IBRAHIM & COMPANY

Certified Public Accountants

INTEGRATED REPORTING

COAST BRANCH FINANCIAL REPORTING WORKSHOP

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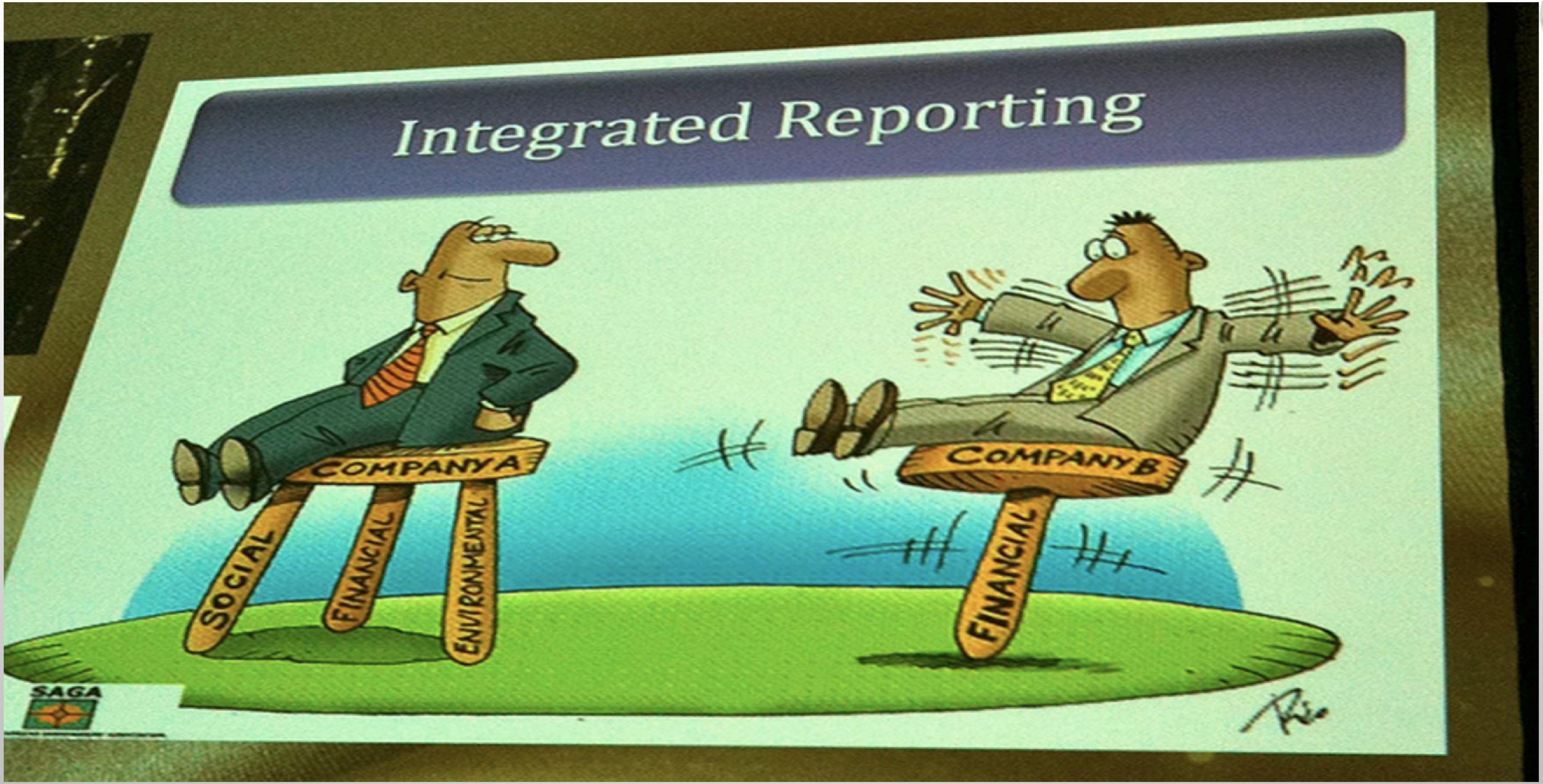

Integrated Reporting
COMPANY A
SOCIAL
FINANCIAL
ENVIRONMENTAL
COMPANY B
FINANCIAL
SAGA

1. Definition

The international Integrated Reporting Council (IIRC) defines Integrated Reporting as "a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over short, medium and long term". It's an international initiative driven by IIRC.

2. Historical Development

1. September 2011 – A discussion paper ”Towards Integrated Reporting” was published by the International Integrated Reporting Committee.
2. October 2011 - Organizations to participate in the IIRC pilot programme were announced.
3. July 2012 - Draft outline of the Integrated Reporting Framework was produced.

2. Historical Development (continued)

4. November 2012 - Prototype of the International Integrated Reporting (<IR>) Framework.

5. April 2013 - Consultation Draft of the International <IR> Framework published.

6. December 2013 - International <IR> Framework published.

Source: Deloitte IAS Plus

3. The International Integrated Reporting Council (IIRC)

- Formed on August 2010, IIRC is a global coalition of regulators, investors, companies, standard setting bodies, the accounting profession and NGOs.
- It’s main obtain objective is to create an internationally accepted Integrated reporting framework.
- The initial focus is on reporting by larger companies.
- The concepts will be equally applicable to small- and medium-sized enterprises, the public sector and not-for-profit organizations.

4. Objectives

- To enable effective decision making at board level.
- To improve information available to investors.
- To encourage more integrated thinking and business practices.

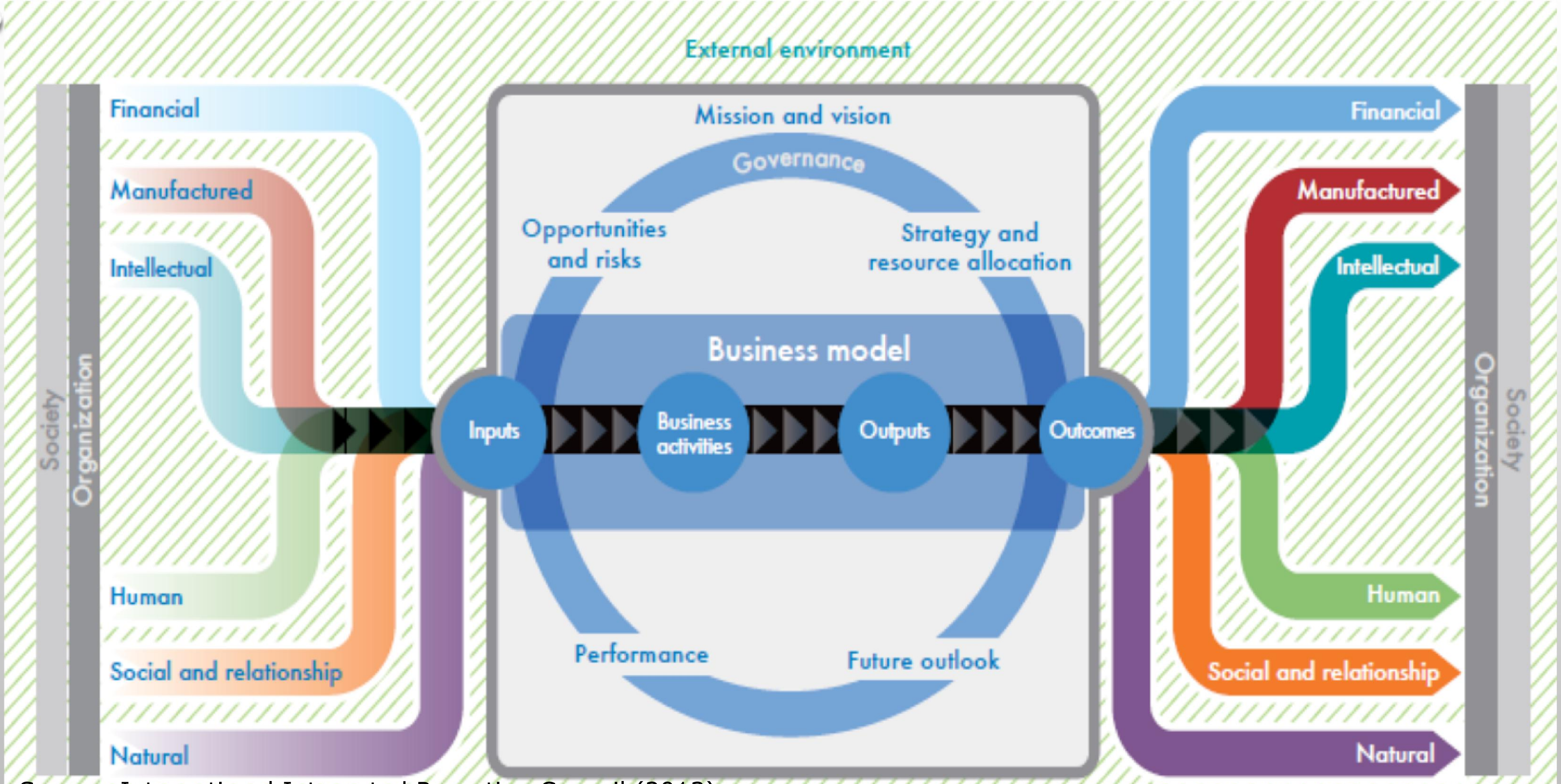
5. Fundamental Concepts

- Value creation for the organization and other stakeholders.
- Various forms of capital.
- Value creation process.

6. Forms Capitals

- Financial capital - debt, equity, grants or generated through operations.
- Manufactured capital - buildings, equipment and infrastructure.
- Human capital - people’s skills and experience.
- Intellectual capital - patents, copyrights and software.
- Natural capital - renewable and non-renewable resources.
- Social capital - relationships, trust and loyalty

7. Value Creation Process



Source: International Integrated Reporting Council (2013)

8. Guiding Principles

- Strategic focus and future orientation.
- Connectivity of information.
- Stakeholder responsiveness.
- Materiality and conciseness.
- Reliability and completeness.
- Consistency and Comparability.

9. Content elements

- Organizational overview and external environment.
- Governance.
- Opportunities and risks.
- Strategy and resource allocation.
- Business model.
- Performance.
- Future outlook.

10. Benefits

- More integrated thinking and management.
- Improved corporate reputation and stakeholder relationships.
- Greater clarity on business issues and performance.
- More efficient reporting for both users and preparers of reports.

11. Challenges

- Potential for disclosure of commercially sensitive information to competitors.
- IR requires time and other resources.

12. Summary

Questions
Answers
Comments

Thank You!