



# ➤ Financial statements in XBRL

## Information sharing & Proof of Concept

XBRL EU 02/06/2015



# I – Findings on the data sources

One entity  
Different sources

## Difficulties to recover financial data

- Different language used in different sources
- Different granularity of the information presented
- Interpretation of terms used by source

# I - Findings on the data sources

- For the same entity, different financial data according to the sources

FIAT INCOME STATEMENT					
Consolidated Income statement		Morningstar (as reported)!		Les Echos / Boursorama	
		Fiscal year ends in December. EUF 2013-12		milliers EUR	
				12.13	
Net revenues	86 816	Revenue	86816	Chiffre d'affaires	86 816 000
Cost of sales	74 750	Cost of revenue	74570		
				Produits des activités ordinaires	86 816 000
		Gross profit	12246		
Research and developmer	2 231	Research and development	2231		
Sales, General and admini	6 689	Sales, General and administrative	6689		
Other income (expenses)	68	Other operating expenses	2358		
		Total operating expenses	11278		
Trading profit	3 394	Operating income	968	Résultat opérationnel	3 366 000
Financial income (loss)	-1 964	Interest Expense		Coût de l'endettement financier net	-1 437 000
Restructuring costs	28				
Other unusual income (ex	-499	Other income (expense)	40		
Income before taxes	1008	Income before taxes	1008		
Provision for income taxes	-943	Provision for income taxes	-943		
				Quote part resultats des Sociétés	87 000
Share of profit of investee	87			Mises en Equivalence	
Other income (expense) fi	10				
Net income from continuu	1 951	Net income from continuing oper	1951		
		Other	-1047		
Net income	1 951	Net income	904	Résultat net	1 951 000
Attributable to owners of	904	Net income available to common	904	Résultat net (part du groupe)	904 000
Non-controlling interests	1 047				
EBIT	2 972	EBITDA	5582		

# I – Findings on the data sources

One entity  
Different sources

## Difficulties to recover financial data

- Different language used in different sources
- Different granularity of the information presented
- Interpretation of terms used by source

Multiple entities  
Different sources

## Difficulties to compare financial data

- Necessary interpretation of the terms used
- Required realignment of the information available at different granularity

# I – Findings on data comparability

- The process is to: Search data, key-in data, and reinterpret data (to obtain comparable data)

INCOME STATEMENT	PSA	Renault	Volksw	Fiat		PSA	Renault	Volksw	Fiat
milliers EUR	2013-12	2013-12	2013-12	2013-12		12.13	12.13	12.13	12.13
Revenue	54090	40932	197007	86816	Chiffre d'affaires	54 090	40 932	197 007	86 816
Cost of revenue	45964	33611	161407	74570					
Gross profit	8126	7321	35600	12246					
Operating expenses									
Research and development	1885	1812		2231					
Sales, General and administrative	6418	4267	26543	6689					
Other operating expenses	1582	1498	7343	2358					
Total operating expenses	9885	7577	33886	11278					
Operating income	-1759	-256	1714	968	Résultat opérationnel	-1 346	-34	11 671	3 366
					Coût de l'endettement financier net	-486	-267	-2 366	-1 437
Interest Expense		450							
Other income (expense)	-245	1834	10714	40					
Income before taxes	-2004	1128	12428	1008					
Provision for income taxes	387	433	3284	-943					
Other income	176				Quote-part résultats des Sociétés Mises en Equivalence	176	1 444	3 588	87
Net income from continuing oper	-2215	695	9144	1951					
Net income from discontinuing op	-3				RN des activités abandonnées	-3			
Other	-99	-109	-78	-1047					
Net income	-2317	586	9066	904	Résultat net	-2 218	695	9 145	1 951
Preferred dividend			3569						
Net income available to common	-2317	586	5497	904	Résultat net (part du groupe)	-2 317	586	9 093	904
EBITDA	2140	4747	26321	5582					

4 companies in same branch

21 elements

84 data

21 are not present in the statements

16 different value for same caption

Data is realigned: what is the reliability?



# I – Normalization of data exchanges

- Technical normalization of exchanges

All formats can be used to technically normalize the exchanges (.csv, edi, html, xml, xbrl, etc.)

- XBRL takes its full value to normalize the content

**Providing:**

- The taxonomy matches reporting needs
- The implementation is designed for expected usage
- Validation rules are sufficient to insure the quality of the data

# I – Difficulties to normalize the content

	PSA	Renault	Volkswagen	Fiat
milliers EUR	12.13	12.13	12.13	12.13
Chiffre d'affaires	54 090 000	40 932 000		
Sales revenues			197 007 008	
Net revenues				86 816 000
Chiffre d'affaires	54 090 000	40 932 000	???	???
<b>Revenues</b>	<b>54 090 000</b>	<b>40 932 000</b>	<b>197 007 008</b>	<b>86 816 000</b>

## Common practice elements

- Software
- Cloud subscriptions and support
- Software and cloud subscriptions
- Support
- Software and software-related service revenue
- Consulting
- Other services
- Professional services and other service revenue
- Total revenue

## Specific extensions



## I – Difficulties to normalize the content

Résultat opérationnel	-1 346 000			
Résultat d'exploitation		-34 000		
Operating profit			11 671 000	
Trading profit				3 394 000

Operating profit	-1 346 000	-34 000	11 671 000	3 394 000
------------------	------------	---------	------------	-----------

Excluding: Other losses and gains, ...

Including: Other losses and gains, ...

# I - Comparability

- **Harmonization**

IFRS provide a consistent definition for a reporting concept, generally across territories. Same rules for preparation are used by different preparers .

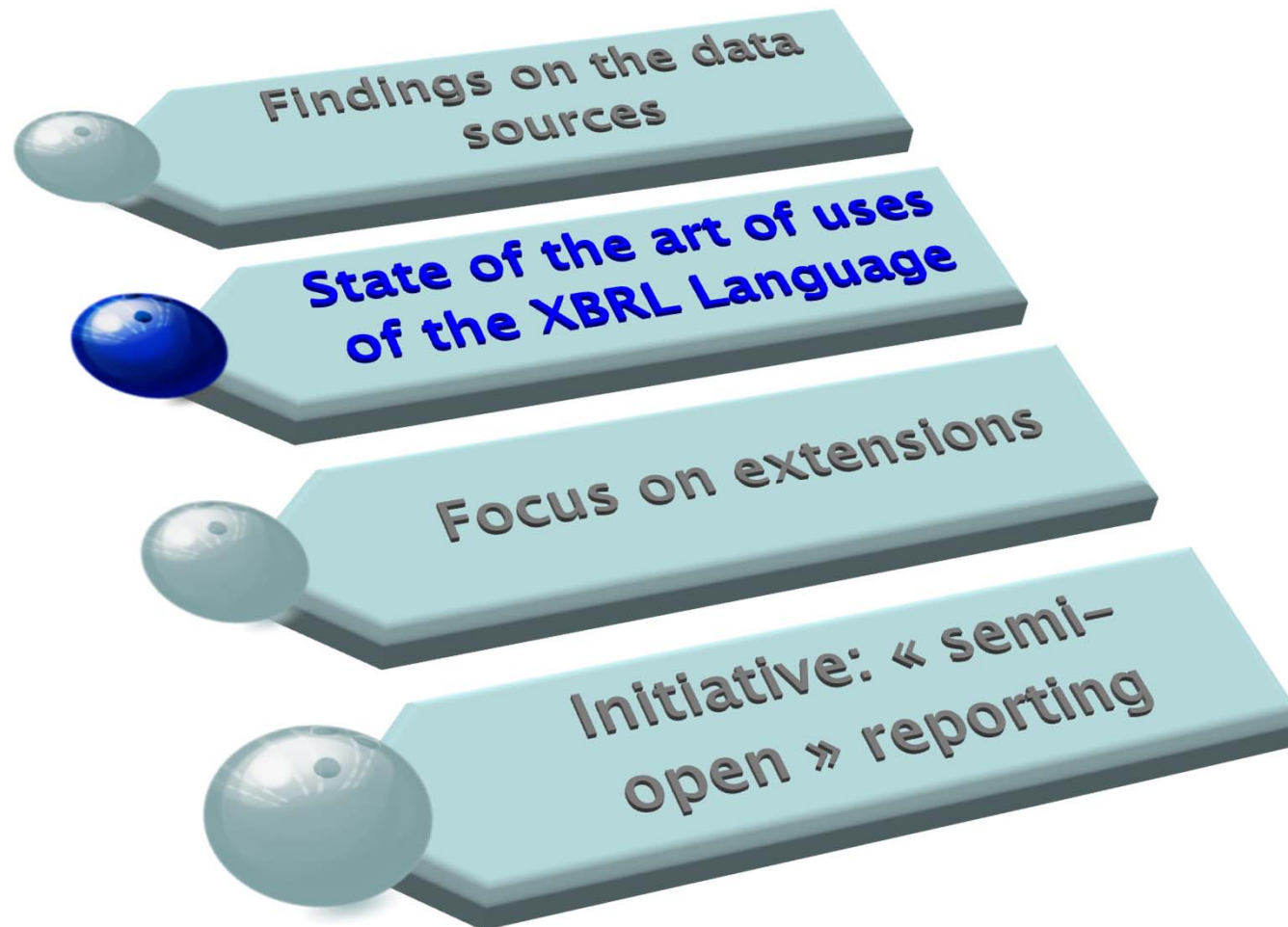
- **Normalization**

The process of asserting comparability between reporting concepts, even though they are not identical.

Normalization involves judgement by users or their proxies (such as a data provider).

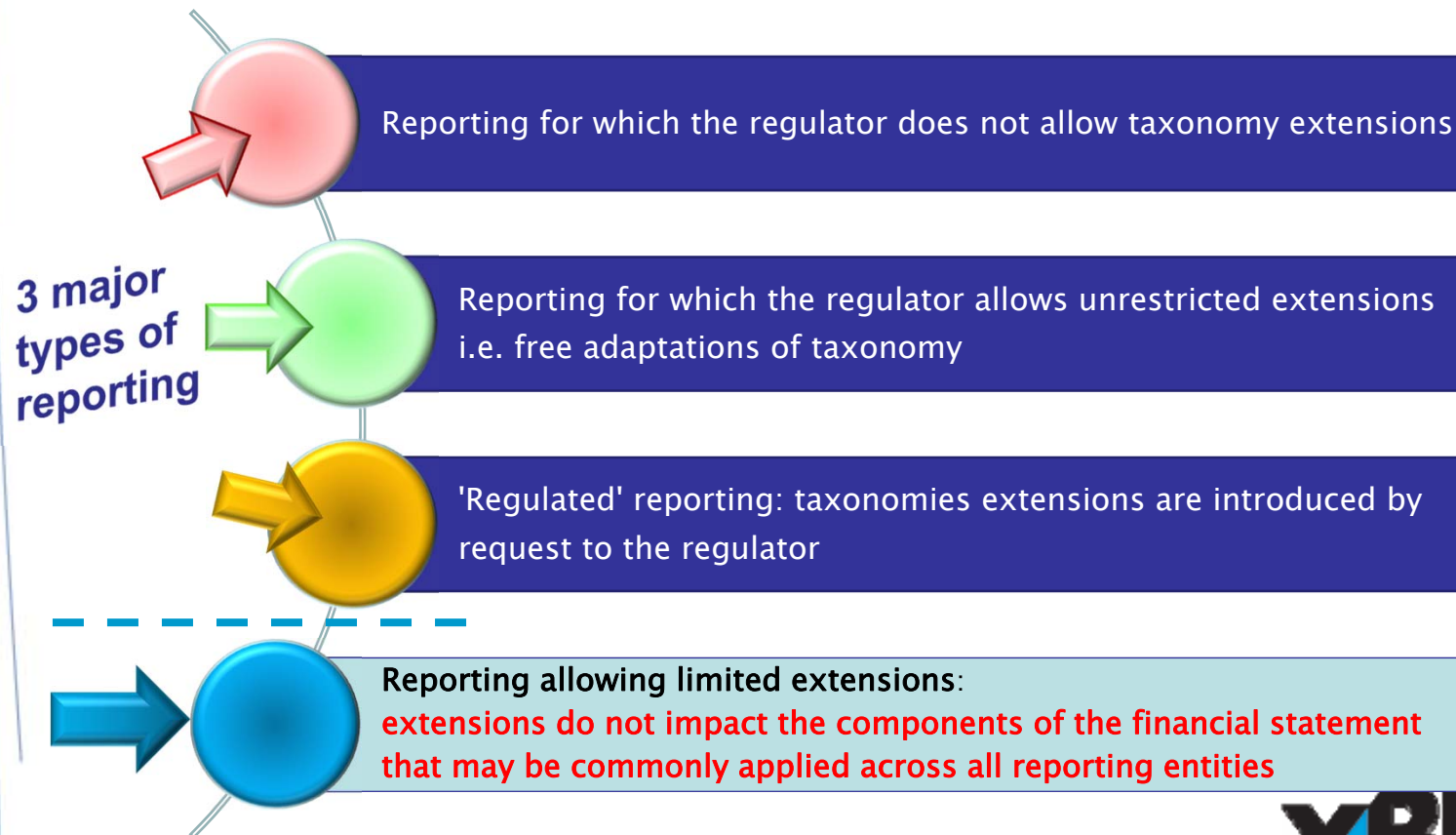
- **Standardization**

The content is the same for all preparers. preparers must make their data fit the required reporting framework.



## II – State of the art of the uses of the XBRL language

The XBRL standard is extensible by definition  
Key is the taxonomy and the filing rules



## II – State of the art of the uses of the XBRL language

Type of reporting	Principle	Consideration	Examples based on the approach
<b>1 – Reporting not allowing extensions</b>	Non extensible taxonomy: the preparer translates its XBRL data in the fixed taxonomy structure	Well suited approach for homogeneous models of reporting for all preparers of information (sharing the same expected indicators)	<ul style="list-style-type: none"> <li>– European reporting for banks (CRD IV) and insurance companies (S2) using the « closed » taxonomies of EBA and EIOPA</li> <li>– Fiscal reporting in many European countries</li> </ul>
<b>2 – Reporting allowing unrestricted extensions</b>	Unrestricted extensions: the preparer creates its own taxonomy using the elements of the base taxonomy	This approach is suited for financial statements of companies	The filing of companies' financial statements to the SEC used this approach
<b>3 – Reporting allowing limited extensions</b>	The taxonomy is partly extensible : The preparer uses the model for the common basic elements and may extend to adapt details to its specificities	This approach provides for one level of information necessarily comparable and a greater degree of freedom on the details constituting the aggregates	Approach to be considered by regulators having experienced the negative effects of a freely adapted taxonomy approach

## II – Reporting not allowing extensions

- Taxonomy 100% predefined, extensions not allowed

<b>Current assets [abstract]</b>
Current inventories
Trade and other current receivables
Current tax assets, current
Current biological assets
Other current financial assets
Current derivative financial instruments asset
Other current non-financial assets
Cash and cash equivalents
Current non-cash assets pledged as collateral for which transferee has right by contract or custom to sell or repledge collateral
<b>Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners
<b>Total current assets</b>

Well adapted to statistical data (eba, iopa) or tax returns

**Benefits: data is standardized and perfectly comparable**

**Drawback: Possible distorted financial data**



## II – Reporting allowing unrestricted extensions

- Taxonomy freely adaptable, unrestricted extensions

Base taxonomy	Company A
<b>Current Assets</b>	<i>Current assets</i>
Inventories	Inventories
Accounts receivable—trade	Trade and other receivables
Accounts receivable—other	
Short-term investments	
	Other financial assets available for sale
	Other financial assets held for trading
Prepaid expenses	
Taxes receivable	Current tax assets
	Other current tax assets
Other current assets	Other current assets
Cash and cash equivalents	Cash and cash equivalents
Non-current assets held for sale	Assets held for sale
<b>Total current assets</b>	

Well suited for  
financial  
statements

**Benefits:** mirrors exactly the paper document

**Disadvantage:** impairs comparability



France

## II – Reporting allowing limited extensions

- “Semi-open” reporting: extensions not allowed on elements that may be commonly applied across reporting entities, extensions allowed on details and analysis

Common elements	Common details + specific extensions
<b>Current assets [abstract]</b>	
Current inventories	
Trade and other current receivables	
	Current trade receivables
Current tax assets, current	
Current derivative financial assets	
Other current financial assets	
	Other current miscellaneous financial assets
	Current portion of long-term receivable
	Current financial assets available-for-sale
	Investment in securities, current
	Securities other than investments, financial receivables and other current financial assets
	Current financial assets at fair value through profit or loss, classified as held for trading
Other current non-financial assets	
	Current prepayments
	Other current miscellaneous non-financial assets
Cash and cash equivalents	
	Cash
	Short-term investments, classified as cash equivalents
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	
<b>Total current assets</b>	

- . Pre-defined taxonomy for elements that must be comparable across companies and
- . Extensible for specific details of these elements

Suited for comparable financial statements

**Benefits:** comparable data  
not very far from the paper document



France



# III – Focus on extensions

Extensions – [q&a to Esma, 24-07-2014]

“Put simply, extension taxonomies allow different financial statements to be prepared in XBRL, even though the issuers have very different operations.

As the name suggests, XBRL was built with extensions in mind. This is because different performance reports from different organizations *are* different, notwithstanding the fact that they are based on the same, comparable reporting framework.

Extensions are intended to allow organizations that are reporting to:

- Define and report against their internal organizational structure (segment reporting).

- Create and report against entirely new concepts, to cater to their unique disclosure decisions

- Define and report against their own level of aggregation and disaggregation (ie: altering calculation and presentation structures to suit their needs)."**

### III – Focus on extensions

#### Limited extensions

- The extension taxonomy continues to describe the complete set of data points defined in the base taxonomy

- External elements : labels
- Internal elements : dimension members
- Additional elements: local regulation

#### Unrestricted extensions\*

- Additional data points have been introduced in the extension taxonomy

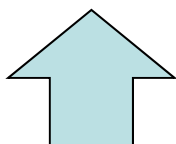
- Reorganization of elements hierarchies

(\*) With description and constraints to be furnished in a detailed preparer's guide.

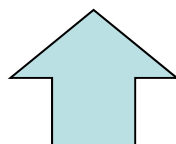
# III – Limited extensions

## ● Figure1: Labels

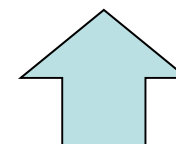
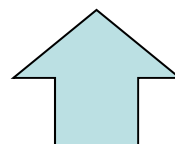
<b>Taxonomie IFRS</b>			<b>Co A</b>
Names	Libellés en	Libellés fr	libellés ext.
ifrs_ProfitLossFromOperatingActivitiesAbstract	Profit loss from operating activities [abstract]		
ifrs_GrossProfitAbstract	Gross profit [abstract]		
ifrs_Revenue	Revenue	Produits	Net Sales
ifrs_CostOfSales	Cost of sales	Coût des ventes	Cost of revenues
ifrs_GrossProfit	Gross profit	Marge brute	
ifrs_OtherOperatingIncome	Other operating income	Autres produits opérationnels	Other income
ifrs_DepreciationAndAmortisationExpense	Depreciation and amortisation expense	Amortissements	Depreciation, Depletion, Amortization
ifrs_ImpairmentLossReversalOfImpairmentLossesRecognisedInProfitOrLoss	Impairment loss (reversal of impairment loss) recognised in profit or loss	Dépréciations (reprises) reconnues au résultat	
ifrs_OtherOperatingExpenses	Other operating expenses	Autres charges opérationnelles	Total operating expenses
ifrs_OtherGainsLosses	Other gains (losses)	Autres profits (pertes)	
ifrs_ProfitLossFromOperatingActivities	Profit (loss) from operating activities	Résultat des activités opérationnelles	Profit from operations



**Base taxonomy**



**Standard labels**



**Preparer's labels**

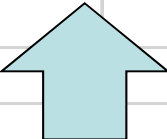
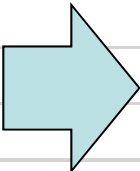


France



# III – Limited extensions

● Figure 2 : Additional dimension members

Taxonomie IFRS		Co A	Co B
Structure			
Primary element	Dimensional analysis		
	SegmentsAxis		
ifrs_Revenue	SegmentsMember		
 <b>Base taxonomy</b>		Total Europe	
		Dont France	France
			Autre Europe de l'Ouest
			Reste de l'Europe
 <b>Preparers' zones</b>			Chine
		Amérique du Nord	
			Autre Asie Pacifique
		Dont États-Unis	U.S.A.
			Autres Amériques
		Autres Pays	Reste du Monde

# III – Limited extensions

● Figure 3 : Additional disclosure outside the base taxonomy

Taxonomie IFRS	Co A	Co B
Disclosure of notes and other explanatory information [text block]		
Disclosure of contingent liabilities	Engagements hors-bilan	Engagements hors-bilan
Description of nature of obligation, contingent liabilities		
Explanation of estimated financial effect of contingent liabilities		
Estimated financial effect of contingent liabilities		
Explanation of possibility of reimbursement, contingent liabilities		
Indication of uncertainties of amount or timing of outflows, contingent liabilities		
	Engagements donnés	Engagements donnés
	Garanties données sur contrats Groupe et hors Groupe	Cautions données au profit de l'administration fiscale en contrepartie d'impositions contestées concernant Sanofi ou ses filiales
	Effets escomptés non échus et assimilés avec recours	
	Autres engagements	Avals, cautions et garanties au profit des filiales du Groupe
	Sous-total – Engagements conditionnels	Cautions données en matière de loyers
	Sûretés et autres garanties sur la dette	Accords de licences de recherche et développement :
	Garanties sur le cash pooling	– Engagements sur prestations futures
		– Paiements d'étapes potentiels
		Compléments de prix à verser aux anciens actionnaires
		Autres engagements
	Total	Total

**Base taxonomy**

**Preparers' disclosures**

## III – Unrestricted extensions

- Examples:

- Reorganization of lines in a statement

- Additions in a statement

- of an element existing somewhere else in the taxonomy
    - of a new element created by preparer

- Missing total or sub-total in a statement

The impact is the alteration of the basic structures of the taxonomy: presentation, calculation and definition.

The definitions provided by the taxonomy no longer apply.

The validations provided by the taxonomy are not applied.

Comparability is compromised

### III – Unrestricted extensions

- Figure 4 : Reorganization of the lines in a statement (changes in presentation et calculation)

Taxonomie IFRS		Co A	
Présentation	Calcul		
<b>Current assets [abstract]</b>		<b>Current assets [abstract]</b>	
Current inventories	+	Current inventories	+
Trade and other current receivables	+	Trade and other current receivables	+
Current tax assets, current	+	Current tax assets, current	+
Current biological assets	+	Current biological assets	+
Other current financial assets	+	Other current financial assets	+
Current derivative financial instruments asset	+	Current derivative financial instruments asset	+
Other current non-financial assets	+	Other current non-financial assets	+
Cash and cash equivalents	+	Cash and cash equivalents	+
Current non-cash assets pledged as collateral for which transferee has right by contract or custom to sell or repledge collateral	+	Current non-cash assets pledged as collateral for which transferee has right by contract or custom to sell or repledge collateral	+
<b>Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners</b>	= +		
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners			+
<b>Total current assets</b>	=	<b>Total current assets</b>	=
		Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	

Base taxonomy

Preparer's presentation

# III – Unrestricted extensions

● Figure 5: Addition of elements in a statement (changes in presentation and calculation)

Profit (loss) [abstract]				
Revenue	+			
Cost of sales	+			
Gross profit	=	+		
Other income		+		
Distribution costs		+		
Administrative expenses		+		
Other expense		+		
Other gains (losses)		+		
Profit (loss) from operating activities	=	+		
Finance income			+	
Finance costs			+	
Share of profit (loss) of associates and joint ventures accounted for using equity method			=	+
Profit (loss) before tax				+
Tax income (expense)				+
Profit (loss) from continuing operations				+
Profit (loss) from discontinued operations				+
Profit (loss)				=

Base taxonomy

Revenue from sale of goods

Expense (income) on discontinued operations

Fair value adjustment

Other non-operating income/expense, net

Preparer's extensions

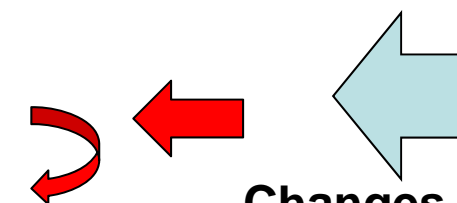
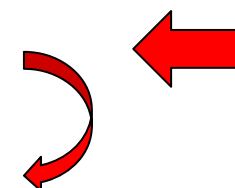
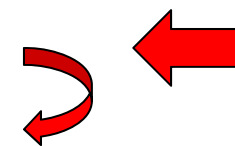
**XBRL™**  
THE BUSINESS REPORTING STANDARD

France

### III – Unrestricted extensions

- Figure 6: Addition of elements in a statement (changes in presentation and calculation)

Profit (loss) [abstract]				
Revenue	+			
Revenue from sale of goods	+			
Cost of sales	+			
Gross profit	=	+		
Other income		+		
Distribution costs		+		
Administrative expenses		+		
Expense (income) on discontinued operations		+		
Other expense		+		
Other gains (losses)		+		
Profit (loss) from operating activities		=	+	
Finance income			+	
Finance costs			+	
Fair value adjustment			+	
Other non-operating income/expense, net			+	
Share of profit (loss) of associates and joint ventures accounted for using equity method			=	+
Profit (loss) before tax				+
Tax income (expense)				+
Profit (loss) from continuing operations				+
Profit (loss) from discontinued operations				+
Profit (loss)				=



Changes in structure

**XBRL**<sup>™</sup>  
THE BUSINESS REPORTING STANDARD

France



### III – Unrestricted extensions

- Figure 7 : Missing total or sub-total (changes in presentation and calculation)

Profit (loss) [abstract]				
Revenue	+			
Revenue from sale of goods	+			
Cost of sales	+			
Gross profit	=	+		
Other income		+		
Distribution costs		+		
Administrative expenses		+		
Expense (income) on discontinued operations		+		
Other expense		+		
Other gains (losses)		+		
Finance income			+	
Finance costs			+	
Fair value adjustment			+	
Other non-operating income/expense, net			+	
Share of profit (loss) of associates and joint ventures accounted for using equity method			=	+
Profit (loss) before tax				+
Tax income (expense)				+
Profit (loss) from continuing operations				+
Profit (loss) from discontinued operations				+
Profit (loss)				=



?

Profit (loss) from operating activities



## IV – Initiative: propose a «semi-open» reporting approach and taxonomy model

- Proof of concept

- Aim: Illustration of a « semi-open » reporting for IFRS financial statements
- Data used:
  - Published financial statements of listed companies
  - Base taxonomy: XBRL IFRS
- Work done:
  - Extend IFRS taxonomy to a semi-open taxonomy model
  - Prepare XBRL instances for the selected financial statements with limited extensions of the extended taxonomy
  - Prepare dashboards for comparability

## Comparative data obtained when unrestricted extensions are allowed

<a href="#">5Co_IFRS_SAP.xlsx</a>				

# «semi-open» reporting approach

## Presentation

<b>Other non-current financial assets</b>		=
	Non-current loans and receivables [member]	+
	Non-current financial assets available -for-sale [member]	+
	Other non-current miscellaneous financial assets [member]	+
	Investment in securities, non-current [member]	+
	Other investments [member]	+

Element commonly applied across all reporting entities

Common practice element present in the taxonomy

Preparers' extensions

## Taxonomy structure

<b>Primary elements</b>	
	Dimension members
	(extensible)

## Comparative data with a taxonomy that allows limited extensions

[dashboard\\_5Co.xlsx](#)

STATISTICS	B/S	IS
Primary elements (IFRS taxonomy elements):	54	24
Common members (mostly present in IFRS taxonomy):	14	13
Extended members :	15	12
“Normalization*” members (average per company):	5	2

(\*) tags for sub-totals of members per domain, not present in source statements



## Conclusion : select option and work to be done

- Taxonomy work

Reporting options	Taxonomy options	To be done
100% comparable data	<b>Taxonomy not allowing extensions</b>	<b>Build from scratch</b>
Data mirroring paper documents of preparers (comparability problems)	<b>IFRS Taxonomy (with unrestricted extensions)</b>	<b>Needs adaptation</b>
Very comparable data but allowing preparers' limited extensions for details	<b>Extended IFRS taxonomy</b>	<b>Build by extension of IFRS taxonomy</b>

- Technical options are all available



# *The DEM initiative*

Proposal for a normalized fully extensible  
taxonomy



- Summary document available at [www.etxetera.com](http://www.etxetera.com)  
[http://www.etxetera.com/Pages/dem\\_1.pdf](http://www.etxetera.com/Pages/dem_1.pdf)

**XBRL France**

**19, rue Cognacq-Jay**

**75007 Paris**

**[www.xbri.fr](http://www.xbri.fr)**

**Contact : [info@xbri.fr](mailto:info@xbri.fr)**

