

1-1-2008

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De Zoysa, Anura: Association between corporate disclosure and information needs of company annual report users in Sri Lanka 2008, 1086-1097.
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Keywords

Association, between, corporate, disclosure, information, needs, company, annual, report, users, Sri, Lanka

Disciplines

Business | Social and Behavioral Sciences

Publication Details

De Zoysa, A. (2008). Association between corporate disclosure and information needs of company annual report users in Sri Lanka. In L. Khim Sen, M. Ang Chooi Hwa, H. Amin, M. Japang, J. Woryanta Taunson, O. Ai Yee, E. Schlicht & E. Anoruo (Eds.), *Proceedings of Applied International Business Conference 2008* (pp. 1086-1097). Malaysia: Labuan School of International Business and Finance, Universiti Malaysia Sabah (UMS).

ASSOCIATION BETWEEN CORPORATE DISCLOSURE AND INFORMATION NEEDS OF COMPANY ANNUAL REPORT USERS IN SRI LANKA

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Abstract

This paper examines the extent of disclosures in company annual reports of Sri Lankan listed companies and the user perceptions on the importance of information disclosed in company annual reports. For this purpose, annual reports of 65 Sri Lankan listed companies were analysed using a disclosure index. Furthermore, a questionnaire survey was conducted covering seven user groups to examine the importance they attached to various information items disclosed in company annual reports. The results of the study revealed a fairly high level of overall disclosure (69.8%) in Sri Lankan company annual reports with 90 per cent of the sample companies disclosing 43 per cent of information items examined by this study. It also showed that, in general, users have placed higher importance on the items relating to financial status, including cash position; present and future earnings including cash generation; and comparative status of the company. This study also identified an apparent gap between the information needs of users and the information disclosed by companies as some information items perceived by various users as important were not disclosed by any company or disclosed by a few companies. Since the studies done in this area in emerging markets such as Sri Lanka are limited, this study contributes to reducing the dearth of literature on corporate disclosure in the emerging markets.

Keywords: Financial reporting; Disclosure, Annual reports; Emerging markets; Sri Lanka.

JEL Classification Codes: M40; M41.

1. Introduction

Annual report is the most comprehensive document available to the public for obtaining company information (Marston and Shrivess, 1991). Many prior researchers (for example-Belkaoui, 1979; Wallace, 1988; Anderson and Epstein, 1995; Abu-Nassar and Rutherford, 1996; Mirshekary and Saudagaran, 2005) have investigated the usefulness of company annual reports and found that the annual report to be the primary sources of information for investors as well for various other users. The role of annual report as a source of information is particularly important in emerging markets such as Sri Lanka as very often the other sources of information such as stock brokers' advice, investment advisory services of accounting firms, Internet, and newspaper reports are not effective sources in these markets as they are in developed markets (De Zoysa and Rudkin, 2008). However, despite the significance of investigating whether the annual reports in emerging markets are providing the information required by various users in these markets, the number of studies conducted in this area in emerging markets have been limited only to a few studies. This paper contributes to reducing the dearth of literature on corporate disclosure in the emerging market of Sri Lanka. The major objectives of this study are to: (1) examine the extent of disclosure in annual report by Sri Lankan listed companies, (2) assess the importance placed by various users to the information items disclosed in company annual reports, and (3) investigate the association between the information disclosed in company annual reports and the information needs of the users.

2. Research method

Items for disclosure

The first step in research design was to assess the degree of disclosure of selected important items of information in annual report of Sri Lankan companies. For this purpose, a disclosure index consisting of items of information that appear, or could appear, in company annual reports of Sri Lankan companies was constructed. The use of disclosure index for the evaluation of the extent of disclosure and the

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quality of annual reports has become a norm in disclosure studies. According to Cooke and Wallace (1989), the quality of financial disclosure is an abstract term and cannot be measured directly because it does not possess the inherent characteristics by which one can determine its intensity or capacity. However, calculating an index for a particular company can give a measure of the extent of disclosure although it does not necessarily measure the quality of disclosure (Marston and Shrives, 1991). A number of different approaches have been taken by previous researchers in developing a disclosure index. The typical methodology employed in this study was to construct a country-relevant disclosure index. Depending on the research objective and the country being examined, the index comprises voluntary information items and/or mandatory items. Disclosure measurement may be either weighted or unweighted (Ahmed and Courits, 1999). Although many of the previous studies have employed weighted indexes for assessing the extent of disclosure (Singhvi and Desai, 1971; Barrett, 1976; Firth, 1979; Chow and Wong-Boren, 1987), the methods used for determining the weights of items have been criticised as being subjective. An alternative approach is to assume all items included in the index as equally important and use an unweighted index in which an item scores one if it is disclosed and a zero if it is not disclosed. Since this dichotomous procedure avoids the subjectivity in assigning weights to items, it has gained wide acceptance among annual report studies (see for example, Wallace, 1988; Cooke, 1989; Ahmed and Nicholls, 1994). Thus, an unweighted index was used in this study.

Having decided on the type of index to be used, the next major task was to develop a list of information items that could be used in annual reports. The usefulness of the disclosure index as a measure of disclosure is critically dependent on the selection of items to be included in the index (Marston and Shrives, 1991). After carefully examining the information items used in previous disclosure studies in emerging markets, a list of information items was developed by incorporating many of the major information items covered in previous studies as well as some items especially applicable to Sri Lanka. Overall, the list of items consists of 86 items. The level of disclosure in relation to these items was then calculated using a score sheet. The procedure followed for recording information in the score sheet is as follows: (1) Read the annual report thoroughly to understand the contents, especially to check the relevance of items to the company concerned, (2) Record 1 (= disclosed) when the information item is disclosed in the report, (3) Record 0 (= not disclosed) when the information item is not disclosed in the report, (4) Record 99 (= not applicable) when an item is not disclosed because it is not relevant to the company concerned. After recording the data in the score sheet following the above procedure, they were transferred from the score sheet to a SPSS data sheet. While a column in the data sheet contained the data in relation to one information item, a row contained the data on all information items in relation to a company.

User preference for disclosure (importance of items)

The disclosure index constructed above will indicate the level of disclosure in the company annual report in relation to the 86 items selected for the study. However, the usefulness of these information items obviously will vary among the users of annual report. In order to examine the importance of the listed items to various users of corporate annual reports, the opinions of various users on the usefulness of these items for them were sought through a questionnaire survey. An attempt was made to cover all major users of annual reports in Sri Lanka to understand the views of wider spectrum of users. After having carefully examined the various user groups used in other studies along with the Sri Lankan situation, it was decided to use seven user groups for this study. Accordingly, the questionnaire was administered to 150 accountants, 100 executives and managers, 50 bankers, 35 tax officers and assessors, 50 academics, 40 financial analysts, and 150 investors. The sample was drawn from the population located in the Colombo District. Total of 575 copies of the questionnaire were distributed to the home/office addresses of the prospective respondents along with a letter of request addressed personally to each of them. The breakdown of the response rates under each user group is displayed in Table 1.

Table 1: Survey response by category of users

User	Sample	Response	%
Accountants (ACC)	150	53	35.3
Executives/ Managers (EXE)	100	74	74.0
Bankers (BAN)	50	32	64.0
Assessors/ Tax Officers (TAX)	35	16	45.7
Academics (ACA)	50	22	44.0
Financial Analysts (FA)	40	24	60.0
Investors (INV)	150	43	28.7
Overall	575	264	45.9

The overall response rate of 45.9% compares favourably with those of the previous studies. Despite the inherent complicated nature of the questionnaire, this relatively high response could be due to the combination of methods used for distributing and collecting the questionnaire and the intensive follow-ups used particularly for the personally distributed questionnaires. As shown in Table 1, the response rates within the user groups varied from 28.7 percent to 74 percent. The analysis on the profiles of respondents revealed that majority of respondents (82%) has received tertiary education indicating that they have a high level of education. This is also true in respect of their knowledge in accounting as over 95% of the respondents have studied accounting at some level. Only 4.3 percent of the users did not have any education in accounting. The level of experience of the user groups was also very high as 73 percent of them had over 5 years working experience in the present capacity and 13.8 percent had over 20 years working experience. The majority of respondents (83.7%) also owned shares in companies. Overall, the demographics of the respondents show that they are well educated, knowledgeable in accounting, well experienced and interested in investments in shares of companies.

The Sample for measuring the extent of disclosure

The sample for the analysis of annual reports was drawn from the public limited companies listed on the Colombo Stock Exchange (CSE). The annual publication of the CSE entitled *Handbook of Listed Companies* reported 235 such companies under 16 broad business sector categories. Before selecting the sample for this study, due to some pragmatic reasons, some of the above mentioned business sectors were reclassified and omitted from the population. As a result of these exclusions and reclassifications, the total number of companies from which the sample companies were drawn decreased from 235 to 194 while the business categories under which these companies were listed decreased from 16 to 8.

The collecting of annual reports was found to be one of the most arduous tasks in many disclosure studies, specially those focusing on emerging markets. For example, Nicholls and Ahmed (1995), Karim (1995), Mirshekary (1999), Xiao (1999) encountered numerous difficulties in collecting annual reports for their samples. The attempt to collect annual reports for this study started with a written request made directly to 40 randomly selected companies asking for a copy of their annual reports. Since only a few companies responded to the request, it was decided to make a similar request through the Postgraduate Institute of Management (PIM), which had close contacts through its management training programs with the business community in Sri Lanka. In response to the letter sent by its Director, 102 companies sent their latest annual reports to the PIM. Subsequently, they were collected by the author. In addition to the annual reports obtained through PIM, another 21 annual reports were collected through other sources, making a total of 123 annual reports available for the study. However, since the annual reports collected were under/over represented in some business sectors, it was decided to have a sample size of 30% for each business sector. Table 2 shows the distribution of the sample companies by business sectors.

Table 2: Distribution of sample companies by business sector

Business Sector	Companies in CSE		Sample size		% of the sample	
	Number	%	Number	%	%	
1. Diversified	8	4.1	3	4.6	37.5	
2. Hotels and travel	41	21.1	13	20.0	31.7	
3. Land & property	19	9.8	6	9.2	31.6	
4. Manufacturing	78	40.2	27	41.5	34.6	
5. Motors	8	4.1	3	4.6	37.5	
6. Plantation	12	6.2	4	6.2	33.3	
7. Service	8	4.1	3	4.6	37.5	
8. Trading, stores and supplies	20	10.4	6	9.3	30.0	
	194	100.0	65	100.0	33.5	

As shown in Table 2, the majority of companies (61.3 %) in the population was in the manufacturing, and hotels and travel sectors. The remaining 6 sectors represented only 38.7 per cent of the total population with each business sector ranging from 4.1 per cent to 10.4 per cent. Accordingly, the sample selected also had a similar representation. Although, the expectation was to take 30% of companies as the sample for each sector, the actual sample taken ranged from 30 to 37.5 per cent because of the very small population of some sectors. Overall, the sample size of the companies selected for the annual report analysis accounted for 33.5 per cent of the total population.

An analysis of the sample companies revealed that the sample companies consisted of both young and old companies with the age of companies ranging from 4 to 106 years. Although the average age of the 65 companies was 28 years, the majority of companies in the sample (61.5%) were less than 25 years old and almost 85 per cent of companies were less than 50 years old. On the other hand, companies aged over 50 years were limited to 15 per cent of the sample. As for the profit level of companies, once again there was a wide disparity. While 85 per cent of sample companies were having profits the remaining 15 per cent were in red with losses of 4 companies (6%) exceeding Rs. 100 million. Although the majority of companies (60%) were earning less than million rupees, the average profit of the 65 companies amounted to 95 million rupees. The high average profit was due to the impact of very high profits earned by 16 companies (25%), the profit level of two of which exceeded 1000 million rupees. The sales of sample companies ranged from 6 to 23,541 million with average sales of 1,805 million rupees, showing a huge disparity between sample companies in terms of sales. Although the average sales amounted 1,805 million rupees, the sales of 65 per cent of companies (42 companies) were less than 1,000 million rupees. Moreover, the three largest companies in the sample had sales exceeding 10,000 million rupees. When the size of companies was analysed in terms of capital employed it was found that the capital of sample companies ranged from 19 to 11,017 million rupees with average capital amounting to 1,094 million rupees. However, the majority of companies (69%) had employed less than 1,000 million rupees while the average capital employed by the remaining 31 per cent of companies amounted to 2,749 million rupees.

3. Analysis and discussion of results

Extent of disclosure

The first stage of the analysis is to determine the extent of disclosure in relation to the 86 selected items by the sample companies. Table 3 shows the distribution of disclosure scores by information items. The actual disclosure score for each of the information item is shown in Appendix-1.

Table 3: Distribution of disclosure scores by number of information items

Proportion of companies	Items disclosed	
	Number	%
90-100%	27	31.4
80-90%	8	9.3
70-80%	9	10.4
60-70%	6	7.0
50-60%	6	7.0
40-50%	7	8.1
30-40%	8	9.3

20-30%	4	4.7
10-20%	1	1.2
< 10%	10	11.6
Total	86	100.0

According to the above table, 27 information items (31.4%) were disclosed by more than 90 per cent of companies in the sample while 10 items were disclosed by less than 10 per cent of companies. Two of these 10 items were not disclosed by any of the companies. These two items were: discussion of the impact of inflation on the financial results and cash projection for the next year. Overall, the overall disclosure of the sample 65 companies ranged from 45% to 89% with an average of 70%. The average level of disclosure made by Sri Lankan companies seem to be in the high end when compared to the disclosure levels reported by studies conducted in some other Asian countries. For example: Hong Kong 78% (Tai et al 1990); Jordan 63% (Naser, 1998); Japan 56% (Cooke, 1992); Singapore 61%, Thailand 56% (Craig and Diga, 1998).

Importance of information items to users

The next stage is to measure the importance attached to each of the 86 information item by the selected seven user groups. The mean score of each item of information, the respective rank of the information item with user groups, and *p* values obtained on the Kruskal-Wallis test are shown in Appendix-1. According to the overall mean score, the 'cash flow statement' with the mean score of 4.35 was perceived to be the most important information item followed by the 'total assets with breakdown into fixed and current assets' (4.30), 'financial objectives for the next year' (4.26) and 'cash projection for the next year' (4.22). The least important items perceived by the respondents were 'contribution and donation' (1.99) and 'auditor's remuneration' (2.34).

Before analysing the results any further, it is important to note that despite the attempt made to rank each item on its mean score, an emphasis of our analysis is more on a group of information items such as very important items, least important items rather than on individual ranking of each item. Our inclination to follow this approach is based on the fact that the difference between mean scores of two items is very small and the responses to each item were measured on an ordinal scale. Thus, the ranking of information items should be viewed with caution.

As Appendix-1 shows, 17 items (19.8%) scored between 4-5 (extremely important), 58 items (67.4%) scored between 3-4 (important), 10 items (11.6%) scored between 2-3 (less important) and 1 item (1.2%) scored less than 2 (least important). A closer look at these items reveals that the responders have placed higher importance on the items relating to financial status, including cash position; present and future earnings including cash generation; and comparative status of the company. When these 17 items were analysed group wise, it was found that fairly a large number of these items was within the top 17 items of each user groups. More specifically, the user groups and the number of items identified as very important within the top 17 items were as follows:

- TAX group 8 items (47%)
- ACC and FA groups 10 items (59%)
- EXE, BAN and INV groups 13 items (76%)
- ACA groups 14 items (82%)

This indicates that there is a general agreement between respondents with regard to the importance of these items. However, in order to examine whether such agreement exists statistically between users, in relation to these 17 items as well as to the remaining 69 information items, a separate Kruskal-wallis test was carried out for each of the 86 information items. The results of the chi-square for each item are shown in column 3 of the Appendix-1. The importance attached to each information item by users was significantly different for 77 items (significant at 1% for 72 items and significant at 5% for 5 items). Since *p-values* with regard to the remaining 9 items were greater than 5%, the difference between the user groups in relation to the importance they attach to each of the nine items was not statistically significant. These 9 items are listed below:

1. Total revenue and breakdown of various sources
2. Operating income before abnormal and extra ordinary items
3. Structure of share ownership

4. Share held by directors
5. Statement of directors' responsibility
6. Capital expenditure for the next year
7. Cash projection for the next year
8. Financial objectives for the next year
9. Accounting policies

When the most important items (Score 4-5) were classified under 5 major sections of an annual report, it was found that 7 of the top 17 items (41.2%) were in the other information section. The remaining 10 items spread over three sections—profit and loss account (3 items), balance sheet (5 items) and other components (2 items). This is an interesting outcome given the fact that previous studies (see for example, Anderson, 1998; Ho and Wong, 2001; Karim, 1995; De Zoysa and Rudkin, 2008) identified the profit and loss account and the balance sheet as the most important sections of an annual report. On this basis, one would expect respondents to pick more information items from those two sections if they were asked to name the most important items for their use. Table 4 summarizes the mean scores of the 86 information items under five major sections of an annual report.

Table 4: Importance of different sections of the annual report

Section	ACC	EXE	BAN	TAX	ACA	FA	INV	ALL	X ²	P
Profit and loss account	3.49	3.56	3.57	2.41	3.61	3.89	3.66	3.52	39.75	0.00**
	[3]	[3]	[3]	[4]	[4]	[2]	[4]	[4]		
Balance sheet	3.8	3.6	3.72	2.30	3.64	4.02	3.94	3.67	43.03	0.00**
	[2]	[2]	[1]	[5]	[3]	[1]	[1]	[2]		
Other components	4.11	3.67	3.73	2.51	3.83	3.87	3.73	3.79	48.79	0.00**
	[1]	[1]	[2]	[3]	[1]	[3]	[2]	[1]		
Statutory reports	3.18	2.9	3.40	3.35	3.43	3.03	3.30	3.19	26.81	0.00**
	[5]	[5]	[5]	[1]	[5]	[5]	[5]	[5]		
Other information	3.44	3.55	3.62	2.97	3.76	3.85	3.85	3.60	23.23	0.00**
	[4]	[4]	[4]	[2]	[2]	[4]	[3]	[3]		

Notes: (1) Rank are shown within parenthesis (2) Significant at 1%= **, Significant at 5%= *

As indicated in the above table, the most important section of an annual report is the other components which include cash flow statement, accounting policies, and explanatory notes with a mean score of 3.79 followed by balance sheet with a mean score of 3.67. The other information with a mean score of 3.60 was ranked third. The profit and loss account, which was expected to receive a higher rank, occupied the fourth place and while the statutory reports (mean score = 3.19) ranked last. When the above data were analysed by groups, information relating to other components of an annual report received the top ranking from 3 of the 7 user groups (ACC, EXE, and ACA) while the BAN and INV groups and TAX and FA groups ranked second and third respectively. Also, except TAX and ACA groups, all other groups identified the balance sheet as the first or second important section of an annual report. Moreover, all groups except TAX, considered statutory reports as the least important section. Although there were similarities in ranking between some user groups, the Kruskal-Wallis test results showed significant differences (p<0.01) in the mean scores of user groups for all the five sections.

Actual disclosures versus users' information needs

Finally, the association (consensus) between the actual disclosures made by companies in their annual reports and the information needs of users was examined. A number of methods have been used by previous researchers for making this comparison. For example, Firth (1979) and McNally et al. (1982) counted the number of companies disclosing each of the selected items and then calculated the average score for all companies by multiplying the user determined score for an item by the proportion of the companies that disclosed the item. Wallace (1987) utilised a sector-by-sector procedure making use of the summary of disclosure scores on information items to make a judgement on the degree of consensus between the sample companies and the surveyed users. Both Firer and Meth, (1986) and Ahmed (1993) examined this association by correlating the actual disclosure levels with the mean score of information items through Spearman rank correlation coefficients. The procedure followed by this study for this analysis is as follows:

From the data obtained through the questionnaire, the individual scores assigned by user groups for the importance of disclosing each item of information were combined together to obtain a single average score for each of the 86 information items. A SPSS data file was prepared to record the perception scores for the seven user groups and the overall (shown in the columns) in relation to 86 information items (shown in the rows).

From the data obtained from the annual report analysis, a disclosure index was calculated for each of the 86 information items. These scores were recorded in a single column of the same SPSS data file mentioned in step 1 above.

Association between actual disclosure and user information needs was examined on the basis of Spearman Correlation Coefficient, which ranked the values of each of the variables from smallest to largest for all cases, and then the Pearson correlation coefficient was computed on the ranks.

Table 5 below shows the association between the actual disclosure and the user perceptions as revealed by the computed correlation coefficients.

Table 5: Degree of association between actual disclosure and user perceptions

Disclosure/ User groups	Spearman Rank Correlation Coefficient
Actual disclosure/ ACC	0.184
Actual disclosure/ MAN	-0.046
Actual disclosure/ BAN	0.025
Actual disclosure/ TAX	0.017
Actual disclosure/ ACA	0.012
Actual disclosure/ FA	0.018
Actual disclosure/ INV	0.099
Actual disclosure/ ALL	0.085

According to the results shown in Table 5, there was no association between the actual disclosure of information items and the rankings of any of the seven user groups. This result indicates that all the user groups which perceived the importance of information items were not reflected in the actual disclosure practices of companies. This apparent gap between the information needs of users and the company disclosure practices exists because the information items perceived by various users as important are not disclosed by any company or disclosed by a few companies. Accordingly, it can be concluded that there is a significant difference between the information needs of users of annual reports and actual disclosure of information.

With reference to a similar divergence between users' expectations and company disclosure practices found in one of the other emerging markets, Bangladesh, Ahmed (1993) pointed out some possible reasons for the occurrence of such a gap. One such reason was the companies' reluctance to disclose some sensitive information because of the feeling that such disclosure may cause a competitive disadvantage. Another reason was the existence of small listed companies (mostly funded by family members, operated and controlled by family members) with fewer obligations to disclose information in the annual reports to outsiders. The high cost of disclosure without associated benefits was also seen as a reason for the companies' inability to keep meeting the growing information needs of various users. Anecdotal evidence suggests that these reasons are equally applicable to Sri Lanka situation given the similarities in the business environment in two countries. However, further research need to be conducted in Sri Lanka to seek empirical evidence for the occurrence of this gap. In order to improve the usefulness of company annual report to its users, it is imperative that this gap be narrowed down as much as possible.

4. Summary and conclusions

This study attempted to examine the association between the information disclosed in company annual reports and the usefulness of such information to various users of the annual reports in Sri Lanka. For this purpose, an analysis was carried out in three stages. Firstly, the level of disclosure in relation to selected 86 information items was examined by analysing 65 corporate annual reports using a disclosure index. The calculated disclosure index ranged from 44.5 to 89.0 per cent with an average of 69.8 per cent, showing a fairly high level of overall disclosure by companies especially in comparison to the disclosure levels of other emerging markets. This analysis also revealed that 42.8 per cent of

items were disclosed by more than 90 per cent of companies although 6 items were not disclosed by any company in the sample. Secondly, user perceptions with regard to 86 specific items of information were examined through a questionnaire survey. As per this analysis, seventeen information items were identified to be the most useful for all the users. On the mean score, cash flow, total assets and financial objectives for the next year were ranked the most important three items while contributions and donation and also auditor's remuneration were ranked the least important information items. When the importance of various sections of annual report was examined through mean values of information items relating to five sections of an annual report, it was found that users attach high importance to "other components" and "balance sheet". The results of the item by item examination also showed significant differences among user groups on 77 information items (90% of all items). Finally, the association (consensus) between the actual disclosures made by companies in their annual reports and the information needs of users was examined on the basis of Spearman Correlation Coefficient. An examination of the computed correlation coefficients did not reveal any association between the actual disclosure and the user perceptions in relation to the 86 information items. As such it can be concluded that all the user groups which perceived the importance of information items were not reflected in the actual disclosure practices of companies. This apparent gap between the information needs of users and the company disclosure practices exists because the information items perceived by various users as important are not disclosed by any company or disclosed by a few companies. The possible reasons for the occurrence of such a gap may attribute to general reluctance of some companies in Sri Lanka to disclose some sensitive information because of the feeling that such disclosure may cause a competitive disadvantage, high concentrated ownership structure in some Sri Lankan companies, and high costs associated with disclosing information.

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APPENDIX ONE: Summary of user responses and company disclosure practices

No (1)	Information Item	Users of Annual Reports			Annual Reports	
		(2) Average Score	(3) Rank	(3) P	(4) % of Disclosure	(5) Rank
1	Total revenue and breakdown of various sources of revenue	4.20	7	0.09	76.0	41
2	Operating profit before abnormal and extraordinary items	4.14	9	0.52	96.6	17
3	Breakdown of operating expenses	3.90	22	0.00	* * 44.6	63
4	Cost of goods sold	3.82	30	0.00	* * 32.5	70
5	Breakdown of expenses into fixed and variable components	3.48	58	0.00	* * 1.5	83
6	Amount of depreciation	3.56	53	0.02	* 100.0	1
7	Goodwill and other tangible assets written off	3.47	60	0.00	* * 86.2	31
8	Total non-recurring gains or losses reported	3.57	51	0.00	* * 100.0	1
9	Total advertising and publicity expenses	3.02	75	0.00	* * 3.1	81
10	Total research and development expenses	3.48	58	0.01	* * 27.8	73
11	Raw materials consumed and their breakdown	2.96	77	0.00	* * 2.4	82
12	Wages and salaries	3.57	51	0.00	* * 22.1	75
13	Directors' emoluments	3.56	53	0.00	* * 96.9	15
14	Maintenance and repair expenses	2.71	82	0.00	* * 14.1	76
15	Income tax and provision therein	3.73	38	0.00	* * 84.7	33
16	Bad debts written off and provision for bad debts	3.96	20	0.00	* * 39.2	64
17	Total interest including breakdown of long & short term loans	3.87	25	0.00	* * 91.4	25
18	Amount and breakdown of staff welfare benefits	2.93	79	0.00	* * 73.4	43
19	Aggregate amount of dividends paid	3.78	34	0.00	* * 90.8	26
20	Contributions and donations	1.99	86	0.00	* * 69.4	46
21	Auditor's remuneration/ fees	2.34	85	0.00	* * 98.5	11
22	Total assets including breakdown into fixed and current assets	4.30	2	0.00	* * 92.1	23
23	Cost and breakdown of securities and investments	4.12	11	0.00	* * 77.5	38
24	Market value of securities and investments	4.04	17	0.00	* * 57.1	51
25	Cost and breakdown of inventories (Raw materials, W-I-P, etc)	3.66	45	0.00	* * 73.7	42
26	Book value of goodwill and other intangible assets	3.15	71	0.00	* * 97.9	14

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27	Total and breakdown of current liabilities	3.94	21	0.00	*	79.7	36
28	Total and breakdown of advances, deposits and prepayments	3.59	49	0.00	*	82.3	34
29	Total tax and differed tax liability	3.45	62	0.00	*	93.1	22
30	Acquisition or disposal of property, plant and equipment during the year	3.62	47	0.00	*	100.0	1
31	Total accumulated depreciation on property, plant and equipment	3.27	67	0.00	*	98.7	9
32	Shareholders' equity and number of shares outstanding	3.87	25	0.00	*	81.4	35
33	Total and breakdown of long term borrowings	4.06	14	0.00	*	93.3	21
34	Details of long term borrowings	3.72	41	0.00	*	70.4	44
35	Details of contingent liabilities	3.79	31	0.00	*	89.2	29
36	Outstanding gratuity/ pension obligations	3.28	66	0.00	*	66.1	49
37	Sundry debtors less allowances	3.20	69	0.00	*	45.4	62
38	Reserves and their breakdown	3.78	34	0.03	*	89.5	28
39	Method used to determine cost of inventories eg., FIFO, LIFO	3.72	41	0.00	*	100.0	1
40	Method and rates of depreciation	3.67	44	0.00	*	99.5	7
41	Foreign currency transactions	3.89	23	0.01	*	98.1	13
42	Amortisation of intangible assets	3.43	63	0.00	*	85.7	32
43	Method used for marketable securities and investments	3.79	31	0.00	*	96.2	18
44	Taxation polices	3.73	38	0.00	*	96.8	16
45	Comparative financial statements	4.05	15	0.00	*	100.0	1
46	Summary of important operating and financial data for the last 5yr	3.98	18	0.00	*	48.9	58
47	Summary of important operating and financial data for the last 10yrs	3.30	64	0.00	*	29.2	72
48	Earnings per share and the basis of calculation	4.21	5	0.00	*	66.6	48
49	Rate of growth of earning per share	4.17	8	0.02	*	9.2	78
50	Dividend per share	4.11	12	0.00	*	69.8	45
51	Breakdown of results by segments	3.55	55	0.00	*	48.5	59
52	Production capacity and actual output	3.73	38	0.00	*	38.5	66
53	Details of major products/ services including information on new products	3.79	31	0.01	*	76.5	40
54	Details of raw materials & content of the finished goods	2.81	81	0.00	*	7.9	79
55	Details of finished goods exported	3.20	68	0.00	*	51.7	55
56	History and development of the company	2.98	76	0.00	*	39.2	65
57	Description of marketing network for finished goods	3.08	72	0.00	*	50.0	57

58	Market share and competitive position of the company	3.97	19	0.00	*	38.5	67
59	Market price of company's share	3.84	28	0.01	*	61.5	50
60	Description of major plants, warehouses and offices and their locations	3.03	74	0.00	*	36.9	68
61	Ageing schedule of the debtors	3.53	56	0.00	*	1.5	83
62	Information on managers and staff	2.89	80	0.00	*	50.8	56
63	Indication of employee morale such as the rate of absenteeism & turnover	3.04	73	0.00	*	26.2	74
64	Details of post balance sheet events	2.95	78	0.00	*	90.6	27
65	Discussion of the firm's results for previous years with reasons for changes	3.86	27	0.00	*	52.1	54
66	Factors which will influence future results	4.05	15	0.00	*	46.2	61
67	Industry trend, country and company information	4.09	13	0.00	*	55.8	52
68	Discussion of the impact on inflation on the financial results	3.65	46	0.00	*	0.0	85
69	Statement of dividend policies	3.76	37	0.00	*	91.5	24
70	Details of corporate social responsibility policies and programs	3.29	65	0.00	*	35.4	69
71	Statement of company share option/ bonus plan	3.59	49	0.00	*	10.0	77
72	Names and address of the company's directors, functional responsibilities and major outside affiliations	3.52	57	0.00	*	99.2	8
73	Structure of share ownership (individuals, institutions, etc)	3.88	24	0.05		76.9	39
74	Shares held by directors	3.84	28	0.08		98.4	12
75	Statement of directors' responsibility	3.61	48	0.15		30.8	71
76	Disclosure of future plans and targets	4.21	5	0.00	*	67.7	47
77	Capital expenditure for the next year	4.14	9	0.10		87.5	30
78	Cash projection for the next year.	4.22	4	0.28		0.0	85
79	Financial objectives for the next year	4.26	3	0.57		4.6	80
80	Cash flow statement	4.35	1	0.00	*	98.7	10
81	Accounting policies	3.70	43	0.09		79.4	37
82	Movement in share holders' funds	3.78	34	0.02	*	47.7	60
83	Auditors report	3.46	61	0.00	*	100.0	1
84	Chairman's report	2.62	83	0.00	*	93.8	19
85	Directors' report	2.61	84	0.00	*	93.6	20
86	Value added statements	3.17	70	0.00	*	55.4	53

Note: Significant at 1%= **, Significant at 5%= *