



XBRL International in 2002 and Beyond

XBRL International
c/o AICPA
1211 Avenue of the Americas
New York, NY 10036-8775
United States of America

Site: www.XBRL.org
e-Mail: info@xbrl.org

Tel: +1 (212) 596-6200
Fax: +1 (212) 596-6213

The State of the Consortium

Our mission at XBRL International — Transforming Business Reporting — took on new urgency and importance in 2002. High profile financial abuses in the United States and elsewhere brought unprecedented international focus on accounting practices and the need for greater transparency in financial reporting.

The sources of this crisis in financial reporting include a variety of contributing factors and require co-ordinated responses from many institutions. One of these contributing factors surely has been the sheer unsuitability and inadequacy of paper, or even electronic formats that mimic paper, for the efficient communication of complex financial information to investors, regulators and other stakeholders. High quality, precise, usable business performance information impacts equity prices, the cost of capital and regulatory compliance costs. It is a key public good.

XBRL, the eXtensible Business Reporting Language, builds on the universally accepted data format XML and offers a dynamic medium in which all kinds of organisations can control their message to the financial markets, regulators and to all stakeholders with unprecedented clarity and efficiency.

The XBRL International consortium represents over 170 organisations around the world committed to transparency and the efficient transfer of information. In that spirit, we would like to present some measures of our success over the past year, and also the challenges facing us that we must execute on successfully to maintain our tremendous momentum.

Applications and Adoption

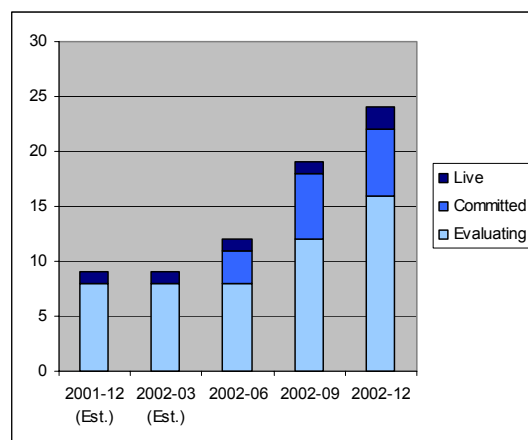
International adoption of XBRL can best be seen by looking at the "pipeline" of major XBRL enabled applications, including live applications, those where an organisation has committed to XBRL and is in the process of development, and those where XBRL is being seriously



evaluated. As of the end of 2002 there are two live applications:

- Since 2001, APRA (the Australian Prudential Regulatory Authority) has been using XBRL Version 1 in its system for collecting data from pension funds.
- Wacoal is a leading multinational clothing manufacturer, where XBRL Version 2 and XBRL GL, the Journal Taxonomy, is in live use for exchanging data among a variety of business systems.

Organisations committed to deploying XBRL Version 2 into production in 2003 include the UK Inland Revenue, EDGAR Online, the US Federal Deposit Insurance Corporation (FDIC), Sumitomo Mitsui Banking Corporation (SMBC), the Tokyo Stock Exchange (TSE), and the National Tax Agency of Japan (Kokuzeicho). Meanwhile, the pilot applications at NASDAQ, the Bank of America, Deutsche Bank, DATEV and others have shown the breadth and number of other applications already in the adoption pipeline.



During 2002, XBRL International passed critical milestones for adoption when it began issuing major taxonomies with "recommendation" status. In March, XBRL

GL, the Journal Taxonomy, was the first XBRL Version 2 taxonomy to be approved.

Another significant recommendation was the IAS (International Accounting Standards) PFS (Primary Financial Statements) taxonomy that encompasses the four major financial statements and over 800 distinct data element definitions. Issuance of this taxonomy "sounds the starting gun" for IAS countries around the world — especially XBRL International members Australia, Germany, Ireland, the Netherlands, Singapore and the UK — to develop their own national taxonomies based on the IAS PFS and the forthcoming EDAP (Explanatory Disclosures and Policies) taxonomy.

Similarly, the United States jurisdiction of XBRL International issued its US Financial Reporting framework. This framework builds on global definitions shared with the IAS effort, and consists of taxonomies encompassing areas such as primary accounting terms, terms relating to US GAAP commercial & industrial company reporting, and accountant's reports. It even includes terms representing the Certifications required under the Sarbanes-Oxley act of July 2002, showing speed and flexibility of response to changing standards within XBRL-based financial reporting.

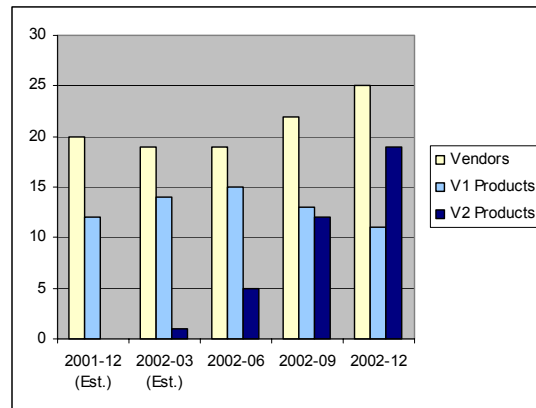
Financial information delivered by third parties in XBRL already covers hundreds, and soon thousands of companies, at sites such as EDGAR Online, NASDAQ, PwC EdgarScan, and the University of Kansas.

However, a major goal for XBRL International in 2003 will be to dramatically expand the small and visionary club of companies producing their own financials using XBRL. Morgan Stanley, the first company to do so way back in February 2001, has been joined to date by Microsoft, Reuters, RR Donnelly, Novartis, and soon by XBRL International Inc. itself. Efforts are now under way to produce financials using the taxonomies of several jurisdictions, and we hope 100 companies will be actively involved in producing their own 2003 annual financial statements.

Tools and Technology

During the latter half of 2002 we focused on removing technical obstacles encountered by XBRL end users and software vendors.

Our success to date can be seen by the fact that there are now over a dozen vendors with XBRL Version 2-enabled products either already or soon to be released. Our web site has the latest public information, but these members include Creative Solutions, Fujitsu, Hitachi, Navision (a division of Microsoft Business Solutions), SAP, Semansys, Software AG, and UBmatrix. Even non-members such as the vendor of a leading XML tool suite added XBRL capabilities to its product in 2002.



Within the consortium, participants made significant progress on clarifying XBRL Version 2.0 usage and developing updates that should be completed during 2003. In parallel, other participants made progress on two new specifications, one for handling multiple versions of taxonomies, and the other to handle complex data validations, both of which meet needs encountered in live XBRL applications. With a new Competition Policy in place, a newly comprehensive Intellectual Property Rights policy nearing finalisation, and execution of our formal internal processes, the way has been cleared for future development by the XBRL member community.

Publishing definitive answers to frequently asked technical questions and developing official, royalty-free educational materials for developers is one of our most urgent

priorities. This should boost the number of products well past 20 with our goal being 50 XBRL-enabled products by the end of 2003.

Communications

XBRL International made important strides in our public communications during 2002.

We completely redeveloped our web site; it now has up-to-date sections on technology and business perspectives, with white papers, presentations, events, a current list of participating members, and more. A members-only section provides access to essential works in progress and working group agendas, while users with appropriate permissions are able to update large sections of the site to keep the content fresh and relevant. It marks a quantum leap in quality, usability and sophistication.



XBRL International also produced its first official brochure, and a CD containing six case studies, both of which are now available for distribution at conferences and other events. The first of these opportunities occurred at the World Congress of Accounting Educators and World Congress of Accountants in Hong Kong, November 2002, where the leadership of XBRL International gave talks on XBRL, and several other conference speakers made reference to the impact of XBRL on the accounting profession. Other conferences where XBRL now appears regularly on the programme include the semi-annual XML



Conference and Expositions, the quarterly XML in Financial Services series, and the semi-annual Interoperability Summit.

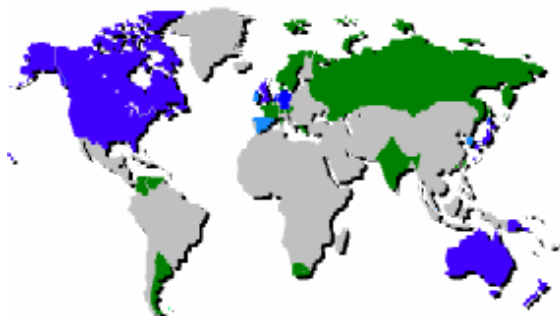
Coverage of XBRL continues to grow among technology analysts, the press, and even via television and webcast. Forrester, Gartner Group, Giga and other analysts published detailed information about XBRL for their subscribers this year. A webcast about XBRL appears on Shareholder.com. Favourable press about XBRL appeared in the Wall Street Journal, Financial Times, Nikkei, Het Financieel Dagblad, Infoworld, and CFO Magazine in which XBRL was named the #1 "technology to watch" in 2003 (we agreed!). XBRL was even given favourable mention in testimony during the congressional investigation of Enron, by Robert Litan of the Brookings Institution.

Favourable third-party coverage should continue in 2003, but our fundamental communication goal in 2003 is to provide extensive technical information ranging from introductory tutorials for the non-programmer and business case material for product managers, all the way to advanced technical materials to jump-start XML experts involved in developing XBRL-compliant products. A thriving market for a wide range of strong XBRL products is a fundamental goal for 2003, and communication is the way to get there.

Members and Community

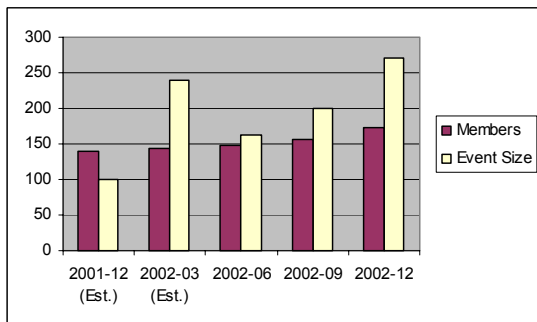
We are a genuinely international organisation, now with nine member jurisdictions — Australia, Canada, Germany, Japan, the Netherlands, New Zealand, the United States, the United Kingdom, and the IASB (International Accounting Standards Board), as well as four provisional jurisdictions — Ireland, Korea, Singapore and Spain. The formal

relationships do not even encompass all of our global reach, since important XBRL activity during 2002 also took place in Austria, Denmark, Hong Kong, South Africa, Sweden, Taiwan, and in a dozen other countries across Europe, Latin America and Asia. There are over 40 different XBRL mailing lists, where much of our business takes place.



Membership grew from around 130 participating members to over 170 during 2002, a surge of over 20%. This spectacular growth, which would be significant for any non-profit consortium, especially during a global recession when other consortia are shrinking, has many contributing factors. One of these factors was the efforts by XBRL Deutschland e.V., XBRL Canada, and XBRL Japan, which hosted successful conferences in Berlin, Toronto and Tokyo.

The Tokyo conference set an XBRL record, with 271 registered attendees, and too many milestones to repeat here. Among the milestones set in Tokyo were keynote presentations from the Tokyo Stock Exchange, Fujitsu Research Institute, and JICPA (Japan Institute of CPAs) as well as special presentations from the CEO of KPMG and from thought leaders at Ernst & Young and PricewaterhouseCoopers.

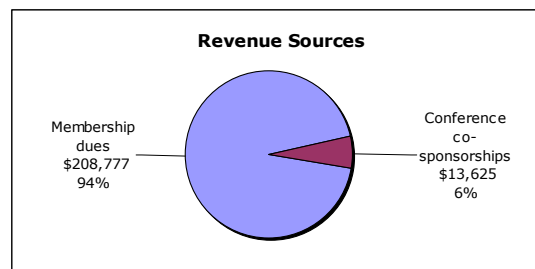


Our 2003 goal is 200 members, an 18% growth target focused on critical Supply Chain participants: preparers (private and public sector), exchanges, investors, analysts and regulators — particularly tax agencies and bank regulators impacted by the coming Basel II accord.

Administration and Finances

The members of XBRL International made 2002 the year in which we matured into a fully operating, well established non-profit corporation. The achievements of 2002 lay a sound foundation for focusing our efforts on adoption of XBRL and growth in our membership in 2003.

XBRL International began operations in fiscal 2002 with zero net assets as of 1 August 2001, and ended on 30 June 2002 with a modest surplus of \$15,797 in net assets, a surplus representing 7.1% of total revenues.



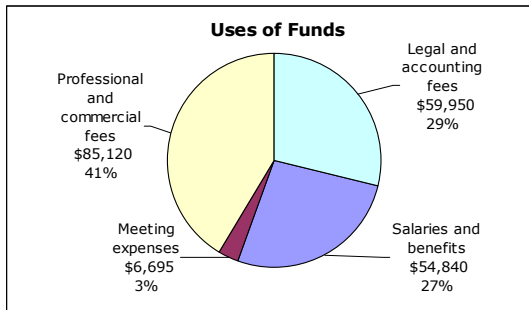
Revenues consisted mainly of dues from members, the 14 other non-profit companies that represent XBRL in various jurisdictions around the world; they in turn have members, and XBRL International receives a minority portion of those dues. Almost half of the dues revenue of XBRL International during 2002 came from the United States, although other jurisdictions are growing more rapidly.

XBRL International also holds conferences that are co-sponsored with the members that host the conference; hosting members are responsible for 20% of any conference surplus or deficit with XBRL International being responsible for 80%.

Expenses in fiscal 2002 were dominated by the commercial and professional fees for public relations, web site maintenance

and architectural designs for the web site that was developed and launched in the first half of fiscal 2003.

Legal fees were mainly the non-recurring costs of drafting and finalisation of the corporate bylaws, registering XBRL as a trademark around the world, and dealing with other intellectual property protection matters.



XBRL International is based in New York and hosted by the AICPA (American Institute of Certified Public Accountants); the AICPA provided support staff and charges XBRL International for salaries, benefits and related travel costs for staff to participate in XBRL International conferences.

Sustained Effort is becoming a challenge for XBRL International, whose scope and scale of activities now covers over two dozen countries, 170 members, and a growing set of technical specifications and XBRL taxonomies.

Our expenses in 2002 did not include staff for the technical, educational, and other work of XBRL International: that work is performed exclusively by the contributed efforts of the participating members of our jurisdictions. The value proposition for contributing members is clear, since in all cases they find that the knowledge gained during these activities are giving them a strategic advantage as they develop products and services using XBRL. But valuable and well-motivated as these in-kind efforts are, we observe that XBRL jurisdictions such as the United States, Germany, Ireland and Australia have been able to make even more rapid progress when their members pool their resources to hire full-time or even part-time technical staff.



XBRL International needs full-time staff so as to make more rapid progress on technology and training; this is a more cost-effective way to deliver benefits to our members and other financial supporters than to rely entirely on volunteer contributions.

Revenue diversification will be a priority for XBRL International as it matures through 2003. Like most other non-profit consortia, we have and will continue to apply for grants from appropriate foundations and government sources, and expect in future to generate net income from conferences, publications and training. We will use this income to hire technical, management and executive talent able to produce results on a timely and predictable basis, independent of the real or perceived influence of any member, and to the benefit of all our members and adopters of XBRL.

Executing on the XBRL mission – Transforming Business Reporting – occupied our members during fiscal 2002, and they are now beginning to enjoy the benefits of an organisational infrastructure with all the foundations for sustainability.

The foundations were laid at our 3rd International conference in Sydney, where consensus on the principles of the organisation were finalised. At our 4th International conference in Berlin, the membership of the steering committee and the framework of the bylaws were completed. And, at our 5th International conference in Toronto, the bylaws were ratified and we laid out our strategic priorities for the coming year. The rest of calendar 2002 has seen further progress, with our largest conference ever in Tokyo.

The growth and success of XBRL International in 2002 has been tremendous. The volunteer contributions of our members are creating an entirely new medium for business and financial reporting that will eventually make financial markets and e-government more efficient throughout the world.

Our members share a vision for XBRL and its role in revolutionising the Information Supply Chain. During 2002 and 2003 we are building the organisation that will deliver that vision.



Walter Hamscher
Chair, Steering Committee
XBRL International
Consultant to PricewaterhouseCoopers LLP
Boston, Massachusetts, 31 Dec 2002



XBRL International Steering Committee, 2002. From left: Mark Schnitzer (Morgan Stanley - Analysts), Louis Matherne (AICPA - President), Eiichi Watanabe (TSR - At-large), Norbert Flickinger (Deutsche Bank - Investors and Creditors), Jörg Fuhrmann (PPA Gmbh - Germany), Kurt Ramin (IASB - IASB), Liv Watson (EDGAR Online - Intermediaries), Walter Hamscher (Standard Advantage - At Large), Marisa Chung (AICPA - Secretariat), Chris Rodgers (KPMG - UK), David Hardidge (Ernst & Young - Australia), Rob Blake (Microsoft - Software and Services), Bob Cuthbertson (CaseWare IDEA - Canada), Roger Debreceny (Nanyang University - At Large), Phil Walenga (FDIC - Regulators), Zach Coffin (Coffin Capital - At Large). Not pictured: Paul Penler (Ernst & Young - At Large), KK Tang (ICPAS - Singapore), Mike Willis (PricewaterhouseCoopers - Accountants).