



An introduction to FRS 101 and 102

The accounting standards governing the way in which companies report to HMRC, Companies House and Irish Revenue are changing. Over the past few years there has been a general move away from accounting standards developed on a country by country basis (e.g. UK GAAP, Irish GAAP, US GAAP) to more harmonised international standards based on IFRS (the International Financial Reporting Standard). The Financial Reporting Council (FRC) is now introducing a new set of accounting standards (FRS) designed to achieve greater consistency with the international model.

The new FRS standards will take effect for reporting periods beginning on or after 1st January 2015, at which point UK GAAP reporting will disappear. Very small companies (less than £6.5M turnover) will continue to use FRSSE (Financial Reporting Standard for Smaller Entities).

Ireland will use similar FRS taxonomies, but with specific Irish extensions. These have not yet been released, but are expected shortly.

This guide provides insight into the changes and discusses the impact of the new regime on the reporting of financial accounts in XBRL.

The new FRS accounting standards

The new FRS standards comprise a number of different provisions, and associated updated taxonomies, dependent upon the nature of the reporting entity.

- Full IFRS: For those companies already reporting under IFRS.
- FRS 100: This contains the FRC's guidelines; it does not have an associated taxonomy.
- FRS 101: The individual accounts of subsidiaries and parent members of groups already reporting under IFRS may now use FRS 101, a reduced version of IFRS, allowing some disclosure exemptions.
- FRS 102: Those companies currently using UK GAAP, mostly small and medium sized companies and charitable organisations, will switch to using FRS 102
- FRS 103: Applicable to insurance contracts, this is not yet included in the new taxonomies, but is expected to be introduced at a later stage.

Note: Revenue will be releasing specific taxonomy extensions for the Irish market.

What it means for filers

Key dates:

- For accounts with a [reporting period on or after 1 January 2015](#), accounts MUST be produced using the FRS standards. For further information please see p5 in each of the following documents:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/359050/frs101-overviewpaper.pdf
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/359051/frs102-overviewpaper.pdf
- Additionally, organisations that wish to begin using the new taxonomies in advance of the mandatory date, i.e. 'early adopters', may now do so. Newly created companies will also need to use the new taxonomies. In such cases, where the accounts are prepared using the new FRS standards, then FRS 101, FRS 102 or Full IFRS taxonomies must be used for HMRC submissions after 31 March 2015. More details may be found on p9 of the following document:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401702/Corporati_on_Tax_Online_XBRL_technical_pack.pdf

Reporting changes:

There are also a number of key differences from the previous UK GAAP reporting that filers must bear in mind when filing under the new standards.

- Preparing the first set of accounts under the new regime is likely to take more time and effort than usual, particularly for those moving from UK GAAP to FRS 102
- FRS has adopted many new terms which are different from those currently used in UK/Irish GAAP. Accountancy firms and internal financial departments will need to understand these changes.
- Certain disclosure requirements have changed, which will affect the way in which the numbers are reached and how they are displayed in the accounts document.

What it means for XBRL reporting

Filers must be aware of some important changes that affect the way in which iXBRL documents will be prepared:

- Removal of minimum tagging.
 - Under UK GAAP it was possible to tag using only a small subset of the full taxonomy. This will no longer be possible under the new FRS 101 and 102 taxonomies.
- New mechanism for grouping tags
 - Introduction of typed dimensions
 - Removal of tuples
- Introduction of Consistency Checking

Note: Changes to FRSSE are not included in the new taxonomies, and withdrawal of FRSSE from 1st January 2016 is currently under consideration by FRC

The main provisions under FRS 101 and 102

- **No minimum tagging**

Comprehensive tagging of accounts data is now mandatory. The FRC state that “All business data items in a report *must* be tagged with an appropriate XBRL tag *if* a suitable tag exists in the relevant taxonomy”. See <https://www.frc.org.uk/Our-Work/Publications/Accounting-and-Reporting-Policy/Tagging-Guide-FRC-Taxonomies.aspx>. However, minimum tagging will persist for those already reporting under FRSSE.

- **Typed dimensions**

One problem with the existing taxonomies is that detailed breakdowns are often only partially taggable since there is only a finite selection of XBRL concepts available. Typed dimensions allow the preparer to repeat ‘additional component’ tags until every line item has been included. For example, the existing UK IFRS taxonomy provides seventeen Revenue Heading concepts to tag different types of Revenue (from royalties, from sale of goods, etc.) but given the huge diversity in how firms divide their turnover it is currently not uncommon to find Revenue splits only partially tagged. With the addition of the repeatable Further Revenue Item concept, however, preparers will simply repeat this tag until all components are accounted for.

- **No more tuples**

The addition of typed dimensions allows infinite repetition of grouped tags without the need for tuple groupings. In short, related items will be grouped together by assignment of a common numbered dimension rather than a tuple parent – streamlining software interfaces and allowing more intuitive tagging and review.

- **Consistency checking**

Current taxonomies provide for only limited consistency checking in that inconsistent duplicate facts can be screened at validation stage. With the augmented completeness of tagging facilitated by typed dimensions, the FRC has published a set of consistency checks (see <https://xbrl.frc.org.uk/>), covering expected summations and other relations involving tagged data. In practice this will allow software providers to add greater levels of accuracy checking into their tools, aiding preparers and improving the accuracy of XBRL data.

[Reference: FRC Accounts Taxonomies Design, May 2014 (<https://frc.org.uk/Our-Work/Publications/Accounting-and-Reporting-Policy/FRC-Accounts-Taxonomies-Design.pdf>)]

Where to find the new taxonomies

The FRC has published the new taxonomies and issued details of the changes and what they mean for filers. The taxonomies are available to download as a .zip file from the FRC website (see <https://xbrl.frc.org.uk/>).

CoreFiling also provide the helpful Yeti viewer at <https://uk-taxonomies-tdp.corefiling.com/yeti> which contains the final versions of the taxonomies.

Seahorse® and the new FRS101/102 taxonomies

Filers need to have confidence that the software used to support their regulatory reporting submissions is maintained in line with every change in the regulation introduced by HMRC and Revenue. CoreFiling's Seahorse® was released to coincide with the start of UK statutory reporting in iXBRL in April 2011, and since that time has been constantly updated to reflect such changes.

Seahorse will help minimise any disruption caused by the introduction of the new taxonomies.

- Because of the work CoreFiling undertake in the regulatory field, we have early insight and we are firmly committed to making timely adjustments to the product to support our customers.
- One of the distinct advantages of Seahorse is that, as a SaaS-based product, all changes occur seamlessly in the cloud so that customers do not need to perform any software updates.
- To underline our commitment to helping our customers to prepare for the changes, the new [FRS 101 and 102 taxonomies are already supported by Seahorse](#), so 'early adopters' can already begin tagging against these taxonomies.

CoreFiling are committed to making Seahorse as easy to use as possible. Seahorse support for the FRS 101 and 102 taxonomies is no exception; over the coming months we will be making progressive improvements to optimise the way customers interact with Seahorse and the new taxonomies.

Already introduced

A number of new features have already been introduced into Seahorse to help filers with the preparation and submission of accounts under the new taxonomies:

- Introduction of the new gateway checks to ensure that your filings are accepted.
- Facilities to simplify the handling of tag groups under the new taxonomies' grouping mechanism (i.e. typed dimensions rather than the previously restrictive tuples).
- Integration within Seahorse of the taxonomy guidance and documentation provided by the regulator to make it easier to determine how to tag.

Coming shortly

A few other features are in process and will be made available shortly:

- Implementation of the new Consistency Checks and summation checks to promote a high level of data quality.
- Seamless support for the latest version of the iXBRL specification (1.1), which will permit a single text tag to be applied across different fragments of text. At first 1.1 will not be required, but it will be progressively introduced, so we are making it available along with the current version 1.0.

Conclusion

While submission dates may still seem far in the future, reporting under the new FRS taxonomies is approaching inexorably. Newly created companies and 'early adopters' will soon be subject to the new regime and need solid, supporting software such as Seahorse to make the process as painless as possible.

About CoreFiling

CoreFiling specialise in XBRL. Regulators, government agencies and corporations around the world rely on CoreFiling for XBRL-based performance reporting solutions. Senior management and developers are active members of the XBRL consortium which oversees the development of the XBRL specifications. CoreFiling devised the Inline XBRL (iXBRL) format, developed it and promoted it through the XBRL International working group process to become a full XBRL standard.

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