



An Empirical Evaluation of Saudi Corporate Reporting in The Light of Jenkins' Model: Evidence from the Cement Sector

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Abstract: In order to find reporting gaps, this study assesses how closely companies in the cement industry adhere to the 10 components of Jenkins' model. Reports of all fourteen companies in the Saudi cement sector are examined. The companies are doing well in reporting financial statements, high-level operating data, risks, and governance-related information. They also provide background on their business strategy, objectives, and major contracts. However, they fall short in areas such as distinguishing core and non-core activities, disclosing opportunities, explaining critical success factors, comparing actual performance to previous plans, and discussing technological and regulatory changes. There is also a lack of detailed analysis on key elements of the Jenkins' model.

Keywords: Jenkins' Model, Corporate Reporting, Saudi Corporate Reporting.

Introduction

The historical challenge accounting has faced for over a century has been how to report externally on the effects of internal and external actions on the interests of external parties (Al-Adeem, 2017, 2021, 2022a, 2022b; Al-Hazzani & Al-Adeem, 2020; Previts & Merino, 1998; Merino, 1993). Notwithstanding the hard work in developing a theoretical structure of accounting to address this challenge, no attempt has succeeded in acquiring general agreement (Al-Adeem, 2017, 2019a,

2019b, 2021, 2022a, 2023; Chatfield, 1977; Alharbi & Al-Adeem, 2022; Alhomaïd, 2009; Alshiban & Al-Adeem, 2022; Beaver, 2002; Belkaoui, 2004; Brearey & Al-Adeem, 2019; Coetsee, 2010; Gaffikin, 1987; García, 2017; Ijiri, 1967; King, 2006; Lee, 2009; Statement on Accounting Theory and Theory Acceptance (SATTA), 1977). Such a lack of acceptance of accounting theory has led to the grounding of corporate financial reports on theoretical frameworks for financial accounting, which is a constitution (Brearey & Al-Adeem, 2019; Gore, 1985; Kieso *et al.*, 2004).

Developing the conceptual framework of financial accounting by the Financial Accounting Standards Board (FASB) was intended to serve as a provisional foundation for corporate reporting until an accounting theory is accepted. It is a constitution that is neither complete nor sufficient (Al-Adeem, 2024; Alhomaïd, 2009). The current corporate reporting model failed to fully meet the needs of a wide range of users, prompting a call to go beyond current practice measures (see Jenkins, 1994). Due to increased market demand for reliable, comparable information, corporate reporting evolved from an unregulated, inconsistent practice to a structured, standardised process (Munter & Robinson, 1999). Corporate reporting evolved to meet growing market expectations and protect public interest. It involves the collection, analysis, and presentation of financial information about an organisation, primarily through financial statements and other disclosures (Lott, 1996). Understanding a company's financial performance, position, and cash flows is largely dependent on corporate reporting. For decision-makers including creditors, investors, and regulatory agencies, the procedure seeks to provide a thorough picture of a business's financial operations, assets, and commitments (Munter & Robinson, 1999).

The need for corporate report models has emerged to define the information that corporate reports should include to serve users better (Nielsen & Roslender, 2015). Jenkins' model, officially known as *Improving Business Reporting - A Customer Focus*¹ was the first to be proposed by the American Institute of Certified Public Accountants (AICPA), (1994), followed by Business Reporting and Enhanced Business Reporting, all of which were proposed by the AICPA.

In response to users' growing demand for more information about the businesses they invest in, the scope of corporate reporting has been expanded (Alshiban & Al-Adeem, 2022). Corporate social responsibility (see Rupley *et al.*, 2017), corporate sustainability (see Christofi *et al.*, 2012; Herzog & Schaltegger, 2006), the triple-

1. available: <http://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/DownloadableDocuments/Jenkins%20Committee%20Report.pdf>

bottom line (see Norman & MacDonald, 2004; Elkington, 1997; Elkington, 2004; Adams *et al.*, 2004; Grey & Milnel, 2004), and intellectual capital (see Guthrie, 2001; Guthrie *et al.*, 2001; Mouritsen *et al.*, 2004; Petty & Guthrie, 2000). The scope of corporate reporting reveals the information that is absent from financial statements.

This study evaluates the compliance of Saudi cement companies with Jenkins' model. The objective is to assess their alignment with the model's ten elements, identify gaps in their reporting practices, and propose actionable recommendations for improvement. "Descriptive investigations are the beginning of quantitative studies," whose chief aim is to "allow describing, characterising the phenomenon or facts to be studied" (Ochoa-Pachas, 2021: 2). By investigating these corporations, this study highlights the strengths and shortcomings of Saudi corporate reporting and explores its potential transition towards comprehensive business reporting. The findings provide insights into how corporate reporting in Saudi Arabia can better meet stakeholders' evolving needs and align with international best practices.

The remainder of the paper is divided into 6 sections as follows: Corporate reporting is demonstrated in Section 2. Jenkins' model and its components are explained in Section 3. The sample corporate reports are shown in Section 4. The degree to which Saudi-listed companies in the cement industry adhere to Jenkins' model is shown in Section 5. According to Section 6, Saudi cement businesses are doing a good job of disclosing financial statements, risks, high-level operating data, and information pertaining to governance. They also give an overview of their important contracts, goals, and company strategy. However, they fall short in areas such as distinguishing core and non-core activities, disclosing opportunities, explaining critical success factors, comparing actual performance to previous plans, and discussing technological and regulatory changes. There is also a lack of detailed analysis on key elements of the Jenkins' model

2. Corporate Reporting

According to Perrini (2006: 75), corporate reports are a reliable "window into companies' thoughts and priorities" that may be used to evaluate a company's past, project its future, evaluate its performance, and make predictions about its prospects. Additionally, they raise understanding of how a company creates value (Landau *et al.*, 2020; Nielsen & Roslender, 2015). Corporate performance is measured by information revealed in reports (Amir & Lev, 1996) that predicts future earnings and financial performance (Banker & Mashruwala, 2007), stock yields (Luft, 2009),

value driving growth, profitability, and risk (Laitinen, 2004), financial fraud (Brazel *et al.*, 2009), and customer satisfaction (Ittner *et al.*, 1998).

Businesses and transactions have become more complex, and so have the requirements for corporate reporting (Lott, 1996). Corporate reporting has expanded beyond just financial data to include more disaggregated and internal information. The FASB proposed shifting external segment reporting to align with internal management reporting to increase the relevance and accuracy of segment data (Lott, 1996). Statement of Financial Accounting Standards No. 131 (SFAS 131), titled “Disclosures about Segments of an Enterprise and Related Information,” was released in 1997 as a result of this proposal. The previous “industry segment approach” of SFAS 14 has been replaced by SFAS 131, which mandates that publicly traded businesses report segment information based on the “management approach.”

The “management approach” means reporting financial segments based on how the business is managed internally. Companies are required to report segment information in accordance with how they internally manage and evaluate business segments, using the same financial data that their top executives, or chief operating decision-makers, use to run the business (Lott, 1996); in other words, reporting the exact segments and metrics that managers use for their own decision-making. For example, if management tracks product lines separately, then financial reporting would also show results by each product line. This shift toward a “management approach” allows for a more detailed, operational view, providing a clearer picture of different parts of a business based on management’s internal evaluation. This approach is more relevant, providing external users with insights into the risks and opportunities influencing company decisions (Lott, 1996).

According to Munter and Robinson (1999), corporate reporting is intended to give creditors, investors, and other stakeholders information that enables them to make informed financial decisions. The goals of FASB’s Statement of Financial Accounting Concepts No. 1 (SFAC 1) highlight the importance of financial reporting in providing information about future cash flows in addition to a company’s present performance. This more expansive goal is consistent with the move to the “management approach,” which gives external users a better understanding of a company’s operational reality and possibilities for future cash generation.

The evolution of corporate reporting practices also reflects global efforts to standardise and improve transparency. As discussed by Financial Executives (2002), the International Accounting Standards Board (IASB) has worked to establish global

standards to ensure consistency and comparability. However, achieving consensus remains challenging as accounting systems and regulatory approaches differ across economies and cultures. Volcker, speaking for the IASB, emphasised the necessity of a “three-legged stool” of standards, audit, and enforcement to ensure meaningful and reliable reporting (Financial Executives, 2002). This unified approach to corporate reporting highlights that, although standardised principles and guidelines are important, effective governing and consistent enforcement are essential for true comparability and reliability across countries.

2.1. Why Does Corporate Reporting Matter?

In the current economy, corporate reporting is essential because it provides stakeholders with accurate information to help them make wise financial and operational decisions. Building trust with creditors, investors, and other users requires openness, responsibility, and compliance, all of which are based on it. Providing information that enables stakeholders to evaluate a company's financial stability and profitability is one of the main goals of corporate reporting, according to May (1943). This data helps creditors and investors assess an organisation's financial standing, present cash flows, and anticipated future performance—all of which are crucial for forecasting its possible risks and rewards (Munter & Robinson, 1999).

Furthermore, corporate reporting enables stakeholders to assess a company's capacity to generate cash flows, a crucial factor in understanding its financial sustainability. As highlighted by Munter and Robinson (1999), the objectives set by the FASB emphasise that financial reporting is intended not only to reveal a company's current performance but also to offer insights into its potential future cash flows. This broader focus supports a deeper evaluation of a company's resilience, which is especially valuable during economic downturns or industry-specific challenges.

Additionally, corporate reporting fosters accountability within organisations. By disclosing detailed information about their business activities and performance, companies demonstrate their commitment to transparency and fulfil their responsibilities to shareholders and other stakeholders. May (1943) describes corporate reporting as a “report of stewardship”, which serves as a record of how management has used the company's resources over a specified period. This accountability function strengthens stakeholders' trust in a company's leadership, affirming that the organisation is being managed with its best interests in mind. As a result, corporate reporting also reinforces investor confidence, which in turn

encourages continued investment and supports the organisation's ability to access capital in the future.

Effective company governance and regulatory compliance are also greatly aided by corporate reporting. By ensuring that businesses adhere to regulatory requirements and give users of financial information clarity, standardised reporting procedures and disclosures help reduce potential for financial deception of data. Given the complexity of contemporary financial instruments and the difficulties presented by intangibles and other hard-to-measure assets, this is especially important. According to Financial Executives (2002), the International Accounting Standards Board (IASB) was established in response to the demand for strong reporting standards as organisations have become more complicated. The IASB works in several jurisdictions to develop a worldwide standard.

Moreover, effective corporate reporting contributes to economic stability and market confidence. By providing comprehensive, reliable financial information, corporate reporting helps create a stable market environment in which investors can make informed decisions. This stability is a product of stringent standards enforced by regulatory bodies such as the SEC, which work to protect investor interests and uphold the integrity of financial markets (Munter & Robinson, 1999). Such enforcement ensures that companies report accurate information, thereby reducing the risk of market shocks from undisclosed liabilities or misrepresented assets.

An essential feature of corporate reporting is its role in standardising financial information to improve comparability across companies and industries. The "management approach" in reporting, introduced by the FASB under SFAS 131, aligns external segment reporting with internal management reporting, making corporate reports more relevant by reflecting the business as seen by decision-makers (Lott, 1996). This alignment provides users with insights into the company's segments and the business's real opportunities and risks. This improved transparency supports investors and analysts in their assessments and encourages informed decision-making.

Briefly, corporate reporting matters because it plays a multifaceted role in ensuring transparency, accountability, and compliance, supporting economic stability and growth. By providing standardised financial information, corporate reporting enables stakeholders to make informed, strategic decisions, ultimately contributing to the resilience and expansion of capital markets. The evolution of corporate reporting reflects a commitment to adapt to the dynamic nature of global markets.

2.2. Movement Toward Business Reporting

A central aspect of business reporting is the inclusion of a company's business model, which provides insights into how the organisation creates, delivers, and captures value over time (Sorrentino & Smarra, 2015). The term "business model" was first formally recognised by the IASB in 2009 [1] and has since become integral to financial reporting frameworks. However, defining it remains challenging due to varied interpretations in academic and professional circles. The ambiguity around the term suggests a lack of consensus on its precise meaning, yet its importance in representing an entity's approach to value creation is undisputed (Sorrentino & Smarra, 2015). This lack of a singular definition highlights the adaptability required in business reporting, as the model is tailored to reflect each company's unique structure, industry context, and strategies (Financial Executives, 2002).

A broader shift in emphasis from financial performance alone to a more comprehensive understanding of corporate value, transparency, and strategic direction is reflected in the transition from traditional corporate reporting to business reporting. As corporate reporting practices developed in response to market demands and regulatory standards (Munter & Robinson, 1999), this transition aims to meet the need for richer, more relevant information. Aruwa (2010) underscores that business reporting, unlike traditional corporate reporting, includes not only financial data but also forward-looking, non-financial, and qualitative disclosures, which are increasingly critical in evaluating a company's actual value and sustainability.

Business reporting aims to present a more comprehensive view of the organization than the financial performance summaries seen in conventional corporate reporting. Effective company reporting discloses a mix of financial and non-financial data, management's strategic thinking, and forward-looking insights (Aruwa, 2010). This is consistent with the Jenkins Committee's methodology, which proposes five primary categories: management analysis, financial and non-financial data, forward-looking information, management and shareholder data, and contextual corporate information. This methodology promotes a "customer-focused" approach to reporting by aligning business data with the needs and expectations of significant stakeholders (Aruwa, 2010).

The transition to business reporting is not merely about expanding reporting requirements; it represents a fundamental change in how organisations perceive their reporting obligations. Traditional financial reports focused heavily on

historical data, which, as Aruwa (2010) argues, is insufficient in an era of rapid technological advancement and global market integration. Business reporting, in contrast, provides real-time insights, predictive indicators, and details on a company's intangible assets—elements that traditional reports often overlook but are essential for a complete understanding of corporate value in today's dynamic environment. The shift also reflects a growing focus on sustainability and other non-financial performance indicators, which are increasingly relevant in stakeholder evaluations of long-term viability.

The traditional model, with its emphasis on financial statements, was limited in its ability to convey a company's complete picture of activities, risks, and strategic initiatives. Business reporting, as encouraged by the Jenkins Report and ICAEW, enables companies to demonstrate accountability not only to shareholders but also to a broader audience, including customers, employees, and regulators (Financial Executives, 2002). By integrating non-financial metrics and more detailed segment-level information, business reporting allows stakeholders to evaluate company performance and risk from multiple perspectives, thus promoting informed decision-making.

In a globally interconnected economy, international standards have become crucial for facilitating comparable business reporting. The adoption of standards like IFRS by entities worldwide aims to promote consistency and comparability across markets (Aruwa, 2010). This, however, requires organisations to balance local compliance with global best practices, making the adoption of principles such as the “pluralist approach” even more relevant. Additionally, the rise of digital technologies has transformed how information is collected, analysed, and disseminated (Aruwa, 2010). Real-time data, thereby enhancing stakeholder engagement and transparency.

In summary, the shift from traditional financial indicators to a more comprehensive model that represents a company's activities, aims, and effects on society, the environment, and other external stakeholders is known as business reporting. Business reporting provides stakeholders with a richer and more actionable understanding of the company, aligning with global needs for transparency, accountability, and sustainability. While challenges remain, particularly around standardisation and definition, the evolution toward business reporting marks a significant advancement in corporate disclosure practices, one increasingly demanded by today's complex and interconnected business environment.

3. Jenkins' Model for Corporate Reporting

3.1. Introduction to Edmund L. Jenkins and His Model

Through his leadership of the American Institute of CPAs (AICPA) Special Committee on Financial Reporting, also known as the Jenkins Committee, Edmund L. Jenkins, a well-known figure in accounting and financial reporting, significantly contributed to the transformation of the idea of business reporting (Financial Reporting Reformer to Head FASB, 1997). Among his many accomplishments were senior positions at Arthur Andersen and contributions to the Financial Accounting Standards Board (FASB). In order to fulfil the changing needs of users, including creditors and investors, he made important contributions as chairman of the Jenkins Committee to solve shortcomings in conventional financial reporting systems. A thorough approach for corporate reporting was suggested in the committee's final report, *Improving corporate Reporting—A Customer Focus* (AICPA, 1994). The model emerged as a response to concerns that existing financial statements, though valuable, did not fully meet users' needs in an era of rapid globalisation, technological innovation, and changing business dynamics (Jenkins, 1994).

3.2. Purpose and Formation of Jenkins' Model

The Jenkins Model was developed to enhance business reporting's relevance and utility by matching its content to the requirements of its main consumers, which are creditors, investors, and financial advisors. The methodology extended reporting to include a wider range of data that offers insights in addition to standard financial statements.

Jenkins described the existing reporting system as an outdated highway—functional but inadequate for modern business demands. He warned that without significant improvements, the reporting process could hinder capital market efficiency and competitiveness (Jenkins, 1994).

The Jenkins Committee undertook extensive research to understand users' information needs, emphasising their critical role as customers of business reporting. The committee conducted interviews, surveys, and analyses of existing reporting practices to identify gaps. Users highlighted the need for forward-looking and nonfinancial information to assess better opportunities, risks, and performance drivers (AICPA, 1994; Noll & Weygandt, 1997). Jenkins emphasised that a failure to address these needs could harm capital markets by misallocating resources and increasing the cost of capital (Jenkins, 1994).

The FASB commenced investigating how to incorporate the Jenkins Model into standard-setting priorities, including a focus on nonfinancial and forward-looking disclosures, in reaction to the Jenkins Committee's report, *Improving Business Reporting—A Customer Focus* (AICPA, 1994) (Journal of Accountancy, 1997). Furthermore, a symposium organised by the AICPA in 1996 brought together stakeholders to discuss the challenges of implementing the model, particularly regarding forward-looking and nonfinancial information (Noll & Weygandt, 1997).

3.3. Components of the Jenkins Model

According to the Jenkins Committee report (1994), the Jenkins Model proposed a comprehensive framework for business reporting, comprising the following ten core elements:

Table 1: A brief outline of the content of Jenkins' Model for Corporate Reports as appeared in the Jenkins' report (1994) p 113

<p>I. Financial and Non-Financial Data 1st/ Financial statements and related disclosures 2nd/ High-level operating data and performance measurements that management uses to manage the business</p> <p>II. Management's Analysis of Financial and Non-Financial Data 3rd/ Reasons for changes in the financial, operating, and performance-related data, and the identity and past effect of key trends</p> <p>III. Forward-Looking Information 4th/ Opportunities and risks, including those resulting from key Trends 5th/ Management's plans, including critical success factors 6th/ Comparison of actual business performance to previously disclosed opportunities, risks, and management's plans</p> <p>IV. Information About Management and Shareholders 7th/ Directors, management, compensation, major shareholders, transactions and relationships among related parties</p> <p>V. Background About the Company 8th/ Broad objectives and strategies 9th/ Scope and description of business and properties 10th/ Impact of industry structure on the company</p>

4. Sampled Corporate Reports

All entities in the Saudi Arabian cement sector are publicly held corporations. Some of them have existed for decades, experiencing every event that has affected the Saudi economy. The Saudi economy has undergone several shifts and transformations to

become what it is today. The housing boom that took place after 1975, when the Saudi government generously provided loans to its citizens to build houses of their design. The demand for cement was skyrocketing. It has risen to reach historic levels several times as the Saudis, under their government, choose to build their country themselves. Saudi Arabia is the country that has never been invaded. When the founder finally unified the country in 1951, the nation marched toward development, and today it has become a modern Saudi Arabia, advancing under Vision 2030.

The cement industry has always accompanied the development and building of Saudi Arabia. Table 2 summarizes the dates of establishing each cement company in Saudi Arabia.

The Saudi Cement Company and Arabian Company, founded in 1955, are among the most established and largest cement manufacturers in Saudi Arabia. With its headquarters in Dammam, Saudi Cement has been a cornerstone of the Eastern Province's industrial growth and a key supplier of cement and clinker for local and international markets. The company is a pioneer in the industry, with a history of innovation and operational excellence.

Twenty years later, the Yanbu, Southern Province, Yamamah, and Qassim Companies were established in 1977, 1978, and 1978, respectively. Thirty years after the first cement companies were founded, the Eastern Province Cement Company, established in 1982, is headquartered in Dammam and serves the eastern region of

Table 2: Companies in the Cement Sector and their founding years

	<i>Cement Company name</i>	<i>Establishment Year G</i> ي د ا ل ي م
1	Arabian	1955
2	Saudi	1955
3	Yamama	1961
4	Yanbu	1977
5	Southern Province	1978
6	Qassim	1978
7	Eastern Province	1982
8	Tabuk	1985
9	Riyadh	1997
10	Al Jouf	2006
11	City	2005
12	Najran	2005
13	Northern Region	2010
14	Umm Al-Qura	2013

and Past Effect of Key Trends	The Identity and Past Effect of Key Trends	Partially	No	Partially	Yes	No	Partially	Yes	Partially	Yes	Partially	Yes
4. Opportunities and Risks, Including Those Resulting from Key Trends	Identification of Major Opportunities and Risks	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Explanation of Causes / Sources	Yes	Partially	Yes	Yes	Partially	Yes	Yes	Partially	Yes	Yes	Yes
	Expected Impact on Future Performance	No	Partially	Yes	Yes	Partially	Yes	Yes	Partially	Yes	Yes	Partially
	Liquidity and Financial Flexibility Risks	Partially	No	Yes	Yes	Partially	Yes	Yes	Partially	Yes	Yes	Yes
5. Management's Plans, Including Critical Success Factors	Management's Future Plans	Partially	No	Partially	Yes	No	Partially	Yes	Partially	Yes	Yes	Yes
	Critical Success Factors	Partially	Partially	Yes	Yes	Partially	Yes	Partially	Yes	Yes	Yes	Yes
6. Comparison of Actual Business Performance to Previously Disclosed Opportunities and Risks, and Management's Plans	Comparison to Previously Disclosed Opportunities and Risks	No	No	No	No	No	Partially	No	No	No	No	No
	Comparison to Previously Disclosed Plans and Success Factors	No	No	No	No	No	No	No	No	No	No	No
7. Directors, Management	Identity and Background of Directors and Executive Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Forward-Looking Information

Information About

Table 4: Summary of Table 3 by Presenting the Ratio of the Extent of Which the Elements of Jenkins' Model Are Communicated in the Companies' Reports in the Cement Sector

10 Elements of Jenkins' Model		Related components		Yes	Partially	No	NA
Financial & Non-Financial Data	1. Financial Statements and Related Disclosures	a. Periods to Be Reported, Restatement, and Summary Information	Period Reporting	100%	-	-	-
			Restatement	36%	-	-	64%
			Summary of key statistics & ratios	-	100%	-	-
		b. Financial Statements	Statement of financial position	100%	-	-	-
			Statement of income	100%	-	-	-
			Statement of cash flows	100%	-	-	-
			statement of changes in equity	100%	-	-	-
		c. Measurement	Consistency in Content	100%	-	-	-
			mixed-attribute rules	100%	-	-	-
			Net Income Measurement	100%	-	-	-
	d. Display (Distinguish between Core and Non-Core Activities in financial statements)	In Income Statement	-	-	100%	-	
		In Statement of Cash Flows	-	-	100%	-	
		In Balance Sheet	-	-	100%	-	
		e. Classification (current & non-current)	100%	-	-	-	
	2. High-Level Operating Data and Performance Measurements	f. Disclosure	100%	-	-	-	
		g. Disaggregated	50%	50%	-	-	
		h. Interim Reporting	-	100%	-	-	
		a. Revenue-Related Activity	93%	7%	-	-	
b. Cost-Related Activity		36%	64%	-	-		
c. Productivity Measures		14%	43%	43%	-		
d. Time-Based Measures		-	-	100%	-		
e. Quality and Quantity of Key Resources		29%	71%	-	-		
3. Reasons for Changes in Financial, Operating, and Performance-Related Data	f. Innovation Measures	-	43%	57%	-		
	g. Employee Involvement and Fulfillment	50%	36%	14%	-		
	h. Vendor Relationship Strength	-	-	100%	-		
	Reasons for Changes in the Financial, Operating, and Performance-Related Data	36%	64%	-	-		
	The Identity and Past Effect of Key Trends	29%	50%	21%	-		
Managements' Analysis of Non-Financial Data							

Forward-Looking Information	4. Opportunities and Risks, Including Those Resulting from Key Trends	Identification of Major Opportunities and Risks	100%	-	-	-
		Explanation of Causes / Sources	71%	29%	-	-
		Expected Impact on Future Performance	21%	57%	21%	-
		Liquidity and Financial Flexibility Risks	43%	50%	7%	-
		Management's Future Plans	50%	43%	7%	-
	5. Management's Plans, Including Critical Success Factors	Critical Success Factors	57%	43%	-	-
		Comparison to Previously Disclosed Opportunities and Risks	-	7%	93%	-
		Comparison to Previously Disclosed Plans and Success Factors	-	-	100%	-
Management and Information About Shareholders	6. Comparison of Actual Business Performance to Previously Disclosed Opportunities, Risks, and Management's Plans	Identity and Background of Directors and Executive Management	100%	-	-	-
		Compensation of Directors and Executive Management	100%	-	-	-
		Share Ownership Information	100%	-	-	-
		Related-Party Transactions and Relationships	100%	-	-	-
		Disagreements With Former Key Parties	-	-	57%	43%
	7. Directors, Management, Major Compensation, Major Shareholders, and Transactions and Relationships Among Related Parties	Compensation Committee Interlocks and Insider Participation	-	14%	86%	-
		Broad Objectives	79%	21%	-	-
		Strategy to Achieve Objectives	71%	29%	-	-
		Strategy Consistency with Key Trends	29%	57%	14%	-
		Industry Description	43%	57%	-	-
Background About The Company	9. Scope and Description of Business and Properties	General Development of the Business	57%	29%	14%	-
		Principal Products and Services:	100%	-	-	-
		Principal Markets and Market Segments	43%	57%	-	-
		Production and Service Processes	7%	14%	79%	-
		Key Inputs to the Processes	7%	57%	36%	-
	10. Impact of Industry Structure on the Company	Distribution and Delivery Methods	-	21%	79%	-
		Seasonality and Cyclicity	-	-	100%	-
		Impact of Laws and Regulations	71%	29%	-	-
		Patents, Trademarks, Licenses, Franchises, Concessions	-	21%	79%	-
		Relevant Macroeconomic Factors	21%	43%	36%	-
	Major Customer and Supplier Contracts	7%	36%	57%	-	
	Location and Utilization of Plant and Physical Properties	71%	29%	-	-	
	Technological and Regulatory Changes	-	100%	-	-	
	Bargaining Power of Resource Providers	-	7%	93%	-	
	Bargaining Power of Customers	-	-	100%	-	
Intensity of Competition in the Industry	-	50%	50%	-		

Saudi Arabia. After that, cement companies expanded into other regions of Saudi Arabia to meet demand for cement to build the nation. The Tabuk, Riyadh, Al Jouf, City, Najran, Northern Region, and Umm Al-Qura were founded in 1985, 1997, 2006, 2005, 2005, 2010, and 201 consecutively.

5. Compliance of Saudi Listed Cement Companies with Jenkins' Model

Looking at reports from the cement businesses mentioned above to see if they adhere to Jenkins' committee's recommendations. The compliance status for each of the 14 businesses in the cement industry is displayed in Table 3. The following table indicates whether each Jenkins model is reported:

Table 4 presents the extent to which each element of the Jenkins' model is met and communicated by illustrating ratios for each element across four categories. The first one, "Yes", demonstrates full compliance with the component. The second label, "Partially," indicates moderate satisfaction with the component. When a component is not communicated, 'no' signifies that lack. Lastly, the NA category shows the percentage of companies for which this element does not apply in their reporting.

The examined Saudi Cement Companies show nearly similar patterns in corporate reporting, as they are compliant with IFRS. However, evaluating the financial statements and Board of Directors (BOD) reports of the sampled companies against Jenkins' Model reveals variation in compliance across the ten elements.

Across all ten elements, **Element 1** (Financial Statements and Related Disclosures) has the highest level of compliance. All companies fully disclose key financial statements, including a comparative prior-year statement, as required by IFRS adoption. Most companies go beyond the IFRS requirements by including in their BOD reports multi-year comparative charts of major financial indicators such as revenue, costs, and net profit. In addition, there is a high disclosure for restatement, measurement bases, classifications, and disaggregation. Although some leading financial indicators, such as EPS and gross profit, are reported, the disclosure lacks liquidity and leverage ratios. Interim reporting is also only partially met, probably because companies do not include the fourth quarter in annual reports. Finally, businesses' financial statements do not differentiate between core and non-core activities. There seems to be inconsistent adherence to Element 2 (High-Level Operating Data and Performance Measures). While cost-related activities, the number and quality of essential resources, and employee engagement and fulfilment range from high to moderate compliance, revenue-related activities

are heavily reported. Productivity and innovation metrics are either not disclosed at all or are only partially disclosed by businesses, creating a reporting gap. Vendor relationship strength and time-based metrics show zero percent compliance for all sampled organisations.

A moderate to weak level of compliance is evident in **Element 3** (Reasons for Changes in Financial, Operating, and Performance-Related Data, and the Identity and Past Effect of Key Trends). As most companies only moderately identify reasons for data variations, many seem to lack the ability to explain the identity and past effects of key trends.

Element 4 (Opportunities and Risks, Including Those Resulting from Key Trends) and **Element 5** (Management's Plans, Including Critical Success Factors) prove moderate to high compliance. As most cement companies identify significant opportunities and risks and provide sufficient explanations of their causes, more gaps remain in assessing the expected impact of disclosed risks and opportunities on future performance. Furthermore, companies adequately identify and explain management's plans and critical success factors. For the last element covering forward-looking dimensions, Element 6, none of the sampled firms disclose a comparison of actual business performance to previously disclosed opportunities, risks, and management's plans. Overall, disclosures tend to be more narrative, lacking forward-looking depth and quantifiable measures.

Complying with Saudi governance regulations, companies across the Saudi cement sector report that most components of Element 7 are in place, making it one of the most compliant elements. Companies provide extensive details on the identities and backgrounds of directors and executives, their compensation, share ownership information, and related-party relationships. However, two components of this element have either low or zero compliance. As Jenkins' model requires the disclosure of any disagreements with former key parties, most companies neither report them nor clearly deny their existence. Almost 100% of the companies do not meet the requirements of disclosing compensation committee interlocks and insider participation.

When it comes to the last category of the model, background about the company, there are significant gaps. Although companies display an adequate level of transparency regarding their broad objectives and strategies, they apparently lack transparency in Elements 9 (Scope and Description of Business and Properties) and **10** (Impact of Industry Structure on the Company). The Saudi cement companies

have low compliance with Element 9 because, despite including basic descriptive elements of their business in their reports, they hardly ever address production and service processes, distribution and delivery methods, seasonality and cyclicity, and patents and trademarks. After Element 6, Element 10 has the second-lowest compliance rate. Publicly available yearly reports lack information on the bargaining power of suppliers and customers, and they either partially or completely omit descriptions of the level of competition in the cement sector as well as changes in technology and regulations.

6. Conclusions and Implications

The Saudi cement companies are doing well in reporting financial statements, high-level operating data, risks, and governance-related information. They also provide background on their business strategy, objectives, and major contracts. However, they fall short in areas such as distinguishing core and non-core activities, disclosing opportunities, explaining critical success factors, comparing actual performance to previous plans, and discussing technological and regulatory changes. There is also a lack of detailed analysis on key elements of the Jenkins' model.

To bridge these gaps, Saudi corporations must adopt enhanced reporting frameworks, such as integrated reporting, and embrace a stakeholder-focused approach. Regulatory authorities should also play a proactive role in setting and enforcing higher disclosure standards to align with global best practices. By addressing these shortcomings, Saudi corporate reporting can transition towards comprehensive business reporting, fostering greater transparency, accountability, and trust among stakeholders. This shift will not only support sustainable corporate growth but also align the country with global standards, enhancing the resilience and competitiveness of Saudi capital markets.

To enhance business reporting in Saudi Arabia, several steps can be taken. First, companies should be encouraged or mandated to adopt a more integrated reporting framework that emphasises transparency, forward-looking information, and stakeholder relevance. Regulatory bodies can play a key role in setting higher disclosure standards that align with international best practices, such as those suggested by Jenkins' model or the Integrated Reporting Framework. Second, organisations should invest in building internal capabilities to analyse and disclose qualitative and quantitative data on opportunities, critical success factors, and key trends affecting their industries. Educating management and boards about

the strategic value of enhanced reporting can foster a culture of transparency and accountability. Lastly, promoting the use of technology, such as data analytics, can help companies improve the quality of their disclosures by providing detailed, real-time insights into business performance. These measures, coupled with a shift towards a stakeholder-focused mindset, can transform Saudi corporate reporting into comprehensive business reporting, fostering greater trust and engagement among investors, regulators, and the broader public.

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Conflict of Interest

There is no conflict of interest involved in the publication of this research paper.

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