

AN ANALYSIS OF THE RELATIONSHIP BETWEEN CERTAIN
CORPORATE ATTRIBUTES AND TIMELINESS OF ANNUAL REPORTS
OF COMPANIES LISTED ON THE NAIROBI STOCK EXCHANGE

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ABSTRACT

This paper reports on a study of some of the determinants of delays in the release of annual reports of companies in Kenya. Timeliness of annual reports is an important determinant of their usefulness. This study has twin aims: it examines trends in reporting behaviour of Kenyan companies particularly those listed on the Nairobi Stock Exchange. On the whole the evidence shows that Kenyan companies take an average of six months to report to their shareholders. Reporting delays fluctuate widely from year to year though a tendency towards more timely reporting was discernible over the past ten years.

A second aim of the study is to examine the relationship between timeliness and selected corporate attributes. Tests performed on the data collected show that reporting delay has a negative relation to the size of the company - though the relationship was not always strong. Companies experiencing big profits were also found to report earlier than poor performers. Tests to discover the impact of audit busy periods on releases of annual reports did not provide overwhelming evidence one way or the other - leading to the

conclusion that peak periods have no effect on reporting delays. Complexity of operations was found to be directly related to reporting delays, specifically the audit signature lags.