

Press Release

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

17 December 2021

CCAB issues revised Statement of Recommended Practice – Accounting by Limited Liability Partnerships (LLPs SORP)

CCAB has today published a new edition of the LLPs SORP. 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.

The SORP has been updated for:

- Changes to the definitions included in the SORP relating to divisions of profit with further consequential amendments throughout the SORP to ensure consistency of terminology.
- Additional guidance to help determine when an LLP has an unconditional right to avoid delivering cash or other assets to members.
- Changes to the ordering of the SORP to ensure that the guidance on the division of profits is presented together, reduce duplication, and improve the overall flow of the document.
- Additional guidance which sets out the basis for alternative classifications of cash flows relating to profit distributions.
- A requirement for LLPs to disclose their accounting policy for classifying distributions of profits in the cash flow statement and that cash flows be classified consistently from period to period.

The updated SORP is effective for periods commencing on or after 1 January 2022 with early adoption permitted and can be found here: <https://www.ccab.org.uk/statement-of-recommended-practice-accounting-by-limited-liability-partnerships-llps-sorp/>

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Notes to Editors

About CCAB

The combined membership of the five **CCAB** bodies - **ICAEW**, **ACCA**, **ICAS**, **CIPFA** and **Chartered Accountants Ireland** - amounts to over 282,000 professional accountants in the UK and the Republic of Ireland (over 408,000 worldwide).

CCAB provides a forum for the bodies to work together collectively in the public interest on matters affecting the profession and the wider economy.

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.

Consultative Committee of Accountancy Bodies

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