



Financial Reporting Council

Webinar

Structured digital reporting

How to drive up quality
and usability

November 2022

Speakers and agenda



Thomas Toomse-Smith,
Head of innovation
and digital, FRC



Karlien Conings,
Project manager,
FRC Lab, FRC



Jennifer Guest, Head
of XBRL UK Taxonomy
development, FRC



Leslie Bullock,
Manager, Markets
Information, Support
and Technology, FCA

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FRC Lab report on structured
digital reporting – key findings

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2023 FRC Taxonomy suite

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FCA experience with handling
submissions

4

Q&A

FRC Lab report

Key findings

FRC Lab report

Structured digital reporting – Improving quality and usability

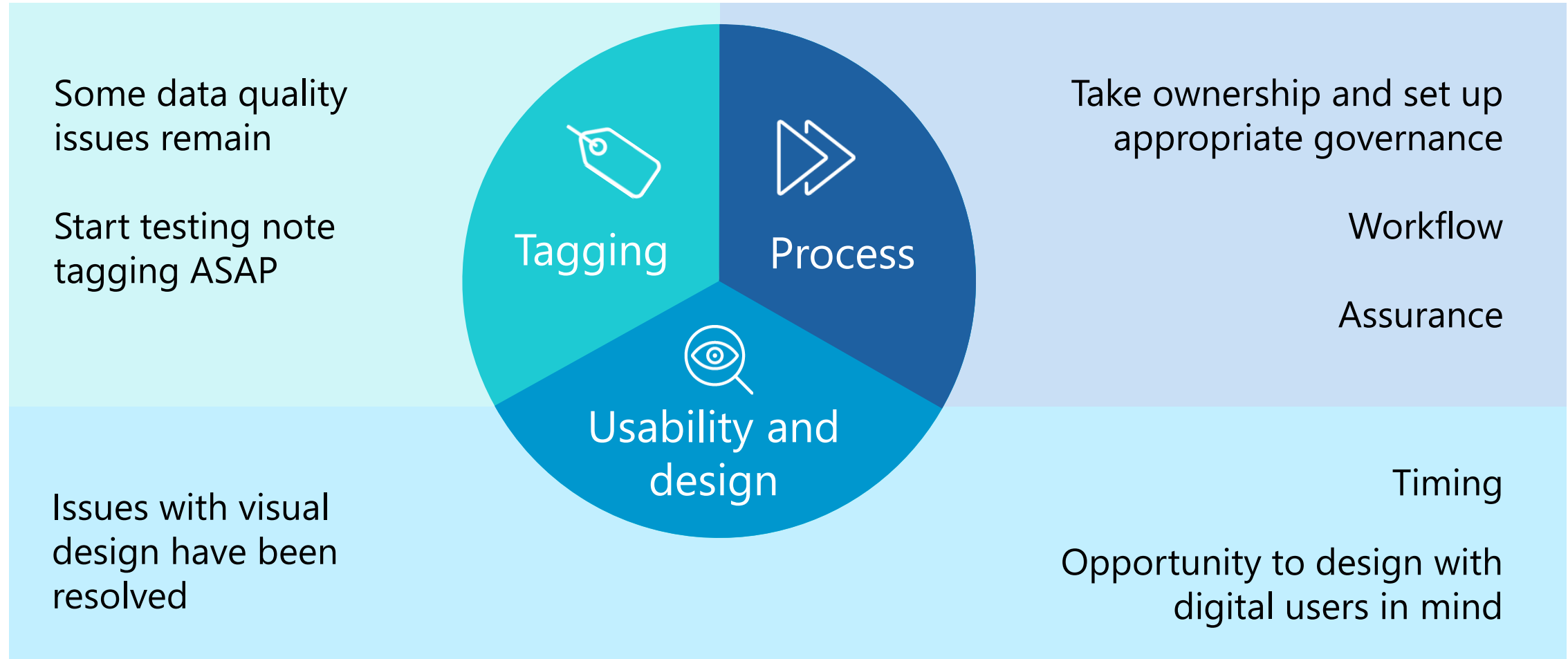
- Follows up on review of voluntary practice we did last year
- Based on:
 - Analysis of a sample of filings submitted in the UK
 - Feedback from companies, tagging software and service providers, design agencies, assurance providers and other stakeholders.



Access the report [here](#)



Highlights



Process

Setting up appropriate governance processes



Organise training for management & the audit committee, covering topics such as “What is an extension?”



Provide a tagged report in an inline viewer for their review or some other way to allow tags to be viewed in-situ.

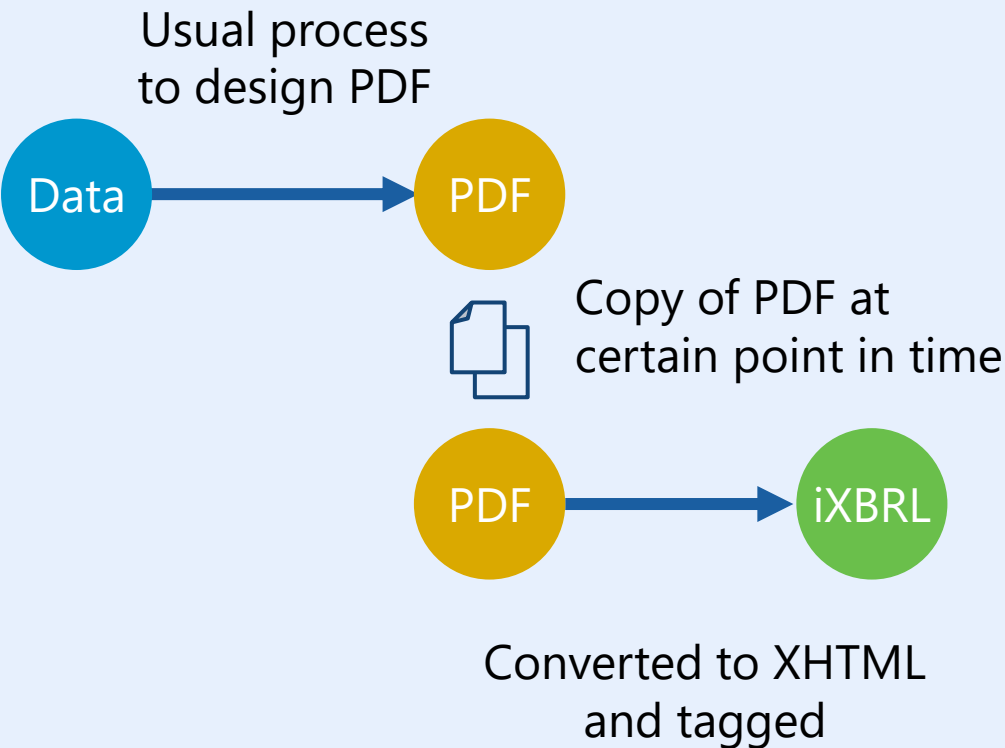


Provide an accompanying note:

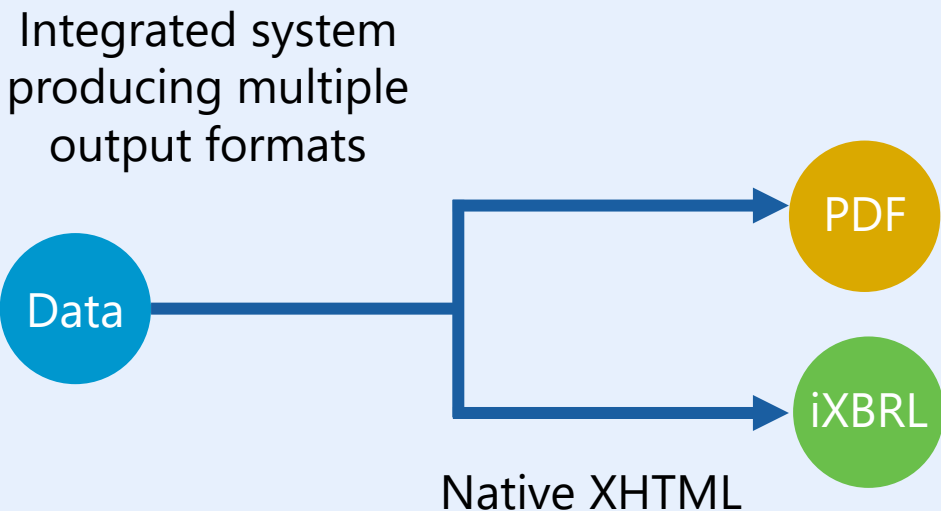
- Highlighting areas of judgement and differences with peers’ tagging
- Explaining preparation process, controls and internal/external assurance sought

Process Workflow

Bolt-on



Integrated

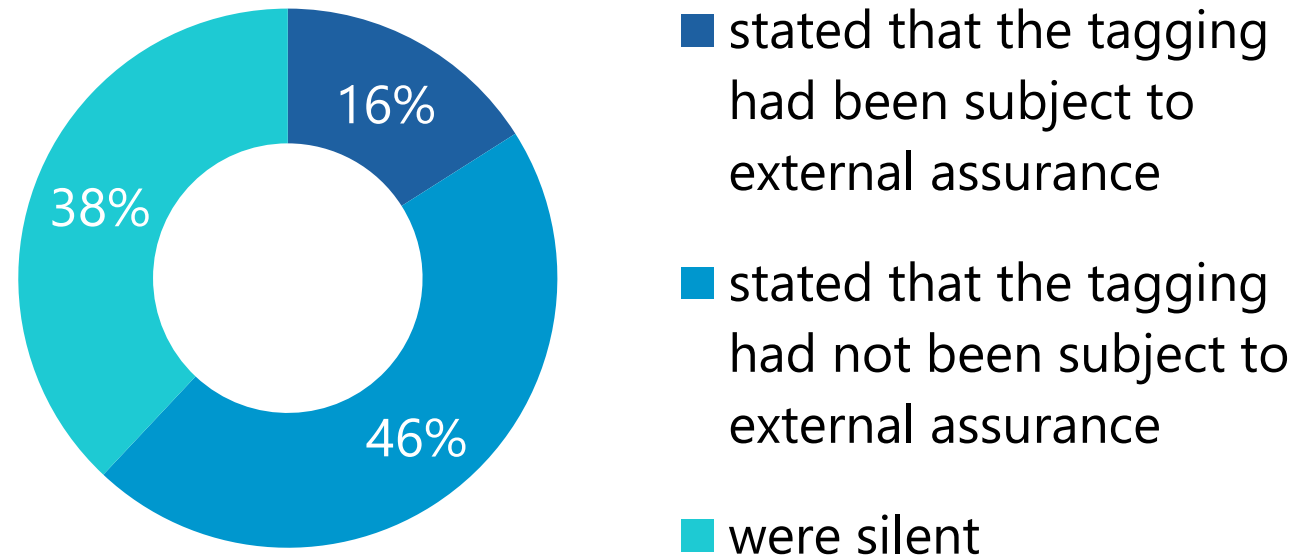


Process

Assurance

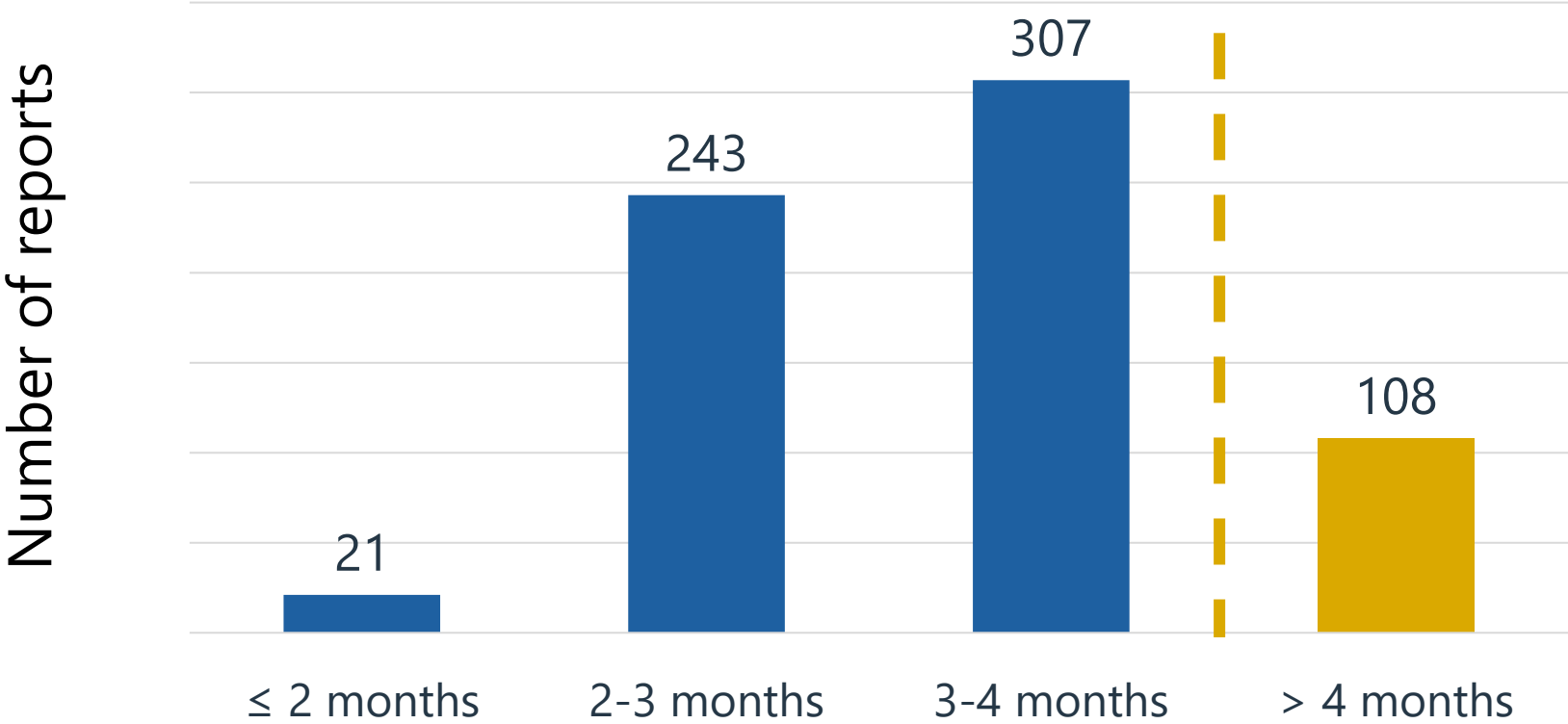
- Assurance over the tagging is currently not mandatory in the UK.
- However, UK companies may consider seeking external assurance and the FRC has adopted ISAE (UK) 3000 to support the delivery of these voluntary engagements.

In a sample of 50 tagged reports on the NSM:



Submission timing (months after year-end)*

*for the 679 reports successfully filed on the NSM by 31 July 2022 for financial years starting on or after 1 January 2021



Deadline is reverting to 4 months

Usability and design

Designing your report with digital users in mind

Many companies use tools based on PDF-to-XHTML conversion

- Produces ESEF files that look like the PDF with pages in A4 format.
- Results in 'messy' and inefficient XHTML behind the scenes, without the proper HTML tags for headings, tables etc.
- Results in large files that are slow to open.



However, ESEF reports can be more like webpages, which are:

- Responsive to different screen sizes
- Interactive – for example using dynamic graphs, videos and improved navigation features
- Accessible
- Optimised for search engines
- Enabling better web analytics
- Integrated with the rest of the company website

Tagging

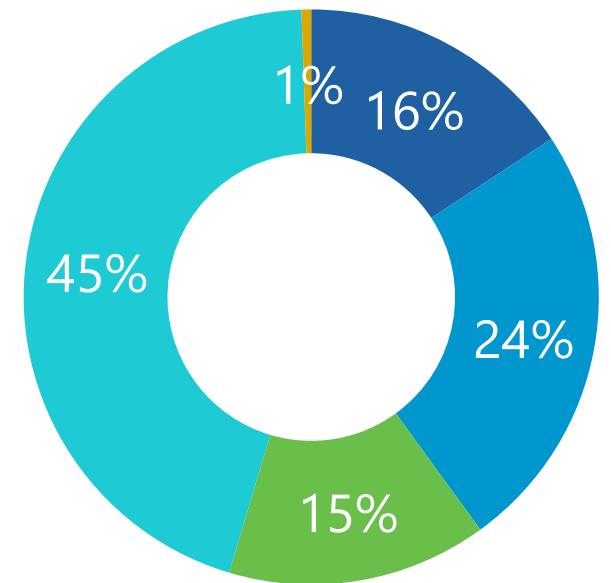
Tagging of the primary financial statements

Issues observed:

- Extensions used when a core taxonomy tag was more appropriate
- Core taxonomy tag used when an extension was more appropriate
- Different core taxonomy tag should have been used
- Incomplete anchoring
- Scaling errors
- Incomplete calculations

Extensions by statement:

- Statement of Changes in Equity
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Notes

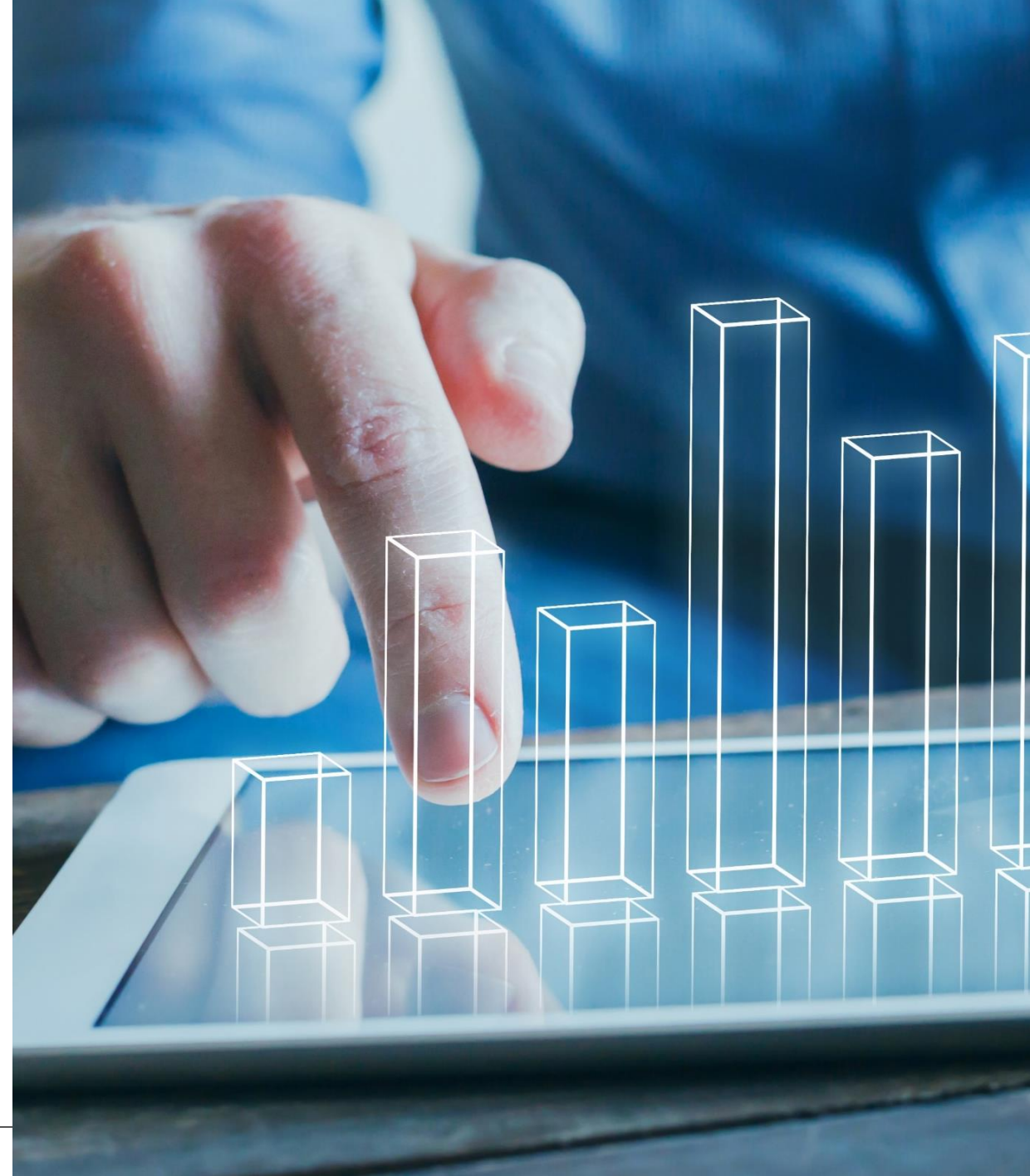


Looking forward

What is on the horizon for companies?

- Text block tagging of the notes
- Tagging requirements may expand in future. In particular in sustainability reporting, new standards are being developed with structured reporting in mind.

We encourage companies to respond to relevant taxonomy consultations



FRC taxonomies 2023

Taxonomy Suite 2023

Published Oct 2022

- **IFRS 17 Insurance Contracts**
- **Support for APMs**
- **Diversity and Inclusion**
- **UKSEF – multiple target documents**
- **Companies House**
 - Interim and initial reporting
 - Medium sized entities
 - Filleted accounts
- **Deprecation Policy**

Post Oct 2022

- **Consider the future of UKSEF**
- **Focus on new opportunities such as Stewardship Code POC and how to enhance use of structured data**
- **Updates to Objectives and Principles**
- **Workplan 2023**

FCA experience with handling submissions

Leslie Bullock, Manager
Markets Information, Support and Technology
Market Oversight Division
FCA

The story so far

- The FCA rules
- The submission system (ESS)
- The National Storage Mechanism
- Key statistics

The image displays two overlapping screenshots of the Financial Conduct Authority (FCA) website. The top screenshot shows the 'Company annual financial reporting in electronic format' page, which includes a search bar, navigation tabs (About us, Firms, Markets, Consumers, News, Publications), and a 'More information' section with links to 'Handbook Notice on ESEF 2021 (HN 100)' and 'Handbook Notice on UKSEF 2022 v2 (HN 98)'. The bottom screenshot shows the 'Electronic Submission System Login' page, which includes a 'Login' section with a username field and a 'National Storage Mechanism (NSM)' section. The NSM section contains a search form with fields for 'Keyword Search', 'Information Type' (Category, Classification), 'Company' (Company Name, LEI), and 'Time Period' (Publication Date, Document Date). The search form also includes an 'Export as CSV' button and 'Search' and 'Clear' buttons.

Issues and where to find help

Common questions/issues

- Scope
- Issues on submission
- Post-submission issues

Need Help?

- The FCA website - the [rules](#) and [submission requirements](#)
- The Lab report!
- Test submissions
- Tagging software and service providers
- Contacting the FCA

If the annual report contains consolidated (group) IFRS financial statements:



Tagged

ZIP incl. XHTML file and other files

If the annual report contains *only* non-consolidated or non-IFRS financial statements:



Untagged

XHTML file (single unzipped file)

Q&A