



CCAB Press Release

Date: 1 August 2018

Consultation: Draft Statement of Recommended Practice – Accounting by Limited Liability Partnerships (LLPs SORP)

CCAB has today published an updated draft of its LLPs SORP for comment. The underlying purpose of the SORP is to deal with issues that are specific to LLPs and ensure that, as far as possible, LLPs present financial statements that are comparable with those of other entities.

In December 2017, the FRC issued amendments to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* as a result of the 2017 Triennial review.

CCAB has considered whether the 2017 Triennial Review amendments create any issues specific to LLPs and has concluded that only limited although important changes to the LLPs SORP are required. These include updates to:

- the guidance on cash flow statement presentation to reflect the new requirement to disclose the changes in net debt between the beginning and end of the financial period;
- the guidance on accounting by small LLPs to reflect the simpler recognition and measurement requirements available to small entities when accounting for certain loans;
- provide additional guidance on the revised recognition rules for intangibles assets acquired in a business combination; and,
- the guidance on merger accounting to reflect the extended definition of a group reconstruction.

Other minor clarifications have also been proposed to the LLP SORP where required to maintain consistency with the revised FRS 102.

The updated SORP will be effective for periods commencing on or after 1 January 2019. Early adoption is permitted, provided all amendments are adopted from the same date, with some limited exceptions to this rule.

Peter Saunders, Chairman of the CCAB SORP LLPs Steering Group, commented: “The SORP has long established accounting practices for LLPs and ensures accountability and comparability. It needs updating to reflect several important changes to FRS 102 arising from the 2017 Triennial Review which have specific relevance to LLPs. We encourage constituents to consider the exposure draft carefully and we look forward to hearing their views on it.”

The draft SORP can be found [here](#). Comments are invited by e-mail: sharon.grant@ccab.org.uk; the consultation will close on 17 October 2018.

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Notes to Editors

1. The combined membership of the five CCAB bodies - ICAEW, ACCA, ICAS, CIPFA and Chartered Accountants Ireland - amounts to over 275,000 professional accountants in the UK and the Republic of Ireland (over 415,000 worldwide).
2. CCAB provides a forum for the bodies to work together collectively in the public interest on matters affecting the profession and the wider economy.
3. CCAB’s credibility stems from its insight into all areas of finance and accounting, from finance director and audit partner to management accountants, professional advisers, public sector finance leaders and entrepreneurs. CCAB’s members work through the financial value chain in all sectors as key decision makers and business leaders within the UK and around the world.

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