

ICAEW CHARTERED ACCOUNTANTS SOUTH WEST

TECHNICAL ADVISORY COMMITTEE

15 DECEMBER 2015

Chairman:	Mark Gifford-Gifford			
Reporter:	David Tromans			
Document	Consultation on the Deregulatory changes for limited liability partnerships (LLPs) and qualifying partnerships			
Members' attendance	Total	Academic	Business	General practice
Representation				

The committee generally welcomed the document in allowing the regulations for LLPs to move in line with company legislation. However it does seem as though the document was prepared in a rush and unfortunately also looks to be a bit of an afterthought when it should have been dealt with at the same time as the company regulations. Likewise the same comment applies to audit regulations.

There was also some concern that the document went out for consultation on 20th November 2015 and yet there appears to have been significant discussions with stakeholders (6.3 of the document) which is somewhat counterintuitive in terms of then submitting a document with a very short period of time to respond.

Dealing with the questions in order:-

Question 1

Yes it is agreed the government should maintain the alignment between the accounting and audit regulatory framework for LLPs and limited companies. However there is the question why it is taking so long (don't we need a joined up government).

Question 2

Hopefully the alignment will avoid confusion, simplify charts of accounts and simplification of checklists, if we have one rule fits all.

Question 3

It is not clear how many people will actually go for early adoption when the regulations won't actually come in to force until the summer of 2016. If there are delays it may be the filing date required for some LLPs, would be before the regulations are issued.

Question 4

The general movement between large, medium and small represents very few in number of the limited liability partnerships as referred to in the document.

Question 5

Following the overriding concept then the introduction of micro entity accounts for qualifying partnerships appears logical.

Question 6

However the micro entity regime itself is considered to be a very poor fix for small entities and the concept of a “presumed to give a true and fair view” is still of great concern.

Question 7

With any changes there are unavoidable software costs, training and implementation costs but hopefully in the future if there is alignment this will make some inroads in respect of future costs.

Question 8

All staff will need training as required with any changes to regulations.

Question 9

Generally mandatory notes are pre-populated by the updated software so this is part of ongoing costs.

Question 10

The probability you would be able to answer this better than anyone else by looking at the statistic of those companies that currently file abbreviated accounts and are likely to file abridged accounts going forward as a percentage of the total population available to do so. In terms of disclosure most clients will want the least possible disclosure on public file but the documents themselves are completely worthless when it comes to providing an insight into the business for the proprietors.

Question 11

Costs have been dealt with above.

Question 12

This again appears to be a finger in the air type question but with all members having to agree to take advantage of the micro entity regime it may be more cumbersome than may be anticipated.

D B Tromans on behalf of ICAEW TAC SOUTH WEST