

XBRL – when to tag, how to tag, what to tag

Corporation Tax customers will have to file their Company Tax Returns online, with accounts and computations in iXBRL format. Most customers will not need any knowledge of XBRL, or what needs to be tagged. If you use commercial software the XBRL tags will be inserted behind the scenes and you may not even realise they are there. But, if you need to know a bit more about XBRL tagging, then this document is for you.

When and how to tag

You have a choice of when and how to embed XBRL tags into your accounts. The requirement to file a Company Tax Return online with accounts and computations in iXBRL format does not mean you need to change your accounting processes. It is only the final figures that need to be tagged. Your main options are as follows.

Use commercially available software for final accounts production

Commercially available final accounts production and Corporation Tax computations software products will attach the XBRL tags automatically. The tagging is done when data items are keyed in to relevant fields or, if enabled, automatically populated from book-keeping or accounting software packages. You'll need to ensure that the product you choose meets your needs, but it should mean that you can file your return without having to worry about XBRL/iXBRL.

If you use a customised accounts production package, you'll need to consider how the XBRL tags are to be attached and at what stage in the production process. If you have separate in-house finance and tax departments, then you need to consider who will be responsible for tagging the accounts.

Instruct a tax agent or adviser to prepare your accounts, computations and file your return

Your agent will prepare your accounts in the usual way and insert XBRL tags for you, probably using the commercially available software mentioned above. If you currently give your accounts to your agent as a PDF file, they may need to receive them one stage earlier in the process, perhaps as Word or Excel documents.

Convert accounts prepared using software like Word or Excel

If you currently use software applications such as Excel or Word to produce final accounts, there's no need to change your process. There are '**conversion**' software products being marketed (with more expected shortly) that embed XBRL tags into final accounts Excel/Word documents 'after the event' and then convert the accounts to iXBRL format. See later in this document for more detail.

These products will vary in sophistication and their level of automation, but all of them 'learn' so that any tags you have to attach yourself will carry forward to later years. Where accounts preparation is standardised across a group of companies, templates created within these applications may be reusable across a group. You may want to think about standardising templates now, but remember that any template should only be tagged using conversion software, otherwise the resulting file won't be in the necessary iXBRL format.

Out-sourced XBRL tagging

HM Revenue & Customs (HMRC) also expect to see the development of 'out-sourced' XBRL tagging for the UK market. This is something that is already well established in the USA.

This means you would arrange for a specialist provider to tag your company's final accounts for you. You then deliver your iXBRL tagged accounts online as part of your Company Tax Return.

Transitional arrangements

To help with the introduction of mandatory online filing for returns, HMRC will initially accept accounts and Corporation Tax computations with only some of the data needing to be tagged. HMRC has already published 'minimum tagging lists' for the UK GAAP and Corporation Tax computational taxonomies and will be doing so for UK-IFRS. These lists specify the items that must be tagged **if they're present in any given set of accounts and computations**. Companies may choose to adopt full tagging immediately.

A minimum required level of tagging will continue indefinitely for Corporation Tax computations, although the contents of the list will vary over time to reflect new legislation.

HMRC will eventually require all items in the accounts to be tagged, probably from April 2013. Until then, the expectation is that the minimum tagging lists for both the UK GAAP taxonomy and the UK-IFRS taxonomy will stay relatively static. All taxonomies are revised periodically, typically annually, to recognise legislative changes and new accountancy standards and the minimum tagging lists may also be subject to revision to reflect these changes.

Taxonomy	Full List	Minimum Tagging List
UK GAAP	4,375	1,182
UK-IFRS	3,400 +	TBA – expect < 1600
UK Common Data	900	N/A
Corporation Tax Computational	4,549	1,350

Terminology explained

Taxonomy – a classification of descriptions or labels, arranged into hierarchical groups according to the relationship of each to the others.

XBRL - eXtensible Business Reporting Language (XBRL) is a computer readable, international IT data standard designed for financial reporting.

iXBRL - Inline XBRL (iXBRL) is a HTML based file. It retains the author's layout, style and branding and can be viewed using a web browser. The document looks the same to both author and reader, while incorporating computer readable XBRL tags.

UK Common Data Taxonomy - provides labels and tags for things like name of entity, language, currency, report period etc.

What needs to be XBRL tagged - an example

The following table shows what needs to be tagged for a hypothetical set of accounts, which have been prepared using UK GAAP. In this example the sample accounts contain 200 items of information.

The 'taxonomy' (the list) of the 'elements' (descriptions of tags) is the one published for UK GAAP. The full UK GAAP taxonomy, which is published by XBRL UK Ltd, currently contains 4,375 items. The minimum tagging list for UK GAAP, published by HMRC, is an exact subset of the UK GAAP taxonomy, and currently has 1,182 items.

If there are 200 data items in the accounts, a maximum of 200 unique tags will be needed, often less as it will be unusual for all 200 items to appear on the minimum tagging list.

There may be more than one item in the accounts corresponding to an element in the minimum tagging list. If so, each item must be tagged. This means a tag may need to be used more than once in a single document.

Identifying what needs to be tagged

Company's accounts	UK GAAP Taxonomy	Minimum Tagging list - UK GAAP
1 Profit and loss account	1	1
2 Turnover 1,658,080	2	2
3 Cost of sales 786,586	----	----
4 Grossprofit 871,494	---- Turnover / Gross operating revenue	---- Turnover / Gross operating revenue
---- Distribution costs 356,125	---- Cost of sales	---- Cost of sales
---- Administrative expenses 272,455	---- Distribution costs	---- Distribution costs
---- Operating profit 242,914	---- Administrative expenses	---- Administrative expenses
---- Interest payable 25,756	---- Gross profit (loss)	---- Gross profit (loss)
---- Profit before tax 217,158	----	----
---- Tax 48,256	----	----
---- Retained profit for year 168,902	----	----
----	----	----
Notes to the Accounts	----	----
Analysis of Debtors	----	----
Trade debtors within one year 52,458	---- Trade debtors within one year	----
----	----	----
Analysis of Income	----	----
Income from DVD rentals 25,456	---- Financial assets carrying value	---- Financial assets carrying value
199	----	----
200	4,373	1,180
	4,374	1,181
	4,375	1,182

You only need to tag a data item in your company's accounts if it also appears in the minimum tagging list. In the example, 'Turnover' is in the company's profit and loss account. As it also appears in the minimum tagging list, the item **must be tagged**.

In the example, 'Trade debtors within one year' is within the accounts and appears in the full taxonomy. But as this item is not also in the minimum tagging list, **it doesn't have to be tagged**. The item is in the UK GAAP taxonomy and can be tagged if you choose to do so.

In the sample accounts, 'Turnover' is further analysed in the notes to the accounts and this analysis includes 'Income from DVD rentals'. This title doesn't appear in the full taxonomy, and **it doesn't have to be tagged**. However, you can choose to tag this item by extending the published taxonomy to include this additional description tag. The extended taxonomy would then need to be included as part of the Company Tax Return filed online. This is because one of the basic checks HMRC make when a return is filed is whether all the XBRL tags are recognised, so we need to know about any you have chosen to add yourself. How you extend a taxonomy will depend on the software you choose to use. If necessary refer to your software supplier.

In most situations there will be items in the taxonomy (and minimum tagging list) that you do not use in your accounts. **You do not have to artificially create 'NIL' items for these in your accounts, or tag them**. In the example, 'Financial assets carrying value' is not a title in the accounts and can simply be ignored.

Where appropriate, a single iXBRL file containing **individual** (CA2006, S394) and **group** (consolidated) (CA2006, S399) accounts may be included with the return. **But** only the individual account items need to be tagged. The group items may be tagged, but if you do this you must use the group dimension of the taxonomy. Dimensions can be added to an element in a taxonomy to modify its meaning (for example, reflecting a group figure rather than that relating to the individual company). If a company must include both individual and group accounts with its return, it can do this either as a single iXBRL file containing both accounts (with the individual accounts items XBRL tagged), or the individual accounts as an iXBRL file and the group accounts separately as a PDF file.

Tagging using 'conversion' software – an example

If you choose not to use XBRL enabled Final Accounts Production software, then you will need to create an iXBRL file with the necessary XBRL tags, after preparing your final accounts. Conversion software is available to help you do this.

Each conversion product is different and it's important that, if you choose to create your iXBRL accounts file using this method, you select software that meets your needs. Don't forget that the software you choose must not only insert the relevant XBRL tags, but finally create an iXBRL file.

Software applications will vary in sophistication, some will tag Excel documents, some will tag Word documents, and some will tag both. Most will 'learn' as you use them, allowing you to build templates for your specific accounts format. They can be reused for a later year, or perhaps across a group depending on the level of standardisation of accounts production.

Typically conversion software will show multiple windows on your screen including those containing the taxonomy you are using and the accounts you need to tag.

A mock-up of what you may see on-screen when using conversion software

Gain (loss) on sale or termination of operations	
Utilisation of earlier provisions for sale or	
Provision for loss on sale or termination of operation	
Provision for operating loss on discontinued	
Costs (gains) from fundamental restructuring or	
Gain (loss) from disposal of fixed assets - Net	
Gain (loss) from disposal of tangible fixed assets -	
Gain (loss) from disposal of intangible fixed assets	
Operating profit (loss)	
Profit and Loss	
Administrative expenses	
Distribution costs	
Gross profit (loss)	
Cost of sales	
Turnover / gross operating revenue	
Other operating income	
Other operating charges	
Exceptional amounts written off current assets	
Depreciation and other amounts written off tangible	
Staff costs	

Profit and Loss	
Year ended 30 June 2009	
Turnover	1,658,080
Cost of sales	786,586
Grossprofit	871,494
Distribution	356,125
Administrative costs	272,455
Operation profit	242,914
Interest payable	25,756
Profit before tax	217,158
Tax	48,256
Retained profit for year	168,902

Item in accounts tagged to the relevant taxonomy element
Exact method varies depending on software used, but can be no more than a mouse click

In the left hand box is an extract from the minimum tagging list for UK GAAP. Each conversion product will present the taxonomy in its own way, but generally the different items are grouped and organised under headings so that it can be expanded to reveal the description for the 'tag' which is appropriate to the item in your accounts that has to be tagged.

In the right hand box is the profit and loss account from the earlier example showing what to tag. The way you input your accounts data into the conversion software will vary, but could involve uploading a template, cutting and pasting, or re-keying.

You'll need to identify the appropriate description (element) from the minimum tagging list for each item in the accounts. Remember that if the item in the accounts doesn't correspond to an element in the minimum tagging list you don't need to tag that item. Different software will 'attach' tags in different ways, so we can't show the detail here. Once all necessary tags are inserted, an iXBRL file is created. It's this iXBRL file, with the XBRL tags embedded in it, which you need to file as part of the return.