

# INTERNATIONAL ACCOUNTING AND AUDITING CONFERENCE

ACCOUNTING FOR PLANET, PEOPLE  
AND PROFIT (APPP)

*CENTRE FOR CRITICAL ACCOUNTING &  
AUDITING RESEARCH*



Exploring the Future of Accounting:  
21<sup>st</sup> Century Challenges

## **BOOK OF ABSTRACTS**

ISBN NUMBER: 978-1-998974-53-5 Centre for Critical Accounting &  
Auditing Research (CCAAR) (Print)

ISBN NUMBER 978-1-998974-54-2 Centre for Critical Accounting &  
Auditing Research (CCAAR) (Online)

Wits Rural Facility | South Africa

10 – 14 July 2023

## Table of Contents

Preface .....	3
Location.....	3
Objective of the conference .....	3
Review process and comments .....	3
Queries.....	4
Breakdown of conference papers.....	4
1: The Picturesque Roots of Impression Management: Framing, Claude Glass and ‘Rose’ Tinted Lens? .....	5
2: UK Environmental Taxes: Perceptions and Reflections of Key Players.....	7
3: Measuring the impact of 3Ps (people, planet, and profit) and Innovation development (R&D) of Circular Economy on Corporate Social Responsibility performance: Evidence from Polluted Chinese listed companies .....	8
4: The challenge of artificial intelligence in small and medium entities: The case of Vedrai Spa .....	9
5: #SAVECAMS: Twitter reaction to Critical Audit Matter disclosures .....	11
6: A consideration of Sustainability Reporting Frameworks within the context of the Madagascan Mining Sector .....	12
7: Legal Personality of Artificial Intelligence. Professional Accounts of Capabilities and Challenges for Instrument Boundary.....	13
8: How organizations manage the complexities of materiality disclosure in non-financial reporting: A case study.....	15
9: The core features and indicators of integrated thinking and examples of integrated thinking in practice .....	16
10: Integrated thinking and opportunities in a string focussed business.....	17
11: Ins and Outs of Integrated Thinking .....	18
12: Executive Report: Integrated Thinking.....	19
13: An analysis of the information contained in trading statements issued by companies listed on the Johannesburg Stock Exchange .....	20
14: The correlation between circular economy disclosures and the financial performance of large companies.....	21
15: The True Extent of the Use of Fair Value Within the Financial Statements .....	22
16: An Analysis of the Measurement Bases Propagated by the IASB’s Conceptual Framework.....	23
17: A Brief Review on the Impact of Capital Disclosures on Stakeholder’s Perspectives.....	24

## Preface

The Centre for Critical Accounting & Auditing Research (CCAAR) is based in the School of Accountancy at the University of the Witwatersrand, South Africa. Accounting for Plant, People and Profit (APPP) is the official conference proceedings of the CCAAR. The Centre acts as a forum for research into accounting and auditing and adopts a broad social and political context, focusing on issues of sustainability as well as embracing historical perspectives and utopian visions of accounting. The Centre is an African hub for accounting and auditing research that explores and seeks to address urgent 21st -century issues relating to integrated reporting, ecological and biodiversity accounting and auditing.

The 2023 International Accounting and Auditing Conference was presented as a hybrid model both virtually and in-person. Virtual participants presented papers on 10 July 2023. The in-person conference took place at the Wits Rural Facility from 10 – 14 July 2023 and included the presentation of conference papers and the opportunity to workshop research initiatives.

Visit <https://www.appp.co.za/> for further information.

## Location

The Wits Rural Facility (WRF) is a unique rural campus of the University of the Witwatersrand, established in 1989. The facility continues to support a wide range of research, student training and community engagement in a rural setting. WRF is situated in the far north-east of South Africa, in the central lowveld of Limpopo Province, close to the Kruger National Park and the border with Mpumalanga Province.

Visit <https://www.wits.ac.za/campus-life/arts-and-culture/wits-rural-facility/> for further information.

## Objective of the conference

The Centre strives to promote eclectic research on accounting and accounting-related topics which are not limited by a specific theoretical paradigm or methodology. Accounting for People, Planet and Profit provides an outlet for inter-disciplinary work which appeals to both the academic and practitioner community by making an original contribution to the academic, professional and technical literature.

## Review process and comments

All papers submitted for the ‘refereed category’ were subjected to a rigorous process of blind peer review. The papers were submitted to two experts at independent universities for blind review. Comments and suggested amendments from the reviewers were communicated to authors and the reviewers decided on the acceptance of the papers for presentation at the conference and inclusion in the conference proceedings. Experts also declined certain papers and these were not included in these conference proceedings. The conference proceedings are published as part of “Accounting for People Planet and Profit”. No single university contributed more than 40% to the works published which have emanated from multiple institutions.

The abstracts of the accepted papers have been included and distributed to all attendees of the conference as part of a Book of Abstracts. The accredited proceedings below, which include the full conference papers, have only been made available to the participants. APPP

does not retain copyright over the publications. The conferences provide an opportunity to receive constructive feedback on working papers and, as a result, authors are free to publish their work in other journals.

Visit <https://www.appp.co.za/editorial-team/> for the Editorial Team.

## Queries

For queries on the conference proceedings please contact us via the website portal: [https://www.appp.co.za/contact\\_us/](https://www.appp.co.za/contact_us/)

## Breakdown of conference papers

<b>Contribution of Papers per University/Institution</b>	
<b>Name</b>	<b>Percentage contribution per university based on all authors affiliated with the paper</b>
<b>International universities</b>	
Cardiff University	6%
Koszalin University of Technology	1%
Leeds University Business School	6%
University of Exeter	6%
University of Glasgow	2%
University of Milano-Bicocca	6%
University of Portsmouth	6%
University of Sheffield	6%
University of the West of Scotland	4%
Warsaw School of Economics	4%
<b>Local universities</b>	
University of the Witwatersrand	29%
<b>Other</b>	
External corporates	24%
<b>Total</b>	<b>100%</b>

No single university/institution contributed more than 40% to the works published which have emanated from multiple institutions.

## 1: The Picturesque Roots of Impression Management: Framing, Claude Glass and 'Rose' Tinted Lens?

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### **Structured Abstract**

#### **Purpose**

This paper explores the way in which industrial pollution has been expressed in the narrative accounts of nature, landscape and industry by William Gilpin in his 18th century picturesque travel writings. A positive description of pollution is generally outdated and unacceptable in our current society. We contrast his 'picturesque' view with the contemporary perception of industrial pollution as 'grotesque' and reflect on these early accounts of industrial impacts as representing the roots of impression management.

#### **Design/methodology/approach**

The research uses an interpretive content analysis of the text to draw out themes and features of impression management. Goffman's impression management is the theoretical lens through which Gilpin's travel accounts are interpreted, applying a microhistory research approach. The picturesque accounts are explored with reference to this context of impression management.

#### **Findings**

Gilpin's travel writings and the 'Picturesque' aesthetic movement, it appears, constructed a social reality around negative industrial externalities such as air pollution and indeed around humans' impact on nature, through a lens which described pollution as adding aesthetically to the natural landscape. The lens through which the Picturesque tourist viewed and expressed negative externalities involved quite literally the tourists' tricks of the trade: Claude glass, called also Gray's glass, a tinted lens.

**Originality/ Value**

The paper adds to the wealth of literature in accounting and business pertaining to the ways in which companies socially construct reality through their accounts and links closely to the impression management literature in accounting. There is also a body of literature relating to the use of images and photographs in published corporate reports which again is linked to impression management as well as to a growing literature exploring the potential for the aesthetic influence in accounting and corporate communication. Further, this paper contributes to the growing body of research into the historical roots of environmental reporting.

**Key words:** Aesthetic accounting; Picturesque; William Gilpin, impression management.

## 2: UK Environmental Taxes: Perceptions and Reflections of Key Players

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### **ACKNOWLEDGEMENTS**

I am especially grateful for the unwavering support and expert guidance of my supervisors, Professor Lynne Oats and Professor Oliver James (University of Exeter) as well as the ongoing support from my friends and family whilst I undertake my PhD research. Furthermore, I would like to add a special thank you to Warran Maroun for his encouragement, guidance, and patience.

This PhD has been funded by the South West Doctoral Training Partnership (SWDTP) – Economic and Social Research Council (ESRC) and the University of Exeter, UK. This funding was offered on the merit of a submitted proposal but has not influenced the direction or outcome of this research.

### **Abstract**

The purpose of this working paper is to gain insight into the tensions, conflicts, and possibilities for improvement in the UK's environmental tax system as well as seeking to understand how key players have responded to the UK's use of environmental taxes. It is expected that this will develop a deeper understanding of the UK's environmental tax landscape to better inform future research. The future research aims to contribute to the understanding of Environmental Citizenship and its relationship with willingness to pay environmental taxes.

This working paper describes the findings of a thematic analysis of government publications which describe or explore the current use of environmental taxes in the United Kingdom. Overall, this working paper identifies elements of a system which are far from perfect and play a significant role in driving environmentally perverse behaviours. In addition, it is clear from these findings that HM Government still has progress to make if it considers environmental taxes to be a significant contribution to decarbonisation and the development of a sustainable economy. Despite this, there is some evidence to suggest that they are aware of some of these shortcomings and intend to address these in the coming years.

### 3: Measuring the impact of 3Ps (people, planet, and profit) and Innovation development (R&D) of Circular Economy on Corporate Social Responsibility performance: Evidence from Polluted Chinese listed companies

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#### **Abstract**

The businesses are becoming more committed towards Corporate Social Responsibility (CSR) implementation. Also, Circular Economy (CE) approach has become more prevalent as a growth strategy. The aim of this article is to investigate the impact of People, ecological productivity (planet), economic efficiency (profits), and research & development (R&D) of CE model on CSR performance on in Chinese's highly polluting sectors. Data is collected from two data sets includes Bloomberg and China Wind database. This study selects panel data from 2906 listed polluted Chinese companies from 2015 to 2020. The study constructed a multiple fixed effect model to meet the research aim. The empirical results show that the economic efficiency (profits) of listed companies has no significant impact on CSR performance. In addition, the social dimension (people), ecological productivity (planet) and innovation development (R&D) have significantly put positive impact on CE model and CSR performance.

**Keywords:** Circular economy; corporate social responsibility performance; triple P/3Ps, research & development (R&D); sustainability.



## 4: The challenge of artificial intelligence in small and medium entities: The case of Vedrai Spa

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### Abstract

Given the different research implications linked to AI and digitalization in the accounting field some studies mainly focused on the effect of AI and digitalization on management accounting and control (Bhimani and Willcocks, 2014; Möller, Schäffer and Verbeeten, 2020) by altering the use of accounting data by accountants (Arnaboldi, Busco and Cuganesan, 2017). In more detailed terms it is quite unclear how different sources of data can be used in different accounting tasks and the decision making process. Few studies analysed how companies can integrate different new sources of data for generating business value (Knudsen, 2020). Particularly, the impact of AI and digitalization on the SMEs context is quite unexplored in the management accounting field. To address this gap this study can contribute to existing literature in two ways. First, an empirical analysis of a selected case study, i.e. Vedrai Spa (hereafter, Vedrai) can offer an interesting practical insight on the different intelligent technologies can be used in the management accounting and decision making process by SMEs. Second, the data collected by interviewees with the firm's Founder and management can highlight the most critical issues related to financial and social implications on the use of AI-based solutions by SMEs by suggesting interesting implications in terms of sustainable policies and practices.

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### **Funding**

No funding was received to assist with the preparation of this manuscript.

### **Conflicts of interest/Competing interests**

All authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

## 5: #SAVECAMS: Twitter reaction to Critical Audit Matter disclosures

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### Abstract

**Purpose:** The study explores whether Critical Audit Matters (CAMs) have any informational value to the investment community on Twitter.

**Methodology:** 823,197 Tweets discussing 1,868 listed firms in the U.S. have been mined and scraped. Two textual-based analyses using bag-of-words methods were performed.

**Findings:** Findings show that within the sample period, only 50 tweets by seven users mention the terms “audit matter” or #CAM. Moreover, only 0.106% of the tweets obtained are of relevance to the CAM topic that the firm received. Findings also imply that Twitter users do not particularly discuss CAMs disclosed by a certain auditor or for a certain industry, but are rather interested in certain topics and certain firms.

**Originality:** This is the first study to explore the topics that investors discuss on Twitter, in comparison to the topics that auditors believe are critical in their audit reports. This would either corroborate or contradict what auditors believe is relevant to investors. Subsequently, results should also help standard setters evaluate the relevance of CAM disclosures

**Keywords:** Critical Audit Matters, CAMs, Twitter

## 6: A consideration of Sustainability Reporting Frameworks within the context of the Madagascan Mining Sector

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### **Abstract**

The twenty first century presents a number of significant environmental challenges particularly to nations such as Madagascar, who have a rich and fragile ecosystem that can be seen to be particularly vulnerable to the worst effects of climate change. Therefore, the focus of this article is upon the reporting practices of Rio Tinto who operate a mine within the nation and are signatories to the Extractive Industries Transparency Initiative (EITI), which shapes the reports of organisations involved in the extractive industries. This article undertakes a critical discourse analysis of the annual report of Rio Tinto for 2020 and its accompanying documents as well as the EITI standards in order to establish the effectiveness with which the both the vulnerable species of this Island and overall concern for biodiversity are represented. This analysis leads to the view that the EITI is vulnerable both to the issue of selective disclosure and allows for the under representation of the concerns for species loss and the general fall in biodiversity. Therefore, this paper recommends the adoption of the Biological Diversity Protocol as a tool to develop a more nuanced and accurate view of the corporations impacts its area of operations and wider ecosystem.

**Keywords:** Extinction Accounting, Biodiversity, Mining, Madagascar

## 7: Legal Personality of Artificial Intelligence. Professional Accounts of Capabilities and Challenges for Instrument Boundary

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### **Abstract**

This paper aims to identify the practical borders for the artificial intelligence (AI) legal personality. It asks whether already identified theoretical constraints for AI legal personality encompass the practical spectrum for human-centric services. The study examines arguments for including AI in the professionals' risk assessment process through the economic analysis of law. It applies structured interview instruments to accountants. The research compares the already theoretically discussed arguments with new arguments raised by professionals. The study revealed eight incremental arguments across different challenges and capabilities. The statements relate to cognitive strain, consciousness, cyborg paradox, reasoning replicability,

relativism, AI misuse, excessive human effort, and substitution. The collective magnitude of arguments contributes to the discussion on the pros and cons of AI's legal personality with the empirical perspective of accountants, the extension of arguments taxonomy, and the development of a *sui generis* AI personality construct boundaries. The cyborg paradox implies for policymakers the need to reconstruct legal institutions to prevent economic slows-down. This study offers further research questions on the enforcement of obligations. The AI legal agency causes the enforcement problem, particularly how to terminate the intangible, geographically dispersed, immortal AI.

**Keywords:** Artificial Intelligence; Audit; Cyborgs; Accountability; Electronic Personhood; Legal Agency.

JEL: M42, K30,

## 8: How organizations manage the complexities of materiality disclosure in non-financial reporting: A case study

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### **Abstract**

The study draws from a case study organisation which was a UK housebuilder. It uses a qualitative research approach using thematic data analysis to examine the empirical data, which consists of documentaries and interviews with internal and external stakeholders.

The findings showed that in the case of voluntary sustainability reporting, industry-specific context drives the engagement with and focus on material aspects in non-financial reporting. The context is also foundational to the emerging complexities of such reporting and the non-financial materiality disclosure. The particle complexities identified included the case study organisation being in the early starter position, meaning a lack of external and internal understanding of the materiality definition. In addition, the complexities also included meeting the needs of multiple stakeholders and balancing goals and issues around the non-financial data quality. The observed specific reactions and the subsequent responses from the case study organisation to dealing with these complexities by creating ethos/inspiring culture; organically developing a sustainability team function; actively managing external stakeholders; setting up materiality determination processes, data collection processes, preparation for and reporting as well as feedback processes; and supporting these through informal approach to information dissemination and drawing from existing external benchmarking.

## 9: The core features and indicators of integrated thinking and examples of integrated thinking in practice

Sandra Koen

External corporate

### **Abstract**

Introducing and understanding new thinking and concepts can sometimes be aided by reference to easily understood, or universal concepts. Therefore as an introduction to this paper the use of an analogy has been included to clarify the concept presented.

A concept or structure that is part of every person's daily life, and which is understood by all, is the structure of time divided into the seven days of the week. This accepted structure of time is used throughout the world and has been repeated continually for thousands of years. In certain cultures the construct is six days of work culminating in a seventh day of rest. Each day of the week is equal, 24 hours long, divided into day and night, and you have to journey through all six workdays to reach the seventh day. By some, the number seven is considered a number which represents completeness. So in this analogy we find 'completeness' and rest in the seventh day.

If we then consider the analogy in terms of value creation, the Six Capitals (Financial, Manufactured, Human, Social and Relationships, Intellectual and Natural), given equal significance or consideration in terms of value through deliberate and meaningful Integrated Thinking, would provide the greatest opportunity for culmination in 'completeness' or the most wholistic opportunity to create or protect value.

Key to the creation of value is the concept of Integrated Thinking. This paper describes the core features or attributes and the indicators of Integrated Thinking. These core factors are then applied to two examples within Company X's context to demonstrate the application of Integrated Thinking within Company X.



## 10: Integrated thinking and opportunities in a string focussed business

EC Williams

External corporate

### **Abstract**

Integrated Thinking drives the move towards more sustainable business models in the world we do business in where the natural resources are finite, multi-capital decision-making drives inclusive outcomes. This is covered through an overview of the core features of Integrated Thinking, indicators that Integrated Thinking model are applied and examples of the application in the business environment.

The case study entity is an Agric Wholesale business (Crop protection, greenhouse and irrigation systems and seeds) with more than 50 years of presence in the current market, with the Vision "Our knowledge, your success". It has been the market leader and is set apart by Human and Manufactured capital with the ingrained intellectual support and products offering to the customers. Focus is all on financial capital driven with the Revenue, gross margin, overheads in \$ terms, profit before tax as the measure for performance. Quarterly updates are purely historical with limited forward-looking to the extend of one quarter outlook.

## 11: Ins and Outs of Integrated Thinking

Sharmain Despy

External  
corporate

### **Abstract**

Integrated Thinking is rapidly becoming an integral part of business management. It highlights the fact that all businesses have an affect on everything and everyone around them. Instead of businesses only focusing on financial performance, the affect on all six capitals should be considered and measured in order to operate and report in a more sustainable manor with long-term thinking at the core of strategy development.

This report sets out the indicators or integrated thinking with application examples as well as analyses the application of integrated thinking within the SUSTAIN Y Group environment.

## 12: Executive Report: Integrated Thinking

Pranisha Nagar

External corporate

### **Abstract**

ITX Company (“ITX Company” or “the Group”) is an international ICT solutions and services group operating in more than 50 countries globally. The Group has adopted an integrated thinking approach, which seeks to balance the interests of all stakeholders, including shareholders, financial institutions and providers of finance, employers, customers, vendors and the communities in which it operates. In recent years, integrated thinking has gained momentum as a number of organisations are engaging with sustainability issues with increasing pressure to address environmental, social and governance matters (ESG). This requires organisations to shift their behaviour and mindset where the tone at the top of the organisation is a key driver to initiate change throughout an organisation. Adopting an all-inclusive approach, not only improves better decision making and problem solving, but also contributes to a more engaged workforce resulting in increased collaboration, creativity and innovation.

## 13: An analysis of the information contained in trading statements issued by companies listed on the Johannesburg Stock Exchange

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### Abstract

This paper analyses the contents of the cautionary trading statements released by companies listed on the JSE<sup>1</sup> in their respective 2020 financial years to identify the preferred financial statement performance metric and the overall accuracy with which these trading statements are prepared.

This study made use of a content analysis for the data collection. Differences amongst variables are evaluated using non-parametric Kruskal Wallis and Jonckheere-Terpstra tests. These reveal that companies prefer to use earnings and headline earnings per share as key financial performance indicators.

Cautionary trading statements communicate to investors the values of chosen key performance indicators with a very high degree of accuracy when compared to the values subsequently reflected in the audited financial statements.

Trading statements may not necessarily be seen as cautionary announcements to all investors, due to the untimely release of these trading statements and the short time frame between the release of the trading statements and the publication of the audited annual financial statements. Instead, these trading statements merely provide confirmatory value to investors who have already obtained their information from alternative sources.

**Keywords:** cautionary statement; earnings per share; headline earnings per share surprise earnings; trading statement

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<sup>1</sup> Johannesburg Stock Exchange

## 14: The correlation between circular economy disclosures and the financial performance of large companies

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### Abstract

#### Purpose

Circular economy is an economic model whereby resource utilisation is maximised through the use of recycling, thereby minimising waste. Whilst many companies provide circular economy disclosures in their integrated reports, investors are still uncertain as to that the effects thereof are on the company's performance. This study aims to explore the link between circular economy disclosures and the financial performance of a company.

#### Methodology

The randomly selected sample comprises 25 of the largest 100 companies listed on the JSE and the LSE each. Content analysis was used to collect data on circular economy disclosures as well as financial performance of the sampled companies. A Spearman Rho correlation analysis was used to identify relationships between the circular economy disclosures and the financial performance. Results were corroborated by a Kruskal-Wallis tests and Jonckheere-Terpstra tests.

#### Findings

A negative correlation between circular economy disclosures and financial performance was identified, which provides evidence that there is an association between circular economy and financial performance.

#### Contribution

This is the first study to consider the link between circular economy disclosures and financial performance for South African companies and to compare results with a leading developed economy with close ties to South Africa (the UK)

**Keywords:** Circular economy; financial performance; sustainability disclosures

## 15: The True Extent of the Use of Fair Value Within the Financial Statements

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### ABSTRACT

Much of the literature relating to the development of accounting has been driven by the rise of neoliberalism and focusses on the theoretical aspects of this development. The concept of stewardship and the cost basis of accounting used to be very prevalent in the preparation of financial statements in the past. However, with the rise of neoliberalism and the financialisation of accounting, the academic literature argues that fair value measurement is now becoming the more popular measurement basis.

This study tests this assertion by investigating the extent to which the assets within the financial statements of South African companies are recognised using different measurement bases.

The significance of this study is that it focusses on the practical aspects that neoliberalism has on the development of accounting, (namely the extent to which neoliberalism, and consequently fair value, is evident in the measurement basis applied to assets in the financial statements), whereas prior literature has largely focused on the theoretical aspects thereof.

A qualitative content analysis was used to collect the data on the various measurement bases used for all the assets in the most recent financial statements of the JSE<sup>2</sup> top-100 companies.

This study was limited to one financial year. In addition, the sample consists only of JSE-listed companies, meaning that the findings may not necessarily hold true for small or medium-sized companies.

The findings of this paper indicate that, despite the rise of neoliberalism (which favours the use of market valuations as a measurement basis), cost basis of accounting still accounts for the majority of all the assets recognised by companies in their financial statements.

The paper contributes to the growing body of literature on financial accounting and provides empirical evidence on the use of different measurement bases, including the prevalence of fair value.

**Keywords:** cost basis; fair value; neoliberalism; stewardship

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<sup>2</sup> Johannesburg Stock Exchange

## 16: An Analysis of the Measurement Bases Propagated by the IASB's Conceptual Framework

Dusan Ecim & Warren Maroun

University of the Witwatersrand

### **Abstract**

This report delves into the measurement bases in the Conceptual Framework and assesses whether single or multiple measurement bases would provide more useful information to users of the financial statements. The research is grounded in assessing the developments in the accounting sphere through an accountability versus neoliberal paradigm shift and the conflicting inconsistencies that have been identified in the accounting standard setting process. Impression management and practical accounting developments also fuel the discussion. It is ultimately noted that different measurement bases allow for the consideration of multiple stakeholders and entity needs and would be more reactive to a dynamic and changing business environment.

**Keywords:** Conceptual Framework; measurement basis; neoliberalism; accountability

## 17: A Brief Review on the Impact of Capital Disclosures on Stakeholder's Perspectives

Dusan Ecim & Warren Maroun

University of the Witwatersrand

### **Abstract**

This paper assesses the impact of capital disclosures on stakeholder's perspectives. Using a content analysis, the capital coverage of Johannesburg Listed Entities is assessed to determine the potential impact that this can have on a stakeholder's perspective of the integrated thinking taking place within the organisation. A higher frequency of disclosures, in combination with high report quality, leads to increased legitimacy in the eyes of the stakeholder's who can then use specific information required to make better informed external decisions. This also promotes better internal decision-making. This will reduce the overall information asymmetry and lead to the benefits of integrated reporting coming to fruition.