

XBRL | EUROPE

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24th XBRL EUROPE DAY in Milan

5-6th FEBRUARY 2020

Hosted by



Analysis of European Annual Reports the ESEF way

- Anuradha RK
- IRIS Business Services Limited
- Member of

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WORLD'S LEADING XBRL SOLUTION PROVIDER

32 Countries | 1.5 Million Entities | 5+ Million Filings



Leading Reg-Tech Firm

Solutions for Regulators, Filers and users of data



Global XBRL Evangelists

Inline XBRL, use of XBRL for non-financial data



Clients

Regulators, Filers, Partners across the globe



Deep Market Expertise

Experience of over 14 years in the XBRL/iXBRL space



Top-notch Quality

Ranked #1 for XBRL quality by several independent surveys



Analytics

Analytics and IR solutions that leverage data

WHAT DID WE DO?

- **Study: Industry wise Analysis** of annual reports of listed entities in the EU using XBRL



22

Countries



27

Industries



300

Annual Reports



5

Primary Statements

- **Objective of the Study**

- How **aligned** the ESEF taxonomy is for tagging of annual reports
- **Quality** of Annual Reports

FINDINGS – PART A

How **aligned** the ESMA taxonomy is for tagging of annual reports

INDUSTRY WISE SUMMARY

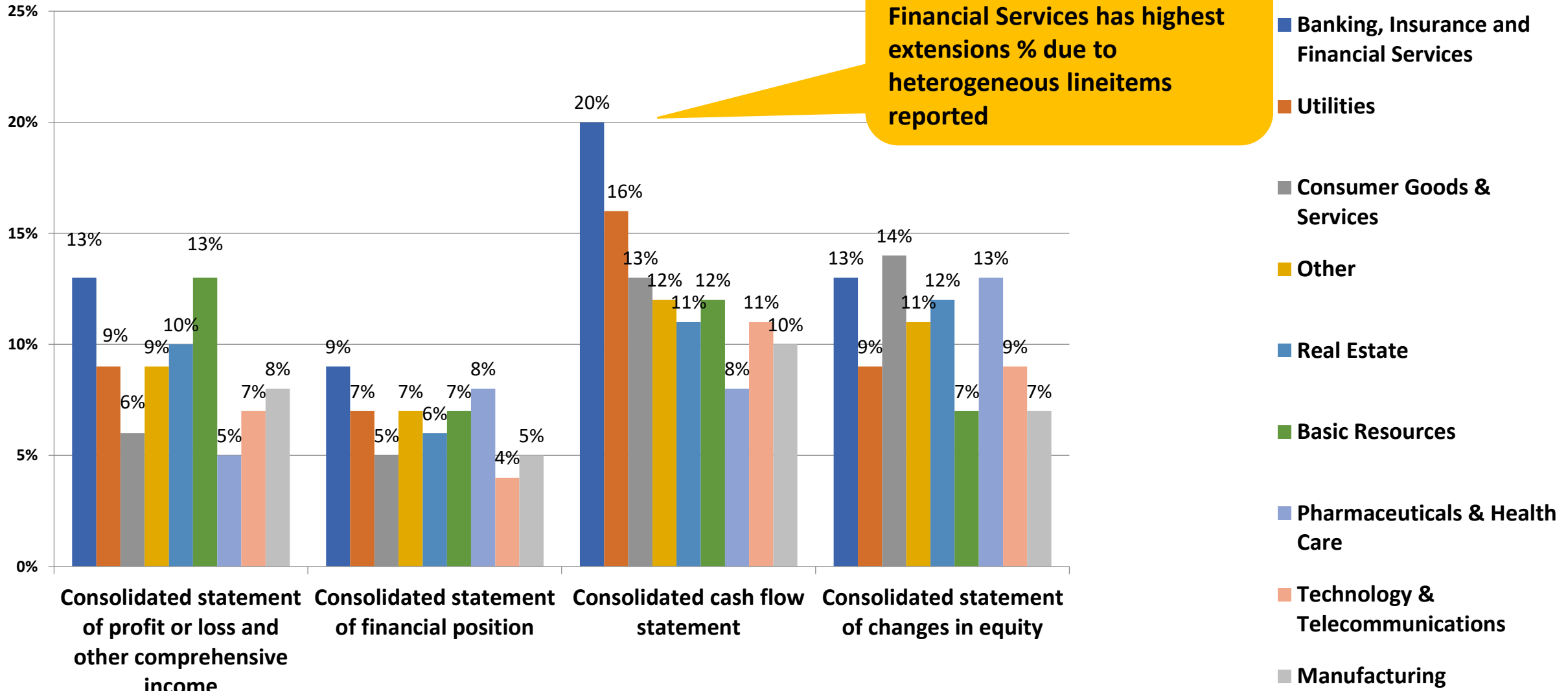
Industry	Number of Companies	Total Facts tagged	Facts tagged using extensions elements	% of Extensions	Average number of Facts tagged	Average facts tagged using extensions elements	%
Banking, Insurance and Financial Services	44	13,887	1,903	13.70%	316	43	13.61%
Utilities	16	5,484	565	10.30%	343	35	10.20%
Consumer Goods & Services	29	10,900	1,103	10.12%	376	38	9.84%
Other	26	8,741	872	9.98%	336	33	9.82%
Real Estate	39	11,606	1,150	9.91%	298	29	9.73%
Basic Resources	18	6,305	583	9.25%	350	32	9.14%
Pharmaceuticals & Health Care	15	4,934	432	8.76%	329	29	8.81%
Technology & Telecommunications	36	11,983	925	7.72%	333	26	7.81%
Manufacturing	78	23,527	1,772	7.53%	302	23	7.62%
Total	301	97,367	9,305	9.56%	2,983	289	9.69%

Top 3 industries that have the highest extensions compared to other sectors



INDUSTRY WISE EXTENSION (FACT COUNT WISE) %

Banking, Insurance and Financial Services has highest extensions % due to heterogeneous lineitems reported





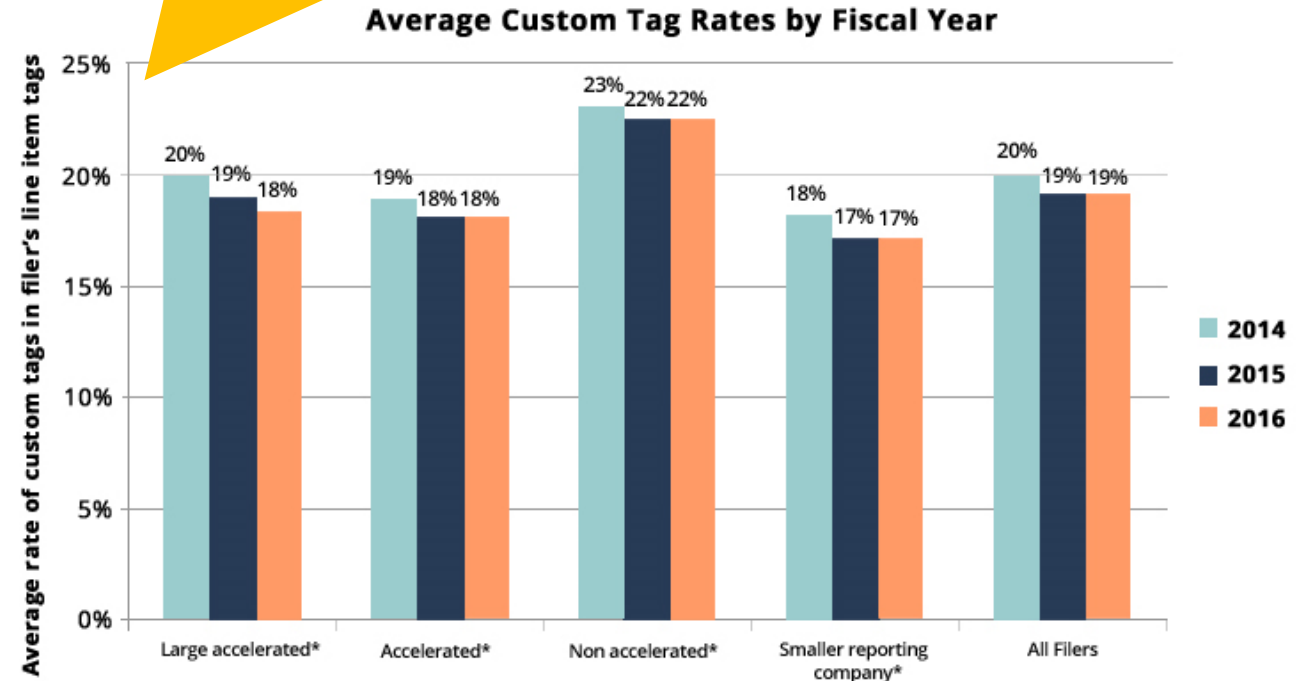
COMMON EXTENSIONS BANKING, INSURANCE AND FINANCIAL SERVICES INDUSTRY

Industry	Banking, Insurance and Financial Services
PROFIT OR LOSS STATEMENT	<ol style="list-style-type: none"> Dividends paid on Additional Tier 1 Capital Fees Income /Fund Expenses
STATEMENT OF FINANCIAL POSITION	<ol style="list-style-type: none"> Net Assets Value Per Share Profit (Loss) for the year
CASH FLOW STATEMENT	<ol style="list-style-type: none"> Adjustments for increase decrease in Financial Assets at Fair Value through Profit Or Loss

Extensions reduced over a 3 year period

- Regular analysis of extensions by DERA
- Taxonomy update every year

Trends from the US SEC Filings



Source: <https://www.sec.gov/structureddata/trends>

FINDINGS- PART B

Quality aspects of Annual Reports through the lens of XBRL

What Did We Do?

- **Quality review** of ~300 annual reports

How did We Do?

- **Validated** tagged reports using XBRL and ESEF validation rules.
- **Analyzed** the tagged iXBRL reports.
- **Findings were classified as**
 - Reporting Mistakes** (which were further analyzed).
 - Rounding off issues** (which were ignored).

SAMPLE SIZE

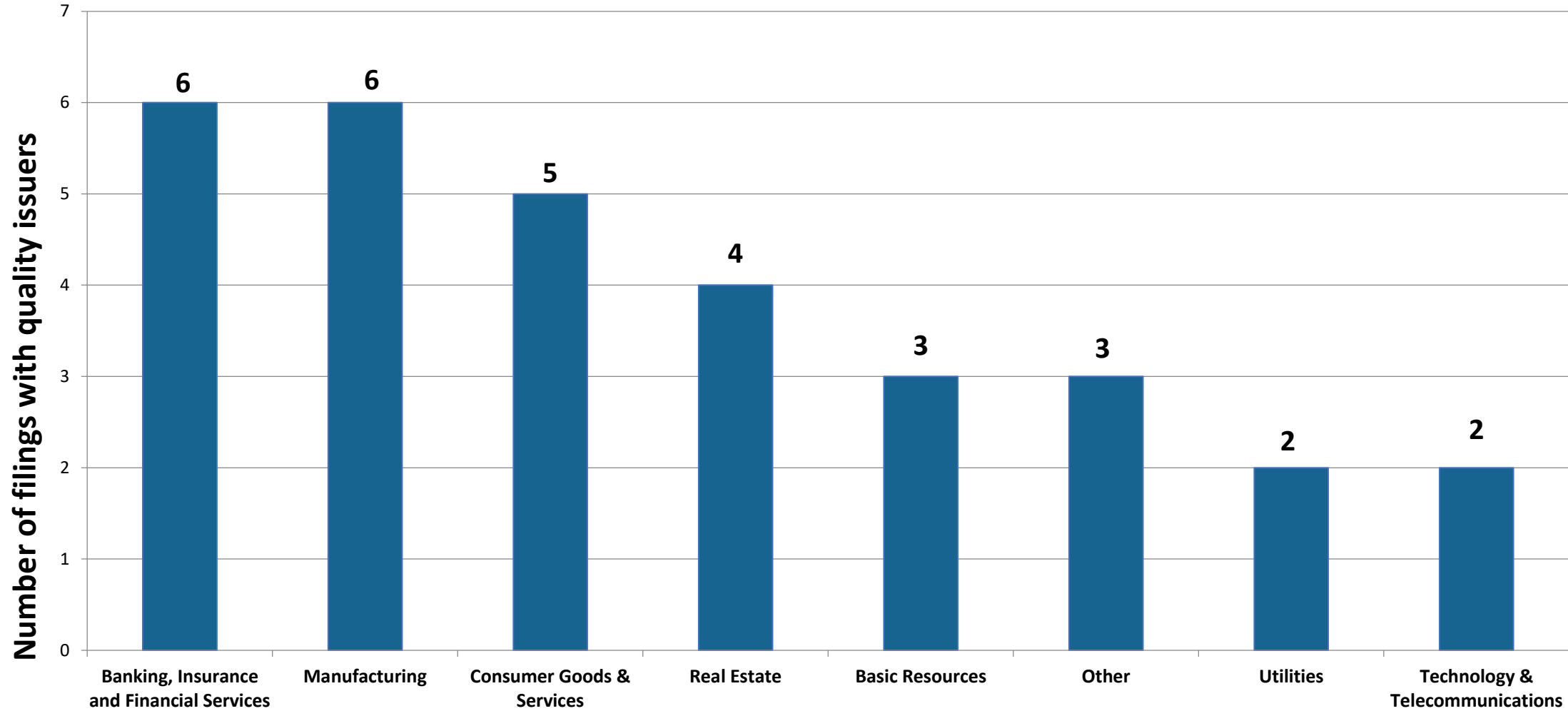
Summary
(Country-wise)

10%
of sample
had
mistakes

Name of Country	Number of Companies Sampled	Number of Companies with mistakes	% of Companies with mistakes
Hungary	12	5	42%
Portugal	3	1	33%
Latvia	8	2	25%
Poland	4	1	25%
Ireland	19	4	22%
Romania	15	3	21%
Lithuania	18	3	20%
Bulgaria	10	2	20%
Estonia	15	2	15%
Netherlands	21	3	14%
Malta	10	1	10%
Austria	22	1	5%
Denmark	13	1	5%
Finland	28	1	4%
Croatia	44	1	2%
France	32	0	0%
Czech Republic	10	0	0%
Luxembourg	7	0	0%
Slovenia	4	0	0%
Greece	3	0	0%
Sweden	2	0	0%
Germany	1	0	0%
Total	301	31	



INDUSTRY-WISE QUALITY SUMMARY



5-6th February, 2020

24th XBRL Europe Day

Milan

WHAT MISTAKES DID WE FIND?

Total mistakes: The calculated totals don't match with totals reported in annual report

Mismatch values: Same concept reported with multiple values for a specific period

Incorrect signs : A positive value reported as negative, in the annual report and vice-versa

Incorrect date: Date reported incorrectly in the annual report.

Types of Issues Found

Industry	Number of Companies	Percentage
Total mistakes	26	77%
Mismatch values	5	16%
Incorrect sign	2	6%
Incorrect date	1	3%

Statement wise Classification

Industry	Number of Companies	Percentage
Cash Flow Statement	21	68%
Income Statement	11	35%
Balance Sheet	3	10%
Equity Statement	3	10%

HOW DID WE IDENTIFY THIS?

1. Total mistakes

Extract from Annual Report

in Euro x 1,000

	Notes	Year ended 31 December	
		2018	2017
Cash flows from continuing operations			
Cash flows from operating activities			
Loss for the year from continuing operations		(68,378)	(16,760)
Adjustments for:			
- Depreciation	5	1,550	723
- Amortization	6	249	162
- Share in loss of joint ventures	7	43,948	6,032
- Share-based payment	13	1,169	2,783
- Finance costs - net	22	68	617
Changes in working capital (excluding exchange differences on consolidation):			
- Decrease/(increase) in inventories	8	95	(65)
- Increase in trade and other receivables	9	171	1,513
- Decrease in trade and other payables	15	(789)	(847)
- Increase/(decrease) in provisions	17	13,107	(29)
		(9,009)	(5,871)
Interest (paid) on current accounts	22	(24)	(48)
Net cash used in operating activities		(9,033)	(5,919)
Cash flows from investing activities			
Purchases of property, plant and equipment (PPE)	5	(7,958)	(4,828)
Purchases of intangible assets	6	(120)	(188)
Net cash used in investing activities		(8,078)	(5,017)
Cash flow from financing activities			
Interest received from current accounts	22	19	50
Proceeds from issuance of ordinary shares	16	-	108,602
Incremental costs paid directly attributable to IPO	12	-	(6,314)
Repurchase of shares	16	-	(624)
Repayments of borrowings	16	-	(4,722)
Other interest received		43	-
Other interest paid and financing costs		(80)	(40)
Net cash generated from financing activities		181	96,953

Calculation Checks in XBRL

ExtendedLink :004 - Statement - Consolidated statement of cash flows
 Value 181 Thousands (-199000) Period 01-01-2018 to 12-31-2018 Unit Euro

Dimension
 Element CashFlowsFromUsedInFinancingActivities

Element	Value	Processed Value
<input type="checkbox"/> -Cr OtherInterestPaidAndFinancingCostsClassifiedAsFinancingActivities	80 Thousands	-80000
<input type="checkbox"/> +Dr OtherInterestReceivedClassifiedAsFinancingActivities	43 Thousands	43000
<input type="checkbox"/> +Dr InterestReceivedFromCurrentAccountsClassifiedAsFinancingActivities	19 Thousands	19000
<input type="checkbox"/> +Dr CashFlowsFromUsedInFinancingActivities(A)	181 Thousands	181000
Calculated Value(B)		-18000
Difference(B-A)		-199000

Reported Value (181000) and Actual Total (-18000) are highlighted with red boxes and arrows.

HOW DID WE IDENTIFY THIS?

2. Mismatch values Checks

Extract from Annual Report

	Note	2018	2017
Revenues from services		39,224,104	37,116,783
Other revenues		600,783	938,792
Operating revenue	7	<u>39,824,887</u>	<u>38,055,575</u>
Staff costs and benefits of the members of Board of Governors	8	(16,930,347)	(16,353,957)
Expenses with services provided by third parties	8	(4,092,131)	(2,869,049)
Other operational expenses	8	(9,919,849)	(9,595,186)
Operating profit		<u>8,882,560</u>	<u>9,237,383</u>
Net financial income	9	3,628,878	2,495,867
Net income from interest related to assets covering the guarantee and clearing funds and the margin	9	=	5,135
Net financial income	9	<u>3,628,878</u>	<u>2,501,002</u>
Gain from acquisition		-	2,880,425
(Loss) / gain from impairment in associates		(24,728)	(28,035)
Profit before tax		<u>12,486,710</u>	<u>14,590,775</u>
Corporate income tax (expense) / revenue	10	(2,047,817)	94,879
Profit from continuing operations		10,438,893	14,685,654
Profit from discontinued operation	23	(61,667)	
Profit for the year		<u>10,187,228</u>	<u>14,681,738</u>
Profit attributable to:			
Non-controlling interests		438,806	488,970
Owners of the Company		9,748,422	14,196,684
Profit for the year		<u>10,236,115</u>	<u>14,685,654</u>
Differences in valuation of available-for-sale financial assets and revaluation of tangible assets	9	=	(3,916)
Total comprehensive income for the year		<u>10,187,228</u>	<u>14,681,738</u>
Attributable amounts:			
Non-controlling interests		438,806	488,970
Owners of the Company		9,748,422	14,192,768
Total comprehensive income for the year		<u>10,187,228</u>	<u>14,681,738</u>
Basic/ diluted earnings per share		1.2111	1.8499

XBRL check for Mismatch Values

Check Duplicate			
<input type="button" value="Domain View"/> <input type="button" value="Delete"/> <input type="button" value="Pending"/> <input type="button" value="Accept"/> <input type="button" value="Reject"/>			
<input type="checkbox"/> <input type="checkbox"/>			
<input type="text" value="Search"/>			
<input type="checkbox"/>	Element Name	Value	Dimension
<input type="checkbox"/>	ProfitLoss Romanian leu Actuals 01-01-2018 to 12-31-2018 CONSOLIDATED PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	10,236,115	
<input type="checkbox"/>	ProfitLoss Romanian leu Actuals 01-01-2018 to 12-31-2018 CONSOLIDATED STATEMENT OF CASH FLOWS	10,187,228	

2 different values for Profit for the year in annual report

HOW DID WE IDENTIFY THIS?

3. Incorrect signs

Extract from Annual Report

Property rental revenue	17	10,624	12,411
Other revenue		-	408
Revenue		10,624	12,819
Property related expense	18	(56)	(69)
Employee related expense	18	(757)	(888)
Other operating expense	18	(532)	(537)
Depreciation and amortization	9, 18	(179)	(190)
Operating expense		(1,524)	(1,684)
Valuation gains from investment property	10	17,771	4,858
Other income (expense)	19	437	552
OPERATING PROFIT		27,308	16,545
Interest income	20	(802)	(972)
Interest expense	20	-	(258)
Other financial result	21	(100)	(187)
Financial expense		(902)	(1,417)
PROFIT BEFORE TAX		(26,406)	(15,128)

Calculation Checks in XBRL

ExtendedLink :002 - Statement - CONSOLIDATED STATEMENT OF INCOME			
Value		26,406 Thousands (52812000)	Period 01-01-2017 to 12-31-2017
Unit		Euro	
Dimension			
Element ProfitLossBeforeTax			
Element	Value	Processed Value	
<input type="checkbox"/> -Dr FinanceCosts	902 Thousands	902000	
<input type="checkbox"/> +Cr ProfitLossFromOperatingActivities	27,308 Thousands	27308000	
<input type="checkbox"/> +Cr ProfitLossBeforeTax(A)	26,406 Thousands	-26406000	Reported Value
Calculated Value(B)		26406000	Correct Value
Difference(B-A)		52812000	

Company reports **loss** in annual report, instead of **profit before tax**

HOW DID WE IDENTIFY THIS?

4. Incorrect date

Extract from Annual Report

Consolidated cash flow statement for the financial year 2018

	attachment	01.01.2017 31.12.2017 in EUR	01.01.2017 31.12.2017 in EUR
Cash flow from operating activities			
Receipts from customers		131581	141239
Payments to suppliers		(925,513)	(206,732)
Payments to service providers		(1,033,374)	(2,685,826)
Payments to employees		(724,133)	(1,022,388)
Income taxes paid		(68)	(1,159)
Net cash inflow / outflow of cash from operating activities		(2,551,371)	(3,774,867)
Cash flow from investing activities			
interest received		-	-
Payments for fixed assets		(2,955)	(35'335)
Acquisition of subsidiaries	3.2	-	-
Net cash inflow / outflow of cash from investing activities		(2,955)	(35,335)
Cash flow from financing activities			
Proceeds from the issuance of equity instruments of the Company	5.2	2825217	4759440
Cost of share issue		(619,791)	(479,245)
Proceeds from loans received		145000	-
Repayment of loans received		(20,000)	(331,353)
Granting loans		-	(436,348)
Repayment of loans granted		34636	-
interest paid		-	-
Net cash inflow / outflow of cash from financing activities		2365062	3948842
Net increase in cash and cash equivalents		(192,218)	138647
Cash / cash equivalents at beginning of year		212228	73581
Impact changes in exchange rates		-	-
Cash / cash equivalents at end of year		20004	212228

XBRL check for Mismatch Values

Check Duplicate ✕

Error Count : 2

Search ✕

<input type="checkbox"/>	Element Name	Value	Dimension
<input type="checkbox"/>	ReceiptsFromSalesOfGoodsAndRenderingOfServices Euro Actuals 01-01-2017 to 12-31-2017 Main Document	141,239	
<input type="checkbox"/>	ReceiptsFromSalesOfGoodsAndRenderingOfServices Euro Actuals 01-01-2017 to 12-31-2017 Main Document	131,581	

Company reports **2017 date** for both current period and prior period

Conclusion



Leverage the
power of XBRL
for better reporting and
governance

**Request for Action to
OAM/NCA**

**VALIDATE iXBRL at the
time of receiving iXBRL
for higher quality
reporting**



THANK YOU

Anuradha RK

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