eXtensible Business Reporting Language (XBRL)

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Agenda

The Corporate Reporting Supply Chain
XBRL Overview
History of XBRL
How XBRL Makes Financial Statements Interactive
XBRL Financial Statements
Benefits of XBRL
Introduction

- Organizations increasingly share information with partners, stakeholders, and a wide variety of regulators.
- Some of this information is transactional in nature (e.g., purchase orders, logistics data, invoices, etc.), while other information transfers are concerned with broader aspects of the operation of the organization.
- These transfers may include information on financial performance, risks, sustainability, and compliance.
- Organizations also report different types of information, including monetary information, text, and statistics.
- Frequently, information that is typically produced with complex computer systems is transformed into a paper format.
- Then, very often, the users of those printed reports re-key at least some of this information into their own analytical databases.
The corporate reporting supply chain

Processes

- Business Operations
- Internal Financial Reporting
- External Financial Reporting
- Investment, Lending, Regulation
- Economic Policymaking

Participants

- Companies
- Publishers and Data Aggregators
- Investors
- Central Banks

- Trading Partners
- Management Accountants
- Auditors
- Regulators

Software Vendors
eXtensible Business Reporting Language, better known as XBRL, is used as the common (computer) language for the electronic communication of business and financial data.

XBRL is the financial and operational business reporting offshoot of the Extensible Markup Language (XML), which is a freely- licensable, open technology standard used to electronically exchange business information.

XML is a universally-preferred data description language used to describe the storage, manipulation and exchange of data via the internet.
Introduction

The idea behind XBRL is simple. Instead of treating financial information as a static text — as in a standard internet page or a printed document, XBRL provides an identifying tag for each individual item of data, whether numeric or textual. This tag is computer readable and allows the information to be used interactively.

- XBRL allows for the exchange and analysis of business reporting data by encoding information in a meaningful way.

Computer applications can use XBRL data “intelligently” — recognizing the information in an XBRL document — and then applications can select, analyze, store and exchange XBRL data with other computers and present it in a variety of ways to users.
What we say to dogs

Okay, Ginger! I've had it! You stay out of the garbage! Understand, Ginger? Stay out of the garbage, or else!
What they hear

blah blah GINGER blah
blah blah blah blah blah
blah blah GINGER blah
blah blah blah blah blah...
<table>
<thead>
<tr>
<th>Notes</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
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<tr>
<td>Turnover</td>
<td></td>
<td></td>
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<td>Continuing operations</td>
<td>6,671</td>
<td>6,649</td>
<td></td>
<td></td>
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<tr>
<td>Acquisitions</td>
<td>429</td>
<td>7,043</td>
<td></td>
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<tr>
<td>Discontinued operations</td>
<td>668</td>
<td>2,099</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total turnover</td>
<td>7,817</td>
<td>8,748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>4,997</td>
<td>6,964</td>
<td>(7,721)</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,820</td>
<td>1,784</td>
<td></td>
<td></td>
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<tr>
<td>Continuing operations</td>
<td>863</td>
<td>859</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>962</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>47</td>
<td>132</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating profit</td>
<td>916</td>
<td>991</td>
<td>1,027</td>
<td></td>
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<tr>
<td>Share of profits/losses of associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrapreneur Estates Ltd</td>
<td>17</td>
<td>(14)</td>
<td>(11)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>30</td>
<td>21</td>
<td></td>
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<tr>
<td>Continuing operations</td>
<td>9</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of fixed assets</td>
<td>4</td>
<td>10</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Sale or termination of businesses</td>
<td>7</td>
<td>(4)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Provisions for loss on disposal or termination of businesses</td>
<td>7</td>
<td>(43)</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued operations</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Disposal of fixed assets</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale or termination of businesses</td>
<td>7</td>
<td>66</td>
<td>(407)</td>
<td></td>
</tr>
<tr>
<td>Utilisation of prior year provisions</td>
<td>7</td>
<td>51</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Provisions for loss on disposal or termination of businesses</td>
<td>7</td>
<td>(43)</td>
<td>(43)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>74</td>
<td>(44)</td>
<td></td>
<td></td>
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<tr>
<td>Interest</td>
<td>8</td>
<td>94</td>
<td>(37)</td>
<td>(37)</td>
</tr>
<tr>
<td>Profit on ordinary activities before taxation</td>
<td>923</td>
<td>941</td>
<td></td>
<td></td>
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<td>Taxation on profit on ordinary activities</td>
<td>9</td>
<td>(296)</td>
<td>(221)</td>
<td></td>
</tr>
<tr>
<td>Profit on ordinary activities after taxation</td>
<td>627</td>
<td>715</td>
<td>414</td>
<td></td>
</tr>
<tr>
<td>Minority interests and preference dividends</td>
<td>16</td>
<td>28</td>
<td>(27)</td>
<td></td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>642</td>
<td>743</td>
<td>414</td>
<td></td>
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<tr>
<td>Ordinary dividends</td>
<td>16</td>
<td>246</td>
<td>(218)</td>
<td></td>
</tr>
<tr>
<td>Transferred to reserves</td>
<td>379</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share</td>
<td>11</td>
<td>30.5p</td>
<td>11.2p</td>
<td></td>
</tr>
</tbody>
</table>

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the year ended 30th September 1992

**Ernst & Young**

Quality in everything we do.
## Consolidated Profit and Loss Account
for the year ended June 30, 2004

<table>
<thead>
<tr>
<th>Blah</th>
<th>blah</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Blah blah</td>
<td>blah</td>
<td>blah</td>
</tr>
<tr>
<td>Blah</td>
<td>blah</td>
<td>blah</td>
</tr>
<tr>
<td>Blah blah blah</td>
<td>blah</td>
<td>blah</td>
</tr>
<tr>
<td>Blah blah blah blah</td>
<td>blah</td>
<td>blah</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>925</td>
<td>448</td>
</tr>
<tr>
<td>Blah</td>
<td>blah</td>
<td>blah</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>3.6</td>
<td>11.0</td>
</tr>
</tbody>
</table>
XBRL Adoption

On May 30, 2008, the U.S. Securities and Exchange Commission (SEC) issued proposed rules to mandate the submission of XBRL-based (XBRL stands for “eXtensible Business Reporting Language”) financial reports for public companies.

The SEC is also working with key regulators and standard setters around the world, such as the International Accounting Standards Board (IASB) and the Financial Services Agency (FSA) of Japan, to begin aligning XBRL initiatives.
In the UK, HM Revenue and Customs (HMRC) now require all companies to file financial statements and corporate tax returns online in iXBRL format (inline eXtensible Business Reporting Language). Online filing is now mandatory for all corporation tax returns for accounting periods ending after 31 March 2010, filed after 31 March 2011. Paper returns will no longer be accepted and online returns must be filed using the iXBRL standard reporting language.
XBRL Adoption

HMRC require filings in XBRL format so that they can store the information in database format. This will allow HMRC analysts to run immediate comparatives between year-ends and companies within similar sectors. Statistics and variances will inevitably lead to more directed questions from HMRC is being adopted by numerous governments, regulators, companies and organisations across the world. Several European regulators and other information gatherers have already made XBRL their preferred or mandatory format for receiving data.
XBRL Adoption

Companies in the United States, United Kingdom, China, Japan, France and Singapore, as well as others, are already providing information to their regulators or stock exchanges using XBRL.

In the wake of the US Securities and Exchange Commission (SEC) and UK HM Revenue and Customs mandates, the momentum is accelerating globally and there are strong indications that more and more regulators will mandate the use of XBRL for regulatory filing in the near future.

*Clearly, XBRL has the potential to become the global technology standard for reporting financial and operational information.*
XML and the Financial Community

- The Internet is a wonderful tool for business. Over the last few years, businesses have flocked to the Internet to sell products, assist customer relations, exchange information and much more.
- As businesses woke up to the potential of the Internet, Web pages utilizing the hyper-text markup language (HTML) flourished.
- Businesses seeking to present information to customers and business partners found publishing HTML rendered Web pages significantly added to their ability to communicate.
- Detailed information was now available to customers and business partners at the click of a mouse.
XML and the Financial Community

Financial departments seized the opportunity to present financial information directly on Web sites. Starting with the re-production of annual reports, publicly traded companies found new ways to communicate with their company’s stakeholders.
XML and the Financial Community

- Companies soon found that presenting annual report information and Securities and Exchange Commission (SEC) documents such as the 10K (US) report on the company Web sites was a good idea.
- Stockholders, security analysts, and potential investors liked the convenience of using the Internet to look at information that previously was not available except in printed form.
- In fact, the SEC recently began requiring companies to submit various financial reports in a form that the SEC could use to publish directly onto the Internet.
- Several firms such as FreeEDGAR.com and Edgarscan.com developed methods of taking SEC data from EDGAR and creating customized reports.
- The reports generated from the online EDGAR services provide data that could be loaded into spreadsheets, databases and other software tools for further processing.
Enter XML and XBRL

- Extensible markup language (XML) allows users of electronic data to significant improvements over data obtained by using HTML.
- HTML is a flat, one dimensional markup language that specified how information will be presented.
- The language does not have the capability of carrying contextual information.
- For example, an HTML file can display a financial statement but cannot tell the user how the numbers were prepared.
- In contrast, XML provides the user with the ability to both display the numbers and to give information about the context in which the numbers were created.
- The ability to simultaneously display and reveal context of financial information is one of the primary motivations behind XBRL.
What is XML?

XML stands for extensible markup language.

► Extensible means that the language is a shell, or skeleton that can be extended by anyone who wants to create additional ways to use XML.

► Markup means that XML’s primary task is to give definition to text and symbols.

► Language means that XML is a method of presenting information that has accepted rules and formats.
Where did XML Come from?

- Markup languages were first developed by IBM and later implemented on a large scale within publishing companies.
- In 1986, the International Organization for Standardization (ISO) established the markup language SGML, or standard generalized markup language.
- SGML is an ISO standard for defining document structures for the application of mark-up schemes.
- SGML is the base language used to create both HTML and XML.
Why was SGML Developed?

- Publishing companies needed a means for marking up a document so that the words could be presented in a number of different ways.
- For example, a new product might require a detailed instruction manual and a beginner’s guide.
- Both documents may require the publisher to re-use elements of the original.
- Coding a document in SGML permits the text to be re-used in many different formats.
- The standards process fine-tuned a rich document markup language that allowed the author to separate the content from the presentation of document.
- Authors could write once, tag with SGML, and display the information in many different formats.
SGML

- SGML is not a language in itself, it is a meta-language.
- The main purpose of SGML is to describe a method for describing data.
- It provides a method for depicting any logically structured set of information.
- A meta-language is a set of rules that defines how other things work.
- As a meta-language, SGML provides the overall rules and procedures that permit a wealth of varied applications to exist.
XML Basics

XML-Coded data:

```xml
<?xml version="1.0"?>
<!DOCTYPE Sales_Budget "http://www.webpro-ri.com/budgets/sales.dtd"> <Sales_Budget>
  <HEADER> <DEPARTMENT>
    <NAME>New England</NAME>
    <PERIOD>02312000</PERIOD>
    <CUSTOMER>Wal-Mart</CUSTOMER>
  </DEPARTMENT> </HEADER>
</Sales_Budget>
```
XML Basics

- XML, or eXtensible markup language, is all about creating a universal way for both formatting and presenting data.
- Once data is coded or marked up with XML tags, data can then be used in many different ways.
- According to the World Wide Web Consortium (W3C), the definition of XML is as follows:
  - “XML is a set of rules, guidelines, conventions, whatever you want to call them, for designing text formats for such data, in a way that produces files that are easy to generate and read (by a computer), that are unambiguous, and that avoid common pitfalls, such as lack of extensibility, lack of support for internationalization/localization, and platform-dependency”
The way XML works is that programmers mark-up a text-based document with tags (similar to HTML tags) that tell what each word, number or group of words represent.

► For example, the tag `<invoice number>` might be used to describe the number of an invoice.

► Software can understand what `<invoice number>` means if it has access to the information's key, or schema.
XML is the Language of e-business

• The market processes for e-Business require interoperability of software applications, and consistent protocols and formats for information interchange.
  - XML is designed to accomplish these goals.

• In its basic format, XML enables information exchange inside and outside of organizations, as well as between individual users and different software applications.

• As a result of these abilities, XML is the foundation language for e-Business information exchanges.
XML is the Language of e-business

• Today, with the exception of Electronic Data Interchange (EDI), most Business-to-Business (B2B) and Business-to-Commerce (B2C) transactions involve the exchange of information through that product the Chinese invented over a thousand years ago, called paper.
• Paper enabled people to create "documents."
• The creation of documents, and the technology to produce them in mass as a result of the Gutenberg Press, was partially responsible for a Renaissance (and some might say several revolutions).
XML is the Language of e-business

- This technological change, a focus solely on content rather than on both content and appearance, is expected to have consequences similar to the invention of paper and the printing press.
- Its impact on the enhanced exchange of information and data upon our business world will be profound.
- In fact, the movement toward full-scale adoption of XML is already underway.
- Several industry (vertical) supply chains are currently leveraging XML to drive efficiencies through the entire business channel.
What is XBRL?

XBRL (Extensible Business Reporting Language), is a freely available XML-based specification that uses accepted financial reporting standards and practices to exchange financial statements across all software and technologies, including the Internet.

It is an XML-based framework that provides the financial community a standards-based method to prepare, publish in a variety of formats, reliably extract and automatically exchange financial statements of publicly held companies.

XBRL is not about establishing new accounting standards but enhancing the usability of the ones that we have through the digital language of business, XML.
What is XBRL

Non-techie’s point of view

► eXtensible Business Reporting Language

► An open global electronic standard for defining financial terms consistently allowing for the exchange and dissemination of corporate reporting information

► Each piece of data is assigned a unique, predefined data tag (like a barcode) identifying the information’s content and structure
What is XBRL

► Through tagging of data, XBRL will enable
  ► Streamlining of financial reporting processes
  ► Enhanced analysis of financial reports
  ► Can facilitate the acquisition and integration of related financial information within a company’s financial reports
  ► Communication of financial performance more effectively to analysts and investors

► Tags give data an identity and context that can be understood by various software applications that allow the data to interface with databases, financial reporting systems and spreadsheets
What is XBRL?

XBRL works by taking company business reporting data, mapping the structure of the information to XBRL for financial statements, and creating any additional tags needed to render a full set of financial statements.

The result of the process is an additional identifier attached to each piece of business data that can provide clues at to its origin, its relationship to other data, the rules used to prepare the information and more.
What is XBRL?

Companies who publish business reporting information coded in XBRL will be creating a means for communicating their data to a universal audience. This can be accomplished because XBRL is designed to be a specification that is the same for all companies and is consistent from one financial statement to another.
What XBRL is Not

• **XBRL is NOT a set of accounting standards.**
  – Accounting standards are the domain of the existing Generally Accepted Accounting Principles (GAAP) and regulatory standards bodies.
  – XBRL is a platform on which reporting standards content will reside and be represented.

• **XBRL is NOT a detailed universal chart of accounts.**
  – Accounting organizational charts are the domain of the management (and in many countries, of the government itself), and it is their responsibility to define appropriate classifications for use in generating appropriate management information.
  – XBRL can facilitate the implementation of such structures through its ability to transport data between disparate software applications that might be used within an organizations operational structure.
What XBRL is Not

• XBRL is NOT a GAAP translator. XBRL does not provide transparency of existing GAAP information into lower levels of information that would be necessary for translating from one GAAP to another.
  – The business-reporting document contains the same GAAP information, be it in an XBRL format or a Microsoft® Word or PDF format.

• XBRL is NOT a proprietary technology.
  – XBRL is freely licensed and available to the public.
  – XBRL is XML-based and therefore is expected to be widely available in software applications.

• XBRL is NOT a Transaction Protocol.
  – XBRL is designed to address issues related to production and consumption of information contained within business reports and begins at the accounting classification level.
  – XBRL is about business reporting information, not about data capture at the transaction level.
Why Will Financial Professionals Use XBRL?

Why would an Accounting or Financial professional use XBRL? Some of the benefits of using XBRL include:

- Cuts down on data manipulation
- Facilitates paper-less financial reporting
- Conforms to industry-accepted methods
- Can cut time required to perform various accounting tasks
- Major software vendors will incorporate XBRL
- Permits interchangeability of data
- Analysis of multiple company financial information improves
XBRL Cuts down on data manipulation

Data manipulation happens when companies need to re-position the output from their financial systems to meet the needs of diverse users.

- A quarterly IRS tax form is very different in format and content from a quarterly SEC filing, although the information needed to file both documents comes typically from the same financial database.

- With XBRL, information will be entered once and the same information can be "rendered" as a printed financial statement, an HTML document for a Web site, an EDGAR filing file, a raw XML file, or a specialized reporting format such as periodic banking and other regulatory reports.

The financial information chain is enhanced with accelerated delivery of relevant data, and lower preparation costs.
XBRL Facilitates paper-less financial reporting

Paper-less reporting is facilitated by employing XBRL. Prior to XBRL, financial information for reports was extracted from databases such as a general ledger.

► The extracted information would then need to be processed several times depending upon the needs of the user.

► For example, a typical balance sheet would need to be individually processed for SEC filings, for placement in the annual report, for examination by external auditors and for analysis by management.

► Each process could require an extra handling of the information to create the desired report.

With XBRL, the information is coded once and ready for extraction electronically into reports for all information users.

With the proper tools in place, the desired output for all uses of the balance sheet information can be transmitted electronically, without the need for a paper-based report.
XBRL conforms to industry-accepted methods.

First, XBRL is a language based on a W3C recommendation, XML.

- The W3C, or World Wide Web Consortium, is the world’s most authoritative body for establishing Internet protocols.
- XML’s growing acceptance for use as a vehicle for data exchange is well documented.
XBRL Can cut time required to perform various accounting tasks

Time savings from XBRL will come from several areas. First, multiple report preparations will take less time.

► XBRL-coded information can easily be fed into various instance documents to create customized output.

Second, internal analysis of financial data will be quicker.

► This is because the data will already be in a format ready for analysis and will not have to be re-keyed.

Third, financial analysts will able to extract, analyze and process this information with software tools designed specifically for this purpose.
Major software vendors will incorporate XBRL

Major software vendors are committed to developing software that will incorporate XBRL into their financial packages.
Representative XBRL-enabled Products

Shipping
- SAP mySAP financials
- Microsoft Business Solutions Navision
- Oracle FSG
- Creative Solutions (et al.)

Announced
- Microsoft Office Solution Accelerator for XBRL
- Hyperion Financials
- PeopleSoft Enterprise Financial Management
- CaseWare Financials
- Hitachi GEMPlanet
XBRL Permits interchangeability of data

Interchangeability of data is facilitated by the use of XML-compatible coding.

- XBRL is fully-compliant with the W3C’s XML 1.0 recommendation.
- When an XBRL-coded file is created, the document does not make any assumptions about how the data will be used by the requestor (or client).

In other words, the XBRL-coded information could be displayed in a Web browser, sent to a database, sent to a printer, used to create another XML document or even listened to as a sound document.

The same document can be used by many different applications using the intelligence of the data to build powerful applications.
Greg Adams, CFO of Edgar Online, a company focused on retrieving and organizing financial data filed with the Security and Exchange Commission's EDGAR system, predicts that XBRL will "revolutionize financial reporting."

► Speaking in the July 1, 2000 Wall Street Journal, Adams said that "because each line of the financial statements is tagged, the information will only need to be entered one time into the EDGAR systems."

► This eliminates the manual keying of information and it lowers a company's cost to prepare financial statements."

► XBRL will help to create a uniform way companies approach the information accumulated to accounts such as "trade receivables".

► According to Adams, establishing "uniform categories of data enhances comparison of reports in industries and sectors."

► Tagged data can be sent directly to programming tools such as Microsoft Access 2000 or Excel 2000 for analysis.
The short history of XBRL is traced back to 1998.
In April 1998, Charles Hoffman, a CPA with the firm Knight Vale and Gregory in Tacoma, Washington investigated XML for the electronic reporting of financial information. Charlie began developing prototypes of financial statements and audit schedules using XML.
Wayne asked Charlie to brief the AICPA High Tech Task Force on XML in September 1998.
History of XBRL

The AICPA High Tech Task Force created a "Product Description" proposing the creation of a prototype set of financial statements using XML by the AICPA. Karen Waller, CPA, AICPA staff and member of the High Tech Task Force helped perfect this product description.

On October 2, 1998, Wayne Harding presented the results of the High Tech Task Force to the AICPA Committee on Committee Organization.

As a result of this presentation, the AICPA determined to fund the project to create a prototype set of financial statements in XML.
On December 31, 1998 the prototype developed by Charlie Hoffman and Mark Jewett (Erutech) was completed. Jeffery Ricker (XML Solutions) contributed to the initial prototype. The CPA firm of Knight, Vale and Gregory, underwrote 50% of the development cost of this initial prototype. On January 15, 1999, this prototype was presented to the AICPA. Wayne Harding and Charlie Hoffman convinced the AICPA that XML was important to the accounting profession.
History of XBRL

The AICPA requested that a business plan be prepared to look into the business case for XML and in particular XML-based financial statements.

The project was code named XFRML.

That business plan was completed on June 15, 1999.

This business plan was created by Charles Hoffman, CPA (Independent CPA); Wayne Harding, CPA (Great Plains); Eric Cohen, CPA (Cohen Computer Consulting); and Louis Matherne, CPA (AICPA Director of I.T.).

On July 17, 1999 the AICPA Board of Directors determined to fund the XFRML effort.
History of XBRL

In August, 1999 12 companies quickly joined the effort (along with the AICPA) as members of the XFRML Steering Committee.

The initial steering committee included:
- The AICPA,
- Arthur Andersen LLP,
- Deloitte & Touche LLP,
- e-content company,
- Ernst & Young LLP,
- FreeEDGAR.com, Inc. (now Edgar Online, Inc.),
- FRx Software Corporation,
- Great Plains,
- KPMG LLP,
- Microsoft Corporation,
- PricewaterhouseCoopers LLP, and
- The Woodburn Group.
History of XBRL

The AICPA began implementing the business plan on August 30, 1999 when it announced that an XML financial reporting specification would be created.

Charles Hoffman created an Experimental Prototype of XFRML beginning in July 1999. This prototype was completed October 13, 1999. The financial statements of 10 companies were created to further test the concept of XML-based financial statements.
History of XBRL

The first meeting of the XFRML Steering Committee took place in the offices of the AICPA New York City on October 14, 1999.

The name of the organization was officially changed to the XBRL steering committee on April 6, 2000.

On July 31, 2000, the XBRL committee announced the on-time release of the first specification for U.S. companies, *XBRL for Financial Statements*.

Membership in the XBRL steering committee grew to more than 50 entities, including several International professional organizations.
XBRL Instance Documents

An XML document containing XBRL elements. The financial statements of a Company or any part thereof, expressed in XBRL, would be an instance document as would an HTML file that had various XBRL items embedded in it.

An instance document is similar to the programming of a bar code reader*. It contains the "code" for the tags and the structure that belongs to the tagged data.

Instance documents are built from a combination of XML specs and XBRL, structured to produce any GAAP financial statements.

The document provides data plus structure for machine recognition, and human readability.
Bar code readers typically scan an item for a UPS, or universal product code.

- The UPS is a physical tag that provides a link to information about the item.
- Once scanned, information about the item can be relayed to other systems such as the inventory system.
- The scanner contains a map from the bar code to the product definition.
- The list of bar codes and their meanings is similar to XBRL’s taxonomy (the general list) and the instance document (the customized list).

With the UPS data from the bar code reader, inventory systems can be updated, products re-ordered, management reports on sales created. Financial information, coded with XBRL tags can function similarly.
XBRL Taxonomy

Taxonomies

► A Standard description and classification system for business reporting and financial data
► Tags consist of specific financial data (e.g. line items in financial statements) and words or labels (e.g. headers in the notes to financial statements)
► Taxonomy may, therefore, include a tag for the balance sheet line item “inventory” as well as tags for components (“raw materials”, etc.) disclosed in the notes
XBRL Taxonomy

A taxonomy is the library of the financial terms used in preparing financial statements.

An instance document is the taxonomy applied to business reporting data.

The taxonomy for US Industrial and Commercial entities contains information on how individual tags are formed.

For example, the XBRL tag, as defined in the taxonomy for Commercial and Industrial Companies, US GAAP for construction in progress is:

- “ID 156 Element Name: constructioninProgress”
- “Element label: Construction in Progress Level: 7”
The taxonomy schema's role is to provide the logic or the intelligence for the tags.

Companies should validate or check an instance document against a taxonomy to see if the tags used are all terms from the taxonomy.

An exception report would signify a problem with a tag not found in the structure of the taxonomy document.

XML Schema is a language that can be used to define a structure of an XML document for the purposes of validation.

Right now, most XML tools only validate against a DTD, which is a set of document type definitions.
XBRL Taxonomy

The only requirement for tagged data in an instance document is to check to see if it is in conformance with the taxonomy schema.

Systems will not respond properly to tags that have not been identified in the instance document.

Instance documents are shared among users of the tagged data to provide each application with the logic and structure of the specific XBRL application.

This means that the instance document contains company data described by XBRL.

The taxonomy document will contain the XBRL hierarchical vocabulary with names for concepts, plain English labels, mathematical weight, order of appearance and other characteristics.
Why should you pay attention?

Created for, and by, accountants

IFRSs are adopted (permitted or required) in over 120 countries. XBRL is part of this implementation

Shift from voluntary to mandatory filing

More global initiatives are emerging

Software solutions and implementing services are available and affordable

The IFRS Taxonomy is freely available in different languages and is the cornerstone for widespread use
How Does XBRL Make Data Interactive?

XBRL provides an identifying tag (analogous to the “barcode”) for each individual item of financial data. For example, “net income” has its own unique tag, which a computer can read, understand, and treat “intelligently.” Reference is often made to XBRL “taxonomies.” In layman’s terms, a taxonomy is simply the collection of predefined tags that are available for registrants/Accountants to “affix” to their financial data (i.e., the listing of available barcodes).
Here’s another way of looking at it. Assume an Accountant has the following simple balance sheet:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Accounts Payable</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 100</td>
<td>Accounts Payable</td>
<td>$ 35</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>50</td>
<td>Short-Term Debt</td>
<td>100</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>150</td>
<td>Total Current Liabilities</td>
<td>135</td>
</tr>
<tr>
<td>Land</td>
<td>185</td>
<td>Long-Term Debt</td>
<td>200</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>165</td>
<td>Equity</td>
<td>165</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 500</td>
<td>Total Liabilities and Equity</td>
<td>$ 500</td>
</tr>
</tbody>
</table>
How Does XBRL Make Data Interactive?

To make this data interactive, the Accountant will use software to affix an XBRL tag to each number on the balance sheet.

- For example, the tag affixed to the $100 “Cash” amount will have a descriptive name, such as “Cash.”
- Once the tag is affixed, any software capable of reading XBRL will be able to determine that the $100 amount represents cash, which is a current asset, and that the $100 amount rolls up into the “Total Current Assets” and “Total Assets” subtotals.

The tag also provides a definition, the currency in which the amount is being reported (e.g., the U.S. dollar or the euro), and the related period for which the amount is being reported (e.g., as of December 31, 2008).
How Does XBRL Make Data Interactive?

With XBRL format you have a document which has standard bar codes within it. The bar codes or „tags“ effectively convert everybody’s financial statements and computations into a standard machine-readable template. XBRL is becoming a global standard for financial reporting.
## BALANCE SHEETS

**In millions**

<table>
<thead>
<tr>
<th>June 30</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$3,922</td>
<td>$3,016</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>27,678</td>
<td>35,636</td>
</tr>
<tr>
<td>Total cash and short-term investments</td>
<td>31,600</td>
<td>38,652</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>3,671</td>
<td>5,129</td>
</tr>
<tr>
<td>Inventories</td>
<td>83</td>
<td>673</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>1,522</td>
<td>2,112</td>
</tr>
<tr>
<td>Other</td>
<td>2,334</td>
<td>2,010</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>39,210</td>
<td>48,576</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>2,369</td>
<td>2,268</td>
</tr>
<tr>
<td>Equity and other investments</td>
<td>14,361</td>
<td>14,191</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,511</td>
<td>1,426</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>401</td>
<td>243</td>
</tr>
<tr>
<td>Other long-term assets</td>
<td>1,038</td>
<td>942</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$58,830</td>
<td>$67,646</td>
</tr>
</tbody>
</table>
# Novartis Group Consolidated Financial Statements

## Consolidated Income Statements
(for the years ended December 31, 2000 and 1999)

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>3/4</td>
<td>35,805</td>
<td>32,465</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td></td>
<td>-10,242</td>
<td>-9,822</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td>25,563</td>
<td>22,643</td>
</tr>
<tr>
<td>Marketing &amp; distribution</td>
<td></td>
<td>-10,945</td>
<td>-9,561</td>
</tr>
<tr>
<td>Research &amp; development</td>
<td>3</td>
<td>-4,657</td>
<td>-4,246</td>
</tr>
<tr>
<td>Administration &amp; general overheads</td>
<td></td>
<td>-2,078</td>
<td>-1,493</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>3/4</td>
<td>7,883</td>
<td>7,343</td>
</tr>
<tr>
<td>Income from associated companies</td>
<td>11</td>
<td>98</td>
<td>383</td>
</tr>
<tr>
<td>Financial income, net</td>
<td>5</td>
<td>1,091</td>
<td>793</td>
</tr>
<tr>
<td><strong>Income before taxes and minority interests</strong></td>
<td></td>
<td>9,072</td>
<td>8,519</td>
</tr>
<tr>
<td>Taxes</td>
<td>6</td>
<td>-1,820</td>
<td>-1,833</td>
</tr>
<tr>
<td><strong>Income before minority interests</strong></td>
<td></td>
<td>7,252</td>
<td>6,686</td>
</tr>
<tr>
<td>Minority interests</td>
<td></td>
<td>-42</td>
<td>-27</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td></td>
<td><strong>7,210</strong></td>
<td><strong>6,659</strong></td>
</tr>
</tbody>
</table>

|                         |       |         |         |
| Earnings per share (CHF)| 7     | 110     | 100     |
| Diluted earnings per share (CHF)| | 7 | 110 | 100 |

The accompanying notes form an integral part of the consolidated financial statements.
Novartis Konzernrechnung

Konsolidierte Erfolgsrechnungen
(2000 und 1999)

<table>
<thead>
<tr>
<th>Erläuterungen</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umsatz</td>
<td>3/4</td>
<td>35 805</td>
</tr>
<tr>
<td>Herstellkosten der verkauften Waren</td>
<td></td>
<td>-10 242</td>
</tr>
<tr>
<td>Bruttoergebnis</td>
<td></td>
<td>25 563</td>
</tr>
<tr>
<td>Marketing und Vertrieb</td>
<td></td>
<td>-10 945</td>
</tr>
<tr>
<td>Forschung und Entwicklung</td>
<td>3</td>
<td>-4 657</td>
</tr>
<tr>
<td>Administration und allgemeine Unkosten</td>
<td></td>
<td>-2 078</td>
</tr>
<tr>
<td>Operatives Ergebnis</td>
<td>3/4</td>
<td>7 883</td>
</tr>
<tr>
<td>Gewinnanteil an assoziierten Gesellschaften</td>
<td>11</td>
<td>98</td>
</tr>
<tr>
<td>Nettofinanzergebnis</td>
<td>5</td>
<td>1 091</td>
</tr>
<tr>
<td>Gewinn vor Steuern und Minderheitsanteilen</td>
<td></td>
<td>9 072</td>
</tr>
<tr>
<td>Steuern</td>
<td>6</td>
<td>-1 820</td>
</tr>
<tr>
<td>Gewinn vor Minderheitsanteilen</td>
<td></td>
<td>7 252</td>
</tr>
<tr>
<td>Minderheitsanteile</td>
<td></td>
<td>-42</td>
</tr>
<tr>
<td>REINGEWINN</td>
<td></td>
<td>7 210</td>
</tr>
</tbody>
</table>

Gewinn pro Aktie (CHF)

| Gewinn pro Aktie (CHF)                            |       | 7     | 110   |

Verwässerter Gewinn pro Aktie (CHF)

| Verwässerter Gewinn pro Aktie (CHF)               |       | 7     | 110   |

Die Erläuterungen im Anhang sind Bestandteil der Konzernrechnung.
Visibility of Information

The first obstacle to visibility

Language

XBRL can help to increase the consumers access to information in their own language regardless of what language the report is published in.
### Income Statements

(In millions, except per share amounts)

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$44,282</td>
<td>$39,788</td>
<td>$36,835</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>7,650</td>
<td>6,031</td>
<td>6,558</td>
</tr>
<tr>
<td>Research and development</td>
<td>6,584</td>
<td>6,087</td>
<td>7,735</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>9,448</td>
<td>8,629</td>
<td>8,436</td>
</tr>
</tbody>
</table>
### Part I

#### ITEM 1. Identity of Directors, Senior Management
Not applicable.

#### ITEM 2. Offer Statistics and Expected Timetable
Not applicable.

#### ITEM 3. Key Information

**A. Selected Financial Data**

The following tables present selected consolidated financial information for an predecessor company Mittal Steel Company N.V., as of and for the year ended in accordance with IFRS. This selected consolidated financial data represents AccelorMittal’s consolidated financial statements, including the notes.

#### Consolidated Statements of Operations
(Amounts in $ millions except per share data and percentages)

<table>
<thead>
<tr>
<th>Year</th>
<th>Line Item</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost of sales, including depreciation and amortization</td>
<td>$28,182</td>
<td>$26,341</td>
</tr>
<tr>
<td></td>
<td>Gross profit</td>
<td>$1,082</td>
<td>$1,246</td>
</tr>
<tr>
<td></td>
<td>Operating income (loss)</td>
<td>$4,729</td>
<td>$4,676</td>
</tr>
<tr>
<td></td>
<td>Operating income as percentage of sales</td>
<td>16.80%</td>
<td>17.06%</td>
</tr>
<tr>
<td></td>
<td>Other income — net</td>
<td>$214</td>
<td>$218</td>
</tr>
<tr>
<td></td>
<td>Income from investments in associates and joint ventures</td>
<td>$86</td>
<td>$62</td>
</tr>
<tr>
<td></td>
<td>Financing costs — net</td>
<td>$(353)</td>
<td>$1,563</td>
</tr>
<tr>
<td></td>
<td>Income (loss) before taxes</td>
<td>$4,676</td>
<td>$3,102</td>
</tr>
<tr>
<td></td>
<td>Net income (including non-controlling interest)</td>
<td>$3,795</td>
<td>$2,677</td>
</tr>
<tr>
<td></td>
<td>Net income attributable to equity holders of the parent</td>
<td>$3,795</td>
<td>$2,677</td>
</tr>
<tr>
<td></td>
<td>Basic earnings per common share**</td>
<td>$1.40</td>
<td>$1.00</td>
</tr>
<tr>
<td></td>
<td>Diluted earnings per common share**</td>
<td>$1.40</td>
<td>$1.00</td>
</tr>
<tr>
<td></td>
<td>Dividends declared per share</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Consolidated Statements of Financial Position
(Amounts in $ millions except share data)

<table>
<thead>
<tr>
<th>Year</th>
<th>Line Item</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash and cash equivalents, including short-term investments and restricted cash</td>
<td>$2,149</td>
<td>$7,947</td>
</tr>
<tr>
<td></td>
<td>Property, plant and equipment</td>
<td>$14,547</td>
<td>$15,457</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>$33,867</td>
<td>$36,130</td>
</tr>
<tr>
<td></td>
<td>Short-term debt and current portion of long-term debt</td>
<td>$334</td>
<td>$7,974</td>
</tr>
<tr>
<td></td>
<td>Net assets</td>
<td>$14,547</td>
<td>$15,457</td>
</tr>
</tbody>
</table>

---

**Note:**

**Property, plant and equipment** has been highlighted for further analysis.
<usr-pt:BasicEarningsPerShareNetIncome numericContext="P3M2QFY02EPS" id="usr-ptBasicEarningsPerShareNetIncome">0.42</usr-pt:BasicEarningsPerShareNetIncome>
<usr-pt:BasicEarningsPerShareNetIncome numericContext="P3M2QFY03EPS" id="usr-ptBasicEarningsPerShareNetIncome">0.48</usr-pt:BasicEarningsPerShareNetIncome>
<usr-pt:BasicEarningsPerShareNetIncome numericContext="P6M2QFY02EPS" id="usr-ptBasicEarningsPerShareNetIncome">0.66</usr-pt:BasicEarningsPerShareNetIncome>
<usr-pt:BasicEarningsPerShareNetIncome numericContext="P6M2QFY03EPS" id="usr-ptBasicEarningsPerShareNetIncome">0.99</usr-pt:BasicEarningsPerShareNetIncome>
<usr-pt:CashCashEquivalents numericContext="AsOf20020630" id="usr-ptCashCashEquivalents">3016000000</usr-pt:CashCashEquivalents>
<usr-pt:CashCashEquivalents numericContext="AsOf20021231" id="usr-ptCashCashEquivalents">5552000000</usr-pt:CashCashEquivalents>
<usr-pt:CashCashEquivalentsBeginningYear numericContext="P3M2QFY02" id="usr-ptCashCashEquivalentsBeginningYear">3922000000</usr-pt:CashCashEquivalentsBeginningYear>
<usr-pt:CashCashEquivalentsBeginningYear numericContext="P3M2QFY03" id="usr-ptCashCashEquivalentsBeginningYear">3016000000</usr-pt:CashCashEquivalentsBeginningYear>
<usr-pt:CashCashEquivalentsBeginningYear numericContext="P6M2QFY02" id="usr-ptCashCashEquivalentsBeginningYear">3922000000</usr-pt:CashCashEquivalentsBeginningYear>
<usr-pt:CashCashEquivalentsBeginningYear numericContext="P6M2QFY03" id="usr-ptCashCashEquivalentsBeginningYear">3016000000</usr-pt:CashCashEquivalentsBeginningYear>
More on XBRL?

XBRL (eXtensible Business Reporting Language) is:
An information format designed for the Internet

...a digital language for business reporting!

Based on accepted reporting standards
The convergence of:
- Technology = XML-based specification
- Language/dictionary = Terms by jurisdiction/industry
- Consortium Participants = Supply chain members
Scope and Role of XBRL

Processes
- Business Operations
- Internal Financial Reporting
- External Financial Reporting
- Investment, Lending, Regulation
- Economic Policymaking

Participants
- Companies
- Financial Publishers and Data Aggregators
- Investors
- Central Banks
- Trading Partners
- Management Accountants
- Auditors
- Regulators
- Software Vendors

Today XBRL for Financial Statements
XBRL for G/L Journal Entry Reporting
XBRL “Building Blocks”

- **Foundational Terms**
- **Industry Terms**
- **Company Specific Terms**
- **Reporting Framework**

Provides a cost effective platform for IFRS/GAAP convergence.
XBRL Vs EDGAR

XBRL will not replace the EDGAR system — they are two different things.

EDGAR is a file management system and XBRL as a document format.

Registrants (US and UK) use the EDGAR system as a vehicle for submitting regulatory filings in an electronic format, and the EDGAR system makes those electronic filings accessible to the public.

Currently, most filings are submitted and posted in an HTML format.

Under the proposed rules, XBRL-related documents will be furnished in an issuer’s filing as an exhibit.
XBRL Implementation Options
(Handle XBRL tagging in-house)

Costs associated with this approach might include:

► Purchase of XBRL tagging software.
► Training for use of XBRL and associated tagging software and taxonomy.
► Creation of a team including those with accounting and technology backgrounds.
XBRL Implementation Options

(Hire a third-party service provider to assist with XBRL tagging.)

Costs associated with this approach might include:

► Purchase of XBRL software for review of prepared documents and filings.
► Consulting/service fees.
► Training for understanding and review of software and taxonomy.
Thank You

Comments
Thank You

Questions