

ESEF made simple.

What is ESEF?

The European Single Electronic Format is EU regulation that requires financial statements to be electronically labelled with iXBRL tags and published in an XHTML-format annual report.

Why has it been introduced?

ESEF is an important step towards the digitisation of corporate financial information. It is focused on enhancing transparency by making annual reports easier to access, analyse and compare.

Does it still apply after Brexit?

Yes, the Financial Conduct Authority (FCA) remains focused on improving transparency regardless of Brexit and has already transposed ESEF into UK regulation through DTR 4.1.14.

Does this change how reports are filed?

FTSE companies must publish their entire annual report in XHTML and officially submit this format to the FCA's national storage mechanism (rather than a PDF). Companies should also publish the XHTML formatted document on their corporate website, which we anticipate will sit alongside the traditional PDF format and online annual report in the near-to-mid term.

Who does it apply to?

Main Market companies

Alternative Investment Market (AIM) companies are not impacted by ESEF.

When does it apply?

From 1 January 2021

A delay to postpone ESEF requirements (originally scheduled for financial years starting on or after 1 January 2020) was approved. Therefore, annual reports for financial years beginning on or after 1 January 2021 must comply with the requirements of ESEF, for publication from 1 January 2022.

What do I need to tag?

Companies must use the ESEF taxonomy to identify iXBRL tags that align with IFRS. These tags must be applied to the primary financial statements and to some supplementary information.

Where data diverges from the taxonomy, companies must create extensions that are anchored to existing ESEF tags.

From 2022, it will also be mandatory to tag the notes to the accounts in blocks.



Jargon buster

iXBRL

Inline eXtensible Business Reporting Language is used to apply machine readable tags to data in a document while maintaining human readability.

XHTML

eXtensible HyperText Markup Language is a computer language that allows iXBRL-tagged documents to be viewed through a web browser.

Taxonomy

The hierarchical dictionary of official ESEF tags that companies must apply to their financial statements.

Extensions

iXBRL tags that need to be created when line items are not covered by the existing ESEF taxonomy.

Anchoring

The mandatory process of linking an extension to a related, pre-existing ESEF taxonomy tag.

DTR

The FCA's Disclosure and Transparency Rules.

What is Design Portfolio's ESEF solution?

We have partnered with Arkk Solutions to provide comprehensive, industry leading ESEF support while minimising disruption to the reporting process.

Our end-to-end service draws on Arkk's highly experienced, UK-based experts to produce ESEF-compliant reports that achieve the same design quality as traditional PDFs.

Most importantly, we have worked to seamlessly integrate this solution with our long-standing approach and will complete the vast majority of the tagging process before your year end.



Get in touch

If you would like to start preparing for your ESEF-compliant report, get in contact today for a free proof of concept and a zero-fuss plan for your report.

hello@design-portfolio.co.uk

+44 (0) 20 7536 2015