Tagging Statutory Accounts with the UK FRC Taxonomy

Improving tagging quality with

SUREFILE ACCOUNTS

v2.0

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XMETRIC

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1 Introduction

The **SureFile Accounts** service is provided by **Xmetric Ltd** and has been available for twelve years now, and over that time it has provided Quality Assurance reports for more than 150,000 sets of UK and Irish statutory accounts prepared in Inline XBRL format by **SureFile Accounts** subscribers. Until 2014 these were tagged against the UK GAAP or UK IFRS taxonomies published in 2009. Since 2015 the vast majority of accounts have been tagged against the UK FRC taxonomy (Full IFRS, FRS 101, FRS 102, FRS 102 1A and FRS 105), with a good sprinkling of Charity accounts using the FRC Charities extension and Irish statutory accounts using the FRC Irish extension.

The secure service is available online at https://www.surefileaccounts.com and is aimed at preparers who either manually tag accounts or rely on semi-automatic tagging tools or tools that offer preparers some degree of choice over tagging. Users of preparation tools that automatically generate iXBRL accounts should not require the quality assurance service offered by **SureFile Accounts** – if there are quality, consistency or arithmetic issues with the accounts they produce then such systemic errors should be addressed by the tool vendor[1]. Generally, where there is human input into the process there is the possibility of mistakes that can be detected and highlighted by a good quality assurance process and corrected in short order. And of course, software is not perfect either!

Basic validation includes checking compliance with HMRC or Irish Revenue Commissioners filing rules and their respective iXBRL style guides and, where relevant, the Companies House filing rules described in their Technical Interface Specification (TIS). Together these checks provide basic assurance to our subscribers that their iXBRL accounts will not be the cause of a live filing rejection. We also provide access to HMRC's Test-in-Live service using a dummy CT600 "wrapper" to ensure that HMRC can confirm successful validation (at least as far as the Accounts are concerned), and live checks against Companies House APIs to validate such things as the company name, the directors' names and filing status in real-time. Recently, we have started providing feedback on the suitability of items tagged in the hidden section in anticipation of future regulatory scrutiny.

However, **SureFile Accounts** offers two further levels of validation and assurance. The first is a raft of technical checks on the iXBRL tagging itself, examining contextual and tagged dates for plausibility and consistency, checking for scaling or decimal-setting errors that might result in loss of precision, and plausibility checks on negated items.

The second, and most important, level comprises nearly 400 individual accounting rules, that check everything from the presence of co-dependent tagged items to the arithmetic of the Income Statement and Balance Sheet (as well as the other primary statements and many notes).

[1] However, we are sometimes called upon by subscribers to check the output quality of such tools and provide guidance and feedback to the tool vendor, which we will gladly do.

Over the years we've developed and refined our validation rules, both technical and accounting, in response to the typical mistakes that subscribers make, consciously or unconsciously, in their tagging choices. We've also refined the analysis of numeric or monetary discrepancies so that we can provide comprehensive diagnostics, which often identify the exact or underlying cause in order to help the preparer correct them quickly and efficiently. **SureFile Accounts**' diagnostics recognise:

- incorrect use of signs;
- tagging the same fact with different concepts in related groups;
- omitting a tagged component of a sum;
- omitting a tagged component in a sum total;
- omitting to tag a value (or multiple values) in the document that appears to be equivalent to an arithmetic discrepancy;
- using concepts intended for the notes in a primary statement;
- scaling errors in totals or components;
- allowing for rounding of values;
- digit transposition errors.

All these, and more, are illustrated in the examples described in this document.

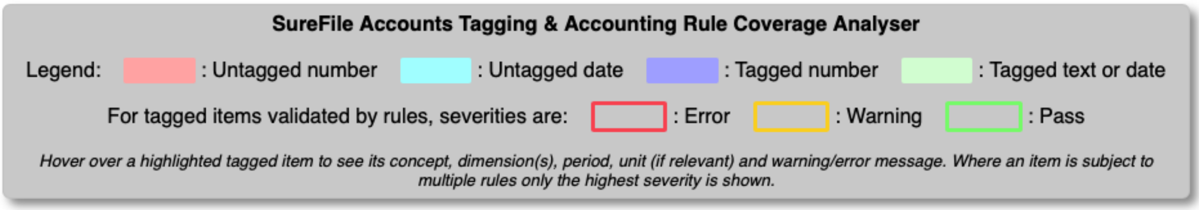
The examples presented here have all occurred within the last two years. The presence of these issues does not reflect badly on the preparers involved – as humans we all make mistakes, and we all have varying knowledge of the systems, accounting frameworks and taxonomies we are required to use. On the contrary, these preparers have given themselves the opportunity to correct their mistakes (and most do) before irreversibly submitting them to the scrutiny of tax authorities, regulators and/or the general public (in the case of statutory accounts destined for the public record), for which they should be applauded, not criticised!

Judging by the variable quality of accounts available on the public record, only a small fraction of submitters avail themselves of such facilities, whether it be the independent QA provided by **SureFile Accounts** or an internal QA process in their own organisations. More quality assurance is required across the board to fulfil the demands of tax authorities and regulators for consistent, high quality data.

The **SureFile Accounts** service provides secure quality assurance guidance on the preparation of tagged iXBRL accounts. It does not provide tax or accountancy advice or audit compliance.

1.1 Highlighting conventions used by the SureFile Tagging & Accounting Rule Coverage Analyser

A number of the illustrations below include screenshots of fragments from **SureFile Accounts**' Assurance Reports and/or their associated iXBRL accounts. The accounts fragments are taken from the interactive *SureFile Tagging and Accounting Rules Coverage analyser*, which highlights a number of different aspects – this is usually reached by clicking on the “See Location” button in a rule warning or error panel. A legend describing these aspects floats at the top of the window:



The solid (pastel) background colours highlight tagged numbers (mauve), tagged text or dates (pale green), untagged dates (cyan) and untagged numbers (pink). Border colouring is also used to indicate items that have had rules applied to them, with the colour indicating severity (or the highest severity if the tagged item is subject to more than one rule).

Recognising untagged numbers and dates in the surrounding XHTML is not always easy, so occasionally the analyser might miss a date (especially if its format is unusual or it has embedded HTML markup) or a number, but on the whole it gets it right most of the time.

Highlighted items are interactive, as the legend indicates. Tagged items display a popup with concept name, canonical numeric or date value if appropriate, period, and any dimensional qualifications. In addition, for items with border highlighting, the text of the relevant warning or error message is provided. This makes it very easy to browse an accounts document looking for tagging issues, and gives an overall visual impression of the tagging quality (or lack thereof!).

Without further ado, let’s dive in to the examples…

2 Follow the Taxonomy!

The first set of examples are all variations on a common theme – the preparer didn't properly follow the Presentation structure of the FRC Taxonomy when selecting tags[2]. This is probably the most common mistake that preparers make. Sometimes it is just blatant; choosing a tag from a completely different part of the taxonomy or mixing tags intended for the Notes in a Primary Statement. Sometimes it is more subtle; such as tagging facts using both the parent and one or more child tags in a presentation structure without taking into account their natural "roll-up" arithmetic, or tagging an isolated occurrence of a fact in one part of the document that is then inadvertently included in an arithmetic relationship expressed elsewhere on the face of the accounts.

Often, when the Presentation structure is not followed as intended, a secondary "tell-tale" is the mixing of tags from different hypercubes in one statement or table. Since the taxonomy is designed to model the typical data structures that appear in accounts it is almost never the right thing to do. Preparers should always think twice if their tagging tool is offering tag selections for a single statement or table that are drawn from multiple hypercubes.

Let's look at some real[3] examples…

2.1 Tagging Primary Statement facts with concepts intended for the Notes

Here's a good (topical!) example in an otherwise straightforward FRS 102 Income Statement. The company is including a COVID furlough grant payment of £57,459 as other operating income, but have tagged it, not with Income Statement concept '*Other operating income, format 1*', but with a more specific tag (*Government Grant Income*) intended for the Income Statement Notes:

[2] In a taxonomy that doesn't have a Calculation Linkbase to indicate arithmetic relationships, the Presentation hierarchy, in combination with concept balance attributes, is the next best thing (and was intended to be interpreted this way by the designers of the FRC taxonomy anyway).

[3] These are all real cases submitted by **SureFile Accounts** subscribers. Any identifying information for both company and preparer has been removed, but the contents (must of course) remain unchanged to illustrate the issues.

	Note	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Turnover	4	2,219,839	2,433,884
Cost of sales		(423,015)	(569,264)
Gross profit		1,796,824	1,864,620
Administrative expenses		(561,835)	(328,043)
Exceptional administrative expenses	5	(1,000,000)	-
Other operating income - furlough grant income		57,459	-
Revaluation of investment properties		-	(1,800,000)
Operating profit/(loss)	5	292,448	(263,423)

Consequently, a rule written to handle either of the FRS 102 income statement formats fails to verify '*Operating profit/(loss)*' as also indicated by the amber border on the relevant facts in the *SureFile Tagging & Accounting Rule Coverage Analyser*, above. Here's the warning, with its associated diagnostics:

Income Statement

	£	Current period duration
1. **WARNING** 'Operating profit (loss)' (292,448) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (234,989). The difference is 57,459.	**OperatingProfitLoss** (Concept)	

Component(s): **+TurnoverRevenue (2,219,839), -CostSales (423,015), -AdministrativeExpenses (1,561,835)**

The difference of 57,459 corresponds to the value of facts tagged with the following concept(s). This *may* indicate unusual or incorrect concept tagging:

Concept	**GovernmentGrantIncome** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Income Statement**	**Current period duration**	See Location

One or more of the concepts identified above should only be used for tagging items in Notes, not in the **Income Statement**. If the difference detected by the rule is attributable to one of these concepts being used to tag a line item in the **Income Statement** then consider using a more general tag from the Income Statement's *Presentation* and tag it as a total with a tagged sum in an appropriate Note.

Tagging the **Income Statement** using only concepts from the Income Statement's *Presentation* is more likely to result in a rule **PASS**

See Location

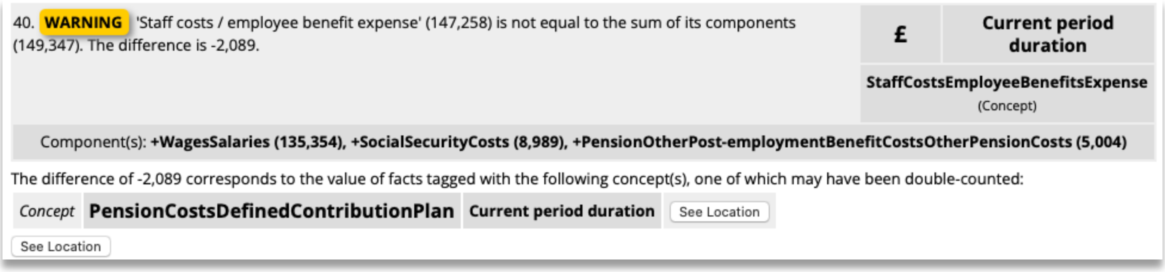
As you can see **SureFile Accounts** has identified the discrepancy between '*Operating profit (loss)*' and the sum of its components according to the taxonomy ('*Turnover/Revenue*', '*Cost of Sales*' and the normal and exceptional '*Administrative expenses*'). Had '*Other operating income, format 1*' been used for the furlough grant income the rule would have passed.

As well as reporting the discrepancy, **SureFile Accounts** has tried to diagnose the cause – in this case it has found a fact that matches the discrepancy tagged with the concept '*Government Grant Income*' with the same currency and period info, but highlights that the concept is intended for tagging detail in the Notes.

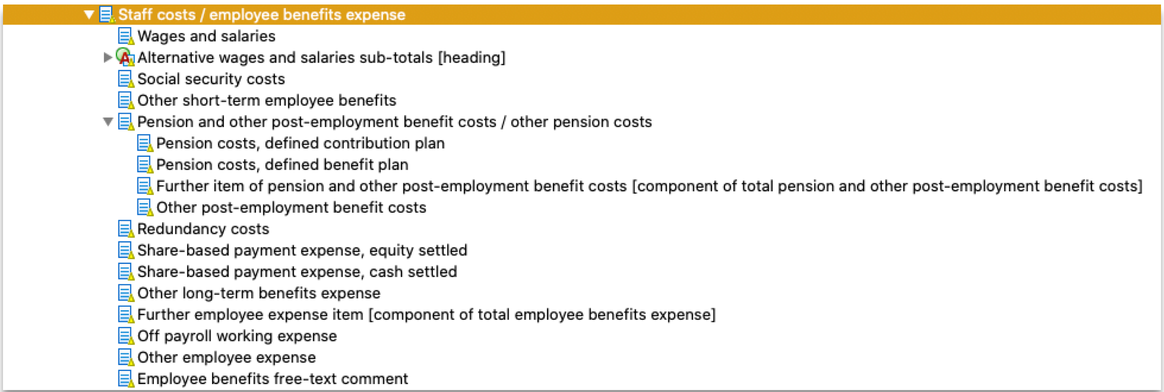
Guidance is also given on how to avoid the discrepancy arising in the first place.

2.2 Inconsistent or partial tagging in the Notes

Here's a discrepancy detected in an Income Statement Employees Note:



'*Staff costs / employee benefit expense*' is not equal to the sum of its components (implied by the hierarchy in the taxonomy's presentation structure):



However, **SureFile Accounts** has detected a fact value equivalent to the discrepancy tagged with the concept '*Pension costs, defined contribution plan*'. What's going on? Well, here's the note, viewed in the coverage analyser:

6. Employees

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Wages and salaries	135,354	198,467
Social security costs	8,989	39,799
Cost of defined benefit scheme	2,915	-
	147,258	238,266

Add up the amber-highlighted column and the sum looks right… However, the total is missing the cost of a defined contribution plan, which is tagged in a completely separate Pension commitments Note:

19. Pension commitments

The company operates a defined contributions pension scheme . The assets of the scheme are held separately from those of the company in an independently administered fund.The pension cost charge represents contributions payable by the company to the fund and amounted to £ 2,089 (2019 - £Nil). Contributions totalling £ 615(2019 - £ 679) were payable to the fund at the reporting date

'*Staff costs / employee benefit expense*' has therefore been understated by the value of the defined contribution plan's contributions. Had this appeared in the Employees Note, with the correct total the rule would have passed.

Oh, and by the way, the accounts didn't show a figure for the '*Retirement benefit obligations (surplus)*' for that defined contribution scheme:

103. **WARNING** 'Retirement benefit obligations (surplus)' is missing or not tagged for 'defined contributions pension scheme' plan.	***no units***	**Current period duration**
	RetirementBenefitObligationsSurplus (Concept)	
See Location		

2.3 Tagging multiple Notes concepts in Primary Statements

Sometimes there's more than one fact in a primary statement that is tagged with concepts intended for the Notes. In these cases **SureFile Accounts** can't simply look for a tagged fact with a value that equals the discrepancy (as in the previous example). If no single tagged value is found, then **SureFile Accounts** falls back to an algorithm that looks for non-primary statement concepts in the vicinity[4] of the tagged primary statement items and attempts to construct the discrepancy by combining up to three values in various combinations. Here's a case in point – '*Operating profit (loss)*' has a discrepancy, and we can see that there are two unusual line items: '*Gain/(loss) from changes in fair value of investment property*' and '*Sale of Asset*'. These have been tagged with concepts intended for the Notes, not the Income Statement. The fact that they have no border-highlighting is an indication that they have not been considered by the rule:

	Note	2020 £	2019 £
Turnover		97,834	125,969
Administrative expenses		(29,151)	(41,249)
Exceptional item - Charitable donations		(600,000)	(600,000)
Gain/(loss) from changes in fair value of investment property		(32,288)	411,995
Sale of Asset		19,271	109,149
Operating Profit/(Loss)	2	(544,334)	5,864

The **SureFile Accounts** rule warning for the current (2020) period (see below) shows a discrepancy of £13,017, and then highlights a potential sum of non-Income Statement facts

[4] Items in the same "vicinity" are those whose embedded mark-up share a close common XHTML structural ancestor such as <table> or <div> in the iXBRL accounts document itself.

that it found within the same vicinity that satisfies the discrepancy. Occasionally this approach produces bogus suggestions, but in this case it is spot on:

Income Statement

1. **WARNING** 'Operating profit (loss)' (-544,334) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (-531,317). The difference is -13,017.	**£**	**Current period duration**
		OperatingProfitLoss (Concept)

Component(s): **+TurnoverRevenue (97,834), -AdministrativeExpenses (29,151), -OtherOperatingExpensesFormat1 (600,000)**

No single tagged value accounts for the difference, but the difference of -13,017 corresponds to the following arithmetic combination(s) of values tagged with these concepts and, if applicable, their dimension member(s). This may help you to diagnose the cause(s) of the difference:

	-13,017 = -32,288 + 19,271		
Concept	**GainLossFromRevaluationPropertyPlantEquipmentRecognisedInProfitOrLoss** **(PropertyPlantEquipmentClassesDimension=InvestmentPropertyIncludedWithinPPE)** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Income Statement**	**-32,288**	See Location
		+	
Concept	**GainLossOnDisposalsPropertyPlantEquipment** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Income Statement**	**19,271**	See Location

One or more of the concepts identified above should only be used for tagging items in Notes, not in the **Income Statement**. If the difference detected by the rule is attributable to one of these combinations being used to tag line items in the **Income Statement** then consider using a more general tag from the Income Statement's *Presentation* and tag it as a total with a tagged sum in an appropriate Note.

Tagging the **Income Statement** using only concepts from the Income Statement's *Presentation* is more likely to result in a rule **PASS**

See Location

Of course, according to the Taxonomy presentation, both tags are intended for use in the Notes, not the Income Statement itself.

2.4 Random use of Primary Statement concepts in the Notes

Using concepts where they shouldn't be used can get you into apparent trouble: This Income Statement *looks* simple enough:

	Notes	2020 £	2019 £
Turnover	3	13,001	7,505
Administrative expenses		667,471	(7,104)
Operating profit	4	680,472	401
Interest payable and similar expenses	7	-	(35)
Profit before taxation		680,472	366
Tax on profit / (loss)	8	-	-
Profit for the financial year attributable to owners of the Company		680,472	366

It passes all but one rule. Notice the warning about the '*Operating Profit*' calculation for 2020. The rule warning gives us all the information we need:

Income Statement		
1. **WARNING** 'Operating profit (loss)' (680,472) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (1,350,788). The difference is -670,316.	**£**	**Current period duration**
		OperatingProfitLoss (Concept)
Component(s): **+TurnoverRevenue (13,001), -AdministrativeExpenses (-667,471), +OtherOperatingIncomeFormat1 (670,316)**		

The highlighted component above corresponds to the difference - it has been omitted from the tagged total on the face of the Accounts.

See Location

Something very odd is going on here. '*Administrative expenses*' has been tagged as negative, leading to it being *added* to *Turnover* to arrive at an operating profit of £680,472. However, the component that matches the discrepancy of -670,316 is highlighted, leading us to the culprit – '*OtherOperatingIncomeFormat1*' – but it is nowhere to be seen in this Income Statement!

A quick search for that value reveals it to be in Note 4, being used to tag a line item entitled "Forgiveness of group payable balance":

4. Operating profit

	2020 **£**	**2019** **£**
Operating profit is stated after charging:		
Amortisation of TV production inventories	-	-
Forgiveness of group payable balance	670,316	-
Auditor's remuneration		
- Fee payable for the audit of the company's annual financial statements	-	5,004

Maybe that item of "income" has been factored into the '*Administrative expenses*' (it is of a similar order of magnitude), which may explain why it might be negative. Even so, this is an odd way to tag an Income Statement.

2.5 Discrepancy resolution via tagged or untagged facts

Sometimes a discrepancy will match both tagged and untagged values, in which case **SureFile Accounts** presents both:

Income Statement

1. **WARNING** 'Profit (loss) on ordinary activities before tax' (-480,341) is not equal to 'Operating profit or loss' (-820) plus adjustments (missing). The difference is -479,521.

£	Current period duration
	ProfitLossOnOrdinaryActivitiesBeforeTax (Concept)

The difference of -479,521 might be accounted for by the following untagged value in the accounts:

Fair value adjustments *or* *Loss on financial assets at fair value through profit and loss account*	**479,521**

OR

The difference of -479,521 corresponds to the value of facts tagged with the following concept(s), one of which may have been double-counted:

Concept	**GainLossOnFinancialAssetsFairValueThroughProfitOrLoss** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Income Statement**	**Current period duration**	See Location

One or more of the concepts identified above should only be used for tagging items in Notes, not in the **Income Statement**. If the difference detected by the rule is attributable to one of these concepts being used to tag a line item in the **Income Statement** then consider using a more general tag from the Income Statement's *Presentation* and tag it as a total with a tagged sum in an appropriate Note.

Tagging the **Income Statement** using only concepts from the Income Statement's *Presentation* is more likely to result in a rule **PASS**

See Location

The use of '*GainLossOnFinancialAssetsFairValueThroughProfitOrLoss*', as a concept intended for the Notes, is of course discouraged, but in this case it explains the discrepancy in the income statement (line item: "Loss on financial assets at fair value through profit and loss account"):

Statement of Income and Retained Earnings

Period from 20 January 2020 to 31 December 2020

	2020 **£**
Turnover	2,780
Administrative expenses	(3,600)
Operating loss	(820)
Loss on financial assets at fair value through profit and loss account	(479,521)
Loss before tax	(480,341)

But, just to reinforce the suggested resolution, the untagged value (highlighted in pink) was also found in a Note to the Balance Sheet:

Current financial assets	**Financial assets at fair value through profit and loss** **£**	**Total** **£**
Cost or valuation		
Additions	1,652,331	1,652,331
Fair value adjustments	(479,521	(479,521)
At 31 December 2020	1,172,810	1,172,810

and an untagged detailed profit & loss account, a portion of which is shown here:

Administrative expenses	
Administrative expenses	(3,600)
Operating loss	(820)
Loss on financial assets at fair value through profit and loss account	(479,521)
Loss before tax	(480,341)

One way or the other, a clearer understanding of the content and the resolution of issues is facilitated by diagnosis of both tagged and untagged explanations.

2.6 Concepts not available to a particular entry-point

Sometimes, with or without the connivance of preparation tools, preparers manage to select a concept that is not intended to be used with a particular FRC taxonomy entry-point as a result of it not being included in a particular entry-point's Presentation hierarchy. It therefore cannot possibly be addressed by correctly-formulated rules. The following rule warning was generated by a set of FRS 101 (2019) accounts:

14. **WARNING** Movement in 'Deferred tax liabilities' (missing) does not equal end value (129,955) minus start value (135,225). The difference is 5,270.	**£**	**Current period duration**
		DeferredTaxLiabilities (Concept)

The difference of 5,270 corresponds to the value of the following concept(s) and, if applicable, their dimension member(s). This *may* indicate unusual or incorrect concept or dimensional tagging:

Concept	**DeferredTaxExpenseCreditRelatingToOriginationReversalTimingDifferences** **Concept not available to be used with the Taxonomy entry-point for this account type - check your tagging!**	**Current period duration**	See Location
Concept	**IncreaseDecreaseInExistingProvisionsRecognisedInProfitOrLoss** **(ProvisionsClassesDimension=DeferredTaxation)**	**Current period duration**	See Location

See Location

As can be seen, '*DeferredTaxExpenseCreditRelatingToOriginationReversalTimingDifferences*' is one possible match for the discrepancy detected by the rule, but whilst it is a concept defined in the taxonomy, it is NOT a concept that appears in the Presentation hierarchy for the FRS 101 entry-point. Preparation tools should not let this kind of thing happen, but they do.

2.7 Tagging of tangible fixed assets tables

This is an area that generates an awful lot of issues. A classic example is where a nice neat table has been properly tagged column-wise with the PPE Classes dimension so that all the rows add up correctly. Then, odd additional tagging is performed in the footnote that disrupts the arithmetic integrity and results in warnings such as this:

65. **WARNING** For all ownership classes (except right-of-use assets) the sum of all property, plant and equipment classes components for concept (2,134,763) does not equal total (2,054,389). The difference is -80,374.

£	Current period end
	PropertyPlantEquipmentGrossCost (Concept)
	all (PPEOwnershipDimension)
	all (PropertyPlantEquipmentClassesDimension)

The difference of -80,374 corresponds to the value of facts tagged with the following concept(s) and, if applicable, their dimension member(s), one of which may have been double-counted:

Concept	**PropertyPlantEquipmentGrossCost (PropertyPlantEquipmentClassesDimension=Land PPEOwnershipDimension=OwnedOrFreeholdAssets)**	**Current period end**	See Location

It looks like the tagging of 'PropertyPlantEquipmentClassesDimension' members for the fact tagged with the concept 'PropertyPlantEquipmentGrossCost' may not have followed the dimension hierarchy correctly for the dimension member identified above.

See Location

Why has **SureFile Accounts** deduced that the tagging may not have followed the PPE Classes dimension hierarchy correctly? Well, consider the Tangible fixed assets Note that has given rise to this:

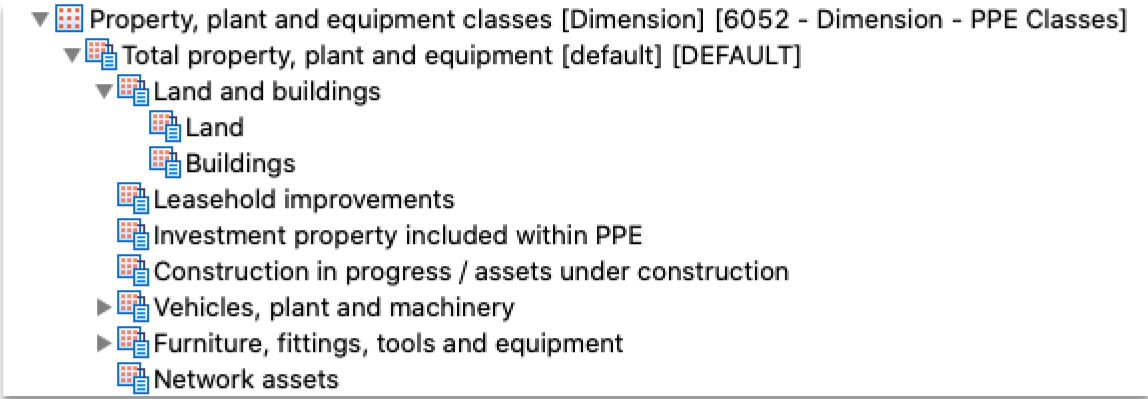
12. Tangible fixed assets

	Land & Buildings £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 May 2020	765,404	713,075	565,148	2,043,627
Additions	-	49,219	-	49,219
Disposals	(8)	(25,000)	(13,449)	(38,457)
Transfers between classes	-	(19,929)	19,929	-
At 30 April 2021	765,396	717,365	571,628	2,054,389
Depreciation				
At 1 May 2020	111,871	352,840	521,873	986,584
Charge for the year	13,700	152,228	14,335	180,263
Disposals	(8)	(19,288)	(13,450)	(32,746)
At 30 April 2021	125,563	485,780	522,758	1,134,101
Net book value				
At 30 April 2021	639,833	231,585	48,870	920,288
At 30 April 2020	653,533	360,235	43,275	1,057,043

Included in land and buildings is freehold land at cost of £ 80,374 (2020 - £ 80,374) which is not depreciated. Included in the land & buildings is freehold property which has a net book value of £ 493.459 (2020 - £ 505,189) and short leasehold property has a net book value of £ 66,000 (2020 - £ 68,000).

The warning relates to the Current Period End (i.e. the Cost row for 30 April 2021) where the sum is apparently not 2,054,389 (highlighted with amber edging) but should be 2,134,763. The problem is that the Land & Buildings column has been tagged, not unreasonably, with the *Land and buildings PPE classes* dimension member, BUT in the footnote, 80,374 (the discrepancy) has been tagged with the *Land PPE Classes* dimension member.

It is a component of the *Land and buildings* member, as can be seen from this portion of the PPE Classes dimension hierarchy:

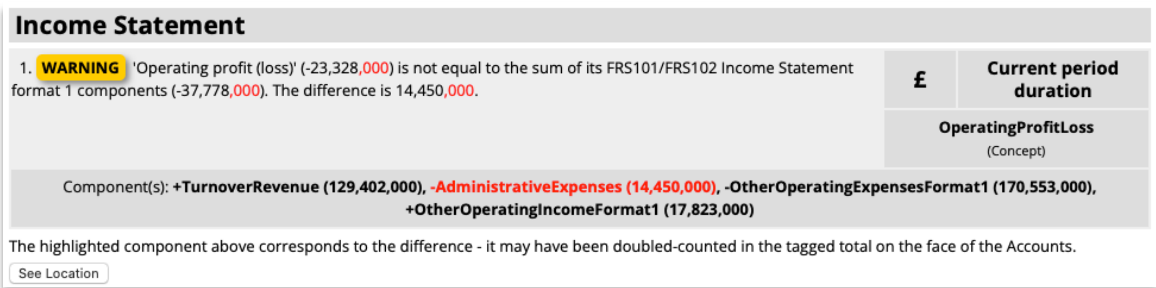


A rule cannot tell whether a tagged fact is in the table or not, it just sees a set of facts, including both a '*Land and buildings*' fact and a '*Land*' fact. That the '*Land*' figure is part of the '*Land and buildings*' figure is not apparent. Thus, summing across this dimension hierarchy double-counts the '*Land*' figure, resulting in the discrepancy. If the values associated with the PPE Classes members were rolled-up following the hierarchy instead, such tagging would still result in a discrepancy, only this time it would be because the components of '*Land and buildings*' don't add up to the total for '*Land and buildings*'.

Tagging figures in the footnote was clearly not intended to disrupt the integrity of the Tangible fixed assets table above it, but XBRL-based accounting rules cannot be cognisant of the layout of the document. It would have been better to have left the figures in the footnote untagged, or combine the PPE Classes and PPE Ownership dimensions in an expanded set of table columns.

2.8 How *not* to tag an Income Statement

The warning below illustrates what on the face of it appears to be a simple case of double-counting in the original accounts. The exceptional administrative expenses have also been included in '*OtherOperatingExpensesFormat1*':



However, this has come about because of some poor tagging choices in the Income Statement:

	Note	2020 £000	2019 £000
TURNOVER	5	129,402	210,990
Operating costs	6	(170,553)	(214,193)
Other operating income	7	17,823	112
Operating Loss	9	(23,328)	(3,091)
Analysed as:			
OPERATING LOSS BEFORE EXCEPTIONAL ITEMS		(8,878)	(510)
Exceptional Items	11	(14,450)	(2,581)
OPERATING LOSS		(23,328)	(3,091)

Had the untagged '*Operating Loss*' of 23,328 been tagged and the figures in the analysis below it left untagged all would have been well. However, the Exceptional items figure of 14,450 tagged there has resulted in double-counting, because from Note 6 we learn that the exceptional items are already included in Operating Costs (tagged as '*OtherOperatingExpensesFormat1*').

Here's another example:

Income Statement

1. **WARNING** 'Operating profit (loss)' (8,381,725) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (-20,602). The difference is 8,402,327.	€	**Current period duration**
	OperatingProfitLoss (Concept)	

Component(s): **-AdministrativeExpenses (20,602)**

The difference of 8,402,327 might be accounted for by the following untagged value in the accounts:

Fair value movements **8,402,327**

OR

The difference of 8,402,327 corresponds to the value of facts tagged with the following concept(s). This *may* indicate unusual or incorrect concept tagging:

Concept	**GainLossOnFinancialAssetsFairValueThroughProfitOrLoss** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Income Statement**	**Current period duration**	See Location

One or more of the concepts identified above should only be used for tagging items in Notes, not in the **Income Statement**. If the difference detected by the rule is attributable to one of these concepts being used to tag a line item in the **Income Statement** then consider using a more general tag from the Income Statement's *Presentation* and tag it as a total with a tagged sum in an appropriate Note.

Tagging the **Income Statement** using only concepts from the Income Statement's *Presentation* is more likely to result in a rule **PASS**

See Location

This time, the discrepancy is down to "Fair value movements" which appears as an untagged value, but also tagged in the income statement with '*GainLossOnFinancialAssetsFairValueThroughProfitOrLoss*':

	Note	2020 €
Administrative expenses		(20,602)
Fair value movements		8,402,327
Operating profit		**8,381,725**

’

The right things to do would have been to tag the line item with ‘*OtherOperatingIncomeFormat1*’ and provide a Note that showed the breakdown of that summary item, using ‘*GainLossOnFinancialAssetsFairValueThroughProfitOrLoss*’.

2.9 Inferring unusual line item tagging

Here’s a good example of a discrepancy in the Current Assets portion of a balance sheet that has arisen because of three separate unusual line items that would ordinarily not be expected to appear:

Statement of Financial Position

8. **WARNING** 'Current assets' (4,360,398) does not equal the sum of its Full IFRS components (3,941,412). The difference is 418,986.	£	**Current period end**
		CurrentAssets (Concept)

Component(s): **+CashCashEquivalents (3,941,412)**

No single tagged value accounts for the difference, but the difference of 418,986 corresponds to the following arithmetic combination(s) of values tagged with these concepts and, if applicable, their dimension member(s). This may help you to diagnose the cause(s) of the difference:

418,986 = 250,448 + 16,425 + 152,113

Concept	**TradeDebtorsTradeReceivables** **(FinancialInstrumentCurrentNon-currentDimension=CurrentFinancialInstruments)** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Statement of Financial Position**	**250,448**	See Location
		+	
Concept	**OtherReceivables** **(FinancialInstrumentCurrentNon-currentDimension=CurrentFinancialInstruments)** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Statement of Financial Position**	**16,425**	See Location
		+	
Concept	**Prepayments** **(FinancialInstrumentCurrentNon-currentDimension=CurrentFinancialInstruments)** **This concept is intended for tagging detail in the Notes - it should not be used to tag line items in the Statement of Financial Position**	**152,113**	See Location

One or more of the concepts identified above should only be used for tagging items in Notes, not in the **Statement of Financial Position**. If the difference detected by the rule is attributable to one of these combinations being used to tag line items in the **Statement of Financial Position** then consider using a more general tag from the Statement of Financial Position's *Presentation* and tag it as a total with a tagged sum in an appropriate Note.

Tagging the **Statement of Financial Position** using only concepts from the Statement of Financial Position's *Presentation* is more likely to result in a rule **PASS**

See Location

The discrepancy can be explained by these three items that would usually appear in the Notes to the Balance Sheet:

CURRENT ASSETS		
Accounts receivable	250,448	363,994
Other receivables	16,425	7,523
Prepayments	152,113	267,178
Bank balances	3,941,412	2,872,414
	4,360,398	3,511,109

SureFile Accounts will only report such a sum (of up to three tagged items) if they occur within the vicinity of the other items referenced by the rule. This is to prevent random combinations of values from elsewhere in the accounts being mistakenly identified. In this case, "Bank balances" (rolled up as '*CashCashEquivalents*') and '*CurrentAssets*' appear in the same HTML table, so only other items tagged in that same table were candidates for discrepancy resolution.

2.10 Primary Statement items used in the wrong context

Here, the concept '*IncomeFromSharesInGroupUndertakings*', which would normally be expected to appear as an item normally disclosed after operating profit, is being treated as revenue in the prior period by a parent entity:

Income Statement

1. **WARNING** 'Operating profit (loss)' (206,424,000) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (-734,000). The difference is 207,158,000.	**MXN**	**Prior period duration**
		OperatingProfitLoss (Concept)

Component(s): -**AdministrativeExpenses (734,000)**

The difference of 207,158,000 corresponds to the value of facts tagged with the following concept(s). This *may* indicate unusual or incorrect concept tagging:

Concept **IncomeFromSharesInGroupUndertakings** **Prior period duration** See Location

See Location

The Income Statement shows this clearly (note the unusual currency!):

	Note	2020 MXN('000s)	2019 MXN('000s)
Income from other Group undertakings		-	207,158
Administrative expenses		(4,491)	(734)
Operating (loss)/profit		(4,491)	206,424
Finance income	5	20,559,398	21,231,288
Finance expense	6	(333)	(30)
Profit on ordinary activities before taxation		20,554,574	21,437,682

Perhaps this income would have been better tagged as '*TurnoverRevenue*', with a suitable breakdown in a Note.

This caused a knock-on discrepancy in the verification of "**Profit on ordinary activities before taxation**" where the rule was expecting to include '*IncomeFromSharesInGroupUndertakings*' as an adjustment to the (overstated) Operating profit figure:

2. **WARNING** 'Profit (loss) on ordinary activities before tax' (21,437,682,000) is not equal to 'Operating profit or loss' (206,424,000) plus adjustments (21,438,416,000). The difference is -207,158,000.

MXN	Prior period duration
ProfitLossOnOrdinaryActivitiesBeforeTax (Concept)	

Adjustment(s): **+IncomeFromSharesInGroupUndertakings (207,158,000)**, **+NetFinanceIncomeCosts (21,231,258,000)**

The highlighted adjustment above corresponds to the difference - it has been omitted from the tagged total on the face of the Accounts.

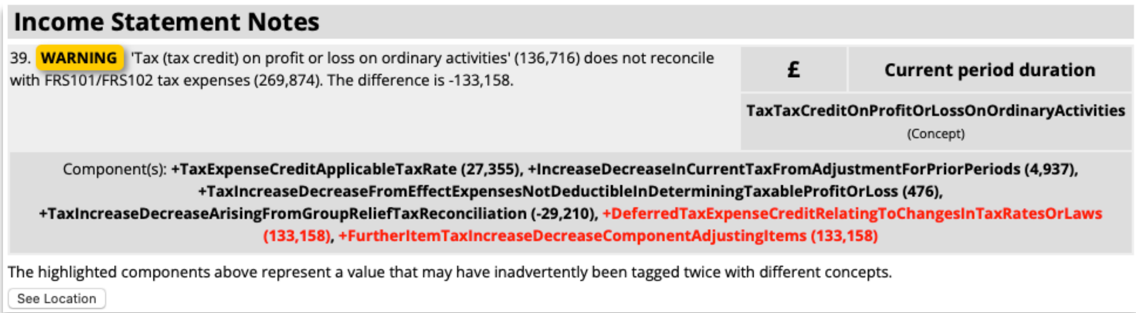
See Location

3 Tagging Mistakes

Sometimes preparers just make mistakes – they're only human after all – even when operating semi-automatic tagging tools, whose tagging suggestions are only as good as the preparer's judgement in accepting or rejecting them.

3.1 Inadvertent double-tagging

Here's a mistake that occurs all too often. The same fact is tagged more than once, but with different concepts. This may reflect the slightly different circumstances in which these facts are reported, a lack of concentration, or it may just be laziness(!). Fortunately, this one doesn't have a material impact on the tax position of the company:



We can see in the list of components above (as implied by the taxonomy Presentation) that the discrepancy appears as a fact twice – each occurrence in the list is highlighted in red. This is almost certainly an indication that this fact (£133,158) has been tagged twice using different concepts, both of which figure in the calculation of the company's tax expenses.

Here we can see that the line item "Effect of tax rate change on opening balance" under "**Deferred tax"** has been tagged with the concept '*DeferredTaxExpenseCreditRelatingToChangesInTaxRatesOrLaws*':

9. **Taxation**

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Corporation tax		
Current tax on profits for the year	-	107,112
Adjustments in respect of previous periods	4,937	(3,705)
Total current tax	4,937	103,407
Deferred tax		
Origination and reversal of timing differences	(1,379)	(305,132)
Effect of tax rate change on opening balance	133,158	-
Total deferred tax	131,779	(305,132)
Taxation on profit/(loss) on ordinary activities	136,716	(201,725)

and in a continuation of the Note (below) the same figure in the line item "Remeasurement of deferred tax for changes in tax rates" has been tagged with the generic '*FurtherItemTaxIncreaseDecreaseComponentAdjustingItems*':

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%) . The differences are explained below:

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Profit/(loss) on ordinary activities before tax	143,974	(485,197)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	27,355	(92,187)
Effects of:		
Expenses not deductible for tax purposes	476	1,709
Group relief claimed	(29,210)	(145,262)
Adjustments to tax charge in respect of prior periods	4,937	(3,705)
Adjustments in respect of prior periods - deferred tax	-	1,630
Impact of change in rate of deferred tax	-	36,090
Remeasurement of deferred tax for changes in tax rates	133,158	-
Total tax charge for the period	136,716	(201,725)

3.2 Duplicate tagging with different concepts

The total '*Cash and cash equivalents*' below might be correct, but the tagging of its components has caused a discrepancy:

14. **WARNING** 'Cash and cash equivalents' (23,007,333) does not equal the sum of its components (12,627,222). The difference is 10,380,111.	**£**	**Current period end**
	CashCashEquivalents (Concept)	
	CurrentFinancialInstruments (FinancialInstrumentCurrentNon-currentDimension)	
Component(s): **+CashBankOnHand (33,387,444), +BankingArrangementsClassifiedAsCashCashEquivalents (-10,380,111), -BankOverdrafts (10,380,111)**		

The highlighted components above represent a value that may have inadvertently been tagged twice with different concepts.

See Location

The Note containing this breakdown (for current period 2020) is presented thus:

17. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	33,387,444	25,863,099
Less: bank overdrafts	(10,380,111)	(6,189,990)
	23,007,333	19,673,109

Which on the face of it looks right. However, the line item "Less: bank overdrafts" has been tagged with '*BankingArrangementsClassifiedAsCashCashEquivalents*' and negated. However, this is also a legitimate component of '*Cash and cash equivalents*'.

The rogue "BankOverdrafts" tagging which also figures as a component in the rule appears in the very next note:

18. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	10,380,111	6,189,990
Government grants received	17,730	23,813
Trade creditors	8,413,601	5,899,593
Amounts owed to group undertakings	1,423,500	1,623,976
Corporation tax	5,103	-

Had both occurrences (with the same line item description) been tagged with '*BankOverdrafts*' all would have been well. This example was produced by a reputable software package, not a manual preparation tool, so there is really no excuse.

3.3 Period of Accounts end date check (live)

It always pays to check what you can when Companies House offers the information via an online API. Here, the end date of the Period of Accounts doesn't match what they expect. It might be a mistake, but on the other hand a 6-day discrepancy might just be explained by the 7-day rule for setting accounting reference dates:

3. **WARNING** The Period of Accounts end date (09-24) does not match the accounting reference end date (09-30) recorded by Companies House.

Either way, best to check and warn if different!

3.4 Using the wrong tag or tags

Sometimes it's obvious from the context that the wrong tagging has been applied. Here's a straightforward one from a set of FRS 101 accounts:

Income Statement		
1. **ERROR** 'Profit (loss) before tax' (ProfitLossBeforeTax) should not be used to tag pre-tax profit or loss in an FRS101/FRS102 Income Statement - use 'Profit (loss) on ordinary activities before tax' (ProfitLossOnOrdinaryActivitiesBeforeTax) instead.	**£**	**Current period duration**
		ProfitLossBeforeTax (Concept)

We can say without fear of contradiction (because the taxonomy Presentation says so!) that this is an error, unlike some other checks **SureFile Accounts** makes. '*ProfitLossBeforeTax*' is not in the Presentation hierarchy for the FRS 101 entry-point, though it is defined in the taxonomy and used in the Full IFRS Presentation hierarchy.

In this example below, the preparer has mixed format 1 and format 2 concepts in an Income Statement. It might not matter, but it may have consequences for the outcomes of separate format 1 and format 2 rules:

3. **WARNING** Mixture of Format 1 and Format 2 components detected in Income Statement. This may cause unexpected or duplicate operating profit (loss) rule failures.	***no units***	***no period info available***

3.5 Double counting in summed components

In this example, summing '*IncreaseDecreaseInCurrentTaxFromAdjustmentForPriorPeriods*' across all jurisdictions (an applicable dimension for this tag) appears to have resulted in the double-counting of the fact that has the value £74,000 which seems to have been tagged twice for different jurisdictions. There is no suggestion (in this case) that the tax credit figure is wrong.

Income Statement Notes

42. **WARNING** 'Total current tax expense (credit)' (-74,000) is not equal to the sum of its components (-148,000). The difference is 74,000.	£	Prior period duration
	TotalCurrentTaxExpenseCredit (Concept)	
Component(s): **+IncreaseDecreaseInCurrentTaxFromAdjustmentForPriorPeriods(all-jurisdictions) (-148,000)**		

The difference of 74,000 is exactly half the value of 'IncreaseDecreaseInCurrentTaxFromAdjustmentForPriorPeriods(all-jurisdictions)'. This may indicate that the value '74,000' has been double-counted in the derivation of 'IncreaseDecreaseInCurrentTaxFromAdjustmentForPriorPeriods(all-jurisdictions)'.

See Location

3.6 Mis-aligned dates

The balance sheet date and the accounting period end date should usually be identical:

7. **WARNING** 'Balance sheet date' (2020-12-23) should be the same as 'End date for period covered by report' (2019-12-29).	Date	Current period end
	BalanceSheetDate (Concept)	

See Location

3.7 Right idea, wrong tag

Here's an Income Statement that on the face of it looks ok – the operating profit ("Profit before interest payable and similar expenses") looks to be correct:

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
Turnover	2	873,845	809,364
Operating costs			
Staff costs		(851,770)	(788,815)
Other operating costs		(20,142)	(18,781)
Profit before interest payable and similar expenses		1,933	1,768

However, **SureFile Accounts** detected the following discrepancies for both current and prior periods:

Income Statement

1. **WARNING** 'Operating profit (loss)' (1,933) is not equal to the sum of its FRS101/FRS102 Income Statement format 2 components (42,217). The difference is -40,284.	**£**	**Current period duration**
		OperatingProfitLoss (Concept)

Component(s): **+TurnoverRevenue (873,845)**, **+OtherOperatingIncomeFormat2 (20,142)**, **-StaffCostsEmployeeBenefitsExpense (851,770)**

The difference of -40,284 is exactly double the value of 'OtherOperatingIncomeFormat2'. This may indicate that 'OtherOperatingIncomeFormat2' has the wrong sign.

See Location

2. **WARNING** 'Operating profit (loss)' (1,768) is not equal to the sum of its FRS101/FRS102 Income Statement format 2 components (39,330). The difference is -37,562.	**£**	**Prior period duration**
		OperatingProfitLoss (Concept)

Component(s): **+TurnoverRevenue (809,364)**, **+OtherOperatingIncomeFormat2 (18,781)**, **-StaffCostsEmployeeBenefitsExpense (788,815)**

The difference of -37,562 is exactly double the value of 'OtherOperatingIncomeFormat2'. This may indicate that 'OtherOperatingIncomeFormat2' has the wrong sign.

See Location

The mistake here is that the line item "Other operating costs" has been tagged with '*OtherOperatingIncomeFormat2*', instead of '*OtherOperatingExpenseFormat2*'. **SureFile Accounts**' interpretation of the discrepancy is that it is caused by a reversed sign, which in a way it has given the opposing balances of the two concepts in question.

3.8 Back to basics

Despite copious guidance and best practice on the way to lay out an Income Statement, some preparers just seem to have their own ideas. Here, operating income is assumed to contribute to gross profit(!):

Income Statement

1. **WARNING** 'Gross profit (loss)' (6,940,000) is not equal to 'Turnover / Revenue' (28,517,000) minus 'Cost of sales' (24,844,000). The difference is 3,267,000.	**$**	**Current period duration**
		GrossProfitLoss (Concept)

Component(s): **+TurnoverRevenue (28,517,000)**, **-CostSales (24,844,000)**

The difference of 3,267,000 corresponds to the value of facts tagged with the following concept(s). This *may* indicate unusual or incorrect concept tagging:

Concept	**OtherOperatingIncomeFormat1**	**Current period duration**	See Location

See Location

As we can see from the accounts themselves, the preparer hasn't made a poor tagging choice, but has made a fundamental mistake in the construction of the Income Statement:

Profit and loss account for the year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Turnover		28,517	25,253
Other Operating Income	5	3,267	3,778
Total Revenue		31,784	29,031
Cost of sales		(24,844)	(21,882)
Gross Profit		6,940	7,149
Administrative Expenses		(7,824)	(8,846)
Operating Loss	6	(884)	(1,697)

Despite deriving "Operating Loss" from "Gross Profit" the preparer seems to think that "Other operating income" contributes to "Gross profit". In the end "Operating Loss" is verified as correct, but the unnecessary detour resulted in the "Gross profit" rule failure.

4 Omitting to tag

Despite various exhortations to tag accounts fully, and long after HMRC's transitional "minimum tagging set" concessionary period ended, preparers still, on occasion, leave vital facts untagged.

4.1 Untagged items

Clearly, if a preparer leaves items untagged then any rule is going to struggle to verify arithmetic integrity. Still, we try ☺ Consider this example of an FRS 102 Income Statement:

	Note	2020 £ 000	2019 £ 000
Turnover	3	34,951	42,227
Cost of sales		(25,886)	(31,168)
Gross profit		9,065	11,059
Distribution costs		(5,406)	(6,284)
Administrative expenses		(6,161)	(7,545)
Other operating income	4	512	-
Operating loss before exceptional items, foreign currency gains and amortisation of goodwill:		(1,990)	(2,770)
Exceptional item - impairment of stock		(3,944)	-
Exceptional item - provision against intercompany receivable		(1,414)	-
Foreign currency gains		2,898	1,436
Amortisation of goodwill		(493)	(493)
Total exceptional items, foreign currency gains and amortisation of goodwill		(2,953)	943
Operating loss	5	(4,943)	(1,827)

SureFile Accounts detected a discrepancy in the '*Operating profit (loss)*' (£4,943,000 unscaled) of £2,953,000, signified by the amber borders, which is down to that chunk of untagged line items (shown in pink by the coverage analyser), where the sub-total is presented as '(2,953)':

Income Statement

1. **WARNING** 'Operating profit (loss)' (-4,943,000) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (-1,990,000). The difference is -2,953,000.

£	Current period duration
	OperatingProfitLoss (Concept)

Component(s): **+TurnoverRevenue (34,951,000), -CostSales (25,886,000), -DistributionCosts (5,406,000), -AdministrativeExpenses (6,161,000), +OtherOperatingIncomeFormat1 (512,000)**

The difference of -2,953,000 might be accounted for by the following untagged value in the accounts:

scaled by 1,000	*Total exceptional items, foreign currency gains and amortisation of goodwill*	**2,953**

See Location

What's more, the discrepancy analyser found the untagged number, assuming it was scaled by the same amount as the rest of the tagged numbers, and reported the apparent line item description associated with it, just for good measure. In this case the preparer revisited the accounts and tagged that sub-total (and the prior period one too) as exceptional operating expenses, improving the tagging quality rating assigned by **SureFile Accounts** by a whole star! (from 3 to 4)

5 Arithmetic issues

5.1 Applying the wrong sign

This can happen easily enough – preparers can be a bit 'casual' with the polarity of numbers in sums on the face of a set of accounts, especially when the interaction between the balance attribute of a tag and the actual polarity of a calculated figure is not fully understood. Fortunately, if you have relatively complete tagging then signage errors show themselves up. Here's a straightforward one:

Statement of Financial Position

15. **WARNING** 'Net Assets (Liabilities)' (9,467,000) does not equal the sum of its FRS101 components (9,823,000). The difference is -356,000.	**£**	**Current period end**
	NetAssetsLiabilities (Concept)	

Component(s): **+FixedAssets (49,000), +CurrentAssets (28,479,000), -ProvisionsForLiabilitiesBalanceSheetSubtotal (-178,000), -Creditors(current/non-current) (18,883,000)**

The difference of -356,000 is exactly double the value of 'ProvisionsForLiabilitiesBalanceSheetSubtotal'. This may indicate that 'ProvisionsForLiabilitiesBalanceSheetSubtotal' has the wrong sign.

See Location

The discrepancy of -356,000 is exactly double the value of one of the components ('*ProvisionsForLiabilitiesBalanceSheetSubtotal*' – highlighted in red). Of course, it's not fool-proof – **SureFile Accounts** is not an audit tool - especially where small round numbers are concerned, but with numbers like these you can be pretty sure it's an indication of an unintended sign-reversal.

Here, with a similar diagnosis, a movement appears to have been given the wrong sign:

76. **WARNING** Movement in 'Accumulated depreciation impairment, property, plant and equipment' (165,000) does not equal end value (-315,000) minus start value (-150,000). The difference is -330,000.	**£**	**Current period duration**
	AccumulatedDepreciationImpairmentPropertyPlantEquipment (Concept)	
	Right-of-useAssets (PPEOwnershipDimension)	

Movement(s): **+IncreaseFromDepreciationChargeForYearPropertyPlantEquipment (165,000)**

The difference of -330,000 is exactly double the value of 'IncreaseFromDepreciationChargeForYearPropertyPlantEquipment'. This may indicate that 'IncreaseFromDepreciationChargeForYearPropertyPlantEquipment' has the wrong sign.

See Location

In this next case, although the correct profit after tax figure has been reported, the tax has turned into a tax credit with a mistaken negation:

2. **WARNING** In the absence of 'Profit (loss) on ordinary activities after tax', 'Profit or loss' (992,312) is not equal to 'Profit (loss) on ordinary activities before tax' (1,235,893) minus 'Tax (tax credit) on profit or loss on ordinary activities' (-243,581). The difference is -487,162. NOTE: 'Profit (loss) on ordinary activities after tax' should be tagged in addition to 'Profit or loss' even if they are identical.	£	Current period duration
	ProfitLoss (Concept)	

Component(s): **+ProfitLossOnOrdinaryActivitiesBeforeTax (1,235,893)**, **-TaxTaxCreditOnProfitOrLossOnOrdinaryActivities (-243,581)**

The difference of -487,162 is exactly double the value of 'TaxTaxCreditOnProfitOrLossOnOrdinaryActivities'. This may indicate that 'TaxTaxCreditOnProfitOrLossOnOrdinaryActivities' has the wrong sign.

See Location

Operating profit	7	**1,234,045**	68,687
Other interest receivable and similar income		**1,848**	7,765
Profit on ordinary activities before taxation		**1,235,893**	76,452
Taxation charge/(credit) on profit from ordinary activities	8	**243,581**	(4,686)
Profit for the financial year and total comprehensive income		**992,312**	71,766

Let's hope that the tax represented by '*TaxTaxCreditOnProfitOrLossOnOrdinaryActivities*' of £243,581 is not taken out of context somewhere and portrayed as a tax credit…

5.2 Rounding

Rounding issues can be quite inconvenient when you're trying to verify arithmetic accuracy, especially as the scale of the original tagged numbers has to be taken into account. Here, a simple sum of components doesn't quite add up:

36. **ADVICE** 'Lease liabilities' (20,958,000) does not equal the sum of its maturity components (20,959,000).The difference is -1,000.	£	Current period end
	LeaseLiabilities (Concept)	
	ContractualUndiscountedValue (FinancialInstrumentValueTypeDimension)	
	all (MaturitiesOrExpirationPeriodsDimension)	

The difference of -1,000 is not due to any specific cause and is probably due to arithmetic rounding at this scale.

See Location

Having eliminated all other possibilities to explain the discrepancy, **SureFile Accounts** looks at the scale in effect (denoted by the red-highlighted portion of the values), and decides to advise on the possibility that this is simply an arithmetic rounding error in the original accounts. It happens…

Here's another less obvious example:

Statement of Financial Position		
8. ADVICE Movement in 'Number of shares issued and fully paid' (-70,001,000) does not equal end value (1) minus start value (70,001,052). The difference is 51.	shares	Current period duration
	NumberSharesIssuedFullyPaid (Concept)	
Movement(s): -NumberSharesCancelledInPeriod (70,001,051)		

The difference of 51 is not due to any specific cause and is probably due to arithmetic rounding at this scale.

See Location

The discrepancy is less than the scaling threshold (indicated by the red-highlighted portion of the values) for this particular set of accounts.

5.3 Detecting scaling issues

As well as looking for items that might deviate from the general scale applied to monetary items in the accounts, it is sometimes obvious from comparing a sum with a tagged total that the total isn't scaled correctly:

Financial Position Notes		
41. WARNING 'Debtors' (251,975) is not equal to the sum of its FRS101/FRS102 components (251,975,000). The difference is -251,723,025.	$	Current period opening
	Debtors (Concept)	
	CurrentFinancialInstruments (FinancialInstrumentCurrentNon-currentDimension)	
Component(s): +AmountsOwedByRelatedParties (251,975,000)		

The tagged total appears to be incorrectly scaled.

See Location

This issue was also identified by **SureFile Accounts**' monetary values exceptions report:

Monetary Value Exceptions - scale or decimals	Tagged Value	Reported Value	Scale	Decimal	Period
Debtors	52,101,000		Unscaled	0	Current period opening
Debtors	251,975		Unscaled	0	Current period opening

These items are reported because they are scaled differently to the bulk of the monetary items in the accounts or because their decimals setting is similarly exceptional. Sometimes this is ok, such as the par value of shares in a report that is otherwise scaled in thousands.

5.4 Hiding numeric content to obscure arithmetic errors

Consider the following '*Operating profit (loss)*' calculation from an Income Statement:

	Note	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Turnover	4	4,683,340	8,990,362
Cost of sales		(1,046,190)	(2,056,651)
Gross profit		3,637,150	6,933,711
Administrative expenses		(2,142,151)	(3,015,206)
Exceptional administrative expenses - charitable donation		(1,350,000)	-
Total administrative expenses		(3,446,974)	(3,015,206)
Other operating income	5	201,512	23,400
Operating profit	6	346,511	3,941,905

The prior period rule passed with flying (green) colours, even with that untagged line item sub-total in there, but the rule threw the following warning for the current period:

Income Statement

	£	Current period duration
1. **WARNING** 'Operating profit (loss)' (346,511) is not equal to the sum of its FRS101/FRS102 Income Statement format 1 components (-3,100,463). The difference is 3,446,974.		OperatingProfitLoss (Concept)

Component(s): **+TurnoverRevenue (4,683,340), -CostSales (1,046,190), -AdministrativeExpenses (6,939,125), +OtherOperatingIncomeFormat1 (201,512)**

The difference of 3,446,974 might be accounted for by the following untagged value in the accounts:

Total administrative expenses **3,446,974**

See Location

Why might that be? Wait, component '*AdministrativeExpenses*' of 6,939,125? That's not right… The sum of exceptional (1,350,000) and non-exceptional (2,142,151) administrative expenses is NOT 3,446,974, it's 3,492,151, but that's represented by an untagged number sitting there. 6,939,125 is the sum of 1,350,000, 2,142,151 and 3,446,974.

For some bizarre reason the preparer of these accounts tagged the "Administrative expenses" total (i.e. no dimensional breakdown) as 3,446,974 in the hidden section, and then placed the same value, untagged, in the income statement. Here's the extracted XBRL data view:

	52 weeks ended 24-Sep-2020		
	Total equity [default]		
Primary Items	Exceptional	Explicitly identified as non-exceptional	Total reported [default]
Income statement [heading]			
Income statement format 1 [heading]			
Turnover / revenue			£4,683,340
Cost of sales			£1,046,190
Gross profit (loss)			£3,637,150
Administrative expenses	£1,350,000	£2,142,151	£3,446,974
Other operating income, format 1			£201,512

The reason **SureFile Accounts** used "Administrative expenses" of 6,939,125 is that it counted both dimensional breakdowns and the total. Normally, it would count only the breakdown values OR the total, but to cope with taggers who tag one "exceptionals" dimension breakdown AND the total (which is quite common) it sums the breakdown and compares it with the total. If they are the same then it avoids the obvious double-counting. However, in this case the dimensional breakdown is not the same as the total because the arithmetic in the Income Statement is flawed. The prior period didn't suffer this complication.

An accommodation in the rule to cope with common tagging practice is undone by poor arithmetic! Had the arithmetic been accurate then the total "Administrative expenses" line item in the Income Statement could have been tagged and all would have been well.

5.5 Losing precision

This is a common problem with percentages because of the implied scaling that happens when percentage figures are translated to canonical decimal fractions. Here is part of **SureFile Accounts**' *Numeric and Date Assurance Report*:

Percentage Value Exceptions - scale or decimals	Tagged Value	Reported Value	Scale	Decimal	Period
DiscountRateUsedDefinedBenefitPlan	1.4	0.01	Hundredths	2	Current period end
AssumedRateInflation-RPI	3.05	0.03	Hundredths	2	Current period end
AssumedRateInflation-RPI	2.85	0.03	Hundredths	2	Current period opening
AssumedRateInflation-CPI	2.55	0.03	Hundredths	2	Current period end
AssumedRateInflation-CPI	2.15	0.02	Hundredths	2	Current period opening

The apparent mistaken Decimals settings are highlighted in red, alongside the tagged value and the reported value, taking into account both the implied scaling and incorrect decimals setting for these fractional percentages.

In this example, the loss of precision highlights an error in the tagged value itself:

Monetary Value Exceptions - scale or decimals	Tagged Value	Reported Value	Scale	Decimal	Period
BalancesAmountsOwedToRelatedParties	16.660	17	Unscaled	0	Current period opening

The tagged value was clearly meant to be 16,660, not 16.660. A very significant typo!

Here's one that will almost certainly cause share-based calculation rules to fail:

Numeric Value Exceptions - scale or decimals	Tagged Value	Reported Value	Scale	Decimal	Period
ParValueShare	0.10	0	Unscaled	0	Current period duration

5.6 When all else fails…

When you can't find any other explanation for an arithmetic discrepancy, there's always the good old transposition error – same number of digits, discrepancy divisible by 9… It might just be a transposition error:

22. **WARNING** 'Total deferred tax expense (credit)' (66,723) does not equal the sum of its adjustments (66,273). The difference is 450.	**£**	**Current period duration**
	TotalDeferredTaxExpenseCredit (Concept)	
Adjustment(s): **-IncreaseDecreaseInDeferredTaxAssetsRecognisedInOtherComprehensiveIncome (-66,273)**		

We were unable to detect any tagged or untagged values in the Accounts that might account for the difference. However, the difference is exactly divisible by 9, indicating that it might be the result of a digit transposition error in the tagged total or one of its components.

See Location

The preparer transposed two digits, '2' and '7', whilst creating the original accounts, and the tagger faithfully reproduced the error!

6 Relationships between tags

6.1 Logical relationships that can infer missing information

The presence of facts relating to (e.g.) fixed assets and their associated classes and ownerships implies the required presence of other facts which can then be tested for. Following are a number of examples.

A depreciation rate or useful life in years has not been supplied (or at least not tagged) for right-of-use buildings assets:

Financial Position Notes

	£	All periods
55. **WARNING** 'Depreciation rate used for property, plant and equipment' or 'Useful life of property, plant and equipment [years]' is missing or not tagged.	**DepreciationRateUsedForPropertyPlantEquipment** (Concept)	
	Right-of-useAssets (PPEOwnershipDimension)	
	Buildings (PropertyPlantEquipmentClassesDimension)	

See Location

An expected description item for the Equity capital contribution reserve is detected as missing (or just not tagged):

	no units	Current period end
16. **WARNING** 'Description of nature and purpose of reserves within equity' is missing or not tagged.	**DescriptionNaturePurposeReservesWithinEquity** (Concept)	
	CapitalContributionReserve (EquityClassesDimension)	

See Location

These accounts are apparently tagged as having "audited" status, but the audit report is missing or not tagged:

	no units	Current period duration
4. **ERROR** 'Accounts status, audited or unaudited' is 'Audited' but none of the tags in the 'Audit report' section have been used.	**AccountsStatusAuditedOrUnaudited** (Concept)	
	Audited (AccountsStatusDimension)	

Tagged in hidden section - no viewable location

Lastly, the purpose of FRS 101 is to take advantage of a number of reporting exemptions, but only if the accounts explicitly declare that the relevant exemptions have been claimed:

25. **WARNING** No FRS 101 exemptions have been tagged for these FRS 101 accounts. The primary purpose of FRS 101 is to faciliate reduced disclosure but the disclosure exemptions should be explicitly tagged and claimed.	***no units***	**All periods**

6.2 Logical relationships that indicate a conflict

Sometimes tags are mutually exclusive or, combined in particular ways, result in a logical inconsistency in the accounts.

Here there is a logical conflict between a tagged statement and a tagged parent entity name:

13. **ERROR** There shouldn't be both a 'Statement that no controlling parties exist' and a 'NameUltimateParentGroupIfNotParentEntity' concept tagged.	***no units***	**Current period duration**
	StatementThatNoControllingPartiesExist (Concept)	
See Location		

Here there is an apparent conflict between the accounting standard tagged by the preparer and the taxonomy entry-point actually used in the accounts:

122. **ERROR** 'Accounting standards applied' (FullIFRS) does not match the taxonomy being used (FRS102).	***no units***	**Current period duration**
	AccountingStandardsApplied (Concept)	
	FullIFRS (AccountingStandardsDimension)	

Lastly, an entity cannot be both dormant and trading!:

28. **ERROR** 'Entity trading status' is 'Entity is trading' so 'Entity is dormant' should be 'false'.	***no units***	**Current period duration**
	EntityTradingStatus (Concept)	
See Hidden Section item		

6.3 Detecting relationship inconsistencies

Sometimes it is clear from the tagging of required items whether other items or sets of items should be present or absent. Here, the accounts are flagged as '*Audit exempt with accountants report*'. In this case none of the Audit report tags should be present, but some are:

Others

60. ERROR 'Accounts status, audited or unaudited' is 'Audit exempt with accountants report' so none of the tags in the 'Audit report' section should be used.	***no units***	**Current period duration**
	AccountsStatusAuditedOrUnaudited (Concept)	

Tagged in hidden section - no viewable location

7 Abusing the hidden section

According to both HMRC's and the Irish Revenue Commissioners' iXBRL Style Guides the iXBRL "hidden section" in accounts documents should not contain tagged items that would normally be expected to appear on the face of the accounts. Common sense tells us that it is not a good idea to hide tagged items from the human reader, any more than it is to leave key items untagged on the face of the accounts to hide them from software.

Alas, abuse of the hidden section is not uncommon, but the offences range in severity from the innocuous to the serious. The first example extract from the Hidden Section Tagging report is relatively benign; here we have a setting of '*DirectorSigningDirectorsReport*', which as a fixedItemType takes no value, instead indicating the entity officer concerned via the tagged *EntityOfficersDimension* member:

DirectorSigningDirectorsReport **(EntityOfficersDimension=CompanySecretaryDirector1)**	**Current period duration**	CompanySecretaryDirector1

This could have been tagged on the face of the accounts where the Director's name would inevitably have appeared, using the *ixt:fixed-empty* transform to ensure that no value is assigned to '*DirectorSigningDirectorsReport*'. The same applies to a number of fixedItemType items that regularly appear in the hidden section of most accounts but which *could* be associated with some relevant text on the face of the document (e.g. *ScopeAccounts*, *ReportPeriod*, *AccountsType*, *EntityTradingStatus*, etc) and even some booleanItemType items, using the *ixt:fixed-false* or *ixt:fixed-true* transforms.

The next example is somewhat more troubling. Text items (apart from one or two exceptions such as software application meta-data) almost certainly do not belong in the hidden section. A text item suggests content that is probably relevant to a human reader, so hiding it is best avoided. In this case, the '*IncomeTaxFree-textComment'* is flagged with amber warning highlighting to alert the preparer:

IncomeTaxFree-textComment Text items (statements, descriptions, names, policies, etc) should be tagged on the face of the accounts, not in the hidden section	**Current period duration**	The tax assessed for the year/period is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). There were no factors that may affect future tax charges.

Even more serious is the hiding of monetary or other numeric items. The only possible reason for doing this is if the value of the item is zero, the item itself is mandatory and, under the circumstances, including it on the face of the document would be superfluous or unnecessary (for instance, in a start-up business, the prior period's average number of employees, which is mandated by Companies House, if there were none). In this example secured, interest-bearing '*BankBorrowings*' (current and non-current) appears in the hidden section:

BankBorrowings (SecuredStatusDimension= Secured InterestRateTypeDimension= VariableRateInterestBearingFinancialInstruments) Non-zero numeric, percentage or monetary items should be tagged on the face of the accounts, not in the hidden section	Current period end	46376

Whilst surprising, on closer inspection there appears to be nothing seriously amiss. The accounts contain a Loan Note as follows:

Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	**21,474**	21,474
Amounts falling due 1-2 years		
Bank loans	**21,474**	22,147
Amounts falling due 2-5 years		
Bank loans	**3,428**	23,838
	46,376	67,459

The 2022 total is the figure in question. However, that has been tagged with '*TotalBorrowings*'. Had there been a sub-total in the table above for total (secured interest-bearing) bank borrowings it could have been tagged on the face of the accounts. As it is, the preparer chose to tag the implied sub-total in the hidden section.

In the most extreme cases, hidden monetary or numeric items may mislead or adversely affect comprehension of the accounts by a human reader.

Finally, here's the oddest use of the hidden section that we've come across! At least one commercial accounts preparation application that we are aware of deliberately avoids tagging HTML-formatted statements (such as policies, exemptions, etc) on the face of the accounts and instead tags the repeated text (without the HTML mark-up) in the hidden section, presumably to avoid HTML mark-up in the tagged content. **SureFile Accounts** recognises and flags this scenario:

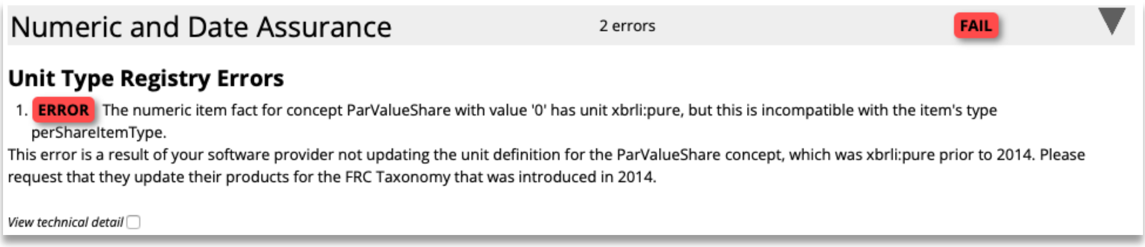
GeneralDescriptionCriticalEstimatesJudgements Text items (statements, descriptions, names, policies, etc) should be tagged on the face of the accounts, not in the hidden section. THE TEXT OF THIS ITEM APPEARS TO BE PRESENT, BUT UNTAGGED, ON THE FACE OF THE ACCOUNTS! It should be tagged there	**Current period duration**	In the application of the company's accounting policies, which are described in note 2, directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and lia ...

The danger here is that the human-readable text may differ, undetectably, from the tagged text. This may mean that statements with content designed to pass Companies House filing rules might be subtly or substantially different from that visible to the human eye.

8 Technical errors

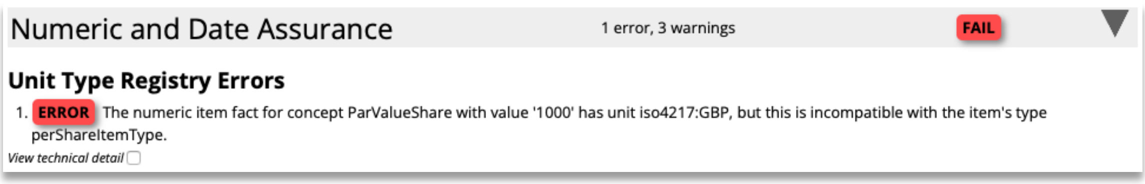
8.1 The most common Unit Type Registry (UTR) error

This is the most common UTR error by far:



Why? Because the original UK GAAP and UK IFRS taxonomies released in 2009 defined *ParValueShare* to be xbrli:pure. When the UK FRC taxonomy was launched as a replacement in 2015 *ParValueShare* was (properly) defined with the *perShareItemType*. A number of vendors of iXBRL accounts preparation applications just haven't bothered to update the unit they generate for facts tagged with this concept. It's still happening six years later, despite a number of **SureFile Accounts** customers following our recommendation (above) and reporting it to their software providers. There really is no excuse for this.

Some vendors have changed it, but incorrectly. Here, it's a monetary type:



8.2 Attempts to submit accounts with embedded executable code

It happens rarely, but it does happen, especially with iXBRL viewers that embed code to enable active viewing of content:

HMRC Filing Validation 2898 errors, 1 advisory FAIL

1. ERROR Invalid attribute on element. This is a basic technical error in the Inline XBRL document. It would not normally be expected to occur and may have an unusual cause. We suggest you contact your XBRL accounts software provider (shown at the top of this report if available) for help. You will need to give your software provider the information in the technical detail below.

Note: This is a serious error which may have incorrectly induced other errors listed below or may mask some errors that may only become apparent when this error is eliminated

View technical detail ☑

Generated XBRL source line: 352, character position: 64
Technical error message: cvc-complex-type.3.2.2: Attribute 'onresize' is not allowed to appear in element 'body'.
Error code classification: *xbrl.core.xml.SchemaValidationError.cvc-complex-type_3_2_2*

Last ERROR repeated 2470 more times - expand? ☐

2472. ERROR Embedded script (e.g. JavaScript) or executable content is not supported by HMRC's CT online service.

2473. ERROR Embedded script (e.g. JavaScript) or executable content is not supported by HMRC's CT online service.

2474. ERROR Active events (e.g. onclick, onmouseover, etc) are not supported by HMRC's CT online service.

Last ERROR repeated 424 more times - expand? ☐

Oh dear, more than 2,000 errors ☹ **SureFile Accounts** usually tries to hide technical detail from delicate subscribers, but on this occasion it is necessary to look at the gory technical detail. This wouldn't get past HMRC or Companies House's filing services, and it doesn't get past **SureFile Accounts** either.

8.3 Systematic Date inconsistencies

A common problem when cycling tagged accounts forward from one year to the next, as supported by some tagging tools, is that some dates may be left untouched, and therefore inconsistent. The following section of **SureFile Accounts**' *Numeric & Date Assurance report* shows a typical example. The Balance Sheet Date / Period End Date is 31st December 2020:

Date Usage & Inconsistencies

All the date items used in these Accounts:

Date checks	Tagged Value	Period	Inconsistencies
StartDateForPeriodCoveredByReport [Hidden]	2020-01-01	Current period end	
EndDateForPeriodCoveredByReport	31 December 2020	Current period end	
DateSigningDirectorsReport	27 September 2020	Current period end	Before Period end date.
BalanceSheetDate	31 December 2020	Current period end	
DateAuthorisationFinancialStatementsForIssue	27 September 2020	Current period end	Before Period end date.

It looks very much as though the signing and authorising dates are a hang-over from the previous year. This is made very clear in the Coverage analysis:

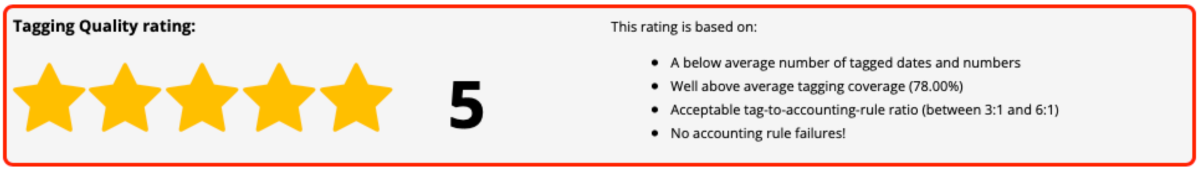
The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2020.

"Board of Directors" (tagged as '*DescriptionBodyAuthorisingFinancialStatements*') is a mandatory item checked by a filing rule (hence the green border highlight) but the date is clearly flagged as an error.

9 Quality Rating

Over the years we've tried to distil what defines "tagging quality" into a single rating score for a set of accounts, based on a number of criteria. The algorithm has evolved as we have come to understand more and more about what makes a quality set of tagged accounts. **SureFile Accounts** ranks all accounts uploaded with a 5-star rating system, and whilst it is by no means perfect, it does give preparers a good idea of where their efforts stand in absolute terms.

It's not hard to get a perfect 5-star rating, it just takes some work:



In this case the document has a lower-than-average number of tagged dates and numbers, but the algorithm is biased towards high rates of tagging coverage (the proportion of numbers and dates actually tagged) and a ratio of tagged facts to rules applied that must be at least in the acceptable range – here it means that there were on average from three to six tagged facts for every accounting rule that was actually applied. Each accounting rule is only applied if there is a sufficient number of key tagged facts for it to "bite" on, such as a sum total and at least one sum component. Given that on average accounting rules reference between four and five facts each, we can postulate that on balance most facts were probably subject to at least one rule given our comprehensive rule coverage. Having no accounting rule failures helps the rating score too!

It is possible to score very badly too:

In this case the tagging coverage is below average, but the killer is the (HMRC) Filing Validation rule failure(s). If you can't even clear the very low bar that HMRC sets then you get what you deserve! In fact, the error was so severe that the accounting rules could not be applied, which has resulted in a very poor tag-to-accounting-rule ratio, damaging the rating even further.

More usually, ratings tend to be mostly in the three-to-five star range, such as this one:

The loss of a star here is entirely down to the accounting rule failures being in the 10-20% range.

In the following case, half a star or more has been lost from what might have been a very good rating score as a result of a (non-serious) Filing Validation rule failure:

Tagging quality ratings help preparers to understand how they're doing. They're not perfect, but higher scores tend to correlate well with what looks on the face of it like higher quality tagging.

The rating algorithm has benefited from our analysis of the tagging of many thousands of accounts and the application of our comprehensive accounting rule set to those accounts. We will continue to tweak the algorithm in future to give preparers as much useful feedback as we can.

10 Conclusion

Preparers[5], if they have any control over the accounts' content at all, make mistakes. They're only human after all. **SureFile Accounts** provides a comprehensive set of quality assurance checks to back up preparers and give them the confidence they need to file these accounts to HMRC, Companies House and others. In addition, clear and insightful diagnostics help them to locate and rectify issues quickly and efficiently.

None of the examples in this document are contrived – they're all drawn from real subscribers' submissions. We have taken pains to ensure that the companies concerned are not identifiable in any way, but of course there is no disguising the actual numbers. As a result of **SureFile Accounts'** analysis most of the issues highlighted here were corrected before the accounts were finalised and filed.

If you're a preparer of FRC-tagged iXBRL accounts and want to experience the **SureFile Accounts** quality assurance process first-hand then please go to `https://www.surefileaccounts.com` to register and get started. Uploading iXBRL accounts is quick, easy and secure, and you'll have a comprehensive Assurance Report in seconds.

[5] By which we mean both those that apply tags and those that drew up the accounts in the first place if not generated by an application. Accountants have been known to make mistakes too!