REVIEW ARTICLE

Annual Report Designs Today: A Paradigm Shift in Purpose

Imene Friday Oghenefegha
University of Lagos, Akoka Nigeria
fridayimene10@gmail.com

This paper focused on reemphasizing the original purpose of the annual report which lies in its use as a medium of communication between preparers and users; whereby the former report stewardship while the latter evaluate stewardship to make buy/sell/hold decisions. To achieve this objective, opinions were collected from a sample of 150 preparers and users of annual reports, while the contents of 100 annual reports from 20 listed firms over a period of 5 years were also analyzed. The result showed that the preparers and users of annual reports agree that such content as advertisements and images, as well as the undue use of aesthetics, neither relate to the reported information nor enhance users' understanding of what is reported. Observations showed that the selected annual reports contained unrelated information elements such as advertisements, structured images and galleries and unguarded use of aesthetics. A yearly comparison across reports also revealed a steady rise over time. This paper concludes that the annual report is fast losing its relevance as modern designs indicate a paradigm shift in its purpose. Therefore, this paper recommends the need for strict regulations regarding the overall design and presentation of annual reports.

Keywords: *Annual report, Primary Users, Aesthetics, Advertisements, Images*

JEL Classifications: *M41 G0*

Globalization has taken its turn on virtually all aspects of business today, and much of this has been equally revealed by researchers over the years and even in recent times, as witnessed in the way modern financial reports are presented. Financial reports as perceived by the accounting profession are a communication device between the managers or board of directors and the owners of the firm (Zeller, et al., 2012; Dilla & Janvrin, 2010; Penrose, 2008; Beattie, 2008; Lord, 2002). This information device- to the managers is a means of telling the owners of the corporation how well (or otherwise) their resources have been utilized during the financial period for which the reports have been presented- while for owners, it serves as a means of checking and evaluating the performance of the managers and how well they have managed their resources. Although, as much as we may know of the usefulness of annual reports and their original purpose as a means of communication between the managers and the owners, we do not rule out the existence of other users also identified in the IASB[1] framework as "primary users"[2].

A financial report is a formal record of the financial activities of a business, person or entity. It is a document that contains all the relevant financial information about an organization presented in a structured manner and in a form easy to understand (Unuagbon & Oziegbe, 2016). It was also argued that reporting comprises the last stage of accounting process and the content, amount and format of the information which will be disclosed to the public by the reporting entities are governed by the regulatory authorities of the country under which such entities are operating (Agca & Onder, 2007).

However, following the series of financial collapses that plagued the business world over the past decades, the focus of international and local regulatory bodies in the accounting and financial reporting process has been on improving the quality of financial reporting and disclosure. As a result, managers have, in practice, included extensive voluntary disclosures regarding financial and nonfinancial results, well beyond required financial disclosures- for example, carefully designed financial and non-financial charts and graphs, impressive pictures of organizational operations, and bold impressive words in print, such as, improved quality and growth (Zeller et al., 2012).

Binh (2012) argued that lots of studies had revealed a substantial increase in debating annual reports, and some of these studies reveal poor and inconsistent information disclosures in accounts of companies. The experience from the cases of Enron, WorldCom, Parmalat, Cadbury and other big companies is that the shareholders and other stakeholders were clearly misled through a lot of mechanisms, part of which will have included the colorful and well-designed voluminous annual reports that have a way of connoting "all is well" in the face of the ordinary, although the company is in a dying state of "no return." Much of the emphasis of researchers and regulatory authorities have been focused on the financial information in the annual report and how to make the information faithfully represent what it purports to represent. Hence, stricter regulations have been enacted, the demand for more disclosures has increased, and managers are now on their toes to ensure that nothing is left out in the financial reporting process. This may be a sign of the government and regulatory bodies working towards ensuring the restoration of public confidence in financial reporting, corporate governance, and the credibility of financial statements. However, I must emphasize that it is time for these regulatory bodies to focus on what should not be reported as much as they emphasize what should be reported.

A good financial report must not only be capable of providing users with mandatory disclosures but as well as go the extra mile in providing voluntary information disclosures to meet the needs of the various categories of users. This means that it is not enough for firms to report their good sides or excellent achievements in the financial, but their reports should also include their worst sides (for the purpose of fair disclosure) and the reasons for that; then at this point, shareholders and potential investors can be said to have enough information to take them out of their buy/sell/hold dilemma. Whittington (1993) also argued in this sense financial reporting provides the means to give adequate information about the economic and financial corporate situation so that it will be able to reduce the information asymmetries between the stakeholders. The "economic" and "financial" situation as portrayed in the above statement should not only be the good ones as colourfully painted by these firms through pictures, images and other aesthetics, but should be accompanied by the bad ones- giving them the same treatments as the good ones.

Although Berndt and Leibfried (2007) have argued that it has become evident that financial reporting is a core element of corporate governance within the past few years, how much of this can we say these annual reports report today? They come in volumes with many pages dedicated to advertisements, images and other aesthetic elements, most of which are not relevant in the decision-making process of the target users. This is an abuse of the core purpose of annual reports as information devices. Of what use are products advertisements in the decision-making process of the intended users (i.e. shareholders and potential investors), or probably there is, but another user (i.e. customer) for whose purpose, the annual report has been turned to a marketing device (i.e. as perceived to be a tool for marketing communication).

Providing information on which sound investment decision can be made should be the goal of all financial reports (at least for the purpose of disclosure requirements) so as to reduce uncertainties and the tendency for misunderstandings on the part of the users. The users in this sense are classified into two groups- the shareholders (i.e., legally recognized owners of the firm) and the stakeholders (who have interests in the firm). The stakeholders in this sense are either regulatory (i.e., regulatory authorities who are interested in ensuring that rules, regulations and requirements are kept) and the non-regulatory stakeholders who are also directly affected by the firms' outcomes. The regulatory stakeholders are there to protect the interest of the owners (i.e., the Financial Reporting Council of Nigeria [FRCN]), and the non-regulatory stakeholders range from shareholders, employees, suppliers, creditors, financial analysts, stockbrokers to management.

It is important to state that the annual reports are meant to meet the expectations of the shareholders (owners) and the various classes of stakeholders identified by the IASB conceptual framework. Given that managers can manipulate information in a bid to meet the expectations of these various interest groups, regulatory measures seem to have been put in place to prevent such attempts. However, with the discovery of new ways of using the annual reports by managers, the existing regulations may not be enough to protect the interest of the public. One of the profound new ways of using annual reports is to attract new investors (i.e., corporate packaging); another is the use of annual reports as a means of marketing communication (i.e., through advertisements and other aesthetic elements). These new ways of using annual reports have been regarded as a movement from the original purpose of annual reports as information devices to the profound purpose as a marketing device. Hence, in this study, I have used the survey research design to collect and analyze primary data from preparers and users of annual reports, and analyze the annual reports of selected firms listed on the Nigerian Stock Exchange (NSE) over a given period. The aim is to examine the opinions of both groups on such contents as advertisements, images, and the use of aesthetics in annual reports, while identifying and explaining potential deviations from the original purpose of annual reports with regards to such contents.

Literature Review

The Annual Report and its Original Purpose

As discussed earlier, the annual report is a document prepared by the managers to explain how resources contributed by the owners have been used throughout the financial year for which such reports are presented. It is a document that managers use to report their stewardship to the owners. The content of the annual report is regulated by the relevant regulatory authority in the country in which the reporting entity is operating. For this study, the selected entities are listed on the Nigerian Stock Exchange (NSE) and are expected to prepare and present their financial statements to meet the disclosure requirements of the FRCN to operate in Nigeria- and the Securities and Exchange Commission (SEC)- for the purpose of being listed (among others).

The annual report is just a document used by entities to achieve the general purpose financial reporting objective, and the information in this report is meant to facilitate the decision-making process of existing and potential investors, for which reason the report is presented.

> The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity. Those decisions involve buying, selling or holding equity and debt instruments, and providing or settling loans and other forms of credit. (IASB, 2018:5)

The type of information to be included in these reports is determined by the local Generally Accepted Accounting Standards (GAAP) of the reporting entity (i.e., FRCN Act 6, LFN 2011- for the purpose of this study). FRCN (2011) has stated the minimum content of financial reports for publicly listed entities and this is in accordance with the international standard. This is based on the need to protect the interest of the investing public. The investing public (including existing and potential investors, lenders, and creditors) cannot require reporting entities to provide information directly to them and must rely on general purpose financial reports for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial reports are directed.

Decisions by existing and potential investors about buying, selling, or holding equity and debt instruments depend on the returns that they expect from an investment in those instruments, for example, dividends, principal and interest repayments or market price increases. Similarly, decisions by existing and potential lenders and other creditors about providing or settling loans and other forms of credit depend on the principal and interest payments or other returns that they expect. Investors, lenders, and other creditors' expectations about returns depend on their assessment of the amount, timing, and uncertainty of (the prospects for) future net cash inflows to the entity. Consequently, existing and potential investors, lenders, and other creditors need the information to help them assess the prospects for future net cash inflows to an entity.

It is pertinent to assume that all the important stakeholders, whose interests are- by law required to be considered by the reporting entity, usually make their decisions after a good understanding of the financial position and financial performance of the entity in a given year, including the factors that have led to such performance. Hence, entities have been required to prepare a statement of financial position (i.e., balance sheet), statement of financial performance (income/loss statement), statement of other comprehensive income (if any), cash-flow statement, statement of changes in equity, a value-added statement, and notes to the accounts and a five-year financial summary of the entity (FRCN, 2011).

"The statement of financial position (i.e., balance sheet) provides information about the financial position of the reporting entity, showing specific information about the entity's capital structure, assets and liabilities; the statement of financial performance (i.e., income statement) provides information about the performance of the entity in its normal operations during the year, which often results to a profit or loss; the statement of other comprehensive income provides information on profits or losses made from other activities of the entity; the cash-flow statement provides information on cash movement in the entity during the year, with regards to their sources and destinations; the value-added statement provides information on the value created by the entity during the year…" (FRCN, 2011:5).

As the need for more disclosure arose, other information has been included: the chairman's statement, directors' report, auditors' report, and other voluntary reports that are expected to facilitate users' decision-making. It is important to note that with regards to the minimum content of the financial report, local regulatory authorities and international bodies have focused on improving the quality of the information presented in those reports to ensure that there is a high level of disclosure by managers or reporting entities. These efforts by the FRCN- (issuing the local GAAP), the IASB- (issuing the IFRS), and other relevant regulatory bodies have been classified as "emphases on what must be reported or disclosed" (Imene, 2020). What about those information that are not supposed to be reported or included in the financial report? Why are there no regulations on this aspect? It is important to note that if emphases are only on some specific information, then only that information should be reported. This is because the absence of regulation on what should not be reported gives birth to limitless disclosures that are capable of altering the original purpose of these reports.

As managers become increasingly aware that they are allowed to use the annual report for whatever purpose (without restrictions), the tendency for these managers to use this space to divert the attention of the users from the underlying performance of the entity cannot be over-emphasized. For example, a firm that is in a bad financial position may be prevented from hiding this information through the income statement and balance sheet- but may not be restricted from displaying images, info-graphs, and other aesthetic elements to divert the attention of the users from the underlying performance of the entity. Hence, our attention in this paper is to identify reported items that are not related to the decision-making process of the users, and capable of diverting the attention of the users from the underlying performance of the entity- or placing the users in a state of confusion with regards to pending investment decisions, which for the purpose of this study is referred to as a paradigm shift in the purpose of annual reports.

Thoughts on Modern Annual Report Designs and the Indication of a Paradigm Shift

The manner in which contemporary annual reports are designed and presented has raised a lot of questions among scholars over the years- The argument centers on the increasing use of images and other aesthetics in annual reports. These scholars are in two different schools of thought. The first advocates for aestheticism of accounts (Cooper, et al., 1992; Baudrillard, 1981) - this is a group holding that financial statements have lost their claim on the economic reality they purport to measure, and, in fact, images are more real than accounts, hence, the aestheticism of accounts. The second group is regarded as the guardians of accounts (Preston, et al., 1996; McKinstry, 1996; Graves, et al., 1996; Neimark, 1992; Bonnell, 1982) – this group believes that financial statements have not lost their claim on the economic reality they purport to measure, and that images and other aesthetics are not relevant in the accounting and financial reporting process.

To the advocates, the inclusion of images and other aesthetics in annual reports, it is intended to bridge the gap between accounting numbers and the economic reality they are supposed to measure. Cooper et al. (1992) claimed that as a result of accounts' loss of claim to economic truth, efforts had been made to bend and shape it into predictive functions, lay down uniformity of either substance or form, and bolster it in its failure in the face of a world of semi-strong market efficiency. Although, I will present arguments in support of the claim of guardians of accounts- but the claim of the advocates for aestheticism of accounts will not be totally denied because evident efforts have been made over the years and in recent times to bridge the gap between accounting numbers and the economic reality they purport to represent. Such efforts include Cadbury Recommendation Report*,* the publication of *SAS 600,* the True Blood Report, and other recent efforts by local and international regulatory authorities to ensure financial reporting quality and higher disclosure among others. So, in the light of these efforts, the loss of claim to economic truth as used in Cooper et al. (1992:27) will not be tolerated. These efforts simply indicate that accounting numbers have always been, and will continue to be the best measure of the economic reality of firms.

For emphasis, it is important to note that this paper is premised on the claim that financial statements have not lost their grip on the economic reality they purport to represent- and that accounting numbers are indeed more real than images and other aesthetics that do not reflect economic reality. Away from the claims of the advocates, if the economic reality of corporations is objectively presented in annual reports- then we would have a simple and precise document that users can easily comprehend. However, this is not the case in recent times. The annual report has become unnecessarily voluminous, and this is not just a result of the demand for more disclosures but due to other information reported in the annual report. A review of the annual report of selected listed firms in Nigeria revealed that the advocates' movement had given birth to a new type of document that accommodates the opportunistic tendencies of managers. Hence, we now have a voluminous document characterized by colorful pages with the presence of advertisements and other content that do not support the decision-usefulness of the financial information to the primary users of the annual report.

The argument between "what should not be reported" and "what should not be included" and the ambiguity between "what is relevant" and "what is not relevant" with regards to voluntary disclosures has not received much attention. This, among others, is why the annual report has become a document that can take anything- be it product advertisements, photo galleries and pictures of activities that are not required in the users' decision-making process. Could it be that the right questions have not been asked or the attention of regulators and researchers over the years have only focused on improving the quality of information and the level of disclosure, ignoring the excesses capable of making the annual report garbage. It is important to note that even in the pursuit of quality and voluntary disclosure, the tendency for the irrelevant to affect the relevant could not be ruled out in terms of voluntary disclosure.

Regulators can ensure strict regulations in the preparation and presentation of financial statements due to the existence of managers' tendency to manipulate reported earnings to achieve specific objectives, thereby preventing such tendencies or reducing the degree of their consequences. However, when other portions of the annual report are filled with largely unregulated content, managers' tendency to manipulate these contents in manners that are not befitting of the original purpose of preparing the annual reports cannot be over-emphasized. In fact, Bonnell (1982) suggested that modern annual reports designers have blurred the distinction between the annual report as a provider of financial information (the original purpose) and the annual report as a carefully manipulated sales pitch (a shift in purpose, introduced by the extra contents of postmodern annual reports). In the arguments of this paper, three contents of modern annual reports designs that violate or defeat their original purpose have been identified. These include placement of adverts, use of images and pictures, and the degree of aesthetics such as info-graphics, charts and diagrams among others.

Research Methodology

This study employed the survey research design by examining the opinions of 150 preparers and users of financial statements. The preparers in this study include the accountants and auditors, whereas the users in this study include anyone in the category of shareholders, regulators and other stakeholders in Nigeria who depend on the information reported for decision making. Questionnaires were used to collect responses from the preparers and users. This study also generated data relating to the volume of images, adverts and other aesthetics in the annual reports of firms listed on the Nigerian Stock Exchange (NSE) by exploring the contents of their annual reports over a period of five years from 2016 to 2020. To achieve this, a sample of 20 listed firms was drawn conveniently from four sectors; the financial service sector, industrial goods sector, consumer goods sector and services sector. I highlighted three aspects including placement of adverts, use of images and pictures, and the degree of aesthetics as potential indicators of a paradigm shift from the original purpose of the annual report. The observations from all annual reports reviewed and the opinions of preparers and users will form the major part of further discussions in this study.

Result and Discussions

Survey

Table 1 summarizes the profile of all respondents. A total of 150 respondents participated in this survey, and all questionnaires were retrieved and correctly entered. It can be observed that 64.7% of the respondents are preparers of financial statements which include 52 accountants and 45 auditors, whereas 53 respondents are users of financial statements, of which 17.3% are stock-brokers, and 18% are self-employed. However, for the purpose of validating the opinions of all respondents, it can be observed that all respondents have at least a diploma, thereby meeting the basic requirement for understanding the information presented in the financial statements.

The Placement of Advertisements in Annual Reports

This is among the most recent innovations in the design of annual reports. The placement of advertisement contents ranging from product advertisements to other forms of advertisements by

Table 1: *Profile of Respondents*

Demographic	Items	**Frequency**	%
Sex	Male	108	72
	Female	42	28
Category	Preparer	97	64.7
	User	53	35.3
Academic Qualification	Diploma	31	20.7
	B.Sc/BA/B.Ed/LLB	73	48.7
	Masters/PhD	46	30.6
Occupation	Accountants	52	34.7
	Auditors	45	30
	Stock Brokers	26	17.3
	Self-Employed	27	18

Source: *Summary of Respondents' Profile from*

Table 2:
Opinion of Respondents on the Placement of Adverts in Annual Reports

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total		Mean	Std. Dev.
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Do not relate to reported financial information			1	0.67	2	1.33	79	52.67	68	45.33	150	100	4.43 (4)	0.56
Do not meet the qualitative characteristics					1	0.67	59	39.33	90	60.00	150	100	4.59 (1)	0.51
Do not meet users' information needs	1	0.67	2	1.33	1	0.67	66	44.00	80	53.33	150	100	4.48 (2)	0.65
Adverts not directed to primary users/ audience	2	1.33	1	0.67	1	0.67	70	46.67	76	50.67	150	100	4.45 (3)	0.68
Adverts increase the volume of annual reports	5	3.33	3	1.33			84	56.67	58	38.67	150	100	4.25 (6)	0.84
Do not meet the objectivity of financial reports	3	2.00	1	0.67	2	1.33	75	50	69	46.00	150	100	4.37 (5)	0.74

Source: *Summary of Respondents' Opinion from Survey*

the reporting entities can be seen in the entire annual reports reviewed, especially for the most recent years. So, to buttress this argument, after reviewing several definitions of *"advertisement"* from some marketing scholars, emphasis was laid on the views of Kotler and Keller (2012) and Stanton, et al. (1994):

> "Advertising is any paid form of non-personal presentation and promotion of goods, services, or ideas by an identified sponsor" (Kottler & Keller, 2012:68)."
>
> "Advertising consists of all activities involved in presenting to a group a non-personal, oral or visual, openly sponsored identified message regarding a product, service, or idea. The message, called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor" (Stanton et al, 1994:185).

From the definitions of advertising by Kotler and Keller (2012) and Stanton et al. (1994), an advertisement can be summarized as a marketing task implemented by firms to communicate a message to existing and potential customers about a product (goods or services). One way to achieve this is through visual representations as found in the annual reports of the selected entities. The argument here is simple, is this audience also the original users of the annual report, for whose purpose the financial statements are prepared and presented? Simply put, if they are indeed the same audience, are these advertisements really useful in their investment decision-making process? These questions are crucial, and in this study, the response of 150 preparers and users of annual reports on Table 2 as well as our observations from the 100 annual reports will be summarized in paragraphs as follows:

Advertisements and the Financial Information Reported

From Table 2, the result indicates that preparers and users of annual reports agree with the assertion that advertisements in annual reports do not relate to the financial information reported (mean>3.5). The definition of advertisement by Kotler and Keller (2012) and Stanton et al. (1994) connotes that it is a task geared towards communicating certain information about a product to existing and prospective customers of the firm. On another note, the regulatory framework guiding the preparation and presentation of financial reports does not permit the placement of advert as a means of communicating financial information to users. Hence, placing these adverts in annual reports may make the document complex to users.

Here, the argument is simple, because an advertisement such as Guinness Africa Special Stout carrying a message "refreshingly different" has no relationship with the financial position or financial performance of Guinness Nigeria Plc. (2017, p.12); thus, it should not be placed in the annual report. This is because, the information-based agency problem perspective of complex financial statements argues that managers may intentionally make financial reports complex if there are net benefits from doing so (see Dyer et al., 2016; Guay et al., 2016; Beuselinck, et al., 2018).

Advertisements and the Qualitative Characteristics of Financial Information

Adverts in annual reports do not satisfy the fundamental[3] and enhancing[4] qualitative characteristics of financial information stated by the IASB (2018:9). Table 2 shows that the preparers and users of financial reports agreed (with mean>3.5) that advertisements do not meet the qualitative characteristics of ideal financial information, and as such, should not be included in the general purpose financial report or sensitive financial documents that contain the information required by existing and potential investors, lenders and other stakeholders to make decisions.

Here, the argument is simple, because an advertisement such as Dangote Sugar carrying a message "guaranteed sweetness" (Dangote Sugar Plc., 2017:7) does not enable users to understand the financial performance or position of the Dangote Sugar Plc.; or does not influence the buy/sell/hold decisions of users, it should not be placed in the annual report. The readability of annual reports is important and must be considered by preparers of such reports, while information that are capable of distorting the quality (or readability) of the annual report should be avoided (Salehi, et al., 2020).

Advertisements and the Information Needs of the Primary Users

From Table 2, the results revealed that advertisements do not meet the information needs of primary users. Primary users of the general purpose financial report, according to the IASB framework, are current and potential investors, lenders, and other creditors; other parties include market regulators and others who may find the report useful. The primary users also need the information to make decisions about buying, selling, or holding equity or debt instruments, providing or settling loans or other forms of credit, exercising rights to vote on, or otherwise influencing management's actions that affect the use of the entity's economic resources, according to the framework. Advertisements do not meet these needs in any way and thus are of no use to them.

The argument here is that, because advertisement such as Dangote Sugar carrying a message "guaranteed sweetness" does not meet the information needs of the primary users with regard to their buy/sell/hold dilemma; or has any relationship with the indicators required by regulators to check the entity's financial reporting quality and disclosure level, it should not be placed in the annual report (Dangote Sugar Plc., 2017:7). It is important to note that, following the decision usefulness[5] approach[6] to financial reporting, only the information that the primary users need should be reported in order to make the annual report readable (Dandagod & Hassan, 2013). One way that modern fraudulent managers make the information environment more opaque is by preparing and presenting complex (i.e., less readable) annual reports, which will not swiftly meet the information needs of the primary users (Bloomfield, 2002).

Advertisement and its Audience as Differentiated From the Primary Users

As shown In Table 2, the selected preparers and users of financial reports agreed with a mean of 4.45>3.50 that advertisements placed in annual reports are not directed to the primary users. The IASB framework identifies the original audience of the general purpose financial statement to include present and potential investors, lenders and other creditors. Other parties include market regulators and others who may find the report useful. The definition of advertisement by Kotler and Keller (2012) and Stanton et al. (1994) revealed that an advertisement is directed towards existing or potential customers. Hence, if the annual report is not intended for an entity's customers, why should it contain advertisements? On the other hand, if advertisements are directed to customers, why place them in the annual report?

Here, the argument is simple, because an advertisement such as Dangote Sugar carrying a message “guaranteed sweetness” (Dangote Sugar Plc., 2017:7) is directed towards existing and potential customers of the entity, it should not be placed in the annual report being a document directed to existing and potential investors (see Dilla & Janvrin. 2010).

> “Annual reports have been reconstructed by the design industry, so also have the perceived uses and users of the annual report increased; Executives use them as calling cards, salesmen as credentials, and personnel department as “recruiting tools” (Preston, et al., 1996:21.)

Advertisements, Volume and Readability of Annual Reports

As indicated in Table 2, the respondents agreed that the placement of advertisements in annual reports increases the volume of the reports, as revealed by a mean of 4.42>3.50. The continuous emphasis on financial reporting quality and disclosure in this postmodern era has increased the volume of information presented in the annual report. However, the number of pages dedicated to advertisements in annual reports has also increased in recent years, making the annual report unnecessarily voluminous. The tendency for annual reports to become increasingly difficult to read cannot be overemphasized (Salehi, et al., 2020). These advertisements usually appear in colorful and large formats, covering several pages of the annual reports. Apart from the increased number of pages, the cost of designing and printing colorful pages is usually more expensive than the cost of printing a page containing the income statement (usually printed with a single ink color or at most a combination of two colors).

> “Annual reports have been reconstructed by the design industry, so also have the perceived uses and users of the annual report increased; Executives use them as calling cards, salesmen as credentials, and personnel department as “recruiting tools” (Preston et al., 1996:19).

As the number of pages dedicated to product advertisements by the selected listed firms increased over the years, the volume of the annual reports also increased as measured by the total number of pages. For instance, Table 1 shows the 2016 annual report of Zenith Bank Plc. containing 294 pages with just 14 pages containing adverts. However, these values increased significantly in 2020, where Zenith Bank Plc. presented 436 pages annual report containing 28 pages of adverts. A closer look at the data in Table 5 shows a steady rise in the number of adverts pages, images and degree of aesthetics for all firms across the sectors considered. This means that the annual report would have been less-voluminous if these advertisements were channeled to the appropriate audience via other means. Further evidence of the importance placed on the design of annual reports is reflected in the large sums of money spent annually by corporations on the production of annual reports, and the existence of design houses that work exclusively in this medium (Preston et al., 1996). For readability, Li (2008) argued that length and complexity create opacity and less readability, therefore an opening for managers to hide a poor economic performance.

Advertisements are Subjective and Do Not Meet the Original Purpose of Annual Reports

Table 2 shows that advertisements carry subjective messages that the entity wants the audience to know. The objectivity of these messages is questionable because they are designed and presented in a manner that managers desire. This, therefore, makes annual reports hard to read. Salehi et al (2020) argued that auditors consider hard to read annual financial reports as a risk factor. Apart from existing and potential investors, market regulators and other legal regulators also use information in the annual report to check the reporting entity’s compliance with specified standards.

Here, the argument is that the existence of advertisements in annual reports does not align with the original purpose of annual reports. Its purpose is a peculiar one that relates to the entity’s customers and hence, should not be placed in the annual report.

> “Indeed, in the design and advertising literature, annual reports are frequently referred to as marketing tools and as a means of communicating a particular image or message” (Preston et al, 1996:19).

The Use Images and Pictures

This is another observation that was very consistent among the several annual reports reviewed. Images appeared in very great numbers, and in most cases, they constituted most of the remainder of the annual report not covered by the financial statements. However, to buttress this argument, various definitions of the term “image” were reviewed before two definitions were carefully selected. The Oxford Dictionary defined image as a representation of the external form of a person or thing in art. Furthermore, Wikipedia defined an image is an artifact that depicts visual perception, for example, a photo or a two-dimensional picture that has a similar appearance to some subject.

The use of images in annual reports is a practice that has become part of the postmodern business era, and the volume of images in the annual reports of listed entities in Nigeria has equally increased over time, thereby revealing wide acceptance by entities across the globe. In accounting research, this issue has also been a debate among scholars. Although some scholars argue that visual images form an integral element in modern reporting by creating a visual way of communication. Others have strictly argued against this practice due to its excessive use. The study of Graves et al. (1996) criticized the function of visual designs in annual reports by claiming that these images have made the annual accounts a "simulacra-content" which in the postmodern world has lost all relationship to the economic reality they purport to represent. They further argued that the use of colorful images/pictures in the annual report might have some psychological effect on the orientation of primary users. This may be similar to the argument of Preston et al. (1996) that images in annual reports are affected by the difference in ways of seeing between the designers (managers) and the users.

In this study, the argument centers around the problems associated with the use of images and why they may not be good for ideal reporting. Following my observations from the 100 annual reports of 20 firms summarized in Table 1, it is important to highlight the following points;

Images are Subjective to Managers' Use

Table 3 reveals that, with a mean of 4.50>3.50, preparers and users of annual reports agree that images are subjective elements in annual reports. One of the problems associated with the use of images is their subjectivity, such that the designer (i.e., manager) decides the message these images convey in a given context (see Keusch, et al., 2012). Hence, images are not in themselves a medium of communication, except they are manipulated to pass certain messages. Images are like constructs and often at the mercy of the designers' intended meaning, defeating the objectivity principle of accounting. Zeller, et al. (2012) argued that fewer companies in America use the annual report as an impression management vehicle. This simply means that the design of modern annual reports creates an opportunistic tendency that managers can explore to either redirect readers' attention from the underlying performance or make the annual report difficult to read.

The argument on this note is on the belief that images carry subjective messages. Therefore, images should not be used as a medium of communication between managers and users of the general purpose financial report. The financial statements are expected to be objectively prepared and reported. Therefore, it is inappropriate to communicate the objective information from the financial statements through such subjective means as images.

Images Come with Multiple Interpretations to Users

As revealed in Table 3, given a mean of 4.45>3.50, the respondents have agreed on a common ground that images pass varying messages to different users. This is one of the problems associated with the use of images, as identified by Preston et al. (1996). For Preston et al. (1996), the problem of seeing brings various interpretations of a single image from different people and at different times. When it comes to the use of images in annual reports, there are three parties involved: the originator (i.e., designer), the constructor (i.e., manager), and the consumer (i.e., user). Most images used in annual reports are adopted from artists while others are images of major events, products or properties of the entity. For example, the spiral spring that appears on the first and second page of the annual report of First Bank Nigeria Holding Plc. for 2016 financial year was used to connote managers' resilience. However, this same object in front of the annual report of a technological company may just be a display of one of the company's products.

Because images have multiple interpretations at various points and from different perspectives and in different contexts, it may be inappropriate for a manager to use images as a visual way of communicating to primary users of financial statements. If the income statement shows a loss for a financial year, no image is needed to tell it, and any attempt as such may distort the underlying message. However, if the primary users are interested in knowing more about the loss, the notes to financial statements can help.

Furthermore, in a survey carried out for this study using several images in different annual reports, respondents had different interpretations of an image, and these interpretations were based on their various

Table 3: *Opinion of Respondents on the Use of Images and Pictures in Annual Reports*

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total		Mean	Std. Dev.
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Images are subjective to managers' use	1	0.67	3	2.00	1	0.67	60	40.00	85	56.67	150	100	4.50 (2)	0.68
Images come with multiple interpretations	2	1.33			2	1.33	70	46.67	76	50.67	150	100	4.45 (4)	0.66
Images do not capture underlying performance			2	1.33			80	53.33	68	45.33	150	100	4.43 (5)	0.57
Images do not relate to financial statements	5	3.33	3	2.00	2	1.33	68	45.33	72	48.00	150	100	4.33 (6)	0.87
Images may hide managers' poor performance	3	2.00					69	46.00	78	52.00	150	100	4.46 (3)	0.70
Images increase the volume of annual reports	1	0.67	2	1.33	2	1.33	55	36.67	90	60.00	150	100	4.54 (1)	0.66

Source: *Summary of Respondents' Opinion from Survey*

ways of seeing, as highlighted by Preston et al. (1996). Preston et al. (1996) also pointed out the problems of difference in the codes of knowledge and theoretical predispositions in the face of images[7].

Images Only Make the Annual Report Colourful, But Cannot Capture the Entity's Underlying Performance

The mean of 4.43>3.50 simply interprets that the increasing volume of images has only been successful in making the annual reports colorful and appealing. However, these images cannot capture the underlying performance of the entity and any attempt to do so may defeat the objective of general-purpose financial reporting. The attempt by managers to replace underlying financial performance with colourful images and aesthetics is not without certain hidden agendas (Zeller et al., 2012; Beuselinck et al., 2018; Salehi et al., 2020).

For this study, I argue that images cannot have the capacity to tell whether or not an entity has made a profit, neither can they effectively show the financial position of the entity. Images can neither explain the flow of cash as reported by the statement of cash flow, nor explain the risks associated with the entity's stocks and debt instruments. Hence, images cannot capture the underlying performance of the entity, and therefore, do not meet the purpose of financial reporting.

Images Have No Relationship With the Entity's Financial Statements

The result shows with a mean of 4.33>3.50 that images in annual reports have no relationship with the entity's financial statements. Stanton (2002) provided findings to show how a focus on design, voluntary disclosures, and narratives in the annual report may be detrimental to the annual report's traditional role as an accountability document. Recall that images are used to represent physical forms, like the physical form of a person, an object, or a thing. However, financial statements do not report the physical form of the entity, but its financial form. Also, the primary users do not require the physical form of the entity to make investment decisions but financial form.

In this part of the study, I argue that images are used to represent physical forms while financial statements report the financial form of an entity in terms of its financial performance and financial position. This means that images have no relationship with the financial statements as they do not represent the financial form of the entity.

Excessive Use of Images has the Tendency to Hide the Entity's Underlying Performance

Leaving the annual report design to the exclusive decision of managers creates a vacuum in regulation. The tendency for managers to use images that tend to hide the underlying performance of the entity cannot be over-emphasized, given the largely unrestricted opportunity available to managers. The type of images and pattern of usage in annual reports is totally in the control of the manager. and with this, a manager may manipulate images to connote that the entity is moving in the right direction, even when accounting numbers say otherwise.

Here, the argument is that the tendency for managers to hide the underlying performance of the entity through strategic manipulation of certain images cannot be ruled out. Hence, the original objective of preparing and presenting the general-purpose financial report may be defeated if images convey messages that conflict with the underlying performance of the entity. The distinction between the pursuit of legitimate explanations on one hand, and political economy and marketing explanations on the other is marked by whether a corporate annual report is designed to conceal information unfavorable to the company's image or as a proactive document that seeks to advance the company's or management's objectives. Although disclosure and readability studies suggest that annual reports do not accurately portray a company's performance, additional research from different perspectives shows that portrayals are influenced by other factors.

Images and the Volume of Annual Reports

As indicated in Table 3, the respondents agreed that the increasing number of images in annual reports have also increased the volume of the reports, as revealed by a mean of 4.54>3.50. Images are usually in large formats and are often spread across the annual report. In most cases, these images are usually accompanied by messages that the designers want the users of the annual report to receive. Several pages are also dedicated to displaying the pictures of directors and top executives of the company alongside their profiles.

If we remove the pages containing images and other aesthetics from the annual reports, this will greatly reduce its volume. However, this is not the case in recent years as the number of pages dedicated to advertisements in annual reports has also increased in recent years, making these reports difficult to read.

The Use of Other Largely Unrestricted Aesthetics

As a result of the increased emphasis on disclosure by regulatory bodies, managers have found a new path to reporting other information that they deem necessary to their owners through the voluntary disclosure window. This is evident in the increased use of charts, graphs and other visually appealing info-graphics to make illustrations in annual reports. Although these aesthetic elements may seem to make the annual report colourful and appealing, are the primary users really interested in the way an annual report is presented or the quality of the information presented in these reports? To answer this question, many views on aesthetics were considered, and only the view of Cropley and Cropley (2008) was considered. Cropley and Cropley (2008) defined aesthetics as

> "a set of qualities of something that excite admiration in the mind of an observer." (Cropley & Cropley, 2008:155)

From the definition above, it is evident that aesthetics are elements or properties of an object that creates a positive picture in the mind of the observer or makes that object increasingly appealing. Aesthetics are often subjected to the judgment of the observers and do not follow any strict universal standard. Table 4 reveals the reaction of preparers and users towards the use of aesthetics in annual reports:

Aesthetic Elements Serve a Different Purpose in Annual Report

Table 4 shows that preparers and users of financial reports agree that aesthetics serve a different purpose in annual reports. This is revealed by the mean of 4.29>3.5. Aesthetics focus on the physical characteristic of an item (i.e., how it appears); they tell users how beautiful the annual report has been presented and not how well the entity has performed in a given financial year. This is why Bonnell (1982) insisted on the need to separate the annual report from a marketing document by arguing that modern annual

Table 4: *Opinion of Respondents on the use of Aesthetics in Annual Reports*

Item	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Total		Mean	Std. Dev.
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Aesthetics serve a different purpose	5	3.33			2	1.33	83	55.33	60	40.00	150	100	4.29 (6)	0.80
Aesthetics are subjective to managers' use	2	1.33	1	0.67			62	41.33	85	56.67	150	100	4.51 (1)	0.67
Aesthetics do not enhance reported information	1	0.67	2	1.33	1	0.67	74	49.33	72	48.00	150	100	4.43 (3)	0.65
Aesthetics increase the volume and Cost of annual report	6	4.00			3	2.00	70	46.67	71	47.33	150	100	4.33 (5)	0.86
Accounting information are not reported by aesthetics	1	0.067			1	0.67	81	54.00	67	44.67	150	100	4.42 (4)	0.58
Primary users are not interested in how appealing it is reported.	2	1.33	3	2.00	2	0.67	63	42.00	80	53.33	150	100	4.44 (2)	0.75

Source: *Summary of Respondents' Opinion from Survey*

report designers have blurred the distinction between the annual report as a provider of financial information (the original purpose) and the annual report as a carefully manipulated sales pitch (a shift in purpose, introduced by the extra contents).

The argument here is that color combinations, pictures, linear patterns, and other info-graphics used to design the annual report only make these reports appealing. However, the decision of the primary users of the annual report is not subject to the appearance of the annual report but the quality of the financial information contained. Furthermore, the qualitative characteristics of financial statements, as reported in the IASB framework, are not determined or enhanced by aesthetic elements.

Aesthetic Elements are Subjective or Tools to Managers

Preparers and users of financial reports also affirm that aesthetics are subjective elements or tools used by annual report designers to make the report physically appealing, as shown in Table 4 with a mean of 4.51>3.50. How aesthetics are used in annual reports is strictly the decision of the managers, and they have no limit on how colourful the annual reports can be designed, as long as the basic financial statements meet the regulatory requirements. However, of what use is an annual report that looks like a magazine? As much as we cannot place a set of financial statements in a magazine and call it an annual report, a line needs to be drawn between a company's magazine or bulletin and the annual report.

To emphasize the subjectivity of aesthetics, this study argues that the use of aesthetics in annual reports is not appropriate because managers can explore their opportunistic tendencies in these areas to hide economic reality. Furthermore, it reduces the annual report to a mere work of art, beautifully designed to look appealing. Aesthetics may be appropriate for representing face value but definitely not appropriate for representing economic reality or enhancing users' understanding of the underlying economic reality.

Aesthetics Do Not Enhance Reported Financial Information

Table 4 shows that preparers and users of the annual report agree that aesthetics do not enhance reported financial information with a mean of 4.43>3.50. Aesthetics do not enhance users' understanding of the reported information. The magnification of numbers with colors and stylistic presentation of economic realities does not change the underlying economic reality. Therefore, the reported profit or financial position will not change, irrespective of the font style, color, or artistry with which such information is presented, but there is a tendency that overly aestheticized reports may drive users' attention from the underlying economic reality.

In this aspect of the study, the argument centers on the dangers of reporting accounting information with artistic elements instead of giving users undiluted financial information and allowing process and digest such information easily or decision making.

Aesthecizing the Annual Report Increases the Cost of Production

Table 4 reveals that the excessive use of aesthetics in annual reports can increase the cost of producing such reports. The preparation and presentation of annual reports require a great deal of investors' funds, and a beautifully designed annual report costs more than the simple ones irrespective of the financial information reported. Aesthetic elements such as images, colors, charts, and well-constructed patterns have made postmodern annual reports voluminous and expensive to produce, but they have not in any way influenced the buy/sell/hold decision of the primary users.

Here, the question is simple, why incur a lot of costs on making the annual reports appealing? Why not focus on improving reported earnings by cutting the extra costs through a simple annual report? After all, the primary users are more interested in improved earnings than in an appealing annual report.

Accounting Information is Not Reported by Aesthetics

So much accolade to the chairman of Guinness Nigeria Plc. that a page in the annual report of 2015 was dedicated to displaying his picture alone. However, this picture does not tell the primary users how much profit the entity made for that year until they flip to the 58th page of the annual report. Table 4 shows that preparer and users of annual reports agree with a mean of 4.42>3.50 that accounting information is not usually reported using aesthetic elements.

Here, the argument is simple, pictures, colors, and other aesthetics do not tell the primary users how much profit/loss the entity makes, neither do they reveal the financial position of the entity. However, these elements are used by managers to achieve a particular set of objectives that are different from users' expectations.

Investors are Only Interested in "What is Reported" not "How Appealing it is Reported"

As revealed in Table 4 with a mean value of 4.44>3.50, investors and other primary users of annual reports are not interested in the font type, color, design, and other artistic elements with which the annual report has been prepared, but what is being reported. What is being reported includes the assurance that such numbers represent a true and fair view of the economic reality they purport to represent. The decision to buy/sell/hold with regard to the entity's stocks or debt instrument is not affected by how colorful and appealing the annual report is. For example, the picture of FBN Group holdings Plc. chairman on the 12th page of the 2017 annual report does not tell users what the chairman has to say until they read the actual statement. This is important because even a poorly performing entity will still make the annual report colourful and appealing, at least to signify a better future ahead.

Here, the argument is simple; the aesthetic value of the annual report is not a determinant of users' investment decisions. It will be irrational for any investor to make decisions based on the aesthetic value of the annual report, instead of actual values reported in the financial statements.

In summary, the data collected on the opinions of preparers and users of annual reports have seen both groups expressing concern over the design of annual reports these days. The combination of advertisement contents, images/pictures, and other aesthetic elements in modern annual reports seem to be the new normal, even though such practices tend to question the sensitivity and sacredness of the document. From the annual reports reviewed and summarized in Table 5 (see appendix), the steady rise in the number of pages dedicated to advertisements, as well as the degree of aestheticism of the entire document, cannot be denied. As much as this issue raises great concern in relation to the tendency for managers to abuse the original purpose of the annual report, no efforts have been made to regulate the content of the annual report in this direction. In recent years, the attention of scholars and professionals has only focused on "what should be reported," following the demand for more disclosures.

On the placement of advertisements, data from 150 respondents have shown that the practice is inappropriate because the message carried by such advertisements is neither related to the financial information reported nor relevant to users. Furthermore, the study also revealed that advertisements are often directed to a separate audience referred to as "Customers." whereas these colorful pages also increase the cost incurred to produce these reports. Also, excerpts from the definition of advertisement by Kotler and Keller (2011) revealed that the target audience of advertisements is customers of the entity's products and not investors, creditors, regulatory authorities, among other users that matter.

Apart from advertisements, another undeniable way managers have abused the purpose of the annual report over the years is the large volume of pictures/images included in the annual report and the volume of pages covered by these pictures/images. Table 5 shows that, for the 2020 financial year, Access Bank Plc. published a 557 paged annual report (see Access Bank Plc., 2020). The document contained whopping 65 pages covered with images (approximately 12%). Generally, as revealed by the survey carried out in this study, the growth in the volume of pages dedicated to arts and galleries in the annual report is over 100% for most selected firms, and these images have no form of relationship (direct or indirect) with the minimum information required by the original users to make their decisions.

Finally, the presence of other aesthetic elements (other than advertisements and pictures) used by managers to effectively create a picture of the entity or deliver an important message to the original users may, in the long run, become a source of confusion in the communication process between both parties when they are used excessively. Preston et al. (1996) argued that the use of aesthetic elements in annual reports is affected by the ways of seeing, which differs between the preparers (i.e., designers) and the users (i.e., consumers). Although we may not rule out the importance of aesthecizing the annual reports, the absence of regulations and the opportunistic tendencies of managers may be a concern in the long run, given the growth in the use of aesthetic elements in annual reports.

Conclusion

Given the rise in advertisements, images, and other aesthetic elements in annual reports of publicly traded entities in Nigeria, we cannot overlook the reality of a paradigm shift from the view of annual reports as a sensitive document for financial and non-financial accountability. Today's design and delivery of annual reports simply questions managers' perceptions about the document and its content. Companies often produce magazines, year books, and catalog that are appropriate for pitching marketing strategies and channeling other information to members of the general public. These documents can be colorfully designed to be appealing to the users of such reports. However, making the annual report a dumping place for contents that neither represent reported numbers nor enhance users' understanding of the reported numbers makes the document lose its relevance to supposed users. This seemingly new normal defeats the original purpose of annual reports, thereby resulting in the creation of a new type of document which can be referred to as a "year book" with a new set of users different from those classified under the IASB framework as "primary users."

Recommendations

1. There is a need for strict regulations regarding the use of aesthetic elements in annual reports. This is not to demean the importance of these elements but to point out the dangers in leaving it to the discretion of modern managers capable of taking advantage of every opportunistic tendency.
2. There should be a limit to the volume of annual reports presented by firms. This will compel managers to be sharp in their disclosures, as they will be forced to avoid the presentation of irrelevant information in the annual reports. Furthermore, this will also restore the value of annual reports to the general public.
3. As the demand for digital reporting continues to grow in recent times, it is evident that

investors will be forced to demand for simple but strategic digital reports which contain only information that is useful to the primary users. Therefore, it is important for the present managers to start looking in this direction.

4. It is also important for regulators to make efforts towards discouraging the placement of advertisements or other largely unrelated aesthetic elements in annual reports. This will serve as a very significant way of preventing modern managers from transforming the annual report into a mere magazine or year book.
5. Managers need to review their understanding of the term "annual report" and raise the curtain in terms of its purpose, what should be reported and what should not be reported compared to other documents like bulletin or magazine. They should perceive the annual report as a very sensitive communication device and avoid filling its pages with irrelevant information, images, and info-graphics that are not useful to the primary users for whom this document is prepared and presented.

NOTES

[1] International Accounting Standards Board

[2] IASB 1.2: The primary users of general purpose financial reporting are present and potential investors, lenders and other creditors, who use that information to make decisions about buying, selling or holding equity or debt instruments, providing or settling loans or other forms of credit, or exercising rights to vote on, or otherwise influence, management's actions that affect the use of the entity's economic resources.

[3] Fundamental Qualitative Characteristics: these include relevance and faithful representation as revealed in the IASB Conceptual Framework for Financial Reporting.

[4] Enhancing Qualitative Characteristics: these include comparability, verifiability, timeliness and understandability as revealed in the IASB Conceptual Framework for Financial Reporting.

[5] IASB, 2018 defined decision useful information as information about the reporting entity that is useful to existing and potential equity investors, lenders and other creditors in making decisions in their capacity as capital providers.

[6] The decision usefulness approach to accounting theory suggests that if the financial statements cannot be prepared correctly, then at least an effort should be made to make them more useful by reporting the relevant information.

[7] The study of Preston et al. (1996) also revealed the dissatisfaction of Edwards (1992) and Berger (1972)- arguing that the images we have chosen are often subjected to multiple readings or ways of seeing (on the part of users) to emphasize that our ways of seeing are both illuminated and constrained by our codes of knowledge and theoretical predispositions.

References

Agca, A., & Onder, S. (2007). Voluntary disclosure in turkey: a study of firms listed on Istanbul stock exchange (ISE). *Problems and Perspectives in Management*, *5* (13), 241 - 251.

Baudrillard, J. (1981). Simulacres et simulation. Paris De Publisher: Galilée.

Beattie, V. A. D. (2008). Investigating presentational change in U.K. annual reports: A longitudinal perspective. *Journal of Business Communications, 45*(2), 181 - 222.

Berger, J. (1972). Ways of seeing. Penguin Books: London:

Berndt, T., & Leibfried, P. (2007). Corporate governance and financial reporting. *Corporate Ownership and Control*, 4(4), 397-400.

Beuselinck, C., Blanco, B., Dhole, S., & Lobo, G. (2018). Financial statement readability and tax aggressiveness. *SSRN Electronic Journal*. 10.2139/ssrn.3261115.

Binh, Q. T. (2012). Voluntary disclosure information in the annual reports of non-financial listed companies: The case of Vietnam. *Journal of Applied Economics and Business Research*, 2(2): 69-90.

Bloomfield, R. J., (2002). The incomplete revelation hypothesis and financial reporting. *Accounting Horizons*, 16(2), 233–243.

Bonnell, W. (1982). Designers tread line between annual report and 'sales pitch. *Industrial Design*, 9(3), 41-58.

Cooper, C., Pheby, D., Pheby, K. & Puxty, A. (1992). Accounting, Truth and Beauty, *Unpublished working paper*.

Cropley, D., & Cropley, A. (2008). Elements of a universal aesthetic of creativity. *Psychology of Aesthetics, Creativity, and the Arts*, 2(3), 155–161.

Dandago, K.I. & Hassan, N. I. B. (2013). Decision usefulness approach to financial reporting: A case for Malaysian inland revenue board. *Asian Economic and Financial Review*, *3*(6), 772-784

Dangote Sugar Plc. (2017). *Annual Report 2017. https://dangotesugar.com.ng/wp-content/uploads/2018/05/DANGOTE-SUGAR-ANNUAL-REPORT-2017.pdf*

Dilla, W., & Janvrin, D. (2010). Voluntary disclosure in annual reports: The association between magnitude and direction of change in corporate financial performance and graph use. *Accounting Horizons*, 7(5), 51-65. 24. 10.2308/acch.2010.24.2.257.

Dyer, T., Lang, M., & Stice-Lawrence, L. (2016). Do managers really guide through the fog? On the challenges in assessing the causes of voluntary disclosure. *Journal of Accounting and Economics,* 6(2), 270–276.

FRCN (2011). Financial reporting council of Nigeria, Act 2011, No. 6 A 57. *Federal Republic of Nigeria Official Gazette,* 98(54), 55-98.

Graves, O. F., Flesher, D. L., & Jordan, R. E. (1996). Pictures and the bottom line: The television epistemology of U.S. annual reports. *Accounting, Organizations & Society,* 2(1), 57-88.

Guay, W., Samuels, D., & Taylor, D. (2016). Guiding through the fog: Financial statement complexity and voluntary disclosure. *Journal of Accounting and Economics*, 6(2), 234–269.

Guinness Nigeria Plc. (2017). *Annual Report 2017. https://www.guinness-ienigeria.com/investors/annual-reports/*

IASB (2018). Conceptual framework for financial reporting: (the Framework). Published. https://www.iasplus.com/en/standards/other/framework

Imene F. O. (2020). Postmodern annual reports: Arguments against adverts placement in annual reports. *International Journal of Accounting Research,* 5(4), 135-142.

Keusch, T., Bollen, L., & Hassink, H. (2012). Self-serving bias in annual report narratives: An empirical analysis of the impact of economic crises. *European Accounting Review*, *21*(3), 623-648.

Kotler, P., & Keller, K. L. (2011). *A framework for marketing management* (5th ed.). Prentice Hall.

Kotler, P., & Keller, K. L. (2012), "*Marketing management*", (14th ed.). Pearson Education Limited, London.

Li, F. (2008). Annual report readability, current earnings, and earnings persistence. *Journal of Accounting and Economics*, 4(5), 221–247.

Lord, H. L. (2002). Annual reports: A literature review (1989 to 2001). *Journal of Technical Writing and Communication, 32*(4), 367-389.

McKinstry, S. (1996). Designing the annual reports of Burton Plc. from 1930 to 1994. *Accounting, Organizations and Society*, 21(1), 89-111.

Neimark, M. (1992). *Hidden dimensions of annual reports: Sixty years of social conflict at general motors*. Markus Weiner Pub. New York

Penrose, J. (2008). Annual report graphic use: A review of the literature. *Journal of Business Communication*, 42(2), 158-180.

Preston, A. M.., Wright, C., & Young, J. J. (1996). Imag(in)ing annual reports. *Accounting Organization and Society*, 14(3), 113-137

Salehi, M., Lari, D. M., Mohammadi, S., Adibian, M., & Fahimifard, S. (2020). Auditors' response to readability of financial statement notes. *Asian Review of Accounting*, 6(2). 10.1108/ARA-03-2019-0066.

Stanton, P. S. (2002). Corporate annual reports: Research perspectives used. *Accounting, Auditing & Accountability Journal*, 15(4), 478-500.

Unuagbon, E. O., & Oziegbe, D. J. (2016). Financial reporting and voluntary disclosure in Nigeria quoted companies. *Igbinedion University Journal of Accounting*, 14(2), 42-51.

Whittington, G. (1993). Corporate governance and the regulation of financial reporting. *Accounting and Business Research*, 23(2),311-319.

Stanton, W. J., Miller, K. E., & Layton, R. A. (1994). *Fundamentals of marketing* (3rd ed.). McGraw-Hill, Sydney

Yuthas, K., Rogers, R., & Dillard, J. (2002). Communicative action and corporate annual reports, *Journal of Business Ethics,* 4(1), 141–157.

Zeller, T., Stanko, B., & Jin. H. (2012). Investigating presentational change in company annual reports: An extension. *Academy of Accounting & Financial Studies Journal*, 16(3), 28-41.

APPENDIX

Table 5: *Summary of Adverts, Images and Degree of Aesthetics in Annual Reports of Selected Firms*

Firms	Sector	2020				2019				2018				2017				2016			
		Total Pages	Advert No.	Images No.	Aesth. %	Total Pages	Advert No.	Images No.	Aesth. %	Total Pages	Advert No.	Images No.	Aesth. %	Total Pages	Advert No.	Images No.	Aesth. %	Total Pages	Advert No.	Images No.	
Dangote Sugar	**Cons.**	193	8	52	32	170	5	43	26	164	8	26	18	141	9	34	23	129	12	37	26
Guinness	**Cons.**	150	51	61	61	167	48	57	57	149	41	39	43	153	42	49	49	138	35	48	45
Nig. Brewery	**Cons.**	162	41	57	53	134	23	51	40	141	21	49	38	127	19	39	31	106	12	31	23
Nestle	**Cons.**	151	12	46	31	136	10	35	24	131	18	42	32	150	12	34	25	124	9	28	20
Unilever	**Cons.**	170	41	14	30	148	33	10	23	147	39	10	26	140	30	15	24	143	27	12	21
Access	**Fin.**	557	12	65	42	436	13	48	33	466	15	57	39	392	19	37	30	316	22	41	34
ECO	**Fin.**	421	25	31	30	314	26	36	34	324	28	36	35	233	19	27	25	242	19	26	24
Fidelity	**Fin.**	215	8	19	15	137	11	21	17	145	10	13	12	113	21	26	25	117	16	21	20
GTB	**Fin.**	453	21	42	34	392	23	53	41	406	27	36	34	386	26	35	33	374	16	24	22
Zenith	**Fin.**	436	28	26	24	385	13	19	17	296	23	12	19	301	25	16	22	294	14	21	19
Dangote Cement	**Ind.**	324	28	36	35	233	19	27	25	242	19	26	24	185	8	52	32	170	5	43	26
Beta Glass	**Ind.**	145	10	13	12	113	21	26	25	117	16	21	20	152	51	61	61	167	48	57	57
Berger Paints	**Ind.**	406	27	36	34	386	26	35	33	374	16	24	22	162	41	57	53	134	23	51	40
Meyers	**Ind.**	296	23	12	19	301	25	16	22	294	14	21	19	157	12	46	31	136	10	35	24
Lafarge Africa	**Ind.**	261	17	29	25	246	21	28	26	210	27	13	22	175	41	14	30	148	33	10	23
Academy Press	**Serv.**	210	25	33	31	232	27	32	32	217	23	29	28	189	19	27	25	185	18	31	26
Afromedia	**Serv.**	325	39	51	49	301	30	30	32	286	23	27	27	251	21	21	23	228	16	24	22
Red star Express	**Serv.**	130	5	42	25	124	24	23	25	118	12	19	17	134	18	25	23	89	11	23	18
RT Briscoe	**Serv.**	143	15	19	18	100	6	18	13	115	9	13	12	97	5	8	7	85	6	16	12
University Press	**Serv.**	124	10	26	19	115	8	31	21	95	11	19	16	102	13	28	22	108	11	31	23

Source: *Annual Reports of Selected Firms for the period 2016-2020*