

Mandatory Corporate Reporting and Financial Performance of Listed Manufacturing Companies in Nigeria

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Abstract This study is an empirical examination of Mandatory Corporate Reporting and Financial Performance of Listed Manufacturing Companies in Nigeria. The study was conducted out of the unending debates and opinions about the increasing corporate information through diverse compulsory corporate reports without commensurate effects on companies' financial performance. Thus, the specific objectives were to; examine the influence of International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting on profitability (as proxied by Return on Assets, ROA) of the listed manufacturing firms in Nigeria. Three hypotheses were formulated in line with the objectives of the study. *Ex-post facto* research design was adopted in the study. The population of the study was made up of 40 active traded manufacturing firms in Nigeria. Census sampling technique was adopted in the study. Data were obtained from secondary sources - financial and non-financial and were sourced through content analysis method, reviewing, evaluating and computation of the required data and ratios from the firms' annual reports from 2012 - 2021. The data obtained were analysed using descriptive statistics and multiple regression analyses. The results revealed that IFRSs disclosures and interim financial reporting both have significant positive influences on Return on Assets, ROA. It was concluded that Mandatory Corporate Reporting is crucial to higher financial performance of listed manufacturing companies in Nigeria. It was recommended in the study that FRCN, SEC, CAMA 2020 among other regulatory bodies as well professional regulatory body (ICAN) should ensure strict adherence to IFRS Principles-based method of Financial Reporting and they should also provide an enabling environment for companies to thrive, because mere switch to international best practice do not automatically guarantee increased financial performance.

Keywords: mandatory corporate reporting, financial performance, IFRSs, interim reporting

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1. Introduction

Business stakeholders around the globe are always demanding relevant information about business organisations and their associates through corporate reporting. This is because the corporate reports, both financial and non-financial are very necessary for informed decision-making and business sustainability in today's competitive business environment. Therefore, for companies to meet this need; they are expected to be more detailed in disclosing relevant information than before as well as providing a comprehensive picture of the organisation's ability to create and preserve sustainable value over time. This viewpoint has brought more pressure on many business organisations to continuously improve their corporate reporting whether mandatory or voluntary to meet the needs of their stakeholders. Thus, the need to determine the influence of corporate reporting on firms' performance cannot be overemphasised.

Umoren *et al.* [1] declared that the traditional corporate reports otherwise called mandatory financial reports are increasingly becoming less relevant and useful for analysts and investors as they are difficult for even the most sophisticated users to understand and make use of. Following the failure of giant businesses such as Enron Corporation of the United States of America in 2001, WorldCom as well as Cadbury Nigeria Plc in 2002 among others and the need to protect stakeholders, it becomes explicit that corporate reporting is not only the responsibility of the companies' directors but also a saddled responsibility on the regulatory organisations such as International Accounting Standards Board (IASB), Financial Accounting Standards Board (FASB), Financial Reporting Council of Nigeria (FRCN), the Nigerian Stock Exchange (NSE), Security and Exchange Commission (SEC), Central Bank of Nigeria (CBN), the Nigerian Deposit Insurance Corporation (NDIC), just to mention a few. These corporate reporting and disclosures responsibilities of management of the business are termed

voluntary corporate reporting [2,3] whereas mandatory corporate reporting is saddled responsibility on the regulatory organisations.

Mandatory corporate reporting is not a standard but a minimum prescribed reporting requirements expected from a reporting entity to comply while Voluntary reporting implies that companies can choose what to disclose and may even decide not to do [4,5]. Compliance with mandatory corporate reporting requirements simply means filing the appropriate paperwork within the appropriate timeframe and with up-to-date accurate information. One key component of mandatory corporate disclosures relates to creation of annual and quarterly reports (termed interim reports) as well as reporting additional information when specific events occur. The annual report is meant to provide a comprehensive overview of the audited company's financial performance and position in compliance with IFRSs standards.

Moreso, upon the series of progresses in standards and guidelines for corporate information presentation and disclosures, the extent of mandatory corporate reporting in terms of IFRSs disclosures as well as interim financial reporting and their influence on listed firms' performance in Nigeria is currently yet to be determined in holistic terms. This is necessary because, corporate presentation and disclosures policies as well as practices are considered to represent one important means by which the management can influence external perceptions about their organisations' performances. Thus, this study sought to examine mandatory corporate reporting and financial performance of listed manufacturing companies in Nigeria from 2012 - 2021.

1.1. Statement of the Problem

The type of corporate reporting and its influence on financial performance of listed manufacturing companies in Nigeria has given great concern to the researchers. There no doubt that corporate entities do not engage in mandatory or voluntary corporate reporting [5,6] Opponents of mandatory corporate reporting like Christensen *et al.* [7] expressed that demanding for some specific disclosures such as IFRS, interim financial reporting, sustainability reporting and corporate social responsibility can exert various pressures on firms' performance as the firms try to disclose for the better image and to please business community at the expense of the firms. These researchers added that mandatory disclosures are costly to design, implement and enforce as well as difficult to do so and get the details right. The opponents also have these reasons against mandatory corporate reporting: that it creates knowledge gap between regulators and industry; the fact that one general disclosure does not fit all firms, inflexibility in the face for innovation as well as constraints on efficiency and competitiveness. While the proponents of mandatory corporate disclosures like Tatiana *et al.* [2] as well as Ofoegbu and Odoemelam [3] observed that, mandatory corporate reporting encourages and gives investors and other stakeholders the confidence to invest more thereby increasing the chances of firms to make more profits. The researchers stated that mandatory corporate reporting

ensures accounting quality, saves costs, reduces non-diversifiable market risk free rider problems and treat investors equally for more financial performance. The advocates opined that, failure to report in line with the current business and economic standards will leave doubts and problems for stakeholders and firms at the long run. Therefore, these inconsistent opinions observed in the literature reviewed on the influence of IFRSs disclosures and interim reporting on the financial performance requires further investigation to ascertain the effects of such information reporting.

1.2. Objectives of the Study

The main objective is to examine mandatory corporate reporting and financial performance (measured in terms of profitability, proxied by Return on Assets, ROA) of listed manufacturing companies in Nigeria from 2012 – 2021. The specific objectives of this study were to:

- i. Examine the influence of IFRSs disclosures on the and financial performance of listed manufacturing companies in Nigeria.
- ii. Find out the impact of interim financial reporting on the financial performance of listed manufacturing companies in Nigeria.
- iii. Determine the combined effect of IFRSs disclosures and interim financial reporting (mandatory corporate reporting) on financial performance of listed manufacturing companies in Nigeria.

1.3. Research Questions

Therefore, these Research Questions were raised to guide the study:

- i. What is the influence of IFRSs disclosures on the financial performance of listed manufacturing companies in Nigeria?
- ii. How does interim financial reporting impact financial performance of listed manufacturing companies in Nigeria?
- iii. What is the combined effect of IFRSs disclosures and interim financial reporting (mandatory corporate reporting) on financial performance of listed manufacturing companies in Nigeria?

1.4. Hypotheses of the Study

These subsequent null hypotheses will be framed to guide the research in line with the stated specific objectives:

- H₀₁: International Financial Reporting Standards (IFRSs) disclosures do not significantly influence financial performance of the listed manufacturing firms in Nigeria.
- H₀₂: There is no significant impact of interim reporting on financial performance of the listed manufacturing firms in Nigeria.
- H₀₃: There is no significant combined effect of International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting (mandatory corporate reporting) on financial performance of the listed manufacturing firms in Nigeria.

2. Review of Related Literature

This section is the review of related literature and was discussed in three perspectives namely; conceptual review, theoretical framework and empirical review.

2.1. Conceptual Review

Mandatory corporate reporting is international standard or practice, which is a minimum prescribed reporting requirements expected from a reporting entity. Mandatory disclosure primarily focuses on presentation of financial statements and their complementary footnotes which are required by regulations and laws [8,9]. Mandatory corporate disclosures are the compulsory financial, operational and strategic management information which financial institutions are required to disclose in the rendition of their periodic returns to the regulatory authorities and the public [10]. The process has to do with ensuring the integrity of data in the rendition of reports to the supervisory authority and the public in order to enable them ascertain the true financial position and performance of the firm. Mandatory corporate reporting provides users of annual reports with a factual account of the organisation's compliance with regulations during the period of reporting. The mandatory disclosures are basically international standards.

Mandatory corporate reporting is usually communicated through the annual reports in line with IFRSs, although there are other means of releasing mandatory information by the reporting entity such as media release, letters to shareholders, employee reports and interim reporting among others. Thus, the annual report should contain information that will allow its users to make correct decisions and for efficient use of scarce resources. In Nigeria context, annual report and accounts and interim financial reporting are regarded as mandatory reporting.

2.1.1. International Financial Reporting Standards (IFRSs) Disclosure

All listed companies in Nigeria were mandated to adopt and implement IFRSs by January 01, 2012 and by 2014, there should be full mandatory compliance by all categories of business. According to Ofoegbu and Odoemelam [3], IFRSs are global accounting standards adopted by many countries for the preparation and presentation of financial information (reporting). The use of these standards is expected to improve the financial reporting, attract more investors due to confidence from the financial statements, and improve performance. International Financial Reporting Standards (IFRSs) disclosures which is financial reporting is a process of reporting financial activities of business on a formal, global and adequate way (corporate annual report and accounts). Disclosure of information in corporate annual reports is considered as adequate if it is relevant to the needs of users, capable of meeting those needs, and timely released. It is also entails the number of items to which mandated applicable information is presented in annual reports of companies and the level of intensity by which a company discloses those items in its annual report [11].

International Financial Reporting Standards (IFRSs) are standards by the International Accounting Standard Board (IASB) to serve as a guide to companies for preparation of financial statements that will give true financial and non-financial information (integrated financial reporting) to investors and other stakeholders who use them for economic decisions [12,37]. IFRSs implementation became globally important because of increasing international trade and globalization of the world's capital market. Many countries of the world including Nigeria have adopted the standards for the preparation of their accounts. The standards aimed to provide a common global rule to business affairs that will increase disclosure and improve the quality of financial information for both current and potential investors. The overall philosophy was to make financial statements understandable, comparable, relevant, and reliable in the financial markets around the world. One may be forced to question if the IFRSs disclosure would enhance financial performance. Theoretically, IFRSs can help to promote excellent corporate image and firm performance.

Specifically noted benefits of implementation of IFRSs include; improved disclosure, transparency, understandability, and comparability of financial statements for investors leading to a reduction in information asymmetry, greater willingness of investors to invest. The IASB Conceptual Framework stressed that the main objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to users in making relevant and informed economic decisions. IFRSs disclosures reduce the mystery and the conflict in opinion between all interested users such as managers, investors and other stakeholders. It ensures that every reporting firm disclose all its transactions, the accounting policies and all judgments as well as opinions in line with IFRS contents and framework for a true and fair view financial statements [13].

IFRSs disclosures by way of financial reporting and regulation help to mitigate the agency problem, as it requires that management of corporations' report both mandatory and voluntary information for the benefit of shareholders and other interest parties [14]. IFRS is to ensure high-quality information from financial reporting. The high-quality information guarantees the reduction of information risk and liquidity. It reduces the manager authority and power in making decisions for their own interests and guided them to make appropriate and efficient investment decisions. Seyed [15] found that financial reporting quality through IFRSs influences investment efficiency of firms listed in Tehran Stock Exchange.

2.1.2. Interim Financial Reporting (IAS 34)

Interim financial reporting also called condensed or abridged financial statements. Interim reporting can be defined as statutory compliance imposed on any publicly held company or any other such organization for preparing and presenting its financial statement for a period shorter than the accounting period of one year, that is, either quarterly, half-yearly and so on. The same accounting

policies and principles or as prescribed by the regulatory authority providing insights about the operating performance during that period and financial position as on reporting date. Grigoraş-Ichim and Morosan-Danila [16] declared that interim financial reporting represents financial report containing a complete set of financial statements as required by IAS 1 or a condensed set of financial statements for a period longer or less than one financial year tagged interim period.

IAS 34.6 defined the minimum content of an interim financial report as including condensed financial statements and selected explanatory notes. The interim financial report is intended to provide an update on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events and circumstances, and does not duplicate information previously reported. An interim financial report shall include at a minimum, the following components:

IAS 34.8(a) A condensed statement of financial position;

IAS 34.8(b) A condensed statement of comprehensive income, presented as either:

- i. A condensed single statement; or
- ii. A condensed separate income statement and a condensed statement of comprehensive income;

IAS 34.8I A condensed statement of changes in equity;

IAS 34.8(d) a condensed statement of cash flows; and IAS 34.8I Selected explanatory notes. Where an entity elects to present a complete set of financial statements at the interim reporting date, IAS 1 (2004) 'Presentation of Financial Statements' will apply to those financial statements. Even where a condensed interim financial report is prepared, certain requirements of IAS 1 apply. The sections are applicable to condensed interim financial reports, as set out in IAS 1, deal with: Fair presentation and compliance with IFRSs; going concern; accrual basis of accounting; materiality and aggregation; and offsetting.

It is to note that the checklist reflects the amendments made to IAS 34 as a result of the issuance of Improvements to IFRSs issued in May 2010, which was effective for annual periods beginning on or after January 1, 2011, with earlier application permitted. IAS 34 specified the form and content of interim financial statements. IAS 34.9 stated that, if an entity publishes a complete set of financial statements in its interim financial report, the form and content of those statements shall conform to the requirements of IAS 1 for a complete set of financial statements. Even where the entity prepares a condensed interim report, some sections of IAS 1 apply. IAS 34.10 added that if an entity publishes a set of condensed financial statements in its interim financial report; those condensed statements shall include, at a minimum, each of the headings and subtotals that were included in the entity's most recent annual financial statements and the selected explanatory notes as required by IAS 34.

IAS 34.10 addressed that additional line items or notes shall be included if their omission would make the condensed interim financial statements misleading. IAS 34.7 opined that, where the entity has opted to publish a complete set of financial statements for the interim period, the recognition and measurement guidance in IAS 34 also applies to those financial statements, and such statements

should include all of the disclosures required by IAS 34 (particularly the selected note disclosures in paragraph 16 of IAS 34) as well as those required by other IFRSs. From IAS 34.11, in the statement that presents the components of profit or loss for an interim period, an entity shall present basic and diluted earnings per share for that period when the entity is within scope of IAS 33.

IAS 34.11A stressed that, if an entity presents the components of profit or loss in a separate income statement as described in paragraph 81 of IAS 1, it presents basic and diluted earnings per share in that separate statement. The purpose of interim financial reporting is to provide information that will assist users in making economic decisions. In addition, the interim report is expected to provide specific information about the financial position, performance and changes in financial position of an enterprise. This objective is generous enough to include the preparation and presentation of financial statements is complete, or of condensed information. Financial position is the relationship between assets, liabilities and equity of an enterprise. The financial position provides useful information to a wide range of users because of influencing elements:

- The economic resources controlling the enterprise;
- The company's financial structure;
- Liquidity and solvency;
- The company's capacity to adapt to changes in the operating environment.

Egwuatu [17] commented that many of companies flouting the post listing requirements of the Nigerian Stock Exchange, NSE, regarding timely disclosures of financial performance rose by 37.5 percent in 2017, prompting shareholders to call for sanctions on directors of the companies. NSE listing requirement mandates listed companies to submit their quarterly financial statement, not later than one month after the last day of the quarter. It also mandates companies to submit their audited annual financial statements not later than three months after the last working day of the financial year. According to NSE rules, "Any late submission of accounts shall attract a fine of One Hundred Thousand Naira (₦100, 000) per week from the due date until the date of submission. A listed company which contravenes any of the provisions of the Listing Rules and General Undertaking and fails to pay the penalty imposed on it for such contravention on or before the due date shall be liable to a further fine of Three Hundred Thousand Naira (₦300,000) in addition to Twenty-Five Thousand Naira (₦25,000) per day for the period the violation continues."

The purpose of interim financial statements is to provide to users in due time the accounting information necessary to elaboration of operational or funding or investment decision. Users, based on data contained in the interim financial statements, can project company's performance in the near future. In addition, interim financial statements can give to users, meaningful information regarding business development directions and information on the seasonality of some activities, information that could be highlighted in the financial statements for the financial year. Interim reporting is prepared usually to provide insights of operating performance and financial position for a shorter period of time. Therefore, to protect the interest of different

stakeholders these companies are required to present interim financial statements which is used to provide information to investors, creditors, and even the company so as to make sound decisions regarding investments. It forms the basis of communication for information that is directly or indirectly related to the accounting system of an enterprise, also helps in assessing the company's performance periodically. Interim reporting main aim is to provide in time and with certain regularity the information on enterprise performance.

According to Jain [18] the basic objectives of interim reporting are identified as:

Make Projection: Annual data proves to be insufficient in evaluating the progress and earnings projections of the company. Thus, interim reporting helps in making early projections regarding cash flows and other developments of the company.

Estimate Annual Earnings: Annual earnings can be estimated based on the reports of interim financials. Gain or loss in a quarter period helps in the proper estimation of profit or loss a company will incur at the end of the fiscal year.

Identify Turning Points: Major breakthrough in the company's performance can be estimated and identified using interim reporting.

Evaluate Management Performance: How well is the management of the company performing can be evaluated using the results of interim financial reports.

Supplement Annual Report: Along with the annual financial report, interim reporting helps in periodic evaluation of the financial performance of the company which forms a supplement for annual reports.

Importance of Interim Reporting includes:

- i. The interim report represents the financial position of a company that consists of its complete set of financial statements as prepared for annual reporting.
- ii. Its main purpose is to provide stakeholders of the company with necessary accounting information in due time to elaborate operational, funding, investment decisions.
- iii. Companies' performance can be evaluated by investors with the help of interim reporting.

However, interim reporting also has some limitations to include:

- a. Variations occurred in tax rates and changes in interest rates lead to situations where determination of the interim profit tax is very difficult to achieve;
- b. There are a number of operating expenses that are incurred and recorded in a period and the benefits arising from these appear later. This category includes advertising expenses and other expenses incurred by the undertaking significant repairs to tangible assets in operation;
- c. Effects of seasonal variations markets/sales/revenue in turn may reduce the liability and comparability of interim financial statements.
- d. Since interim reporting is based on a shorter period, the relevance of results becomes less precise leading to inaccurate decision making. Estimates and judgement based on interim reports may not be accurate for decisions made regarding the company.

- e. It also restricts the quality of accounting measurements. Interim disclosures are also limited as compared to annual disclosures.

Some of the Advantages of Interim reporting are:

- i. Interim reports offer a better periodic glance of the company to the shareholders.
- ii. It helps keep the firm in good books of investors by providing periodic information and establishing a better connection with the investors by helping them in the allocation of investment.
- iii. Error and fraud in financial statements can be easily detected and prevented at an early stage.
- iv. A comprehensive internal control procedure is implemented with the help of interim reporting that helps in making accounting policies robust.
- v. The interim dividend can be declared and provided to the shareholders of the company on reporting periodic financial statements which in turn helps shareholders and company to hold on to their investment.
- vi. Interim reporting helps big conglomerates in tracking their short-term initiatives that are in line with a long-term strategy.

Some of the Disadvantages of Interim reporting are:

- i. As the reporting period is shorter in preparing interim reports, chances of errors increases leading to concerns of inaccurate information.
- ii. Certain operating expenses are incurred in one period and its benefits are earned in subsequent periods such as advertising, maintenance cost, and repairs among others, which may sometimes distort the financial status of the firm.
- iii. Inventory calculations in an interim period are time-consuming, repetitive, and error-prone. Determination of the quantity and valuation of the inventory leads to unnecessary adjustments in the financial statements.
- iv. Interim reports emphasis more on short term results that distorts the picture for both investors and companies as they might contain over/ under booked expenses and income.

However, in today business world where hard paper copy is fading away, the internet financial reporting is now gaining popularity. Therefore, interim reporting is done more on the firm's websites or internet facilities, that is, internet financial reporting to reach out to all stakeholders.

2.1.3. Financial Performance

Mutende *et al.* [19] described financial performance as a firm's ability to achieve planned financial results as measured against its intended resources. The concept of firm's financial performance has to do with the level of success or failure of a firm in monetary terms. Generally, the common financial ratios used in measuring ordinary business financial performance are revenue growth, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, return on deposits (ROD), net interest margin (NIM), profit expense ratio (PER) and stock prices. Firms' performance is mostly evaluated in terms of profitability since it measures the efficiency of the managers and the firms' returns/profit for their

investors. Profitability ratios or measures therefore provide an insight to the degree of success in achieving this primary objective [20]. The most common profitability measures or ratios are return on capital employed (ROCE), gross profit margin, net profit margin, return on equity (ROE) and return on assets (ROA). Moreso, net operating profit margin (NOPM) assesses the firms' capacity based on the returns on capital per naira of firms' gross income. The concern of this approach is on the per unit component of earned profit in relation to total assets. A low value indicates that the cost of goods sold is relatively high. The net income (NI) measure is derived directly from the statement of comprehensive income and is arrived at by matching the revenue of a firm in a given period with expenses incurred to create revenue in that same period, plus the gain or loss on sale of the capital assets of the firm in the same period.

In addition, return on capital employed (ROCE) measures the overall returns from all investments. Gross profit margin measures the proportion or percentage of sales revenue earned as profit after deducting cost of sales only, whereas net profit margin measures the proportion or percentage of sales revenue earned as profit after deducting all expenses except interest and tax. The operational performance of a business should be considered from the perspective of net profit and not gross profit margin. Return on equity (ROE) indicates the extent of profit on equity shareholding investment based on profit, while return on assets (ROA) is the extent of profit earned on every ₦1 invested on or utilised of total assets.

ROA is sometimes called return on total assets (ROTA). ROA is a measure of firms' performance that takes into consideration total assets or all capitals in the generation of the firms' profitability or returns. ROA explains how effectively and efficiently the management has used the assets to earn better return. Hence, superior management practice improves the ROA better. Thus, ROA is considered and used in this study as proxied for financial performance based on the reasons aforementioned.

Previous researches like those of Suttipun [21], Udo [5] as well as Effiong [6] have claimed that the profitability of firms could be affected by the level of firms' reporting. Profitability is the financial matrix that indicates firms' ability to make enough incomes to cover its expenditures and operational costs during the operational period. The ability to make sufficient profit is the primary objective of every business, therefore, providing an insight to the level of performance. In other words, this is a company's capability of generating profits from its operations. Umoren *et al.* [1] found that the level reporting of non-financial in Nigeria are not as a result of profitability of the listed firms but by the type of auditor involved.

Financial performance information gives an indication of the extent to which events such as changes in market prices or interest rates affect its ability to generate net cash inflows as well as helpful in predicting the entity's future returns on its economic resources [22].

In summary, the concept of this study is thereby modelled in conceptual framework as:

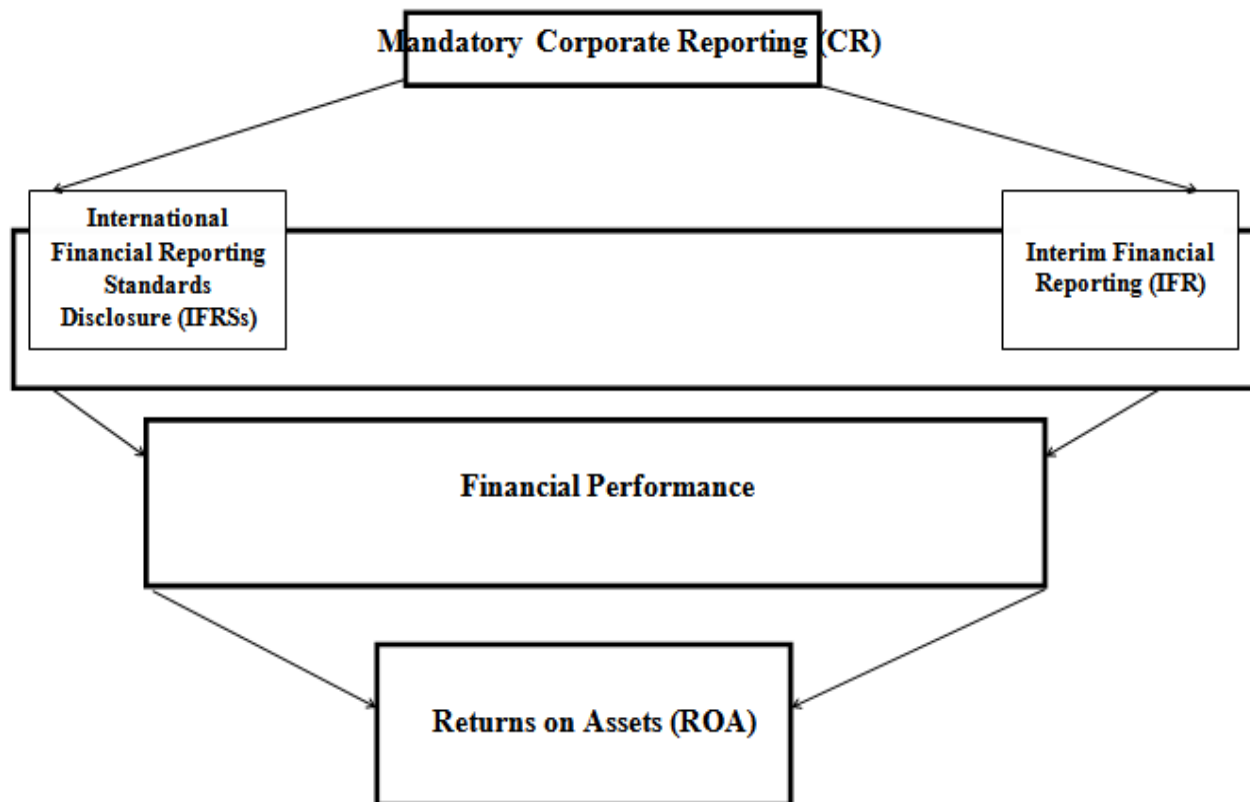


Figure 1. Conceptual Model of Mandatory Corporate Reporting and Financial Performance (*Source:* Researcher's Conceptualisation (2023))

2.2. Theoretical Framework

2.2.1. Signaling Theory

The signaling theory was proposed by Spence, M. in 1973 [36]. The theory posits that the most profitable companies tend to signal the market with more and better financial information disclosure [23]. According to George [38], an important feature in signaling is that the one party (the sender) decides whether and how to communicate (or signal) information to the other party (the receiver), who also chooses how to interpret the signal received. The relevance of the signaling theory borders around the idea of asymmetric information (a deviation from perfect information) and its implications among the various users of business information. Information asymmetric describes a circumstance where either of the parties does not have access to some part of information that could be of material value in shaping decision.

In business, signaling implies an important inequality situation where one-party have access to relevant information which is not made available to the other party or parties. The lack of access to perfect information about the subject matter makes the inadequately informed or misinformed party to take decisions which in an atmosphere of perfect information would not have been taken. The theory is relevant to this study because in corporations and business organizations access to perfect information about the true financial performance and prospects of the organisation might communicate a desirable image of the organisation to the other user of accounting information. Isidro and Macaques [24] indicated that this tendency arises because it is believed that disclosed information can be used to signal good corporate performance and long-term financial sustainability. It is important to highlight that although there are many theories and assumptions, the signaling theory is adopted as the major underlying theoretical foundation for this study. It better highlight the relationship between perfect information and optimal investment decision by various stakeholders of manufacturing firms to whom it owes the responsibility of meeting their interests and needs through decision relevant reporting [23].

2.2.2. Accountability Theory

Tetlock, P. E. and Lerner, J. S in 1983 and in 1999 originally founded this theory. According to Tetlock and Lerner [25], accountability is a mechanism and as a practice in which a person has a potential responsibility to explain his or her actions to another party who has the right to pass judgment on the actions as well as to subject the person to potential consequences for his or her actions. It was later developed by Gray R. in 1992 [26]. It concerned with how firms response to the associations, groups, persons, firms and the rights to information that such interactions bring about.

Accountability theory emphasises that act of being accountable or liable for one's own choices of actions with the anticipation of explanation and vindicating them when asked to do so. In other words, it is the obligation to offer an explanation of the actions for which one is

held responsible. This theory helps businesses to be accountable to their activities that affect the society and business communities as a whole and how to relate with all stakeholders concerned as well as having corporate integrated thinking for sustainable development [27].

2.3. Empirical Review

IFRSs Disclosures and Firms' Financial Performance

Ojeka *et al.* [28] examined how financial reporting disclosures enhance firms' financial performance in the Nigerian manufacturing companies. In specifically, the objectives were to empirically examine the relationship between financial reporting disclosures in annual reports and the performance of listed manufacturing companies in Nigeria between 2005 and 2009. The disclosure variables include: Timeliness, board size, type of auditors report and the percentage of value added retained for expansion were used as the measures of financial reporting disclosure while Return on Equity (ROE) was used as the measures of financial performance. Size and age were used as the control variables. The study used secondary data and Panel Least Square Regression for the data analysis. The results showed that there is a significant relationship between financial reporting disclosures and financial performance except in the case of percentage of value added retained for expansion size where there was no significant relationship found. It is, therefore, recommended that the Nigerian Federal Government, through her various regulatory agencies, ensure more disclosures is made in the financial report as this is an important means of addressing liquidity problem in the manufacturing sector for financial performance.

Ofoegbu and Odoemelam [3] examined disclosure practices under IFRSs on the performance of firms listed on the Nigerian Stock Exchange for a period of six years, from 2012 to 2017. The study also examined the relationship between market-based performance, company attributes, and overall disclosure. *Ex-post fact research design* was adopted in the study as data were pooled from 384 firm-year observations across 64 sampled companies listed in the Nigeria Stock Exchange (NSE). Disclosure index of both IFRSs mandatory and voluntary were adopted and applying content analysis for qualitative data. Multiple regression techniques were used to analyse the association of disclosure and performance of the firms expressed return on capital employed (ROCE) as a performance index. The firms' IFRS overall disclosure practices and sampled nonfinancial firms' performance for the post-IFRS period 2012–2017, company share prices and various company attributes were used as control variables as the independent variables, using ROCE to measure the firms' performance. The result indicated that the extent of overall IFRSs disclosure does not associate with the financial performance of the listed Nigerian firms. The findings suggested that share price, size, and audit firm size significantly and positively related to the overall disclosure of firms. The association between leverage, company age and overall disclosure index negative and insignificant. In the Nigeria context, audit firm size proved to be an important determinant of the extent of IFRSs disclosure.

Martinez-Ferrero [29] assessed the consequences of financial reporting quality (FRQ) using IFRSs on corporate performance, using three proxies of FRQ namely; earnings quality, conservatism and accruals quality. The main purpose was to analyze the effect of a good FRQ on financial performance (FP) measured by the market to book ratio. *Ex-post facto* and survey research designs were employed in the study. The proposed hypotheses were tested on an unbalanced sample of 1,960 international non-financial listed companies from 25 countries and the special administrative region of Hong-Kong for the period 2002 - 2010. The sample is unbalanced, consisting of a total of 14844 observations obtained from USA, United Kingdom, Ireland, Canada, Australia, Germany, Netherlands, Luxemburg, Austria, Denmark, Norway, Finland, Sweden, Switzerland, France, Italy, Spain, Belgium, Portugal, Greece, Japan, China, Singapore, New Zealand, Korea and Hong-Kong, as administrative region. This sample was obtained from the fusion of information available in Thomson One Analytic, for accounting and financial data. The use of simultaneous equations for the panel data, via the GMM estimator highlights the positive effect of financial reporting quality (FRQ) on financial performance. The empirical evidence showed that this relationship is moderated by the level of corruption perception in the country of origin of the company, the adoption of IFRS, the accounting system used in the country and the influence corporate performance.

Ironkwe and Oglekwe [12] evaluated International Financial Reporting Standards (IFRS) and corporate performance of listed companies in Nigeria. The study also aimed at determining whether full compliance to International Financial Reporting Standards (IFRS) plays a vital role in increasing and improving the acceptability and reliability of the instrument used in measuring the financial performance of business entities. Specifically, to investigate the corporate performance in terms of profitability of Listed Manufacturing Companies in Nigeria in the periods; Pre-IFRS Adoption (2009-2011) and the Post-IFRS Adoption (2012 – 2014). *Ex-post facto* research design and content analysis method were adopted. A sample of 10 manufacturing listed firms based in Port Harcourt was used. A purposive sampling technique was employed in the study. A descriptive statistics and Analysis of Variance (ANOVA) were used in analysing the performance of the two periods as it relates to EPS and ROE. Findings showed that EPS had a marginal appreciation of 2.3%, ROE showed a substantial reduction of 15.7% on performance in the Post Adoption Periods. Analyses from the tested hypotheses showed that, there is no significant impact of Pre or Post Adoption of IFRS on EPS and ROE. From the results of the findings, it was recommended that FRCN, SEC and CAMA 2004 should ensure strict adherence to IFRS Principles – based method of Financial Reporting and they should also provide an enabling environments for companies to thrive, because mere switch to international best practice do not automatically guarantee higher corporate performance.

Nwaogwugwu [30] examined the effect of IFRS adoption on the financial performance and value of the listed banks in Nigeria. Using a sample of 5 banks, (8 years observation) that have adopted the international

financial reporting standard (IFRS) from 2012 to 2015 and pre-IFRS period from 2008 to 2011, we can investigate performance and value of the listed banks. As the main objective of the study, we introduced panel data analysis on Return on Asset, Return on Equity and earnings per share (EPS) and IFRS dummy variable as the independent variables into the model. The paper uses the Fixed Effect Model as the appropriate estimator for analysis of the data. The estimated coefficient on the regime period (RR) term is statistically insignificant and positive in the models. The results suggested that the adoption of IFRS in Nigeria has not led to higher performance and increased value. Overall, results suggested that the findings of this study are utmost important financial analyst, policy-makers and concerned stakeholder to ensuring that all firms adopt IFRS and create easy access for comparability. This will enable relevant and reliable financial information to be passed to the capital market for investors to take an informed and relevant decision.

Interim Financial Reporting and Firms' Financial Performance

Grigoraş-Ichim and Moroşan-Daniilă [16] studied the importance of financial interim reporting for the position of companies. The specific objective was to assess the importance of interim financial reporting to different stakeholders and to improve the reporting entity's performance. The study is an empirical review of existing literature by reviewing the need for interim financial reporting in Romania to both internal and external users. Historical and exploratory research designs were adopted in the study. These designs were best fit for the study as they permit a systematic and objective location, evaluation and synthesis of evidence in order to establish facts and draw conclusions about past event. Data for the study were obtained from primary and secondary sources. Findings revealed that interim financial reporting can help increase the economic performance of the entity, either by reducing unnecessary time costs (waste) or by increasing communication and transparency with third parties (creditors, customers), proper management can act early to counteract negative effects on entity's activity or to prevent any commercial or production failures. It was concluded that financial interim reporting is significance for the positioning of companies.

Sahore and Verma [31] studied corporate disclosures through financial interim reporting and financial performance of selected Indian manufacturing and non-manufacturing companies in India. The study assessed various aspects of corporate voluntary disclosure practices of selected Indian companies. Contract theory was main thrust of the study because information asymmetry leads to superfluous decisions because of information gap between the parties. *Ex-post facto* and survey research designs were deployed. Data were gathered from both primary and secondary sources. The sample consists of CNX 100 companies listed on National Stock Exchange of India. Data were extracted from annual reports using content analysis method. Multiple regression tools and econometric technique were employed for analyses. Results of the study obtained through correlation and regression approach are very encouraging and are evident

of stock returns responding to corporate voluntary disclosures, financial as well as non-financial, particularly in the recent years. The effect of increased disclosures on stock prices is of possible interest to investing community and stakeholders at large including the policy makers and regulators. It is not just about the level of disclosures but also the type of disclosures, examples, non-financial disclosure like forward looking, social, and environmental which play an important role in enunciating the association between the two variables.

Alebrahim [32] examined the extent of corporate internet reporting (CIR), its relationship with some corporate governance and firm characteristics variables, and to determine the impact of CIR on firm financial performance. These associations are investigated by employing a quantitative method dependant on a multi-theoretical framework. *Ex-post facto* research design was adopted in the study. The study uses a self-constructed disclosure index, which includes 196 items, to measure the CIR of 170 Saudi listed companies. The findings indicated that the level of CIR is, on average, moderate compared to their counterparts in developed countries. Further, the empirical results revealed that firms which are large in size, with low liquidity rate, distribute dividends, have board which is meet less frequently and have less independent members in the audit committee are more likely to have high CIR level. In addition, the results indicated that firm growth, leverage, industry type, audit type, board size, board independence, role duality, block holder ownership, directors' ownership, institutional ownership, government ownership, audit committee size and audit committee frequency of meeting appear to be insignificant predictors for CIR total. However, the findings showed that the significance of these variables varies among the CIR components: content, presentation, timeliness, usability and audit. Finally, it is statistically evident that CIR has no significant impact on firm financial performance in Saudi listed companies. These findings suggested that further effort is required to enhance the awareness of good corporate governance and that other variables may be more relevant to CIR in the Saudi context.

3. Methodology

3.1. Research Design

Ex-post facto research design was used in the research. This design was adopted as it permits the evaluation of independent variables in retrospect for their possible influence on the dependent variable.

3.2. Population of the Study

The population is the forty (40) listed firms in the manufacturing industry (agriculture, consumer goods, industrial and natural resources companies) quoted and actively traded stocks on floor of the Nigerian Stock Exchange from 2012 financial year to December 31, 2021.

3.3. Sample Size and Sampling Technique

Given the total population of the study as forty (40), the same number was used as the sample size of the study. This is due to the fact the population was small and that, these manufacturing companies implemented IFRSs and were fully traded in the floor of NSE from January 01, 2012, which means that their 2012 – 2021 annual reports were accessible. This prompted the deployment of Census sampling technique in the study.

3.4. Source and Nature of Data

Secondary sources of data to be used consisted of the annual reports and accounts of the selected firms and formed the main sources of data of this study. Specifically, the data from directors' reports, sustainability reports – IIRC, financial statements, IASB, FRCN, SEC and NSE compliance reports will be utilised. The data will be financial and non-financial in nature and are expected to be available both in soft copies and hard copies.

3.5. Method of Data Collection

The data were pooled from the forty (40) sampled manufacturing companies listed in the Nigerian Capital Market (NSE). Both online and hard copies of annual reports and accounts of the sampled firms were collected from Lagos and Port Harcourt Branches of Nigerian Stock Exchange (NSE) for the period, 2012 to 2021 using content analysis method.

3.6. Theoretical Specification of Model

This section is the theoretical specification of model, where financial performance was measured by profitability and proxied by Return on Assets (ROA) and mandatory corporate reporting as proxied by International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting (IFR) as presented in Table 1, thus:

Table 1. Theoretical Framework of Mandatory Corporate Reporting and Financial Performance

Variables	Types	Measurement/Definition	Apriori Sign	Source
Financial Performance, (Profitability) Return on Assets (ROA)	Dependent	Profit before interest & tax (PBIT) Total Assets (TA)	+	Annual Report
International Financial Reporting Standards (IFRSs) disclosures	Independent	$\sum_i \sum_t$ (Scores of all IFRSs disclosed mandatory items of all the firms' for the year)		Annual Report IFRS Checklist
Interim Financial Reporting (IFR)	Independent	$\sum_{it}$ (Scores of Interim disclosures per firm for the year) $\sum_i \sum_t$ (Scores of all Interim disclosures of all the firms for the year)	+	Annual Report IAS 34

Source: Compiled by Researcher (2023).

3.7. Empirical Specification of Models

A multiple linear regression model was fitted to determine how the dependent variable, financial performance (FP) measured by profitability (proxied by Return on Assets, ROA) was explained by the independent variables, mandatory corporate reporting (MCR) proxied by International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting (IFR). In order to test the research hypotheses, multiple regression models (functional form and econometrical) will be used as:

$$FP_{it} = f(MCR_{it}) \quad (1)$$

$$Y_{it} = \alpha_0 + \alpha_1 X_{1it} + \alpha_2 X_{2it} + \varepsilon_{it} \quad (2)$$

$$ROA = \alpha_0 + \alpha_1 IFRS_{it} + \dots + \alpha_2 IFR_{it} + \varepsilon_{it} \quad (3)$$

Where;

FP = Financial Performance, measured as Profitability and proxied by Return on Assets (ROA); IFRSs = IFRSs Disclosures (X_1); and IFR = Interim Financial Reporting (X_2); α_1, α_2 = estimated coefficients of the independent variables; α_0 = constant term; ε = error term; i, t = company i in year t .

- i. **For IFRSs Disclosures**, IFRSs overall disclosure checklists will be used with 100 items. Dichotomy scaling ('1' for disclosure and '0' for non-disclosure) will be used. Thus, tally the IFRSs disclosures of 100 points. It is computed as:

IFRSs Disclosure

$$= \frac{\sum_{it} \left(\text{Scores of IFRSs disclosed items per firm for the yr} \right)}{\sum_i \sum_t \left(\text{Scores of all IFRSs disclosed items of all the firms' for the yr} \right)}$$

- ii. **Also, for interim financial reporting**, sixteen (16) item checklists will be used to gather interim financial disclosures score in line with IAS 34 checklists of 2017 [35] (Revised). Dichotomy scaling ('1' for disclosure and '0' for non-disclosure) will be used. It is computed as:

$$\frac{\sum_{it} \left(\text{Scores of Interim financial disclosed per firm for the year} \right)}{\sum_i \sum_t \left(\text{Scores of all Interim financial disclosures of all the firms for the year} \right)}$$

3.8. Method of Data Analysis

The descriptive and inferential statistics were adopted in the study and they included simple percentages, tables, mean and standard deviations, skewness and kurtosis as well as Shapiro-Wilk test of normality while multiple regression analysis will be used to examine the influence of mandatory corporate reporting on firms' profitability (ROA). This will be carried out with the help of Statistical Package for Social Sciences (SPSS) Version 22.0 at 5% level of significance in order to reach valid conclusions for the study.

4. Results and Discussion of Findings

In this section, the data collected for the study, results of data analysis and discussion of the findings were presented.

4.1. Statistical Analyses of Data

In this subsection, the hypotheses of the study were tested and results were analysed to achieve the objectives of the study. It was carried out using inferential statistics with the help of Statistical Package for Social Science (SPSS) Version 20.0 at 5% level of significance.

Table 2 presents the descriptive statistics for the research variables. Result reveals mean values of 6.57, 1.74 and 0.09 for IFRSs, IFR and ROA with standard deviation of 1.01, 3.23 and 0.41 respectively. Result of the mean reveals that among the two mandatory corporate reporting variables, IFRSs has the highest mean which implies that IFRSs disclosures was more rated than IFR. The skewness of -1.40, 8.03 and -1.07 were obtained meaning that these variables decreased in values than it increased in values within the period of study. The kurtosis of 2.26, 76.33 and 47.93 which are higher than 3.00 which implies that the variables have higher kurtosis was higher than that of normal distribution. This is an indication that the distribution of these variables is leptokurtic (kurtosis higher than that of the normal distribution). The Shapiro-Wilks test was used to examine the normality of these variables and the results obtained are presented in Table 3.

Table 2. Descriptive Statistics for the Research Variables

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
IFRSs	400	2.03	9.24	6.57	1.01	-1.40	0.16	2.26	0.27
IFR	400	0.01	36.41	1.74	3.23	8.03	0.16	76.33	0.27
ROA	400	-4.52	3.11	0.09	0.41	-1.07	0.16	47.93	0.27

Source: Authors' Computation (2023) using SPSS version 20.0.

Table 3. Summary of Normality Test using Shapiro-Wilk test for the Research Variables

Variables	Shapiro-Wilk		
	Statistic	df	P-value
IFRSs	0.886	400	0.000
IFR	0.952	400	0.000
ROA	0.485	400	0.000

Source: Authors' Computation (2023) using SPSS version 20.0.

Table 3 presents the summary of the results of the normality of the research variables using Shapiro-Wilk test. Result shows p-values of 0.000 were obtained for IFRSs disclosures, 0.000 for IFR and 0.000 for ROA. The result shows that the probability value obtained for all the variables was less than 0.05 ($p < 0.05$) indicating that data obtained from these variables are not normally distributed. The summary of the multiple regression showing the influence of mandatory corporate reporting on ROA of listed manufacturing firms is presented in Table 4.

The Table 4 presents summary result of the influence of International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting (IFR) on ROA of listed manufacturing companies in Nigeria. From Table 4, a regression square (R^2) of 0.667 was obtained, which means that 66.7% was the overall contribution of all independent variables (IFRSs disclosures and Interim financial reporting, IFR) on the dependent variable (financial performance proxied, ROA). The Result shows adjusted coefficient of determination of 0.612. This implies that 61.2% of the variation in financial performance was explained for by mandatory corporate reporting of the selected listed companies. The Durbin Watson statistic of 1.948 was obtained which is greater than 1 and less than 3.00 meaning that there is no evidence of autocorrelation.

Result of Analysis of Variance (ANOVA) showing whether there is a regression relationship between the dependent variable (financial performance proxied by ROA) and the independent variables (IFRSs disclosures and Interim Financial Reporting, IFR) was presented in Table 5. The F-calculated of 8.536 was obtained with P-value of 0.000 as against the F-critical of 2.63 at 0.05 level of significance. Result shows that the F-calculated (8.536) is greater than F-critical (2.63) which means that there is a significant regression relationship between the dependent

variable of listed manufacturing firms as measured by ROA and mandatory corporate reporting (IFRSs and IFR). This result also indicates that IFRSs disclosures and IFR accounted for significant variation in ROA of listed manufacturing firms using multiple linear regression. Parameter estimates of the multiple regression model as well as the significance of each of the parameter in the multiple regression model is as presented in Table 6.

From Table 6, the regression coefficient for the model parameters were computed showing the influence of the independent variables on the dependent variable. The result shows that as IFRSs disclosures ($\beta = 0.441$, Std Error = 0.010, t-calc. = 7.172, $p = 0.01$), IFR ($\beta = -0.125$, Std Error = 0.029, t-calc. = 5.017, $p = 0.015$) have positive significant influence on profitability (ROA). This implies that as IFRSs disclosures and IFR increase, ROA increases and verse versa. The result also reveals standardized beta coefficient of 0.441 for IFRSs disclosures, which implies that if other variables are held constant, for every ₦1 increase in IFRSs disclosures, the profitability (ROA) of the listed manufacturing companies will increase by ₦0.441; and that standardized beta coefficient of 0.125 for IFR, which indicates that if other variables are held constant, for every ₦1 increase in IFR, the profitability of the selected listed companies will increase by ₦0.125. Also, the presence of multicollinearity was checked using Variance Inflation Factor (VIF) and tolerance level. From Table 6 results, tolerance of 0.974 and 0.990 for IFRSs disclosures and IFR increase and VIF values of 1.027 and 1.010 respectively. The tolerance levels were all greater than 0.1 while the VIFs were all less than 10 indicating that there is no evidence of multicollinearity.

The estimated model therefore is:

$$ROA_{it} = 0.441IFRSs + 0.125IFR + \varepsilon_{it}.$$

Table 4. Regression Summary showing the influence of ROA with IFRSs disclosures and IFR of Listed Manufacturing Companies in Nigeria

Model	R	R^2	Adjusted R^2	Std. Error	Durbin-Watson
1	0.796	0.667	0.612	0.2883977	1.948

Source: Authors' Computation (2023) using SPSS Version 20.0.

Table 5. ANOVA result summary of ROA, IFRSs Disclosures and IFR of the listed manufacturing firms in Nigeria

Model	Sum of Squares	df	Mean Square	F-calc.	F-crit.	Sig.
Regression	4.064	3	1.355	8.536	2.63	0.000
Residual	56.505	356	0.159			
Total	60.569	359				

Source: Researcher's Computation (2023) using SPSS Version 20.0.

Table 6. Parameters estimates of the coefficients of regression result showing the influence of Mandatory Corporate Reporting on ROA of listed manufacturing firms in Nigeria

Model	Unstandardized Coefficients		Standardized Coefficients	T	P-value	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-0.238	0.066		-3.605	0.000		
IFRSs	0.071	0.010	0.441	7.172	0.001	0.974	1.027
IFR	0.150	0.029	0.125	5.017	0.015	0.990	1.010

*Sig@ 5%; t-critical = 4.30; Source: Authors' computation (2023) using SPSS version 20.0.

4.3. Discussion of Findings

The results of the regression analyses of the hypotheses were discussed as follows:

4.3.1. IFRSs Disclosures influence on Financial Performance (ROA)

Hypothesis One was tested and the result from the regression analysis showed that, IFRSs disclosures have a significant positive influence on financial performance (ROA). This is confirmed as the p-value (0.001) for the influence of IFRSs disclosures on ROA is less than 0.05 level of significant. The t-calculated of 7.172 obtained is greater than t-critical value of 4.30 which indicated that IFRSs disclosures has significant positive influence on companies' financial performance. The result obtained agrees with views of other researchers like Ali *et al.* [33] and Ojeka *et al.* [28] as found that there is a significant relationship between IFRSs disclosures and financial performance of firm. These advocates asserted that on average, profit reported under IFRS is higher than that reported under the National GAAP. Ofoegbu and Odoemelam [3] and Nwaogwugwu [30] found a contrary opinion that IFRSs disclosures do not associate with the increased financial performance of the listed Nigerian firm and they held that there is still discrepancy between IFRSs disclosures and National GAAP.

4.3.2. Impact of Interim Financial Reporting on Financial Performance

Hypothesis One was tested and the result from the regression analysis showed that, interim financial reporting (IFR) has a significant positive influence on financial performance (ROA). This is confirmed as the p-value (0.015) for the influence of IFR on ROA is less than 0.05 level of significant. The t-calculated of 5.017 obtained is greater than t-critical value of 4.30 which indicated that IFR has significant positive influence on companies' financial performance. This is in support of the findings of Grigoraş-Ichim and Moroşan-Danilă [16] as well as Sahore and Verma [31] that interim financial reporting (IFR) increase the economic performance of the entity. This is due to the fact that interim financial reporting (IFR) reduces unnecessary time costs, timely reporting and positioning of the reporting entity for more potential investors. Alebrahim [32] countered the findings that statistically evident had showed that IFR has no significant impact on firm financial performance.

4.3.3. Effect of Mandatory Corporate Reporting on Financial Performance

The Hypothesis Three was tested and the result revealed that there is a combined significant positive effect of International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting (mandatory corporate reporting) on financial performance (as proxied by Return on Assets, ROA) of the listed manufacturing firms in Nigeria. This is confirmed as the p-value (0.000) for the combined influence of Mandatory Corporate Reporting on ROA is less than 0.05 level of significance. This is confirmed as F-calculated of 9.735 is greater than F-critical of 2.41, meaning that, there is

significant positive combined influence of mandatory corporate reporting (IFRSs disclosures and interim financial reporting, IFR) on listed manufacturing companies' financial performance (ROA). This agrees with view of Sahore and Verma [31] that mandatory corporate disclosures significantly influence firms' financial performance and are evident of stock returns but Akhtaruddin [34] and Christensen *et al.* [7] opposed to the findings, and asserted that, mandatory corporate disclosures have no effect on profitability as they constitute costs burden and can exert various pressures on firms' financial performance as the firms try to disclose for the better image and to please business community at the expense of the firms.

5. Conclusion and Recommendations

The effects of mandatory corporate reporting [IFRSs disclosures and interim financial reporting] on financial performance – ROA was examined. Specifically, to examine the influence of IFRSs disclosures on ROA; to find out the impact of interim financial reporting on ROA and finally, to determine combined effect of mandatory corporate reporting on ROA. The findings were summarized thus, that:

- i. IFRSs disclosures have a significant positive influence on financial performance (ROA);
- ii. Interim financial reporting (IFR) has a significant positive influence on financial performance (ROA); and
- iii. There is a combined significant positive effect of International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting (mandatory corporate reporting) on financial performance (as proxied by Return on Assets, ROA) of the listed manufacturing firms in Nigeria.

Based the findings and discussions of the study, it is concluded in the study that the two constituents of mandatory corporate reporting - International Financial Reporting Standards (IFRSs) disclosures and interim financial reporting significantly financial performance of the listed manufacturing companies in Nigeria.

5.1. Recommendations

Based on the conclusion of the study, the following recommendations were made:

- i. FRCN, SEC, CAMA 2020 and other regulatory bodies as well as professional regulatory body should ensure strict adherence to IFRS Principles-based method of Financial Reporting and they should also provide an enabling environment for companies to thrive, because mere switch to international best practice do not automatically guarantee increased financial performance.
- ii. Nigerian Federal Government, through her various regulatory agencies should ensure more disclosures is made in the financial reports as this is an important means of addressing liquidity problem in the manufacturing sector for financial performance.

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