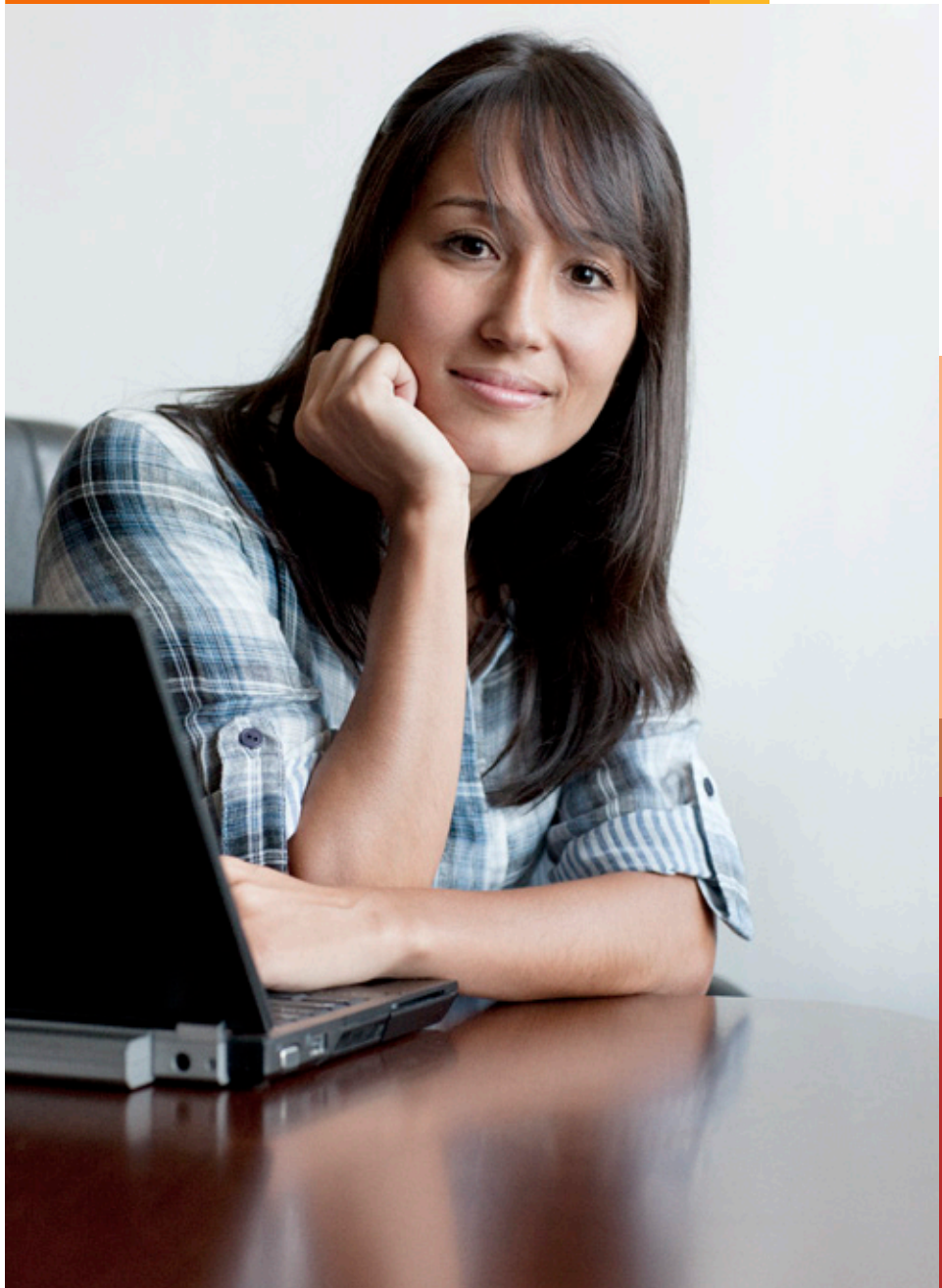


iXBRL Matchmaking

*PwC's managed tagging
service for statutory
financial statements.*

July 2011



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XBRL requirements for UK companies

All UK companies required to file a corporation tax return must now do so electronically using inline XBRL (iXBRL) for both the tax return itself and the supporting tax computation and related statutory financial statements. This requirement took effect from 1, April 2011.

In short, this means that figures and text disclosed in the financial statements will need to be accompanied by electronic 'tags' embedded within a human-readable electronic document. Tags will also need to be included within tax computations. In overview, the practical challenge is to implement a method to match financial statement disclosures to the pre-defined tags and capture those 'matches' electronically, whilst applying appropriate controls to the process.

We are often asked if PwC offer a managed tagging service. The short answer is "Yes" and this brief document sets out some key aspects of our service.

PwC's managed tagging service

At PwC, we've devised a simple, effective, managed tagging service that can tag completed financial statements for you. If HMRC's iXBRL tagging requirement applies to your business, this service could provide a short to medium-term solution.

Our service:

- generates output you need and in a format you can readily review;
- explains the judgments made in selecting the tags; and
- averts the pain of buying and implementing new software.

PwC has no plans to outsource the tagging work to other companies.

How our service will work

Tagging financial statements is a matchmaking process, with skilled people using software to match items in financial statements to a standard list of XBRL labels called a 'taxonomy'.

In overview, we will agree an engagement letter with you, setting out the key terms and conditions, identifying the financial statements to be tagged and agreeing the timetable. Service to you will be provided by PwC teams in Ireland who have relevant financial statements experience and will include a final quality review.





our XBRL tagging service would be €2,000 plus VAT. The costs may increase based on the number of pages in a set of financials. However, the costs per set of financials will reduce the more sets we do.

Our PwC XBRL specialist team will be happy to discuss your requirements and provide you with an individual quote for our service.

Looking ahead

We appreciate that for some companies, a managed tagging service represents a short-term solution to achieve regulatory compliance. Below we have outlined two options, Accounts Production Software and An Embedded Process Solution that may be suitable for your organisation in the medium to long-term. PwC will be pleased to offer both a short term managed tagging service and advise you on the most suitable option for your organisation going forward.

Where we need to clarify the meaning of disclosures within the financial statements with you, we will do so. However, we understand that clients generally seek a service which minimises their involvement in the XBRL tagging and that they do not relish the prospect of engaging in a prolonged dialogue. Accordingly, wherever possible, we will select the most appropriate tags for subsequent discussion with you, rather than engage in initial discussions about tag selection. We also plan to take advantage of HMRC's minimum tagging set rule to minimise the necessary interaction in complex tagging areas. We expect that this will help ensure the right level of interaction with our clients.

Our team will take you through any areas of tagging that were particularly challenging and explain how the tagging has been conducted. We understand that you need to take ownership of the final iXBRL document and we will agree with you how this will be done.

Timing

A managed tagging service needs finalised financial statements as an input document. UK Companies House requires these financial statements to be finalised nine months after the company's year end. HMRC permits a further three months until company tax returns, including iXBRL financial statements, are due. Companies that finalise their financial statements well in advance of the nine month deadline will have a longer window for tagging.

Software and deliverables

Clients who are interested in this service often tell us that part of its appeal is that they do not wish to purchase and then learn to use new software. Our service will meet these criteria. We will utilise best in class tagging software and deliver iXBRL files to you. In addition, you will not be presented solely with machine-readable computer code. We will ensure

that you can see the tags that have been applied to your financial statements to facilitate review, without needing to acquire new software.

Cost of our service

The costs for our iXBRL managed tagging service are based on the number of companies to be tagged and the number of pages in each set of financial statements. Typically for a client with one set of financials with up to 15 pages the fee for

Medium to long-term options

Accounts Production Software

This involves using accounts production software which effectively maps each company's trial balance into a pre tagged accounts structure so at the time of printing off the final financial statements for signature, the software can also produce an XBRL version at the click of a button. This method completely replaces any typing of financial statements in Word.

If your organisation has more than a small number of UK companies, this option is likely to be the most cost effective in the medium to longer term. PwC can help you choose the most suitable software for your organisation.

An Embedded Process Solution

The increase in year two compliance requirements often results in company reassessment of prior period 'bolt-on' implementation as companies are seeking to more cost effectively enhance their reporting processes and gain more

control over last minute document changes and the overall process.

By building-in the Taxonomy mapping effort within their reporting processes companies are able to leverage the standardisation to streamline and automate a wide range of steps including the currently manual report assembly and review process steps and the spreadsheet aggregation and analysis effort. Additionally, controls are enhanced through automation of manual process steps and control enhancements over edit processes and related turn-around times.

Initial implementation costs of an embedded process solution are usually higher than the other bolt-on approaches; however, the ongoing cost/time to produce reports could be reduced by 25% or more. PwC can advise you on how to embed XBRL into your existing processes to achieve longer term value.

XBRL in Ireland

In Ireland, Revenue has indicated that voluntary use of XBRL could be introduced from as early as 2012. Revenue are expected to mandate for the use of XBRL on a phased basis within a year or two afterwards. A formal consultation process is expected to commence shortly in respect of Revenue's plans.

Contacts

If you want to find out more about our XBRL Services or have a question or concern you would like to raise with our iXBRL specialists, you can contact one of the team:

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