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The Change of Disclosures over Time

-a Case Study of the Volvo Group

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ABSTRACT

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Background and problem: Historically, the amount of information in the financial reports has increased substantially, which is partly due to changes in regulations. It is of interest for the company to produce financial information for several reasons. The financial reports are, however, costly to produce, which has to be weighed against the usefulness that the users might have of the information. With the substantial increase in amount of information in mind, one can ask when the costs of regulation are higher than the benefits. To be able to answer such a question, one must first study the change of information over time to see what changes there have been.

Purpose: The purpose of this thesis is to determinate how the amount of disclosures in the annual reports has changed over time, which areas that have increased the most and if these differences are the result of changes in regulation.

Method: This thesis is a case study of the Volvo Group. We have counted the words in the notes to the consolidated financial statements in the annual reports for the selected years. The first of the evaluated years is 1980 and then every fifth year up until 2005 with an addition of year 2002 and 2007. The information was first sorted according to the headline of the notes. To be able to analyse where the main changes have been, the notes were then put together into larger groups.

Analysis and conclusions: The empirical results in this study show an enormous increase in amount of words during the last few decades. The increase was as large as 482 %. During the evaluated years, the amount of words had increased significantly in two specific periods. The groups that increased the most were *Financial instruments* and *Accounting principles*. In the deeper analysis, the changes in *Personnel* and *Accounting principles* could, in some degree, be a result of changes in the laws and regulations. It was, however, obvious that other factors affect the amount of words in the explanatory notes.

Suggestion for further studies: The most interesting area to study further is to analyse when the costs of regulation are higher than the benefits. It could also be interesting to study other factors than regulation that affect the companies in their decisions regarding information in the explanatory notes.

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1. INTRODUCTION

This chapter aims to give the reader an understanding of the subject of this thesis and why it is a present topic of interest. It begins with a background and problem discussion of the subject and follows by the research questions, purpose and delimitations.

1.1 BACKGROUND

Historically, the amount of information in financial reports has increased substantially, which is partly due to changes in regulations[1]. During the last few decades, there has in many countries been a significant change in regulations and norms regarding financial reports[2]. New standard-setting bodies and new accounting standards have supervened.

One reason for this development is the comparable problem that occurred along with the globalisation of the capital markets. Accounting had for a long time been developed and regulated nationally, which led to large differences between countries. When investors no longer limited the search for good investments on their own national market, but started to search world wide, the accounting differences between countries turned out to be a problem. [3] A demand from investors for internationally comparable information arose and accounting needed to be more harmonised. This internationalisation of accounting regulation has had an important impact on the content, form and amount of information published in the annual reports[4].

Another reason for increased requirements on the information given in financial reports emerges when accounting scandals are exposed. During the last few years several serious scandals where the accounting has been questioned have occurred, for instance Enron and WorldCom. Scandals like these put pressure on the regulators to prevent the same things of happening again.

Sweden is one country where this change within accounting is to be seen. Sweden is a small country dependent on international trade and capital. Accounting follows trade and capital pattern and Swedish accounting is therefore strongly influenced by international regulations.[5] There are several new standard-setting bodies, laws have changed and the importance of international standards has grown stronger.[6] When Sweden entered the EEC in 1994, a requirement was to adapt the regulations to the already existing EU directives[7]. For example were the council directives implemented in Sweden through the

[1] Artsberg, 2005
[2] Stanko, 2000
[3] Marton et al, 2008
[4] Flower, 2002
[5] Artsberg, 2005
[6] Nilsson, 2005
[7] Artsberg, 2005

Swedish Accounts Legislation (ÅRL) in 1997[8]. The EU was however not quite satisfied with the implementation of the directives in the different countries and started therefore to cooperate with the International Accounting Standards Committee (IASC) to achieve a comparable accounting in the member countries[9]. This cooperation has made the international influences even stronger and has affected Swedish accounting.

1.2 PROBLEM DISCUSSION

The purpose of financial reports is to give economic information about the company, mainly to users outside the company such as investors, lenders, customers and suppliers, and it is of interest also for the company itself to produce this type of information for several reasons. Benefits for the company include among others lower cost of capital, increased share liquidity and increased credibility[10].

The financial reports are, however, costly to produce, which has to be weighed against the usefulness that the users might have of the information. The costs include for example collection and processing costs and competitive disadvantage costs. The latter one is a result of the fact that a company discloses not only to the users they want, but also to competitors. One sensitive area in this aspect is information regarding research and development and new products. Companies that for instance claim that they have new technology as a competitive advantage must provide information about R&D or new products to be able to attract capital. This information is, however, also available for competitors and detailed information can reduce the company's lead time against competitors.[11]

As discussed earlier, the regulations and norms have increased substantially during the last few decades. The largest increase of information in annual reports has been in the notes to the financial statement[12]. This is partly because a change in regulations of information given in the notes is less controversial and therefore easier to implement than a change in principles of measure (which is the case when changing regulations regarding the statement of income and the balance sheet)[13]. The explanatory notes have increased in numbers and are an important part of the annual reports. They are regulated in many different standards, some of which solely regulate explanatory notes.

Some argue that companies will be motivated to provide all the information that users demand voluntarily because of the benefits it brings. However, the main opinion is that these benefits are not enough as motivator; imposed rules are necessary, even if they are costly to follow.[14] With the increase in amount of information in mind, one can ask when the costs of regulation are higher than the benefits. To be able to answer such a question,

[8] Smith, 2006
[9] Artsberg, 2005
[10] Adrem, 1999
[11] Flower, 2002
[12] Artsberg, 2005
[13] Ibid
[14] Flower, 2002

one must first study the change of information over time to see what changes there have been.

1.3 RESEARCH QUESTIONS

The presented background and problem discussion led to the following research questions:

- How has the amount of disclosures changed over time?
- Which areas have changed the most?
- Are these differences the result of changes in regulations?

1.4 PURPOSE

The purpose of this thesis is to determine how the amount of disclosures in annual reports has changed over time, which areas that have changed the most and if these differences are the result of changes in regulations.

1.5 DELIMITATIONS

The survey will only be made on the explanatory notes to the consolidated financial statements and no consideration will be taken to other regulated information or to the voluntary disclosures if not otherwise stated.

2. METHOD

In this chapter the reader finds an explanation of how the process of gathering, working with and analysing the material was executed. There is also a description of the selections made and why they were made.

2.1 RESEARCH METHOD

When deciding what research method to use, it is important to see how the research method can help to achieve the purpose of the thesis. In our case, the purpose is to determine how, both in terms of substance and quantity, the disclosures in annual reports have changed over time. We want to understand and evaluate the changes that have been made. It has been said that qualitative method uses words and sentences while the quantitative method uses numbers and sizes[15]. This is important to have in mind when it comes to gather the information. In this thesis, both a qualitative and quantitative research method is used. This is due to the fact that two different objectives are being investigated.

The qualitative method can be used as a preliminary investigation to create an understanding of the factors behind the information[16]. It is therefore used in our study in the interpretation of the laws and regulations in our covered area. In order to classify the information stated in the annual reports there was a need for a solid base of knowledge before approaching the issue. Since the thesis covers a time period of more than twenty years there has been a number of laws and regulations to read and understand before starting the empirical analyse of the annual reports. The qualitative method is also used when investigating the substance of the disclosures. Since we want to find out what the information says, the method is used when studying the context of the words.

The quantitative method is used when analysing how much more text the requirements of disclosure have resulted in. This approach is suitable when it comes to describing the extent of a phenomenon.[17] This is appropriate for this part of the thesis since the actual amount of words are being counted and the purpose is to see how much more information that has arisen. The advantage of this method is that it is easy to standardise the information[18], which is important in order to get a good overview of the findings.

[15] Jacobsen, 2002
[16] Holme & Solvang, 1997
[17] Jacobsen, 2002
[18] Ibid

2.2 SELECTIONS MADE

In the study, a few selections have been made in order to gather the necessary information for the study. The choices were based on the fact that we needed to limit our study to a few minor areas because of the amount of information available.

2.2.1 Case Study of the Volvo Group

We have in this study chosen to do a case study of the Volvo Group (further on referred to as Volvo) to achieve our purpose. A case study is used when one wants a detailed explanation of a phenomenon. It is therefore a suitable method when the purpose is to create a better understanding for the dynamics behind a certain area[19] and when changes are studied[20]. It gives the possibility to see different aspects as well as gaining a deeper knowledge. It is also suitable when it comes to mixing a qualitative and quantitative method,[21] which is what we are doing in this case.

Volvo was chosen because it is one of Sweden’s largest companies and has been known to publish annual reports of high quality. They have received awards for their annual reports and high marks in an international comparison[22]. Volvo is also a global company that since the early eighties has followed other regulators than the Swedish ones. Because of their size and business, most of the existing rules and regulations are applicable to Volvo, which makes Volvo a suitable company to study.

2.2.2 Evaluated Years

The chosen start year is 1980, since that was before Volvo started to draw-up consolidated accounts influenced by non-Swedish standard-setting bodies. We then decided to choose every fifth year up until 2000, which are 1985, 1990, 1995 and 2000. With these years, major changes that occurred in the rules and regulation are included. Furthermore, year 2002 was included, due to the fact that there were some major accounting scandals that affected the accounting regulations in the world and it would be interesting to see if any effect could be seen in the annual reports. And finally, the years 2005 and 2007 were included. The year of 2005 is interesting because that was the year when it became mandatory for Swedish group companies to follow IFRS in their consolidated accounts. In 2007, there were a number of significant changes and also the year of the latest annual report that could be included in this study.

Since the chosen years have a time interval of two or five years, the empirical results might not show which year the information turned up in the annual reports for the first time. In some cases, the new regulations were published in one year, but not legally binding until the next year. In these cases, we have used the years when the regulations were published. This due to the fact that new laws and regulations, most likely, influence

[19] Jacobsen, 2002
[20] Patel & Davidson, 2003
[21] Bryman & Bell, 2005
[22] http://www.volvo.com/group/global/en-gb/investors/reports/topranked_ar/top_ranked_ar.htm, *and*, http://www.omxnordicexchange.com/redovisning

a company even before it is legally binding. In most cases, companies are encouraged to start applying new regulations before they are implemented. The lack of information in the annual reports for the earlier years, regarding exactly when Volvo implemented the new regulations was also a factor in this decision.

2.3 THE WORD COUNT

To analyse how the amount of disclosures have changed over time, the words in the notes to the consolidated financial statements in the annual reports for the selected years were counted. Some notes include references to other parts of the annual report. In cases when that information has been relevant, it has been included in the count. Cross-references to other notes have not been counted twice, due to the fact that the number of words would then have increased because of double counting.

The information was sorted according to the headline of the notes. To be able to get a better overview of the notes, a classification system was created. The notes were put together into larger groups, which made it easier to analyse where the main changes have been. The following groups were created (see appendix I for a total overview):

1. Accounting principles	9. Shareholders' equity
2. Acquisition & divestments of shares in subsidiaries	10. Liabilities and provisions
	11. Cash flow
3. Non-Group companies	12. Leasing
4. Segment reporting	13. Personnel
5. Other income and expenses	14. Fees to the auditors
6. Tax	15. Financial instruments
7. Capital assets	16. U.S. GAAP
8. Current assets	17. Other notes

Table 1: Groups in the explanatory notes

Some groups contain several notes, for example is the note *Key sources of estimation uncertainty* included in the group *Accounting principles*. This choice was made, since there was no separation between accounting principles and uncertainty in the older annual reports. All L*iabilities and provisions* were formed into another group. Assets were divided into *Capital* and *Current assets*. *Acquisitions and divestment of shares in subsidiaries* formed a group itself due to the fact that it is a big note and has been consistent in all the annual reports, except for 1980. *Non-group companies* is a group for all the notes with information regarding minority interests and transactions with parties where Volvo is a shareholder but not a controlling owner.

Since the classification was not entirely obvious in all cases, the results might be affected to some degree. For example, in 1980, the group *Other notes* became as much as 12 % of the total amount of words. But since it was difficult to form these notes into new groups or classify them into the already existing one, a residual group was the most suitable choice.

2.4 CHOSEN GROUPS FOR DEEPER ANALYSIS

When deciding what notes to investigate further, the material from the word count of the annual reports became our basis for decision. There are some areas that have changed quite significant when it comes to the amount of information that has to be disclosed in the financial statements. Out of the results from the word count, two groups were chosen to be investigated further. One of these groups had changed a lot over the whole period and one had changed a lot in the past few years.

2.4.1 Personnel

The note Personnel was chosen because it had changed suddenly and constitutes a large part of the total amount of words. To be able to investigate this change further, the note was divided into the following subcategories:

- Salary for the Board of Directors
- Terms of Employment of the CEO
- Terms of Employment of Other Senior Executives
- Average Number of Employees by Country/Region
- Wages & Salaries by Country
- Employee Stock- and Share-based programs
- Wages & Salaries & Social Cost

Table 2: Subcategories for the group Personnel

The classifications were based either on the subtitles in the note or on the substance of the text. For all of the above subcategories, the words were counted, to be able to get a better overview of where the changes had occurred.

In the annual reports for 1980, 1985 and 1990, also the information regarding personnel in the administration report was counted. This due to the fact that the, at that time, existing regulation required the information in the administration report and not in the explanatory notes. The count was made only to show comparable numbers in the deeper analysis of the group *Personnel* and has not been included in the total amount of words. In the choice of which words to count in the administration report, the law served as guideline.

2.4.2 Accounting Principles

Accounting principles formed the other group that was investigated further. It was chosen because the information has been included in all the annual reports but with a large increase over the period and was therefore interesting to investigate further. It was also interesting because of the fact that it had a decrease in words from 2005 to 2007. The notes were classified into the subcategories shown in the table below and counted for each area.

- General
- Changes and effects in accounting principles
- Principles of consolidation
- Specific accounting policies
- Key sources of estimation uncertainty

Table 3: Subcategories for the group Accounting principles

The classifications of the subcategories were based either on the subtitles in the note or on the substance of the text. The words were counted, for all the subcategories, to be able to see where the changes had occurred.

2.5 THEORETICAL DATA COLLECTION

For the preliminary study, literature describing the law as well as appropriative regulations was used. The information is rather technical in some areas and therefore also some explaining literature on certain laws has been read. However in most cases, the laws and regulations have been interpreted on the basis of the original form.

In some cases, it has not been possible for us to find an English translation of the Swedish laws and regulations. In these cases, we have made the translation ourselves, word by word. We want to make the reader aware of that these translations are not made by professionals.

2.6 CRITICISM OF THE DATA COLLECTION

When going through our data, it is important to have a critical attitude towards the sources.[23] We have used the annual reports from Volvo and since these are regulated through the Swedish law, we therefore have no reason to think other than that the information is truthful and correct. We have only interpreted the information and compared it to what the laws and regulations are saying.

[23] Patel & Davidson, 2003

3. FRAME OF REFERENCE

This chapter contains theory about the importance of disclosures and what factors are behind the increase of disclosures. The reader will also get an overview of the law and regulations that are of interest for this thesis.

3.1 THE ASYMMETRIC INFORMATION PROBLEM

Information asymmetry is when one part has more or better information than another part. This could be applied in the business world where the management of a company tends to have more information regarding the company's financial situation than the investors.[24] Managers observe their own choices, which is a possibility the external investors do not have. Furthermore, managers can observe the information they had at the time they made their decisions, something that the investors cannot do.[25]

The main disadvantage with information asymmetry is that it impairs the efficient allocation of capital and entails a higher cost of capital[26]. Disclosures in annual reports attempt to deal with this information asymmetry and adverse selection between the management of the firm and the users of financial reports[27]. Disclosures lead to a decrease in the information asymmetry, which make them useful for investors.[28] Disclosures make it easier for investors to evaluate the effectiveness, performance and fulfilment of the management of the firm[29]. More information for the investors would then result in a reduced cost of capital due to the fact that the investors face a lower risk, which will lead to a lowered required rate of return[30]. Disclosures can therefore result in a higher market value for companies.

The problem is described further by Akerlof and his theory *"the market for lemons"*. Information asymmetry can be seen as the same problem that arises when a person wants to buy a used car. The salesman knows how good the car is, while the buyer has to trust the information given by the salesman. If the salesman is dishonest and has a bad car, he will try to sell his car for the market price. If the salesman knows that his car is an exceptionally good one, he would like to have more than the market price. The consequence can be that good cars do not get sold while bad ones will. This situation can be applied to the asymmetric information problem that exists between the management

[24] Healy & Palepu, 1993
[25] Walker, 2006
[26] Diamond & Verrecchia, 1991
[27] Leuz & Verrecchia, 2000
[28] Ibid
[29] Ström, 2006
[30] Diamond & Verrecchia, 1991

and the investors. If the investors can not separate good business ideas from bad ones, the market will undervalue good ideas and overvalue bad ones.[31]

Disclosure theory implies that it would be beneficial for a company to disclose all relevant information to the market. However, there are some factors that indicate other. A disadvantage with disclosures is that it can reduce a company's competitive advantage and competitors can gain valuable information about the company.[32] This may be a reason for companies not to disclose all valuable information to the market. Another disadvantage may be that if a company disclose too much information there might be an information overload, and the user will not be able to use the information properly.[33]

3.1.1 The Agency Theory

The agency relationship is normally explained as when one party agrees to act on the behalf of another party. The basic assumption of the agency theory is that individuals tries to maximize their own expected utility and that there is an interest of conflict between two parties. This is the situation that can occur between the management of a firm and the shareholders. The situation exists because of the fact that the shareholders employ the management to run their company and they are trusted to make decisions that are in the shareholders' best interest, which is to maximize the profit. Since the shareholders may not be able to observe all decisions and actions made by the managers, there is a possible threat to the shareholders that the management will act in a way that will maximize their own wealth and not the shareholders profit.[34] For example the agent (manager) is expected to choose an accounting principle that will work in his/her favour if he/she has a bonus or compensation based on the profit of the company.[35] The principal (shareholder or creditor) will hire an auditor that makes sure that the agent acts in a way that is favourable for the principal. An important role of external financial reporting is to control the agency cost arising from the moral hazard problem.[36]

3.2 BACKGROUND TO FINANCIAL REPORTING IN SWEDEN

Sweden has for a long time had accounting regulations where law constitutes the frame and detailed rules are presented in recommendations and other additional norms[37]. The standard-setting was dominated by The Swedish Institute of Authorized Public Accountants (FAR), which is the oldest private standard-setting body. It was first a part of the auditor organisation, Svenska Revisorssamfundet (SRS), but in 1923 they separated and FAR established its own organisation[38].

[31] Akerlof, 1970
[32] Healy & Palepu, 1993
[33] Ström, 2006
[34] Schroeder, Clark and Cathey, 2005
[35] Artsberg, 2005
[36] Walker, 2006
[37] Marton et al, 2008
[38] Nilsson, 2005

Sweden is a rather small country, and Swedish accounting has therefore been influenced by international regulations. The Swedish accounting tradition was part of the continental accounting tradition, dominated by Germany, but during the 1960s, influence started to come from the UK and the US[39]. The 1960s can be considered to be the beginning of accounting regulation for many reasons. The need for external financing increased among Swedish companies, and businesses therefore wanted to improve the quality of their accounting. During this period FAR increased its activity.[40]

In the late 1960s and early 1970s, a new legal framework for accounting was developed. It consisted of two separate laws; the Companies Act and the Accounting Act (see section 3.3). In 1976, through the Accounting Act, a new standard-setting body was created; the Accounting Standards Board (BFN). One reason to create BFN was that FAR was seen as a self-interested organisation, and another source of accounting standards was desirable. Since BFN was created through government action, it was seen as neutral. FAR was initially opposed to BFN, but once it was created, FAR became one of the active participants.[41] BFN has representatives from unions, business, FAR, tax authorities, academia etc. The main mission of BFN was, through the Accounting Act, to interpret the concept Good Accounting Practice, since the concept needed a dynamic definition, adjustable to different situations[42]. Other tasks mentioned in its mandate was to advise companies how to fulfil the requirements of accounting laws, produce recommendations, follow the development practice and identify potential accounting problems[43].

In the 1980s, as Swedish companies got more internationalised and the financial market activity increased, Swedish multinational corporations started to push for the use of international accounting rules. They wanted to avoid unnecessary costs of preparing multiple accounting reports to accommodate different national stock exchange requirements[44]. With the intention to adjust the accounting regulations to international tradition, the Financial Accounting Standards Council (RR) was created in 1989[45]. At this time, FAR was not as important as standard-setting body as it had been; some of the larger companies diverged from FAR's recommendations. Hence, FAR was one of the initiators to the creation of a stronger and more unified standard-setting body, RR.[46] RR was founded by an agreement between FAR, the government and the Swedish Federation of Industries (Sveriges industriförbund, SI). When RR was established, FAR stopped publishing new recommendations.

RR has in its recommendations been influenced by the International Accounting Standards Committee (IASC). IASC is a private international organisation founded in 1973, with the main purpose to improve and harmonise the accounting in the world. It was reorganised in 2001 and changed at the same time name from IASC to International

[39] Smith, 2006
[40] Jönsson & Marton, 1994
[41] Ibid
[42] Artsberg, 2005
[43] Jönsson & Marton, 1994
[44] Ibid
[45] Nilsson, 2005
[46] Artsberg, 2005

Accounting Standards Board (IASB).[47] In the year 2002, the EU adopted a regulation which said that, as from 1st January 2005, every public company within the EU has draw up their consolidated accounts according to International Financial Reporting Standard, IFRS[48]. Hence, it is from this date obligatory also for Swedish companies to follow IFRS. After the adoption of IFRS, RR no longer publishes new recommendations.

3.3 CHANGES IN LAW AND REGULATIONS

In Sweden, laws provide the framework for accounting. There are two laws of particular significance; the Companies Act and the Accounting Act. Both laws refer to Good Accounting Practice and the standard-setting bodies described above (FAR, BFN and RR) are through this reference given legal authority, since they are the ones assumed to develop specific rules and interpret the laws.[49]

Between the years 1980 and 2007, there have been several changes in laws and regulations. In the following section, a review of the most important changes in the laws and regulation will be presented and the main focus will be on our chosen groups *Personnel* and *Accounting principles*.

The Companies Act of 1975 deals mainly with disclosure provisions rather than prescriptions of accounting principles or rules for the valuation of assets. However, the Act does specify that annual reports should be prepared in accordance with the Accounting Act and with accounting principles generally accepted in Sweden. Chapter 11 of the Companies Act is the chapter that regulates disclosures. The Companies Act also deals with what the administration report shall include. Section 9 states that disclosure shall be given about such information that is required to make a proper judgement of the company's result.[50]

The Swedish Accounts Legislation (ÅRL) was released in 1995 and was implemented in 1996. It replaced, among others, chapter 11 in the Companies Act and is an adjustment to the EEC's fourth and seventh directive. It says that disclosures shall basically be given in pure numbers. For information regarding the disclosures, chapter five is applicable. The chapter states the information that needs to be given in the notes.[51]

From 2005 all consolidated accounts in Sweden are obligated to follow the IFRS/IAS regulations. Besides the IFRS, Swedish public companies also have to follow the Swedish regulations in RR 30 (changed name from RR 30 to RFR 1 in 2008), where specific Swedish requirements on disclosures are to be found.

[47] Artsberg, 2005
[48] Marton et al, 2008
[49] Jönsson & Marton, 1994
[50] Cooke, 1989
[51] Dahlin, 1997

In the following section a presentation of the laws and regulations in our chosen groups will be made for each year.

3.3.1 Personnel

During the studied time period, the following disclosures regarding personnel were required:

1980

The Companies Act includes the following disclosure requirements regarding personnel:

- The average number of employees during the year.[52]
- The average number of employees in each place of employment with more than 20 employees.[53]
- Total amount of salaries and remuneration for the board of directors and the managing director, and other employees.[54]
- Any earnings-related compensation and other remuneration to members of the board and managing director should be stated separately.[55]
- The salaries, remuneration and average number of employees in other countries stated by country.[56]

1985

In 1982 BFN published a recommendation dealing with personnel: BFN 17 states the same as the Companies Act with the following addition:

- Salary costs such as pension- and social costs should preferably be presented separately.[57]

1990

In 1989, BFN R4 was published but the standard deals with the same areas as BFN 17.[58]

An update of the Companies Act was made in 1990, which added the following to the already existing requirements:

- When the average number of employees is stated, information shall also be given about the spread between men and women.[59]

[52] The Companies Act, 11:9, FAR, 1986
[53] Ibid
[54] Ibid
[55] Ibid
[56] Ibid
[57] BFN 17, FAR, 1986
[58] BFN R4, FAR, 1993
[59] The Companies Act, 11:9, FAR, 1993

1995
In the new law *The Swedish Accounts Legislation*, one change was that the average number of employees and, wages and salaries for executives in a leading position, earlier was required in the administration report, but in the new law, this had to be stated in the explanatory notes. [60] The Swedish Accounts Legislation also brought the following increased disclosure requirements:

- The average number of employees in other countries and analysed according to the number of women and men in these countries.[61]
- Social security contributions, with separate details of pension costs.[62]
- Information about costs and obligations regarding pensions costs for the board of directors and managing director or corresponding officers of the company.[63]
- Information about compensation to earlier members of the board and managing director.[64]
- Information about severance pay for the board of directors and the managing director.[65]

2000
Until the year 2000 no bigger changes regarding personnel have occurred in the regulations, only one addition in the Swedish Accounts Legislation was made and that is that:

- Information has to be given about the auditors of the company and their fees.[66]

2002
Until 2002, there were no changes regarding Personnel in the Swedish Accounts Legislation. BFN R4 was published in a new version in 2002. The following addition was made:

- The average number of employees and, salaries and other remunerations that are divided into countries, shall also include a presentation of specific joint-ventures.[67]

2005
From 2005 all consolidated accounts in Sweden are obligated to follow the IFRS/IAS regulations. Regarding personnel, parts of IAS 19 are applicable. The IAS 19 leaves few requirements regarding disclosure for short term compensations. It leaves references to

[60] Dahlin, 1997
[61] The Swedish Accounts Legislation, 5:17, FAR, 1996
[62] The Swedish Accounts Legislation, 5:18, FAR, 1996
[63] The Swedish Accounts Legislation, 5:20, FAR, 1996
[64] The Swedish Accounts Legislation, 5:21, FAR, 1996
[65] The Swedish Accounts Legislation, 5:23, FAR, 1996
[66] The Swedish Accounts Legislation, 5:21, FAR, 2000
[67] BFN R4, FAR, 2002

IAS 24 and IAS 1 that does not state anything other than RR 30.[68] However, for share-based payments there are several detailed requirements stated in sections 147- 152.[69]

The RR 30 is in most cases the same as the Swedish Accounts Legislation. The only new requirement is that:

- The spread between men and women on the board of directors, managing director and other people in the company management shall be disclosed by each function.[70]

2007
In the year 2007 there have been a few more amendments in RR 30 than the earlier version. These are:

- The total number of people on the board of directors and the company executive committee[71]
- Salaries and other remuneration shall be stated per individual for each of the member of the board, the managing director and former executives[72]
- Pensions or similar benefits shall also be stated per individual for each member of the board, the managing director and former executives.[73]

IAS 19 is the same as before with the exception that the part about share-based payment has been moved[74] and has created a new standard, IFRS 2 Share-based compensation, with disclosure requirements in sections 44- 52.[75] The new standard includes some changed requirements compared with 2005.

3.3.2 Accounting Principles

During the studied time period, the following disclosures regarding accounting principles were required:

1980
The Companies Act of 1975 requires the following disclosures regarding accounting principles:

- Changes in classification of items that would affect the comparability between years shall be given in the notes, balance sheet or income statement.[76]

[68] IAS 19, IFRS/IAS, 2005
[69] IFRS 2, IFRS/IAS, 2005
[70] RR 30, p.6, FAR, 2005
[71] RR 30, p.6, FAR SRS, 2007
[72] Ibid
[73] Ibid
[74] IAS 19, IFRS/IAS, 2007
[75] IFRS 2, IFRS/IAS, 2007
[76] The Companies Act, 11:8, FAR, 1986

- The company shall disclose the methods and valuations principles that have used when drawing up the consolidated financial statements.[77]

In the Accounting Act of 1976 the disclosure requirements of the notes are found. The following information shall be given:

- The basis for valuation of assets and liabilities and any change in valuation policies that might have affected the result remarkably.[78]
- The basis for depreciation of tangible assets and any changes of this basis.[79]
- Any other event that might have a significant effect on the judgment of the company's result and position.[80]

1985
Neither the Companies Act nor the Accounting Act has changed in the accounting principles area. BFN 24 and FAR 1 were both published in 1985 and refer to the Accounting Act of 1976 with the following additional text in FAR 1:

- In the balance sheet or in a note to this, information shall be given about what principles that are used for the translation of receivables and liabilities in foreign currency into SEK.[81]

1990
There have been no changes in the laws and regulations in this area between 1985 and 1990.

1995
The Swedish Accounts Legislation[82] in 1995 states what the Accounting Act and FAR already have stated, with no additions. RR 1[83] refers to the Companies Act chapter 11, section 11, which is the same as above. Furthermore, RR 2 *Inventory* and RR 4 *Extra ordinary incomes and costs*, both have sections in them that state that disclosure must be made about accounting principles, assumptions and judgments.[84]

RR 5 deals with the change of accounting principles and has the following disclosure requirement:

- Information shall be given when a change in accounting principles has occurred, including the reasons for such a change. If a change is made retroactive, the effect of shareholder's equity, effects on the actual accounting period and periods that are presented for comparison, need to be stated. If changes in assumptions and judgments

[77] The Companies Act, 11:11, FAR, 1986
[78] The Accounting Act, section 20, FAR, 1986
[79] Ibid
[80] Ibid
[81] FAR 1, FAR, 1986
[82] Chapter 5, section 2
[83] Section 70
[84] RR, FAR, 1996

will have a significant change of the year result, this must be stated in accordance with RR 4.[85]

2000

There are no changes in the law and the recommendations from RR are the same as before. However, some additional recommendations have been added. RR 7 *Cash flow*, RR 8 *Effects of changes in exchange rates*, RR 11 *Revenue* and RR 12 *Tangible assets* all have disclosure requirements regarding accounting principles.[86]

2002

The Swedish Accounts Legislation and the above mentioned recommendations from RR are the same and are still applicable, but some new ones have been added. RR 15 Intangible assets, RR 16 *Provisions, contingent liabilities and contingent assets*, RR 17 *Impairment of assets* and RR 21 *Borrowing costs*, all have disclosure requirements that need to be considered when drawing up consolidated accounts.[87]

The new recommendation RR 22, *Presentation of financial statements*, was not implemented until 2003, but was already a part of FAR in 2002. The recommendation is based on IAS 1 and contains some changes compared with the prior regulations:

- The company is encouraged to leave a financial overview where the company management explain the main features of the company's financial result and position and the main uncertainty that the company might be facing.[88]
- A company that follows the Financial Accounting Standards Councils recommendations shall give information about this.[89]
- The part of the notes that covers the accounting principles shall state the following;
  a) the valuation principle that has been used when preparing the financial accounts.
  b) every specific accounting principle that the users have to know about to be able to understand the financial reports.[90]

2005

Since the RR 22 is a replication of IAS 1, the introduction of IAS 1 does not contain any other disclosure requirements regarding accounting principles than RR 22[91]. IAS 8 deals with accounting policies, changes in accounting estimations and errors. It includes several of the previous requirements, with the following addition:

[85] RR 5, FAR, 1996
[86] RR, FAR, 2000
[87] RR, FAR, 2002
[88] RR 22, FAR, 2002
[89] Ibid
[90] Ibid
[91] IAS 1, p.8, 11, 91, 96-100, IFRS/IAS, 2005

- When there is a change in accounting principles, information shall also be given about adjusted amount for each affected period, and disclose that comparing information has been changed or that it may have been impossible to do so.[92]

For the following accounting standards, information shall be given about the accounting and valuation principles, assumptions and judgment that have been made; IAS 2 *Inventory*, IAS 11 *Construction contracts*, IAS 14 *Segment reporting*, IAS 16 *Tangible assets*, IAS 18 *Revenue*, IAS 19 *Employee benefits*, IAS 20 *Accounting for government grants*, IAS 22 *Business combinations*, IAS 23 *Borrowing costs*, IAS 26 *Accounting and reporting of retirement benefits plan*, IAS 28 *Investment in associates,* IAS 38 *Intangible assets* and IAS 40 *Investment property*.[93]

In addition to all the rules in IFRS/IAS, RR 30 is also applicable. It states that:

- If different valuation principles are used in the consolidated accounts than in the parent company, information shall be stated in the notes along with the reason for the difference.[94]

2007

In IAS 1, all the requirements from 2005 remains but some additional requirements have been added. Overall there are more details and more specified requirements. The number of requirements has increased from eight to twenty. Another new thing about the IAS 1 is that there are requirements dealing with uncertainty.[95]

IAS 8 has increased in number of requirements regarding accounting principles since 2005. The amount of requirements has become seven in comparison to the earlier two. As the case with IAS 1, the text has become more detailed and longer than before.[96]

Regarding other accounting standards requiring information about the accounting and valuation principles, assumptions and judgments, there have only been minor changes since 2005. IAS 22 *Business combinations* and IAS 28 *Investment in associates* do not longer require information about accounting principles, but IAS 36 *Impairment of assets* now does.[97]

IFRS 7 *Financial instruments: Disclosures and classification*, includes all the information that needs to be stated regarding financial instruments. There are a lot of detailed disclosure requirements in this standard.[98]

RR 30 is the same as in 2005 regarding accounting principles.[99]

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[92] IAS 8, p. 53, 57,IFRS/IAS, 2005
[93] IFRS/IAS, 2005
[94] RR 30, p. 8, FAR SRS, 2007
[95] IAS 1, p. 9, 14, 103, 107-123, IFRS/IAS, 2007
[96] IAS 8, p. 28-31, 39, 40, 49, IFRS/IAS, 2007
[97] IFRS/IAS, 2007
[98] IFRS 7, IFRS/IAS, 2007
[99] RR 30, FAR SRS, 2007

3.4 OTHER FACTORS AFFECTING DISCLOSURES

It is allowed to disclose voluntary information, in addition to what the law requires, in the notes. There are therefore several other factors affecting disclosures and not only law and regulations. In a study made by Cooke, he stated that there are a number of factors influencing the information disclosed in the financial statements[100]. In the figure below these different factors are shown.

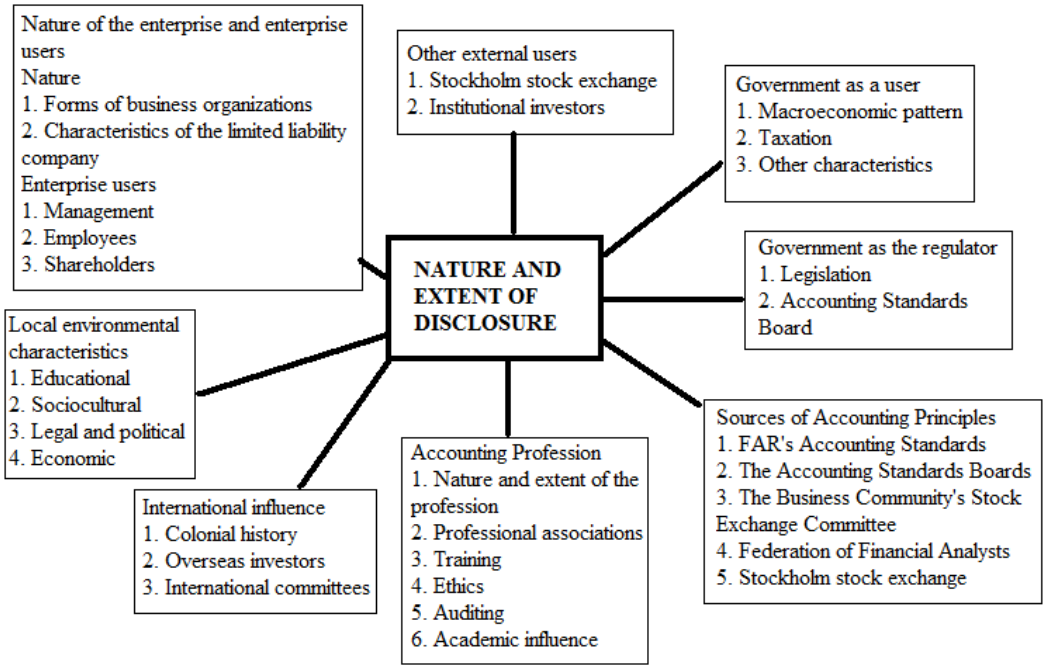

Figure A: Cooke (1989) *Figure showing factors influencing disclosure in Sweden*[101]

Number of enterprises and enterprise users has an impact on the disclosures when it comes to what type of companies that are active on the market and what type of owner structure that is dominating the market. Enterprise users have an impact on accounting when it comes to deciding how much information a company gives. The management may want to give the shareholders a lot of information so that they can make good investment decisions. This can also apply to the employees that have invested in the company.[102]

The stock exchange and institutional investors are examples of other external users that may benefit from disclosure in the annual report. Companies that are traded on the stock exchange need to meet certain requirements.[103]

[100] Cooke, 1989
[101] Ibid
[102] Ibid
[103] Ibid

The government is a user centred on the extent to which financial reporting is a part of macroeconomic pattern. The macroeconomic objectives may be assisted by influencing the levels of corporate investing. Investments may depend on influences such as tax reliefs and regional or industrial sector basis.[104]

The accounting profession can be an important influence when it comes to determine the disclosures. A great deal of the regulations comes from the profession that has been organised into larger groups, for example FAR and RR.[105]

International influence has been an increasingly more important influence on disclosure. The influence form Germany has been strong historically and in later years, influences from the US and the rest of Europe have been more dominating. Events that occur in other countries will then have an effect on the Swedish accounting regulations.[106]

Local environmental characteristics contain diverse factors such as the nature and state of the economy as well as cultural attitudes. Economic development can affect cultural attitudes and bring changes in legal, political and educational objectives which in turn can affect the accounting practice.[107]

[104] Cooke, 1989
[105] Ibid
[106] Ibid
[107] Ibid

4. EMPIRICAL RESULTS

In this chapter the empirical results that were found when reviewing the annual reports will be presented. It begins with the total amount of words, followed by the results from our chosen groups; Personnel and Accounting principles. The chapter ends with the empirical results in the other groups.

The empirical results as a whole can be found in the appendix.

4.1 TOTAL AMOUNT OF WORDS

Just by looking at the annual reports, one can see that there has been a change. The thickness of the annual reports differs a lot from 1980 to 2007. To be able to analyse this change, the total amount of words in the notes to the consolidated statements has been counted, including relevant references made to other parts of the annual report. The result is shown in chart 1 below.

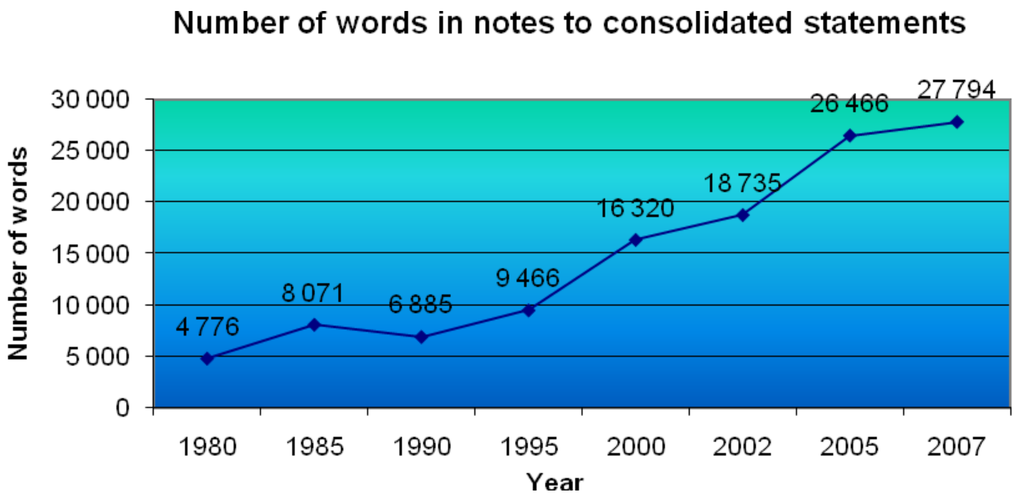

Chart 1: Number of words in notes to consolidated statements

The total increase of words between the evaluated years, 1980 and 2007, was 23,018 words, or 482.0 %. There was an increase of words every year except from 1985 to 1990. In the year 1980, the number of words was 4,776 and increased to 8,071 in the year 1985, which is an increase of 3,295 words (69.0 %). In year 1990, the total amount of words decreased with 1,186 words to 6,885, (14.7 %). The next five-year period resulted in an increase of 2,581 words (37.5 %), to a total of 9,466 words. To the year 2000, a big change is to be seen; an increase of 6,854 words (72.4 %) compared with the year 1995. In the next five-year period there was an increase of 10,146 words (62.2 %), where the largest increase was between 2002 and 2005; 7,731 words (41.3 %).

4.2 CHOSEN GROUPS FOR DEEPER ANALYSIS

When deciding which explanatory notes to investigate further, the result from the word count of the annual reports became the basis for our decision. One group that had changed a lot over the whole period and one that had changed a lot in the past few years were chosen for a further study.

4.2.1 Personnel

As shown in chart 2, the group *Personnel* was first disclosed in the notes in 1995. The number of words has thereafter increased every year. Between the years 1995 and 2000, there was an increase of 694 words and during the next five-year period the increase was 637 words. Two years later, in year 2007, the number of words was 3,095, an increase of 940 words.

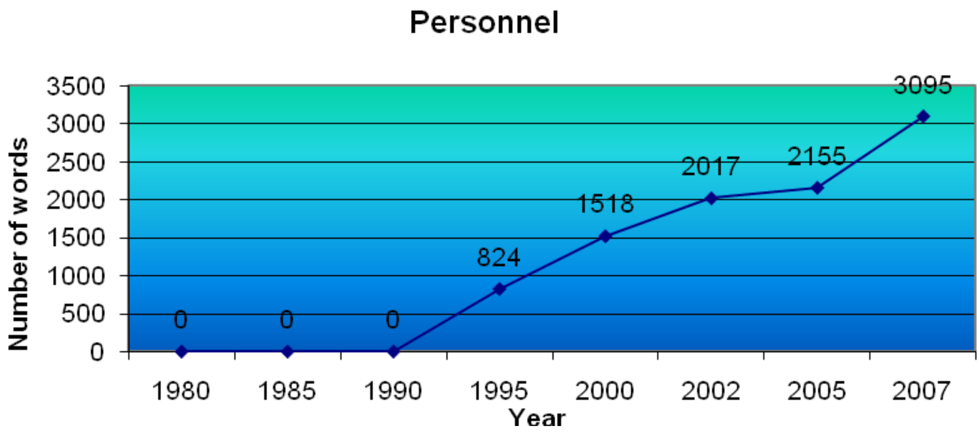

Chart 2: Personnel

The zeros in the years 1980, 1985 and 1990 do not quite give a fair view. In these years, the regulation required the information regarding personnel to be disclosed in the administration report. Since this thesis only includes the notes to the consolidated financial statements, this information is not included in the chart. We have, however, counted the relevant words that were disclosed in the administration reports, with the following result:
1980: 208 words
1985: 568 words
1990: 869 words

The result shows an interesting pattern. Including the information given in the administration report in 1980, the amount of disclosures has increased with 2,887 words (1,488 %) during the last 27 years.

The relative importance of the group *Personnel* has, however, not changed considerably. The percentage of words in the *Personnel* group, compared with the total amount of words in the notes to the consolidated financial statements was as follows:

1995: 10.2 %	2005: 8.1 %
2000: 9.3 %	2007: 11.1 %
2002: 10.8 %	

To be able to analyse the changes in the group deeper, subcategories were created and the words were counted for each of them. The results are shown in table 4 below. The subcategory *Employee stock- and share-based programs* has increased the most; 1,257 words from 1995 to 2007. *Terms of employment of other senior executives* is the subcategory with the second largest increase; 555 words. The two categories dealing with information specified by country/region have decreased with 133 words.

Information	**1995**	**2000**	**2002**	**2005**	**2007**
Salary for the Board of Directors	72	90	97	126	204
Terms of Employment of the CEO	165	299	433	339	448
Terms of Employment of Other Senior Executives	292	262	336	443	847
Avarage Number of Employees by Country/Region	158	100	100	130	128
Wages & Salaries by Country/Region	147	47	47	44	44
Employee Stock- and Share-based programs		556	869	902	1257
Wages & Salaries & Social Cost		161	129	140	167

Table 4: Subcategories in Personnel

Since *Fees to the auditor* is a part of personnel in the regulations, the result from this group is presented under this headline. As shown in chart 3, information regarding fees to the auditors was first included in the year 2000. It has then been constant until the year 2007, with the largest difference of only 22 words.

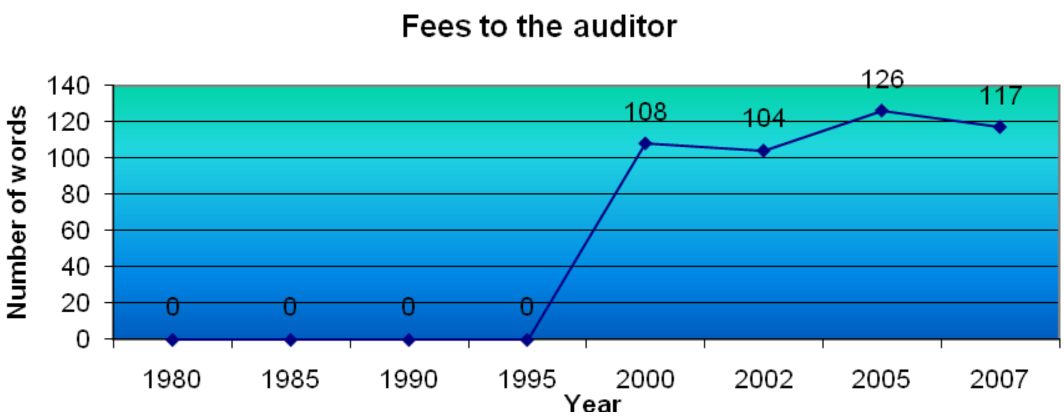

Chart 3: Fees to the auditors

4.2.2 Accounting Principles

As chart 4 shows, *Accounting Principles* is one group where the amount of information is rather constant during the first two decades of the study. Just minor changes were found. Between the years 2000 and 2007, the change is, however, more remarkable. The total change during the period 1980 and 2007 was an increase of 4,947 words (239.9 %).

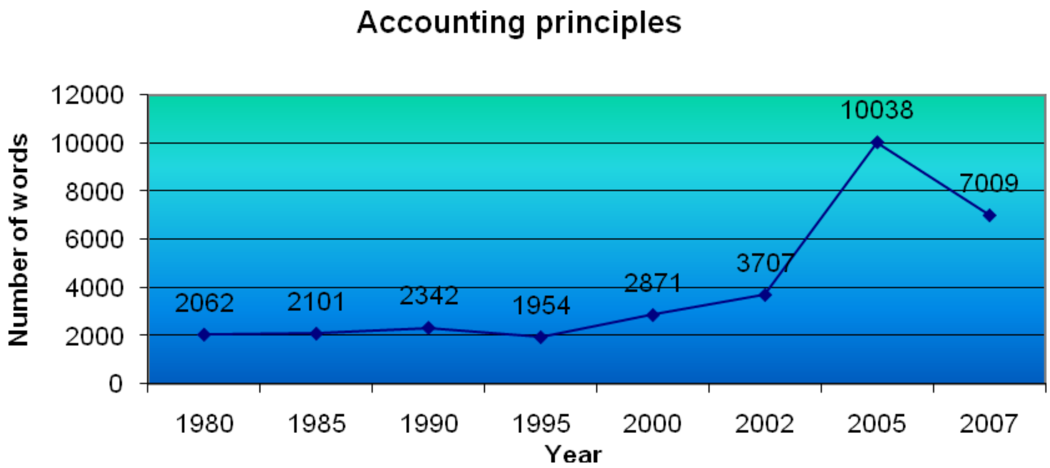

Chart 4: Accounting principles

Between the years 1980 and 1990, there were just minor increases. Between 1990 and 1995, the amount of words decreased with 388, but until year 2000, it increased instead with 917 words. During the next two years there was an increase of 836 words. Between 2002 and 2005 the largest difference was found and the increase was as high as 6,331 words. Two years later, the numbers had decreased with 3,029 words to 7,009.

The relative importance of the group *Accounting principles*, does not follow any given pattern. The percentage of words in the group, compared with the total amount of words in the notes to the consolidated financial statements was as follows:

1980: 45 %	2000: 18 %
1985: 26 %	2002: 20 %
1990: 34 %	2005: 38 %
1995: 21 %	2007: 25 %

Table 5 shows where the information changes have been. During the studied years, the number of words has increased in all of the categories. The largest differences were found in the categories *Specific accounting policies*; an increase of 2,045 words, and *Key sources of estimation uncertainty*; an increase of 1,783 words. Information to the latter category was first found in 2005.

Information	**1980**	**1985**	**1990**	**1995**	**2000**	**2002**	**2005**	**2007**
General					311	336	188	191
Changes in accounting principles	399	111	435	313	565	948	4086	1008
Principles of consolidation	353	297	345	269	291	328	392	682
Specific accounting policies	1294	1693	1562	1372	1704	2095	3623	3339
Key sources of estimation uncertainty							1755	1783

Table 5: Subcategories in Accounting principles

4.3 NUMBER OF WORDS IN SPECIFIC GROUPS

When counting the number of words in the explanatory notes, the result was hard to analyse further. They were therefore classified into different headlines and main groups. This made it possible to see what had changed over the last years and in what areas the main differences could be seen.

To be able to see where the changes have been, the development of the relative importance of each group is of interest. To see the results for each year, see appendix III. The results for the first year, 1980, and for the last year, 2007, are presented in charts 5 and 6. These charts have been presented in order to be able to see the results for the different groups and how their relative importance have changed.

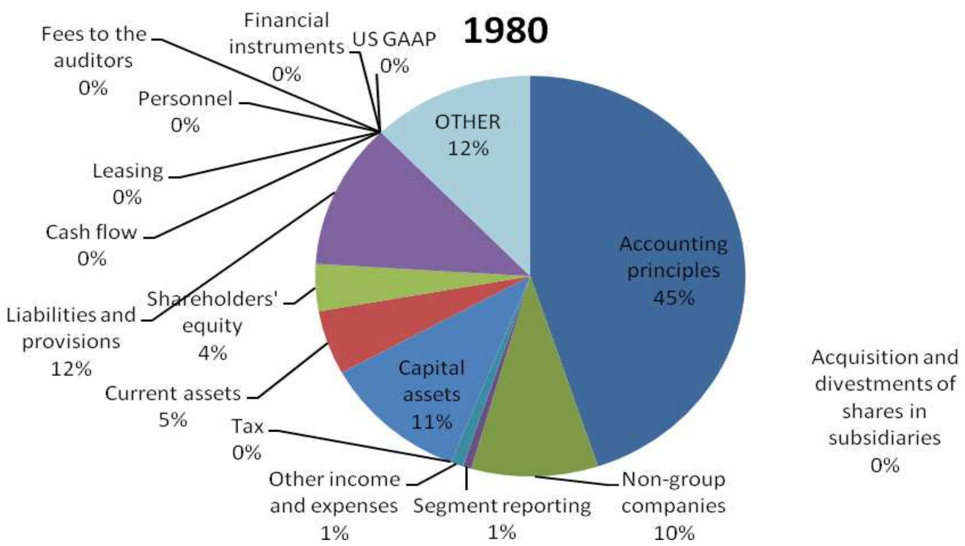

Chart 5: Each group in % for 1980

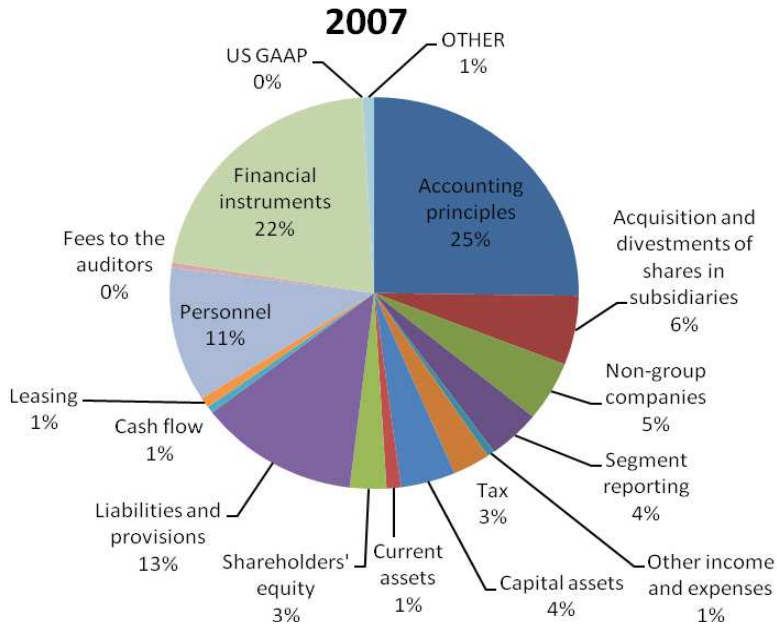

Chart 6: Each group in % for 2007

A presentation of the different groups is shown below. The results for *Other income and expenses* and *Other notes* are not presented since they are of less importance for the study. Charts on all groups are shown in Appendix IV.

The results for *Acquisitions and divestments of shares in subsidiaries* are shown in table 6. It started with zero in 1980, increased thereafter in 1985 up to the highest level in the study. There has been a large fluctuation in the result during the period. It goes up to high levels in both 2000 and 2007. In 1985, the group constituted 26 % of the notes and even if the amount of words is almost back at the same level in 2007, the percentage is only 6.

1980	1985	1990	1995	2000	2002	2005	2007
0	1731	230	965	1545	850	668	1590

Table 6: Acquisitions and divestments of shares in subsidiaries

For disclosures regarding *Non-group companies*, the same type of fluctuations can be seen in the first years. It increased a lot in 1995 and decreased then until 2000. After 2000 it stayed rather consistent and there were no major changes. This group represented 10 % of the total amount of words in 1980, compared with 5 % in 2007.

1980	1985	1990	1995	2000	2002	2005	2007
438	42	596	1750	1288	1271	1263	1376

Table 7: Non-group companies

Segment reporting shows a different trend. In the first years, there was basically no information about this group in the explanatory notes, and it stayed that way until 2000 when it was included again. During the last seven years, there has been a large increase of words in this group. In 2007 it constituted 4 % of the total amount of words to be compared with 1 % in 1980.

1980	1985	1990	1995	2000	2002	2005	2007
29	0	0	0	174	371	926	1157

Table 8: Segment reporting

Disclosures regarding *Tax* have, except from 1980, always been included in the annual reports. There has been an increase in the amount of words, but it was nothing remarkable and the percentage for each year is not that high, 3 % 2007 and 0 % 1980.

1980	1985	1990	1995	2000	2002	2005	2007
0	355	217	324	571	503	543	821

Table 9: Tax

Capital assets disclosures included rather many words already in 1980. It was 11 % of the total amount of words. It dropped quite a lot in 1985 and there is basically not any change between the years 1995 and 2002. There was an increase with 355 words until 2005 and the increase continued with 355 to 2007, which was 4 % of the total amount of words. The increase in this group is almost solely a result of an increase in intangible assets.

1980	1985	1990	1995	2000	2002	2005	2007
504	181	233	494	504	491	846	1201

Table 10: Capital assets

Current assets disclosures shows a rather straight line but have decreased in relative importance. It was 5 % in 1980 and only 1 % in 2007.

1980	1985	1990	1995	2000	2002	2005	2007
283	180	222	205	346	313	256	314

Table 11: Current assets

The result of *Shareholders' equity* showed that the fluctuations in this group have been rather signinficant. It had a major peak in 1990 with 15 % of the total amount of words. The relative importance in 1980 was 4 % compared with 3 % in 2007.

1980	1985	1990	1995	2000	2002	2005	2007
174	562	1000	374	483	510	257	800

Table 12: Shareholders' equity

Liabilities and provisions had the largest increase of words between 2002 and 2005, 1,215 words. The overall increase in words have also been significant, but if one is to look at the percentage of the total amount of words, liabilities and provisions stays between 8 and 12 %.

1980	1985	1990	1995	2000	2002	2005	2007
541	677	740	898	1426	1890	3105	3507

Table 13: Liabilities and provisions

Disclosures regarding *Cash flow* have not constituted any large part of the explanatory notes. The first time it was included was in 2000 and has since 2002 decreased.

1980	1985	1990	1995	2000	2002	2005	2007
0	0	0	0	307	326	247	157

Table 14: Cash flow

Also not the information about *Leasing* has constituted any large part of the explanatory notes. There has been some increase in words but nothing significant.

1980	1985	1990	1995	2000	2002	2005	2007
0	49	50	138	217	241	228	236

Table 15: Leasing

Financial instruments was a note in the annual report for the first time in 2000 and had then as much as 1770 words. It was 11 % of the total amount of words that year. There was a small decrease in words until 2002, but until 2005 there was an increase of 1000 words. The most significant change was the increase with almost 3300 words until 2007. The relative importance was 22 % in 2007.

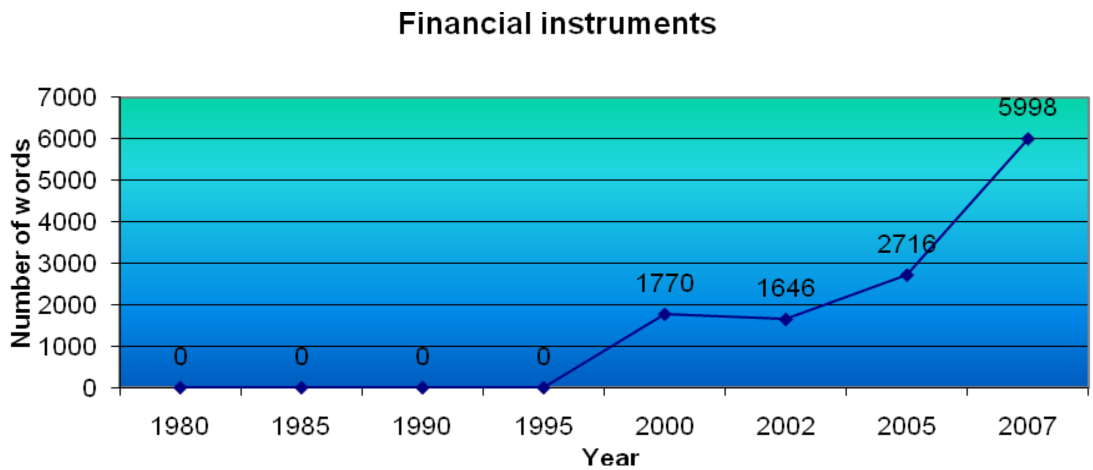

Chart 7: Financial instruments

Disclosures regarding *US GAAP* were included in the explanatory notes between 1985 and 2005.

1980	1985	1990	1995	2000	2002	2005	2007
0	1513	816	1385	2864	4052	2671	0

Table 16: US GAAP

5. ANALYSIS AND CONCLUSIONS

In this chapter the empirical results will be analysed based on the theoretical information presented in chapter three. The amount of information in the notes between the evaluated years will be compared. Thereafter, a concluding discussion and suggestions for further studies are presented.

5.1 ANALYSIS

There are several regulations requiring disclosures in the annual reports. During the last few decades, the regulations have gone through a significant change. International regulations have influenced Sweden and a number of new standard-setting bodies have been developed which has resulted in many new standards in the disclosure area. Since it is allowed to disclose voluntary information in addition to what the regulation requires, other factors than regulations can influence what companies disclose in the explanatory notes.

Accounting theory says that a company benefits from disclosures since this reduces both the asymmetric information and the cost of capital. This could also be a reason for a change in the amount of disclosures. The empirical results in this study show an enormous increase in amount of words during the last few decades. The increase is as large as 482 %. The results show an obvious trend where the numbers of words have increased over time.

5.1.1 Total Amount of Words and Specific Groups

The remarkable change in words can be a result of different factors. It is partly due to the fact that the amount of words in the existing groups in 1980 has increased. As the groups have changed differently, their relative importance has also changed. For example constituted *Accounting principles* about 45 % of the notes in 1980, compared with 25 % in 2007. The other reason is that the amount of areas has increased from 1980 until 2007. There was a considerable spread of the different areas in 2007, which was not the case in 1980 when less areas were represented in the explanatory notes.

During the evaluated years, the amount of words had increased significantly in two specific periods. The largest increase was found between 2002 and 2005. This change is mostly due to the fact that the groups *Changes and effects in accounting principles*, *Provisions for post-employment benefits*, and *Financial instruments* all had a significant increase. The group *Changes and effects in accounting principles* is a direct effect of the implementation of IFRS. It is, however, not due to regulation changes in the group *Accounting principles*, but due to the fact that information regarding changed accounting principles has to be disclosed. The second largest increase was between 1995 and 2000, which is mostly due to a large increase in *Financial instruments, US GAAP* and *Accounting principles*.

One interesting aspect in the notes for 2007 is that they do not include any information regarding US GAAP. After 2005 when this information, which represented more than 2,600 words, no longer was required, the amount of words in 2007 had still increased with more than 1,000 words. The largest part of this increase is to be seen in the group *Financial instruments*. During these two years, the amount of words in that group has increased with as much as 3,282 words.

The development of the group *Financial instruments* is most likely due to the fact that it has become more common with financial instruments and that new regulations have been implemented. There was for instance a new standard (IFRS 7) regarding disclosures and classification for financial instruments that Volvo started to apply in 2007 and the effects on the increase in words could be seen directly.

5.1.2 Personnel

The group *Personnel* has a rather consistent increase from year to year. The largest increases are to be seen between the years 2005-2007 and 1995-2000.

Between 1995 and 2000 there were no changes in regulation regarding personnel. Despite this, the amount of words increased with 694. Hence, the differences, in this case, are not a result of changes in regulation, but must be a result of other factors. The most new words were found regarding *Employee stock & share-based programs* (556 words).

Between 2000 and 2002 the words increased with 499 words, with the largest change in *Employee stock & share-based programs* (313 words). The only regulation change between these years was regarding information given about average number of employees and salaries per country. This information has, however, not changed in amount of words and is exactly the same. Hence, these differences are also not a result of changes in regulation.

Between 2002 and 2005 there was an increase of 138 words regarding personnel. There were two regulation changes between these years. The first one was that IAS 19 stated more about share-based payments than the previous regulations Volvo had to follow. The second one was that the spread between men and women on the board of directors, managing director and other people in the company management should be disclosed by each function. If the amount of words would be a result of changes in regulation, these new regulations should have led to an increase in the groups *Employee stock- and share-based programs* and *Average number of employees*. The first regulation did not result in any increase of words, but the second new regulation made an increase of 55 words in the latter subcategory.

Between 2005 and 2007 the largest difference was found; an increase of 940 words. The subcategories where the largest increases were found were: *Terms of employment of the other senior executives, Employee stock- and share-based programs* and *Terms of* *employment of the CEO*. The regulation changes during these years have been regarding share-based compensation (a new separate standard was implemented) and regarding the board of directors. The first regulation change could be connected to the increase in *Employee stock- and share-based programs*, but the regulation change in the latter group did not lead to any increase in amount of words.

The information regarding personnel was not included in the explanatory notes until 1995, but was before that, required in the administration report. This made the effects not as remarkable as they at first appeared.

5.1.3 Accounting Principles

The group *Accounting Principles* has been rather constant during the first two decades of the study. However, between the years 2000 and 2007, the change is more remarkable.

Between 1980 and 1985 there was no significant change. There were, however, differences in the subcategories; an increase in *Specific accounting policies* and a decrease in *Changes and effects of accounting principles*. Even if every company has to make its own judgments about which accounting principles the user may want to know about, recommendations from standard-setting bodies might be used as guideline. During the period, a new recommendation from FAR dealt with accounting principles regarding foreign currencies. This specific group had an increase of 267 words in Volvo's annual report. This increase might have been affected by the new recommendation, but certain conclusions are difficult to draw.

The next considerable change was between 1995 and 2000 where the amount of words increased with 917. The largest increases were in *General*, *Changes and effects of accounting principles* and *Specific accounting policies*. Even though there were no changes in regulations regarding accounting principles, only new standards in other areas, there was still an increase in amount of words.

Between 2000 and 2002, the amount of words increased with 836. The largest increases were found in *Changes and effects of accounting principles* and *Specific accounting policies*. Due to the fact that Volvo did not implement RR 22 until year 2003, there had been no regulation changes in this area during the period.

Between 2002 and 2005 the by far largest increase was found; 6331 words. The largest increase was within *Changes and effects of accounting principles* which, as discussed above, was a result of the implementation of IFRS. The most interesting change was, however, within *Key sources of estimation uncertainty* which turned up for the first time. During this period, new regulations with this kind of requirement were implemented by Volvo; first through RR 22 and in 2005 through IAS 1. This new requirement has resulted in this new group in the explanatory notes, including more than 1700 words.

The decrease of 3,029 words between 2005 and 2007 is mainly due to the fact that there is less information about changes and effects from the implementation of IFRS.

5.2 FINAL CONCLUSIONS

The purpose of this thesis was to determine how the amount of disclosures in annual reports has changed over time, which areas that have changed the most and if these differences are the result of changes in regulations.

The results show that there has been a remarkable change during the last few decades. The increase over the studied years was enormous. There was an increase in every year, except from one and the increases follow, to a certain amount, the pattern of regulation changes. The largest changes were to be seen in the groups *Accounting principles* and *Financial instruments*. Since *Accounting Principles* includes *Changes and effects in accounting principles*, an increase in this group can be an indication that companies have to take many new regulations into consideration when drawing up the annual reports.

The changes in *Personnel* can, in some degree, be seen in changes in the laws and regulations. The findings show that some smaller changes in this group were a direct result of regulation changes. The largest increases was, however, in *Employee stock & share-based programs*, which is one area where the regulations have changed in the last few years. The increase in amount of words in this group was, however, also found when there had been no regulation changes. Hence, these changes depend on other factors than regulation changes. These factors could be that stock- and share-based programs have become more common in the latest years, and that expectations on this kind of disclosures are higher in today’s business environment, partly due to the scandals within this area.

5.3 SUGGESTIONS FOR FURTHER STUDIES

The most interesting area to study further is to analyse when the costs of regulation are higher than the benefits. It could be interesting to analyse it from a user perspective; who is interested in the information that is given in the explanatory notes and what information do they actually use?

It could also be interesting to study other factors than regulation affecting companies in their decisions regarding information in the explanatory notes.

As this thesis is a case study of Volvo, it might be of interest to study other companies or compare different lines of business to see if the trends differ. A new study could also constitute a deeper analysis of all the areas in the notes.

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APPENDIX

Appendix I : Empirical results for the headlines in the notes

Appendix II : Empirical results for accounting principles

Appendix III : Empirical results for the total amount of words for each year

Appendix IV : Empirical results for the different groups

APPENDIX I: Empirical results for the headlines in the notes

1980 Headline		Number of words	1985 Headline		Number of words
Accounting Principles		**2062**	**Accounting Principles**		**2101**
Accounting principles	1728		1. Accounting policies	2101	
Effects of changes in accounting principles	334				
Acquisition and divestments of shares in subsidiaries		**0**	**Acquisition and divestments of shares in subsidiaries**		**1731**
			2. Aquisitions and dispositions	1731	
Non-Group companies		**438**	**Non-Group companies**		**42**
4. Shares and participations	438		10. Minority interests	42	
Segment reporting		**168**	**Segment reporting**		**0**
13. Sales	168				
Other income and expenses		**44**	**Other income and expenses**		**18**
16. Exchange differences	44		5. Foreign exchange gain (loss)	18	
Tax		**0**	**Tax**		**355**
			9. Taxes	355	
Capital assets		**504**	**Capital assets**		**181**
5. Property, plant and equipment	242		4. Depreciation and amortization	48	
9. Accumulated extra depreciation	47		16. Property, plant and equipment	74	
15. Depreciation	69		17. Intangible assets	59	
18. Extra depreciation	146				
Current assets		**283**	**Current assets**		**180**
1. Loans, short-term notes and receivables	205		11. Cash in banks	13	
2. Inventories	78		12. Temporary investments	60	
			13. Receivables	73	
			14. Inventories	34	
Shareholders' equity		**174**	**Shareholders' equity**		**562**
10. Shareholders' equity	174		21. Shareholders' equity	562	
Liabilities and provisions		**541**	**Liabilities and provisions**		**677**
6. Current liabilities	172		7. Provision for employee bonus	84	
7. Long-term liabilities	282		18. Current liabilities	131	
11. Assets pledged	52		19. Long-term debt	299	
12. Contingent liabilities	35		20. Provision for pensions	67	
			23. Assets pledged	59	
			24. Contingent liabilities	37	
Cash flow		**0**	**Cash flow**		**0**
Leasing		**0**	**Leasing**		**49**
			22. Leasing	49	
Personnel		**0**	**Personnel**		**0**
Fees to the auditors		**0**	**Fees to the auditors**		**0**

Financial instruments		**0**	**Financial instruments**		**0**
U.S. GAAP		**0**	**U.S. GAAP**		**1513**
			26. Generally Accepted Accounting Principles in the United States (U.S. GAAP)	1513	
Other notes		**562**	**Other notes**		**662**
3. Blocked accounts in Bank of Sweden	55		3. Cost of sales	44	
8. General inventory reserves	32		6. Extraordinary income (expense)	18	
14. Cost of operations	115		8. Untaxed reserves	348	
17. Income after financial income and expenses	250		15. Restricted deposits in Bank of Sweden	61	
19. Extra appropriation to insurance reserve, etc.	34		25. Replacement cost information (unaudited)	191	
20. Net income	76				
	4776			**8071**	

1990 Headline		Number of words	1995 Headline		Number of words
			"Pre text"	29	
Accounting Principles		**2342**	**Accounting Principles**		**1954**
1. Accounting policies	2342		1. Accounting principles	1954	
Acquisition and divestments of shares in subsidiaries		**230**	**Acquisition and divestments of shares in subsidiaries**		**965**
2. Acquisitions and divestments of shareholdings in subsidiaries	230		2. Acquisitions and divestments of shareholdings in subsidiaries	965	
Non-Group companies		**596**	**Non-Group companies**		**1750**
6. Income from equity method investments	129		6. Income (loss) from equity method investments	406	
9. Minority interests	17		7. Gain on sales of securities	55	
17. Investments in shares	450		10. Minority interests	59	
			15. Investments in shares	1230	
Segment reporting		**0**	**Segment reporting**		0
Other income and expenses		**16**	**Other income and expenses**		**23**
7. Foreign exchange gain (loss)	16		8. Other financial income and expense	23	
Tax		**217**	**Tax**		**324**
10. Taxes	217		9. Taxes	324	
Capital assets		**233**	**Capital assets**		**494**
3. Depreciation and amortization	65		3. Depreciation and amortization	60	
16. Property, plant and equipment	124		14. Property, plant and equipment	231	
18. Intangible assets	44		16. Long-term receivables and loans	47	
			17. Intangible assets	156	
Current assets		**222**	**Current assets**		**205**
11. Liquid funds	129		11. Liquid funds	92	
12. Receivables	64		12. Receivables	84	
13. Inventories	29		13. Inventories	29	
Shareholders' equity		**1000**	**Shareholders' equity**		**374**
24. Shareholders' equity	1000		21. Shareholders' equity	374	

Liabilities and provisions		**740**
19. Current liabilities	143	
20. Long-term debt	337	
21. Accruals for pensions, Pension costs	123	
22. Other long-term liablities	21	
23. Deferred tax liability in untaxed reserves	13	
26. Assets pledged	51	
27. Contingent liabilities	52	
Cash flow		**0**
Leasing		**50**
25. Leasing	50	
Personnel		**0**
Fees to the auditors		**0**
Financial instruments		**0**
U.S. GAAP		**816**
29. Generally Accepted Accounting Principles in the United States (U.S. GAAP)	816	
Other notes		**423**
4. Operating income	26	
5. Restructuring costs	106	
8. Extraordinary income (expense)	58	
14. Investments in bonds	18	
15. Restricted deposits in Bank of Sweden	39	
28. Replacement cost information (unaudited)	176	
	6885	

Liabilities and provisions		**898**
18. Current liabilities	266	
19. Long-term debt	273	
20. Accruals for post-retirement benefits	163	
22. Assets pledged	78	
23. Contingent liabilities	118	
Cash flow		**0**
Leasing		**138**
24. Leasing	138	
Personnel		**824**
25. Personnel	824	
Fees to the auditors		**0**
Financial instruments		**0**
U.S. GAAP		**1385**
	1385	
Other notes		**103**
4. Nonrecurring items	73	
5. Operating income	30	
	9466	

2000 Headline		**Number of words**
Accounting Principles		**2871**
1. Accounting principles	2871	
Acquisition and divestments of shares in subsidiaries		**1545**
2. Acquisitions and divestments of shares in subsidiaries	1545	
Non-Group companies		**1288**
7. Income from investments in associated companies	195	
8. Income from other investments	94	
11. Minority interests	61	
13. Shares and participations	938	
Segment reporting		**174**
3. Net sales	174	
Other income and expenses		**70**

2002 Headline		**Number of words**
Accounting Principles		**3707**
1. Accounting principles	3707	
Acquisition and divestments of shares in subsidiaries		**850**
2. Acquisition and divestments of shares in subsidiaries	850	
Non-Group companies		**1271**
5. Income from investments in associated companies	211	
6. Income from other investments	116	
11. Minority interests	83	
13. Shares and participations	861	
Segment reporting		**371**
3. Net sales	371	
Other income and expenses		**125**

4. Other operating income and expenses	51	
9. Other financial income and expenses	19	
Tax		**571**
10. Taxes	571	
Capital assets		**504**
12. Intangible and tangible assets	385	
14. Long-term customer-financing receivables	47	
15. Other long-term receivables	72	
Current assets		**346**
16. Inventories	77	
17. Short-term customer-financing receivables	55	
18. Other short-term receivables	134	
19. Marketable securities	59	
20. Cash and bank accounts	21	
Shareholders' equity		**483**
21. Shareholders’ equity	483	
Liabilities and provisions		**1426**
22. Provisions for post-employment benefits	248	
23. Other provisions	57	
24. Non-current liabilities	407	
25. Current liabilities	167	
26. Assets pledged	54	
27. Contingent liabilities	493	
Cash flow		**307**
28. Cash flow	307	
Leasing		**217**
29. Leasing	217	
Personnel		**1518**
30. Personnel	1518	
Fees to the auditors		**108**
31. Fees to the auditors	108	
Financial instruments		**1770**
32. Financial risks	1770	
U.S. GAAP		**2864**
33 Net income and shareholders’ equity in accordance with U.S. GAAP	2864	
Other notes		**258**
5. Items affecting comparability	125	
6. Operating income	133	
	16320	

4. Other operating income and expences	103	
9. Other financial income and expenses	22	
Tax		**503**
10. Taxes	503	
Capital assets		**491**
12. Intangible and tangible assets	420	
14. Long-term customer-financing receivables	27	
15. Other long-term recievables	44	
Current assets		**313**
16. Inventories	76	
17. Short-term customer-financing recievables	31	
18. Other short-term recievables	135	
19. Marketable securities	50	
20. Cash and bank accounts	21	
Shareholders' equity		**510**
21. Shareholders' equity	510	
Liabilities and provisions		**1890**
22. Provisions for post-employment benefits	686	
23. Other provisions	104	
24. Non-currents liabilities	326	
25. Current liabilities	176	
26. Assets pledged	57	
27. Contingent liabilities	541	
Cash flow		**326**
28. Cash flow	326	
Leasing		**241**
29. Leasing	241	
Personnel		**2017**
30. Personnel	2017	
Fees to the auditors		**104**
31. Fees to the auditors	104	
Financial instruments		**1646**
32. Financial risks	1646	
U.S. GAAP		**4052**
33. Net income and shareholders' equity in accordance with U.S GAAP	4052	
Other notes		**318**
7. Restructuring costs	188	
8. Operating income (loss)	130	
	18735	

2005		
Headline	Number of words	
Accounting Principles		**10038**
1. Accounting principles	4675	
2. Key sources of estimation uncertainty	1749	
3. Impact of IFRS	3614	
Acquisition and divestments of shares in subsidiaries		**668**
4. Acquisition and divestments of shares in subsidiaries	668	
Non-Group companies		**1263**
5. Joint ventures	232	
6. Associated companies	126	
9. Income from investments in associated companies	189	
10. Income from other investments	83	
13. Minority interests	41	
15. Shares and participations	592	
Segment reporting		**926**
7. Segment reporting	926	
Other income and expenses		**162**
8. Other operating income and expenses	100	
11. Other financial income and expenses	62	
Tax		**543**
12. Income taxes	543	
Capital assets		**846**
14. Intangible and tangible assets	801	
16. Long-term customer-financing receivables	21	
17. Other long-term receivables	24	
Current assets		**256**
18. Inventories	73	
19. Short-term customer-financing receivables	26	
20. Other short-term receivables	101	
21. Marketable securities	40	
22. Cash and cash equivalents	16	
Shareholders' equity		**257**
23. Shareholders' equity	257	
Liabilities and provisions		**3105**
24. Provisions for post-employment benefits	1735	
25. Other provisions	114	
26. Non-current liabilities	296	
27. Current liabilities	136	
28. Assets pledged	55	
29. Contingent liabilities	769	
Cash flow		**247**
30. Cash flow	247	
Leasing		**228**
31. Leasing	228	
Personnel		**2155**

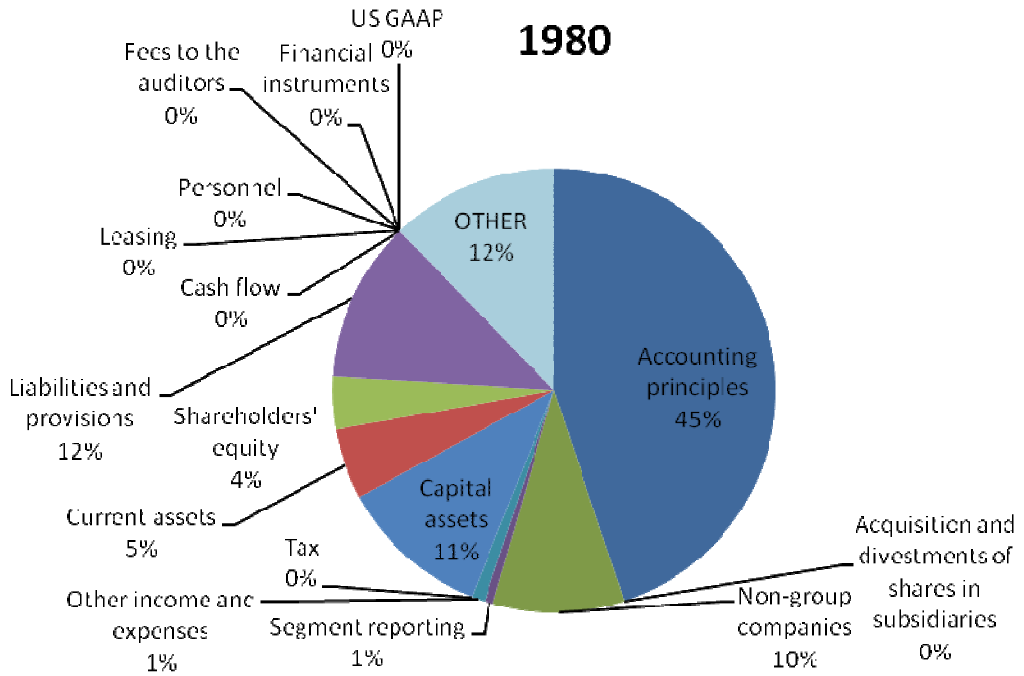
2007		
Headline	Number of words	
Accounting Principles		**7009**
1. Accounting principles	5134	
2. Key sources of estimation uncertainty	1789	
3. Transition to IFRS	86	
Acquisition and divestments of shares in subsidiaries		**1590**
4. Acqusition and divestments of shares in subsidiaries	1590	
Non-Group companies		**1376**
5. Joint ventures	229	
6. Associated companies	204	
9. Income from investments in associated companies	96	
10. Income from other investments	66	
13. Minority interests	65	
15. Shares and participations	716	
Segment reporting		**1157**
7. Segment reporting	1157	
Other income and expenses		**162**
8. Other operating income and expenses	95	
11. Other financial income and expenses	67	
Tax		**821**
12. Income taxes	821	
Capital assets		**1201**
14. Intangible and tangible assets	1098	
16. Long-term customer-financing receivables	73	
17. Other long-term receivables	30	
Current assets		**314**
18. Inventories	73	
19. Short-term customer-financing receivables	59	
20. Other short-term receivables	130	
21. Marketable securities	36	
22. Cash and cash equivalents	16	
Shareholders' equity		**800**
23. shareholders' equity	800	
Liabilities and provisions		**3507**
24. Provisions for post-employment benefits	1996	
25. Other provisions	123	
26. Non-current liabilities	372	
27. Current liabilities	149	
28. Assets pledged	46	
29. Contingent liabilities	821	
Cash flow		**157**
30. Cash flow	157	
Leasing		**236**
31. Leasing	236	
Personnel		**3095**

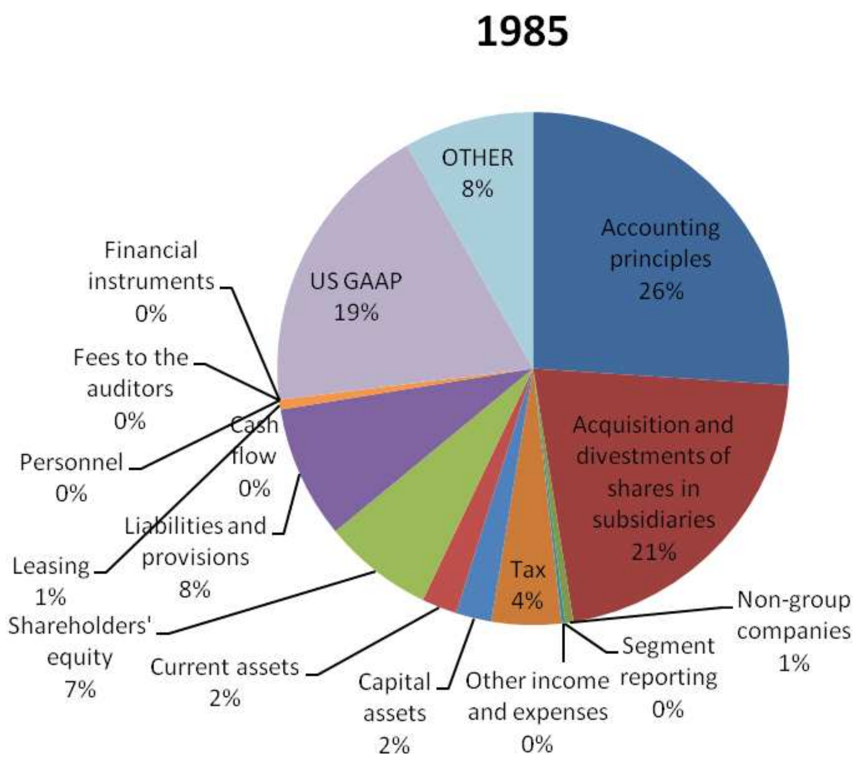
34. Personnel	2155		34. Personnel	3095	
Fees to the auditors		**126**	**Fees to the auditors**		**117**
35. Fees to the auditors	126		35. Fees to the auditor	117	
Financial instruments		**2716**	**Financial instruments**		**5998**
36. Financial risks and instruments	2716		36. Goals and policies in financial risk management	2457	
			37. Financial instruments	3541	
U.S. GAAP		**2671**	**U.S. GAAP**		**0**
37. Net income and shareholders' equity in accordance with US GAAP	2671				
Other notes		**259**	**Other notes**		**254**
32. Transactions with related parties	220		32. Transactions with related parties	182	
33. Government grants	39		33. Government grants	72	
	26466			**27794**	

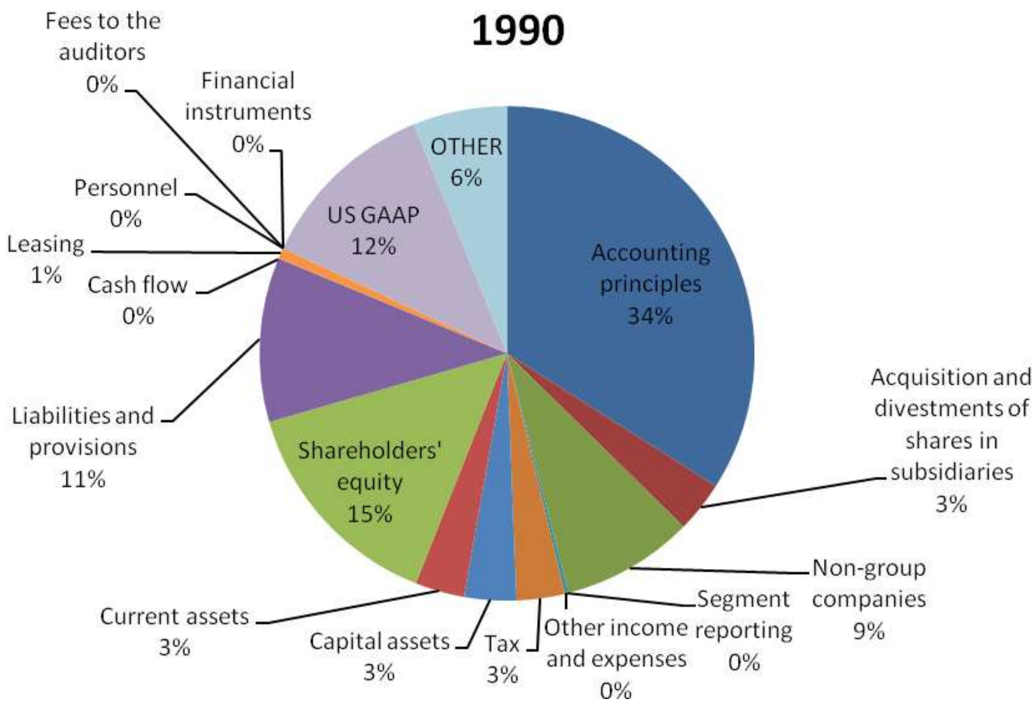
APPENDIX II: Empirical results for accounting principles

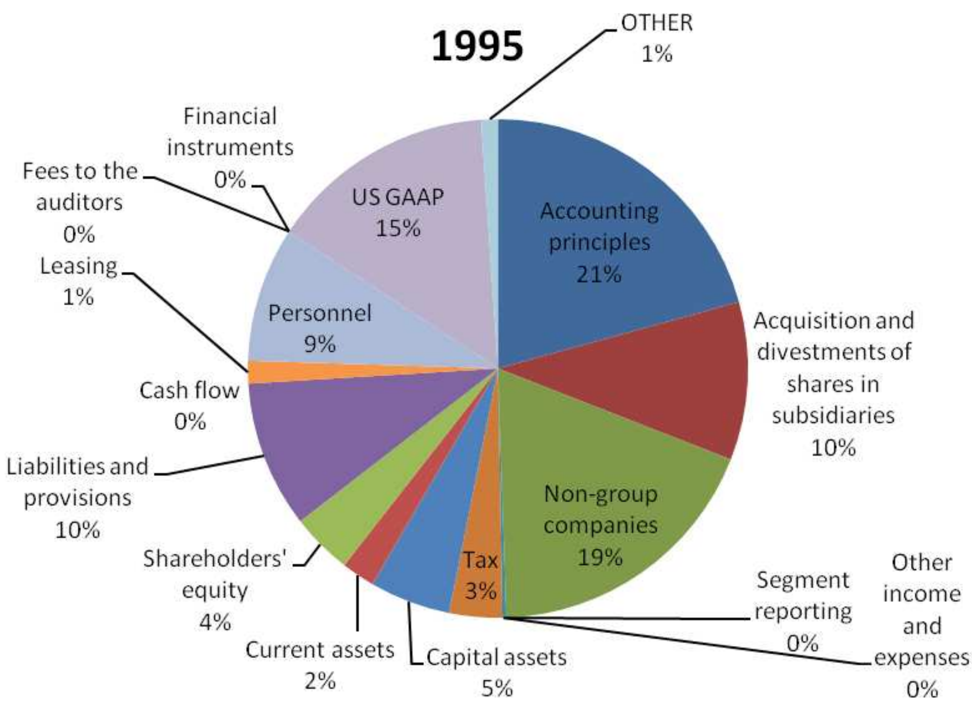
	1980	1985	1990	1995	2000	2002	2005	2007
General					**311**	**336**	**188**	**191**
Changes and effects in accounting principles	**399**	**111**	**435**	**313**	**565**	***948***	**4086**	**1008**
Principles of consolidation	**353**	**297**	**345**	**269**	**291**	***328***	**392**	**682**
Specific accounting policies	**1294**	**1693**	**1562**	**1372**	**1704**	**2095**	**3623**	**3339**
Foreign currencies	*89*	*356*	*373*	*496*	*512*	*517*	*408*	*180*
Inventories	*49*	*51*	*62*	*28*	*26*	*26*	*95*	*95*
Depreciation, amortization and impairments	*157*	*110*	*138*	*234*	*224*	*290*	*243*	*301*
Deferred taxes, allocations and untaxed reserves	*759*	*805*	*746*	*279*	*176*	*175*	*206*	*203*
General share reserve	*41*	*23*						
Exchange rates	*199*	*121*	*143*	*104*	*106*	*66*	*70*	*69*
Petroleum exploration and production		*192*						
Research and development and warranty expenses		*35*	*37*	*34*	*33*	*228*	*226*	*225*
Investments in bonds			*63*					
Definitions of key ratios				*197*				
Accounting for hedges					*95*	*95*	*388*	
Other financial instruments					*97*	*97*		
Capital expenditures					*52*			
Marketable securities					*20*	*20*		
Liquid funds					*40*	*39*		
Postemployment benefits					*113*	*113*	*240*	*210*
Net sales and revenue recognition					*113*	*116*	*172*	*169*
Items affecting comparability					*34*			
Application of estimated values					*63*	*63*		
Restructuring costs						*74*	*68*	*68*
Provisions for residual value risks						*176*	*180*	*180*
Leasing							*368*	*406*
Investments in other companies							*191*	*129*
Reporting of financial assets and liabilities							*149*	*518*
Receivables							*56*	
Non-current assets held for sale and discontinued operations							*114*	*114*
Share-based payments							*199*	*197*
Cash-flow statement							*184*	*165*
Earnings per share							*66*	*110*
Key sources of estimation uncertainty							**1755**	**1783**
Key sources of estimation uncertainty							*188*	*187*
Impairment of goodwill, other intangible assets and other non-current assets							*276*	*271*
Residual value risks							*187*	*186*
Revenue recognition							*170*	*173*
Deferred taxes							*130*	*133*
Inventory obsolescence							*77*	*78*
Credit loss reserves							*56*	*60*
Pensions and other post-employment benefits							*225*	*238*
Product warranty costs							*138*	*139*
Legal proceedings							*308*	*318*

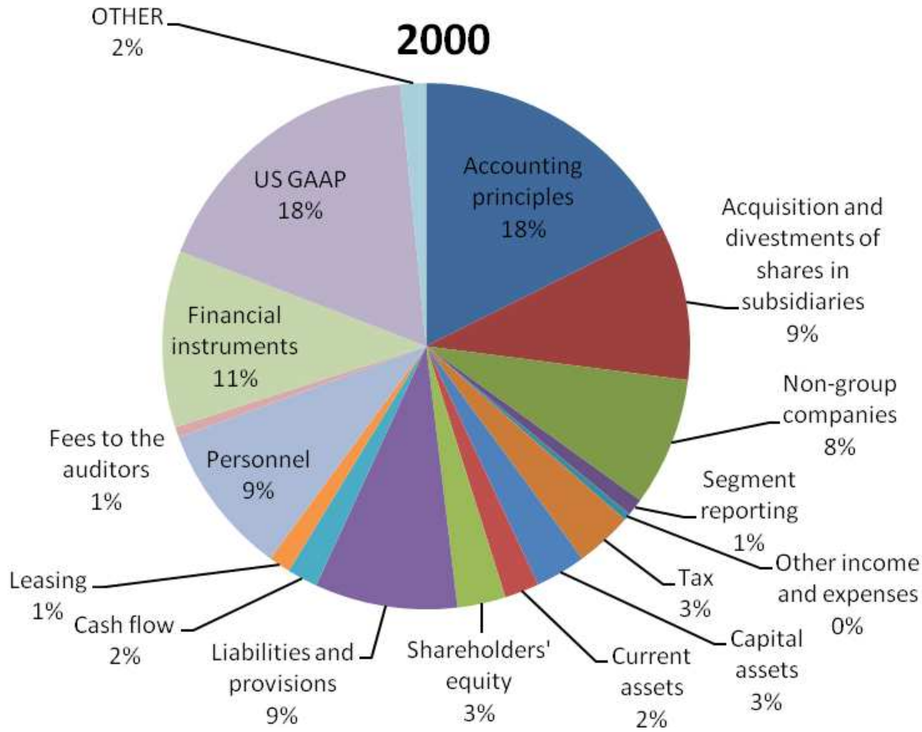
APPENDIX III: Empirical results for the total amount of words for each year

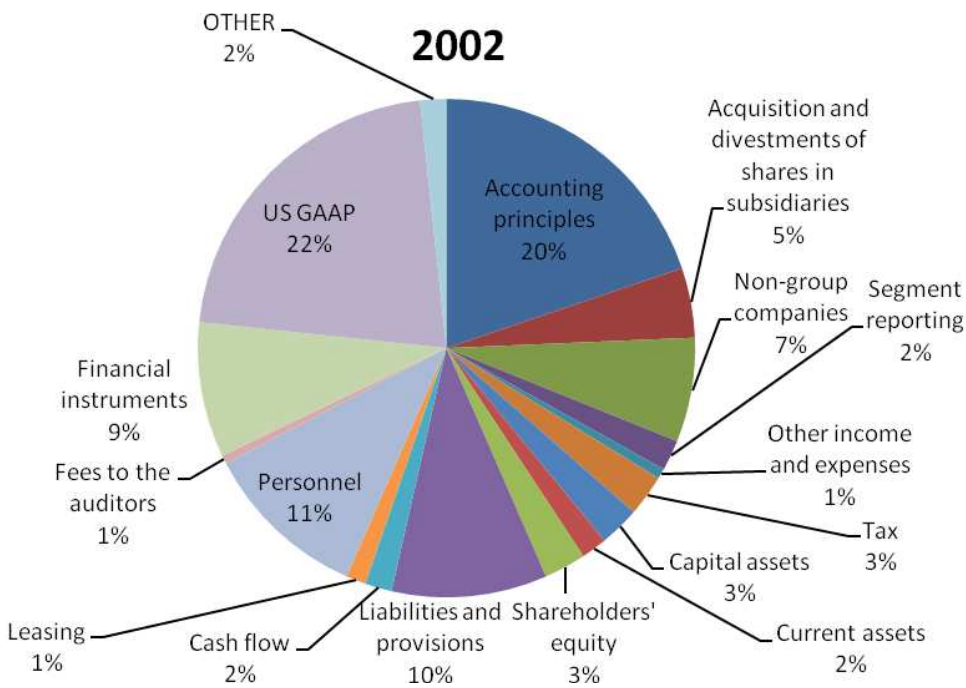


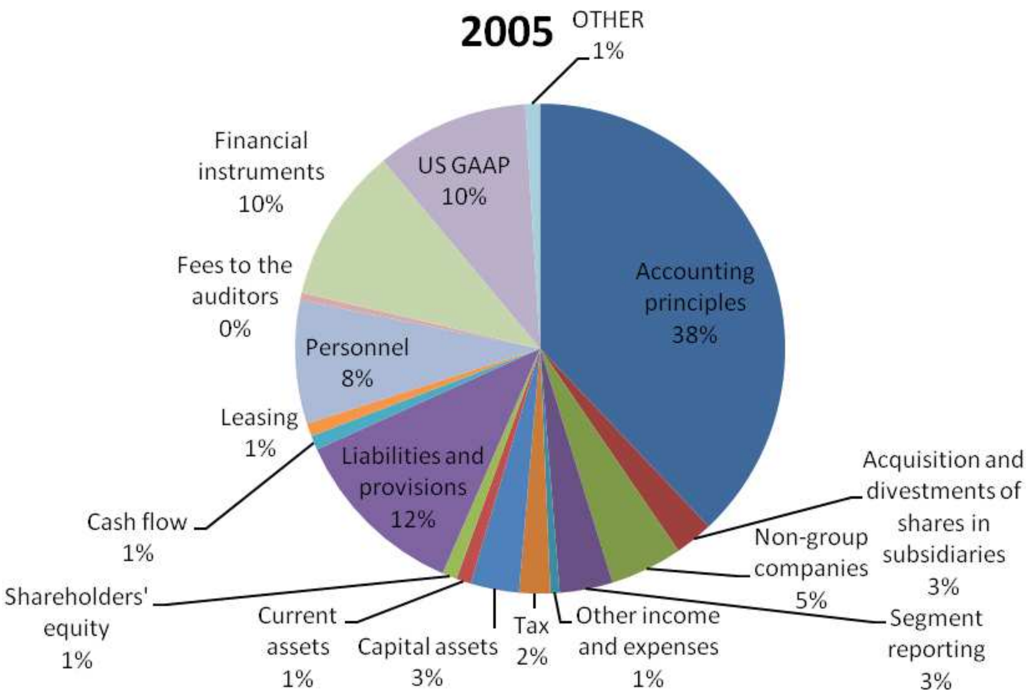


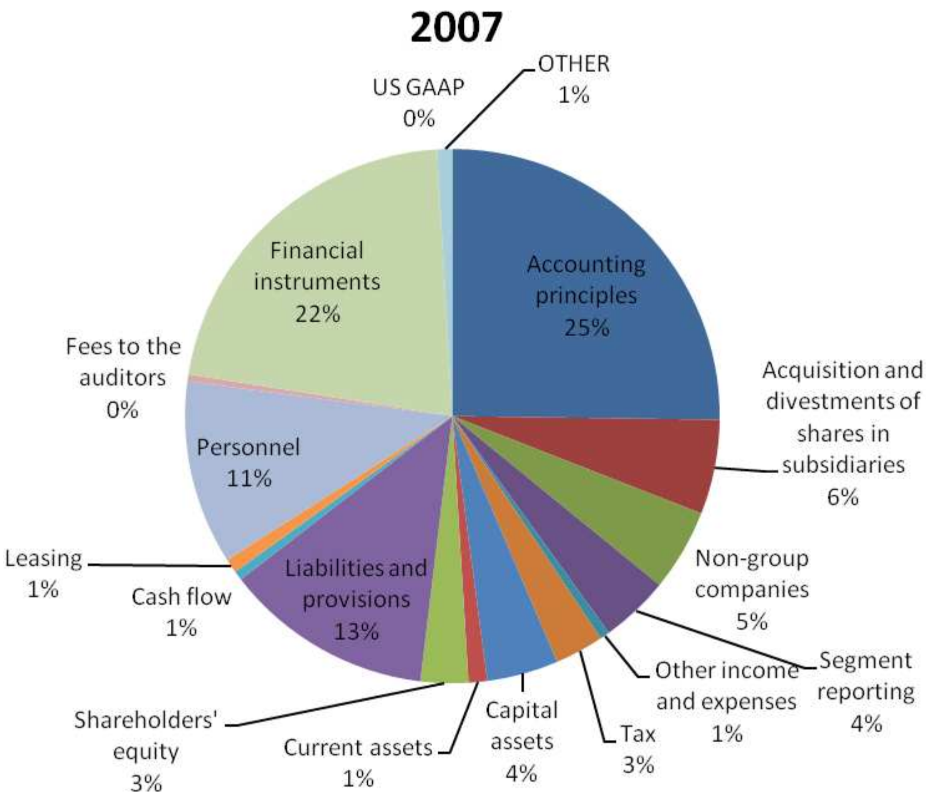

1990
Fees to the auditors 0%
Financial instruments 0%
OTHER 6%
Personnel 0%
US GAAP 12%
Leasing 1%
Cash flow 0%
Accounting principles 34%
Acquisition and divestments of shares in subsidiaries 3%
Liabilities and provisions 11%
Shareholders' equity 15%
Non-group companies 9%
Segment reporting 0%
Current assets 3%
Capital assets 3%
Tax 3%
Other income and expenses 0%


1995
OTHER 1%
Financial instruments 0%
Fees to the auditors 0%
US GAAP 15%
Accounting principles 21%
Leasing 1%
Personnel 9%
Acquisition and divestments of shares in subsidiaries 10%
Cash flow 0%
Liabilities and provisions 10%
Non-group companies 19%
Tax 3%
Shareholders' equity 4%
Segment reporting 0%
Other income and expenses 0%
Current assets 2%
Capital assets 5%

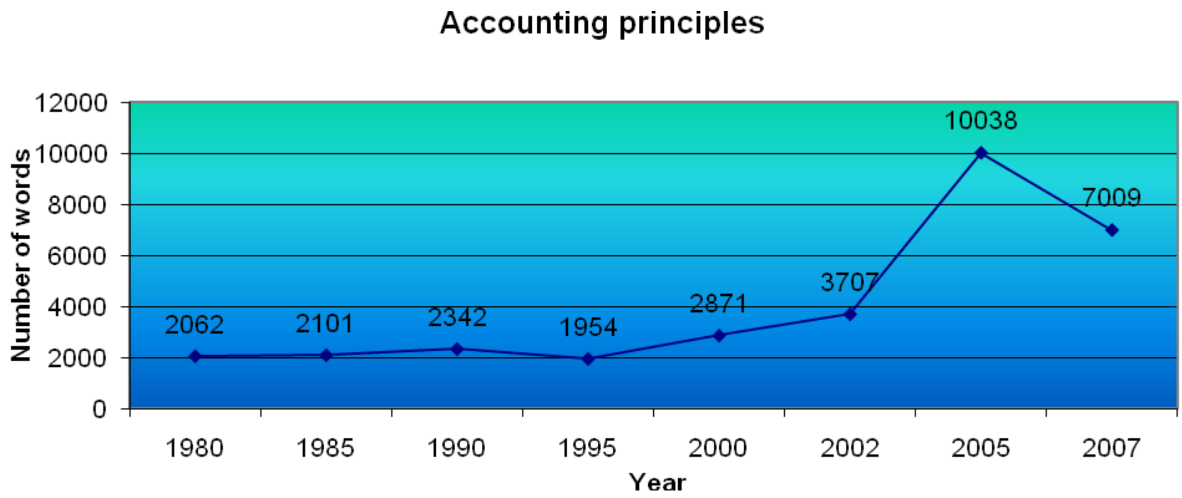

2000
OTHER 2%
Accounting principles 18%
Acquisition and divestments of shares in subsidiaries 9%
Non-group companies 8%
Segment reporting 1%
Other income and expenses 0%
Tax 3%
Capital assets 3%
Current assets 2%
Shareholders' equity 3%
Liabilities and provisions 9%
Cash flow 2%
Leasing 1%
Fees to the auditors 1%
Personnel 9%
Financial instruments 11%
US GAAP 18%

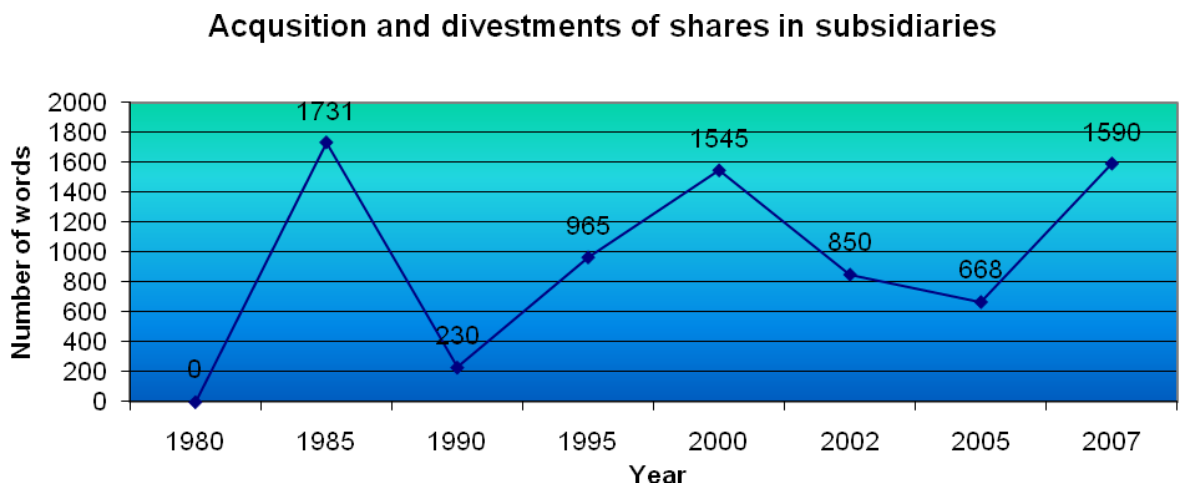

2002
OTHER 2%
Accounting principles 20%
Acquisition and divestments of shares in subsidiaries 5%
Non-group companies 7%
Segment reporting 2%
Other income and expenses 1%
Tax 3%
Capital assets 3%
Current assets 2%
Shareholders' equity 3%
Liabilities and provisions 10%
Cash flow 2%
Leasing 1%
Fees to the auditors 1%
Personnel 11%
Financial instruments 9%
US GAAP 22%

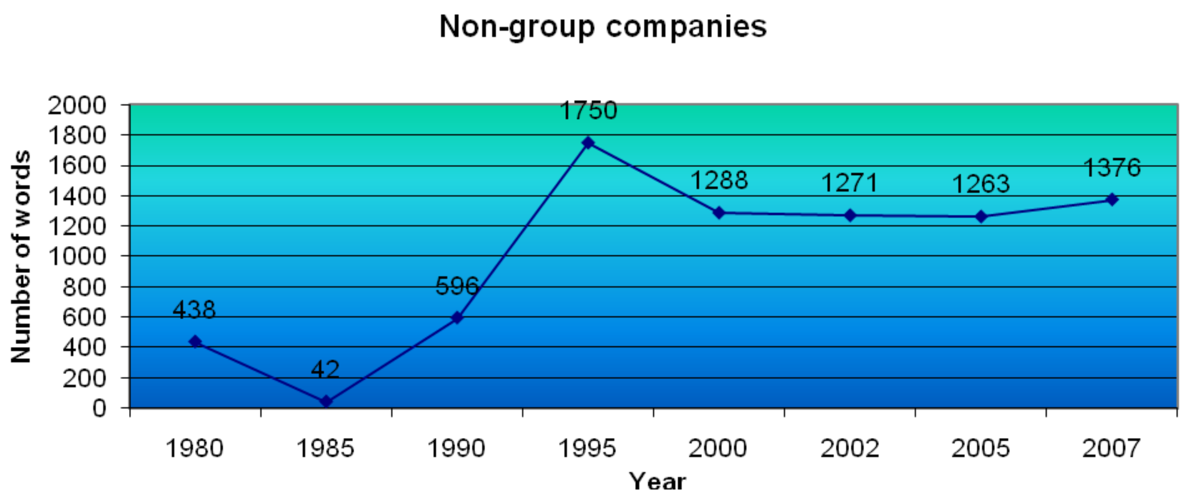

2005
OTHER
1%
Financial
instruments
10%
US GAAP
10%
Fees to the
auditors
0%
Accounting
principles
38%
Personnel
8%
Leasing
1%
Liabilities and
provisions
12%
Acquisition and
divestments of
shares in
subsidiaries
3%
Cash flow
1%
Non-group
companies
5%
Shareholders'
equity
1%
Current
assets
1%
Capital assets
3%
Tax
2%
Other income
and expenses
1%
Segment
reporting
3%

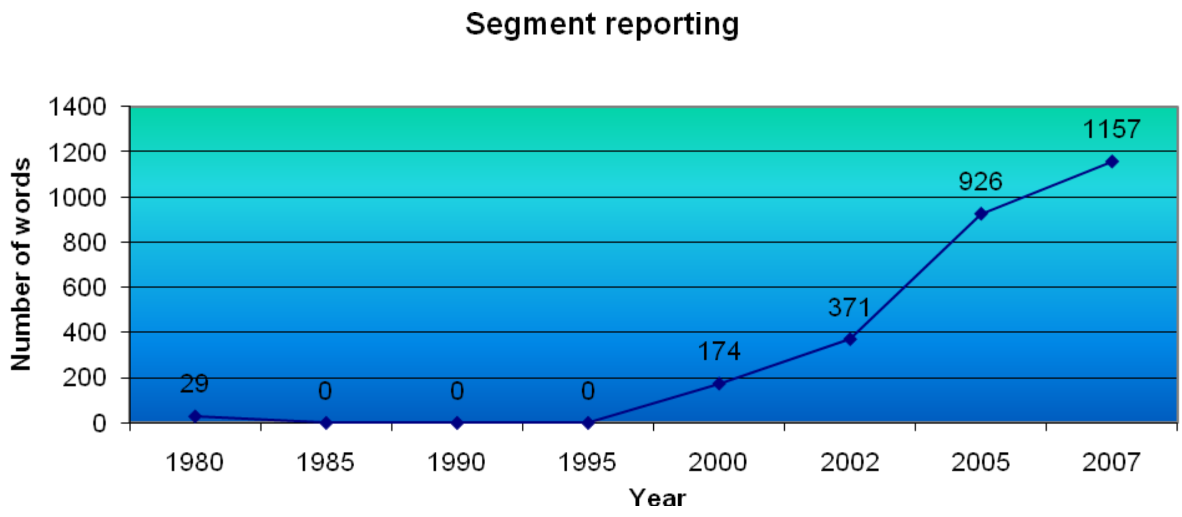

2007
OTHER
1%
US GAAP
0%
Financial
instruments
22%
Accounting
principles
25%
Fees to the
auditors
0%
Acquisition and
divestments of
shares in
subsidiaries
6%
Personnel
11%
Leasing
1%
Cash flow
1%
Liabilities and
provisions
13%
Non-group
companies
5%
Segment
reporting
4%
Other income
and expenses
1%
Shareholders'
equity
3%
Current assets
1%
Capital
assets
4%
Tax
3%

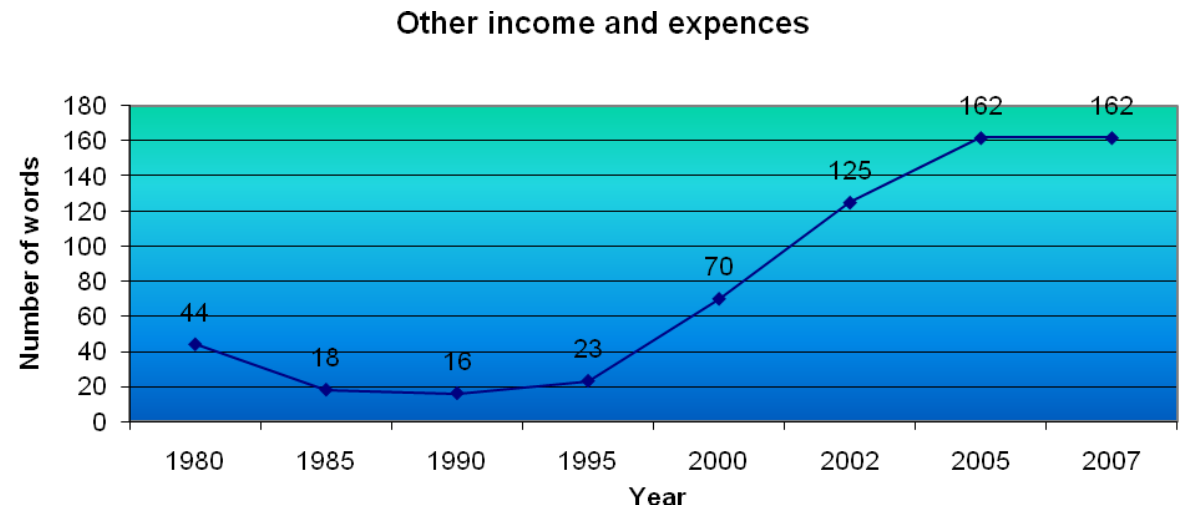
APPENDIX IV: Empirical results for the different groups

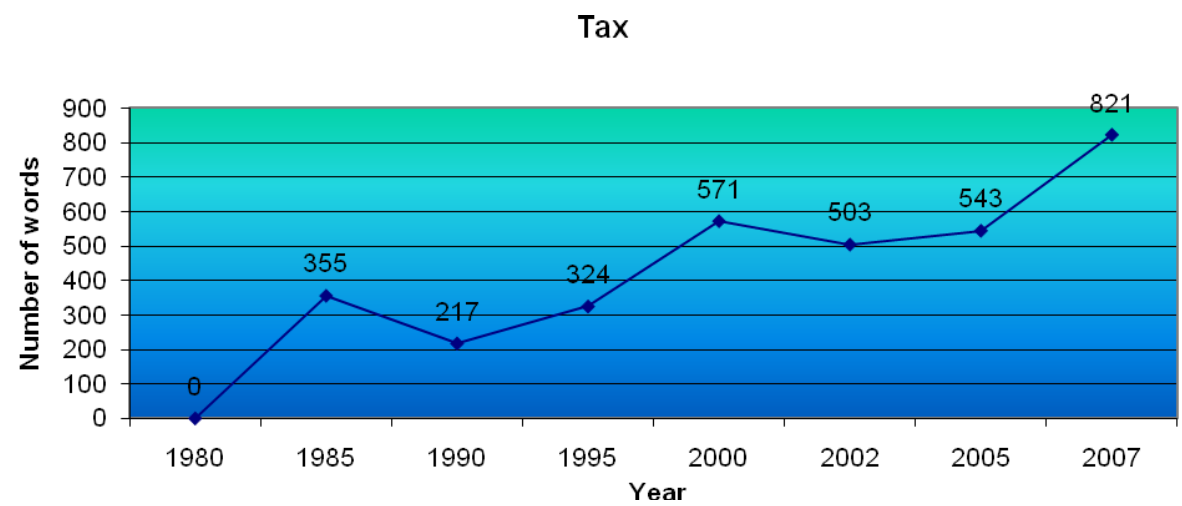


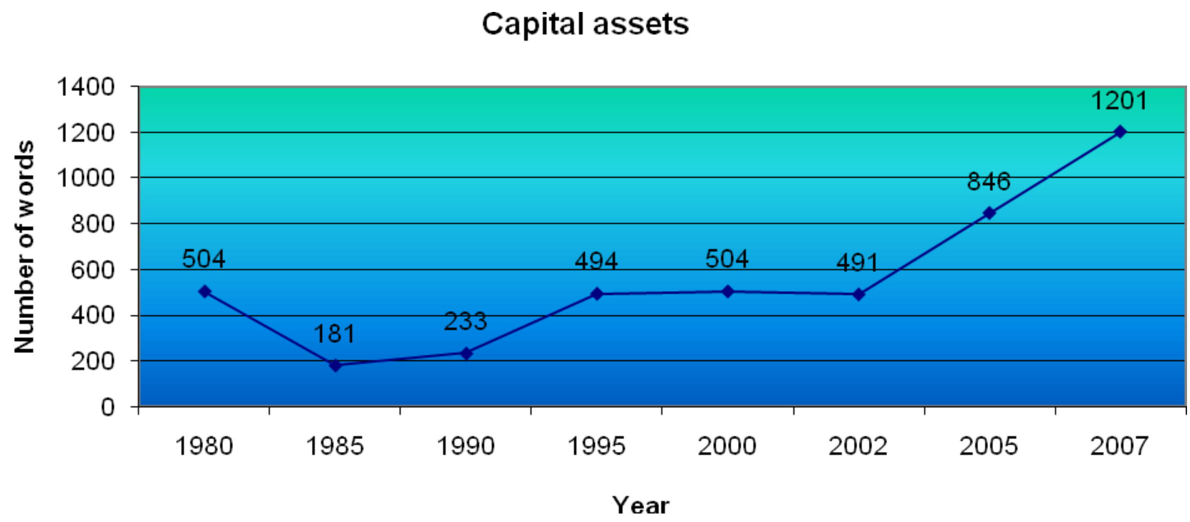


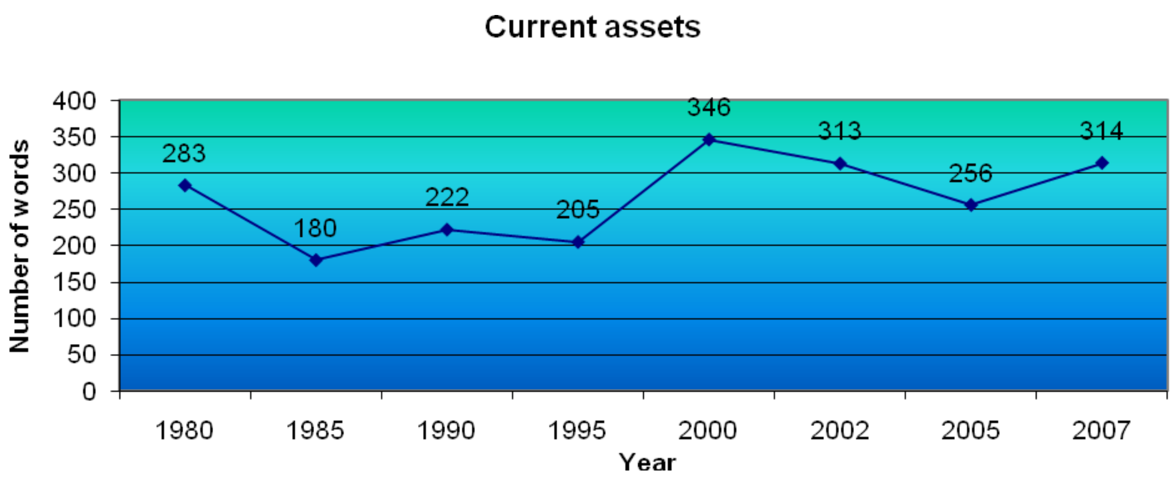


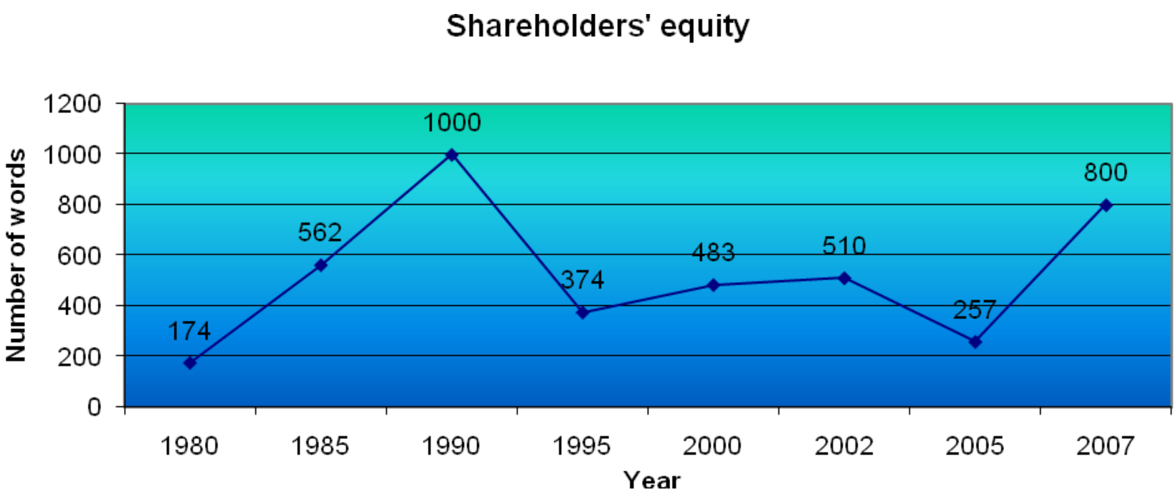

Segment reporting
Number of words
1400
1200
1000
800
600
400
200
0
29
0
0
0
174
371
926
1157
1980
1985
1990
1995
2000
2002
2005
2007
Year

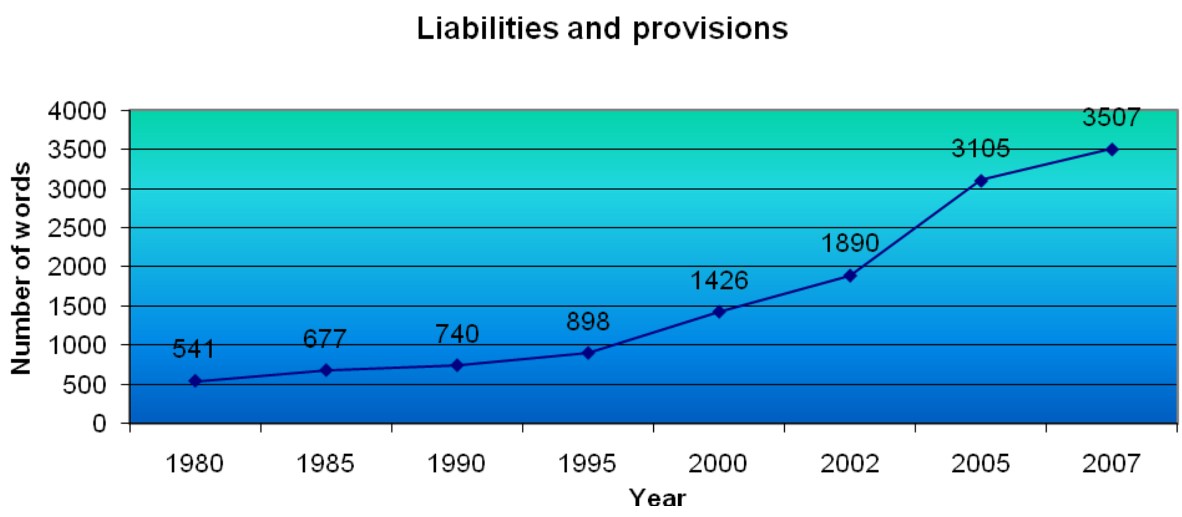

Other income and expences
Number of words
180
160
140
120
100
80
60
40
20
0
44
18
16
23
70
125
162
162
1980
1985
1990
1995
2000
2002
2005
2007
Year

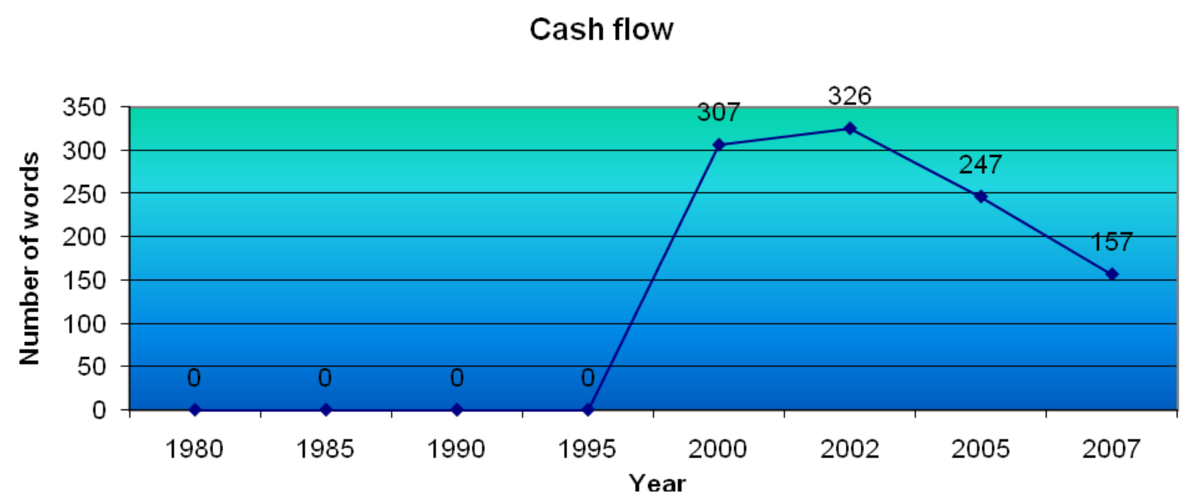

Tax
Number of words
900
800
700
600
500
400
300
200
100
0
0
355
217
324
571
503
543
821
1980
1985
1990
1995
2000
2002
2005
2007
Year

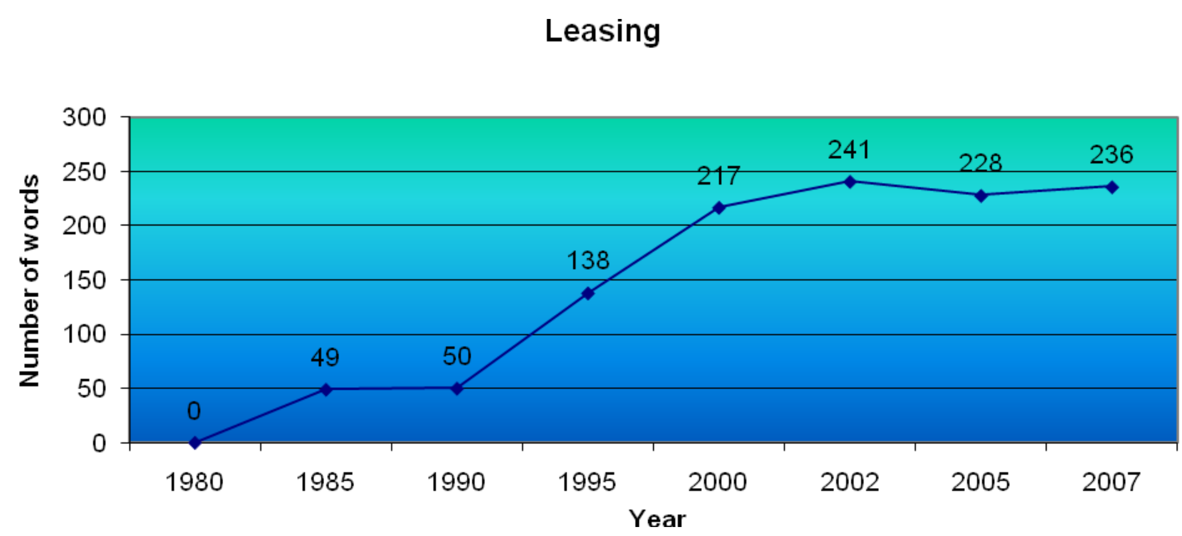

Capital assets
Number of words
1400
1200
1000
800
600
400
200
0
504
181
233
494
504
491
846
1201
1980
1985
1990
1995
2000
2002
2005
2007
Year


Current assets
Number of words
400
350
300
250
200
150
100
50
0
283
180
222
205
346
313
256
314
1980
1985
1990
1995
2000
2002
2005
2007
Year

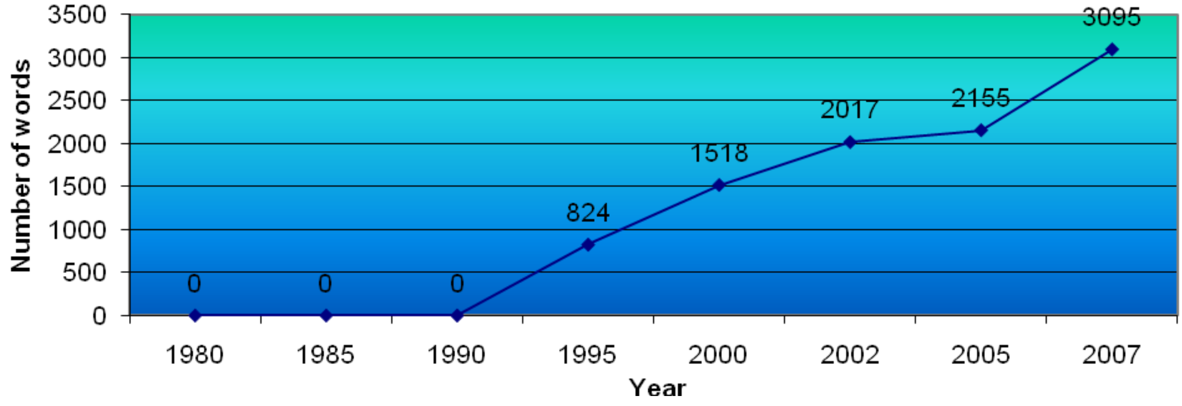

Shareholders' equity
Number of words
1200
1000
800
600
400
200
0
174
562
1000
374
483
510
257
800
1980
1985
1990
1995
2000
2002
2005
2007
Year


Liabilities and provisions
Number of words
4000
3500
3000
2500
2000
1500
1000
500
0
541
677
740
898
1426
1890
3105
3507
1980
1985
1990
1995
2000
2002
2005
2007
Year

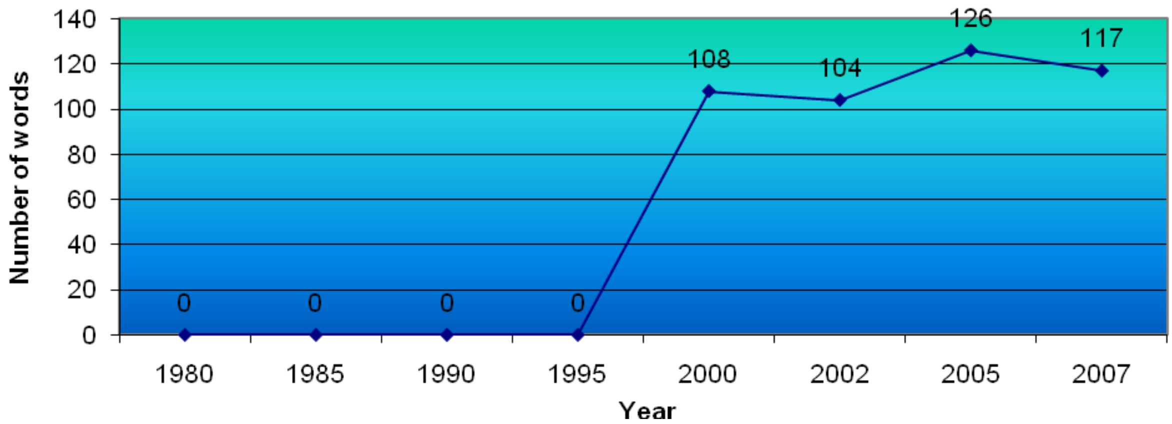

Cash flow
Number of words
350
300
250
200
150
100
50
0
0
0
0
0
307
326
247
157
1980
1985
1990
1995
2000
2002
2005
2007
Year


Leasing
Number of words
300
250
200
150
100
50
0
0
49
50
138
217
241
228
236
1980
1985
1990
1995
2000
2002
2005
2007
Year

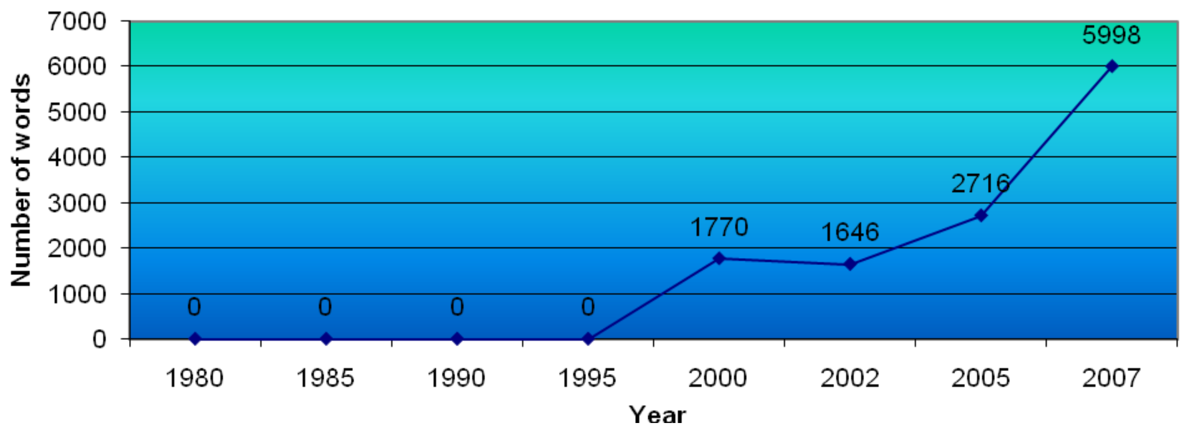
Personnel

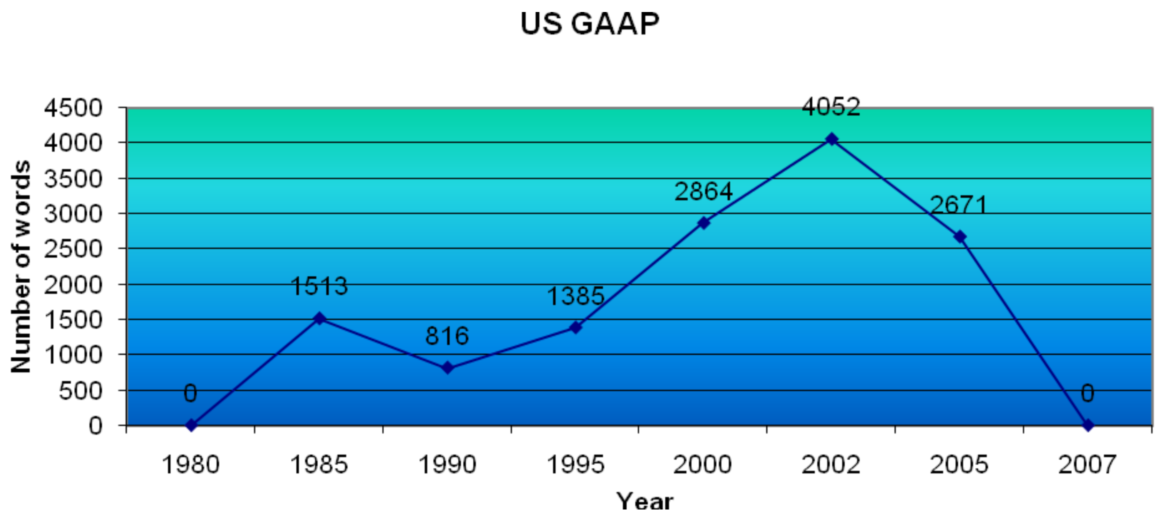


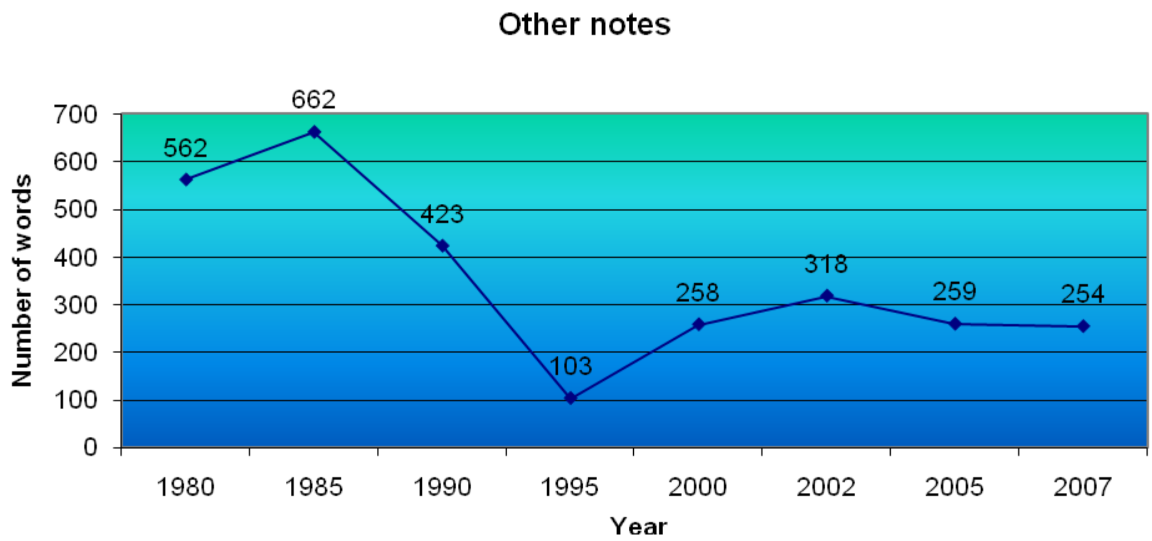
Fees to the auditor



Financial instruments




US GAAP
Number of words
4500
4000
3500
3000
2500
2000
1500
1000
500
0
0
1513
816
1385
2864
4052
2671
0
1980
1985
1990
1995
2000
2002
2005
2007
Year


Other notes
Number of words
700
600
500
400
300
200
100
0
562
662
423
103
258
318
259
254
1980
1985
1990
1995
2000
2002
2005
2007
Year