



Case study

CCH iXBRL Review & Tag Rathbones

Established in 1742, Rathbone Brothers Plc is, through its subsidiaries, one of the UK's leading providers of investment management services for private clients, charities and professional advisers and is a FTSE 250 listed company. Rathbones' Group Financial Controller, James Ardouin and Jemma Healy, Senior Group Reporting Accountant, explain why the firm chose CCH iXBRL Review & Tag software.

Can you start by telling us a bit more about Rathbones?

JA: Rathbones' main business is personalised discretionary wealth management services for private clients, charities and professional advisers. Individuals, charities and advisers with more than £100,000 of investable assets outsource the management of those assets to us. We speak to the client at length, so we can really understand their risk profile and their investment objectives, then our investment managers make all the necessary investment decisions, based on those objectives.

Within Rathbones we use both CCH Accounts Production and CCH iXBRL Review & Tag. Our Trust department uses CCH Accounts Production

for one of our services, which involves acting as corporate directors or corporate secretaries for clients' companies. CCH iXBRL Review & Tag is used for tagging the group companies' own accounts for submission to HMRC.

As well as the group accounts we produce separate accounts for eight subsidiaries. Because we're a FTSE 250 company, the group accounts are a substantial document, running to about 140 pages. The principal operating subsidiary is a bank - Rathbone Investment Management Limited - with a balance sheet of about £1bn and revenues of about £100m. The financial statements for the bank alone are about 50 pages, plus directors' reports and such like. Each of the other subsidiaries will be around 20 to 30 pages, all reporting under IFRS which means a lot of extra detail.

So how do you go about actually producing these accounts?

JA: We have software that takes us as far as the general ledger, but the final accounts are produced in Microsoft Excel, driven from a number of underlying consolidation spreadsheets. For us, this is currently the most

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Case study CCH iXBRL Review & Tag / Rathbones

efficient method of accounts production but it does mean that there are no opportunities for tagging further upstream in the process - we have to use a post-production tagging tool.

What made you decide to use CCH iXBRL Review & Tag?

JA: We looked at a number of other systems, including Alphatax and Onesource, before looking at the Wolters Kluwer software. As I said, other parts of the business were already using CCH Accounts Production, and also CCH Central and CCH Practice Management, so we arranged a demonstration of CCH iXBRL Review & Tag and were immediately impressed. At the time, some vendors were extolling the benefits of fully automated tagging; we didn't see how that could ever work perfectly for a 140 page set of accounts, so the priority was to find a system which would allow us to apply tags easily and review them thoroughly. Whatever system we chose also had to be sufficiently robust to deal with the very large sets of accounts that we were producing. The Wolters Kluwer software fitted the bill in all respects.

When did you install the software?

JA: In July 2011, with testing in August. All our companies have December year ends, so the bulk of the work was done between September and December and we submitted those accounts in December 2011.

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How did that go?

JA: To be honest we did have a few issues in the early part of the process, though I'm sure it would have been the same whichever route we'd chosen, especially when tagging accounts as large as ours. We certainly didn't make life easy for ourselves because I insisted on full tagging from Year 1! I didn't feel there was any point going through the learning curve just to achieve minimum tagging, so a lot more tags were involved and we certainly put the system through its paces.

JH: The issues we reported have now all been resolved and the Wolters Kluwer Support Team have been really helpful throughout. For example, when the Gateway rejected some of our submissions Wolters Kluwer helped to clean up the files and explained what the problem was; the submissions then went through fine.

CCH iXBRL Review & Tag now offers automatic tagging itself. How do you feel about that?

JH: We're testing that now, starting with one of the smaller accounts - about 30 pages - and it seems pretty good so far. Sometimes there will be four or five possible tags for an item, so we accept there will always be a degree of manual intervention, especially for a large or complex set of accounts. Once you've decided which tag is most appropriate, your choice is stored in the tag library so recognition should progressively improve, year on year.

JA: ...but of course there's no guarantee that the accounts will have exactly the same format next year! And that's another reason why even though automatic tagging is useful you can never rely on it 100%. Change is inevitable, so your software has to be flexible enough to cope.

JH: We definitely need to review the accounts every year and we expect to make minor changes. The tagging library is really useful because it allows you to check year on year and make sure that items are still tagged correctly.

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JA: In the medium term we're looking to automate much of the manual consolidation by using accounts production software, reducing our reliance on Excel. In that scenario I can see there is value in having what you might call 'one version of the truth', so if you're tagging items at a GL level, or in a consolidation database, you can build both your internal and your external reports using a single set of iXBRL tags. If you want to report, say, turnover, then you set up the report to pull the iXBRL turnover figure direct from the database. In that scenario, iXBRL could definitely deliver some value to the organisation in simplified reporting and greater efficiency. However with so much change, especially in the financial services industry, I'm not convinced that there will ever be enough stability in our reporting to make that a realistic goal.

So at the moment iXBRL is more of a burden than a benefit. It's just one extra thing that we're required to do. That being the case, we just need to be able to tag as quickly and efficiently as we can.

How has the software changed since you first installed it?

JH: Over the last six months we've seen some major enhancements, not all of which we've had a chance to try out. Automatic tagging, tagging templates and now the ability to send accounts straight from CCH iXBRL Review & Tag to the HMRC's test server. There's a continual development process in the software and I think it's going in absolutely the right direction.

And what of the future?

JH: I expect next year will take us considerably less time, partly because we know where the tags need to be applied, but also because of the software improvements.

JA: Yes. The real test will be over the next three months when we tag up the 2011 accounts. We now know what's required; I don't think HMRC will be making any significant changes and the software enhancements should make everyone's life easier.

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