

epP3.14.01

Release date: September 2023

(Applicable to the Accounts3 template only –
NOT to AccountsAdvanced)

Summary of main changes

(since epP3.13.01)

Note: this ePack does not contain any of the updates from the previous ePack (epP3.13.01, released April 2022) so if you have not already installed that ePack, please do so before installing this one.

Key changes in this ePack:

- Trustees Report and Compliance Statement wording updates (various)
- Additions to Movement in investments note
- Upgraded Investment risk note

Before accepting any updates to your Accounts document, please read the notes below carefully:

Trustees Report	
<ul style="list-style-type: none"> • Further information – section 	Text updated to remove reference to TPAS and update the address of the Ombudsman.
<ul style="list-style-type: none"> • Other information – section 	Address details updated and TPAS section replaced by MaPS wording.
<ul style="list-style-type: none"> • Internal dispute resolution (IDR) procedures – section 	Wording updated in accordance with updated IDR procedures.
<ul style="list-style-type: none"> • Auditors – section 	This section is now automatically turned off, but can be switched on, if required.

Statement about contributions	
<ul style="list-style-type: none"> • Statement about contributions 	Wording aligned to the FRC Practice Note 15 (Revised) illustrative examples of Auditor's Statements about Contributions.

Review of investment performance	
<ul style="list-style-type: none"> • Review of investment performance 	Additional compacity for narrative has been added this review. Some generic text has been added but this will have to be updated to communicate the performance of investment assets during the financial year. The performance table remains as before.

Accounting Policies and Notes	
<ul style="list-style-type: none"> • Basis of preparation 	<p>The older wording referencing the 2014 Pension SORP has been removed as this is no longer required.</p> <p>The first paragraph has been retained and the subsequent one's removed; however, should you require additional narrative in this note a free text section is provided.</p>
<ul style="list-style-type: none"> • Critical accounting judgements and estimation uncertainties 	<p>After the accounting policies this has been added as a new note. This is free text as the wording is fund specific.</p>
<ul style="list-style-type: none"> • Movement in investments 	<p>A couple of enhancements to this note. In keeping with the Appendix in the Pension SORP a table for "Transactions costs" has been added, followed by narrative about Defined Contribution Schemes. Finally, a table for analysis of Defined Contribution assets allocated to Members and Trustees.</p>
<ul style="list-style-type: none"> • Investment risk 	<p>This has undergone a major facelift. Again, using the Pension SORP as a guide the basic risks that all investment funds have to consider have some generic text (i.e. Credit and Market risk). The text can be edited according to the pension funds specific requirements and there are addition areas of text that can be turned on and utilised.</p> <p>Tables for Credit risk, Pooled arrangements and Currency risk have been added, see Appendix below.</p>

Compliance Statement	
<ul style="list-style-type: none"> • Other information – section 	<p>Updated in line with the equivalent information in the Trustees' Report.</p>

Sundry items	
<ul style="list-style-type: none"> • Other information – section 	<p>Updated in line with the equivalent information in the Trustees' Report.</p>

Appendix

We have reviewed the Investment risk note in line with the SORP and the proformas published by two of the big four firms.

There are now four tables rather than one as before. In each table all the blue cells for the descriptions and associated values can be amended. The number of lines for each table can also be reduced if required. An example of each table is set out below.

Example 1 - Credit risk tables, being a separate table for current and prior years disclosures:

Analysis of direct credit risk

For the year ended 30 June 2023	Investment grade £000	Non- investment grade £000	Unrated £000	Total £000
Bonds	30,500	17,806	-	48,306
OTC Derivatives	255	-	-	255
Special purpose vehicles	-	-	202	202
Cash	27	-	-	27
Stock lending	7,400	-	-	7,400
Repos	7	-	-	7
Pooled Investment Vehicles	-	-	6,571	6,571
	38,189	17,806	6,773	62,768

For the year ended 30 June 2022	Investment grade £000	Non- investment grade £000	Unrated £000	Total £000
Bonds	31,548	12,676	-	44,224
OTC Derivatives	260	-	-	260
Special purpose vehicles	-	-	203	203
Cash	26	-	-	26
Stock lending	5,620	-	-	5,620
Repos	7	-	-	7
	37,461	12,676	203	50,340

Example 2 – Credit risk table for pooled arrangements disclosures:

Legal nature of the pooled arrangements	2023 £000	2022 £000
Unit linked insurance contacts	800	750
Authorised unit trusts	5,150	5,165
Open ended investment companies	363	426
Shares of limited liability companies	258	649
	6,571	6,990

Example 3 – Currency risk disclosures:

	Direct exposure £000	Indirect exposure £000	Hedging £000	Net exposure after hedging £000	Net exposure after hedging £000
Pounds sterling (GBP)	32,621	(3,059)	3,000	32,562	19,918
Euros (EUR)	2,128	433	(800)	1,761	1,400
US dollars (USD)	975	2,100	(1,000)	2,075	1,818
Japanese Yen (JPY)	440	-	(400)	40	42
Other currencies	1,797	526	(800)	1,523	190
	37,961	-	-	37,961	23,368

Note to all users:

On opening the Accounts document, you will be prompted to update all Knowledge Libraries that have been revised. You can choose to leave the document as is, but if you decide to update, you **MUST** accept all knowledge library updates before continuing.

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