance Database under Accounting Policies/Post-Retirement Payments.
- The **Debtors note** includes text on the **recoverability of amounts owed to Members**. The text is entered in the Compliance Database under Current Assets/Debtors.
- There is a **Provision for Post-Retirement Payments to Former Members** note. The text relates to whether the payments are pre-determined (fixed) or are profit-dependent annuities. The text maybe entered Compliance Database under Liabilities, Provisions and Deferred Income/Provision for Post-Retirement Payments to Former Members.
- The **Relate Party Transactions** note includes a section on Members controlling related parties. The text on the relationships, balances and transactions may be entered in the Compliance Database under Other Note Information/Members Controlling Related Parties.
- Information on **ranking in the event of winding up** is shown in a note, the information being entered in the Compliance Database under Other Note Information/Ranking on Winding Up. There is a section on ranking of loans and debts due to Members in relation to other unsecured creditors and another section on details of protection afforded to creditors which is legally enforceable and irrevocable. The default text may be used or substituted.
- If there are parent entities, the details for the **Controlling Parties** note are entered in the Compliance Database under Client Details/Additional Details.
- If there is a discretionary division of profit after the year end, that text in relation to it must appear in the **Post-Balance Sheet Events** note. The information is entered in the Compliance Database under Other Note Information/Post-Balance Sheet Events.
- The **Working Papers** contain audit tests relating to capital introduced, capital repaid and any discretionary appropriation in the current financial period. Related questions in the Compliance Database need answering. These can be found under Audit Questions/Members' Reserves.
- The format deals with each of the following partnership arrangements:
 - **LLPs without equity** (where there are no Members' other interests) – all amounts go through the Current Accounts:
 - Members' capital classified as a liability under FRS25:
 - Codes 951 to 951.09 for amounts brought forward
 - Codes 952 to 952.09 for capital introduced
 - Codes 953 to 953.09 for capital repayment
 - Codes 954 to 954.09 for other movements
 - Other Amounts:
 - Codes 955 to 955.09 for other amounts brought forward

- Codes 956 to 956.09 for remuneration including non-discretionary profit share charged as expense (with the debits going to codes 502 to 502.09 Members' remuneration – non-discretionary profit share charged as an expense)
 - Codes 957 to 957.09 for repayment of debt (not capital)
 - Codes 958 to 958.09 for drawings
 - Codes 959 to 959.09 for other movements
- Amounts due from Members
 - Codes 758 to 758.09 for Member debtors amounts
- **LLPs with some equity** (where there are Members' other interests) – amounts go through both the Current Accounts and the Equity Capital Accounts:
 - Members' capital classified as a liability under FRS25:
 - Codes 951 to 951.09 for amounts brought forward
 - Codes 952 to 952.09 for capital introduced
 - Codes 953 to 953.09 for capital repayment
 - Codes 954 to 954.09 for other movements
 - Other Amounts:
 - Codes 955 to 955.09 for other amounts brought forward
 - Codes 956 to 956.09 for remuneration including non-discretionary profit share charged as expense (with the debits going to codes 502 to 502.09 Members' remuneration – non-discretionary profit share charged as an expense)
 - Codes 957 to 957.09 for repayment of debt (not capital)
 - Codes 958 to 958.09 for drawings
 - Codes 959 to 959.09 for other movements
 - Amounts due from Members
 - Codes 758 to 758.09 for Member debtors amounts
 - Members' other interests – other reserves classified as equity under FRS25:
 - Codes 960 to 960.09 for capital brought forward
 - Codes 961 to 961.09 for capital introduced
 - Codes 962 to 962.09 for capital repayment
 - Codes 963 to 963.09 for other movements
- **Automatic division of profit equivalent to salaried remuneration:**
 - Applicable where the Members' agreement or other profit sharing arrangement gives Members the equivalent of salary:
 - Post by journal to codes 956 to 956.09 for remuneration including non-discretionary profit share charged as expense with the debits going to codes 502 to 502.09 Members' remuneration – non-discretionary profit share charged as an expense
 - Any discretionary amount that appropriates some or all of the remaining profit and/or other reserves must be entered in the Compliance Database under Clients Details/Additional Details. (First tick the box labelled "Is there a Discretionary Appropriation of Profits/Other Reserves?) The entries are for the current year and the comparative year. Enter a positive amount for a profit appropriation. The format will automatically split the entered amount across the Members' Current Accounts according to their profit shares as entered in the Compliance Database under Client Details/Member Details. If it is decided to carry forward opening balance journals running the year-end procedure, the discretionary amount so split will be included in the Current Account B/Fwd codes 955 to 955.09 according to the defaults shown beneath the percentage shares. If opening balance journals

are not carried forward, these amounts must be included in those codes in the following year's accounts.

- **Automatic division of all profits:**

- Applicable where the Members' agreement or other profit sharing arrangement which has arrangements which automatically divide the full amount of earned profit among Members:
 - Post the full amount of the profit by journal to codes 956 to 956.09 for remuneration including non-discretionary profit share charged as expense with the debits going to codes 502 to 502.09 Members' remuneration – non-discretionary profit share charged as an expense
 - If in addition to the full amount of profit being distributed, there is a discretionary amount that appropriates the other reserves, then this appropriation must be entered in the Compliance Database under Clients Details/Additional Details. (First tick the box labelled "Is there a Discretionary Appropriation of Profits/Other Reserves?) The entries are for the current year and the comparative year. Enter a positive amount for a profit appropriation. The format will automatically split the entered amount across the Members' Current Accounts according to their profit shares as entered in the Compliance Database under Client Details/Member Details. If it is decided to carry forward opening balance journals running the year-end procedure, the discretionary amount so split will be included in the Current Account B/Fwd codes 955 to 955.09 according to the defaults shown beneath the percentage shares. If opening balance journals are not carried forward, these amounts must be included in those codes in the following year's accounts.

- **No automatic division of any profit:**

- Applicable where the Members' agreement or other profit sharing arrangement has no element of automatic division of profit and does not give Members any rights to a share in the profit until it is divided:
 - The discretionary amount of the profit and/or the other reserves to be appropriated must be entered in the Compliance Database under Clients Details/Additional Details. (First tick the box labelled "Is there a Discretionary Appropriation of Profits/Other Reserves?) The entries are for the current year and the comparative year. Enter a positive amount for a profit appropriation. The format will automatically split the entered amount across the Members' Current Accounts according to their profit shares as entered in the Compliance Database under Client Details/Member Details. If it is decided to carry forward opening balance journals running the year-end procedure, the discretionary amount so split will be included in the Current Account B/Fwd codes 955 to 955.09 according to the defaults shown beneath the percentage shares. If opening balance journals are not carried forward, these amounts must be included in those codes in the following year's accounts.

- **Liability and equity elements of Members' interests:**

- Any of the following combinations may be dealt with:
 - Equity for capital (equity capital accounts) and equity for profits (discretionary appropriation)
 - Liability for capital (capital classified as a liability) and liability for profits (post automatic division of profits through Members' remuneration accounts)

- Liability for capital and equity for profits (discretionary appropriation)
- Equity for capital (equity capital accounts) and liability for profits (post automatic division of profits through Members' remuneration accounts)
- Liability for capital (capital classified as a liability) and both equity and liability for profits (post a percentage of profits by automatic division through Members' remuneration accounts and enter a discretionary appropriation)
- If interest is payable on capital, it must be posted through Members' remuneration accounts. Where interest is payable on capital that is subject to discretionary repayment, the present value of minimum non-discretionary outflows (often the same as the relevant amount of Members' capital) must be set up as a liability.
- If there is discretionary repayment of capital (on retirement), then that capital must be set up in the equity capital accounts. If there is a requirement for a minimum level of capital in aggregate, then any capital above that minimum must be set up in the capital accounts classified as a liability.
- **Post-retirement payments to former Members**
 - The charge for post-retirement amounts to former Members should be posted to code 510.
 - The short-term creditor code is 875.
 - The long-term creditor code is 930.01 for the charge, 930.02 for utilisation and the balance is brought forward from the previous year is on code 930.
- The **Cash Flow Statement** includes:
 - A section on transactions with Members and former Members:
 - Payments to Members (equity capital repayments, debt repayments and drawings)
 - Contributions by Members (equity capital introduced, loan capital introduced and any increase in the long-term Members' loan account – 917.01)
 - Post-retirement payments to former Members (post-retirement payments and the change in post-retirement benefits).
 - Movements in loans and other debts due to Members:
 - Remuneration
 - Discretionary appropriation
 - Other movements
 - Long-term Members' loan account movement – 917.02
 - In the note "Cash Flow - Analysis of Changes in Net Debt/Funds" there is a split between debt due to Members within and after one year and external debt due within and after one year.
 - The Cash Flow Statement for the FRSSE also contains the transactions with Members and former Members split between "Cash from other sources" and "Application of cash" as appropriate.
- **Group LLP Accounts** may be produced in the same way as for group company accounts. There are Balance Sheet notes for both the Group and the holding LLP. The Consolidation Schedules provide the analyses of the Group amounts across the holding LLP and the subsidiary LLPs. The relevant Compliance Database entries (as well as those in the nominal ledger) will be aggregated including the amount of discretionary appropriation from profits/other reserves.
- The **Formatted Trial Balance** includes all nominal ledger balances at nominal code level structured according to the headings in the Profit and Loss Account and the Balance Sheet as usual. It does not, however, include the amounts of discretionary

appropriate from profits/other reserves, as these amounts are derived from the Compliance Database. The year-end procedure incorporates these amounts, so the brought forward amounts are correct.

- The **Members' Interests** note is laid out per the SORP:
 - Members' Other Interests split by:
 - Members' Capital (Classified as equity)
 - Revaluation Reserve (not distributable)
 - Other Reserves (the Profit and Loss Reserve including the movement out of any discretionary appropriation, the Investment Property Revaluation Reserve and the Special Reserve)
 - Loans and other debts due to Members less any amounts due from Members in debtors:
 - The opening and closing balances split by amounts due to Members and amounts due from Members
 - Includes the movement in of any discretionary appropriation
- The **Supplementary Information** includes in addition to the Detailed Profit and Loss Account and its three schedules and the combined version without schedules the following:
 - Profit Split:
 - Shows the discretionary division of profit or loss both for the current and comparative years
 - Member 1 takes any rounding difference after the division
 - Members' Equity Capital Account:
 - Opening Balance
 - Capital Introduced
 - Repayments of Capital
 - Other Movements
 - Closing Balance
 - Members' Current Account of Loans and Other Debts Due
 - Opening Balance
 - Remuneration
 - Discretionary Allocation of Profits or Losses (with Member 1 taking any rounding difference after the division)
 - Capital Introduced
 - Repayments of Debt
 - Drawings
 - Other Movements
 - Closing Balance