

Integrated annual reports becoming a feature on the JSE

By Deborah Spicer

JSE-listed companies' annual reports that will start to come out after March 2011 will have one feature in common – they will be integrated reports which provide a holistic representation of a company's financial performance and its sustainability.

This is because the Johannesburg Stock Exchange (JSE) Securities Exchange requires the issuing of integrated reports for all companies with financial years starting on or after the 1st of March 2010, or asks for an explanation why they have not produced an integrated report.

Integrated reporting marks the next phase in the evolution in reporting on social and environmental matters, which had often been relegated to a separate report that was largely unconnected with the main financial report in the past.

Now the challenge is to discuss non-financial information that has a material influence on a business (defined in the US as being able to affect the business' net income by more than 5%) within an annual report, describes Grant Thornton USA partner Michael Krzus.

The JSE's decision to require integrated annual reports from this year places it among the front runners of exchanges to require this.

South Africa is also the first country to issue a discussion paper outlining a framework for integrated reporting, having issued its discussion paper on the 25th of January 2011.

South Africa's Integrated Reporting Committee is requesting feedback on the paper by the 25th of April 2011 and expects to issue an integrated reporting guideline towards the end of the year.

To access the Framework for Integrated Reporting and the Integrated Report Discussion Paper go to <http://www.sustainabilitysa.org/Portals/0/Documents/IRC%20of%20SA%20Integrated%20Reporting%20Guide%20Jan%2011.pdf>