

XBRL guide for UK businesses

This document provides an introduction for UK businesses to the eXtensible Business Reporting Language (XBRL) data format and Inline XBRL (iXBRL), the standard form of presentation of business reports tagged in XBRL.

The guide explains what XBRL is, its adoption in the UK for filing of company accounts in iXBRL format to HM Revenue & Customs (HMRC) and Companies House and how businesses may introduce it for their financial reporting.

It describes the main options and issues for business to consider when adopting iXBRL and points to the benefits which XBRL tagging offers for business processes.

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1 Introduction

This document is aimed at business users of XBRL. This includes businesses that file financial data in Inline XBRL (iXBRL) and accounting firms that advise them or prepare reports on their behalf.

It will help companies to understand the implications of the use of iXBRL for filing of Company Tax Returns to HMRC and accounts to Companies House.

Legislation, which came into force on 1 January 2010, means that it is compulsory for companies to send their Company Tax Return online using iXBRL for accounts and computations. It will no longer be acceptable for most companies to send either the accounts or computations on paper or as a PDF attachment to an online return. Unincorporated charities, clubs and societies may use either iXBRL or PDF for their accounts, but any computations must be in iXBRL format. The new requirements are effective for returns delivered on or after 1 April 2011, for any accounting periods ending after 31 March 2010.

As a transitional measure - until the accounts template forming part of the HMRC filing software can accommodate the format of a charity's accounts - small charities will be able to file accounts in either PDF or iXBRL. Any computations must be in iXBRL format.

[Read detail information about the transitional measure for charities](#)

Companies must also make Corporation Tax payments and related payments electronically from 1 April 2011. Related payments include interest charged on overdue Corporation Tax and penalties for not filing Company Tax Returns on time.

Most companies will not have to take special steps to convert accounts or computations into iXBRL themselves. This will be done automatically by commercially available final accounts production (FAP) or tax preparation software. HMRC and Companies House provide free software for small companies with simple accounts which do not currently use FAP software or rely on an accountant to file for them. Many larger organisations produce their accounts and tax computations using a word processor or spreadsheet programme; they do not use FAP software. They can continue to do this, if they choose, but they'll need to insert XBRL tags and convert the documents/spreadsheets into an iXBRL file using conversion software and file as part of their Company Tax Return.

This guide explains these issues. Further information on XBRL is widely available on the internet and in printed publications. In particular, the XBRL UK and XBRL International websites provide general introductions to XBRL as well as technical information.

[Go to the XBRL UK website \(Opens new window\)](#)

[Go to the XBRL International website \(Opens new window\)](#)

2 XBRL - the basics

2.1 What is XBRL and Inline XBRL (iXBRL)?

XBRL involves the application of computer-readable tags to business data. This enables the data to be processed automatically by software, bringing great gains in efficiency and providing an opportunity for high quality analysis of business information.

A company's financial statements, which have been converted into iXBRL, may appear unchanged to a human reader, but they will contain tags, usually hidden to the eye, which can be accessed and used by software. XBRL can provide an identifying tag for each individual item of business data. For example, 'operating profit' has its own unique tag, as does 'current assets'.

The use of XBRL for filing accounts in the UK is not new. Companies House has been accepting abbreviated and dormant accounts from audit exempt companies in XBRL for a number of years using a simple, template-driven system. Many hundreds of thousands of accounts have already been filed in this way.

Many types of software and data systems have been applying computer-readable tags to financial data for years. However, these have been defined differently for each purpose and each type of software. Tags in one system were meaningless to another. No generic processing of the data was possible.

XBRL is different. It is a world-wide standard, developed by an international, non-profit-making consortium, XBRL International Inc. (XII). XII is made up of many hundred members, including government agencies, accounting firms, software companies, large and small corporations, academics and business reporting experts. XII has agreed the basic specifications which define how XBRL works.

Clearly, different countries use different accounting standards. Reporting under each standard reflects differing definitions. The XBRL language uses different dictionaries, known as 'taxonomies', to define the specific tags used for each standard. Different dictionaries may be defined for different purposes and types of reporting. A special taxonomy, the Global Ledger or GL Taxonomy, is intended to enable the efficient handling of financial and business information, at a transactional level, contained within an organisation.

In the UK, three main taxonomies will be used for company reporting: UK GAAP for accounts created by companies reporting under GAAP regulations, UK-IFRS for the accounts of listed and other companies filing under the International Financial Reporting Standards (IFRS), and the Corporation Tax or 'CT' Computational Taxonomy to represent the additional data used in tax computations.

The XBRL format being used in the UK for company reporting is known as Inline XBRL or iXBRL. This consists of a human-readable report, which has XBRL tags embedded in it. The human readable text is effectively HTML - the basic language of the web. The web file contains the XBRL tags, but they are usually hidden and are only displayed to human eyes when required by software - for example during a process to check the tags.

[Read about HMRC's new online filing requirement for Company Tax Returns](#)

2.2 How is iXBRL being used in the UK?

The new legislation means that most companies will be required to file their Company Tax Returns, including financial accounts and computations in iXBRL from 1 April 2011, for accounting periods after 31 March 2010.

HMRC introduced new Corporation Tax online filing software in November 2009. This enables some smaller companies with less complex tax affairs, to file their returns in the correct format that meets the new legislation. HMRC encourages them to do so, wherever possible, rather than waiting until the deadline of 1 April 2011 when this will become compulsory. There is also a range of commercial software and services on the market offering iXBRL conversion/tagging solutions available with more on the way.

On 1 September 2009, HMRC and Companies House issued a statement announcing a common approach to the online filing of company accounts that would enable both organisations to receive accounts in iXBRL format. HMRC and Companies House have since launched a new joint filing service for company accounts. The service enables most small companies with relatively straightforward financial affairs, to submit their company accounts online to both organisations using a 'one stop' online facility.

Please note: this guide explains how businesses can convert what they have to file as part of their Company Tax Return into iXBRL. **But** it is important to remember that the vast majority of businesses may have to do little or nothing because the conversion into iXBRL may be achieved automatically by final accounts production (FAP) or tax preparation software, or by using the HMRC software application designed for companies with more straightforward affairs. However larger organisations, or those which choose not to use software in producing accounts, will need to take steps to ensure they meet the new requirement to file their Company Tax Return online using iXBRL for accounts and computations.

[More on who can use HMRC's online filing software](#)

[Read about Corporation Tax Online commercial software options](#)

2.3 What are the benefits of iXBRL?

The introduction of XBRL tags enables automated processing of business information by computer software, cutting out laborious and costly processes of manual re-entry and comparison. Computers can treat XBRL data 'intelligently': They can recognise the information in a XBRL document, select it, analyse it, store it, exchange it with other computers and present it automatically in a variety of ways for users. XBRL greatly increases the speed of handling of financial data, reduces the chance of error and permits automatic checking of information.

Inline XBRL (iXBRL) offers additional benefits as it presents XBRL data in a human readable form, either on screen or in printed output. It also enables the author's branding and layout to be maintained so that the recipient can view the same document the author created, whilst the computer can 'intelligently' recognise the embedded XBRL tags.

HMRC will benefit from much more effective analysis software, cutting out unnecessary queries and helping to deliver better automated risk assessment so they can focus resources

on non-compliant businesses. In addition HMRC and Companies House will achieve major improvements in the speed and efficiency with which they handle business data. Both will cut out manual processes and handling of paper.

As iXBRL becomes established, many companies may find that they can benefit from using iXBRL to improve internal processes. Technologists believe iXBRL has many potential benefits for businesses. By upgrading systems to utilise iXBRL they can streamline and automate their methods for collecting, assembling, monitoring and reporting business data across their whole operation. They should be able to integrate disparate data systems. They can also turn internal management reporting and external reporting into processes which are fast, efficient and cost-effective.

Companies may want to discuss the exploitation of these benefits with their accountants and software and system providers. Consumers of financial data, including banks and other financial institutions, investors and analysts, can receive, find, compare and analyse data much more rapidly and efficiently if it is in iXBRL format.

3 iXBRL reporting - how it impacts your business

3.1 Basic principles

iXBRL is purely concerned with the introduction of computer-readable XBRL tags into business reports to enable automated handling of financial data. It should not otherwise change the nature and content of company business reports. That continues to be determined by individual companies in the light of accounting principles and statutory regulations.

Tagging should be created automatically by software. Most people preparing and readers of business reports in iXBRL need not be aware of the existence of XBRL tags. In particular, those who use final accounts production and tax preparation software may be able to continue to do so without changing their basic approach. They may see some changes in the way the user interface of such software works, but the creation of the XBRL tags can be hidden, with all of the work going on behind the scenes.

The introduction of iXBRL may affect processes in some companies, including those who currently assemble data in text-based software such as Word or Excel and then send this in text files, such as PDF, to Companies House and HMRC. They will need either to use appropriate 'iXBRL 'conversion' software or to change their processes so that a third party handles tagging for them.

This chapter looks at the impact of iXBRL reporting on different types of companies and the options they have for adopting iXBRL.

3.2 Small companies with simple accounts who do not use accounting software

HMRC provides its own free Corporation Tax online filing software – a downloadable PDF based product - that can be used by most small companies with relatively straightforward financial affairs to file their Company Tax Return online. It includes specially formatted accounts and computations templates which if used will ensure data is submitted in the right format.

HMRC and Companies House also provides an optional joint filing service that enables small companies to enter their accounts data once, using the template provided in HMRC's software, which can then be used to submit full accounts over the Internet to HMRC as part of the Company Tax Return and also to send these - or an abbreviated version - to Companies House.

If a company's financial reports contain data not catered for in the template provided, it must use an alternative means of filing.

Companies will need to register to use the HMRC Corporation Tax Online Service to submit their return online whatever software they choose to use. An activation code will be posted out that can take up to seven days to arrive so companies are advised to register early.

[Read about how to register and use the HMRC Corporation Tax Online service](#)

3.3 Companies using final accounts production and tax preparation software

Companies should find that their final accounts production (FAP) and tax preparation software is upgraded to produce files in iXBRL format. They should be talking to their commercial software provider or supplier to make sure that the product will meet their needs and allow them to deliver a fully compliant Company Tax Return.

Preparers of accounts and tax computations may find that the user interface and some features of their software will undergo changes as part of software upgrades to handle iXBRL. However, the software should hide the technical process of XBRL tagging from them.

HMRC publishes a list of software companies who have successfully tested their products with them and provided evidence that they have either developed software or manage a service (or both) that can produce one or more elements of a Company Tax Return. Inclusion in the list does not imply any judgement by HMRC on the general quality of the software; it simply indicates that the software meets certain basic criteria in terms of producing technically valid iXBRL.

Companies and accountants should consider what processes to follow if accounts and tax computations are produced at different times, possibly by different individuals or firms. Since both accounts and computations must eventually be filed in iXBRL, it may be sensible to ensure accounts and computations are produced in iXBRL when first completed, rather than trying to convert them at a later date. However, it is up to companies and accountants to determine what processes to follow in the light of their circumstances. As discussed below, it is the responsibility of companies to ensure they comply with statutory filing requirements.

Above all, additional time should be factored into the accounts production process, in order to ensure that the extra steps required to produce accounts and tax computations in iXBRL format do not compromise deadlines.

[Read about Corporation Tax Online commercial software options](#)

3.4 Companies creating accounts or computations through manual processes

Large companies, among others, may create their accounts and other reports using Excel, Word or similar text-based software. These companies may elect to integrate final accounts preparation software into their systems and processes. Alternatively they have two options for converting their data into iXBRL format:

- Use conversion software to turn data from Excel or similar programs into iXBRL. This will involve some manual effort in identifying and applying the correct tags. The degree of effort and nature of the task will vary depending on the software chosen. A number of conversion products are available or under development. Some conversion software is already listed as 'recognised' on the HMRC website and company accountants or others may be able to offer advice on the merits of suitable software. Software may allow templates to be created which will enable tagging to be reused for subsequent reports, so that conversion, once done for an initial report, becomes straightforward in the future. In some cases, it may be possible to use the same template across a range of subsidiaries within a group. The basic issues involved in tagging financial reports and producing iXBRL are described in the next chapter.
- Outsource the conversion of reports into iXBRL to an external organisation. A number of companies may offer this service in the UK in due course - some already do so in the United States, where the outsourcing of report production was already fairly common prior to the introduction of XBRL filing with the Securities & Exchange Commission.

[More information on those companies offering a managed tagging service](#)

3.5 Company responsibilities for iXBRL filing

It is a company's responsibility to ensure that it adequately complies with requirements for filing in iXBRL. Companies which are using final accounts production or tax preparation software to file in iXBRL should ensure that their software is adequate to handle the type and scope of data in their reports. They may wish to consult their software providers or accountants on this point.

Companies using external managed tagging services to produce iXBRL formatted accounts and/or computations are responsible for ensuring that it can be incorporated with the online CT600 return form for submission. Companies using conversion software to turn their accounts and computations data into iXBRL in-house are responsible for ensuring these comply with HMRC online filing requirements. They may wish to consult their accountants or auditors on their processes.

HMRC accepts that that during the transition to iXBRL some errors and omissions may occur with tagging and HMRC are keen to help companies get it right rather than penalise them. Where companies have made a reasonable attempt to get it right, HMRC will adopt a sympathetic approach for the first two years and will be focussing on providing help and support to correct the errors, rather than rejecting the return.

4 Creating reports in iXBRL

4.1 Creating iXBRL reports - introduction

This chapter is aimed at businesses that wish to create reports in iXBRL using conversion software and partly manual processes.

It outlines the principles, as well as the risks and issues involved at a business level. It is intended to give a view of the nature of the task involved in conversion. It is not possible to give an estimate of the effort required, since this will depend on the size and content of a report and the software and methods chosen.

A separate 'Preparers and Developers Guide' provides detailed guidance for those working on this task.

[Go to the XBRL UK preparer and developer guide \(Opens new window\)](#)

4.2 Creating iXBRL reports - the basic principles

The conversion of reports in 'native' format, such as Word or Excel, into iXBRL involves matching the data in the accounts and tax computations with XBRL tags from the appropriate taxonomies using a software tool that presents the marked-up (or 'tagged') report(s) in an (X)HTML document.

Ideally - and in practice most of the time - such 'data tagging' should be straightforward, with an obvious one-to-one match between financial line items and tags in the report. However, there will be times when it is not obvious what the most appropriate match is, or that it becomes clear that no match can be found. This is due to the fact that company accounts and computations are varied and detailed. The UK taxonomies which define the available tags have to be large enough to provide tags for most items which typically appear in financial reports, but they are not exhaustive.

Therefore, although taxonomies and conversion software are designed to make manual tagging as easy as possible, it will inevitably involve time and effort, especially in the first instance.

After the first year, people will have a better understanding of taxonomies and the tagging process. As they move forward, the previous year's tagging will form the basis of the next year so things will get easier and quicker.

The precise mechanisms of tagging and data entry will depend on the software chosen. For example, some existing software requires a tag to be dragged from a taxonomy list onto the appropriate line item in an Excel file. However, other software products may offer different features, such as the use of prepared templates.

4.3 Presentation of reports in iXBRL

The human readable presentation of reports in iXBRL is entirely in the hands of preparers. The fact that underlying tags are being added need not influence the presentation which a company chooses to adopt - layout, style, terminological and branding preferences may all be preserved.

Companies should continue to describe line items in accounts in the way they choose. The description of tags in taxonomies is purely to identify the tag clearly; they are not intended to determine how a company describes that item. Tag descriptions will not necessarily align exactly to wording in accounts but the concepts they both represent should match sufficiently well.

4.4 Taxonomies

The taxonomies (or dictionaries) used for filing to HMRC and Companies House are:

- **UK GAAP** - this covers the typical content of reports and accounts filed under UK GAAP;
- **UK-IFRS** - this covers the typical content of reports filed under IFRS in the UK. It includes a special version suited to banks. It also has special sections for data for a small number of particular industry sectors, such as oil, mining and gas companies and investment funds; and
- **CT - Computational Taxonomy** contains tags for key items in tax computations.

The accounts taxonomies include some common components. These cover standard business information, such as company name, activities and similar data, and standard reports such as the Directors' Report and Auditors' Report.

The accounts taxonomies are available for download from the XBRL UK website and the CT taxonomy from the HMRC website, but we expect them normally to be bundled with conversion software. Taxonomies can only be viewed in suitable software. However, XBRL UK has provided Excel lists of their content, but these provide limited views of the taxonomy.

Taxonomies like UK GAAP present a list of tags in the same format as a set of typical accounts, with a profit and loss statement, balance sheet, notes to the accounts etc.

However, because taxonomies have to cover a large range of possible tags, their content is much larger than that of ordinary single company reports.

The labels on tags are similar to those in ordinary accounts, but tend to be longer and more explicit in order to identify them clearly. For example, the tag for the tax item in the UK GAAP taxonomy profit and loss statement is 'Tax on profit or loss on ordinary activities', not just 'Tax' which is the description which might appear in a set of accounts.

The label and position of a tag in a taxonomy will normally identify it unambiguously, but taxonomies also provide subsidiary information, such as debit/credit type and accounting references, which may aid in identification.

Taxonomies inevitably present a 'common denominator' view of data. Their structure will not necessarily match that of an individual company's accounts or computations. In some cases, a company may need to use a tag from the taxonomy notes within a primary statement and vice versa.

The taxonomies only provide tags for data items whose appearance in company reporting is reasonably typical or predictable. They do not define tags for every eventuality or for company-specific or unusual line items. Therefore, it is almost inevitable that items will exist in the financial accounts which will have no XBRL tag. This is acceptable to HMRC since these items will still be visible in the human readable web document, which preserves the full format and details of the accounts.

Taxonomies will be updated from time to time, probably on an annual basis, to reflect changes in regulations and feedback from users. Announcements on updated versions and their dates of validity will be published via XBRL websites and other normal channels. Software providers are expected to update their software where necessary to handle the new taxonomies.

[Find detailed information about taxonomies on the XBRL UK website \(Opens new window\)](#)

[More about taxonomies on the HMRC website](#)

4.5 Scope of tagging

The accounts sent with your return need to be in iXBRL format if they are required to be prepared under any of the following legislation:

- Individual accounts required to be prepared under Chapter 4 of Part 15 of the Companies Act 2006
- Building Societies Act 1986
- Friendly and Industrial and Provident Societies Act 1968
- Friendly Societies Act 1992
- Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008

In addition - overseas companies resident in the UK must deliver the accounts required by a notice to deliver a return in iXBRL. Also a company not resident in the UK, but carrying on a trade in the UK through a permanent establishment, branch or agency in the UK, must deliver any trading and profit and loss account and any balance sheet of the UK establishment, branch or agency required as part of its return in iXBRL format.

In other circumstances, accounts can be sent as either iXBRL or PDF files.

Accounts often include more than just financial data, for example charts and diagrams showing trends over a number of years, comparison with sector indices and general descriptive information on the scope of business and operations etc. Not all of this needs to be tagged. The following describes how preparers should identify which data within a set of accounts needs to be tagged:

- The starting point is the accounts you are required to send as part of a Company Tax Return in iXBRL format. For example, a company incorporated under the Companies Act is required to send the individual accounts they must prepare for their members - a balance sheet, a profit and loss account and notes to the accounts -including any Directors' and Auditor's reports similarly required.
- All instances of data within the balance sheet, profit and loss account and notes to the accounts must be tagged. If a data item appears more than once then it must be tagged each time.
- The Directors' report and Auditor's report must also be tagged, but only to the extent that data within these are also within the Directors' report and Auditor's report sections of the taxonomy (together with general information, such as company name, CRN, etc).
- Prior period comparative figures within the accounts should be tagged.

- There is no requirement to tag other textual reports, such as the Chairman's statement, financial review etc.

Preparers need only tag items in financial reports for which a tag exists in the appropriate taxonomy. If no tag is available, the data concerned should simply be left as plain text.

For the first two years of iXBRL filing, up to April 2013, HMRC has set a **reduced tagging requirement** to help users adapt to iXBRL and to limit the effort involved in manual tagging. Under this approach, users may tag their accounts and tax computations by mapping against so-called 'minimum tagging lists' rather than the full versions of the respective taxonomies. These minimum tagging lists for UK GAAP and UK-IFRS each represent about a third of the available tags in these accounts taxonomies. The UK IFRS taxonomy's sector-specific tags for Banking and Finance, Extractive Industries (oil, mining, and gas) and Investment Funds form part of the minimum tagging list.

The minimum tagging lists are defined in special taxonomy files and they are also available in Excel spreadsheet form. Taxonomy conversion software should allow users to clearly distinguish between mandatory tags and tags which are not mandatory.

Preparers are still encouraged to use all the available accounts tags, wherever possible, rather than restrict matching just to the mandatory items (items that **must** be used if present in a company's accounts and tax computations) defined in the minimum tagging lists. This gives better tagged information and helps prepare for the future when tagging against the full versions of the UK GAAP or UK-IFRS taxonomies, as appropriate, will be required.

4.6 What is tagged?

Most tags in the taxonomies represent specific monetary line items. Some tags represent predictable textual items such as specific accounting policies.

Tags do not exist for large blocks of text, such as the general content of the Directors' Report. However, tags are available for specific declarations in the Directors' Report and information required by regulations such as that on political and charitable donations.

Prior period data should be tagged and this is relatively simple since it will use the same tag as current period data. The different time periods are distinguished by setting the date attributes in the tag. Software should allow this to happen very easily. For example, operating profit for the current year has the same tag as operating profit for the previous year. They are just distinguished by the dates applied to them, as in a human-readable report.

4.7 Data entry, tables and other features in financial reports

Accurate entry of data is important in iXBRL since data may be analysed by software which cannot compensate for errors in the same way as a human reader. In particular, XBRL defines particular conventions to ensure that the positive and negative signs on data are entered correctly.

Taxonomies also include features to enable the efficient tagging of data in tables or data which can only be understood in conjunction with other information. For example, director salary only has meaning when combined with the name of the specific director concerned. The taxonomy features concerned are explained in the 'Guide for Preparers and Developers' and are beyond the scope of this note.

Where data that is included and tagged as part of the financial statements (balance sheet, P&L account, notes to the accounts) is included as part of a graph or diagram within another section of the accounts, it is not necessary to tag this data again within the graph or diagram.

[Reads more in the XBRL UK preparer and developer guide \(Opens new window\)](#)

4.8 Using templates to make reporting easier

Companies which have created a report in iXBRL should not need to start the conversion process from scratch with another similar report.

They may wish to use the tagging from the initial report as a template for further reports. Some software is expected to provide the ability for saving tagging and creating templates for later use. New reports, for example for the following year, may be fitted into these templates and only data whose definition has changed or which has been added will need to be retagged. Groups may find that it is convenient to produce templates centrally and distribute these to subsidiaries.

Companies should consult their software providers over the template features which they offer.

4.9 Checking iXBRL reports

Companies are responsible for ensuring that their reports are correctly tagged as well as correct from an accounting perspective. By 'correctly tagged' HMRC means:

- all items in the accounts which have a corresponding tag in the taxonomy (at least in accordance with the 'minimum tagging list' for each taxonomy used) are actually tagged
- that tags and items which have been tagged really do match.

Conversion software should provide convenient means for tags to be checked. The precise mechanism will depend on the application concerned.

Companies should also talk to their auditors about the degree of checking and assurance which auditors are able to give on data tagging.

Other documents will provide more detailed information for those converting accounts into iXBRL or developing software for this purpose such as the technical guidance on the XBRL UK website.

[Read detailed guidance on iXBRL reports \(Opens new window\)](#)