

# Structured digital reporting

## Improving quality and usability



Financial Reporting Council



Companies admitted to trading on UK regulated markets are required to produce their annual financial report in a structured digital format under the TD ESEF regulation. The FRC Lab reviewed practice in this first year of mandatory reporting and found many companies have risen to the challenge. However, much remains to be done.

The report sets out some areas of focus for companies and suggestions to optimise processes, report usability and design and tagging, to meet the needs of investors and other users:

### We were pleased to see...

### Companies need to improve...

### Better practice would be to...

#### ➤ Process

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| <ul style="list-style-type: none"><li>• companies rising to the challenge to produce a report in line with the new requirements.</li><li>• high use of the FCA's test facility.</li><li>• some disclosures about governance and assurance of structured reports.</li></ul> | <ul style="list-style-type: none"><li>• the naming and structure of the files submitted to the National Storage Mechanism.</li><li>• their review and governance processes – more engagement and education is needed, including at management and Board level.</li></ul> | <ul style="list-style-type: none"><li>• focus on data quality and consider internal or external assurance.</li><li>• consider structured reporting as an integral part of the annual reporting process.</li><li>• adopt a continuous improvement mindset and ensure the annual reporting process is future-proof.</li></ul> |
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#### 👁 Usability and design

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| <ul style="list-style-type: none"><li>• improvement in the design of the structured reports.</li><li>• some companies filed their structured report relatively early in the reporting season.</li><li>• many companies put the structured report on their website.</li></ul> | <ul style="list-style-type: none"><li>• the usability of the report, by making a validated report available on the company's website with an inline viewer.</li><li>• the timing of their report – the deadline is reverting to 4 months after year-end.</li></ul> | <ul style="list-style-type: none"><li>• minimise the time lag between the results announcement and the filing of the structured report.</li><li>• minimise the report loading time.</li><li>• design with digital users in mind.</li><li>• consider accessibility standards.</li></ul> |
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#### 🏷 Tagging

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| <ul style="list-style-type: none"><li>• the use of 'concealed' tags has largely disappeared.</li></ul> | <ul style="list-style-type: none"><li>• their selection of tags, including by avoiding unnecessary extensions.</li><li>• the selection of appropriate anchors for extensions.</li><li>• the completeness of calculations.</li></ul> | <ul style="list-style-type: none"><li>• start testing text block tagging of the notes now.</li><li>• review peers' tagging.</li><li>• voluntarily tag notes in detail that may be of interest to users.</li><li>• respond to relevant taxonomy consultations.</li></ul> |
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Read the full report [here](#)