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Rethinking the Reporting Workflow

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ESMA-ESEF Reporting: an opportunity rather than a mere obligation?



An Opportunity rather than a mere obligation

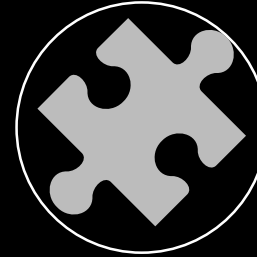
RETHINKING THE WAY YOU COMMUNICATE



Transform an obligation
into an opportunity



Use Inline XBRL
technologies to provide
a dynamic reporting
model



Integrate into a global
approach to the
evolution of your
financial reporting



Stop thinking in paper or PDF terms, but think digital

TECHNOLOGY: CATALYST FOR CHANGE

- Adopt a more dynamic approach to the presentation of your financials
- Move closer to the way information will be consumed by future users of financial reports
- Focus on material and relevant information
- Be aware of the Interconnection between financial and non-financial data, avoiding duplication of information



Beyond the compliance exercise, think more broadly about the new way of designing and consuming the reference document

Need to work at a very early stage with all internal and external contributors

Lessons Learned from Other XBRL Frameworks

Like most systems, it is the detailed work that goes in at the beginning that influences the outcome

After more than a decade of XBRL filings, market analysis still puts the error rate for SEC quarterly filings at around 10%.

Taxonomy is critical

Over half the issues concern the creation of extension taxonomy elements where existing concepts and members should be used

each step of the process

The remaining issues include taxonomy construction, wrong periods, signs and missing or incorrect calculations

Fixing issues in the final document is a costly approach
You will need both technical XBRL and financial domain expertise

Report Model:

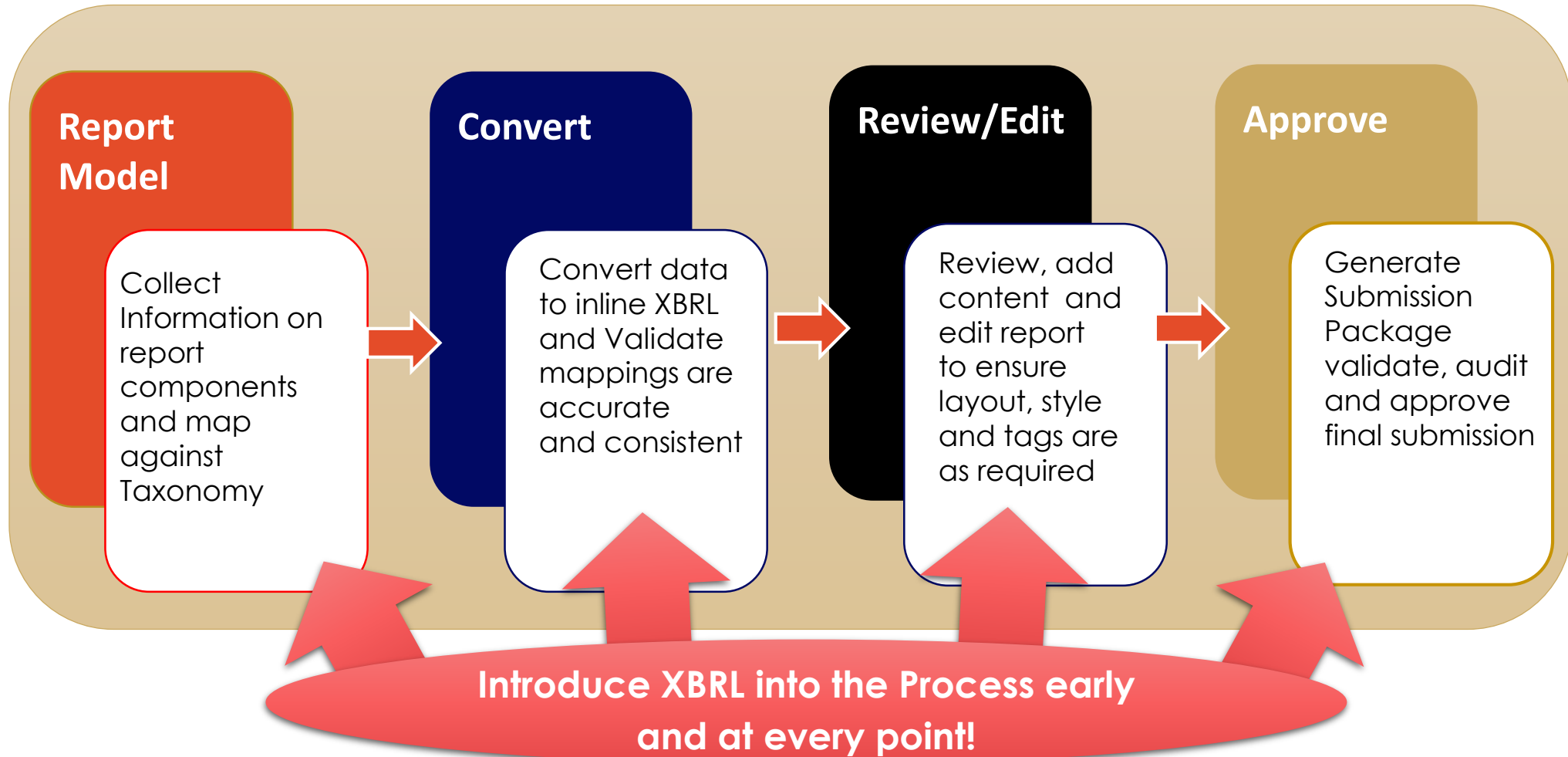
THE INDISPENSABLE PREREQUISITE

- ❑ The XBRL model built from the financial model
- ❑ Alignment with definitions of IFRS reporting and the associated taxonomy
- ❑ Not an "afterthought" to be performed at the end of the reporting process on the report
- ❑ Basis for traceability from the financial systems to the report

ESEF requirements are not only an IT issue and should remain driven by a financial approach:

Need a combination of both Financial knowledge and XBRL expertise.

Rethink your Reporting Workflow



The XBRL Reporting Workflow

FIRST STEP : MAP WHAT YOU WANT TO REPORT AGAINST THE BASE ESEF TAXONOMY

Report
Model

The screenshot displays the 'GA - Taxonomy iXBRL' application window. It features three dropdown menus for 'Financial statement:' (set to 'Balance Sheet'), 'Analysis 2:' (set to 'Assets'), and 'Analysis 3:' (set to 'Intangible'). Below these is an 'Abstract:' dropdown set to 'Excluded' and a 'Search:' text field. A list of taxonomy items is shown, including GA_SID_0014 (Goodwill), GA_XIDI_0025 (Brand names), and GA_XIDI_0029 (Licences and franchises). Below this list is a second window titled 'GA - Taxonomy iXBRL - Additional parameters selection'. This window shows the 'Role:' as '[800100] Notes - Subclassifications of assets, liabilities and equities'. It has a 'Presentation label' dropdown set to 'Licences and franchises' and radio buttons for 'Standard' (selected), 'Negated', 'Start period', 'End period', and 'Total'. The 'DPM:' section has radio buttons for 'For the line (default)' (selected), 'For the column', and 'For the cell'. The 'Parameters' section shows 'Concept:' as 'LicencesAndFranchises', 'Data type:' as 'xbrli:monetaryItemType', 'Level:' as '4', 'Period type:' as 'instant', 'Code:' as 'GA_XIDI_0029', and 'Balance:' as 'debit' with a checkbox for 'Reversed balance (Inverse the display)'.

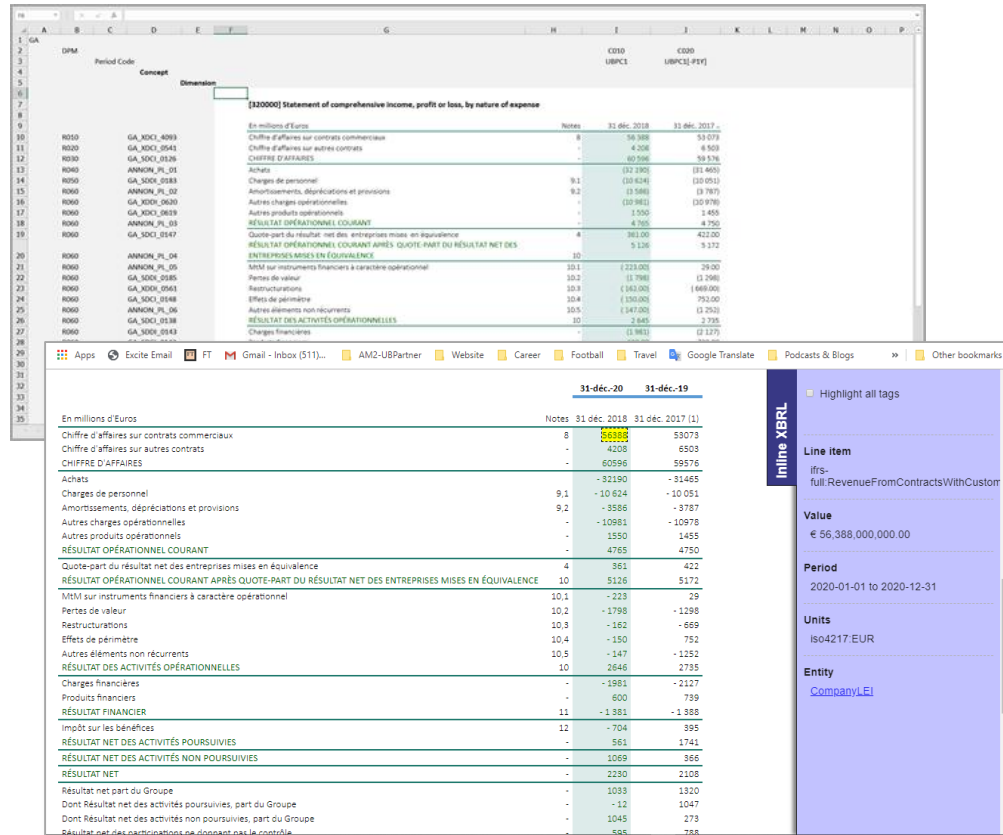
- ❑ Need a simple way to analyse what you want to report and to map this to the ESEF Taxonomy
- ❑ Combines financial domain knowledge with XBRL expertise
 - ... a 'Tag Finder'
 - ... augmented by domain expertise and knowledge
- Delivering a report model (Taxonomy) that can be reused, tested and understood by third parties

Narratives

The XBRL Reporting Workflow

SECOND STEP : CHECK THE REPORT MODEL BY GENERATING INLINE XBRL

Convert



Period Code	Concept	Dimension	CO10 UBPC1	CO30 UBPC3.F15
GA	(320000) Statement of comprehensive income, profit or loss, by nature of expense			
GA_X001_0093	En millions d'Euros		31 déc. 2018	31 déc. 2017
GA_X001_0093	Chiffre d'affaires sur contrats commerciaux		8	53 073
GA_X001_0093	Chiffre d'affaires sur autres contrats		-	6 503
GA_X001_0126	CHIFFRE D'AFFAIRES		8	59 576
GA_X001_0126	Achats		- 321 90	- 31 465
GA_X001_0126	Charges de personnel		- 10 624	- 10 051
GA_X001_0126	Amortissements, dépréciations et provisions		- 35 86	- 37 87
GA_X001_0126	Autres charges opérationnelles		- 10 981	- 10 978
GA_X001_0126	Autres produits opérationnels		1 550	1 455
GA_X001_0126	RÉSULTAT OPÉRATIONNEL COURANT		4 765	4 750
GA_X001_0126	Quote-part du résultat net des entreprises mises en équivalence		361	422
GA_X001_0126	RÉSULTAT OPÉRATIONNEL COURANT APRÈS QUOTE-PART DU RÉSULTAT NET DES ENTREPRISES MISES EN ÉQUIVALENCE		5 126	5 172
GA_X001_0126	MM sur instruments financiers à caractère opérationnel		- 223	29
GA_X001_0126	Pertes de valeur		- 1 798	- 1 298
GA_X001_0126	Restructurations		- 162	- 669
GA_X001_0126	Effets de périmètre		- 150	752
GA_X001_0126	Autres éléments non récurrents		- 147	- 1 252
GA_X001_0126	RÉSULTAT DES ACTIVITÉS OPÉRATIONNELLES		2 646	2 735
GA_X001_0126	Charges financières		- 1 981	- 2 127
GA_X001_0126	Produits financiers		600	739
GA_X001_0126	RÉSULTAT FINANCIER		- 1 381	- 1 388
GA_X001_0126	Impôts sur les bénéfices		- 704	395
GA_X001_0126	RÉSULTAT NET DES ACTIVITÉS POURSUIVIES		561	1 741
GA_X001_0126	RÉSULTAT NET DES ACTIVITÉS NON POURSUIVIES		- 1069	356
GA_X001_0126	RÉSULTAT NET		2230	2108
GA_X001_0126	Résultat net part du Groupe		1033	1020
GA_X001_0126	Dont Résultat net des activités poursuivies, part du Groupe		- 12	1047
GA_X001_0126	Dont Résultat net des activités non poursuivies, part du Groupe		1045	273
GA_X001_0126	Résultat net des participations ne donnant pas le contrôle		595	788

- Any complex model needs testing and review, so check your ESEF Taxonomy by generating a sample Inline XBRL document.
- XBRL validation allows us to check both the Taxonomy and the Mapping in an automated way
 - Ensuring that our report model is complete and consistent.
- Identifying errors in the Report Model early will enable us to prevent finding costly errors later

Narratives

The XBRL Reporting Workflow

THIRD STEP : COMPLETE THE INFORMATION AND STRUCTURE OF THE REPORT

Review/Edit

The screenshot shows the XBRL Editor interface. The main window displays a balance sheet table for the year 2015. The table has columns for 'Note', '2015', and '2014'. The rows are categorized into 'Fixed assets', 'Current assets', and 'Capital and reserves'. The 'Fixed assets' section includes 'Intangible assets' and 'Tangible assets'. The 'Current assets' section includes 'Stocks', 'Debtors: amounts falling due within one year', 'Cash at bank and in hand', 'Creditors: amounts falling due within one year', 'Net current liabilities', and 'Total assets less current liabilities'. The 'Capital and reserves' section includes 'Called up share capital' and 'Profit and loss account'. The table is formatted with currency symbols (£) and includes a 'Notes' section at the bottom. The sidebar on the right shows a taxonomy tree with various categories like 'AdditionalIndustrySectorDataFRS102', 'Balance sheet format 1', 'CashBankOnHand', 'Creditors', 'CurrentAssets', 'Debtors', 'Equity', 'FixedAssets', 'IntangibleAssets', 'NetAssetsLiabilities', 'NetCurrentAssetsLiabilities', 'PropertyPlantEquipment', 'TotalAssetsLessCurrentLiabilities', 'TotalInventories', 'BalanceSheetFRS102', and 'DirectorSigningFinancialStatements'. The bottom status bar shows 'localhost:7070/#' and 'Page with Header and Footer'.

Note	2015	2014
Fixed assets		
Intangible assets	5	28,000
Tangible assets	6	53,045
		53,045
Current assets		
Stocks	7	78,355
Debtors: amounts falling due within one year	8	173,034
Cash at bank and in hand	9	500
		251,769
Creditors: amounts falling due within one year	10	(377,219)
Net current liabilities		(125,550)
Total assets less current liabilities		(31,347)
		br
Net (liabilities)/assets		(31,347)
Capital and reserves		
Called up share capital		100
Profit and loss account		(31,447)
		14,858
		(31,347)

Notes

ALPHA HEATING (CHESTERFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2016

- Bring together the 'structured' data with other content in the report
 - large Disclosure Notes
 - text, images, branding (not tagged)
- Requires a tool that can edit the iXBRL document:
 - Cut and paste, restructure and style as required...
- Also want to refresh the structured data at any time – use XBRL tags
- ... and AGAIN VALIDATE that the tags and data are consistent with the Taxonomy

Narratives

The XBRL Reporting Workflow

FINAL STEP: REVIEW, AUDIT & APPROVE

Approve

UBPARTNER XBRL Taxonomy Builder v1.0.0.2

Summary

Instance name: engle_taxo.xls
Taxonomy Id: ESEF-2020-Engle_v1
Entity: Engle Sample
Reporting date: 2019-12-31
Currency: EUR

Process result VWARN

XBRL Taxonomy Validation OK
Sample Data Validation FATAL
Quality Review ? OK

Declared tables

Table ID	Label	Taxonomy Elements	Sample Data	Taxonomy
E_02_00	E 02.01 - Statement of profit or loss	01	81	FATAL OK

Missing tables

Table ID
E_03_01
E_04_01
E_05_01

Validated with UBPARTNER XBRL Processing Engine version 2018.1.1.2.
Created with UBPARTNER XBRL Validation Tools version 3.5.0.1.

Summary Statistics

Validation statistics			
XBRL and Dimension Errors	Filing Rules (CEN) Errors	Duplicate Facts	Calculation Errors
0	NA	0	NA

Formula and assertions

Formula and assertions	
Assertions Compiled 374	Assertions Deactivated 0
Assertions Fired 58	Evaluations Fired 139
Assertions Satisfied 25	Evaluations Not Satisfied 102
Assertions Not Satisfied 23	Formulas Compiled 0
Blocking Assertions Not Satisfied 23	Formula Fired 0
Warning Assertions Not Satisfied 0	

Facts found 114 **Loading time** 14.51 s

Assertion Summary - Not Satisfied

Assertion Id	Description	Severity	Fired	Satisfied	Unsatisfied
g2md_BV213_1-2	BV213_1: The item "Loans and mortgages" is different from the sum of "Loans on policies", "Loans and mortgages to individuals" and "Other loans and mortgages" --> Template 1: S.02.01; Columns: c0010; Expression: {(r0230) = {(r0240)+(r0250)+(r0260)}} Tables: S.02.01; Test: BV213_1-3: [{(c0010)} {(S.02.01.02.01, r0230)} = {(S.02.01.02.01, r0240)} + {(S.02.01.02.01, r0250)} + {(S.02.01.02.01, r0260)}]	FATAL	1	0	1
g2md_BV214_1-3	BV214_1: The item "Reinsurance recoverables from:" is different from the sum of "Reinsurance recoverables from Non-life and health similar to non-life", "Reinsurance recoverables from: Life and health similar to life, excluding health and index-linked and unit-linked" and "Reinsurance recoverables from: Life index-linked and unit-linked" --> Template 1: S.02.01; Columns: c0010; Expression: {(r0270) = {(r0280)+(r0310)+(r0340)}} Tables: S.02.01; Test: BV214_1-3: [{(c0010)} {(S.02.01.02.01, r0270)} = {(S.02.01.02.01, r0280)} + {(S.02.01.02.01, r0310)} + {(S.02.01.02.01, r0340)}]	FATAL	1	0	1

- Finally, you want to ensure the quality of the document, e.g.
 - Filing rules for ESEF Reporting
 - internal quality measures
- Quality checks in the Taxonomy or tools can do all the heavy manual lifting
- But also need a human interface for both Internal and External Auditors to review the submission
 - review the iXBRL tags and approve them
 - Identify any issues and comment on them

Narratives

Validate, Validate, Validate

- ❑ Often and at every step
 - ❑ the extension taxonomy
 - ❑ the instance data
 - ❑ the instance document
- ❑ Use proven XBRL tooling – look for the logo



The ESEF Filer Manual provides instructions and guidance on both taxonomy and document construction

The ESEF taxonomy contains data quality rules that catch common errors

The Result:

A 100% COMPLIANT ESEF REPORT



A Well Designed and Complete Annual Financial return



With a Well formed XBRL model
...fully validated, and ready for the next period

Profit & Loss Statement - 2019

Ex millions d'€uros	Notes	31 dec. 2019	31 dec. 2018
10 R000	Chiffre d'affaires sur contrats commerciaux	8	56 588
11 R000	Chiffre d'affaires sur autres contrats	-	4 238
12 R000	CHIFFRE D'AFFAIRES	-	60 786
13 R000	Actes	-	(32 290)
14 R000	Charges de personnel	9.1	(20 524)
15 R000	Amortissements, dépréciations et provisions	9.2	(3 584)
16 R000	Autres charges opérationnelles	-	(10 982)
17 R000	Autres produits opérationnels	-	1 550
18 R000	RÉSULTAT OPÉRATIONNEL COURANT	-	4 765
19 R000	Quote-part du résultat net des entreprises mises en équivalence	-	363,00
20 R000	RÉSULTAT OPÉRATIONNEL COURANT APRÈS CAUSE	-	5 128
21 R000	ENTREPRISES MISES EN ÉQUIVALENCE	-	-
22 R000	Intérêt sur instruments financiers à caractère opérationnel	-	(229,00)
23 R000	Pertes de valeur	-	(3 780)
24 R000	Restructurations	-	(162,00)
25 R000	Effets de périmètre	-	(150,00)
26 R000	Autres éléments non récurrents	-	(147,00)
27 R000	RÉSULTAT DES ACTIVITÉS OPÉRATIONNELLES	-	2 645
28 R000	Charges financières	-	(1 942)
29 R000	Produits financiers	-	600,00
30 R000	RÉSULTAT FINANCIER	-	(1 381)
31 R000	Impôt sur les bénéfices	11	(1 504,00)
32 R000	RÉSULTAT NET DES ACTIVITÉS POURSUIVIES	-	560,00
33 R000	RÉSULTAT NET DES ACTIVITÉS NON POURSUIVIES	-	1 069
34 R000	RÉSULTAT NET	-	1 629
35 R000	Résultat net part du Groupe	-	1 033
36 R000	Dont Résultat net des activités poursuivies part du Groupe	-	(1 120)
37 R000	Dont Résultat net des activités non poursuivies part du Groupe	-	1 045
38 R000	Résultat net des participations ne donnant pas le contrôle	-	595,00
39 R000	Dont Résultat net des activités poursuivies attribuable aux participations ne donnant pas le contrôle	-	572,00

Conclusions

There is a right and a wrong approach to ESEF Reporting

- ... but it is dependent upon the company's specific position

Filers will need help initially

-Both XBRL technical and domain expertise

Use the technology wisely and it will repay you...

- XBRL does have valuable benefits, use them
- Don't fall into the trap of just doing what you do now.

