

GB02

Limited Partnership Act



February 2008 version 10

Contents

Introduction

1. Limited partnership registration

2. Further Information

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

Introduction

This booklet explains what you need to do to register a limited partnership.

If you are considering forming a limited partnership, you should refer to the legislation governing limited partnerships or seek specialist legal advice.

You will find the relevant law in the Limited Partnership Act 1907.

CHAPTER 1

Limited partnership registration

1. What is a limited partnership?

A limited partnership consists of:

- one or more persons called general partners, who are liable for all debts and obligations of the firm; and
- one or more persons called limited partners, who contribute a sum or sums of money as capital, or property valued at a stated amount. Limited partners are not liable for the debts and obligations of the firm beyond the amount contributed.

2. What restrictions are there on the limited partners?

Limited partners may not:

- draw out or receive back any part of their contribution to the partnership during its lifetime;

- take part in the management of the business or
- have power to bind the firm.

If they do, they become liable for all the debts and obligations of the firm up to the amount drawn out, received back or incurred, as the case may be, while taking part in the management of the company.

3. Who can be a partner?

Generally speaking, an individual or a legal body such as a company may be a partner in a limited partnership, either as a general or as a limited partner. A person cannot be both a general and a limited partner at the same time.

4. Must limited partnerships register?

Yes. Until your partnership is registered, it will be regarded as a general partnership with both the general and limited partners equally responsible for any debts and obligations incurred.

5. How do I register my limited partnership?

A limited partnership must be registered under the Limited Partnership Act 1907. To register, you must deliver a statement ([Form LP5](#)), signed by all the partners, to the Registrar. Partnerships whose principal place of business is situated or proposed to be situated in England and Wales should send their forms to the [Cardiff office](#); those whose principal place of business is situated or proposed to be situated in Scotland to the [Edinburgh office](#); and those whose principal place of business is situated or proposed to be situated in Northern Ireland to the [Belfast office](#).

The information supplied on the form must include the following:

- the firm's name;
- the general nature of the business;
- the address of the principal place of business;
- the full name of each partner, listing general and limited partners separately;
- the term (if any) for which the partnership is entered into;
- the date of its commencement;
- a statement that the partnership is limited and the description of every partner as such; and
- the sum contributed by each limited partner, and whether it is paid in cash or otherwise.

If all these particulars are in order, the Registrar will issue a certificate of registration, subject to the acceptability of the name.

6. How much does it cost?

The registration fee is £2. Cheques and postal orders should be made payable to 'Companies House'.

7. Can an overseas limited partnership register?

Not usually. The Limited Partnership Act requires partnerships to register in that part of the United Kingdom where their principal place of business is situated or is proposed to be situated. An overseas partnership usually has its principal place of business overseas, and would not be registered for that reason.

8. Can I choose any name I wish for my partnership?

Not entirely. The Registrar will advise against the use of any name which is the 'same as' the name of a limited company, other legal body, or another limited partnership already on the register. In addition, the names of limited partnerships are controlled by the Business Names Act 1985 (see our guidance booklet, 'Business Names').

The use of certain names is an offence under certain Acts. In particular, it is an offence for a person who is not a public company to use a name ending in 'public limited company' or its Welsh equivalent, and it is also an offence for any person to use a name which ends with 'limited' or its Welsh equivalent, unless duly incorporated with limited liability (see sections 33 and 34 of the Companies Act 1985).

9. What if some of my partnership details change?

If any alteration is made to any of the details previously registered, the Registrar must be notified of the change on Form LP6 within seven days.

10 Does a limited partnership need to send accounts to Companies House?

Not usually. There is no requirement for a limited partnership to send accounts to Companies House unless the Partnership and Unlimited (Accounts) Regulations 1993 (SI 1993/1820) apply. In these circumstances, if the General Partner is a limited company, a copy of the partnership accounts must be appended to, and filed with, the limited company accounts.

11. Do I have to publish any details of the partnership?

The Business Names Act 1985 requires all businesses trading under names other than those of their owners to display their owners' names and an address at which documents can be served. This information must be displayed both at business premises and on business stationery. It must also be supplied in writing at the request of any person with whom you are doing business. Where the partnership consists of more than 20 persons certain exceptions apply to the business stationery requirements. Further information is available in our booklet, 'GBF3 Business Names'.

12. Can a limited partnership be dissolved?

Yes. In the event of the dissolution of a limited partnership, the general partners must wind up its affairs unless the court orders otherwise.

Subject to any agreement between the partners, a limited partner is not entitled to dissolve the partnership by notice, and the other partners are not entitled to dissolve the partnership merely by reason of any limited partner suffering his share to be charged for his separate debt.

The death or bankruptcy of a limited partner is not a ground for dissolution. The fact that a limited partner is a 'person of unsound mind' is not a ground for dissolution of the partnership by a court, unless the person's share in the partnership cannot be otherwise ascertained and realised.

13 Can a limited partnership name be removed from the Registrar's index of names?

Although a limited partnership can be dissolved as explained above, the 1907 Act does not make it a requirement to notify Companies House. If you do send Companies House notification of dissolution on a form LP6 it will be accepted in good faith but the limited partnership name will remain on the live index of names.

14. Who must deliver these particulars?

The general partners are responsible for the delivery of Forms LP5 and LP6 whether or not the preparation of the documents was delegated to accountants or to anyone else.

The Limited Partnership Act 1907 provides for the imposition of penalties for various defaults in carrying out the requirements of the Acts and for failing to send to the Registrar the required forms.

Notice of any arrangement or transaction under which a general partner will become a limited partner in the firm must be advertised in the London, Edinburgh or Belfast Gazette, as the case may be. Notice must also be advertised in the Gazette of any arrangement or transaction under which a limited partner's share in the firm will be assigned to somebody else. Until this is done these arrangements or transactions have no effect.

CHAPTER 2 Further information

1. Where can documents be inspected?

All registration documents relating to English and Welsh partnerships may be inspected at:

Companies House
Crown Way
Cardiff
CF14 3UZ
Tel: 0303 1234 500

or they may also be made available by giving two days' notice at:

The London Search Room
Companies House
21 Bloomsbury Street
London
WC1B 3XD
Tel: 0303 1234 500

Scottish partnership documents may be inspected at:

Companies House
37 Castle Terrace
Edinburgh
EH1 2EB
Tel: 0131 535 5868

Northern Ireland partnership documents may be inspected at:

1st Floor, Waterfront Plaza,
8 Laganbank Road
Belfast
BT1 3BS
Tel: 0845 604 88 88
Fax: 028 9090 5353
DX 481NR

Further enquiries may be addressed to the Registrar of Limited Partnerships at the above addresses.

2. Where do I get forms and guidance booklets?

This is one of a series of Companies House booklets which provide a simple guide to the Companies Act.

February 2008- Version 10

Page 5 of 8

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

Forms can also be obtained from legal stationers, accountants, solicitors and company formation agents - addresses in business phone books.

3. How do I send information to the Registrar?

You may deliver documents to the Registrar by hand (personally or by courier) including outside office hours, bank holidays and weekends.

You may also send documents by post or by the Document Exchange Service (DX).

If you send documents you should address them to:

For limited partnerships in England & Wales:

The Registrar of Companies
Companies House
Crown Way
Cardiff CF14 3UZ

DX33050 Cardiff 1

For limited partnerships in Scotland

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh EH1 2EB

DX ED235 Edinburgh 1

LP-4 Edinburgh 2

For limited partnerships in Northern Ireland:

1st Floor, Waterfront Plaza,
8 Laganbank Road
Belfast

BT1 3BS

Tel: 0845 604 88 88

Fax: 028 9090 5353

DX 481NR

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
Fax: 029 2038 0900

Edinburgh:

Companies House
37 Castle Terrace, Edinburgh EH1 2EB
Fax: 0131 535 5820

London:

Companies House
21 Bloomsbury Street, London WC1B 3XD
Fax: 029 2038 0900

