

## RECENT SORP ANNOUNCEMENTS (LECTURE A635 – 3.35 MINUTES)

### 1.1 *Pension SORP*

The Pensions Research Accountants Group (PRAG) have published their revised SORP 2018 which must be applied mandatorily for periods commencing on or after 1 January 2019 (early adoption is permissible).

The revised SORP reflects the amendments made by the FRC to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (March 2018), specifically:

- Clarifying that the disclosure requirements in FRS 102 (March 2018) in respect of the identification of financial statements are applicable to pension schemes and the SORP provides guidance on how these requirements are to be applied.
- Clarifying that the financial statements of pension schemes should comply with FRS 102 in its entirety.
- Clarification that IAS 26 *Accounting and Reporting by Retirement Benefit Plans* has not been adopted by the EU, hence a UK private sector pension plan would not report under EU-adopted IFRS. FRS 100 *Application of Financial Reporting Requirements* at paragraph 4(b) states that financial statements can be prepared either in accordance with FRS 102 or EU-adopted IFRS (IAS 26 has not been adopted by the EU). The previous version of the SORP appeared to confirm that IAS 26 was a standard that had been adopted in the EU.

Copies of the revised SORP can be [obtained from this link](#) (although a user-subscription is required).

### 1.2 *LLP SORP*

On 1 August 2018, the Consultative Committee of Accountancy Bodies (CCAB) published an updated draft of its LLP SORP for comment. The draft LLP SORP reflects the amendments issued by the FRC following the triennial review of FRS 102 in December 2017.

CCAB have included updates in the draft LLP SORP as follows:

- The guidance on the cash flow statement presentation which reflects the new requirements to disclose changes in net debt between the start of the reporting period and the end of the reporting 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.
- Provision of additional guidance on the revised recognition rules for intangible assets acquired in a business combination.
- Guidance on merger accounting to reflect the extended definition of a group reconstruction.

There have also been other minor clarifications proposed to the LLP SORP in order to maintain consistency with FRS 102 (March 2018).

CCAB propose to make the revised LLP SORP mandatory for periods commencing on or after 1 January 2019 (i.e. consistent with the mandatory effective from date for FRS 102 (March 2018)), although there are some limited exceptions to this rule.

Copies of the draft LLP SORP can be [obtained from this link](#) and the consultation will close on 17 October 2018.

Comments should be submitted by email to [admin@ccab.org.uk](mailto:admin@ccab.org.uk).