

CHAPTER 29

An introduction to financial reporting on the Internet

29.1 Introduction

The main objective of this chapter is to explain what XBRL is and how reports in XBRL assist investors and analysts to access and analyse data in published financial statements.

Objectives

By the end of the chapter, you should be able to:

- understand the reason for the development of a business reporting language;
- explain the benefits of tagging in XML and XBRL code data for financial reporting;
- understand why companies should adopt XBRL;
- list the processes a company needs to take to adopt XBRL.

29.2 The reason for the development of a business reporting language

We saw in the previous chapter that various online subscription databases such as Datastream, FAME and OneSource are available, where selected financial reports have been formatted by each of the databases into a standardised format. This allows subscribers to select peer groups and search across a variety of variables. Students having access to such databases at their own institution may carry out a range of assignments and projects such as selecting companies suitable for takeover based on stated criteria such as ROCE, % sales and % earnings growth.

29.2.1 Financial reporting on the Internet in PDF files

At an individual company level we find that most companies have a website to communicate all types of information to interested parties including financial information. Stakeholders or other interested parties can then download this information for their own particular use. Most of the financial information is in the format of PDF files created by a software program called Adobe® Acrobat®. This program is used for the conversion of all their documents, which make up the financial information contained within the annual general reports, into one document, a PDF file, for publication on the Internet. This PDF file can be formatted to include encryption and digital signatures to ensure that the document cannot be changed.

In order for the user to be able to read the PDF files, a special software program called Adobe Reader® needs to be downloaded from the Adobe website www.adobe.com.

29.2.2 Data re-keyed for analysis

Other formats used to display company information are often in Hyper Text Mark-up Language (HTML). HTML mainly defines the appearance of the information on the computer screen such as placement, colour, font, etc. But even though it is helpful to be able to download the file and read or print the financial information on screen or on paper, when calculations need to be performed the information needs to be retyped unless, as with a few companies, the data is also in Excel format. When we need to consider and evaluate multiple years of a company’s financial results or evaluate companies in a sector then this rekeying is an even more time-consuming task and subject to errors.

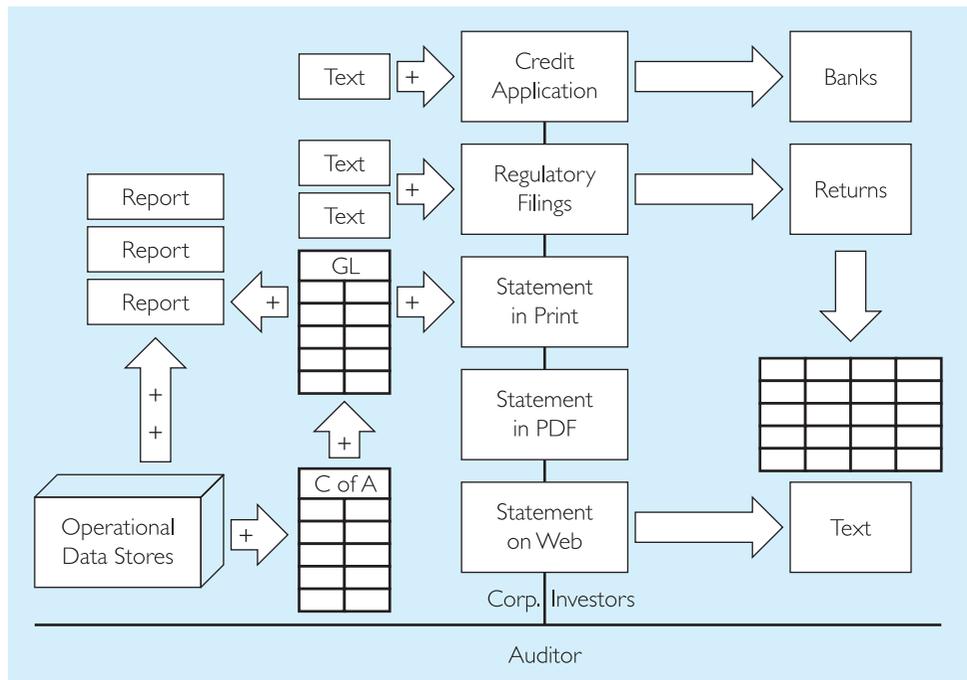
Other interested parties or stakeholders such as investment analysts, merchant bankers, banks, regulatory bodies and government taxation departments may be able to request information in specific electronic formats otherwise they also will need to rekey the data.

29.3 Reports and the flow of information pre-XBRL

The information flow from an organisation reporting to stakeholders and regulatory bodies and banks is considerable. The information required is not the same for each of the external parties and so one report is not appropriate.

A typical flow is set out in Figure 29.1 demonstrating how information is collated from Operational Data Stores and coded to the General Ledger (GL) using the chart of accounts

Figure 29.1 Today: a convoluted information supply chain



(C of A). Once the data has been captured in the GL, statements of comprehensive income, financial position and cash flows can be produced for shareholders and for statutory filing. In addition, separate reports are produced for a variety of other stakeholders such as the tax authorities, stock exchanges, banks and creditors. The reports can be in different formats such as printed statements for internal management and audit use, hard copy annual reports for investors, and summary or full reports on a company's home webpage in PDF or HTML format now that this is becoming mandatory or encouraged. This is a very costly process which has led to the development of a special business reporting language called eXtensible Business Reporting Language or **XBRL** which is based on XML.

Accountants will become increasingly involved with its development and this chapter provides a brief oversight of a development that is going to make a major impact internationally on the availability of financial data for comparative analysis. Just as the IASB is gradually achieving uniformity of accounting policies, XBRL will gradually achieve uniformity in the presentation of data on the Internet. Note that XBRL is not an accounting standard. It is a language specifically constructed for the exchange of financial information. As with other financial statements, the reader needs to be aware of the accounting standards applicable to the statements under review. XBRL does not in any way attempt to specify accounting rules.

29.4 What are HTML, XML and XBRL?

XBRL is based upon the eXtensible Mark-up Language or XML. XML itself is an extension of the Hyper Text Mark-up Language (HTML) which controls the format and display of web pages. We will briefly comment on each:

HTML

HTML is extensively used in website creation for the purposes of display. For example, the following text using HTML would have tags that describe the format and placement of the text.

Assets \$50,000
Liabilities \$25,000

```
<p><b>Assets $50,000</b></p>
<p><b>Liabilities $25,000</b></p>
```

where <p> instructs the item to be printed on the screen (and also where on the screen or in what format) and instructs the item to be displayed in bold print. The </p> denotes the end of the commands and instructs the data to be 'printed' on the computer screen.

XML

XML is a language developed by the World Wide Web Consortium.¹ It goes one step further by allowing for 'tags' to be created which convey identification and meaning of the data within the tags. Thus instead of looking simply at format and presentation, the XML code looks for the text displayed within the code. For example, the user can design the tags used in XML as follows:

Assets \$50,000 in this example of XML would be written as
<Assets>\$50,000</Assets> and similarly for **Liabilities \$25,000** the XML code would be <Liabilities>\$25,000</Liabilities>

The computer program reading the XML code would thus know that the value found of \$50,000 within the tags relates to Assets.

XBRL

XBRL has taken XML one step further and designed ‘tags’ based upon the common financial language used. For example, the term ASSETS or LIABILITIES is a common term used in financial reports even though the calculations or valuations and the definitions used in different accounting standards may be dependent on those accounting standards applicable to the company.

29.4.1 Advantages of XBRL

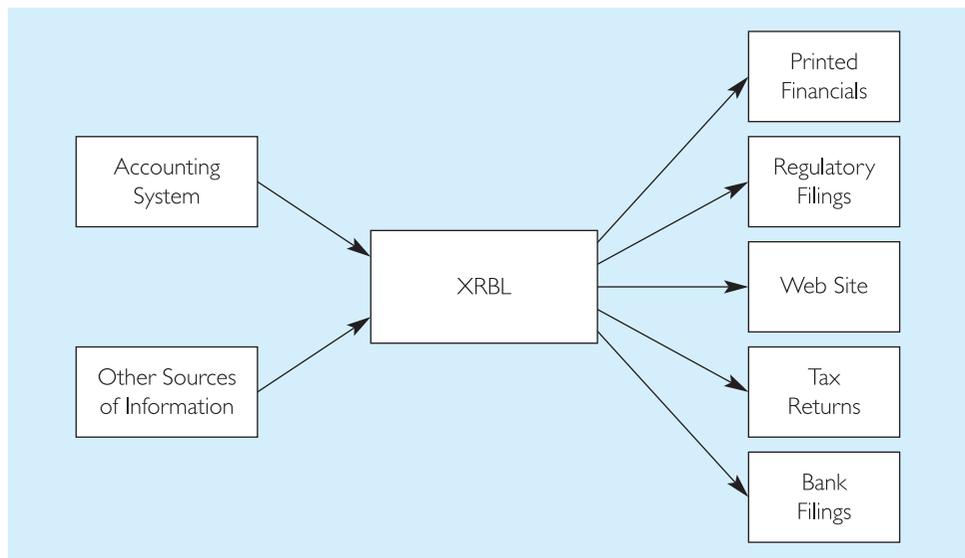
Using XBRL means that it is easier for direct system-to-system information sharing between a company and its stakeholders and allows for improved analytical capacity. The numeric data in the financial statements of all companies filing their annual reports will be uniformly defined and presented and available for analysis, e.g. downloaded into Excel and other analytical software. The advantage of using XBRL according to XBRL International² is that:

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.

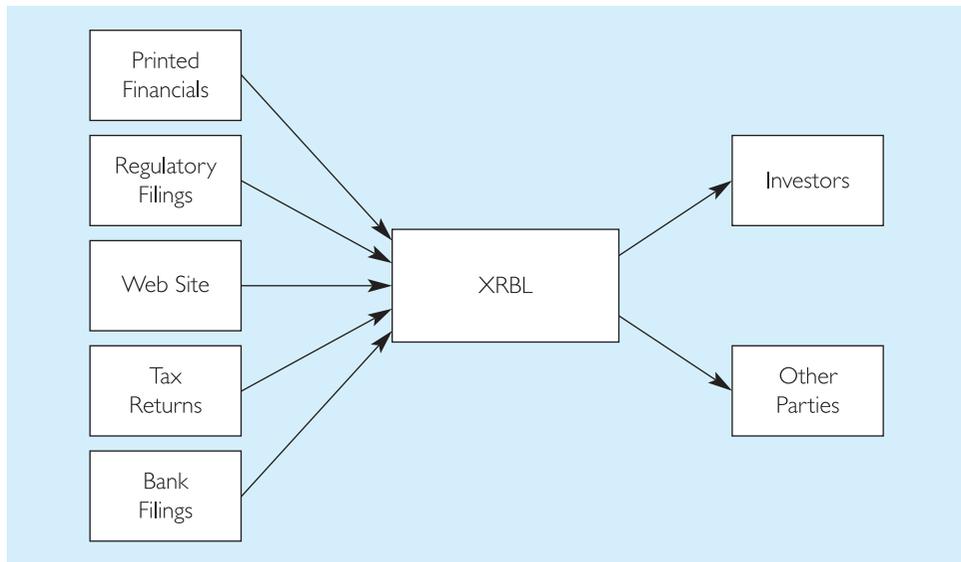
29.5 Reports and the flow of information post-XBRL

When XBRL is used (a) information flows from an organisation to stakeholders are much simpler as seen in Figure 29.2, and (b) it possible for stakeholders to receive information that can be understood by computer software and allow them to analyse the data obtained, as seen in Figure 29.3.

Figure 29.2 With XBRL: multiple outlets from a single specification



Source: <http://xbrl.org.au/training/NSWWorkshop.pdf>

Figure 29.3 XBRL: information flow to stakeholders

Source: <http://xbrl.org.au/training/NSWWorkshop.pdf>

29.6 XBRL and the IASB

Tags have been developed as a business reporting language and individual countries are setting their own priorities as to the reports that are being initially developed. As regards financial reporting, the IASB has developed XBRL applicable to IFRSs. We are on course for the content of financial statements to be standardised through IFRSs and that content to be presented in a standardised uniform digital format.

29.7 Why should companies adopt XBRL?

There are regulatory pressures and commercial benefits concerning the adoption of XBRL.

29.7.1 Regulatory pressures

One of the driving forces has been the pressure from national regulatory bodies for companies to file corporate tax returns, stock exchange and corporate statutory financial statements in XBRL format. In some countries there are specific requirements for financial statements filing.

US developments

The US Securities and Exchange Commission (SEC) requires³ that public and foreign Companies with a float over \$5 billion, representing approximately the top 500 companies listed with SEC, who prepare financial statements based on US GAAP must lodge their reports in XBRL from April 2009. Smaller US companies using US GAAP and foreign companies using IFRS must lodge their financial reports from June 2011. All companies lodging their statements in XBRL must also publish this information, on the same day they submit to the SEC, on their corporate websites and this information must be available for 12 months after lodging with SEC. The XBRL based statements still have the limited

liability status as under the voluntary filing programme until 31 October 2014. After this date the XBRL based statements will have the same legal status as any other financial report. This will have implications for auditors and preparers of the financial reports.

UK developments

UK companies filing accounts at Companies House were notified that from April 2011 online submissions must be prepared using Inline XBRL (iXBRL). iXBRL is a specific form of XBRL that focuses on the human readable format. It is planned for commercial software to be available⁴ from spring 2010.

HM Revenue and Customs (HMRC) require similar filing and have stated that companies with a turnover of more than £100,000 must lodge online for companies with accounting periods starting from 1 April 2010. For any new business registering for VAT there is no choice, all returns must comply⁵ with iXBRL online filing.

Companies House and HMRC requirements mean that all companies submitting online must be familiar with iXBRL and understand the implications for their company.

EU developments and the accounting profession

A policy statement from the Federation of European Accountants (FEE) details the impact upon accountants.⁶ The impacts considered are the ability to assist with the application of XBRL and the assurance/auditing process of accounting information prepared with XBRL. The accounting profession itself will have to educate their members about all aspects of XBRL.

29.7.2 Commercial benefits

The above is a brief introduction to just some of the XBRL developments that are occurring around the world whereby companies can easily generate tailored reports from a single data set and the data can be readily accessed at a lower cost by regulators, auditors, credit rating agencies, investors and research institutions.

29.8 What is needed to use XBRL for outputting information?

There are four processes, supported by the appropriate software, to be completed to adopt XBRL. The processes are (a) taxonomy design, (b) mapping, (c) creating an instance document and (d) selecting and applying a stylesheet.

(a) The taxonomy needs to be designed

Taxonomy has two functions. It establishes relationships and defines elements acting like a dictionary. For example, the taxonomy for assets in the statement of financial position would be to show how total assets are derived by aggregating each asset and defining each asset as follows:

	<i>Relationship</i>	<i>Definitions</i>
Non-current assets	a	Not expected to be converted into cash within one year
<i>Current assets</i>		Expected to be turned into cash in less than one year
Inventory	v	Finished goods ready for sale, goods in course of production and raw materials
Trade receivables	w	Amounts owed by customers
Cash	x	Cash and cash equivalents
Subtotal	v + w + x	
Total assets	a + v + w + x	

The taxonomy also contains linkbases which provide additional information. For example:

- a means to cross-reference with the para in the relevant IFRS;
- an indication of the language used in the financial report e.g. English, French;
- prompts when a note to the accounts is required for a particular element.

Calculation: contains the validation rules and weights given to monetary items. For example, gross profit is calculated by taking away the cost of sales from revenue ($GP = \text{Revenue} - \text{COS}$). Revenue would be assigned 1 and COS would be minus 1 (noted as -1) to achieve gross profit, also assigned a weight of 1.

Presentation: is used when reports need to be constructed. Business reports use parent-child type or tree type structures as in the term 'Assets'. Assets is the *parent* of Current and Non-Current Assets. Mimicking the business report structures helps users to find the terms they are interested in.

Each country has been developing its own taxonomies. Since the issue by the IASB of the *IFRS Taxonomy Guide* in 2008, future taxonomies could be designed based upon the IFRS guide.

(b) Mapping

The term 'mapping' relates to equating the terminology used in the financial statements to 'names' used in the taxonomy. For example, if the taxonomy refers to 'Inventory' as being products held for sale, but the organisation refers to this as 'Stock In Trade' in the financial statements then this needs to be 'mapped' to the taxonomy. All the names used in the financial statements, or any other reports, need thus be compared and mapped to (identified with) the taxonomy. This 'mapping' is done for the first time the taxonomy is used.

(c) Instance documents

The instance document holds the data which are to be reported. For example, if preparing the statement of financial position at 30 September 2010 then entries of individual asset values would be made in this document. This data would then be input to a stylesheet to produce the required report.

	<i>Values</i>	<i>Date</i>
Non-current assets	1,250	30.9.2010
Inventory	650	30.9.2010
Trade receivables	310	30.9.2010
Cash	129	30.9.2010

(d) Stylesheets

The format of a required report is specified in a template referred to as a stylesheet where the display is pre-designed. A stylesheet can be used repeatedly as, for example, for an annual report or new stylesheets can be designed if reports are more variable as in interim reports. The annual report would be displayed in correct format with appropriate headings, currency and scale. For example:

Statement of financial position as at 30 September 2010

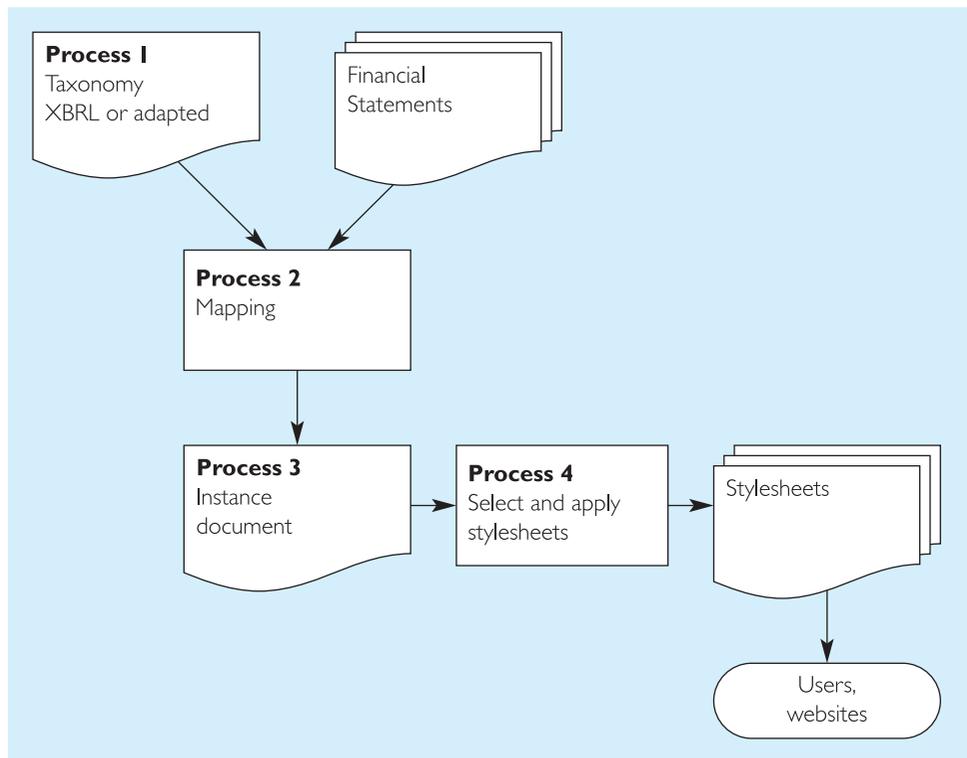
	<i>\$000</i>	<i>\$000</i>
Non-current assets		1,250
Current assets		
Inventory	650	
Trade receivables	310	
Cash	<u>129</u>	
Total assets		<u>1,089</u> <u>2,339</u>

The taxonomy and stylesheets do not need to be changed every time a report is produced. The only changes that are made are those in the instance documents regarding data entries.

Summary of the four processes

A summary is set out in Figure 29.4.

Figure 29.4 Summary of the four processes



29.9 What is needed when receiving XBRL output information?

Institutional users

Institutions which receive XBRL formatted financial information from companies, such as Revenue Authorities, Stock Exchanges, Banks and Insurance companies, normally require

the information to be lodged according to a pre-determined format and their software is specifically designed to be able extract and display the XBRL data.

Non-institutional users

For other interested parties, specific software is needed to make the XBRL format data readable. In order for the text to be understood by a human in a way that indicates that we are looking at a financial report, it needs to be ‘translated’, a process known as **rendering** by computer. ‘Rendering’ the items contained within XBRL is the current challenge.

Example of rendering

The text below represents the code for XBRL formatted data in an instance document:

Instance document in XBRL

```
<ifrs-gp:AssetsHeldSale contextRef="vCurrent_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:AssetsHeldSale>
<ifrs-gp:ConstructionProgressCurrent contextRef="Current_AsOf"
  unitRbf="U-Euros" decimals="0">100000</ifrs-
  gp:ConstructionProgressCurrent>
<ifrs-gp:Inventories contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:Inventories>
<ifrs-gp:OtherFinancialAssetsCurrent contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:OtherFinancialAssetsCurrent>
<ifrs-gp:HedgingInstrumentsCurrentAsset contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:HedgingInstrumentsCurrentAsset>
<ifrs-gp:CurrentTaxReceivables contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:CurrentTaxReceivables>
<ifrs-gp:TradeOtherReceivablesNetCurrent contextRef="Current_AsOf"
  unitRef="U-Euros" decimals="0">100000</ifrs-
  gp:TradeOtherReceivablesNetCurrent>
<ifrs-gp:PrepaymentsCurrent contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:PrepaymentsCurrent>
<ifrs-gp:CashCashEquivalents contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:CashCashEquivalents>
<ifrs-gp:OtherAssetsCurrent contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">100000</ifrs-gp:OtherAssetsCurrent>
<ifrs-gp:AssetsCurrentTotal contextRef="Current_AsOf" unitRef="U-Euros"
  decimals="0">1000000</ifrs-gp:AssetsCurrentTotal>
```

Looking at the first two lines of code, it is possible to see that the data contain financial information about assets held for sale, that these are ‘Current’ and that the unit of measurement is in euros and has zero decimals with a value of 100,000. This is possible for a few lines but it would not be feasible to do this for a complex financial statement. Rendering translates the code into readable format as follows:

Rendered XBRL data

CURRENT ASSETS	
Assets Held for Sale	100,000
Construction in Progress, Current	100,000
Inventories	100,000
Hedging Instruments, Current [Asset]	100,000
Current Tax Receivables	100,000
Trade and Other Receivables, Net, Current	100,000
Prepayments, Current	100,000
Cash and Cash Equivalents	100,000
Other Assets, Current	100,000
Current assets, Total	1,000,000

The data can now be recognised as belonging to that part of the financial statement where the current assets are listed. This example can be found at <http://www.xbrl.org/Example1/>.

The rendering process is of particular interest to investors and other third parties who may want to access financial data in XBRL format for evaluation purposes and who may not have software capable of rendering the instance document into human readable format. The ability to render an XBRL document becomes even more important for an investor or analyst seeking to carry out trend or inter-firm comparison analysis. For a more in-depth discussion of the processes involved in rendering visit www.xbrl.org/uk/Rendering/.

29.9.1 How has XBRL assisted the user?

If we take the revenue authorities as an example, they have had their own in-house developed software for carrying out a risk analysis in an attempt to identify those that look as though they should be investigated. Such risk analysis was routine before XBRL but XBRL has allowed the existing analysis software to be refined – this allows obviously compliant companies to be identified and investigation to be targeted where there is possible or probable non-compliance. However, it was still not possible to read the data in human form.

29.9.2 Development of iXBRL

Inline XBRL (known as iXBRL) has been developed so that the XBRL data is capable of being read by the user. It achieves this by embedding the XBRL coding in an HTML document so that it is similar to reading a web page. iXBRL takes a report, say a company's published accounts, in Excel, MS Word or PDF and then 'translates' this to iXBRL. It is then still able to be viewed in human readable format. This would be an advantage for smaller businesses where there may not be accountants with XBRL skills or where the cost would be prohibitive and they also do not need more advanced software. Corefiling's software⁷ would be a good example of iXBRL.

This is newly developed software and, if you want to explore this a little further, there are helpful websites – one that offers a software company's view⁸ and one that offers another perspective.⁹

How has iXBRL assisted the user?

If we consider the position of the regulators we can see that there is an impact on narrative in reports. For example, there is the requirement of the SEC to include the notes to the business reports in a certain format in the near future. For the larger companies¹⁰ this means

that tags have to be developed for many more items than before. The inclusion of the notes to the accounts is not new but the new requirements from the SEC involve different levels of disclosure within the notes and this will require further development of either a linkbase or a standard approach to the application of stylesheets.

If we continue with the revenue authorities example, the availability of the data in readable format has meant that, once a high risk case has been identified, it is possible to drill down into the data and highlight relationships that would not have been possible before iXBRL.

XBRL data may be exported to Excel

Facilities are being developed all the time and access to financial data is being constantly improved.

29.9.3 International experience

US experience

In the US, SEC data are being exported to an Excel spreadsheet for analysis.¹¹ This facility also allows for downloading to Excel spreadsheets and charting operations on screen. However, because companies have different items in their financial reports, it is not possible to make a line by line comparison. The user needs to synchronise items and to do this needs to be conversant with the accounting definition of each individual item.

UK experience

In the UK, data that has been submitted to Companies House can be obtained but at a cost.¹² Investors who go to the company's individual website to download the financial information will find that most will be in Adobe Acrobat (PDF) format and not easily copied to Excel for comparative analysis.

XBRL UK reports¹³ that both HMRC and Companies House are implementing the recommendations as set out in the Carter report of March 2006. Since the announcement¹⁴ in 2009 this project is now progressing and iXBRL will be used to submit returns to both agencies by the summer of 2010. The advantage of using iXBRL is that the document produced using this method can be read by humans as the code is 'rendered' in HTML-looking documents. Businesses can continue to use their current software and then as an iXBRL software to render the document in that code.

Singaporean experience

Singapore's Accounting Corporate Regulatory Authority (ACCRA),¹⁵ the regulating authority for businesses incorporated in Singapore, has been receiving company reports for most incorporated commercial companies in XBRL format since 2007. Company information can also be purchased from the ACCRA website. The information has been extracted from the data lodged with ACCRA¹⁶ for a demo of the type of analysis available. The demo on this website also included evaluation of the company's position in relation to their peers within the industry or the whole industry. This extends the use of business reports from merely financial to the position of the company in the economic environment of their industry sector.

Most investment analysis providers have their analysis and rendering software written in-house to service their investment clients and investment brokers. For investors wanting to do their own investment analysis there is still a wait for suitable software to obtain XBRL data and then view it on a PC. iXBRL may be able to fill this gap.

Australian experience

In Australia, the Australian Prudential Regulatory Authority (APRA), is the government body that controls and regulates banking and superannuation funds in Australia. It collects regular data using its own Taxonomy D2A (Direct to APRA) based on XBRL. There may be changes to this as the Australian federal government is well on the way to implementing standard business reporting (SBR). The government estimated that the use of SBR, based on XBRL taxonomies, will provide savings per year of \$800 million to Australian businesses. The process is facilitated by the Australian Treasury. Agencies currently participating in SBR include the Australian Taxation Office (ATO), the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulation Authority (APRA), all State and Territory government revenue offices (ROs) and the Australian Bureau of Statistics.

Participation is voluntary and the required files are distributed by the Treasury.¹⁷ Taxation returns and Business Activity Statements (BAS), required to be lodged by businesses for Goods and Services Tax (GST, equivalent to the UK VAT) to the ATO. The ATO requires precise formatting for the collection of the business activities.

Estimates by the Australian government are that the application of SBR to the government data has resulted in the elimination of approximately 7,000 data elements.¹⁸

New Zealand experience

New Zealand has also joined Australia in the SBR project. The New Zealand government is developing a similar approach to SBR with the streamlining of business forms and business information collected by the NZ government agencies. To this effect the NZ budget provides for \$3 million over the 2009/10 operational budget.¹⁹

European experience

In Europe there have been a number of projects,²⁰ in the last few years, some of which have been very extensive. For example, the Dutch project 'Renewal Government Services' is a €250 million project initiated by the Dutch Ministry of Justice and Finance to improve information to be lodged by businesses to government departments and access to published information by third parties. It also provides for €22.4 million for the next four years from 2008 to expand the Dutch taxonomy. It is envisaged that other government areas²¹ such as health and education will be the focus of attention for further development of the project. An example²² of the extended use of XBRL is demonstrated by the government of the Netherlands' use for the yearly budget. The Netherlands also has a taxonomy for use in the banking sector.²³

In Germany²⁴ the electronic federal gazette so far has received almost half of the annual reports in XBRL since 2007.

29.9.4 Development of XBRL and iXBRL beyond statutory financial reporting

Sharing data

The development of the SBR projects in Australia, New Zealand, the Netherlands and the US are good examples of the extension and application of XBRL beyond financial reporting and accounting. Development of these projects is an enormous task and requires a lot of planning, design and testing by all parties involved.

The next logical step is for government agencies to share the data submitted rather than business having to lodge different reports for different purposes. This will mean though that

governments need to rationalise the formats and volume in which they require businesses to lodge information.

We have discussed the use of XBRL and iXBRL for submitting reports to statutory authorities. There have also been interesting developments in their use for internal accounting.

29.10 Progress of XBRL development for internal accounting

Development in the general ledger area is continuing and will probably be one of the most important developments for companies with consolidation requirements when multiple general ledgers are involved. The general ledger specification has the advantage that organisational data is classified at source and the classification decision with respect to XBRL names will have been made at the Chart of Accounts level.

This is quite a task as the financial statements usually report aggregated data. For example, the total for administration expenses in the Income Statement is usually made up by aggregating a number of different account classifications in the General Ledger. A further consideration is the effect of IFRSs when aggregating expense accounts. For example, the Chart of Account structure for the disclosure of segmentation by product class or geographical areas, is distinctly different. The XBRL code also needs to reflect this.

The XBRL for the General Ledger may also bring great cost savings as data collection at source is automated and the extraction and processing of data into reports can be achieved in a much shorter time. A company such as General Electric has more than 150 general ledgers which are not compatible in use. XBRL has the potential to considerably streamline consolidation processes considerably.

The XBRL Global General Ledger Working Group (XBRL GL WG) within XBRL has released an updated GL module²⁵ to include the SRCD (Summary Reporting Contextual Data):

SRCD is a module of the XBRL Global Ledger Framework (XBRL GL) designed to facilitate the link between detailed data represented with XBRL GL and end reporting represented with XBRL for financial reporting (XBRL FR) or other XML schemas.

This module should enable a streamlined preparation of business reports from the general ledger. In February 2010 the GL framework also released the GL module with Japanese labels and this is now awaiting feedback and then a final recommendation.

29.11 Further study

The XBRL International website (www.xbrl.org) has an extensive listing of companies and authorities currently using XBRL. This website also released a discussion paper²⁶ in February 2010 to obtain feedback from stakeholders and interested parties on the future directions for XBRL. The reader is encouraged to investigate further any of the resources available on the XBRL and other websites. A number of the links provided will lead to good discussions of the projects and demonstrate how XBRL is applied. Some of the links will also bring the reader to websites in languages other than English (Google translation toolbar may be helpful) and may be of particular interest to readers of this text living in these countries.

Summary

XBRL is still a developing area relating to organisational reporting. In the coming years this will continue and extend beyond the current focus on published financial statements. The general ledger area is developing and this will benefit the organisational information supply chain. Accounting software suppliers are also adopting XBRL in their developments and this will increase accessibility to XBRL. Accounting software companies such as MYOB, aimed at smaller organisations, are also using XBRL in their new developments. Future software development may also make it easier for accountants to use XBRL, especially when a country's taxonomies are in 'final' approved stage.

Financial statements presented in XBRL format are capable of being downloaded into an analyst/investor's own spreadsheet (such as Microsoft Excel). The advantage of this is that the analyst/investor does not need to retype the information. The commercial databases which compile specific information for analysts/investors are usually only concerned with public companies listed on the Stock Exchange. XBRL allows any type of financial information to be transferred to a statistical package without having to retype the information. XBRL could thus also benefit not-for-profit organisations and trusts, etc. Professional accounting consultants would also be able to use XBRL in transferring information from a client's accounting package into an analytical tool to prepare information to evaluate business efficiency. This information is often more extensive than the end of year financial information.

Large software developers such as SAP announced in February 2009 that 'SAP® BusinessObjects™' is now available for financial publications in XBRL. This conforms to Security and Exchange Commission (SEC) requirements to lodge specific financial information from June 2009. SAP also stated that its software also can be used to lodge financial information using XBRL with HM Revenue & Customs in the UK. The software allows for automatic and easy tagging of the information (see www.xbrlspy.org/sap_announces_xbrl_publishing_support).

Accountants and students wishing to keep up-to-date with these developments are gaining a competitive advantage by creating and developing a 'niche' skill which can only add value to an organisation employing these professionals.

REVIEW QUESTIONS

- 1 Discuss how an investor might benefit from annual reports being made available in XBRL.
- 2 Explain how a body such as a tax authority might benefit from XBRL.
- 3 Explain what you understand by taxonomy and mapping.
- 4 Explain the use of instance documents.
- 5 Explain the use of stylesheets.
- 6 Explain iXBRL and where it is used.

EXERCISES

Question 1

Visit www.us.kpmg.com/microsite/xbrl/kkb.asp to attempt the XBRL tutorial and write a brief note on how you think it will affect the work of a financial accountant.

Question 2

Find the financial reports for a company of your own choice. List the company and in what format the Annual report is. See if you can also find information on the **company's own** website about its use of XBRL.

Question 3

Visit www.microsoft.com/msft/faq/xbrl.msp and write a summary of Microsoft's involvement in XBRL.

Question 4 – for the adventurous!

- Go to the SAP website: <https://www.sap.com/solutions/sapbusinessobjects/large/enterprise-performance-management/xbrl-publishing/index.epx?kNtBzmUK9zU>
- Watch the demo: "SAP BUSINESSOBJECTS XBRL PUBLISHING DEMO" (on the right side of the screen). Take note of how the software facilitates the creation and validation of the XBRL taxonomies.
- Now compare this with the application of iXBRL. A good starting point would be <http://blogs.corefiling.com/category/inline-xbrl/>
- Write a review on both approaches to XBRL and discuss the differences. What type of company would be most suited to these two solutions?

Question 5

Find out more about any of the following topics and write a one page summary on:

- the XBRL general ledger work;
- use of XBRL by stock exchanges;
- the commitment by the IFRS to the XBRL project;
- accounting software companies involved in providing XBRL capabilities;
- public utilities who are using XBRL;
- government involvement in XBRL.

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- 4 www.companieshouse.gov.uk/about/pdf/hmrcCommonFiling1.pdf (accessed 1/3/2010).
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- 7 www.corefiling.com/products/seahorse.html
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- 9 www.xbrlspy.org/to_render_or_not_to_render_xbrl (accessed 28/2/2010).
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- 19 www.med.govt.nz/templates/MultipageDocumentTOC____41220.aspx#B0
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www.xbrl.org/FRTaxonomies/

www.us,jkpmg.com/microsite/xbrl/train/86/start.htm

www.xbrl.org

www.oracle.com/applications/financials/OracleGeneralLedgerDS-1.pdf

www.xbrl.org.au/training/NSVWorkshop.pdf

www.microsoft.com/office/solutions.xbrl/default.msp

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www.j3technology.com/

www.sec.gov/spotlight/xbrl/xbrl-vfp.shtml