



OA African Journal Archive

[Home](#) → [Meditari : Research Journal of the School of Accounting Sciences](#) → Vol. 15, No. 1

 **No Access**

Headline earnings per share : financial managers' perceptions and actual disclosure practices in South Africa

L. Stainbank and K. Harrod

Published Online: 1 Jan 2007 • <https://hdl.handle.net/10520/EJC72525>



ABOUT

Abstract

Earnings per share (EPS) is a key ratio which must be disclosed in the financial statements of South African listed enterprises. It is used to compare the performance of an enterprise over time and to compare its performance with that of other enterprises. Financial analysts also use EPS to calculate the price-earnings (PE) ratio. In South Africa, listed companies are required to disclose three EPS measures, namely basic EPS (BEPS), diluted EPS (DEPS) and headline EPS (HEPS). This article reports on the results of a study of financial managers' perceptions of the importance of HEPS and the actual disclosure practices relating to HEPS in selected listed companies' annual reports. This article also reports on financial managers' perceptions of selected other accounting measures of performance (such as EPS) and other financial indicators not ordinarily found in the annual report (such as the PE ratio), of the importance of EPS measures in general and of headline EPS in particular. The study found support for HEPS, compared to other per share measures, despite misconceptions regarding the objective of HEPS. The study also found that 95% of the selected companies disclosed HEPS together with the required reconciliation. However, half of the companies contravened the headline earnings definition. As a result,

We'd like to use cookies to improve your experience on our website. This includes Analytics cookies to help us understand how you use our site. You can change your consent settings at any time. [Privacy Policy](#)

[I decline](#)

[That's ok](#)

Cookies on Sabinet

Our web pages use cookies - information about how you interact with the site. When you select "Accept all cookies," you're agreeing to let your browser store that data on your device so that we can provide you with a better, more relevant experience.

[More information](#)

X

[Sabinet African Journals User Guide](#)

[How to Get Access](#)

[FAQ](#)

Website © 2026 Sabinet All Rights reserved | [Privacy Policy](#) | [Disclaimer](#) | [Terms and Conditions](#) | [CONNECT Terms of Use](#)

About Us

[About Sabinet African Journals](#)

[About Sabinet](#)

[Terms and Conditions](#)

[Contact Us](#)

Publications

[A-Z Index of Journals](#)

[Accredited Journals](#)

[Collections](#)

[Open Access](#)

[Publishers](#)

[How to Submit a Paper](#)

Resources

[How to Subscribe](#)

We'd like to use cookies to improve your experience on our website. This includes Analytics cookies to help us understand how you use our site. You can change your consent settings at any time. [Privacy Policy](#)

[I decline](#)

[That's ok](#)

We'd like to use cookies to improve your experience on our website. This includes Analytics cookies to help us understand how you use our site. You can change your consent settings at any time. [Privacy Policy](#)

I decline

That's ok