



For the Attention of Ms Jennifer Guest
Financial Reporting Council
8th Floor
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8 July 2014

Dear Jennifer

XBRL Accounts Taxonomies

We thank you for the opportunity to comment on the XBRL Accounts Taxonomy. We fully support the FRC's decision to develop new taxonomies to address changes to UK accounting standards. We consider taxonomies to be an increasingly important element of the public reporting framework and it is appropriate that the FRC has assumed responsibility for the development and stewardship of taxonomies related to the FRC's accounting standards.

The practical success of these taxonomies will be influenced by the implementation approaches adopted by software companies involved with the development of related software and other regulatory bodies involved in the receipt or publication of XBRL information. We encourage the FRC to continue the ongoing work to liaise with these stakeholder groups on the new taxonomies.

Responses to specific questions

1 & 2 Does the content of the taxonomies accurately reflect expected reporting under the relevant standards? Is the content clear and unambiguous?

We have compared the taxonomies to our expectations of how companies might choose to implement the requirements of the new accounting frameworks of FRS 101 and FRS 102. We have also assessed whether the content appears clear and unambiguous.

There are some inherent limitations involved in this exercise, because few companies have, at this stage, chosen to apply FRS 102 and also because the standard permits a degree of flexibility in disclosure.

Our suggestions are set out at the Appendix to this letter.

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3 *Does the design document explain changes to the accounts taxonomies in ways which are pertinent and useful?*

We consider that the design document explains the changes in ways that are useful. We understand that material included within the design document will be used as a basis for separate guides for software developers and for those preparing accounts in iXBRL format. We note that the allocation of the material between these two prospective guides was not included within the Exposure Draft, however we would not anticipate that this allocation would be unduly problematic.

4 *Would it be helpful to have the taxonomies supported by consistency checks and, to what extent are those seen as necessary rather than desirable.*

We are not opposed to the principle of consistency checks being introduced, although much depends on the specific details and we would appreciate opportunity to comment on these once available.

In our view, the prospect of consistency checks carries the potential benefit of improvement in the quality of financial reporting, but also the risk of introducing unnecessary or burdensome red-tape which UK law and regulation has not previously required.

To balance these conflicting desires we recommend that the FRC devise some principles-based criteria for the development of any consistency checks. For example, the FRC could propose a consistency check only where this can be directly mapped to an explicit requirement of UK law or regulation. Where a prospective consistency check creates a rule that is not explicitly stated in UK law or regulation, it would seem more appropriate to consider whether such a rule should be devised and only proceed with a consistency check after a new rule has been introduced into UK law or regulation.

We would be happy to discuss our views further with you. If you have any questions regarding this letter please contact Andrew Walker at andrew.r.walker@uk.pwc.com or me, at jon.c.rowden@uk.pwc.com.

Yours sincerely

Jon Rowden

Director



APPENDIX

Points arising from review of the taxonomies

1 Tag: Income tax recognised in the Statement of Other Comprehensive Income

The tags relating to tax in the Income Statement address current and deferred tax separately. However, the tags relating to tax in the Statement of Other Comprehensive Income (SOI) do not distinguish between current and deferred tax. We suggest that this will lead to potential confusion, for example when deferred tax is recognised in the SOI and recommend that further tags or guidance are provided in this area.

2 Statement of Cash Flows – analysis of cash

Tags relating to ‘cash and cash equivalents’, ‘cash at bank and in hand’ ‘short term deposits’ are provided in the balance sheet section of the taxonomy. These tags may also be relevant for disclosures in the Statement of Cash Flows and so it may be helpful to add a guidance label within that section of the taxonomy to alert the reader to the existence of these tags elsewhere in the taxonomy.