



Companies House

— for the record —

As modified by the Companies Act 2006

Limited Liability Partnership

Administration and Management

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This guidance is available in alternative formats which include Braille, large print and audio tape. For further details please see our website – www.companieshouse.gov.uk or email our enquiries section at enquiries@companieshouse.gov.uk or telephone our contact centre on 0303 1234 500

What changes have already been brought into force?

- LLPs accounts with accounting periods starting on or after 6th April 2008 will now have 9 months to file their accounts at Companies House or 21 months from the date of incorporation.

When will the remaining changes be brought into force?

- New Limited Liability Partnership regulations will be made applying parts 15, 16 and 42 of the Companies Act 2006. There will also be separate regulations on the form and content of accounts, in line with the Companies Act regulations. These will come into force for accounting periods starting on or after 1st October 2008.
- The remaining provisions are proposed to be applied in October 2009. For further information on implementation please see www.berr.gov.uk/bbf/llp/page39897.html

Contents

Introduction

1. Members' and designated members' responsibilities

- 1.1 Membership of a limited liability partnership
- 1.2 Quality of documents

2. Annual return

- 2.1 Completing an annual return

3. Accounts and accounting reference dates

- 3.1 Accounting reference dates
- 3.2 Preparing and filing accounts
- 3.3 Small and medium-sized limited liability partnership exemptions
- 3.4 Audit exemption for small limited liability partnerships
- 3.5 Audit exemption for dormant limited liability partnerships

4. Auditors

- 4.1 Appointment of auditors
- 4.2 Removal of auditors

5. Late filing penalties

- 5.1 Late filing penalties
- 5.2 How to avoid late filing penalties
- 5.3 Once a late filing penalty has been imposed

6. Charges and mortgages (England and Wales)

- 6.1 Registration of mortgages and charges
- 6.2 Satisfaction of mortgages and charges

7. Charges (Scotland)

- 7.1 Registration of charges in Scotland
- 7.2 Satisfaction of charges in Scotland

8. Further information

"This guide answers many frequently asked questions and provides information on completing the most commonly used filings relating to this area. The guide is not drafted with unusual or complex transactions in mind. Specialist professional advice may be needed in those circumstances."

Introduction

This publication is a guide to administering and managing a limited liability partnership. It covers limited liability partnerships formed and registered in England, Wales and Scotland.

The booklet:

- explains some of the main responsibilities of a limited liability partnership's members and designated members; and
- deals with the key filing requirements as they relate to Companies House.

This is a guide only and should be read with the relevant legislation.

- The Limited Liability Partnerships Act 2000
- The Limited Liability Partnerships Regulations 2001
- Companies Act 1985 and 2006 (as applied to LLPs),
- The Companies (Late Filing Penalties) and Limited Liability Partnerships (Filing Periods and Late Filing Penalties) Regulations 2008.

If after reading this publication, you are in doubt about your responsibilities, you should seek professional advice from a solicitor or accountant.

Chapter 1

Members' and designated members' responsibilities

Section 1.1 Membership of a limited liability partnership

1. Who are the members of a limited liability partnership?

When you form a limited liability partnership, the members are the people named on the incorporation document. You must appoint at least two members as 'designated members' - see [question 4](#) below.

A limited liability partnership must have at least two members. If membership falls to only one member and the limited liability partnership continues to carry on business for more than 6 months, then it loses the benefits of limited liability.

Every member is the agent of the limited liability partnership and the partnership is bound by anything done by a member on its behalf unless:

- the member had no authority to act in that capacity on behalf of the limited liability partnership; and
- the person with whom the member is dealing knows that they had no authority to act or had no knowledge of his or her membership of the limited liability partnership.

2. When does a member cease to be a member of a limited liability partnership?

Members cease to be members:

- on death (or dissolution in the case of a corporate member); or
- by agreement with the other members; or
- by giving reasonable notice to the other members.

In dealings with other people, a former member will be regarded as still being a member unless notice that they have ceased to be a member has been:

- given to the person with whom the former member was dealing; or
- delivered to Companies House.

3. Must I notify any change of members to the Registrar?

You must deliver notice that a person has become a member or ceased to be a member to Companies House within 14 days on the following forms:

- [Form LLP288a](#) - Appointment of a member
- [Form LLP288b](#) - Terminating the appointment of a member

If you appoint a member also as a 'designated member', you must state this on Form LLP288a.

You must deliver notice that an existing member has changed their name or address to Companies House within 28 days on the following form:

- [Form LLP288c](#) - Change of particulars of a member

4. Who are the 'designated members' of a limited liability partnership?

There must be at least 2 designated members.

The incorporation document must say:

- that the partnership has specific individual designated members; or
- that all members are designated members.

The members may decide at any time to reverse the position by delivering notice to Companies House on [Form LLP8](#). If the Form LLP8 says that specific members will be designated members, you must deliver details of each member's status to Companies House within 28 days on Form [LLP288c](#).

Where specific members are designated members, a member may become a designated member - or vice versa - at any time by agreement with the other members. Again, you must deliver notice of the member's change of status to Companies House within 28 days on [Form LLP288c](#).

A designated member who ceases to be a member is automatically no longer a designated member.

If, for any reason, the number of designated members falls to one, or none, the law will deem that all members are designated members.

5. What responsibilities do the designated members have?

Designated members have the same rights and duties towards the limited liability partnership as any other member. These mutual rights and duties are governed by the limited liability partnership agreement or by law. However, the law also places extra responsibilities on designated members. In particular, designated members are responsible for:

- appointing an auditor (if one is needed);
- signing the accounts on behalf of the members;

- delivering the accounts to the Companies House;
- notifying Companies House of any membership changes or change to the registered office address or name of the limited liability partnership;
- preparing, signing and delivering to Companies House an annual return ([Form LLP363](#)); and
- acting on behalf of the limited liability partnership if it is wound up and dissolved.

Designated members are also accountable in law for failing to carry out these legal responsibilities.

6. Must I notify a change of registered office address to Companies House?

It is vital that you keep us informed of the location of your registered office.

Every limited liability partnership must have a registered office: it is the 'home' of the limited liability partnership to which we will send all official documents, notices and court papers. The address must be a physical location, not just a post office box. This is because people have the right to visit your office to inspect certain registers and documents, and to deliver documents by hand.

You can change your registered office by sending a completed [Form LLP287](#) to the Companies House. The change only becomes legally effective when we have registered the form.

Section 1.2 Quality of documents

1. What happens to documents sent to Companies House?

We scan the documents and forms you deliver to Companies House to produce an electronic image. We then store the original documents, and use the electronic image as the working document.

When people searching the register view the limited liability partnership's record, they see the electronic image reproduced on-line. So it is important that the original is legible so that it can also produce a clear copy.

This section lays down a few quality guidelines to follow when preparing a document for filing at Companies House.

2. What happens if my documents do not meet the guidelines?

Companies House can reject documents that it cannot capture electronically, giving a notice saying why they are unacceptable. You must deliver an acceptable copy within 14 days of the notice otherwise we treat the original as not having been delivered.

3. How should documents be set out?

Every document delivered to Companies House must state in a prominent position the registered number of the limited liability partnership, and must comply with any requirements specified by the Registrar relating to the layout of that document.

Briefly, documents should be on A4 size, plain white paper between 80gsm and 100gsm in weight with a matt finish. Text should be black, clear, legible, and of uniform density. Letters and numbers must be at least 1.8mm high, with a line width of at least 0.25mm.

When you fill in a form:

- use black ink or black type;
- use bold lettering (some elegant thin typefaces and pens give poor quality copies);
- don't send a carbon copy;
- don't use a dot matrix printer; and
- remember - photocopies can result in a grey shade that will not scan well.

When you complete other documents, please remember:

- the points already made about completing forms;
- to use A4 size paper with a good margin;
- to supply them in portrait format (that is with the shorter edge across the top);
- to include the limited liability partnership number in the top right-hand corner of the first page.

Important: coloured ink can drop out (disappear) when a document is scanned to produce an image. To prevent this, **always use black ink to complete and sign all documents.**

4. What is the most common problem to avoid?

Glossy accounts

If you are producing colour-printed glossy accounts, please save them for your members and others who will appreciate them. We still need black on white with a matt finish. A typed unbound version or printer's proof is ideal, provided it has the necessary signatures.

5. Can I find out more about this?

For further guidance on print requirements, contact 0303 1234 500

Chapter 2 Annual Return

Section 2.1 Completing an annual return

1. Which limited liability partnerships must send an annual return to Companies House?

Every limited liability partnership must deliver an annual return to Companies House within 28 days of its made-up date (see [question 3](#)). A limited liability partnership's designated members are responsible for ensuring that:

- they deliver the annual return to Companies House within 28 days after the anniversary of incorporation or the anniversary of the made-up date of the last annual return; and
- it gives a true picture of the membership of the limited liability partnership at the made-up date.

Remember: It is a criminal offence not to deliver the limited liability partnership's annual return within 28 days of the made-up date, for which designated members may be prosecuted.

2. What is an annual return (Form LLP363)?

An annual return is a snapshot of information at the made-up date (see [question 3](#)). It is separate from a limited liability partnership's annual accounts. An annual return must contain the following information:

- the name of the limited liability partnership;
- its registered number;
- its registered office address;
- the address where certain limited liability partnership registers are kept if not at the registered office;
- the name and address of each member;
- if only some members are designated members, which of them are designated members.

3. What is the made-up date?

This is the date at which all the information in an annual return must be correct. The made-up date is usually the anniversary of:

- the incorporation of the limited liability partnership; or
- the made-up date of the previous annual return registered at Companies House.

4. When must I deliver the annual return to Companies House?

You must deliver the annual return to Companies House within 28 days of the made-up date given on the form.

5. Completing the annual return Form LLP363

All the details you give on Form LLP363 must confirm the limited liability partnership information already held on the Companies House public record at the made-up date. You may only change the details by sending the appropriate statutory form(s) with the document:

- change of registered office address. Use Form LLP287;
- appointment of a member. Use Form LLP288a;
- termination of an appointment of a member. Use Form LLP288b;
- change of details of a member or designated member, for example, address. Use Form LLP288c;
- location, or change of location, of the register of debenture holders. Use Form LLP190;

We will not register an annual return Form LLP363 if it shows information that differs from the public record unless you have notified us of the change on the appropriate statutory form.

Chapter 3 Accounts and Accounting Reference Dates

Section 3.1 Accounting reference dates

1. What is a financial year?

Every limited liability partnership must prepare annual accounts that report on the financial performance and position of the limited liability partnership during the year. The period reported on in the accounts is the financial year. This starts on the day after the previous financial year ended or, in the case of a new limited liability partnership, on the day of incorporation.

Another term for a 'financial year' is an 'accounting reference period'.

The accounting reference period ends on the accounting reference date - see [questions 2](#) and [3](#) - or a date up to seven days either side of the accounting reference date, if this is more convenient.

2. How is the accounting reference date fixed?

For a new limited liability partnership, the accounting reference date is set using its date of incorporation - see [question 3](#). You can change the first accounting reference period and subsequent accounting reference periods by changing the accounting reference date - see [question 4](#) and [5](#).

3. What period must a limited liability partnership's first accounts cover?

For all new limited liability partnerships, the first accounting reference period is automatically set as the first anniversary of the last day in the month in which the limited liability partnership was incorporated. For example, if the limited liability partnership was incorporated on 10 June 2007 its accounting reference date would be 30 June, and the first accounts would cover a period from 10 June 2007 to 30 June 2008 - or up to seven days either side of that date. Although the accounting reference date is set on incorporation, you can change it - see [question 4](#).

4. Can the accounting reference date be changed?

Yes, by completing [Form LLP225](#) and sending it to Companies House. But the change can only be made to the current or the immediately previous accounting period and you have to register the new accounting reference date before the filing deadline of the accounts. In other words, if Companies House is expecting accounts for a particular accounting reference period and they become overdue, it is too late to say that you wanted to change the accounting reference date.

Limited liability partnerships normally have 10 months (9 months if the period starts on or after 6 April 2008) to send their accounts to Companies House.

The period allowed for sending a limited liability partnership's first accounts is calculated differently and this is explained in [section 3.2](#).

5. Are there any restrictions on changing the accounting reference date?

You may change an accounting reference date by shortening an accounting reference period as often as you like and by as many months as you like. However, there are restrictions on extending accounting reference periods:

- You may not extend a period so that it lasts more than 18 months from the start date of the accounting period.
- You may not extend more than once in 5 years unless:
 - a. the limited liability partnership is in administration; or
 - b. the Secretary of State has directed this; or
 - c. the limited liability partnership is aligning its accounting reference date with that of a subsidiary or parent undertaking established within the European Economic Area.

Countries comprising the European Economic Area are as follows:

Austria	Latvia
Belgium	Liechtenstein
Bulgaria	Lithuania
Cyprus	Luxembourg
Czech Republic	Malta
Denmark	Netherlands
Estonia	Norway
Finland	Poland
France	Portugal
Germany	Romania
Greece	Slovakia
Hungary	Slovenia
Iceland	Spain
Ireland	Sweden
Italy	United Kingdom

Section 3.2 Preparing and filing accounts

This section explains the basic rules on preparing and filing accounts. It applies to all limited liability partnership accounts irrespective of whether any filing exemptions apply to the content of the accounts.

1. Do all limited liability partnerships have to keep accounting records?

All limited liability partnerships, whether or not they are trading, must keep accounting records.

2. What does a set of accounts include?

Generally, accounts must include:

- a profit and loss account;
- a balance sheet signed by a designated member;
- an auditors' report signed by the auditor (unless the partnership qualifies for exemption from audit and takes advantage of that exemption);
- notes to the accounts; and
- group accounts (if appropriate).

This guide cannot go into the detailed information that these documents must contain - for this, see the Act. You may omit certain information from the accounts of medium-sized and small (including dormant) limited liability partnerships prepared under the special provisions of Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). These limited liability partnerships may further abbreviate the accounts they file at Companies House - see [section 3.3](#) of this chapter. Certain small limited liability partnerships and dormant limited liability partnerships may also be exempt from audit - see [sections 3.4 and 3.5](#).

3. Do all limited liability partnerships have to deliver their accounts to Companies House?

Yes.

4. What period must the accounts cover?

A limited liability partnership's first accounts cover the period starting on the date of incorporation, not the first day of trading. They end on the accounting reference date or up to 7 days either side of that date. Accounting reference dates and how to change them are covered in [section 3.1](#).

Subsequent accounts start on the day after the period covered by the previous accounts ended. They finish on the accounting reference date or up to 7 days either side of it.

5. How long do I have to file my limited liability partnership's first accounts?

For accounting periods starting before 6 April 2008:

If you are filing your **first** accounts and they cover a period of more than 12 months, they must be delivered to the Registrar **within 22 months of the date of incorporation** or **3 months** from the accounting reference date, whichever is longer. For example, a limited liability partnership incorporated on 1 January 2005 with an accounting reference date of 31 January has until midnight on 1 November 2006 (22 months from incorporation) to deliver its accounts, not *30 November*.

For financial years starting on or after 6 April 2008:

You must deliver your first accounts to Companies House within **21 months of the date of incorporation**, or **3 months** from the accounting reference date, whichever is longer. For example, a limited liability partnership incorporated on 6 April 2008 with an accounting reference date of 30 April has until midnight on 6 January 2010 (21 months from incorporation) to deliver its accounts, not *31 January*.

6. How long do I normally have to file my accounts?

For accounting periods starting before 6 April 2008:

Unless you are filing your limited liability partnership's first accounts (see [question 5](#)) the time normally allowed for delivering accounts is 10 months from the accounting reference date.

However, if the accounting reference period has been shortened, the time allowed for filing the accounts is the longer of:

- 10 months from the accounting reference date; or
- 3 months from the date of the notice ([Form LLP225](#)).

For financial years starting on or after 6 April 2008:

Unless you are filing your company's first accounts, the time normally allowed for delivering accounts to Companies House is 9 months from the accounting reference date. However, if the accounting reference period has been shortened, the time allowed for filing the accounts is 9 months from the

accounting reference date; or 3 months from the date of the notice ([Form LLP225](#)); whichever is the longer.

7. Can I extend the time allowed for delivering my accounts?

You may make an application to extend the time for laying and delivering accounts if there is a special reason for doing so; for example, if there has been an unforeseen event which was outside the control of the limited liability partnership and its auditors. You must make the application in writing, and deliver it before the filing deadline and it must contain a full explanation of the reasons for the extension and the length of the extension requested.

For limited liability partnerships incorporated in England or Wales, write to:	For limited liability partnerships incorporated in Scotland write to:
Companies House Crown Way Cardiff CF14 3UZ DX 33050 Cardiff 1	Companies House 4th Floor Edinburgh Quay 2 139 Fountainbridge Edinburgh EH3 9FF DX ED235 Edinburgh 1 or LP – 4 Edinburgh 2

8. What if I deliver the accounts late?

There is an automatic civil penalty for late filing. The amount depends on how late the accounts arrive. Failing to deliver accounts on time is also a criminal offence for which designated members may be prosecuted. We explain late filing penalties fully in [chapter 5](#) of this guidance,

Please note: if a filing deadline expires on a Sunday or bank holiday the law still requires you to file accounts by that date. So you should ensure that you send them in time to arrive **before** such a deadline.

9. Who can approve and sign accounts?

The limited liability partnership's members must approve the accounts and have them signed before they send them to Companies House.

- a designated member must sign the balance sheet, with any statements about accounting or filing exemptions appearing above the designated member's signature; and
- If the accounts have an auditors' or special auditors' report it must state the names of the auditors and they must sign and date it.

10. Does Companies House give technical advice on accounts?

We can give general guidance, but not advise on specific accounting issues. First, giving technical advice is not a role that the Government has given us, and we are not qualified to do so. Second, it is not practicable: your accounts are subject to complex legal requirements, and we do not know enough about your limited liability partnership to be confident that we are giving you proper advice.

You may wish to consider consulting an accountant if you need this sort of advice.

Section 3.3 Small and medium-sized limited liability partnership exemptions.

1. What exemptions are available?

Certain small or medium-sized limited liability partnerships may prepare accounts for their members under the special provisions of sections 246 and 246A of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). In addition, they may prepare and deliver abbreviated accounts to Companies House.

This section explains the exemptions available to small and medium-sized limited liability partnerships. Certain small limited liability partnerships with a turnover of less than £5.6 million and assets of less than £2.8 million can claim exemption from audit. We explain this in [section 3.4](#) of this chapter.

2. What is a small or medium-sized limited liability partnership?

Certain limited liability partnerships, especially in the regulated sectors, cannot qualify as small or medium-sized companies. Similarly, limited liability partnerships which are part of a group which has members who are public companies or companies in the regulated sector cannot qualify as small or medium-sized (except in certain circumstances - [see section 3.4](#)). For other limited liability partnerships, the size of the limited liability partnership (and in the case of a parent limited liability partnership the size of the group headed by it) in terms of its turnover, balance sheet total (meaning the total of the fixed and current assets) and average number of employees determines whether it is classed as small or medium-sized. A summary of the conditions is given below.

To be a small limited liability partnership, at least 2 of the following conditions must be met:

- annual turnover must be £5.6 million or less;
- the balance sheet total must be £2.8 million or less;

- the average number of employees must be 50 or fewer.

To be a medium-sized limited liability partnership, at least 2 of the following conditions must be met:

- annual turnover must be £22.8 million or less;
- the balance sheet total must be £11.4 million or less;
- the average number of employees must be 250 or fewer.

Generally, a limited liability partnership qualifies as 'small' or 'medium-sized' in its first financial year, or in any subsequent financial year if it fulfils the conditions in that year and the year before. If the limited liability partnership ceases to be small or medium-sized, the exemption continues for the first year that the limited liability partnership does not fulfil the conditions. The exemption continues uninterrupted if the limited liability partnership reverts to being small or medium-sized the following year - see the table below.

If you think your limited liability partnership might qualify as small or medium-sized, you should consult a professional accountant before you prepare 'special-provision' accounts.

If you abbreviate the accounts, you will also need a special auditor's report for filing with Companies House, confirming that the limited liability partnership qualifies to produce such accounts. This report is not needed if the limited liability partnership is exempt from audit - see [section 3.4](#) on small limited liability partnerships.

The following table may help you decide whether you qualify to prepare 'small' or 'medium' accounts.

The table applies to small limited liability partnerships. For medium-sized limited liability partnerships simply substitute 'medium-sized' for 'small'.

Year 1	Year 2	Year 3	Qualified in:
			<i>1st financial year</i>
small			Yes
not small			No
			<i>2nd financial year</i>
small	small		Yes
small	not small		Yes
not small	small		No
			<i>3rd financial year</i>
small	small	not small	Yes
small	not small	small	Yes
not small	small	small	Yes
small	not small	not small	No
not small	small	not small	No
not small	not small	not small	No

3. What does a small or medium-sized limited liability partnership have to deliver to Companies House?

The limited liability partnership can deliver the accounts which it prepared for its members under the special provisions of Part VII of the Companies Act 1985 as applied to limited liability partnerships, or it can deliver an abbreviated version of these accounts.

Abbreviated accounts of a small limited liability partnership must include:

- the abbreviated balance sheet and notes; and
- a special auditor's report (unless the limited liability partnership is also claiming audit exemption - see [sections 3.4](#) and [3.5](#)).

Abbreviated accounts of a medium-sized limited liability partnership must include:

- the abbreviated profit and loss account;
- the full balance sheet;
- a special auditor's report; and

- notes to the accounts.

The special auditor's report should state that in the auditor's opinion the limited liability partnership is entitled to deliver abbreviated accounts and that they have been properly prepared in accordance with section 246(5) or (6) or 246A(3) of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3(1) of the Limited Liability Partnerships Regulations 2001), as the case may be.

The balance sheet must contain a statement that the accounts are prepared in accordance with the special provisions in Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) relating to small or medium-sized limited liability partnerships, as the case may be.

4. Are there special rules for small and medium-sized groups?

Yes, a parent limited liability partnership need not prepare group accounts or send them to Companies House if the group is small or medium-sized and none of its members is a public company or a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity, or a person who carries on insurance market activity.

To qualify as small, a group must meet at least 2 of the following conditions:

- aggregate turnover must be £5.6 million net (£6.72 million gross) or less;
- the aggregate balance sheet total must be £2.8 million net (or £3.36 million gross);
- the aggregate average number of employees must be 50 or fewer.

To qualify as medium-sized, a group must satisfy at least 2 of the following conditions:

- aggregate turnover must be £22.8 million net (or £27.36 million gross);
- the aggregate balance sheet total must be £11.4 million net (or £13.68 million gross);
- the aggregate average number of employees must be 250 or fewer

5. What if a small or medium-sized limited liability partnership is required to prepare group accounts?

A small parent limited liability partnership which has prepared individual accounts for its members using the special provisions of section 246(2) or (3)

of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001), may choose to prepare group accounts under the special provisions of section 248A. However, a small group cannot file abbreviated accounts at Companies House. Group accounts prepared under section 248A must contain a statement above the signature on the balance sheet, confirming that they are prepared in accordance with the special provisions of section 248A relating to small limited liability partnerships.

If a medium-sized limited liability partnership prepares group accounts, they must be full group accounts.

Format of accounts

The format of the accounts must follow the relevant Schedules to the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). The provisions relating to the content of accounts for small and medium-sized limited liability partnerships are in Schedules 4, 4A, 5, 8 and 8A, unless the accounts are prepared in accordance with International Accounting Standards.

6. How long do I have to deliver accounts to Companies House?

The same time applies as for all other accounts. The same penalties are imposed for late filing. See section [3.2](#) in this chapter.

Section 3.4 Audit exemption for small limited liability partnerships

1. What exemption is available?

There is total exemption from audit for certain small limited liability partnerships if they are eligible and wish to take advantage of it. Further details about how to claim exemption are in this section.

2. Which small limited liability partnerships qualify for audit exemption?

To qualify for total audit exemption, a limited liability partnership must:

- qualify as small;
- have a turnover of not more than £5.6 million;
- and have a balance sheet total of not more than £2.8 million

3. Are all types of small limited liability partnership eligible for the exemption?

No. You must deliver audited accounts to Companies House if the limited liability partnership falls into any of the following categories:

(a) A limited liability partnership that was at any time within the financial year an e-money issuer, a MiFID (ie Markets in Financial Instruments Directive) investment firm or a UCITS management company

(b) A special register body or employers association under the Trade Union and Labour Relations (Consolidation) Act 1992

(c) a member of an ineligible group.

A group is ineligible if any of its members is:

- a public company or a body corporate which (not being a company) has power under its constitution to offer shares or debentures to the public,
- a person (other than a small company or small LLP) who has permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8) to carry on a regulated activity*,
- a small company that is an authorised insurance company or a banking company,
- a small company or small LLP that is an e-money issuer, a MiFID investment firm or a UCITS management company, or
- a person who carries on insurance market activity.

(d) A parent limited liability partnership or subsidiary undertaking (unless dormant for the period during which it was a subsidiary) except where the group:

- qualifies as a small group or would qualify if all the bodies corporate in the group were companies ;
- the turnover for the whole group is not more than £5.6 million net (or £6.72 million gross); and
- the group's combined balance sheet total is not more than £2.8 million net (or £3.36 million gross).

* If you have any queries regarding limited liability partnerships carrying on a regulated activity please check the Financial Services Authority website www.fsa.gov.uk/pages/index.shtml

4. What does an audit-exempt limited liability partnership need to send to Companies House?

If the limited liability partnership qualifies (see [question 2](#) and [question 3](#)), it may deliver unaudited accounts to Companies House in the form of an abbreviated balance sheet and notes containing statements to the following effect above the designated member's signature:

- a. For the year ended . . . (date) the limited liability partnership was entitled to exemption under section 249A(1) of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).
- b. The members acknowledge their responsibility for:
 - ensuring the limited liability partnership keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the limited liability partnership as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the limited liability partnership.
- c. The accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) relating to small limited liability partnerships.

If the limited liability partnership chooses, it may deliver the unabbreviated accounts prepared for its members. The same statements must appear on the unabbreviated balance sheet.

Please Note The statements for audit exemption should not include reference to section 249b(2), the members not requiring an audit. This section of the Act does not apply to LLPs and the statement should not be included on the balance sheet.

5. How long do I have to deliver accounts to Companies House?

The same time applies as for all other accounts. The same penalties are imposed for late filing. See [section 3.2](#).

6. Does an audit-exempt limited liability partnership still have to send accounts to its members?

In accordance with the Act, members have a right to receive and demand copies of the accounts.

Possible drawbacks of unaudited accounts

Banks and credit managers rely on information available from Companies House to assess a limited liability partnership's creditworthiness and currently look for the reassurance of an independent audit. If it qualifies for audit exemption, a limited liability partnership will need to decide whether unaudited accounts are appropriate to its own circumstances.

7. Does a limited liability partnership have to deliver annual accounts if it is not trading?

All limited liability partnerships, whether they trade or not, must prepare and deliver accounts to Companies House. However, a limited liability partnership may claim exemption from audit as a 'dormant limited liability partnership' if it has not traded during a financial year, and provided it meets certain other criteria (see [section 3.5](#)).

Dormant limited liability partnerships do not need to appoint auditors and can deliver even simpler annual accounts to Companies House. For more information about dormant accounts, see the next section of this booklet.

Section 3.5 Audit exemption for dormant limited liability partnerships

1. What is a dormant limited liability partnership?

A limited liability partnership is dormant if it has had no 'significant accounting transactions' during the period.

'Significant accounting transactions' are transactions which are required to be entered in a limited liability partnership's accounting records, but when considering whether the limited liability partnership is dormant, you can disregard the following financial transactions:

- fees paid to the Registrar for a change of limited liability partnership name and filing annual returns; and
- civil penalties imposed for delivering accounts to the Registrar after the statutory time allowed for filing.

A limited liability partnership may not take advantage of dormant status if it was at any time within the financial year in question an e-money issuer, a MiFID investment firm or a UCITS management company.

If the limited liability partnership has not been dormant since incorporation, but has become dormant, it may take advantage of the exemptions provided that:

- it has been dormant since the end of the previous financial year; and
- it does not have to prepare group accounts for that year; and
- it qualifies as a 'small limited liability partnership' in relation to that year (see [section 3.3](#)), or would have qualified as small but for the fact that it is a member of a group which included: a public company or body corporate which (not being a company) has power under its constitution to offer shares or debentures to the public, a person who has permission under Part 4 of the Financial Service and Markets Act 2000 to carry on a regulated activity, or a person who carries on insurance market activity.

2. What exemption is available?

Dormant limited liability partnerships can claim exemption from audit and need only deliver to Companies House an abbreviated balance sheet and notes. It does not have to include a profit-and-loss account does in the accounts filed at Companies House. However it must prepare fuller accounts for members, possibly including a profit and loss account if the limited liability partnership traded in the previous year.

3. What information must dormant accounts contain?

Dormant accounts filed at Companies House need not include a profit-and-loss account. We include some model balance sheets which you may find helpful at the end of this section.

Unaudited dormant accounts are much simpler than those of a trading limited liability partnership but must show:

- an abbreviated balance sheet containing a statement above the designated member's signature to the effect that the limited liability partnership was dormant throughout the accounting period (the full text of the required statements is at question 4 below);
- the previous year's figures for comparison - even though these may be the same as the current year's;
- certain notes to the balance sheet - a full list of items to be covered appears at the end of this section.

4. What statements are needed on the balance sheet?

The following statements must appear above the designated member's signature

(a) For the year ended . . . (date) the limited liability partnership was entitled to exemption under section 249AA(1) of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

(b) The members acknowledge their responsibility for:

- ensuring the limited liability partnership keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the limited liability partnership as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the limited liability partnership.

Please Note:

The statements for audit exemption should not include reference to section 249b(2), the members not requiring an audit. This section of the Act does not apply to LLPs and the statement should not be included on the balance sheet.

5. How long do I have to deliver dormant accounts to Companies House?

The same time applies as for all other accounts. The same penalties are imposed for late filing. See section [3.2](#).

6. What happens if my limited liability partnership starts trading again?

Any limited liability partnership exempt from the need to appoint auditors by reason of being dormant will cease to be exempt if the limited liability partnership:

- begins commercial or trading activities during the financial period; or
- dispose of an asset, settled a liability or conducted some other non-exempt transaction; or
- would no longer qualify for some other reason.

If any of these happened, it would have to deliver fuller accounts for the financial year in which the limited liability partnership ceased to be exempt, and the members might need to appoint auditors. It may be that the limited liability partnership would qualify for certain exemptions as a medium-sized or small limited liability partnership. More information about limited liability partnership accounting requirements and audit exemption for small limited liability partnerships appears in [sections 3.3](#) and [3.4](#) of this chapter.

Model balance sheets for dormant limited liability partnerships

The balance sheets shown on the following pages are referred to at [question 3](#) above.

These formats provide a guide to the information you need to include. These formats are designed to reflect all possible assets and liabilities that a Limited Liability Partnership may have but you only need to include a particular heading if there is an amount other than nil to be shown.

These model balance sheets are for illustration only. They should not be

photocopied and filled in.

If the Limited Liability Partnership has traded in a previous financial year, bear in mind that your previous year's balance sheet will show the Limited Liability Partnerships financial position as it was then. If there have been no accounting transactions since, you could just be carrying forward the figures from last year.

There are two formats - marked A and B - either of which may be followed. The content of the two formats is identical; they simply present the balance sheet headings in a different order.

The balance sheet must balance:

- In format A, net assets must equate to the aggregate of capital and reserves.
- In format B, assets must equate to liabilities (including capital and reserves as balancing items).

Each entry must be an amount in figures (not words) or '0.00'. Companies House will not accept any document which shows 'Nil' where a figure should appear.

Each column of figures should be headed with the date on which the current and previous financial year ended.

For both formats, the matters to be included in the notes to the balance sheet, if applicable, are listed here.

When you are preparing your accounts, please follow the guidelines in [section 1.2](#).

DORMANT BALANCE SHEET FORMAT A

Limited liability partnership No.

Limited liability partnership Name

BALANCE SHEET AS AT/..../.....

	CURRENT YEAR	PREVIOUS YEAR
B FIXED ASSETS		
I. Intangible assets	XX	XX
II. Tangible assets	XX	XX
III. Investments	XX	XX
	XXX	XXX
C CURRENT ASSETS		
I. Stocks	XX	XX
II. Debtors	XX	XX
III. Investments	XX	XX
IV. Cash at bank & in hand	XX	XX
	XXX	XXX
D PREPAYMENTS AND ACCRUED INCOME	XX	XX
E CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(XX)	(XX)
F NET CURRENT ASSETS/ LIABILITIES	XXX	XXX
G TOTAL ASSETS LESS CURRENT LIABILITIES	XXX	XXX
H CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(XX)	(XX)
I PROVISION FOR LIABILITIES AND CHARGES	(XX)	(XX)
J ACCRUALS AND DEFERRED INCOME	(XX)	(XX)
	XXX	XXX
K LOANS AND OTHER DEBTS DUE TO MEMBERS	XX	XX
L MEMBERS OTHER INTERESTS		
I. Members' capital	XX	XX
II. Revaluation reserve	XX	XX

III. Other reserves	XX	XX
	XXX	XXX

- a. For the year ended . . . (date) the limited liability partnership was entitled to exemption under section 249AA(1) of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).
- b. The members acknowledge their responsibility for:
 - i. ensuring the limited liability partnership keeps accounting records which comply with section 221; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the limited liability partnership as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the limited liability partnership.

Approved by the members on.....(date)
 and signed on their behalf by.....(DESIGNATED MEMBER)

DORMANT BALANCE SHEET FORMAT B

Limited liability partnership No.

Limited liability partnership Name

BALANCE SHEET AS AT .././....

	CURRENT YEAR	PREVIOUS YEAR
ASSETS		
B FIXED ASSETS		
I. Intangible assets	XX	XX
II. Tangible assets	XX	XX
III. Investments	XX	XX
	XXX	XXX
C CURRENT ASSETS		
I. Stocks	XX	XX
II. Debtors	XX	XX
III. Investments	XX	XX
IV. Cash at bank & in hand	XX	XX
	XXX	XXX
LIABILITIES		
A LOANS AND OTHER DEBTS DUE TO MEMBERS	XX	XX
A MEMBERS' OTHER INTERESTS		
I. Members' capital	XX	XX
II. Revaluation reserve	XX	XX
III. Other reserves	XX	XX
	XXX	XXX
B PROVISION FOR LIABILITIES AND CHARGES	XX	XX
C CREDITORS	XX	XX
D ACCRUALS AND DEFERRED INCOME	XX	XX
	XXX	XXX

- a. For the year ended . . . (date) the limited liability partnership was entitled to exemption under section 249AA(1) of the Companies Act

1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

- b. The members acknowledge their responsibility for:
 - i. ensuring the limited liability partnership keeps accounting records which comply with section 221; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the limited liability partnership as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the limited liability partnership.

Approved by the members on.....(date)
and signed on their behalf by.....(DESIGNATED MEMBER)

Notes to the dormant limited liability partnership balance sheet

The following must be given as notes to the balance sheet:

- accounting policies, including those relating to depreciation and diminution in value of assets;
- information about members' interests;
- information about fixed assets;
- details of indebtedness;
- basis on which sums originally in a foreign currency have been translated into sterling;
- in respect to every item above (other than fixed assets), the corresponding amounts for the previous year;
- if the limited liability partnership has acted during the financial year as an agent for any person, then that must be disclosed.

In addition, the following information must be given about any subsidiary undertakings and other investments:

- details of any subsidiary undertakings and of shares held in them, and why group accounts are not required;
- details of any undertakings in which the limited liability partnership has a 'significant holding';
- the name of the limited liability partnerships ultimate parent and (if known) its country of incorporation;
- the names of certain parent undertakings, and their countries of incorporation or (if not incorporated) the addresses of their principal places of business.

Chapter 4

Auditors

Section 4.1 Appointment of auditors

1. What is an auditor?

An auditor is a person who makes an independent report to a limited liability partnership's members as to whether its annual accounts have been properly prepared in accordance with the Act. The report must also say if a limited liability partnership's accounts give a true and fair view of its state of affairs and profit and loss for the year. Most limited liability partnerships are required to have their accounts audited - but see [question 2](#) below.

2. How do I appoint an auditor?

The designated members appoint the auditor of the limited liability partnership annually. They must appoint the first auditor before the end of the financial year for which they are appointed. Thereafter, they must appoint or re-appoint auditors within 2 months of the approval of the accounts for the preceding financial year.

3. What does an auditor do?

The auditor will check the accounts and accounting records of the limited liability partnership and prepare a report for the limited liability partnership's members.

For financial years beginning on or after 1 January 2005, the auditors' report must include:

- An introduction identifying the accounts that were the subject of the audit and the financial framework that has been applied in their preparation (i.e. whether UK GAPP or IAS as adopted for use in the EU);
- A description of the scope of the audit identifying the accounting standards used in the audit;
- A statement as to whether in the auditors' opinion the accounts have been properly prepared in accordance with the Companies Act (and, if appropriate, Article 4 of the IAS Regulation);
- A statement as to whether the accounts, in accordance with the relevant financial reporting framework, give a true and fair view of the limited liability partnership's or groups financial affairs;
- The auditors' report may be either unqualified or qualified and must include a reference to any matters to which the auditors' wish to draw attention by way of emphasis without qualifying the report.

The auditors must sign the auditors' report delivered to Companies House. For financial years beginning on or after 1 January 2005, they must also date the auditor's report.

If, in the auditor's opinion, the accounts do not comply, the auditor must say so in the report.

4. Can my accountant be my auditor?

An auditor must be independent of the limited liability partnership; therefore, you cannot appoint a person as an auditor if they are:

- a member or employee of the limited liability partnership or an associated undertaking;
- a partner or employee of such a person, or a partnership of which such a person is a partner.

If your accountant does not fall into one of the above categories and if they are a Registered Auditor supervised by a recognised supervisory body, then they may act as the limited liability partnership's auditor.

Remember: Not all members of an accountancy body are eligible to act as an auditor but the appropriate supervisory body will be able to tell you whether a particular individual or firm is a Registered Auditor.

5. What and who are recognised supervisory bodies?

These are bodies recognised by the Professional Oversight Board for Accountancy as having rules designed to ensure that auditors are of the highest professional competence. Each recognised body has strict regulations and a disciplinary code to govern the conduct of their registered auditors. The five recognised bodies are:

1. The Institute of Chartered Accountants of Scotland
21 Haymarket Yards
Edinburgh EH12 5BH
Tel: 0131 347 0100

2. The Institute of Chartered Accountants in England and Wales
Level 1
Metropolitan Court
321 Avebury Boulevard
Milton Keynes MK9 2FZ
Tel: 01908 248100

3. The Institute of Chartered Accountants in Ireland
Chartered Accountants House
87-89 Pembroke Road

Dublin 4
Tel: 0035 3166 8040

4. The Association of Chartered Certified Accountants
2 Central Quay
89 Hydepark Street
Glasgow
G3 8BW
Tel: 0141 582 2000

5. The Association of Authorised Public Accountants
10 Lincoln's Inn Fields
London
WC2A 3BP
Tel: 020 7396 5954

REMEMBER: You can ask your auditor to confirm that he or she is registered with one of these bodies or you can contact the appropriate body.

6. Is an auditor usually only concerned with annual accounts and accounting records?

Yes. However, there is nothing to stop you employing an auditor for other purposes, such as keeping the books or compiling the tax return, provided he or she does not take part in the management of the limited liability partnership. You should agree an engagement letter that sets out the auditor's duties. For instance, the limited liability partnership may want the auditor to prepare a management report after an audit, listing all the faults that were found even if they have been corrected.

Section 4.2 Removal of auditors

1. Can I remove an auditor?

Yes. The designated members of a limited liability partnership may remove an auditor from office at any time during his or her term of office or decide not to re-appoint the auditor for a further term. They must give the auditor notice of their intention. The auditor then has the right to make a written response and require that the limited liability partnership sends it to its members.

Although a limited liability partnership may remove an auditor from office at any time, the auditor may be entitled to compensation or damages for termination of appointment.

If an auditor ceases for any reason to hold office, he or she must deposit a statement at the limited liability partnership's registered office. The statement should set out any circumstances connected with the ceasing to hold office that the auditor considers should be brought to the attention of the members and creditors of the limited liability partnership.

- If there are any such circumstances, the limited liability partnership must send a copy of the statement to all the members of the limited liability partnership unless a successful application is made to the court to stop this. If the auditor does not receive notification of an application to the court within 21 days of depositing the statement with the limited liability partnership, the auditor must within a further seven days send a copy of the statement to Companies House for the limited liability partnership's public record;
- If there are no such circumstances, the auditor must deposit a statement with the limited liability partnership to that effect. It does not have to circulate this statement to the members.

Chapter 5 Late Filing Penalties

Section 5.1 Late Filing Penalties explained

1. What are late filing penalties?

Section 242A of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) and the Companies (Late Filing Penalties and Limited Liability Partnerships Filing Periods and Late Filing Penalties) Regulations 2008, says that any limited liability partnership that delivers its accounts to Companies House after the period allowed for filing will incur penalties

2. How much are the penalties?

That depends on how late the accounts are delivered to Companies House. For further information please see our guidance on "[Late filing penalties](#)" available on our website.

3. How long do I have to file my limited liability partnership's first accounts?

If you are filing your first accounts and they cover a period of more than 12 months, they must be delivered to the Registrar within 22 months of the date of incorporation or 3 months from the ARD, whichever is longer. The definition in the box below of a period of months in connection with filing the accounts also applies to the first accounts. For example, a limited liability partnership incorporated on 1 January with an accounting reference date (ARD) of 31 January has until midnight on 1 November (22 months from incorporation) to deliver its accounts, not *30 November*.

IMPORTANT: For financial years starting on or after 6 April 2008 if you are filing your company's first accounts and those accounts cover a period of

more than 12 months you must deliver them to Companies House within 21 months of the date of incorporation.

4. How long do I normally have to file my accounts?

Unless you are filing your limited liability partnership's first accounts (see question 3) the time normally allowed for delivering accounts to Companies House is 10 months from the end of the relevant accounting period.

IMPORTANT: For financial years starting on or after 6 April 2008, unless you are filing your company's first accounts, the time normally allowed for delivering accounts to Companies House is 9 months from the accounting reference date.

If you have shortened the accounting reference date, the time allowed for filing the accounts is the longer of:

- 10 months from the ARD (or 9 months if the period starts on or after 6th April 2008); or
- 3 months from the date of the notice ([Form LLP225](#)).

The table below shows the dates by which the accounts must be delivered for periods starting before 6 April 2008. It describes what is called the "corresponding date" rule for calculating the filing dates.

End of relevant accounting period (accounting reference date)	Deadline for delivery:
Jan 31	Nov 30
Feb 28	Dec 28
Mar 31	Jan 31
Apr 30	Feb 28/29
May 31	Mar 31
Jun 30	Apr 30
July 31	May 31
Aug 31	June 30
Sept 30	July 30
Oct 31	Aug 31
Nov 30	Sept 30
Dec 31	Oct 31

If your limited liability partnership's accounting period does not end on the last day of a month, then each period ends on the corresponding date in the appropriate month. For example, an LLP with an accounting reference date (ARD) of 10 September has until 10 July the following year to deliver its accounts.

Please be aware of the following definition of months in connection with filing accounts.

- A period of months after a given date ends on the corresponding date. For example, a limited liability partnership with an accounting reference date of 30 September has until 30 July the following year to deliver its accounts, not 31 July.
- If there is no corresponding date, the period will end on the last day of the month. For example, a limited liability partnership with an accounting reference date of 30 April has until midnight on 28/29 February the following year to deliver its accounts.

Important: If you have any doubts about the deadline for your limited liability partnership's accounts contact us on 0303 1234 500 and ask us to confirm when your accounts should be filed.

Remember: it is the date of delivery to the Registrar which is important not the date of posting.

Please note: if a filing deadline expires on a Sunday or Bank Holiday the law still requires accounts to be filed by that date. So you should ensure that they are posted in time to arrive before such a deadline.

5. Do you calculate the time allowed for filing accounts in the same way under the Companies Act 2006?

In some cases, "Yes". Usually, a period of months after your ARD ends on the corresponding date in the appropriate month. For example an LLP company with an accounting reference date of 5 April has until midnight on 5 January of the relevant year to deliver its accounts.

However, for accounting periods starting **on or after 6 April 2008**, if the accounting reference date falls on the last day of a month, the period allowed for filing will also end on the last day of the appropriate month.

Important: if you have any doubts about the deadline for your limited liability partnership's accounts, contact us on **0303 1234 500**, and ask us to confirm when your accounts should be filed.

Remember: it is the date of delivery to the Registrar which is important - not the date of posting.

Please note: if a filing deadline expires on a Sunday or Bank Holiday the law still requires accounts to be filed by that date. So you should ensure that they are posted in time to arrive **before** such a deadline.

Section 5.2 How to avoid late filing penalties

1. How can I avoid penalties?

Allow enough time to ensure that your accounts reach the Registrar within the period allowed in the Companies Act as applied to limited liability partnerships. First-class post does not guarantee next day delivery, so if the filing deadline is looming, then please consider guaranteed methods of delivery that will ensure that your accounts arrive on time. *Remember: the Registrar will not waive a penalty if your accounts are delayed in the post.*

To help you file on time:

- mark your diary or calendar to remind you in good time of the filing deadlines;
- read the filing reminders we send to your registered office;
- if appropriate, instruct your accountants in good time and remind them of the need to prepare and deliver your accounts on time.

2. Can I extend the time allowed for delivering the accounts?

Yes. If there is a special reason for doing so, you may make an application to the Registrar of Companies (who exercises this function on behalf of the Secretary of State for Business, Enterprise and Regulatory Reform) to extend the time for delivering accounts to Companies House; for example, if there has been an unforeseen event which was outside the control of the company and its auditors.

You must make the application in writing and deliver it **before** the normal filing deadline. It must contain a full explanation of the reasons for the extension and the length of the extension requested.

. You should send it to:

For limited liability partnerships incorporated in England and Wales	For limited liability partnerships incorporated in Scotland
Companies House Crown Way Cardiff CF14 3UZ DX33050 Cardiff 1	Companies House 4th Floor Edinburgh Quay 2 139 Fountainbridge Edinburgh EH3 9FF DX ED235 Edinburgh 1

3. What if Companies House rejects my accounts as incorrect?

We cannot accept accounts until they meet the requirements of the legislation. If, for example, a signature is missing, we will return them for amendment. This may result in a late filing penalty if you deliver the corrected accounts late.

To avoid problems, we recommend that you deliver accounts as soon as they are complete and as far as possible in advance of the end of the period allowed for delivery. Please note that we do not accept facsimile (fax) copies of documents for registration.

The main reasons for rejection of LLP accounts are:

- The made up date of the accounts not agreeing with the accounting reference date;
- The made up date being absent from the accounts.
- The balance sheet not being signed;
- The statements for audit exemption include reference to section 249b(2), the members not requiring an audit. This section of the Act does not apply to LLPs and the statement should not be included on the balance sheet.

Section 5.3 Once a late filing penalty has been imposed

1. How will I know when a penalty is due?

If you deliver the accounts late, we will automatically issue an invoice to your registered office address.

2. What will happen if I do not pay the penalty?

We will refer the penalty to collection agents. If you do not pay it, we may take legal action which could result in a County Court judgment or a Sheriff Court decree against your limited liability partnership.

3. What happens if I restore a limited liability partnership to the Register?

Under certain restoration applications, if you restore a limited liability partnership to the register after being struck off and dissolved, then it has continued to exist as though it had never been struck off. Accounts filed on restoration will be subject to late filing penalties. In determining the level of any penalty, the period during which the limited liability partnership was dissolved is normally disregarded. For example, a set of accounts that you should have delivered 2 months before the limited liability partnership was dissolved will be regarded as 2 months late if you deliver them on restoration.

We do not normally collect late filing penalties are for accounts received on restoration that became due while the limited liability partnership was dissolved. For more information about restoration, please see our booklet, '[Limited Liability Partnerships Winding Up](#)' or, for limited liability partnerships registered in Scotland, '[Limited Liability Partnerships Winding Up \(Scotland\)](#)'.

4. Do late filing penalties apply to any other documents?

Only to accounts.

5. Are late filing penalties the same as fines imposed on designated members for non-filing?

They are entirely different.

- The level of a late filing penalty is set by the Companies Act, as applied to limited liability partnerships, and is payable by the limited liability partnership. Failure to pay a late filing penalty can result in a County Court judgment (or Sheriff Court decree) against the limited liability partnership;
- Failure to file accounts is a criminal offence which can result in designated members being fined personally in the criminal courts. In addition, the Registrar may take steps to strike the limited liability partnership off the public record

Important: Both a penalty and a fine could be payable for the same set of accounts if you do not file them on time, and then deliver them late.

6. Does the Registrar have any discretion whether to collect a penalty?

The Registrar has very limited discretion not to collect a penalty. He may only use it in exceptional circumstances.

Remember: Delivery of any document to the Registrar does not take place until Companies House receives it.

Need more information?

If you are in any doubt about when your accounts are due, contact Companies House now on **0303 1234 500**, or ask for other guidance from our series. We are here to help and advise. Don't leave it until it's too late.

Chapter 6 Charges and Mortgages (England and Wales)

Section 6.1 Registration of mortgages and charges

1. What are mortgages and charges?

A **charge** is security for the payment of a debt or other obligation that does not pass 'property' or any right to possession to the person to whom the charge is given.

A **mortgage** is security for the payment of a debt or other obligation that passes 'property' but no right to possession to the person to whom the mortgage is given.

Note: When the word 'charge' is used in this booklet from now on, it refers also to a mortgage.

2. What charges must I register?

A list of the charges that you must register in England and Wales and a brief explanation of each appears in the box below.

- A charge to secure any issue of debentures. *A debenture is an instrument issued by the limited liability partnership as evidence of a debt or other obligation. It includes debenture stock, bonds and any other securities of the limited liability partnership, whether or not it forms a charge on the assets of the limited liability partnership.*
- A charge created or evidenced by an instrument, which, if executed by an individual, would require registration as a bill of sale. *A bill of sale is an instrument creating or evidencing a charge or mortgage over goods, including fixtures and agricultural crops in certain cases, but not ships or aircraft.*
- A charge on land (wherever situated), or any interest in it, but not a charge for any rent or other periodical sum arising from land.
- A charge on book debts of the limited liability partnership. *Book debts are debts that in the ordinary course of a limited liability partnership's business are commonly entered in its books.*
- A floating charge on the limited liability partnership's undertaking or property. *A floating charge is a charge that does not affect the assets charged until some event crystallises the charge, fixing it to a certain point in time.*
- A charge on a ship or aircraft or any share in a ship.
- A charge on goodwill, or on a patent, trademark, registered design, copyright or design right or a licence under or in respect of any such right.

3. How much does each registration cost?

There is a fee of £13 for registering each [Form LLP395](#), [LLP397](#) and [LLP400](#) delivered to Companies House. There is no fee for registering a declaration of satisfaction ([Form LLP403a](#)).

To 'evidence' means to provide proof of the existence of something.

4. Which form should I use?

The form numbers in this table correspond to the relevant sections of the Companies Act 1985 (as applied to limited liability partnerships by regulation 4 of the Limited Liability Partnerships Regulations 2001). Those for which we charge a registration fee are marked *.

Purpose	Form Number
Particulars of a mortgage or charge	LLP395*
Particulars for the registration of a charge to secure a series of debentures	LLP397*
Particulars of an issue of secured debentures in a series	LLP397a*
Certificate of registration in Scotland or Northern Ireland of a charge comprising property situated there	LLP398
Particulars of a charge subject to which property has been acquired	LLP400*
Declaration of satisfaction in full or in part of a mortgage or charge	LLP403a
Declaration that part of the property or undertaking charged: (a) has been released from the charge; (b) no longer forms part of the limited liability partnership's property or undertaking	LLP403b
Notice of appointment of receiver or manager	LLP405(1)
Notice of ceasing to act as receiver or manager	LLP405(2)

5. How do I get it right first time?

- Select the form to send to the correct registration office, and follow any notes on the form itself. Act as quickly as possible: you have only 21 days from the date of creation of the charge to register the details.
- Send the instrument creating or evidencing the charge with the form. You do not have to seal an instrument. Unsealed, it will be valid if two members of the limited liability partnership sign it.

The instrument must be the original instrument, except in the following two cases when it can be a verified copy:

(a) When a charge is created outside the UK over property outside the UK.

(b) When a charge covers property in Scotland or Northern Ireland, and the original instrument has been registered there.

- Ensure the details on the form are correct and match the instrument. If we find errors, the presenter must authorise their correction and, if necessary, deliver new forms within the 21-day time limit. If necessary, we will return certificates, instruments and documents to the presenter named on the charge form itself. Please ensure this information is complete and accurate.
- Make sure the limited liability partnership name and number are correct. Remember that a limited liability partnership name is only changed on the day the change-of-name certificate is issued by Companies House.
- Make certain that the creation date and description of the charge agree with the instrument.
- Make sure the amount secured accurately reflects what is stated in the instrument.
- Ensure the name of the chargee matches the instrument. ('Chargee' means the person to whom property is charged.)
- Make certain the short details of the property charged accurately reflect what is stated in the instrument.
- For registered land it is desirable that you give the title number of the property. Ensure that charging clauses are always inserted, including reference to fixed and floating charges.
- Sign and date the form.
- Complete the forms legibly using black ink or, preferably, type the form. Forms are reproduced electronically so that the public can inspect them. The Registrar may refuse documents that are not suitable for scanning and reproduction.

Remember

If you omit or mis-state any detail in the documents registered, then you should apply to the court to correct it under section 404 of the Act: Rectification of register of charges.

6. What happens when the application for registration reaches Companies House?

If the document is acceptable, we take details from it to produce a certificate of registration and record an entry on the register of charges. We return the certificate and instrument to the presenter, and scan and record the form, copy certificate and register entry.

7. What if Companies House has cause to query the application?

We will contact the presenter with any queries. If the form needs to be corrected, it must be done within the 21-day time limit.

8. What if I do not register the charge in time?

If you do not register a registrable charge in time, it is void against the liquidator or administrator and any creditor of the limited liability partnership.

If a limited liability partnership fails to deliver a registrable charge, and no interested party has registered it, then the limited liability partnership and every member of it who is in default are liable to a fine. If the default continues, they are liable to a daily default fine.

Can I register a charge out of time?

Only the court can grant an extension of time for registration of a charge that you did not file in time. The normal time limit is 21 days from the date of creation of the charge.

9. What must I do if my limited liability partnership acquires property that is already charged?

If the charge is of a type which the limited liability partnership would have had to register if it had created the charge itself, then it must notify the fact that it has acquired this property. To do this the limited liability partnership must complete and send [Form LLP400](#) to Companies House, with a certified copy of any instrument that created or evidenced the charge.

You must do this within 21 days after the limited liability partnership completed the acquisition of the property. If the charged property is outside the UK and the charge was created outside the UK, the 21 days runs from the date when Companies House would have received the copy instrument in the UK in the normal course of post, assuming that you posted it promptly.

Late delivery of the details on Form LLP400 is an offence. The limited liability partnership and every member of it who is in default are liable to a fine. If the default continues, they are liable to a daily default fine.

10. What rights has the chargee?

If the limited liability partnership does not send us a charge for registration, then the chargee (the person to whom property is charged) - or some other interested person - can register the required documents. In certain circumstances a chargee can appoint a receiver or manager, or ask the court to appoint a receiver or manager, over the property charged - for example, if the limited liability partnership defaults in payment of the debt secured by the charge. The chargee must notify the appointment to Companies House within 7 days using [Form LLP405\(1\)](#). We will then enter this in the register of charges.

On ceasing to act, a receiver or manager must notify us using Form [LLP405\(2\)](#). We will then enter the fact in the register of charges. See our guidance on, '[Limited Liability Partnerships Winding-Up](#)', for more information on receivers and managers.

Section 6.2 Satisfaction of mortgages and charges

1. What should I do when I pay off the charge? (“satisfy” the charge)

The limited liability partnership need not inform Companies House that it has fully or partly satisfied a charge. However, it is obviously in the limited liability partnership's own interests that potential investors and lenders know that it has satisfied all or part of the debt. A member of the limited liability partnership may therefore make a statutory declaration on [Form LLP403a](#) before a Commissioner for Oaths or equivalent, and send it to us.

2. What if charged property ceases to be charged or to belong to the limited liability partnership?

As with partly or fully paid-off charges, the limited liability partnership need not inform Companies House that its property has been released from a charge or that the property no longer belongs to the limited liability partnership. However, it is obviously in the limited liability partnership's interests that potential investors and lenders should know. A member of the limited liability partnership may therefore make a statutory declaration on Form [LLP403b](#) before a Commissioner for Oaths or equivalent, and send it to us.

3. Is there a fee for registering Forms LLP403a or LLP403b?

No.

Chapter 7 Charges (Scotland)

Section 7.1 Registration of charges in Scotland

1. What are charges?

A charge is security for the payment of a debt or other obligation that does not pass 'property' or any right to possession to the person to whom the charge is given.

2. What charges must be registered?

A list of the charges that you must register in Scotland appears in the box below.

- A charge to secure any issue of debentures. A debenture is an instrument issued by the limited liability partnership as evidence of a debt or other obligation. It includes debenture stock, bonds and any other securities of the limited liability partnership, whether or not it forms a charge on the assets of the limited liability partnership.
- A charge on land (wherever situated), or any interest in it, but not a charge for any rent or other periodical sum arising from land.
- A charge on book debts of the limited liability partnership. Book debts are debts that in the ordinary course of a limited liability partnership's business are commonly entered in its books.
- A floating charge on the limited liability partnership's undertaking or property. A floating charge is a charge that does not affect the assets charged until some event crystallises the charge, fixing it to a certain point in time.
- A charge on a ship or aircraft or any share in a ship.
- A charge on goodwill, on a patent or a licence under a patent, on a trademark or on a copyright or a licence under a copyright.

3. How much does each registration cost?

There is a fee of £13 for registering each Form LLP410, LLP413, LLP416 and LLP466 delivered to Companies House. There is no fee for registering a declaration of satisfaction (Form LLP419a).

There is a standard fee of £15 for a certified copy of a charge registration. We also offer a premium same-day service which costs £50. These are available from the Postal Search Section at Companies House Edinburgh.

4. Which form should I use?

The form numbers in this table correspond to the relevant sections of the Companies Act 1985 (as applied to limited liability partnerships by regulation 4 of the Limited Liability Partnerships Regulations 2001). Those for which we charge a registration fee are marked *.

Purpose	Form Number
Particulars of a mortgage or charge	<u>LLP410*</u>
Particulars for the registration of a charge to secure a series of debentures	<u>LLP413*</u>
Particulars of an issue of secured debentures in a series	<u>LLP413a*</u>
Particulars of a mortgage or charge, subject to which property has been acquired	<u>LLP416*</u>
Declaration of satisfaction in full or in part of a mortgage or charge	<u>LLP419a</u>
Declaration that part of the property or undertaking charged: (a) has been released from the charge; (b) no longer forms part of the limited liability partnership's property or undertaking	<u>LLP419b</u>
Particulars of an instrument of alteration to a floating charge	<u>LLP466*</u>
Notice of appointment of a receiver by the holder of the floating charge	Form 1 (Scot)
Notice of appointment of a receiver by the Court	Form 2 (Scot)
Notice of receiver ceasing to act	Form 3 (Scot)

5. How do I get it right first time?

- Select the correct form to send to the correct registration office - the Edinburgh office only - and follow any notes on the form itself. Act as quickly as possible: you have only 21 days from the date of creation of the charge or, in the case of an alteration to a floating charge, 21 days from the last date of execution, to register the correct details. Extensions of time to allow for postal delays apply only if a charge is created outside the UK over property outside the UK. In that case, the 21 days runs from the date when the instrument creating or evidencing the charge, or a copy of it, could have been received in the UK in the normal course of post, assuming it was despatched with due diligence.
- Send the certified copy of the instrument creating or evidencing the charge with the form, if there is an instrument, as there usually will be. An instrument does not have to be sealed. Unsealed, it will be valid if it

is signed by two members of the limited liability partnership.
The instrument must be a certified copy of the original instrument.

- Make sure the details on the form are correct and match the instrument. If we find errors, the presenter must authorise their correction and, if necessary, deliver new forms within the 21-day time limit. If necessary, we will return certificates, instruments and documents to the presenter named on the charge form itself. Please ensure this information is complete and accurate.
- Make sure the limited liability partnership name and number are correct. Remember that a limited liability partnership name is only changed on the day the change-of-name certificate is issued by Companies House.
- Make sure the creation date and description of the charge agree with the instrument, except in the case of charges over land when it is the date of presentation at the Land Registry or Register of Sasines.
- Make sure the amount secured accurately reflects what is stated in the instrument.
- Make sure the name of the chargee matches the instrument. ('Chargee' means the person to whom property is charged).
- Make sure the short details of the property charged, accurately reflect what is stated in the instrument.
- For registered land it is desirable that you give the title number of the property. Ensure that charging clauses are always inserted, including reference to fixed and floating charges.
- Sign and date the form.
- Complete the forms legibly using black ink or, preferably, type the form. Forms are reproduced electronically so that the public can inspect them. The Registrar may refuse documents that are not suitable for scanning and reproduction.

Remember; If you omit or mis-state any detail in the documents registered, then you should apply to the court to correct it under section 420 of the Act: Rectification of register of charges.

6. What happens when the application for registration reaches Companies House?

If the document is acceptable, we take details from it to produce a certificate of registration. We record an entry on the register of charges. We return the

certificate and copy instrument to the presenter, and scan and record the form, copy certificate and register entry.

7. What if the Companies House has cause to query the application?

We will contact the presenter with any queries. If the form needs correcting, you must do so within the 21-day time limit.

8. What if I do not register the charge in time?

If you do not register a registrable charge in time, it is void against the liquidator or administrator and any creditor of the limited liability partnership.

If a limited liability partnership fails to deliver a registrable charge, and no interested party has registered it, then the limited liability partnership and every member of it who is in default are liable to a fine. If the default continues, they are liable to a daily default fine.

9. Can a charge be registered out of time?

Only the court can grant an extension of time for registration of a charge that you did not file in time. The time limit is 21 days from the date of creation of the charge.

10. What must I do if my limited liability partnership acquires property that is already charged?

If the charge is of a type which the limited liability partnership would have had to register if it had created the charge itself, then it must notify the fact that it has acquired this property. To do this the limited liability partnership must complete and send [Form LLP416](#) to Companies House, with a certified copy of any instrument that created or evidenced the charge.

This must be done within 21 days after the limited liability partnership completed the acquisition of the property. If the charged property is outside the UK and the charge was created outside the UK, the 21 days runs from the date when Companies House would have received the copy instrument in the normal course of post, assuming that you posted it promptly.

Late delivery of the details on Form LLP416 is an offence. The limited liability partnership and every member of it who is in default are liable to a fine. If the default continues, they are liable to a daily default fine.

11. What rights has the chargee?

If the limited liability partnership does not send us a charge for registration, then the chargee (the person to whom it is charged) - or some other interested person - can register the required documents. In certain circumstances a chargee can appoint a receiver, or ask the court to appoint a receiver, over the property charged - for example, if the limited liability partnership defaults in payment of the debt secured by the charge. The chargee must notify the

appointment to Companies House within 7 days using Forms 1 (Scot) or 2 (Scot). We will then enter this in the register of charges.

On ceasing to act, a receiver must notify us using Form 3 (Scot). We will then enter the fact in the register of charges. See our guidance on, '[Limited Liability Partnerships Winding-Up, \(Scotland\)](#)', for more information on receivers.

Section 7.2 Satisfaction of charges in Scotland

1. What should I do when I pay off the charge (or 'satisfy it')?

The limited liability partnership need not inform Companies House that it has fully or partly satisfied a charge. However, it is obviously in the limited liability partnership's interests that potential investors and lenders know that all or part of the debt has been paid off. A member of the limited liability partnership may therefore make a statutory declaration on Form LLP419a before a Commissioner for Oaths or equivalent, and send it to us.

2. What if charged property ceases to be charged or belong to the limited liability partnership?

As with partly or fully paid-off charges, the limited liability partnership need not inform Companies House that its property has been released from a charge or that the property no longer belongs to the limited liability partnership. However, it is obviously in the limited liability partnership's interests that potential investors and lenders should know. A member of the limited liability partnership may therefore make a statutory declaration on [Form LLP419b](#) before a Commissioner for Oaths or equivalent, and send it to us.

3. Is there a fee for registering Forms LLP419a or LLP419b?

No.

Chapter 8

Further information

1. Where do I get forms and guidance?

Statutory forms and guidance are available, free of charge from Companies House. The quickest way to get them is through this website or by telephoning 0303 1234 500.

You can also obtain forms from company law stationers, accountants, solicitors and company formation agents - addresses can be found in business phone books.

2. How do I send information to the Registrar?

You may deliver documents to Companies House by hand (personally or by courier), including outside office hours, bank holidays and weekends, to Cardiff, London and Edinburgh.

You may also send documents by post, by the Document Exchange Service (DX) or by Legal Post (LP) in Scotland. If you send documents, please address them to:

For LLPs incorporated in England & Wales:

Companies House,
Crown Way,
Cardiff,
CF14 3UZ

DX33050 Cardiff 1

For LLPs incorporated in Scotland:

Companies House
4th Floor
Edinburgh Quay 2
139 Fountainbridge
Edinburgh EH3 9FF

DX ED235 Edinburgh 1
or
LP – 4 Edinburgh 2

If you are sending documents by post, courier or Document Exchange Service (DX) and would like a receipt, Companies House will provide an acknowledgement if you enclose a copy of your covering letter with a pre-paid addressed return envelope. We will barcode your copy letter with the date of receipt and return it to you in the envelope provided.

Please note: an acknowledgement of receipt does not mean that a document has been accepted for registration at Companies House.

Please note: Companies House does not accept accounts or any other statutory documents by fax.

how to contact us

Contact Centre: 0303 1234 500*
Mini-com: 029 2038 1245
enquiries@companieshouse.gov.uk
www.companieshouse.gov.uk

*For training and quality purposes
your call may be monitored

Cardiff:

Companies House
Crown Way, Cardiff CF14 3UZ

Edinburgh:

Companies House
4th Floor
Edinburgh Quay 2
139 Fountainbridge
Edinburgh EH3 9FF

London:

Companies House
21 Bloomsbury Street, London WC1B 3XD