

## Consultation on proposed new XBRL Charity accounts taxonomy

### 1. Introduction

- 1.1 The FRC and the Charity Commission are consulting on conventions for the electronic tagging of charity accounts to support the CC's objectives of enhancing the quality and accessibility of financial reporting for Charities in the UK and Ireland.
- 1.2 Currently 70% of companies file digital accounts with Companies House. The CC wants to enable charities to do the same, making it easier and quicker for those charities that have to file with both the CC and Companies House. In addition anyone using digital accounts will be able to extract the information that they want and analyse it more efficiently. Those charities filing tax returns with HMRC will also benefit from having the option of digital filing when submitting supporting accounting information.
- 1.3 HMRC, Companies House and the Irish Revenue Commissioners are expected to adopt the taxonomy in due course.
- 1.4 The taxonomy has been developed jointly by the FRC and the CC with guidance from a technical task force and under the oversight of a Governance Committee which includes staff from leading advisors, BIS, HMRC, Companies House and the Institute of Chartered Accountants in England and Wales, as well as the FRC. XBRL UK has also been involved.
- 1.5 The FRC and the CC are committed to seeking evidence from consultation with users, preparers and others. Accordingly, the proposed taxonomy may be modified in the light of comments received before being issued in final form.
- 1.6 The taxonomy is available for viewing and comment over the internet at <https://uk-taxonomies-tdp.corefiling.com/yeti> and can be downloaded as a zip file from the FRC website at [www.frc.org.uk](http://www.frc.org.uk). The consultation period will last for two months up to 8 December 2015.

### 2. Content, design and style of the proposed taxonomies

- 2.1 The taxonomy is : Charity Taxonomy – with key information document.
- 2.2 The above proposed taxonomy is designed to align with the new Charity SORP (FRS 102) issued (14 July 2014) and the expected modifications proposed in Update Bulletin 1 to update the SORP for changes to FRS 102 since the initial SORP was published. It follows a similar approach in content, design and style to the existing UK GAAP and IFRS taxonomies that are currently used by UK organisations in submitting their accounts in iXBRL format. It is proposed to replace the existing Charity Taxonomy issued in 2009 under the previous Charity SORP 2005.
- 2.3 However, it contains some design improvements which should allow easier, fuller and more accurate tagging of charity accounts data in iXBRL. The content has been carefully developed to reflect expected reporting under the new Charity SORP (FRS102) and the relevant standards (FRS 102).

- 2.4 Developer and Tagging guides are available on the FRC website at [www.frc.org.uk](http://www.frc.org.uk) which outline the approach taken to the design of the taxonomy; and give an overview of new features included in it. The taxonomy is accompanied by a 'key information document' covering basic facts on the taxonomy.

### **3. Expected users of iXBRL information**

- 3.1 The taxonomy is intended to support iXBRL tagging of accounts which will meet the needs of a variety of users of financial reports, including:
- i. Government departments which require business data for policy, statistical and other official purposes.
  - ii. Tax authorities, which require accounts information for tax risk analysis and for tax policy analysis and planning.
  - iii. The Regulator (CC), Donors, information companies, banks, credit agencies, other charities and the public who may require charity financial data in an efficient way from Companies House and the Charity Commission.
- 3.2 The design and content of the taxonomy is thus intended to meet the requirements of a broad range of users of financial information who may benefit from the availability of iXBRL data.

### **4. Comments on the taxonomy**

- 4.1 Comments are invited in writing on the draft taxonomy and related documents. Comments are sought in particular on the following matters:
1. Does the content of the draft taxonomy accurately reflect expected reporting under the relevant standard - FRS 102 and the Charity SORP (FRS 102)?
  2. In order to be helpful to preparers/users; the draft taxonomy includes tags based on 'should' provisions rather than just 'must' requirements in the SORP. Is the inclusion of these 'should' tags in the taxonomy considered helpful?
  3. We are particularly interested in views on the following areas. Do you consider the approach taken is appropriate and if not why not? Do you have any suggestions on how the tags could be better structured?
    - a. The basis of creating the 'transfer of funds', by way of line items and a dimension.
    - b. The content of the Audit and Independent Examiner Report sections
    - c. Charitable activities in the Trustees Annual Report, on the face of the SoFA and in the notes to the accounts.
    - d. The analysis and allocation of support costs across activities in the notes to the accounts.
  4. Does the Design Document explain changes to the taxonomy usefully and pertinently? If not, how could it be improved?

5. What, if any additional materials, would users of the taxonomy value. For example, website examples of how the various parts of the charity accounts could be prepared and /or consistency checklists?
6. For Charities that report under different SORPs (FEHE and Registered Providers of Social Housing); is the draft taxonomy sufficient or would such charities desire the development of additional tags?

4.2 Comments may be provided in two ways:

- a) Directly through the 'Yeti' viewer in which the taxonomies are displayed on the internet. This enables specific comments to be made on individual data items in the taxonomies. It is best suited to detailed feedback. A guide on how to use the Yeti viewer and make comments is available on the FRC website at [www.frc.org.uk](http://www.frc.org.uk).
- b) By comment letter to the FRC and CC. Such letters may be sent by post to FRC, 8<sup>th</sup> Floor, 125 London Wall, London EC2Y 5AS; or e-mail to [j.guest@frc.org.uk](mailto:j.guest@frc.org.uk) and [kim.andrews@charitycommission.gsi.gov.uk](mailto:kim.andrews@charitycommission.gsi.gov.uk)

All comments should be sent before close of business on 8 December 2015.

- 4.3 The FRC's policy is to make publicly available through Yeti or on its website in the case of comment letters, all responses to formal consultations issued by the FRC unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. The FRC does not edit personal information (such as telephone numbers or postal or e-mail addresses) from submissions; therefore, only information that you wish to be published should be submitted.
- 4.4 The FRC aims to make responses available within 10 working days of receipt.
- 4.5 The FRC will publish a summary of the consultation responses at the same time as issuing the final taxonomy.
- 4.6 The CC will sign-post the consultation from its website and the responses. Any responses received by the CC will be forwarded to the FRC for publication.
- 4.7 In accordance with the code of practice on open government and the FRC's policy and code of practice comments submitted will be made available publicly when a written request is made. If you want your response to be treated as confidential, it would be helpful to us if you could briefly explain why you regard the information you have provided as confidential. In your response please make it clear in the body of your response if you wish your comments to be treated as confidential and why.
- 4.8 The Charity Commission and the FRC will take full account of your explanation but we cannot give an assurance that confidentiality can be maintained in all circumstances.