



ESEF: what is it - and how do I make my report compliant?

Webinar presentation 09.06.21



About

Founded in 2009, ARKK initially addressed the UK HMRC iXBRL mandate. Since then, Arkk has tagged in excess of 5,000 documents annually, partners with 30% of the FTSE 350, and work with 50% of top accounting firms.

Arkk's clients include



ARKK is fully ISO 27001 certified and is a paid-up member of XBRL UK.

Originally established over 125 years ago, Black&Callow has been the market-leading FP since 2017. B&C specializes in Corporate Reporting, produces around 81 Annual & Interim Reports a year.

B&C's Reporting clients include



B&C also works to ISO 27001 standards and has full ISO 9001 quality standards accreditation.

Our partnership



Joined-up thinking

Our objective is to make the whole process seamless through the partnership between ARKK and Black&Callow



UK-based service

When your team is close to home, you're always assured of the right help, whenever you need it



Experienced teams

Our research shows that 20% of an ESEF file requires human guidance for extension tags. ARKK's expert team apply 1,000,000+ tags each year and will be there at every step of your ESEF submission



End-to-end quality

Expert tagging goes beyond the submission. Benefit from taxonomy guidance, compliance support and custom requirements

What is ESEF?

- **Who?**
 - ESEF is applicable for all main-market listed businesses across the EEA
- **When?**
 - For most EU firms and all UK firms, ESEF applies to all accounting periods starting 'on or after 1 January 2021', meaning 31 December 2021 year ends are the first in scope
- **What?**
 - The full Annual Report must be created in xHTML format, with iXBRL tagging applied to IFRS consolidated Primary Statements. For year ends starting on or after 1 January 2022 block tagging of notes in iXBRL will also be required. For companies with non-consolidated reports, they will have to publish in xHTML but do not require any tagging
- **Where?**
 - The document must be publicly available on your website, as well as filed with the National Storage Mechanism (in the UK this is Companies House)



- ESEF is the 'European Single Electronic Format' mandated by ESMA (European Securities and Markets Authority)
- It was proposed in 2014 and is based on the premise that all reports across the EU should be more easily comparable than they are at present

What is iXBRL?

- XBRL is ‘eXtensible Business Reporting Language’
- It’s a way of ‘barcoding’ numerical data with additional context
- The i stands for ‘in-line’, which lives inside an xHTML document, and can be loaded in a browser

What is ‘tagging’?

- The process of applying iXBRL to an annual financial report

	2019 (m)
Revenue	1,234
Cost of Sales	(999)

- The IFRS concept “Revenue”
- Is in GBP
- Is for the period 1/1/19 to 31/12/19
- Is in millions
- Is a Credit

What is ‘extending & anchoring’?

	2019 (£m)
Revenue	1,234
Revenue from phone sales	345
Cost of Sales	(999)

- This concept doesn’t appear in IFRS
- A new tag is created (extending) and references it back to the nearest available concept (anchoring)

HMRC vs ESEF iXBRL tagging

	ESEF iXBRL	HMRC iXBRL
Which companies require tagging?	Main market listed companies in the EEA	All business in the UK and Ireland who file tax returns
Tags applied	Concept of extending/anchoring. All numbers in the primary statements must be tagged. A new tag is created and extended and anchored if there is nothing appropriate in the taxonomy	If the appropriate tag is not available, then the item is left untagged
Turn around time	24 hours standard with 4- and 6-hour options if required	15 business days with a 24 hour quick turnaround if required
Number of reviews	Multiple internal review processes due to public scrutiny of tagging	One internal review
Time for review	One month for the client to review the Tagging Analysis with the team	2 weeks to review the tagging with the team
Format	xHTML report is a mirror to the human eye of the pdf	No requirement for identical formatting

Process mapping

Next steps	How it works
Prior year R&A provided	Via secure portal, B&C provides ARKK with a copy in Word, PDF or INDD (ePub format)
Prior year Report tagged	<p>We tag and review your Report in line with the ESEF/UKSEF mandate. This creates a file which is then tested to ensure successful submission.</p> <p>We provide two review reports, one in xHTML format to view the tags; the other in MS Excel detailing all of the applied tags.</p>
Client review of tagged prior year Report	<p>Following stage two, the client has a month to review the tags and speak to ARKK's experts and your auditors about the tags applied, asking any questions.</p> <p>We'll modify tags based on your feedback and generate a new report.</p>
This year's R&A tagged and ready for submission	<p>With all tags agreed and in place on the prior year Report, B&C works with ARKK to provide a copy of this year's Report promptly on its approval by the Board in PDF format. Those tags agreed in the prior year Report at stage three are applied and the Report readied for submission.</p> <p>The final tagging process has a standard turnaround of 24hrs and, on approval, will be made available to the NSM.</p>

FAQs

How much does it cost?	The cost is the same whether you mandate ARKK or B&C; if the latter, the costs of B&C's portal and liaison with ARKK are included. Please contact us for more information
What software is used?	ARKK uses ESEF tagging software from Amana
What format is the output?	The xHTML document is an integrated document with the iXBRL tags embedded
What are the benefits of tagging a designed file?	It's a highly flexible offering accommodating the regulatory requirements without compromising design
What's the NSM?	National Storage Mechanism
Post-BREXIT, will the UK and EU have different regs?	UKSEF taxonomy
Can ARKK work with CtrlPrint or related service files?	ARKK can tag using other technology partners if requested



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