

# Pensions draft SORP 2025; Webinar Briefing



Friday 18 July 2025

- 1 Introductions
- 2 Revised Pensions draft SORP structure
- 3 What's not changing
- 4 Fund account
- 5 Statement of net assets (available for benefits)
- 6 Other disclosures/matters and financial statements
- 7 Annual report
- 8 Call to action

# Agenda

*Please note that this webinar is not an exhaustive list of all matters covered within the documentation released. Please read the full document for a detailed understanding and analysis.*

# Introductions

## 01

Introductions –  
Andy Lowe  
(Chair of the SORP  
Working Party).

## 02

PRAG and the  
SORP Working  
Party's role  
and reach.

## 03

FRS-102 (revised) –  
Issued in March  
2024, effective from  
1 January 2026.

## 04

SORP update process – Wide reaching  
planning consultations, Working party  
and PRAG topical debates and reviews,  
FRC review.

## 05

Webinar topics,  
please use the Q&A  
function throughout  
the webinar.



# Revised Pensions draft SORP structure

Preface

Section 2 – Annual report  
**(updated)**

Appendix 1 – Illustrative  
financial statements  
**(refreshed and updated)**

Appendices 3 to 5 –  
Disclosure regulations  
**(updated)**

Basis for conclusions **(new)**

Section 1 – Introduction

Section 3 – Statement of  
Recommended Practice (SORP)  
**(revised)**

Appendix 2 – Illustrative  
Trustees' Report **(new)**

Appendix 6 – Illustrative levels  
for common investment types  
**(updated)**





# What's not changing



No long-term liabilities in relation to promised retirement benefits.

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One SORP for all relevant pension schemes.

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Location of investment risk disclosures.

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Accounting treatment options for annuity income (income vs sales).

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DC governance statement, Implementation statement, Sustainability disclosure (TCFD) requirements.

# Fund account



Contribution types,  
examples expanded

Transfers out  
(individual and group)

Investment income versus  
sales proceeds in investments  
(annuities and distributions)

Investment income/expense

Investment  
transaction costs

Use of surplus, contribution  
disclosure requirements and  
surplus return accounting

# Statement of net assets (available for benefits)

- Investment strategies and vehicles (evolving since 2018) and related accounting/narrative.
- Sole investor funds, positioning and disclosure.
- Removal of 'Other investments'.
- Longevity swaps = insurance policies.
- Clarification on the determination of the fair value of investments (bid vs mid).
- Annuity/insurance/buy-in policies, valuation and disclosure.
- Derivatives, accounting and disclosure.
- Repurchase agreements (including short-sold bonds) guidance.
- Investment reconciliation table.
- Investment risk disclosures/narrative (including liquidity risk).
- Pooled investment vehicles – extended fair value hierarchy and risk analysis.

# Other disclosures/matters and financial statements



**01** Impact on Master Trusts and Defined Contribution Schemes.

**02** Related party transactions, expanded examples and disclosures.

**03** Contingent liabilities.

**04** Clarification of prior year adjustments and reclassifications.

**05** Form and content; order; include and exclude; form of approval; material

**06** Going concern guidance.

**07** Language and terminology changes to be consistent with FRS 102, for example, use of 'shall' in most cases, and 'accounting policy information'. Use of plain English.

**08** Financial statements must be flexed to individual schemes. Additional elements are at the discretion of the Trustees.



# Annual report (see Section 2)

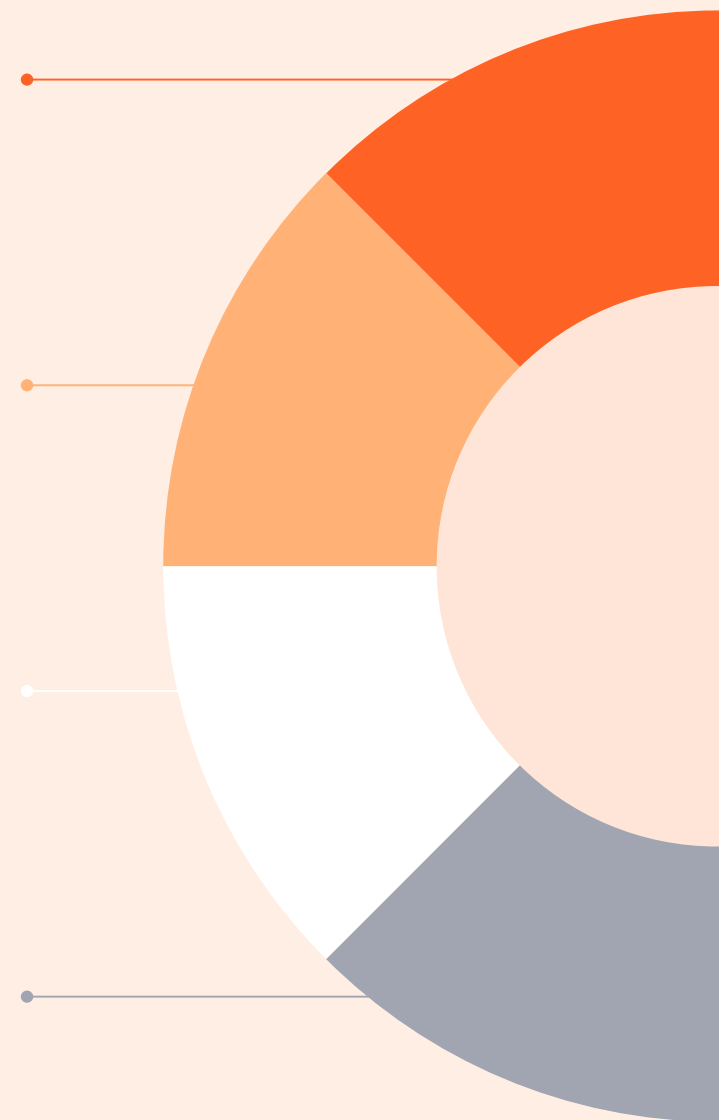
Illustrative covers required content and disclosures only (form and content); additional elements are at the discretion of the Trustees.

Annual Report must be flexed to individual schemes.  
Relevance: include/exclude

Incorporated requirements in relation to the DC governance statement, Implementation statement and Sustainability disclosure (TCFD) requirements - but note that illustrative examples of these have not been provided.

Expanded guidance on investment performance disclosures.

Statement of Trustees' responsibilities; summary of contributions; actuarial matters; audit reports.



# Call to action

Please:



Take the time to read all of the relevant documents.



Share them with all your colleagues, clients and others in the pensions sector.



Respond to the Invitation to Comment (all comments welcome, upload to the public PRAG website); 4 questions.



Action by the deadline:  
**Wednesday 17 September 2025.**



We encourage preparers to start planning for the changes, in particular those who utilise templates and use software, as these will need to be substantially amended.

# PRAG SORP Working Party

With  
thanks:

- ❖ Andy Lowe (Chair)
- ❖ Rachel Jervis (Secretary)
- ❖ Andrew Mandley
- ❖ Chris Marshall
- ❖ Elaine Phillips
- ❖ John Moffat
- ❖ Lara Finbow
- ❖ Lauren Carlyle
- ❖ Lydia Song
- ❖ Nadia Dabbagh-Hobrow
- ❖ Philip Briggs
- ❖ Ryan Orton
- ❖ Shona Harvie
- ❖ Steve Balmont
- ❖ Victoria Bell

# PRAG'S PROFESSIONAL SUPPORTERS





# Thank you