DETERMINANTS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS' (IFRS) COMPLIANCE AMONG LISTED COMPANIES IN NIGERIA

BY

ALIU, Ismaila Daudu
14/27/PAC001

JULY, 2019

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A THESIS PRESENTED AND SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY (Ph.D.) DEGREE IN ACCOUNTING

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KWARA STATE UNIVERSITY, MALETE, NIGERIA

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JULY, 2019

CERTIFICATION

This is to certify that this thesis by ALIU, Ismaila Daudu (Matriculation Number: 14/27/PAC001) titled: Determinants Of International Financial Reporting Standards' (IFRS) Compliance among Listed Companies In Nigeria has been read and approved as meeting the requirements for the award of Doctor of philosophy in Accounting, in the Department of Accounting and Finance, College of Business and Governance, Kwara State University, Malete, Kwara State, Nigeria.

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DECLARATION

I, ALIU, Ismaila Daudu (Matriculation Number: 14/27/PAC001) hereby declare that this thesis titled: Determinants Of International Financial Reporting Standards' (IFRS) Compliance among Listed Companies In Nigeria submitted to the Department of Accounting and Finance, College of Humanities, Management and Social Science, Kwara State University, Malete, Kwara State, Nigeria is my personal work and effort and has not been presented or submitted by me and any other person for any academic qualification in any academic institutions.

Aliu, Ismaila Daudu ....
Signature Date

DEDICATION

This research work is dedicated to Mrs Olanrewaju Yemisi Esther and her entire family.

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ABSTRACT

Many listed companies claim that their financial statements are prepared in accordance with IFRSs but the reality is different due to varying levels of compliance because the burden of complying fully with the disclosure requirements of IFRS is complex. These consequently limit the potential effect of IFRS adoption, thereby, impair the quality of financial information and the ability of investors and other users from making rightful decisions. These motivate the study to investigate the determinant of IFRS compliance among listed companies in Nigeria. The specific objectives to achieve the main objective include investigation of IFRS compliance level, determine the impact of firm specifics characteristics and corporate governance mechanisms on IFRS compliance level and assesses the extent to which IFRS compliance level differs among various sub-sector of listed companies in Nigeria using convergent parallel research design of mixed method. This method collects quantitative and qualitative data concurrently, analyses the two data sets separately and merging the results during interpretations. Annual reports of 87 listed companies in Nigeria from 2012 to 2017 which equal to 522 observations were employed to collect secondary data and was analyzed using both GLS regression autocorrelation corrected random effect and ANOVA. The primary data was obtained through interview of 7 staffers of FRC of Nigeria, NSE, CAC and Nigerian listed companies and was narratively analyzed. The findings of the study revealed that more than 70% (368 observations) of Nigerian listed companies achieved IFRS compliance level of below 49% while 27% (41 observations) achieved between 50% to 59% compliance score and only 2% (13 observations) achieved compliance score of above 60%. The overall IFRS compliance level ranged from 6% to 66% with average mean compliance level of 41%. However, the qualitative finding revealed a misconception between IFRS adoption and compliance. For firm's characteristics, the result also shows that profitability, audit quality, and international listing have statistically significant influence on IFRS compliance level while board size, foreign board member, board diligence (meeting), audit committee expertise, and audit committee gender, among the corporate governance mechanisms, have statistically significant impact on IFRS compliance level. These was also corroborated by the qualitative findings that big 4 and international listing status influence IFRS compliance level and that it is axiomatic that a high IFRS compliance level can only be achieved where an entity deliberately and consistently puts in place a virile corporate governance structure. No more, no less! The findings also revealed that differences existed among IFRS compliance level, Nigerian listed companies and various sub-sector. The study concluded that IFRS compliance level is very low and differences existed among listed companies in various sub-sector of Nigeria. Meanwhile, the low level of IFRS compliance achieved is actually influenced by profitability, audit quality, international listing, board size, foreign board member, board diligence (meeting), audit committee expertise, and audit committee gender. Therefore, the study recommends that standard setter must clarify the difference between IFRS adoption and compliance. Regulatory agencies should intensify effort to increase IFRS compliance level, ensure presence of foreigner in the board, board member meet regularly and that, at least, each member of audit committee is financially literate.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Harmonization of financial reporting practices all over the world has resulted to the emergence of International Financial Reporting Standards (IFRS). IFRS is the product of private sector initiatives for globalization and convergence of corporate reporting practices (Abata, 2015). The harmonization of corporate financial reporting practices could impinge on investors and other users to have full confidence in companies' financial statements. IFRS adoption has significantly improved the consistency in recognition and measurement of financial information but the burden of full compliance is complex and impacting on corporate reporting practices of quoted companies across the globe (Adebimpe & Ekwere, 2015; Amiraslani, Iatridis, George & Peter, 2013). Global adoption of IFRS is supported by many countries. International Accounting Standard Board (IASB) (2018) posits that more than 270 countries have been using IFRS for reporting their businesses and commercial activities to enhance the comparability of financial statements as well as improving investment and economic decisions (Cascino & Gassen, 2015).

The use of IFRS had gained momentum starting from the western world extending to developing countries including some parts of Africa (Asian & Dike 2015; Mulenga, 2016). The decision of European Union to adopt IFRS on or after 1 January 2005 had resulted to uniformity of accounting standards in the developed countries (Ali *et al.*, 2016). This represents an important change in financial accounting regulation. The compulsory adoption of IFRS in Australia, Canada, Korea, New Zealand, Brazil and many other countries has encouraged some countries such as United States, Japan, India, Russia, Colombia, etc. to currently considering adoption or convergence with IFRS (Deloitte, 2018; Paul, Peter & Dang, 2014). The resultant improvement in the quality of financial statement triggered IFRS adoption in some African countries such as Ghana, Nigeria, etc. The 17 French-speaking African countries that constitute the African organization for the harmonization of business laws are yet to adopt IFRS (IASB, 2018). This low level of adoption in Africa evident with Siaga's (2012) statistics that only 28% of International Federation of Accountant (IFAC) members in Africa have adopted IFRS, out of 40% that have access to IFAC (Siaga, 2012).

As part of the effort to adopt IFRSs in Nigeria, the Federal government of Nigeria introduced significant reforms in 2010 which were aimed at promoting confidence in corporate reporting and governance practices. This led to establishment of a committee on a road map to the IFRS adoption in Nigeria. The committee proposed the Financial Reporting Council of Nigeria (FRCN) to be structured to provide a platform for ensuring the enforcement and monitoring of IFRS adoption (Nigerian Accounting Standard Board (NASB), 2010). IFRS adoption took effect on or before 1st January 2012 with companies listed in Nigeria (Augustine & Famous, 2014). This adoption requires firms to give explanations for differences in disclosure requirements and accounting information presented. These explanations depend on how the implementation is performed which has been a great task for many listed companies including Nigerian listed companies (Edogbanya & Kamardin, 2014).

Paragraph 16 of the International Accounting Standard (IAS) 1 specifically states that "entities shall not describe financial statements as complying with IFRSs unless they have complied with all the disclosure requirements of IFRSs" (IASB, 2010). The existence of legislation (IFRS) and enforcing bodies, such as IASB and FRCN, does not guarantee full compliance with all the required disclosures. Many companies usually claimed that the financial statements are prepared using IFRS but the fact differs due to differences in IFRS compliance levels (Tsalavoutas, 2011). The differences show that the IFRS adoptions are just in labels and inconsistent with IASB's prescription. This heterogeneity in the compliance level have been attributed to absence of "bright-line" rules on the level of compliance coupled with the failure of auditors to express opinion regarding the extent of IFRS compliance (Ball, 2006; Daske, Hail, Leuz & Verdi, 2008; Fernandes, 2017; Verriest, Gaeremynck & Thornton, 2013).

The variability in IFRS compliance level has resulted to production of irrelevant financial information (IASB, 2018). IASB quite explicitly points to the unsatisfactory performance of entities, auditors and preparers being the leading cause of this problem due to the application of mechanical box-ticking behaviour that currently seems sufficient even by the regulators (Juhmani, 2017). This has posed a significant challenge to the veracity, credibility, and utility of accounting information emanating from such corporate financial reporting system (IASB, 2018). Several studies such as Ball, Kothari & Robin (2000), Essam, Nur, Khairil & Yousef

(2015), Glaum, Schmidt & Street (2013), Hail, Leuz & Wysocki (2010), Soderstrom & Sun (2007), Zeff (2007) showed that country or firm-specific features explained the IFRS compliance variations while some authors like Amiraslani *et al.* (2013), Leuz & Wysocki (2008), Schipper (2005) explained that it might be influenced by business culture, financial culture, the accounting and auditing culture or legal system of the country.

These factors are crucial in the practical aspect of financial reporting processes to achieve more reliable and high-quality financial information (Rezaee, 2008). Therefore, these factors were categorized into country-specific factors, firm-specific factors, and corporate governance mechanisms but the country factor is considered at national level due to its application from countries to countries (Rezaee & Riley, 2010). However, Nobes (2013) noted that pre-IFRS habits and features of a company control after the IFRS transition. This refers to firm-specific features and corporate governance mechanisms and was seen as one of the prominent determinants regarding companies' decisions on IFRS compliance level (Modugu & Eboigbe, 2017). Investigation of these factors calls for increasing research on IFRS compliance in recent years. Therefore, the study examines important determinants of IFRS compliance among companies listed in Nigeria.

1.2 Statement of the Problem

The promise that IFRS adoption will enhance comparability of accounting information might be difficult to achieve due to contradictory results on IFRS compliance level. The varying levels of IFRS compliance by entities limit the value of accounting information and the potential benefits of IFRS adoption (Verriest *et al.,* 2013; Fernandes, 2017). This has impaired the ability of all users in comparing financial information of different firms for rightful decisions (Al-Mutawaa, 2010). This variability had also injected enormous subjectivity into the corporate financial reporting system through creeping of flawed estimates into the financial statements. This is evidenced with a recent development of a stock broking firm embroiled in alleged #10 billion scandals, based on official estimates, relating to diversion and misappropriation of funds due to non-compliance with IFRS (The Guardian, 2017).

This consequently resulted to wrong investment and business decision such as sub-optimally deployed of capital; resource misallocation; investors paying huge opportunity cost by investing in companies with unrealistic vision and inflated values and better investments bypass (Ahmed, 2011). The effect is not only limited to the companies, but the customers and suppliers also make decisions based on this flawed picture of economic reality. The lenders are also unable to make the loan agreement with the real risk and competitors strive to achieve unrealistic goals while employees make unrealistic career retirement decisions (The Guardian, 2017). The aforementioned problems have been affirmed by different authors (Alanezi & Albuloushi, 2011; Al-Shammari, 2011; Amiraslani *et al*. 2013; Dumontier & Raffournier, 1998; Glaum *et al.*, 2013; Paul *et al.*, 2014 and Shehu & Masunda, 2015) as a consequence of divergences features of companies such as size of the companies, company age, multinational listing, profitability level, type of industry, type of external auditor, and gearing level and liquidity which influence IFRS compliance level without a consensus. Companies with abundant resources are expected to have the potential to prepare for incidence of improvement in accounting regime such as IFRS. IFRS compliance level is said to be influenced when a company is more profitable than another. This prompted entities to increase their disclosure level to shareholders because failure to meet the terms of IFRS compliance might lead to disinvestment from the entities (Shehu & Masunda, 2015).

IFRS compliance level is also influenced when firms are being audited by "Big Four" audit firms. They easily detect any form of non-compliance, such as any opportunistic behaviour, due to their level of exposure and reputation which may not be easily detected by the other audit firms (Street & Gray, 2001). Multinational listed companies are more often than not exposed to a broader range of regulations which compel them to disclose more than required information (Malone, Fries & Jones, 1993). This is contrary to companies in a extremely competitive environment to avert disclosure of vital information (Ferguson, Lam & Lee, 2002). Leverage is another important explanatory factor of IFRS compliance level because of agency conflicts which usually arise between providers of finance and management. Thus, high leveraged firms divulge more information to avoid agency conflicts and comforting debt holders on the safety of their stakes (Shehu & Masunda, 2015).

Besides, the influence of corporate governance mechanisms regarding IFRS compliance level remains largely unexplored. The concern of non-compliance revealed in a survey conducted by Nigerian Stock Exchange Commission (SEC) that only 40% of the quoted companies fulfilled the provisions of corporate governance and other corporate disclosure requirements such as IFRS (Ahmad, 2011). This impaired the corporate governance structure and those companies with weak compliance level suffer most in cases of any financial scandals (Abdullah *et al*., 2015; Ebrahim & Fattah, 2015; Klai & Omri, 2011). Among all the corporate governance mechanisms, board members have been recognized as the most important, with the duty to establish an audit committee and to delegate corporate financial reporting responsibilities to the committee for quality of financial information (Akinkoye & Olasanmi, 2014; Samuel, Mudzamir & Mohammad, 2017). With regard to the determinants of IFRS compliance level, Fernandes (2017) explains that the individual characteristics of the board members and committee have strong decision-making power on the information disclosed and this clearly suggests that the characteristics of board members and committee can influence IFRS compliance.

However, failure to adhere with this corporate governance structure renders the financial report unacceptable and created problems for the companies, such as prosecution that may finally result to closure of the company (Feng, 2014). With regards to the size of the board, a small number of directors harmonise the operations of the company while a large board size stirs elements of managerial entrenchment (Bradbury, Mark & Tan, 2006). This implies that a large board size increases harmonization and reduce the managerial capability of directors in the company (Vafeas, 2005). Another problem affecting the IFRS compliance level is the independence of board members. IFRS compliance level is affected when CEO chaired more than a seat in the company's operation (Bushman, Chen, Engel & Smith, 2004; Dimitropoulos & Asteriou, 2010; Karamanou & Vafeas, 2005).

Notably, the presence of an independent director has no effect on IFRS compliance level if such director is not competent enough to control the managers. Many corporate frauds are associated with the nomination or appointments of members of board and committee with little or no financial skills and knowledge (Cornett, Nutt & Tehranian, 2009). Gender diversity is another problem that affects IFRS compliance level because the absence of

female in the board and committee reduce access to an expanded pool of female candidates who have higher quality and willingness to monitor IFRS compliance level (Lipton & Lorsch, 2011). This calls for an increasing number of women in the top executive teams and committee because women are risk avoider than men.

Previous IFRS studies (Ali, Ahmed & Henry, 2004; Al-Shammari, Brown & Tarca, 2008; Al-Shiab, 2003; Amiraslani *et al.,* 2013; Azevedo, Oliveira & Couto, 2018; Barker, Barone, Birt, Gaeremynck, Mcgeachin, Marton & Moldovan, 2013; Glaum *et al*., 2013; Huang & Kisgen 2013; Levi, Li, & Zhang 2008; Leuz, 2010; Mohan & Chen 2004; Suprayitno 2005; Rezaee, 2003) examined the IFRS compliance level, whether IFRSs are applied consistently or evaluating compliance level, but there have been mixed results regarding which factors influence the level of compliance. However, all of these studies failed to consider capital intensity as an important determinant. Also, the collapse of high-profile corporations like Errons, Worldcom, etc. has redirected the focus of regulators towards enacting robust corporate governance structure to promote IFRS compliance level (Marshall, 2015). Meanwhile, the studies on the effect of corporate governance mechanisms on financial reporting decision regarding the IFRS compliance is limited, especially in Nigeria. Therefore, the current study examines companies-specific characteristics, corporate governance structure and IFRS compliance among companies listed in Nigeria.

1.3 Research Questions

Anchored in the problems identified earlier, the study provides to answer the following research questions:

i. What is the post IFRS compliance level among listed companies in Nigeria?
ii. To what extent do firm-specific characteristics influence IFRS compliance level among listed companies in Nigeria?
iii. What is the impact of corporate governance mechanisms on the IFRS compliance level of listed companies in Nigeria?
iv. What are the differences in the IFRS compliance level among various sub-sectors of listed companies in Nigeria?

1.4 Objectives of the Study

The broad objective of this study is to examine the determinants of IFRS compliance among companies listed in Nigeria. The Specific objectives guiding this study are to:

i. investigate the post IFRS compliance level among companies listed in Nigeria;
ii. determine the extent to which firms' characteristics influence IFRS compliance level among listed companies in Nigeria;
iii. examine the effects of corporate governance mechanisms on IFRS compliance level among companies listed in Nigeria; and
iv. assess the differences in the IFRS compliance level among various sub-sectors of listed companies in Nigeria.

1.5 Research Hypotheses

In order to address the aforementioned research questions, the following null hypotheses were developed and tested:

H_{01}: Firms' characteristic does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:1}$ Profitability does not significantly influence IFRS compliance level among Nigerian listed companies.

$H_{01:2:}$ Leverage does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:3}$ International listing status does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:4}$ Audited by one of the "Big Four" audit firms do not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:5}$ Company's size does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:6}$ Company's age does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:7}$ Capital intensity does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{01:8}$ Liquidity status does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{02:}$ Corporate governance mechanisms do not significantly affect IFRS compliance level among listed companies in Nigeria.

$H_{02:1:}$ Size of board members does not significantly affect IFRS compliance level among listed companies in Nigeria.

$H_{02:2:}$ Independence of the board member does not significantly relate to IFRS compliance level among listed companies in Nigeria.

$H_{02:3:}$ Presence of foreign board member does not significantly influence IFRS compliance level among listed companies in Nigeria.

$H_{02:4:}$ Possession of international experience by board member does not significantly affect IFRS compliance level among listed companies in Nigeria.

$H_{02:5:}$ Proportion of women to men on the board of listed companies in Nigeria do not significantly associate with IFRS compliance level.

$H_{02:6}$: Board diligence (meetings) does not significantly relate to IFRS compliance level among listed companies in Nigeria.

$H_{02:7:}$ Level of expertise of the audit committee does not significantly relate to IFRS compliance level among listed companies in Nigeria.

$H_{02:8:}$ Frequency of meetings held by the audit committee does not significantly affect IFRS compliance level among listed companies in Nigeria.

$H_{02:9:}$ Independence of audit committee does not significantly associate with IFRS compliance level among listed companies in Nigeria.

$H_{02:10:}$ Proportion of women in the audit committee of companies listed in Nigeria does not significantly associate with IFRS compliance level.

$H_{03:}$ There is no significant difference in IFRS compliance level among various sub-sectors of companies listed in Nigeria.

1.6 Significance of the Study

The contribution of this study is observed with regards to knowledge, policy-making, and practice. Existing literatures on IFRS primarily focus on effects of IFRS adoption on financial statements, performances and the challenges (Adebimpe & Ekwere, 2016; Asian & Dike, 2015; Bala, 2013; Barth *et al.,* 2012; Edogbanya & Kamardin, 2014; Josiah, Okoye & Adediran, 2013; Liao *et al.,* 2012; Yip & Young, 2012). These studies failed to distinguish between adoption of IFRS and the level of compliance with the standards. This implies that the extent to which companies comply with the disclosure requirements of IFRS is largely unexplored. Therefore, the current study contributes to the sparse literature on IFRS compliance level and the related influences. The available literature comprehensively documents IFRS compliance level in developed markets; however, little or no attention was paid to emerging markets like Nigeria, making the quality of accounting information questionable. Therefore, the study was carried out in Nigeria, an emerging market, and the results were compared to confirm or refute the findings of previous studies from other countries.

This study incorporates corporate governance mechanisms as part of the determinants that influence IFRS compliance level. The findings will serve as a guide and baseline research to other researchers wishing to make further inquiry in this area. The study is important to all users of IFRS based financial statement especially investors and financial analysts, on how their investments could be affected by the way entities implement and comply with IFRS. Hence, the positive findings in the study will reposition the confidence of all users.

Policy makers will benefit immensely from the study as it redirects their attention to the significance of full IFRS compliance on the quality of financial information. This influences their economic and investment decision. Hence, the findings from this study will reposition the confidence of all users on the quality of accounting information use for decisions purpose. It will also guide the policy maker on the part of corporate governance mechanisms which requires special attention. The finding will also reveal the effectiveness of the existence of regulatory agencies with respect to IFRS compliance.

More so, considering the globalized economy and cross country analysis, this research will provide evidence for national and International accounting professionals on the factors that cause variations in the IFRS compliance. The findings will also assist the preparer to take a cautious step regarding IFRS compliance level because the findings of this study have capacity to ginger the consciousness of other users of accounting information.

1.7 Scope of the Study

The study focuses on all quoted companies on Nigerian Stock Exchange (NSE) from 2012 to 2017. The choice of 2012 as the based year was that all listed companies in Nigeria were compulsorily directed to adopt IFRS on or before 1st January 2012 and are supposed to have published financial statements to date. The current and the last available financial statements as at the time of this study are 2017 financial statements. However, the study excludes companies in the financial services sector due to the presence of different disclosure regulatory agencies/regulations and unique nature of their transactions as well as their asset portfolio (Karim & Ahmed, 2005). Therefore, companies from other sectors (Agriculture, Conglomerates, Construction/Real Estates, Consumer goods, Healthcare, Information & Communications Technology (ICT), Industrial goods, Natural Resources, Oil and Gas, Utilities and Services) were considered in this study.

Different authors have been computing IFRS compliance index using disclosure requirements different from IFRS. The selection of IFRS for measuring compliance index was determined by the focus of the study. The IASB has published many standards of which some are peculiar to income statement, statement of financial position, presentation and disclosure. Those standards meant for general presentation and disclosure (IAS 1: Presentation of financial statements, IAS 7: Statement of cash flow; IAS 8: Accounting policies, change in accounting estimates and error; IAS 10: Events after the reporting period are the reporting standards; IAS 24: Related party disclosures, IAS 26: Accounting and Reporting by Retirement Benefit Plans, IAS 29: Financial reporting in hyperinflation economics, IAS 32: Financial Instruments Presentation, IAS 33 Earnings per share, IAS 34: Interim financial reporting, IFRS 1: First time adopters of IFRS, IFRS 7: Financial instruments disclosure, IFRS 8: Operating segments, IFRS 12 -Disclosure of Interests in Other Entities and IFRS 13:

Fair value measurement) regardless of industrial sectors of the listed companies are considered in the study.

1.8 Organisation of the Study

This thesis on determinants of IFRS compliance level among Nigerian Listed Companies was organized into five chapters. Chapter one addresses the background to the study, presents the statement of the problems, statement of research questions, statement of objectives, and statement of hypotheses. This chapter further provides the significance and scope of the study as well as the structure of the study.

Chapter two constitutes the literature review with regards to conceptual issues, theoretical review, and empirical reviews. The conceptual issues cover the adoption and compliance with IFRS, corporate compliance disclosures index and determinants of compliance level with IFRS. It also contains the review of relevant theories such as agency, stakeholder, signaling, capital need, resources dependency, and legitimacy theory. Empirical studies are also reviewed from the developed to developing countries on IFRS compliance level and determinants. The chapter concludes by presenting the summary and gaps identified in the literatures.

Chapter three presents the research design which incorporates both quantitative and qualitative research design; description of the population, sample size, and sampling procedure were also carried out. It further provides information on the method of data collection, analysis and model specification as well as the measurement of operational variables. Chapter four presents and contains the findings of the research while chapter five provides the summary, conclusion, and recommendations for the study.

CHAPTER TWO

LITERATURE REVIEW

This chapter entails the conceptual issues, theoretical review, and empirical review. It further develops the theoretical and conceptual framework for the study. The conceptual issues discussed include the adoption and compliance of IFRS, corporate compliance disclosure index and the determinants of IFRS compliance level.

2.1 Conceptual Review

2.1.1 Concept of Accounting Standards

The role of theory in the practical matter cannot be underestimated because deficiency of the theory resulted to some practical difficulties (Richard & David, 2004). Accounting theory was developed to revolutionize the inbuilt problems in a barter system to give birth to the monetary economy predated by accounting (Unegbu, 2014). The explanation provided by Hendriksen (1970) showed clearly the practical uses of accounting theory. David (2009) defined accounting theory as a set of principles through which accounting practices can be appraised and guided the improvement of modern practices and procedures. Accounting theory is seen by Unegbu (2014) as an endeavour to synthesize, interact and integrate practical information for proper understanding. Accounting theory is also described as merely practical explanations of transactions and events for decisions making. American Accounting Association (1966) defined accounting theory as a "cohesive set of conceptual, hypothetical and pragmatic proposition explaining and guiding the accountant's actions in identifying, measuring and communicating economic information to users of financial statement".

Accounting theory consists of the fundamental assumptions and concepts of how to report accounting and financial information. Accounting theory describes the practices and procedures for better understanding of accounting information (Wolk, Dodd & Rozycki, 2008). Therefore, accounting theory possesses the same interpretation and explanation with principles, conventions, doctrines, concepts, rules, assumptions, set of guidelines, postulates and procedures (Unegbu, 2014). They are used interchangeably in many instances. They are propounded by people to generate data, record, classify and summarise into financial

information for users to make decisions. They continuously change in response to the effect business practices (Anao, 1996; Unegbu, 2014). Different accounting theories are emerging from which some are accepted or rejected or continually reviewed in line with response to demand of the increasing complexity in business environments. This is the nexus that empowers the current IFRS's relevance. Accounting theory has experienced tremendous growth and development (Macre, 1981). Numerous attempts have been made to develop accounting theory. An inductive approach was employed as the first attempts directed towards the establishment of explanatory theories but failed because of difficulty in differentiating trends of behaviour from a mass of transactions and events (Richard & David, 2004).

Consequently, a different approach to developing accounting theory emerged in the 1950s. This approach was normative tailor towards the advancement of accounting practices. The method incorporates elements of the deductive approach and primarily consists of rules based on logical way of thinking from set of objectives (Hendriksen & Breda, 1997). Since that time, there has been existence of different bodies aim to develop set of accounting theory and standards. However, as a result of difficulties in resolving some accounting issues, the early standard setters developed a conceptual framework. This serves as the theoretical background for development of accounting standards (Richard & David, 2004). The development of conceptual frameworks was an improvement on existing accounting theories and the most ambitious attempt has been that of the Financial Accounting Standards Board (FASB) in the USA.

The framework was holed up in December 1973 by SEC declaring that accounting rules propagated by the FASB will be used by the commission and anything contrary will not be accepted (Zeff, 1979). FASB issued several documents called Statements of Financial Accounting Concepts (SFACs). The difficulties faced by FASB in resolving some accounting issues necessitated the establishment of IASC. The IASC produced its first framework in July 1989 but later replaced by the new conceptual framework of IASB/FASB joint project (ACCA, 2012). The essence of the framework is to develop an international accounting standard now IFRS which was considered as the most popular changer of accounting practices coupled with the support of IASB. The key task of IASB is to establish, supervise

and interpret the IFRS provisions (Unegbu, 2014). IASB is based London as an independent IFRS setting body with 14 members from nine countries. IASB started its operations in 2001, and in June 2003 the first set of IFRS was published. IASB developed the IFRS rules and guidelines to provide quality and enhance the harmony of financial reporting system among the various countries around the globe based on comments and suggestions from companies which have adopted IFRS (Institute of Chartered Accountants in England and Wales (ICAEW), 2009).

IFRS is a set of high quality comprehensive standards for general purpose financial reporting. IFRS comprises different four documents which include Forty-one (41) IAS; Eighteen (18) IFRS; Eleven (11) Standing Interpretation Committee Statements (SICS) and Eighteen (18) International Financial Reporting Issues Committee Statements (IFRICS) (Azobu, 2010). IFRS is comprehensive principles-based standards with fewer pronouncements which place more emphasis on economic transactions (Galbraith & Flynn 2009). It is nowadays found as the set of standards which promotes harmonization, consistency, and quality in financial reporting not only domestically but also globally. IFRS is featured with a principle-based approach, fair-value orientation, comprehensive income concept and improved transparency (Micheal, Franscos & Jeans, 2011).

IASB develops standards through a due process which involves users of accounting information such as accountants, business communities, regulatory authorities, academics, as well as other interested individuals and organizations throughout the world (Melville, 2015). He added that the steps in the processes include identification and review of all issues; consideration of the way in which the IASB's conceptual framework; consultation with national accounting requirements, trustees and the advisory council; publication of a discussion document; consideration of comments on the document; publication of exposure draft; consideration of the comments within stated comment period and final is the approval and publication of the standard. A typical IFRS must contain sections like introduction; objectives and scope of the standard; definition of terms, body of the standard detailing the recognition rules, measurement approaches and disclosure requirements; effective date and transitional provision; approval by the ISAB and any dissenting opinions by IASB members is the final section (Melville, 2015).

2.1.2 Adoption and Compliance of IFRS Accounting Standards

An accounting standard is seen as a guideline from which monetary information is prepared for various businesses, economic and investment decisions. It enhances the standardization in the published financial statements, its comparability and understandability (Yahaya, 2011). Thus, any companies featured with poor disclosure would result to production of inconsistencies and distorted financial reports (Josiah, Okoye & Adediran, 2013). The adoption of IFRS was more of voluntary basis and was never made compulsory on any country's accountancy profession. However, there is problem of automatic adoption regardless of diversity of background, tradition of each country, the needs of the countries, economic environment and the perceived challenges (Abata, 2015). IFRS nowadays found as the set of standards which promotes harmonization, consistency, and quality in corporate financial reporting of not only globally but also domestically (Godfrey, Hodgson, Tarca, Hamilton & Holmes, 2010).

IFRS adoption has become unavoidable in Canada, Australia, Korea, Brazil, New Zealand, and several other countries while other jurisdictions such as United States, Japan, India, Russia, Colombia, etc. are currently considering adoption or convergence with IFRS (Deloitte, 2018). IFRS adoption by listed firms in Europe in 2005 represents a significant change in the accounting practice and National Accounting standards-setting bodies have supported the adoption of IFRS. As part of the effort to comply with IFRS in Nigeria, Federal Government of Nigeria introduced major reforms aimed at promoting confidence in corporate financial reporting and governance by inaugurating of the committee on a road map to the adoption of IFRS. The approval of the recommendation of the committee was seen as a milestone in the accounting history of Nigeria. The FRCN was structured to cope with the new and increasing demands for IFRS and to provide the platform for ensuring the enforcement and monitoring of IFRS (NASB, 2010). The requirements for preparation of financial statements by all Nigerian companies are enclosed in Companies and Allied Matters Act of 2004 (CAMA, 2004) and IFRS.

As at 31st August 2018, there are 51 extant IFRS of which some are specific to transactions, events, and conditions while others are presentation and disclosure standards. The lists of the existing IFRS are presented in table 2.1.

Table 2.1 List of all IFRS as at 31ST August, 2018

S/N	STANDARDS	AREA OF APPLICATION
1	IFRS 1 -First-time Adoption of International Financial Reporting Standards	Presentation and Disclosure
2	IFRS 2 -Share-based Payment	Income Statement
3	IFRS 3 -Business Combinations	Group Statement
4	IFRS 4 -Insurance Contracts	Presentation and Disclosure
5	IFRS 5 -Non-current Assets Held for Sale and Discontinued Operations	Statement of Financial Position
6	IFRS 6 -Exploration for and Evaluation of Mineral Resources	Statement of Financial Position
7	IFRS 7 -Financial Instruments: Disclosures (entity has not yet adopted IFRS 9)	Presentation and Disclosure
8	IFRS 7 -Financial Instruments: Disclosures entity has adopted IFRS 9	Presentation and Disclosure
9	IFRS 7 -Financial Instruments: Disclosures entity has adopted IFRS 9 (2013)	Presentation and Disclosure
10	IFRS 7 -Financial Instruments: Disclosures entity has adopted IFRS 9 (2014)	Presentation and Disclosure
11	IFRS 8 -Operating Segments	Presentation and Disclosure
12	IFRS 9(2009) -Financial Instruments (and applicable sections of IAS 39)	Statement of Financial Position
13	IFRS 9(2010) -Financial Instruments (and applicable sections of IAS 39)	Statement of Financial Position
14	IFRS 9(2013) -Financial Instruments (and applicable sections of IAS 39)	Statement of Financial Position
15	IFRS 9(2014) -Financial Instruments	Statement of Financial Position
16	IFRS 10 -Consolidated Financial Statements	Group Statement
17	IFRS 11 -Joint Arrangements	Group Statement
18	IFRS 12 -Disclosure of Interests in Other Entities	Group Statement
19	IFRS 13 -Fair Value Measurement	Presentation and Disclosure
20	IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)	Statement of Financial Position
21	IFRS 15 Revenue from contracts with Customers (effective 1 January 2018)	Income Statement
22	IFRS 16 Leases (effective 1 January 2019)	Statement of Financial Position
23	IAS 1 -Presentation of Financial Statements	Presentation and Disclosure
24	IAS 2 –Inventories	Statement of Financial Position
25	IAS 7 -Statement of Cash Flows	Presentation and Disclosure
26	IAS 8 -Accounting Policies, Changes in Accounting Estimates and Errors	Presentation and Disclosure
27	IAS 10 -Events after the Reporting Period	Presentation and Disclosure
28	IAS 11 -Construction Contracts	Income Statement
29	IAS 12 -Income Taxes	Statement of Financial Position
30	IAS 16 -Property, Plant and Equipment	Statement of Financial Position
31	IAS 17 –Leases	Statement of Financial Position
32	IAS 18 –Revenue	Income Statement
33	IAS 19(2011) -Employee Benefits	Income Statement
34	IAS 20 -Accounting for Government Grants and Disclosure of Government Assistance	Income Statement

35	IAS 21 -The Effects of Changes in Foreign Exchange Rates	Income Statement
36	IAS 23 -Borrowing Costs	Income Statement
37	IAS 24 -Related Party Disclosures	Presentation and Disclosure
38	IAS 26 -Accounting and Reporting by Retirement Benefit Plans	Presentation and Disclosure
39	IAS 27 -Separate Financial Statements	Statement of Financial Position
40	IAS 28 -Investments in Associates and Joint Ventures	Group Statement
41	IAS 29 -Financial Reporting in Hyperinflationary Economies	Presentation and Disclosure
42	IAS 32 -Financial Instruments: Presentation	Presentation and Disclosure
43	IAS 33 -Earnings per Share	Presentation and Disclosure
44	IAS 34 -Interim Financial Reporting	Presentation and Disclosure
45	IAS 36 -Impairment of Assets	Income Statement
46	IAS 37 -Provisions, Contingent Liabilities and Contingent Assets	Statement of Financial Position
47	IAS 38 -Intangible Assets	Statement of Financial Position
48	IAS 39 -Financial Instruments: Recognition and Measurement (for entities that have not adopted IFRS 9)	Statement of Financial Position
49	IAS 40 -Investment Property (Entity has not yet adopted IFRS 16 Leases)	Statement of Financial Position
50	IAS 40 -Investment Property - (Entity has also adopted IFRS 16 Leases effective 1 January 2019)	Statement of Financial Position
51	IAS 41 –Agriculture	Statement of Financial Position

Source: Delloite, 2018 and KPMG, 2017

Table 2.1 presents all the 51 existing IFRS as at 31st of August 2018. Greuning, Scott, and Terblanche (2011) categorise some standards as transactions, events and conditions specific while some are general reporting and presentation standards. The presentation and disclosure standards applied to all entities regardless of the industrial sectors.

2.1.3 Corporate Disclosure and Compliance Disclosure Indexes

There is no universal approach for conceptualizing and measuring of the concept of corporate disclosure among researchers because the term disclosure cannot be measured unswervingly (Al-Zarouni, 2008; Modugu & Eboigbe, 2017). The duo explained that disclosure has to do with a presentation of the conditions on the statement of financial position or statement of comprehensive income or in other component of financial statements or in the note to the account or in the audit report. Among the earliest definitions giving by Choi (1973) was that "disclosure is the publication of any economic datum relating to a business enterprise, quantitative or otherwise, which facilitates the making of economic decisions". It may be referred to the release of precise and appropriate information about the business in term of strategy, financial performance and corporate governance of a corporate entity (Lee, 2012).

Gibbins, Richardson & Waterhouse (1990); Parker (1992) defined disclosure as any deliberate release of financial information, whether numerical or qualitative, required or voluntary, via formal or informal channels which can be made according to legislation or can be voluntary.

Therefore, disclosure may be mandatory or voluntary. Mandatory disclosure are the obligatory disclosure of certain volume of information in the annual reports while voluntary disclosure are the supplementary information after meeting with required information which failed to provide the actual condition the company's value and performance (Modugu & Eboigbe, 2017). This implies that corporate disclosure is a collection of different forms of information. However, the annual report still remains the most essential means of accountability to the shareholders and other users (Okike, Adegbite, Nakpodia & Adegbite, 2015). IFRS compliance level has become imperative to investors and other users to explore the relevance and faithful representation of the financial information (Barker *et al.,* 2013). Several studies have utilized indexes for determining the level of corporate disclosure (Alsaeed, 2006; Al-Shammari *et al.*, 2008; Al-Zarouni, 2008; Glaum & Street, 2003; Glaum *et al.,* 2013; Ibrahim, 2014; Juhmani, 2017; Lang & Lundholm, 1993; Lucchese & Di Carlo, 2012; Qu, 2011; Street & Bryant, 2000; Street & Gray, 2001; Tiron-Tudor & Ratiu, 2010; Umoren, 2009 etc). Typically, compliance disclosure indexes created from checklists containing different items derived from disclosure requirements of different IFRS or the national accounting standards.

Historically, Cerf (1961) is one of the first researchers who employed a corporate disclosure index for 31 items scored on a scale of 1 to 4 based on interviews with financial analysts. His approach has been used widely to in different countries (Modugu & Eboigbe, 2017). A reliable device for determining corporate disclosure is well-constructed compliance index. Self-created compliance index has been developed to calculate the compliance level while a few authors such as Bova & Pereira (2012); Gao and Kling (2012); and Hassan, Al-Sultan & Al-Saleem, (2003) have relied on general disclosure index. Gao and Kling (2012) use an compliance index published by the Shenzhen Stock Exchange while Bova & Pereira (2012) employed IFRS compliance index produced by Kenya's Financial Reporting Awards. In a

similar vein, Hassan, Al-Sultan & Al-Saleem, 2003) use a checklist provided by the Centre for International Financial Analysis and Research (CIFAR) to evaluate corporate compliance levels. Regarding the self-created index, two methods are found in the literatures which include weighted and unweighted approaches. These methods are also known as dichotomous or weighted and partial compliance or unweighted approach.

i. Dichotomous (Weighted) Approach

This method was initially developed to assess compliance level with voluntary information. The method gives identical weight to items to be disclosed using uniform weight. This implies that if the information is released, it gets 1 and if it is not, it gets 0. This was where the term dichotomous arises. The total number of items needed to be released by the company (for all IFRSs in the study) was divided by the number of required disclosure items (Modugu & Eboigbe, 2017; Street & Gray, 2002; Tsalavoutas *et al,* 2010). The compliance index is calculated using the following equation

$$DD_x = \frac{TT_x}{AT_x} = \frac{\sum_y^m Tx,y}{\sum_y^m Ax,y}$$ ……. 2.1

Where:

DDx is the disclosure compliance index of firm x according to the dichotomous approach ($0 \leq DDx \leq 1$);

TTx is the total number of items disclosed by firm x for all standards applicable to firm x; and

ATx is the number of items applicable to firm x for all standards applicable to firm x.

Number of studies has used this method to measure IFRS compliance such as Hodgdon, Rasoul, Adhikari & Harless, 2009; Naser & Nuseibeh, 2003; Street & Bryant, 2000; Street & Gray, 2001; Tsalavoutas *et al,* 2010.

ii. Partial Compliance (Unweighted) Approach

The main issue with weighted method is that, if special users were requested to weight the substance of items, there is possibility of assigning different weights to the same pieces of information. In order to avert the level of bias with weights to be assigned, Al-Shiab (2003) and Raiji (2014) used another approach, named the partial or unweighted method. The unweighted method asserts that each item is equally essential for disclosure rather than a particular item. Consequently, standards that require more information to disclose are

indirectly not treated in the same way as those with fewer items to disclose (Al-Shiab, 2003). This method calculates the index stepwise using two equations:

First, the compliance level for a standard of a company is measured using the equation (2.2).

$$D_{xy} = \frac{Tx,y}{Ax,y} \quad \text{…… 2.2}$$

Where:

Dx,y is the compliance level for the standard y ($0 \leq Dx,y \leq 1$) of the company firm x;

Tx,y is the total number of items disclosed by company x for the standard y; and

Ax,y is the number of items applicable to company x for the standard y.

Secondly, the compliance level of the company is measured using the equation (2.3).

$$DP_x = \frac{\sum_{y=1}^{m} Dx,y}{m} \quad \text{…… 2.3}$$

Where:

DPx is the compliance level of company x according to the partial compliance unweighted approach ($0 \leq DPx \leq 1$);

Dx,y is the compliance level of standard y for the company x; and

m is the number of standards applicable to company x.

2.1.4 Determinants of IFRS Compliance Level

Several studies such as Amiraslani *et al.* (2013); Barker *et al.* (2013); Glaum *et al.* (2013); Leuz (2010), etc. have been conducted following IFRS adoption in developed and developing countries. They studied the level to which different companies have complied with IFRS and the factors influencing differing IFRS compliance level. These determinants were categorized into country-specific characteristics, firm-specific factors and corporate governance mechanisms. However, the country-specific features are obtained on a national basis and can be fully explored in the cross-countries analysis which is outside the scope of the present study. Therefore, the following relevant characteristics considered for this study were discussed as follow:

2.1.4.1 Firm-Specific Characteristics

Nobes (2013) noted that the company's pre-IFRS habits and features influence IFRS compliance level even after transitioning to IFRS. These pre-IFRS habits and traits were known as company-specific characteristics which include the following relevant to this study but not limited them.

i. Company Age: The corporate financial reporting system of the old company is expected to have improved over time because the old company is exposed to more disclosures than the new company (Al-Mutawaa, 2010). The old companies have time-honored and efficient staff to handle their financial reporting system problem (Al-Shammari, 2011). The old companies, in as much as possible, will want to maintain their growth rate, augment their reputation and image in the market through improved IFRS compliance level (Akhtaruddin, 2005). Therefore, older companies with these qualities have higher IFRS compliance level than new companies who are likely to have low IFRS compliance level (Demir & Bahadir, 2014). Company age is typically achieved in term of years passed since listing or commencement of operation (Al-Mutawaa, 2010; Al-Shammari *et al.*, 2008; Demir & Bahadir, 2014; Glaum & Street, 2003).

ii. Liquidity: The term liquidity is described as the ability of an entity in meeting its immediate obligations and commitments (Al-Mutawaa, 2010). Many users of accounting information show concern over company's liquidity status to assess the level of company's risk because companies with higher liquidity are complied more than those distresses with low liquidity (Demir & Bahahir, 2014; Watson, Shrives & Marston, 2002). This implies that companies distressed with poor liquidity status amplify their IFRS compliance level to lessen the doubts of shareholders and other users (Wallace, Naser & Mora, 1994). Liquidity status is usually computed by dividing the value of current assets by current liabilities (Al-Mutawaa, 2010; Al- Demir & Bahadir, 2014).

iii. Leverage: Leverage expresses the strength of the relationship between external and internal sources of fund which are known as gearing. Highly levered companies are more probable to higher equity risk. Therefore, shareholders will demand for more information to evaluate the ability of the company meeting its debt obligations. This makes highly geared companies to demonstrate higher IFRS compliance (Ali *et al.,* 2004; Baralexis, 2004; Haniffa & Cooke 2002; Tzovas, 2006). Leverage status has been calculated by dividing debt by total assets or by equity (Al-Shammari *et al.,* 2008; Demir & Bahadir, 2014; Wallace *et al.,* 1994; Wallace & Naser, 1995).

iv. Company size: Company size was considered in different way. Ali *et al.* (2004) and Birjadin & Hakemi (2015) consider company size in term of information costs incurred to produce financial statements. There is possibility that large companies in term of resources and expertise have higher IFRS compliance levels because of availability of significant incentives and government intervention (Watts & Zimmerman, 1979; 1990; Holthausen & Leftwich, 1983). Investment analysts and the media do not follow small companies the same extent as large firms (Barry & Brown, 1986; Schipper, 1991; Hussain, 2000). Therefore, large companies usually protect their reputation and avoid government intrusion by complying with accounting regulations. Additionally, large companies attract highly skilled employees with knowledge of IFRS compliance. Previous studies have employed different variables proxied for company size such as revenue (Hodgdon *et al.,* 2009), total assets (Al Mutawaa, 2010; Juhmani, 2017) as well as number of employees and proportion shareholdings in the national market.

v. Profitability: Companies with extreme profits are sensitive to administrative costs and consequently, a profitable company may have higher IFRS compliance level to avoid government intrusion (Birjadin & Hakemi, 2015). Previous studies have employed different ratios to measure a company's profitability such as return on total assets, return on equity, and return on total revenues by Al-Mutawaa (2010); Net profit to sales by Akhtarrudin (2005); growth rate in earnings or dividend by Al-Shammari (2011); Juhmani (2017) and Hodgdon *et al.* (2009).

vi. Audit firm size: The auditor membership usually determines audit firm size to Big 4 because of their influence and reputation regarding IFRS compliance level (Gorgan & Gorgan, 2014). The level of expertise and competence of large and reputable audit firms usually drive their clients' financial statements to demonstrate higher levels of IFRS compliance (Watts & Zimmerman, 1983). This implies that companies audited by Big four audit firms do better than those audited by small audit firms in term of IFRS compliance. Therefore, the study categorized companies listed in Nigeria into those audited by Big four or their affiliation and non-Big four (Al-Mutawaa, 2010).

vii. International Listing Status of the companies: A company has it shares or debt instruments quoted on stock exchange of country of origin or on international stock market or on multiple stock market. Companies with quoted share or debt instrument in foreign market have many heterogeneous groups of stakeholders and need to report to them. Companies with international listing status are subjected to a wide range of regulatory authorities, international diversity of financiers, suppliers, and customers (Malone *et al.*, 1993). Therefore, there is the need to improve international customer recognition, reduce restatement costs and increase quality of reporting (Paul *et al.,* 2014). Consequently, companies in this category demonstrate higher compliance than their counterparts without such status. The previous study like Bova & Pereira (2012) measured international listing status using criteria of being listed on the International Stock Exchange Market or not.

viii. Capital intensity: The need for monitoring is usually less when the company's finance is invested substantially in non-current assets than those with a high concentration on current assets. IFRS compliance is expected to increase for companies in the latter category. This depends on the availability of capital. Companies with large capital will invest much of the funds on non-current assets to enhance their operations. In the absence of capital, the companies may need to disclose more information to attract investors (Abd-Elsalam, 1999). Dumontier and Raffournier (1998) and Paul *et al*. (2014) use the proportion of non-current assets to total assets as a proxy for capital intensity.

2.1.4.2 Corporate Governance Mechanisms

Corporate governance is the ways and manner that the shareholders are being assured of safety of their assets and value of their investments, (Shleifer & Vishny, 1997; Zango *et al.,* 2016). Cadbury report (1992) described corporate governance as the system through which companies are directed and controlled. It is a system of fair, efficient and transparent administration which encompasses practices and procedures to achieve company's objectives such as profitability and shareholder wealth (Osajie, 2014). The corporate governance allocates and assigns responsibilities among corporate participants and establishes systematic approach for making decisions on affairs of the companies (Klai & Omri, 2011). Good corporate governance improves adherence to accounting rules and regulation and increased the quality of disclosure (Abdullah, Evans, Fraser & Tsalavoutas, 2015; Ebrahim & Fattah, 2015).

The board members and audit committee have been recognized as the most important corporate governance mechanisms in a company's internal governance structure (Kent & Stewart, 2008). It is the duty of the board that operation of company is balanced, reasonable and transparent. The board establishes an audit committee and delegates financial reporting responsibilities to ensure that the qualities of financial information through IFRS compliance are maintained (Akinkoye & Olasanmi, 2014; Samuel, *et al.,* 2017). This prompted Fernandes (2017) to hint that corporate governance mechanisms also influence IFRS compliance level. This implies that the level of compliance with disclosure requirement is influenced by board members and audit committee, but Feng (2014) explained that the presence of board and committee does not necessarily indicate their efficient or effectiveness. Their efficient and effectiveness determined mainly by their characteristics and the following are the board members and audit committees' characteristics considered relevant to this study.

I. Board Members' Characteristics

The directors of a company are in charge of the company's governance. They provide all the required resources, financial and non-financial, to guarantee that the interest of owners and other users are taking into consideration (FRCN, 2018). It is expected of every company to be

headed by a board that shall govern its affairs. Therefore, the board serves as the internal control system that monitors top management and safeguards shareholders' interests (FRCN, 2015). It is also the responsibilities of the board to make sure that financial report of the company meet the requirements of IFRS and reflect the correct financial status of the company (CAMA, 2004). The board characteristics that improved IFRS compliance include but not limited to the size of the board, the proportion of independent directors, frequency of their meeting, etc.

i. Board Size: Active boards of directors guarantee that corporate governance arrangements are excellent to prepare high quality financial reports. Boards with the required numbers perform their duties diligently and efficaciously. Therefore, companies with higher number of board member have a higher IFRS compliance level (Laksmana, 2008). However, they can be ineffective due to problem of free-riding and poor communication (Bushman, Chen, Engel & Smith, 2004).

ii. Board Members' Training Abroad: The IFRS is quite different from the local GAAP in terms of definitions, recognition and measurement methods which make the language used not easily understandable. Therefore, training of board member to understand the application and principles of the standard is very important. This explains the phenomenon of prominent people leaving a country to acquire more knowledge to improve the competitiveness of companies (Saxenian, 2006). Presence of board members, who received training abroad, affects companies' disclosure level especially if the training is received in countries with stricter accounting rules (Masulis, Wang & Xie, 2012). Therefore, it is anticipated that the presence of board members with trained abroad influence IFRS compliance level.

iii. Foreign Board Members: Foreign board members have undertaken various management tasks during their career and possessed different strategic visions about reporting information to stakeholders (Ebrahim & Fattah, 2015). Foreign members possess high level of intercultural competence and are expected to enhance IFRS compliance.

Presence of foreign members on the board enhances company's ability in dealing with international markets because of the qualifications and experience they have acquired over the indigenous board members (Ujunwa, Okoyeuzu & Nwakoby, 2012). Based on these arguments, a higher representation of foreign members on the board is expected to influence IFRS compliance level.

iv. Board Independence: The presence of higher percentage of outside directors acts as an ingredient for meeting up with disclosure requirements. CAMA (2004) stated that directors are of great value in a company regardless of whether executive or non-executive directors. Their existence serves as check and balance in the organization. Therefore, the presence of independent directors enhances the reliance of auditors on client accounting systems. The FRCN (2018) suggested an explicit provision on the composition of the board for independent Non-Executive Directors (INEDs), Non-Executive Directors (NED) and Executive Directors (EDs) and the position of the lead Independent Non-Executive Director and the discretionary right for the INEDs to appoint such a person. The provision also prohibits the reclassification of NED into INED (FRCN, 2018). This will enhance the high level of compliance with various legislations such as IFRS to promote the level of transparency and quality of financial information.

It was asserted by Tsui, Jaggi, and Gul (2001) that the presence of independent directors in the boardroom augments the reliance of auditors on client accounting systems. However, corporate governance environment can be worsening if the board composition is altered to include directors that are less dependent on CEOs (Kumar & Sivaramakrishnan, 2008). The influence of independent of the board and the oversight function of the board has buoyed in corporate governance literature. Codes of corporate governance indicate that the proportion of independent directors in the boardroom can provide effective monitoring and enhance the ability of the board to perform their oversight function (CAMA, 2004). The study uses the proportion of Independent Non-executive Directors to determine the impact of board independence on the level of compliance with IFRS disclosure requirements.

v. Board Diversity: Diversity with regards to gender is a pertinent heterogeneity factor which is considered for promoting good corporate governance in terms of cohesiveness and effectiveness (Adegbite & Fofah, 2016). Boards dominated with directors from different backgrounds are considered to have a better sense of belonging to their companies. Advocates of board diversity have expressed the belief that it allows boards to have access to an expanded pool of candidates to select directors with the ability and willingness to monitor management (Zango *et al.,* 2015). The advocates board gender diversity build a case for increasing number of female on boards in order to achieve greater perspective diversity and reduce the groupthink behavior which often prevail in the boards (Sonnenfeld, 2002). The initiative at accelerating the number of female directors on corporate boards has been in the spotlight since the governance crisis following the Enron collapse. In Nigeria, all the extant corporate governance codes do not spell out the exact number of women that should be on board, but the company benefit from more excellent monitoring imposed by female directors than male (Zango *et al.,* 2015).

II. Audit Committee Characteristics

The audit committee has been introduced to fortify corporate governance arrangement and to increase confidence of investors on quality of financial reporting system (Bédard & Gendron, 2010). The CAMA (2004) stated that:

> *"every public company shall establish a statutory audit committee which ascertains whether the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices; review the scope and planning of audit requirements; review the findings on management matters in conjunction with the external auditor and departmental responses thereon; keep under review the effectiveness of the company's system of accounting and internal control; make recommendations to the board regarding the appointment, removal and remuneration of the external auditors of the company; and authorize the internal auditor to carry out investigations into any activities of the company which may be of interest or concern to the committee".*

This shows the connectivity in the effectiveness of audit committee and corporate financial reporting process. The following are the essential features of the audit committee that influence IFRS compliance level.

i. **Audit Committee Size:** Size of the audit committee is a central characteristic to discharge their duties effectively. Audit committee was incorporated under section 359(3) of CAMA 2004 that the committee shall be made up of representatives of directors and shareholders. The total number of audit committee varies across firms because it depends on the size of directors in the company. The act further states that audit committee shall constitute at least three members of who shall be non-executive directors, a majority of whom shall be independent non-executive directors. Audit committee with large size is supposed to be more useful in supervising and knowledge base (Karamanou & Vafeas, 2005). Therefore, the more the number of individuals in audit committees, the more the level of IFRS compliance.

ii. **Audit Committee Independence:** The UK Code of Best Practice, issued by the Cadbury Commission (1992) defined independent audit committee as "one who is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment". Zábojníková (2016) explained that the number of independent directors in the total number of all directors sitting in the committee revealed the level of independence of the committee. The USA Sarbanes-Oxley Act (SOX) (2002) further described independent director as an individual without important interest in the company who must not collect session fees or reward or take part in any transactions related to the company or its subsidiary. The Nigerian CAMA (2004) explained that separation of the position of the audit committee chairman and board chairman or the managing director improves the independence of audit committee (Mbobo & Umoren, 2016). There is a general expectation that IFRS compliance level will improve when audit committee is independent.

iii. Audit Committee Expertise: The UK Corporate Governance Code (2010) proposes that the board should satisfy itself at least one member of the audit committee must have current and applicable financial experience. This implies that one member of the audit committee should be an expert in accounting and financial reporting so as to interpretation of financial statements (Samuel *et al.,* 2017). This will assist the companies in dealing with the minutiae and difficulties of financial reporting (DeZoort & Salterio, 2001; Carcello & Neal, 2003). There are three main categories of expertise of audit committees: Outside directorship expertise (Vafeas, 2005); Financial and accounting expertise (Abbott *et al*. 2004); and Industry expertise (Cohen *et al.,* 2014). Outside directorship expertise refers to an audit committee member who holds an external board seat obtain more experience (Yang & Krishnan 2005). Concerning financial and accounting expertise, there are some variations in the definition. Section 407 Sarbanes–Oxley (SOX) Act (2000) described a 'financial expert' as "a person who has an understanding of Generally Accepted Accounting Principles (GAAP) and financial statements; experience in preparation or auditing of financial statements; experience with internal controls; and understanding of audit committee functions". Industrial expertise helps the audit committee to understand and evaluate industry-specific estimates and policies but information on them is limited because very few regulatory bodies require audit committees to have industrial expertise.

iv. Audit Committees' Frequency of Meeting (Diligence): Corporate governance in Nigeria requires that the "audit committee shall meet at least once every quarter and the agenda for the meetings of the committee shall be developed by the chairman of the committee in consultation with other members of the committee" (FRCN, 2015). The frequency of meetings is an indication of activeness or otherwise. One of the criteria of expertise and independence is the level of activeness (Samuel *et al.*, 2017). Diligent audit committees meet to express greater dedication to the company. The difficulty in the measurement of diligence prompted previous study to use the number of audit committee meetings per annum (DeZoort, Hermanson, Archambeault & Reed, 2002). The ability of audit committee to discover financial irregularity and resolve financial problems depend on the number of times the committee meets to consider such issues (Mbobo & Umoren, 2016). Therefore, the number of times the audit committees meet is an important mechanism to supervise the financial reporting practises of a company (Yang & Krishnan, 2005). This

implies that if the audit committees conduct meetings regularly, the company's IFRS compliance level would improve.

2.2 Theoretical Review

Many studies on disclosure and its determinants concluded that there is not a single explanatory and comprehensive theory for corporate disclosure, but several theories. Each theory develops a different point of view regarding corporate disclosure (Alberti-Alhtaybat, Hutaibat & Al-Htaybat, 2012; Shiemann, Ritcher & Gunther, 2015). Therefore, the study sees these theories as a remedy for disclosure problems and their mixture will be best to provide a robust and realistic theoretical background for the study. These theories include legitimacy, capital needs, signaling, upper echelon, and resources dependency theories which are addressed below.

2.2.1 Legitimacy Theory

Legitimacy theory was originated from organizational legitimacy model which has been described by Dowling and Pfeffer (1975) as a circumstance that exists when the value system of a company is congruent with the value system of the substantial social network of which incorporates the company. When a gap, actual or potential subsists between the two value systems, the legitimacy of the company is under threat (Guthrie, Cuganesan & Ward, 2006). Legitimacy theory put forwards that organization continually checks to make sure that their operations are within the rules and regulation of the societies. An entity would voluntarily report on activities if the management perceives that those activities are expected by the communities in which they operate (Deegan 2002; Deegan, Rankin & Voght 2000; Cormier & Gordon 2001). Legitimacy theory advocates that communication is a way of legitimating and the dominant communication channel is the annual reports (Hooghiemstra, 2000; Mousa & Hassan, 2015).

There are several means of communication such as newsletters, brochure, advertisement, etc but annual report is the only and generally accepted communication channel that legitimized

the activities of the company (Deegan, 2002). Legitimacy is accomplished by companies through demonstration of operating activities in line with social values and legislation (Mousa & Hassan, 2015). Legitimacy theory gives attention to the principle in social contract that the survival of a company depends on the extent of operation within the bounds and norms of society (Mousa & Hassan, 2015). Social contract subsists between companies and society who make available the legal position, powers and the authority to possess and utilize all forms of resources to the companies (Mathews, 1993). Therefore, the survival of the company is not certain if the society observes that the company has violated the social contract (Deegan, 2002).

Anytime the company failed to operating legitimately, society rescind the company's 'contract' to continue its operations by reducing demand for the product of the company; eliminating the supply of labour and financial capital to the business; or lobby for fines and taxes increment on the company; or may request for laws to prohibit the operation of the company (Guthrie *et al.*, 2006). The existence of corporations depends on the willingness of society to continue to allow them to operate (Reich, 1998). Therefore, it is expected of the companies to legitimize it operation through disclosures. As many studies have adopted legitimacy theory as the theoretical basis, many of them have positively linked disclosure to legitimizing motives (Brown & Deegan, 1998: Deegan & Rankin, 1996 and Patten, 1992). Since legitimacy theory address as companies' rationale for disclosures, other companies may rest on this proposition regardless of its activities.

Gray (1996) observed that if corporate reporting is to become systematic, general and relevance, it must be enveloped by regulations and stakeholders have a right to be acquainted with implications of the company's operations at all times. The objective of legitimacy theory is achieved through the relationships between the company and the community as well as the rationale for compliance with disclosures requirement of accounting regulation. Therefore, theory is useful in determining management's responses to particular circumstances through IFRS compliance level.

2.2.2 Signaling theory

The signaling theory was originated by Spence (1973) who described behaviour in the labour markets. The level of educational qualification of a job seeker is an essential pointer of their underlying competence which the managers might not be able to detect. All staff might be doing uniform task but will use their positive feature, such as level of educational background, on productivity to signal their efficiency (McKay, Mijović-Prelec & Prelec, 2011). Therefore, signaling is the process where one party (termed the agent) convincingly communicates some information about himself to another party (the principal). Signaling theory is concerned with predicaments relating to information asymmetries in markets which can be reduced by the party with more information (Morris, 1987).

As far as corporate disclosure is concerned, managers with better information will increase disclosures level with the target that share prices will go up, while managers with lower value than those set by the market will remain silent and absence of information is perceived as bad information (Akerlof, 1970). This gingered companies with good news to 'screen' themselves out of the group and the process continues till companies with higher hierarchy are identified (Lev & Penman, 1990). Ross (1977) points out that managers with good news or with high-quality products recommend a warranty to signal their strength and distinguish themselves from poor-quality and misleading information. The theory rest on the proposition that managers with better information in term of performance or qualities than other companies will hint the shareholders with disclosure to attract more investments. By improving the disclosure level, the companies and managers receive more applause in term of better reputation and value. Therefore, the study employs signaling theory with belief that companies with better information have higher IFRS compliance level than their counterparts.

2.2.3 Capital Need Theory

The sole reason behind establishing a stock exchange is to raise capital and the investors risk their money. Therefore, they need to be informed about the operations and financial status of the company. Consequently, capital need theory hypothesizes that the main rational for

companies to increase disclosures level is the need to raise capital (Abd-Elsalam, 1999). Companies that are preparing to raise funds in the capital disclosed more relevant information than what demanded in the accounting regulations (Chio, 1973). High level of disclosure is to reduce the cost of capital and level of uncertainty (risk) associated with a particular security to potential investors.

Foster (1986) proposes that companies raise capital at the lowest possible cost particularly in the existence of competition from others on the type of security in terms of issue and future returns. The exercise involves risks and uncertainties in the company and securities which prompt investors to request for more disclosure to evaluate the risks of existing and future cash flows, securities value and investment decisions. Therefore, companies disclose more information that lessens the risk and encourage company to raise fund at the reduced cost. The need for more information as a result of market uncertainty leads to increase in the cost of capital (Leventis & Weetman, 2004; Bushee & Leuz, 2005 and Leuz & Wysocki, 2008). With the explanation above, capital need theory is also relevant in this study because the primary goal of company for being quoted is to attract finances and the companies need to compete in stock markets. Therefore, managers have incentives to provide high-quality financial information through IFRS compliance level (Leventis & Weetman, 2004).

2.2.4 Resource Dependency Theory

Resource dependency theory (RDT) was developed in 1978 by Preffer and Salancik (Delke, 2015). The theory presents how the external resources of an organization affect its behavior, thus focuses on the interdependence between organizations and their external environment. The theory recognizes the fact that the success of an organization is hinged on the resources available to it. Resources dependency theory is influenced by the importance, abundance, and control of the funds. Therefore, the theory focuses on the primary responsibility of the directors in providing the required resources to the company taking into consideration, the external environment and the board's ability, depends on board members and their composition (Hillman, Canella & Paetzold, 2000). The theory consequently answers questions of how vital, how accessible and who controls the resources. The focus of the theory was supported through the appointment of an independent director as a way of

obtaining multiple skills, information and set of connections in various ways. The ability of achieving these depends on board members and their composition (Fernandes, 2017).

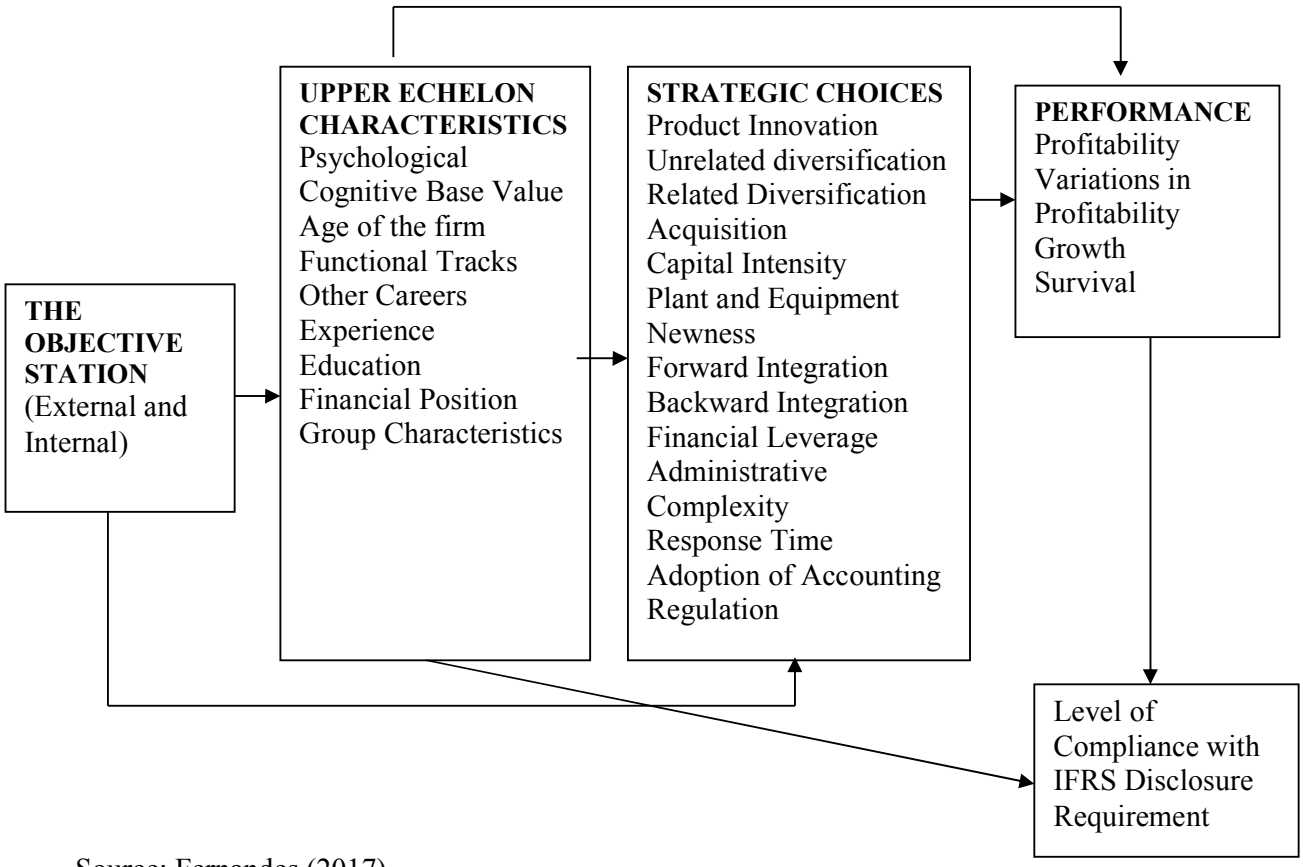
The theory emphasizes that the resources received by board members and committee from the environment are uncertain and, as their decisions are made in line with resources received and owned, they affect organizations. Therefore, the organization must have effective and efficient board members and audit committee that can advise and counsel the management to make different decisions. Pfeffer (1972) also noted that board members have their resources such as experience, expertise, reputation, and relational capital. Hillman and Dalziel (2003) stated that advice and guidance, legitimacy, channels of communication with the outside and preferential access to commitments outside the company are major benefits or resources that can be provided by the board members and audit committee. Therefore, one can suggest that the peculiarities of individual member of the board and committee will influence decisions on IFRS compliance which may be affected by those board and audit committee characteristics aforementioned above.

2.2.5 Upper Echelons Theory

The upper echelons theory is a management theory published by Hambrick and Mason in 1984. The theory proposes that the characteristics of top management might affect strategic decision-making and hence performance (Fernandes, 2017). There is the notion that the background knowledge and values of corporate directors impact on the crucial strategic decisions made. This implies that certain organizational effects are linked to top management teams having specific demographic profiles. Hambrick and Mason (1984) claimed that observable attributes such as age, practical experience and tenure, could function as practical proxies for the cognitive base that influences top directors' decisions. The cognitive base, in upper echelons theory is categorized according to several important elements such as individual characteristics, strategic choices, and performance (Carpenter, Geletkanycz & Sanders, 2016).

As highlighted by Hambrick and Mason (1984), demographic features influence strategic decision making and performance. Thus, the concept of the theory is extended to the present study to investigate whether demographic characteristics of the board members and audit committee could influence IFRS compliance companies listed in Nigeria.

Figure 2.1 UPPER ECHELON THEORY FRAMEWORKS



Source: Fernandes (2017).

Figure 2.1 above is the adapted upper echelons framework which is based on three fundamental principles: first is the strategic choices taken by institutions which is the representations of the cognitive basis and values of the top board members and audit committees; second, the cognitive bases and values of the decision maker influence by observable characteristics such as functional tracks, education, etc. and third is the significant institutional consequences that are related to the observable characteristics of the decision maker. The theory proposes that institutional performance is only a representation of the top board directors and committee. However, the fourth dimension added to the framework is the level of compliance with accounting regulation (IFRS) which can be influenced directly or

indirectly by the ramifications by the top management and overall performance of the company.

Therefore, the characteristics of board member and audit committee affect strategic decision-making on accounting rules and regulations particularly IFRS compliance level. This theory grants the study the opportunity to investigate whether board and audit committee characteristics are part of determinant of IFRS compliance level.

2.3 Empirical Review

The following empirical studies were reviewed from developed countries to emerging countries including Nigeria to provide practical findings to the study.

2.3.1 Level of Compliance with IFRS Disclosure Requirements

2.3.1.1 Studies on Developed Countries

In respect of developed countries, Wallace and Naser (1995) examined the level of compliance with IFRS disclosure requirements. They conclude that the compliance level was between 55.3% and 87.2% among 80 companies quoted on the Hong Kong market in 1991. The finding is also in line with Glaum and Street (2003) who investigated the extent to which companies listed on Germany's New Market comply with IAS and US GAAP disclosure requirements in the financial statements of year-end 2000. The study found that the compliance levels range from 100% to 41.6%, with an average of 83.7%. Hodgdon *et al.* (2009) carried out a comparative study on IASs compliance level by non-US listed companies in 1999 and 2000 and the study found that the compliance level is 58% and 64% in 1999 and 2000 respectively. However, this is in contrast with the study of Teodori and Veneziani (2010) who examined the effect of IAS 8 (Accounting Policies, Change in Estimates and Errors) on the financial reporting for Italian companies listed at several capital markets in 2005 and 2006, using the content analysis and the disclosure index. The study also analyzed the potential factors that influence the level of disclosure in compliance with IAS 38. The finding of the study revealed that IAS compliance level is low.

Tsalavoutas (2011) studied 153 Greek listed companies' level of compliance with all IFRS mandatory disclosure requirements in 2005 which was the first year of IFRS implementation. The findings reveal about 80% level of compliance with IFRS mandatory disclosures in 2005 but with an average of 72% IFRS 3 compliance level. Baboukardos and Rimmel (2014) conducted a study in the same country with a different approach for an index of 38 items and the average compliance level stood at 82%. Glaum *et al*. (2013) analyzed IFRS compliance level of IAS 36 and IFRS 3 by European companies. The study found a high level of compliance influenced by both firm and country characteristics with an average of 73% compliance with the mandatory disclosure requirements of IFRS 3. Lama, Sanchez, and Sobrino (2014) carried out a comparative research between Spain and the United Kingdom (UK) on the compliance level for investment properties (IAS 40). The objective of the study is to analyze the extent to which listed companies in Spain and the UK comply with IAS 40. They found that Spanish companies display a lower level of compliance for investment properties than companies in UK but IAS 40 compliance level improve in both countries from 2005 to 2008.

Differences in IFRS compliance level were examined taking the legal system in different countries into consideration by Lucas & Lourenço (2014). The study showed that firms located in common-law countries have a strong IFRS compliance level with an average of 85% while firms located in the "French-civil-law" countries have poor compliance. Baboukardos and Rimmel (2014) conducted a study in the same country but with a different approach. The study analyzed the relevance and disclosures relating to goodwill in an unfavorable environment (Greece). To test relevance, the study created formulas with the effect of goodwill on market valuation. While for compliance level of IFRS 3, the study created an index with 38 items and the average compliance stood at 82%. Hellman *et al.* (2017) argued in their study that introducing additional disclosure by IASB must be accompanied by a clarification of the role of IFRS. They believe that the former view will lead to a situation where compliance requirements become vague and not possible to enforce. The principles of disclosure target the best-in-class entities rather than setting the minimum compliance level. In turn, this may result to an unwarranted boost in flexibility for poor disclosers.

Mazzi, Slack, and Tsalavoutas (2018) examined the influences of corruption and culture on compliance levels of mandatory disclosure with regards to goodwill reporting in Europe. The study uses a panel dataset of European companies, for 2008–2011, and measure IFRS compliance index of goodwill. Corruption Perception Index (CPI) was used to measured corruption level while Schwartz (2008) bipolar cultural dimensions were used to measures culture. The study found that compliance levels vary significantly across sample firms, countries and over time. The level of corruption and two of the three cultural dimensions (Hierarchy and Mastery) significantly related to compliance level. All the studies reviewed indicate that compliance level of IFRS varies. Therefore, the study also reviewed the following studies from developing countries.

2.3.1.2. Studies on Developing Countries

Al-Mutawaa (2010) empirically investigated IFRS compliance level of companies quoted in Kuwaiti. The annual reports of 48 non-financial companies were carefully sampled and scrutinized against the disclosure index, and the findings indicate that the overall compliance level averaged 69%. This level of compliance is lower when compared with the finding of Al-Shammari (2011) who carried out an empirical study on IFRS compliance level of 168 companies listed in the Kuwait Stock Exchange for 2008 accounting year end. The study reported that the mean level of compliance of 82%. Maia, Formigoni and Silva (2012) conducted a study in 78 Brazilian companies during the period 2008-2009 (1st IFRS implementation phase). The study developed a compliance index with 72 items requires disclosures from 13 standards and found that the level of compliance stood at 70%.

Nakayama and Salotti (2014) examined the level of compliance with mandatory disclosure of "Comité de Pronunciamento Contábil 15 – (CPC 15)" in Brazilian financial statements for the period ending 31st December 2010 (year of adoption of IFRS in Brazil). The study created an index with the disclosures required by CPC 15 and concluded that disclosure level was low with about 60%. The low level of compliance was attributed to the fact that the IFRS is virgin. Another study conducted by Santos, Ponte, and Mapurunga (2014) in Brazil on the level of compliance with the disclosure requirement of IFRS in the first year of full adoption 2010. The study carried out a comprehensive examination of 638 items required by 28 IFRS

by all 366 non-financial listed corporations on Brazilian stock exchange. The study measured compliance levels by calculating the respective index for each standard and the overall standards. The findings revealed that compliance with standards requiring disclosure of many items was about 50% lower than for standards that require few items. It was also noted that despite the relatively low level of compliance, the amount of information required did increase after IFRS adoption.

Also in Turkey, Demir and Bahadir (2014) investigated IFRS compliance level of 168 listed companies in Turkey in 2011. The study developed an index with 215 items and the results unveiled considerable compliance levels of 64% to 92% with mean value of 79%. Yiadom and Atsunyo (2014) examined IFRS compliance level of 31 listed companies on the Ghana Stock Exchange (GSE) in the 2010. An index for compliance level was devised. The analyses were conducted using correlation, ANOVA and multiple regressions. The findings revealed that overall mean of compliance level is 85.8% and also confirmed differences among industry types with regards to rate of compliance. Budaraj and Mohammed-Sarea (2015) examined IAS 18 compliance level of listed firms in Bahrain. The study investigated the association between five firm-specific characteristics and the level of compliance. The population consists of all companies quoted on the Bahrain Bourse. Total number of companies listed were 47 companies in 2013, of which 2 have closed, 3 were suspended, and 6 did not publish financial statements for 2013. Therefore, the final samples were 36 companies. The study detected an aggregate mean compliance level of 63% for IAS 18. This differs from the result of Appiah-Kubi and Rjoub (2017) who found 83.7% consistency level of compliance.

A recent study in Brazil by Santos, Silva, Sheng & Lora (2018) examined IFRS compliance level and analysts' forecast errors in Brazil. The study analyzed the relationship between analysts' earnings forecast errors and IFRS compliance for 2010 and 2012. Through the analysis of a panel data, the study also considered whether and to what extent firms effectively disclose as required by IFRS (as "IFRS serious adopters"), distinguishing them from firms that mere formally adopt IFRS (as "IFRS label adopters"), without effectively complying with it. The study uses four alternative models to measure the disclosure

compliance level per firm and did not find significant improvement in the firms' disclosure levels from 2010 to 2012, except if we use the most tolerant model. The findings confirm other studies on the international accounting convergence in other countries, emphasizing that compliance is at least as important as the simply formal IFRS adoption. This corroborates the relevance of enforcement mechanisms to induce firms to better comply with IFRS, thus to better attain the economic benefits expected from its adoption.

2.3.1.3 Studies on Nigeria

Zango *et al.* (2015) assessed the level of compliance with IFRS 7 disclosure requirement by Listed Banks in Nigeria. The samples of study are fourteen listed banks, with the required financial information, out of nineteen listed on Nigerian Stock Exchange (NSE) as of 1st January 2012. Using a disclosure checklist of 132 mandatory disclosure requirements of IFRS 7 for the study period of 2012 and 2013, the findings reveal non-compliance with IFRS 7. However, the level of compliance is above average for the two years. The finding was also in line with the submission of Ioraver, Joy, and Gabriel (2017) that the IFRS compliance level of the sampled firms in Nigeria is about 85.9% among deposit money banks. The studies revealed that the level of compliance varies among countries regardless of developed and developing countries. The compliance index score was within the range of 80%. However, it was also observed that research IFRS compliance level is very scarce in Nigeria because of those previous studies focus on IFRS adoption.

2.3.2. Firm-specific Characteristics and IFRS Compliance Level

2.3.2.1 Studies on Developed Countries

Cooke (1992) assessed the impact of size, stock market listing and industry type on mandatory and voluntary disclosure of the information from annual reports for 1988. He created index for items required mandatory and voluntary disclosures. The main results of the study showed that size and industry have a significant relationship with the level of companies' disclosure. The finding also concurred with the conclusion of Wallace & Naser (1995) that compliance level is positively related to size but negatively related to profit of 80

companies listed on the Hong Kong market in 1991. Other variables such as the return of equity, liquidity, and leverage were not found to be statistically significant.

Similarly, Inchausti (1997) studied the impact of company features on mandatory and voluntary disclosure of accounting regulation in 49 Spanish companies for three (3) different years (1989: 49 companies, 1990: 48 companies and 1991: 43 companies). To assess the disclosure, the author created an index of 50 items. The study shows that the firms' size, auditing, and availability of stock exchange market influenced the level of compliance with disclosure requirements. However, no significant influence was found with profitability, leverage, and type of industry. Dumontier and Raffournier (1998) explored the relationship between disclosure level and corporate characteristics of 133 Swiss listed companies. The univariate analyses showed a positive influence of size, internationality, listing status, auditor type and ownership diffusion on voluntary compliance but negative and insignificant with leverage, profitability, and capital intensity.

Street and Bryant (2000) examined the factors associated with the compliance level of 1998 annual reports of companies claimed to have use IFRSs. The study, using footnote on the accounting policies, reveals that the overall compliance level is higher for companies with US listings status. The listing status account for the significant improvement but company size and profitability were found to be unrelated. Using the same methodology of Street and Bryant (2000), Street and Gray (2002) examined the financial statements and notes of 279 companies worldwide to ascertain the level of compliance and the associated key factors. The finding revealed a significant level of non-compliance with the disclosures requirements of IFRS by companies based in France, Germany, Western Europe countries and Africa. Few companies that complied were those listed in the US; belonging to the trade and transport sector; being audited by the five largest audit firms and based in China or Switzerland.

Glaum and Street (2003) studied compliance level of IFRSs and US GAAP for companies listed on Germany's New Market. The result showed a considerable non-compliance in the German capital market which was attributed to lack of effective supervision. Moreover, the average level of compliance was significantly lower for companies that applied IFRSs

compared to companies that applied US GAAP. The overall compliance level positively related to firms being audited by Big 5 audit firms and cross-listings on US exchanges while company size and age are not significantly related. Hodgdon *et al.* (2009) investigated the IASs compliance level of companies from developed countries with non-US-listings status in 1999 and 2000. The study found that IASs compliance level is positively associated with company size, auditor type but negatively with profitability.

Aledo, Garcia-Martinez, and Diazarque (2009) examined firm-specific factors that influence the selected accounting options provided in IFRS by firms listed on the Spanish Continuous Stock Market since 2005. The population of the study comprises first-time adopters of IFRS but exclude earlier adopters of IFRS; firm deleted in 2005, mergers companies during 2005 and companies that presented consolidated financial statements according to accounting principles different to those of the Spanish GAAP or IFRS. Eighty-eight companies were studied. The study revealed that firms in Consumer services, Consumer goods, Oil and Gas, and Basic Materials, Manufacturing and Construction industries experience the most significant adjustments, particularly in presentation and measurement practices. Additionally, the study found that firm-specific factors such as industry, size, auditor's opinion, and capital structure influence the choice of accounting policy used to prepare financial statements.

Tsalavoutas *et al.* (2010) carried a study on the transition to IFRS and level of compliance with mandatory disclosures for 153 Greek listed companies during 2005, using two different index methods proposed by Street and Gray (2001). The study evaluated several variables such as size, gearing, profitability, liquidity, industry, and audit firm size as proxies for the factors affecting the level of compliance. The findings revealed about 80% IFRS compliance level in 2005 and also provide strong evidence that companies audited by "Big 4" auditor comply most with IFRS mandatory disclosures. The result is also tally with the findings of Ferrer and Ferrer (2011) who evaluates whether profitability affects the compliance with IFRS in the Philippines in 2008 using several profitability ratios such as return on assets, return on equity, return on sales, earnings per share and revenues. The study found that the average disclosure level is very acceptable (99 percent), but an insignificant relationship exists between profitability and the level of IFRS compliance.

Mısırlıoğlu *et al.* (2011) studied whether IFRS adoption by companies listed in Turkey in 2005 was successful and guaranteed compliance. The study employed the coefficient to determine whether disclosures practices had improved. The study found that majority of the items required by IFRS to be disclosed were not disclosed and firm characteristics such as auditor type, size, and the degree of foreign ownership of shares exert a positive impact on compliance level. Thomas (2014) examined the firm and country-specific differences on compliance level of impairment test of IAS 36 in Sweden and the United Kingdom. The study employed multiple regression analysis. The study found that there is a significant difference in compliance level between the sampled companies in Sweden and the United Kingdom as a result of enforcement differences and variations in the national culture. The finding further indicated a significant variation in the level of compliance with ownership dispersion.

Paul *et al.* (2012) embarked on a study to determine the determinants for UK unlisted firm on voluntary adoption of IFRS. The study examined the determinants of voluntary adoption of IFRS by medium-to-large UK unlisted firms. Using univariate and multivariate analyses, the study revealed that internationality, leverage, firm size and auditor reputation help explain UK unlisted firms' choice of voluntarily selecting IFRS. Other firm characteristics such as profitability, capital intensity, industry, growth, ownership structure, and employee productivity do not appear to play a significant role in the decision.

Azevedo, Oliveira and Couto (2018) examined IFRS compliance level of the intangible assets and the related factors. 500 largest companies ranked by Exame Magazine, 2010, which are subject to the general Portuguese Accounting Standards System (Sistema de Normalização Contabilística - SNC), was analyzed. The data collected in 2010 and 2011 allowed the construction of an index of intangible assets and the identification of disclosure explanatory factors. Six hypotheses for a possible association between the disclosure index and six explanatory variables were analyzed using descriptive statistics, normality, differences in means, correlation and regression. The results of the study showed an average of 30% in the disclosure index for intangible assets. Companies' size is the most influencing factor, indicating that larger companies disclose information on intangible assets basically to reduce

agency costs, administrative costs related to their public visibility, and in such a way manage the relationship with their relevant stakeholders.

Ballas, Sykianakis, Tzovas, and Vassilakopoulos (2018) carried out a study on determination of IFRS compliance in Greece from 2006 to 2008. The employed both dichotomous and the partial method to compute the compliance index. The study hypothesized that firm specific characteristics related to IFRS compliance level. The study revealed that company with higher IFRS compliance rate have positive association with engagement of Big four audit firm. Profitability, leverage status and size of the company do not related to IFRS compliance. The study further revealed that the two methods used to compute compliance index does not significantly different. The findings of these studies from developed countries on the impact of firm-specific characteristics are mixed and inconclusive.

2.3.2.2 Studies on Developing Countries

Naser (1998) examined the impact of financial characteristics on the understandability of disclosure in the financial reports of 54 sampled companies in Jordan. The study found that compliance level improved after the adoption of IFRS and size of the company, leverage status and profitability are positively associated while type of industry, size of audit firm, and ownership structure do not. On firm value, the finding of Naser (1998) was confirmed by Karamanou and Nishiotis (2005) that there is effect of increased disclosure with IAS adoption on firm value. Ali *et al.* (2004) carried out a comparative study on the level of compliance by 566 companies listed in Pakistan, India, and Bangladesh. They evaluated the corporate attributes that influence IFRS compliance level of 14 IFRSs. The study created a list of disclosures required with 131 items and developed a total compliance index. The findings of the study indicated a significant difference in overall compliance levels of the accounting standard by companies. The predominant factors that influence IFRS compliance are size of the company, multinational listing status and profitability but leverage status and the quality of external auditors are insignificant.

Similarly, Karim and Ahmed (2005) investigated IAS compliance factors of companies listed in Bangladesh. An unweighted index was developed for 411 items and applied to 188 annual

reports of accounting year end of 2003. With the use of multiple linear regressions, the study revealed that size of the firm, international linkage of external auditor, profitability, and existence of multinational subsidiary significantly related to IAS compliance level.The finding of Karim and Ahmed (2005) is not consistent with Akhtaruddin (2005) who also investigated compliance practices of companies listed in Bangladesh. He found that annual reports do not meet IFRS compliance. However, there is little support for size and profitability. Alsaeed (2006) examined compliance level in the annual reports of non-financial companies listed in Saudi firms. He investigated several firm characteristics and the study found that compliance level was low but big companies disclosed more voluntary information than small firms. Ownership dispersion, debt status, age of the company, profitability and liquidity status were found to be insignificantly related to compliance.

Hossain and Hammami (2009) explored the association between firm-specific characteristics of 25 listed firms and disclosure level in Qatar. The study reported that company's size, age have a positive significant relationship with disclosure level. However, profitability is found to be insignificant in explaining the variation of voluntary disclosure. Al-Mutawaa (2010) examined the extent to which Kuwaiti listed companies comply with IAS/IFRSs and the associated factors. The study constructed a self-disclosure index of 101 items for 12 IASs. The regression results indicated that company size and type of industry have positive association with IAS-required disclosures and their coefficients are significantly different from zero while t-statistic indicates that all other independent variables are either negatively (leverage) or positively (remaining variables) associated with disclosure level but statistically insignificant. In other empirical studies in Kuwait, Al-Shammari (2011) found that the level of compliance is positively associated with size and age of the company and internationality listing status and type of external auditor but negatively related to liquidity status.

The company size and audit firm size was supported by Juhmani (2017) study. He examined IFRS compliance level and corporate characteristics of companies listed in Bahrain Stock Exchange. His findings indicated that company's profitability, leverage and age were insignificant in explaining IFRS compliance level. Maia, Formigoni and Silva (2012) conducted a study in 78 Brazilian companies during the period 2008-2009 (1st IFRS implementation phase). The study developed compliance index with 72 items requires

disclosures from 13 standards and found that IFRS compliance was positively influenced by companies being audited by the Big 4, internationalization of the companies, corporate governance arrangement and the level of indebtedness but failed to reveal the relationship of firm size and profitability.

Demir and Bahadir (2014) investigated IFRS compliance of 168 listed companies in Turkey in 2011. The study developed an index with 215 items and examined determinants of compliance such as profitability, company size, and age, firms being audited by the Big 4 and leverage. The results showed that IFRS compliance level is positively associated with Big 4 audit firms but negatively related with leverage status. The profitability, size and age of the company are statistically insignificant. This was supported with the result of Santos *et al.* (2014) who assessed IFRS compliance level and the explanatory factors in Brazil in 2010. The study comprehensively examined 638 disclosure requirements of 28 IFRSs for 366 non-financial listed corporations on the Brazilian stock exchange. The result provided that company size and "Big 4" audit firm were positively associated with IFRS compliance. Yiadom and Atsunyo (2014) examined IFRS compliance level of 31 listed companies on the Ghana Stock Exchange (GSE) in 2010 financial statement. With the aid of self-created index, analyses were conducted using correlation, ANOVA and multiple regressions. The findings revealed that size of the company, type of auditor, profitability, type of industry and internationality status associate positively with IFRS compliance. Nakayama and Salotti (2014) also confirmed that auditing by the Big 4 was a significant determinant of compliance, but the low level of about 60% may be related to the fact that the IFRS is virgin.

Gorgan and Gorgan (2014) carried out a study on IAS 38 "Intangible assets" compliance level of companies quoted on the Bucharest stock exchange. Four hypotheses were developed to determine the factors that influence IAS 38 compliance level. The study showed that there is a high level of non-compliance with IAS 38 and a reasonable positive relationship existed between IAS 38 compliance and auditor reputation. Budaraj and Mohammed-Sarea (2015) in their study examined IAS 18 (Revenue) compliance level of listed firms in Bahrain. The study investigated the influence of IAS compliance level on five firm-specific characteristics. The findings of study showed that size of the company and type of auditor are positively and significantly related to IAS 18 compliance level but a significant

negative relationship with leverage status. Ali *et al.* (2016) examined IFRS compliance level and firm characteristics in the emerging capital market of Turkey focusing on the leading adopters of IAS/IFRS. The study found that companies do not apply the IAS/IFRS the same way and IFRS compliance is statistically significant with foreign ownership, staff training, listing status and size of the companies but leverage and profitability status do not related with the level of compliance.

Similarly, in Ghana, Appiah-Kubi and Rjoub (2017) investigated IFRS adoption and compliance and the degree of consistency recorded by companies listed on the Ghana Stock Exchange. The study recognized factors such as size of the company and profitability with compliance level. Based on twenty-six (26) companies sampled, the study found 83.7% IFRS compliance level associated with size of the firm. However, IFRS compliance level revealed a huge negative association with profitability.

2.3.2.3 Studies on Nigeria.

Modugu and Eboigbe (2017) examined corporate attributes and disclosure level of companies listed in Nigeria. The data used were generated from 60 annual reports of companies across sectors from 2012 to 2014. The study employed three dependent variables which include mandatory, voluntary and total disclosure while size and leverage status of the companies are independent variables. The descriptive statistics revealed a balanced progression on mandatory disclosure but voluntary disclosure moderately small. The empirical results revealed a significant positive relationship between size of the firm and mandatory disclosure but a significant negative relationship between leverage statuses. Both leverage and size of the company reported a significant positive association with voluntary disclosure and total disclosure.

Also in Nigeria, Ioraver, Joy, and Gabriel (2017) investigated IFRS compliance level and firm characteristics of companies quoted in Nigeria. Data were extracted from the annual reports of financial service companies sampled in the study. The study showed IFRS compliance level of the sampled companies is about 85.9% while profitability is positively associated at a 10% level but size of the company, leverage status, international listing status

and auditor type are insignificant. The study also revealed that IFRS compliance level of DMB is higher than INC but the disparity is not statistically significant. It is essential to note that all the studies reviewed reveal mixed findings. This makes it challenging to have a conclusion on the firm characteristics that influence IFRS compliance. Few studies reviewed from Nigeria that focus on the financial services industry also have mixed results.

2.3.3 Corporate Governance Mechanisms and IFRS Compliance Level

2.3.3.1 Studies on Developed Countries

Literatures on corporate governance mechanisms and IFRS compliance level are very scarce. One of the important roles of corporate governance arrangement is to ensure quality of the financial reporting practises that aid different economic and investment decisions taking by various stakeholders (Cohen *et al.*, 2004). Corporate governance mechanisms play an important role in achieving high compliance level. However, the studies of Adebimpe and Peace (2011); Adznan and Nelson (2014); Fernandes (2017); Glaum *et al.* (2013); Haniffa and Cooke (2002); Madhani (2015); Kent and Stewart (2008) and Setiany, Hartoko, Suhardjanto, and Honggowati (2017) are relevant.

Glaum *et al.* (2013) analysed IFRS compliance of IFRS 3 and IAS 36 by European companies. The study found a high level of compliance which is influenced by both firm and country characteristics. At the firm level, the characteristics include the importance attached to reporting of goodwill, the experience of IFRS, the type of auditor, the presence of an audit committee, the issuance of securities during the study period and the company's power structure. Haniffa and Cooke (2002) examined the association between corporate governance, cultural and firm characteristics with voluntary disclosure of information in the annual reports of companies in Malaysia. The results showed that there is an association between the following factors and the extent of voluntary disclosure: when the president is a non-executive member; when companies are dominated by family members and a high percentage of Malaysian directors. These results suggested that the Malaysian people have a tendency towards secrecy and feel threatened by the presence of foreigners on boards.

Kent and Stewart (2008) examined IFRS compliance and the corporate governance for accounting year ending on or after 30 June 2004. The Australian companies were mandated to disclose the effect of adopting Australian equivalents IFRS effective from 1st of January 2005. Using a sample of companies listed with 30th June balance dates, the study found that the quantity of disclosure was positively related to some aspects of corporate governance mechanisms such as the frequency of board and audit committee meetings and the choice of auditor. The finding is contrary to Adebimpe and Peace (2011) who studied the relationship among corporate governance, company characteristics and voluntary disclosures of companies listed in Nigeria using univariate, multivariate and cross-section models. The study found that, out of the corporate governance and corporate attribute employed, it was the board size that has a significant positive relationship with voluntary disclosures.

2.3.3.2 Studies on Developing Countries

Madhani (2015) examined the effect of characteristics of board member such as number of directors, directors' composition and independent of the directors on voluntary disclosure practices of 54 firms listed in the Indian Stock Exchange. The study developed an instrument to measure corporate governance and voluntary disclosure, and the results showed a significant positive relationship between disclosures and size but a negative relationship with board composition which implies that overall boards' composition influence company performance, the cost of capital and information asymmetry. Also in Malaysia, Adznan and Nelson (2014) conducted a study on financial instruments disclosure practices of companies listed in Malaysia in 2012. Data was sourced from available annual reports. The overall results indicated that companies complied with IFRS 7. In addition, the study also examined the relationship between corporate governance mechanisms and extent of Financial Instrument disclosure (FID) among companies with the revised of Malaysian companies corporate governance (MCCG) in 2012. Based on 319 sampled companies, the result revealed that audit committee independence, internal audit independence (out-source) and audit fees are positive and significantly associated with FID.

Setiany, Hartoko, Suhardjanto, and Honggowati (2017) examined audit committee characteristics and voluntary disclosure. The audit committees characteristics employed in the study include size of audit committees, education background of audit committees

members, independence of audit committees members, the time commitment of audit committees members, number of audit committees meetings, and tenure of audit committees members. The study showed that the size of audit committees, the independence of audit committee members, and the average tenure of audit committee members have significant impacts on voluntary financial disclosure while the education background of audit committees' members, time commitment of audit committees members and the number of audit committees meetings are insignificant related. Fernandes (2017) examined whether firms with a more international board member comply better with IFRS 3 in Brazil. The results of the study confirmed that Brazilian firms with more foreign board members or/and with more board members with training abroad comply better with IFRS 3.

To buttress the early submission regarding studies of corporate governance mechanisms on IFRS compliance, it was evidenced with the numbers of few studies reviewed above studies on the impact of corporate governance mechanisms and IFRS compliance is very scanty.

2.4 Summary and Gap Identified in the Literatures

The concern for development and practical implementation of accounting regulations inspire the researcher on how implementation of IAS/IFRS is being conducted. The findings of previous studies such as Akman (2011), Christensen *et al.* (2008), Daske *et al.* (2008), Hodgdon *et al.* (2008) suggested that the adoption of IAS/IFRS reduces information asymmetry, improves the quality of accounting information, enhance allocation of capital and lessens the cost of capital. Meanwhile, the focus of recent studies such as Verriest *et al.* (2013) and Fernandes (2017) has been on the extent of IFRS compliance due to a great deal of non-compliance as well as variability in compliance level.

Geographically, most of the literatures reviewed on the determinants of IFRS compliance such as Hossain and Hammami (2009); Ferrer and Ferrer (2011); Mısırlıoğlu *et al.* (2011); Al-Shammari (2011); Juhmani (2012); Paul *et al.* (2012); Demir and Bahadir (2014); Rajhi (2014); Gorgan and Gorgan (2014); Santos *et al.* (2014); Budaraj and Mohammed-Sarea (2015); Abdullah *et al.* (2015); Zango *et al.* (2015) Fernandes (2017); Azevedo *et al.* (2018) were undertaken in the developed countries. This perhaps may be the reason for few studies

(Zango *et al.*, 2015; Modugu and Eboigbe, 2017; Ioraver *et al.,* 2017) found in the developing countries. This was criticized on the ground that IFRSs were meant for a developed economy, and the principles behind it may not be relevant to the financial reporting models of developing economy (Zango *et al.*, 2015).

Also, most of the studies reviewed such as Cooke (1992); Demir and Bahadir (2014); Rajhi (2014); Gorgan and Gorgan (2014); Santos *et al.* (2014); Budaraj and Mohammed-Sarea (2015); Zango *et al.* (2015); Samaha and Khlif (2016); Hellman *et al.* (2017); Modugu and Eboigbe (2017); Azevedo *et al.* (2018); Ballas *et al.* (2018); employed characteristics of the company as the major factor affecting IFRS compliance level but with mixed results. Studies on corporate governance mechanisms and IFRS compliance are sparsely available. To the best of the researcher's knowledge and except for Fernandes (2017), this study is one of the first to incorporate corporate governance mechanisms as one of the determinants of IFRS compliance.

The upper echelon theory envisages that the individual characteristics of the board members and the audit committee will influence strategic decision-making power on the level of information to disclose. This suggests that the characteristics of board members and their committee can influence the decision on the compliance level of IFRS disclosure. Therefore, the impact of those characteristics is worth studying and was incorporated as one of the major determinants of the extent of compliance with disclosure requirements of IFRS. This study combines these variables.

Conceptually, despite the consensus on the use of item-based disclosure requirements for computation of compliance index, there exists an disagreement about the weight allotted to each item. Some authors (Street & Gray, 2002; Hodgdon *et al.,* 2008; Tsalavoutas *et al.*, 2010 and Modugu & Eboigbe, 2017) favour dichotomous disclosure index as each disclosure item receives equal weight regardless of whether such standard is applicable to the companies or not while some authors prefer the partial disclosure index as it avoids the problem of allotting higher weight to standards that demand more items (Abd-Elsalam & Weetman, 2003; Akhtaruddin, 2005; Hassan *et al.* 2009; Al-Akra *et al.* 2010; Bova & Pereira, 2012; Che *et al.*

2016; Chen & Liao, 2014; Ebrahim & Fattah, 2015; Gao & Kling, 2012; Juhmani, 2017; Leuz *et al.*, 2008; Lu & Mande, 2014; Mangena & Tauringana, 2007; Mısırlıoğlu *et al.*, 2013; Samaha & Abdallah, 2012 and Sellami & Tahari, 2017). To overcome the problem of the two methods, this study will assess the relevance of each missing item and then classify as either non-disclosure or not-applicable.

Theoretically, previous studies such as Deegan & Gordon (1996); Guthrie & Parker (1990) and Deegan & Rankin (1996) adopted legitimacy theory in social and environmental disclosures. The relevance of the theory regarding compliance level is yet to be exploited. Meanwhile, the level of compliance with the disclosure requirement increases the legitimacy of the companies to the public and other users. Therefore, the study employs the legitimacy theory as one of the major theoretical underpin.

Statistically, univariate and multivariate regression analyses are the popular statistical techniques employed to identify factors influencing IFRS compliance level. Previous studies such as Abdullah *et al.* (2015); Al-Shammari *et al.* (2008); El-Gazzar *et al.* (1999); Gao & Kling (2012); Iatridis & Valahi (2010); Lu & Mande (2014) used logistic regression while Al-Akra *et al.* (2010); Ballas *et al.* (2018); Hassan *et al.* (2006); Hassan *et al.* (2009) incorporate panel data estimation techniques to indentify these factors. From a more qualitative perspective, Eierle (2008) and Stent *et al.* (2013) used content analysis to investigate what discretionary narrative disclosures reveal about firms' responses and attitudes to the adoption of IFRS. This study uses auto corrected random effect of panel data regression techniques and incorporates other statistical methods such as ANOVA to evaluate sectorial differences in IFRS compliance level among listed companies in Nigeria. This arises from different compliance reported among companies from different sectors.

Based on the information available to researcher, this study is the first of its kind to consider all non-financial listed companies in Nigeria. Thus, the study presents a more robust methodology. The study used mixed method which incorporate the quantitative and qualitative analysis to provide more comprehensive answers to the research questions. This was applicable to all the selected listed companies in this study. The study also develops a

comprehensive compliance indexes for disclosure requirements of all applicable IFRS and was proxied as dependents variable while firm characteristics and corporate governance mechanisms were proxied as independent variables using the most current information of listed companies in Nigeria as at 31st December 2017.

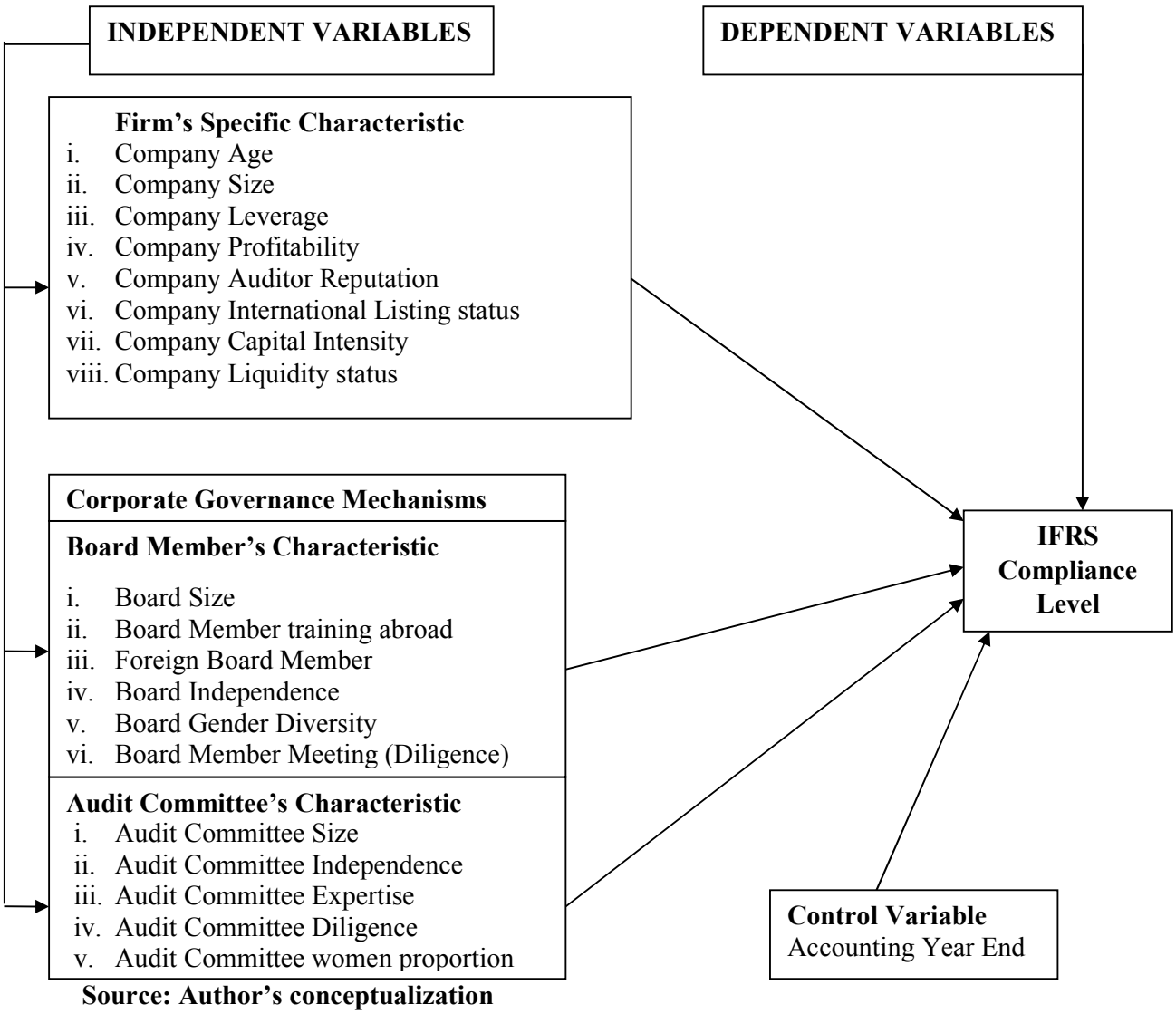
2.5 Theoretical Framework

To place IFRS compliance level on a theoretical context, several broad theories are related concerning the flow of information between organizations and stakeholders. The theories employed in this study include legitimacy theory which suggests that companies' operations are subject to certain accounting rules and standards issued by regulatory authorities. The companies employ these rules to publish their annual reports as a legitimate device and strategic document that projects selective impressions about the companies' operations to be within the bounds and norms of the stakeholders. Therefore, through compliance with IFRS disclosure requirement, companies guarantee that their operations and activities are legitimate and contributing to general welfare of stakeholders and society (Cotter *et al.,* 2011; Ousama *et al.,* 2012). However, non-compliance with disclosure requirements represents a breach of social contract with the stakeholders, and the survival of the companies is threatened.

The signaling theory argues that companies that believe their performance is better than other companies signal this to their shareholders and other investors to attract more investments. These are achieved with disclosure of all sort of information required by regulatory agencies. Therefore, companies with favourable and better information such as age, profitability, size, liquidity, leverage, foreign ownership, international listing status, capital intensity signal these to stakeholders to enjoy some benefits over those with unfavourable information. Resources dependency theory focuses on the primary responsibility of the directors in providing the required resources to the company, with respect to the external environment and the board's ability, depends on board members and their composition. This was further corroborated by the upper echelons theory which characteristics such as expertise, reputation, relational capital, age, practical experience, and tenure, etc. of top management affect strategic decision-makings and hence performance (Fernandes, 2017). Thus, the concept of the theory extends to the present study to investigate whether the demographic features of the board members and audit committee could influence IFRS compliance level by listed companies in Nigeria.

Therefore, the signalling, legitimacy, resource dependency and upper echelon theories are the theoretical backgrounds for this study because each of this theory support different variable inherent in this study. A conceptual framework is a hypothetical model which identifies the relationship between the dependent and independent variables. The dependent variable is described as a variable that measures or predicts to manipulate an independent variable (Mugenda & Mugenda, 2003; Schindler, 2011; Smith, 2004). The study develops the following conceptual framework for the determinants of IFRS compliance level.

Figure 2.2 shows how the company's characteristics and corporate governance mechanism influence IFRS compliance.



Source: Author's conceptualization

Figure 2.2: Conceptual Model for Determinants of IFRS Compliance

Figure 2.2 depicts the relationship among IFRS compliance level, firm characteristics, corporate governance mechanisms and control variable. The conceptual model explains the determinant of IFRS compliance level which was categorized into three. The first set of the determinants are the firms specific characteristics which rest on the signaling theory that companies with favourable and better information such as age, profitability, size, liquidity, leverage, audit quality, international listing status, capital intensity will want to signal these to stakeholders to enjoy some benefits over those with unfavourable information.

Other determinants include board member and audit committee characteristics which are components of the corporate governance mechanisms which also influence IFRS compliance. All of these determinants rest on the resource dependency theory and upper echelons theory which argues that board members and audit committee characteristics such as expertise, reputation, relational capital, age, practical experience and tenure, etc. of top management affect the strategic decision like the IFRS compliance level. Therefore, the study conceptually developed those demographic features of the board members and audit committee influence IFRS compliance level of companies listed in Nigeria.

CHAPTER THREE

METHODOLOGY

The chapter provides the research design adopted for the study in terms of the population, sample size, and sampling technique. It further outlines the process of the development of the data collection instruments for quantitative and qualitative data, analytical techniques and model specification.

3.1 Research Paradigm and Design

This research aligns its philosophical approach with the pragmatic perspective because it provides the study an opportunity to address issues from different points of view. The pragmatic school of thought stresses the use of both quantitative and qualitative methods (Creswell, 2003). This gives rise to both longitudinal and survey research design. The longitudinal research designs involve taking multiple measurements of each study participant over time. Generally, the purpose of longitudinal studies is to follow a case or group of cases over a period of time to gather normative data on growth, to plot trends, or to observe the effects of special factors. The survey research design involves enquiring from large numbers of people about their behaviours, attitudes, and opinions in order to establish relationship between phenomenon (Geoffrey, David & David, 2005). This avails the researcher an opportunity to interact face-to-face with the targeted audience to gather detailed information, particularly on the subject matter.

The approach used was convergent parallel method which collects secondary data and primary data concurrently, analyzes the two data sets separately and merged the results during interpretations. The study builds on the strength of both methods to produce an analytical result which according to Creswell (2012) is comprehensive, robust in clarification and understanding, which might be very difficult with a single method approach. This also helps the researcher to have a broad and thorough understanding of the major determinants of IFRS compliance.

3.2 Population

Since the study employed a mixed method, the population involve enquiry which was obtained quantitatively and qualitatively. The target population for quantitative enquiry are all listed companies in Nigeria on the Nigerian Stock Exchange (NSE) from 2012 to 2017. Out of 191 listed companies as at 31st December 2012, only 172 companies remained listed on the NSE as at 31st December 2017 as a result of the listing of new companies and delisted of some existing companies. Therefore, out of 172, a total number of 115 (One Hundred and Fifteen) is the final population for this study.

For qualitative enquiry, all the listed companies are expected to submit their annual financial statements to FRC of Nigeria, NSE, and CAC for necessary official action such as checking of the extent of compliance and the quality of the reports. These organizations entail Compliance Department or unit among other departments. Therefore, all the staffers of these departments are the targeted population for qualitative approach.

3.3 Sample Size and Sampling Technique

The continue request in research to obtain an efficient method of determining the sample size to be the representative of a population necessitates this section. For secondary data, the sample size selected for this study was based on the following formula for "Small Sample Techniques"

$S = X^2NP\ (1- P) \div d^2\ (N -1) + X^2P\ (1- P)$.

S = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

Sources: Krejcie and Morgan (1970).

Using the formula, out of the total population of One Hundred and Fifteen (115) Nigerian listed companies; a total of One Hundred and Five (105) was employed as the sample size. The selection of the sample size was based on the proportion of the population of each sector on the total population. However, only 87 out of the 105 companies sampled meet the criteria which accounted for 82% response rate. The frequency and percentage of these companies sector by sector were presented in table 3.1.

Table 3.1 Distribution of Listed Companies in Nigeria on Sectorial Basis

S/N	SECTOR DISTRIBUTION	TARGET	NO. ACHIEVED	PERCENTAGE
1	Agriculture	4	**3**	75%
2	Construction/ Real Estate	8	**6**	75%
3	Consumer Goods	19	**17**	89%
4	Health Care	10	**7**	70%
5	Industrial Goods	14	**14**	100%
6	Information & Communications Technology (ICT)	7	**6**	86%
7	Natural Resources	4	**4**	100%
8	Oil & Gas	12	**10**	83%
9	Services	21	**15**	71%
10	Utilities	0	**0**	0%
11	Conglomerates	6	**5**	83%
	TOTAL	**105**	**87**	**82%**

Source: Author's Computation (2019)

Table 3.1 reveals that industrial goods and natural resources achieved a response rate of 100% which implies that all the companies in these sets met the criteria set for selection. However, companies from agriculture, health and construction sectors accounted for the significant differences in the response rate achieved.

Estimating the number of sample size for primary data to reach saturation relied on some factors which include the quality of qualitative data, the nature of the topic, volume of valuable information collected, the number of questions, the use of shadow data and the qualitative method and design used in the study (Morse, 2000). With these, it implies that determining adequate sample size in qualitative research is ultimately a matter of judgment and experience. Therefore, the study utilizes a purposive sampling technique for careful selection of samples frames based on some criteria as determined by Okinono (2016). The first step in the sampling procedure is the selection of organizations qualified for the study in Nigeria which comprises regulatory agencies such as Nigerian Stock Exchange, FRCN and

CAC as well as all the listed companies in Nigeria (Kimenyi, Deressa, & Pugliese, 2014). Each of these organizations has a department in charge of verification of published financial statements. Two staffers from these departments are selected for the study. Therefore, the study is targeting six (6) interviewees from regulatory agencies and Four (4) interviewees from the selected listed companies giving a total of Ten (10) interviewees altogether.

3.4 Sources of Data and Data Collection Method

All listed companies in Nigeria are expected to have published IFRS financial statements from the year 2012 to date. Therefore, secondary data was gathered from the financial reports of all the listed companies in Nigeria from 2012 to 2017 for quantitative analysis. Primary data was collected for qualitative analysis using semi-structured interviews for information on the interviewees' opinions, perceptions, and experiences on IFRS compliance level and those factors influencing it. The interview guide is available in Appendix II.

3.5 Model specification

The study developed two separate models for each class of determinant of IFRS compliance level. The models were developed for company's characteristics and corporate governance mechanisms separately.

3.5.1 Model I: Firms' Specific Characteristics and IFRS Compliance Level

Many literatures identified several firm-specific characteristics such as company size, age, liquidity, profitability, leverage, type of auditor and international listing status as firm characteristic that influence the level of IFRS compliance. These characteristics were theoretically underpinned by signalling and legitimacy theories (Alanezi & Albulouhi, 2011; Al-Akra *et al.,* 2010; Ferrer & Ferrer, 2011; Demir & Bahadir, 2014 and Samaha & Khlif, 2016). Following the assumptions of capital need theory that capital intensity of an entity also influence the extent of IFRS compliance, this study adapted previous model of Demir & Bahadir (2014) and Samaha & Khlif (2016) and modify to include capital intensity.

IFRS Compliance = f (Firm- specific characteristics……..3.1

Comdex = f (Firm's Age, Firm's size, Firm's profitability, Firm's leverage, Firm's liquidity, Firm's audited by Big4, Firm's International listing, Firm's Capital Intensity and

Firm's Accounting year end)……..3.2

This can be transformed into the following linear equation:

$$Comdex_{jt} = \beta_{0jt} + \beta_1 AGE_{jt} + \beta_2 LIQ_{jt} + \beta_3 LEV_{jt} + \beta_4 SIZE_{jt} + \beta_5 PROF_{jt} + \beta_6 AQR_{jt} + \beta_7 INTLST_{jt} + \beta_8 CAPINT_{jt} + \beta_9 ACCYREND_{jt} + e_{jt} \ldots\ldots 3.3$$

Where:

Variables	Definitions	A Prior Expectations
$Comdex_{jt}$	= Compliance index for firm j in year t	
AGE_{jt}	= Company age of the firm j in year t	+/-
LIQ_{jt}	= Liquidity status of the firm j in year t	+/-
LEV_{jt}	= Leverage Level of the firm j in year t	+/-
$SIZE_{jt}$	= Size of the firm j in year t	+
$PROF_{jt}$	= Profitability of the firm j in year t	+
AQR_{jt}	= Auditor Quality of the firm j in year t	+
$INTLST_{jt}$	= International listing of the firm j in year t	+
$CAPINT_{jt}$	= Capital intensity of the firm j in year t	+/-
$ACCYREND$	= Accounting year end of the firm j in year t	+/-
β_0	= The intercept of equation	
β_1 to β_9	= Coefficients for independent variables.	
e_{jt}	= Error term in the model for the firm j in year t	

3.5.2 Model II: Corporate Governance Mechanisms and IFRS Compliance Level

Based on the findings of previous studies such as Mbobo and Umoren (2016); Glaum *et al.* (2013); Kent and Steward (2008); Adepimpe and Peace (2011); Madhani (2015); Adznan and Nelson (2014); Feng (2014); Setiany *etal.* (2017) and Fernandes (2017) that corporate governance mechanisms vis-à-vis the characteristics of board member and audit committee influence IFRS compliance level. This was also theoretically supported by the assumptions in upper echelon theory and resource dependency theory. Consequently, this study adapted model developed by previous researchers (Fernandes, 2017; Madhani, 2015; Kent & Steward, 2008) and modify to incorporate some other variables such as board gender diversity, board diligence, audit committee gender diversity and audit committee expertise to develop a model as follows:

IFRS Compliance = f (Corporate Governance Mechanisms)……3.4

IFRS Compliance = f (Board Members' and Audit Committees' Characteristics)……3.5

Comdex = f (Board size, Board Independence, Foreign board member, Board International Experience, Board Gender Diversity, Board Diligence, Audit Committees frequency of meetings, Financial and Accounting Experience of Audit committee, Independence

of the Audit Committee, Audit Committee Gender Diversity and Firm Accounting year End)……..3.6

Equation 3.6 is transformed into the following linear equation:

$$Comdex_{jt} = \alpha_{0jt} + \alpha_1 BDS_{jt} + \alpha_2 BDINDP_{jt} + \alpha_3 BDTARB_{jt} + \alpha_4 FBM_{jt} + \alpha_5 BGD_{jt} + \alpha_6 BGDIL_{jt} + \alpha_7 ACMET_{jt} + \alpha_8 ACFAEXP_{jt} + \alpha_9 ACIND_{jt} + \alpha_{10} ACGD_{jt} + \alpha_{11} ACCYREND_{jt} + e_{jt} \quad \text{.....3.7}$$

Where:

Variables	Definitions	A Prior Expectations
$Comdex_{jt}$	= Compliance Index for firm j in year t	
BDS_{jt}	= Size of the Board member of the firm j in year t	+
$BDINDP_{jt}$	= Board Independence of the firm j in year t	+
$BDTARB_{jt}$	= Board Member training abroad of the firm j in year t	+
FBM_{jt}	= Foreign Board Members of the firm j in year t	+
BGD_{jt}	= Board Member Gender Diversity of Firm j in year t	+
$BGDIL_{jt}$	= Diligence of Board of firm j in year t	+
$ACMET_{jt}$	= Audit Committees meetings of the firm j within year t	+
$ACFAEXP_{jt}$	= Audit Committee Expertise of the firm j in year t	+
$ACIND_{jt}$	= Audit Committee Independence of the firm j in year t	+
$ACGD_{jt}$	= Audit committee gender diversity of firm j in year t	+
$ACCYREND_{jt}$	= Accounting year end of the firm j in year t	+/-
α_0	= The intercept of equation	
α_1 to α_{11}	= Coefficients for independent variables.	
Ejt	= Error term in the model for the firm j in year t	

3.6 Operational Definition and Measurement of Variables

i. Computation of IFRS Compliance Disclosure Index (Dependent Variable)

A measure of compliance index was established from the selected IFRS. The selection of the IFRS to be included was determined by the focus of the study. The following criteria were employed to calculate the complete disclosure requirements.

i. Availability of annual report for accounting year end of 2012 to 2017;
ii. Relevance to the study focus; and
iii. Applicability to companies listed in Nigeria.

Following the criteria set above, the following accounting standards are considered relevant to the study. Therefore, the disclosure requirements of IAS 1: Presentation of financial statements, IAS 7: Statement of cash flow; IAS 8: Accounting policies, change in accounting estimates and error; IAS 10: Events after the reporting period are the reporting standards; IAS

24: Related party disclosures, IAS 26: Accounting and Reporting by Retirement Benefit Plans, IAS 29: Financial reporting in hyperinflation economics, IAS 32: Financial Instruments Presentation, IAS 33 Earnings per share, IAS 34: Interim financial reporting, IFRS 1: First time adopters of IFRS, IFRS 7: Financial instruments disclosure, IFRS 8: Operating segments, IFRS 12 -Disclosure of Interests in Other Entities and IFRS 13: Fair value measurement was considered necessary to compute the compliance index. However, the study excludes IAS 29, IAS 34 and IFRS 1 because of their peculiarities to circumstances and their inclusion will affect the consistency of data set.

Table 3.2 IFRS Disclosure Requirements included in the Index

S/N	IAS/IFRS	TITLE OF PRESENTATION AND DISCLOSURE STANDARDS	APLLICABILITY TO THIS STUDY	REQUIRED DISCLOSURE
1	IFRS 1	First time adopters of IFRS,	X	-
2	IFRS 4	Insurance Contracts	X	-
3	IFRS 7	Financial instruments disclosure	√	59
4	IFRS 8	Operating Segments	√	10
5	IFRS 12	Disclosure of Interests in Other Entities	√	-
6	IFRS 13	Fair Value Measurement	√	16
7	IAS 1	Presentation of financial statements	√	84
8	IAS 7	Statement of cash flow	√	20
9	IAS 8	Change in Accounting policies, Estimates and Error	√	17
10	IAS 10	Event after reporting period	√	6
11	IAS 26	Accounting and Reporting by Retirement Benefit Plans	√	23
12	IAS 24	Related Party Disclosure	√	9
13	IAS 29	Financial reporting in hyperinflation economics	X	-
14	IAS 32	Financial Instruments Presentation (Replaced with IFRS 7)	X	-
15	IAS 33	Earnings per share	√	9
16	IAS 34	Interim Financial Reporting	X	-
		TOTAL DISCLOSURE REQUIREMENTS		**253**

Sources: Deloitte (2018); KPMG, (2017) and Author's Reviews

Table 3.2 depicts the expected score for each standard in the last column with a total score of two hundred and fifty-three (253) items expected to be disclosed for all the selected IFRSs. In order to calculate IFRS compliance index of each of the standard, the researcher assign a value of one (1) for information disclosed and zero (0) for information expected to disclose but not disclosed. Therefore, the total number of items needed to be released by the company (for all IFRSs in the study) was divided by the number of required disclosure items

This is mathematically presented as follow:

$$Comdex = \frac{TT_x}{AT_x} = \frac{\Sigma_y^m Tx,y}{\Sigma_y^m Ax,y}$$

Where:

Comdex is the disclosure compliance index for each of the listed companies in Nigeria for the year 2012 to 2017 and ($0 \leq$ Comdex ≤ 1);

TTx is the total number of items disclosed by each of the listed companies in Nigeria for the year 2012 to 2017; and

ATx is the number of items required to be disclosed by each of the listed companies in Nigeria for the year 2012 to 2017.

See details computation of IFRS compliance Index for each of the standard and listed companies for the 2012 to 2017 in Appendix III.

ii. Other Operational Measurement Variables (Independent Variables)

The other operational and independent variables relate to the determinants of compliance with IFRS disclosures are depicted in table 3.3. The table shows the acronyms for each variable, definitions, variable type; measurements approach and construct validity sources for including each of the concepts as part of the operational variables.

Table 3.3 Other Operational Measurement Variables

S/N	DEFINITION	TYPE OF VARIABLES	SYMBOL	MEASUREMENT	CONSTRUCT VALIDITY SOURCE
1	**Company age**	**Independent variable**	**AGE**	Number of years passed since listing or since foundation	Owusu-Ansah, 1998; Glaum and Street, 2003; Al-Shammari *et al.*, 2008; Al Mutawaa, 2010; Demir and Bahadir, 2014.
2	**Liquidity status**	**Independent variable**	**LIQ**	Proportion of current assets to current liabilities at the end of each year	Wallace *et al.*, 1994; Wallace and Naser, 1995; Owusu-Ansah and Yeoh, 2005; Al-Shammari *et al.*, 2008. Al Mutawaa, 2010; Demir and Bahadir, 2014.
3	**Leverage Level**	**Independent variable**	**LEV**	The ratio of total debt to total shareholders' funds at the end of each year	Wallace *et al.*, 1994; Wallace and Naser, 1995; Haniffa and Cooke, 2002; Ali *et al.*, 2004; Alsaeed, 2006; Juhmani, 2012; Al-Shammari *et al.*, 2008; Gallery *et al.,* 2008; Hassan et al., 2006; Al-Shammari *et al.*, 2011; Demir and Sahadir, 2014
4	**Company size**	**Independent variable**	**SIZE**	Log of total assets at the end of each year.	Cooke, 1991; Haniffa and Cooke, 2002; Palmer, 2008; Gallery *et al.*, 2008; Naser, 1998; Street & Bryant, 2000; Juhmani, 2012, (Al Mutawaa, 2010; Juhmani, 2012; Demir and Bahadir, 2014.
5	**Profitability**	**Independent variable**	**PROF**	The return on equity (ROE) at the end of each year	Juhmani, 2012; Hodgdon *et al.*, 2009; Al-Shammari, 2011; Akhtaruddin, 2005; Al Mutawaa, 2010; Demir and Bahadir, 2014
6	**Auditor Quality and Reputation**	**Independent variable**	**AQR**	Dichotomous: '1' if company is audited by a Big 4, '0' otherwise	Street and Gray, 2002; Gîrbină, 2009; Gorgan and Gorgan, 2012; Gordan and Gordan, 2014.
7	**International listing**	**Independent variable**	**INTLST**	Dichotomous: '1' if company is listed outside Nigeria and '0' otherwise	Bova & Pereira, 2012; Navarro-Garcia & Bastida, 2010; Archambault & Archambault, 2003; Leuz & Wysocky, 2008.
8	**Capital intensity**	**Independent variable**	**CAPINT**	The proportion of non-current assets to total assets	Paul *et al*, (2014) Dumontier and Raffournier's (1998)
9	**Board Size**	**Independent variable**	**BDSZ**	Numbers of Board Members	FRCN (2018) Birjadin & Hakemi (2015); Ho & Wong, 2001); Fama & Jensen (1983)
10	**Board Independence**	**Independent variable**	**BDINDP**	The proportion of Independent Non-Executive Director to Total directors	FRCN (2018); Birjadin and Hakemi, 2015). Arcay and Vasquez (2005) Fama and Jensen (1983) Ho and Wong (2001).
11	**Board Member training abroad**	**Independent variable**	**BDTARB**	The absolute value of the number of Board members trained abroad	Uyar, Kılıç & Ataman-Gökçen, (2014). Saxenian (2006)
12	**Board Member Gender Diversity**	**Independent variable**	**BDGD**	The proportion of number of Women in the board to total board members.	Zango, *et al.* 2015; Hillman et al., 2007). Thiruvadi & Huang (2011)
13	**Board**	**Independent**	**BDDEL**	The absolute number of Meetings held by	Beasley et al*.,* 2000; Setiany, Hartoko, Suhardjanto &

	Diligence	**variable**		board members within one year	Honggowati (2017)
14	**Foreign Board Members**	**Independent variable**	**FBM**	The proportion of foreign board member to total board size	Ebrahim and Fattah, 2015; Ujuuwa et al, 2012; Masulis *et al,* 2012; Oxelheim & Randøy (2003)
15	**Audit Committees meetings within one year**	**Independent variable**	**ACMET**	The absolute number of Audit Committees meetings within one year	Menon & Williams (1994); Vafeas' (2005) Beasley et al. (2000) Setiany, Hartoko, Suhardjanto & Honggowati (2017)
16	**Financial and accounting Experience**	**Independent variable**	**ACEXP**	The proportion of Audit Committee member with financial and accounting experience to total audit committee	Abbott *et al*. 2004; Krishnan & Visvanathan, 2008; Dhaliwal *et al*. 2011; Sharma & Iselin, 2012; Samuel, *et al.,* 2017.
17	**Independence of the Audit Committee**	**Independent variable**	**ACIND**	The proportion of Independent Non-Executive Director in the audit committee to Total number of Audit committee	SEC (2003); CBN (2006) and Mbobo & Umoren (2016)
18	**Audit Committee gender diversity**	**Independent variable**	**ACGD**	The proportion of number of Women in the Audit Committee to total Audit committee members	Zango, *et al.* 2015; Hillman et al., 2007). Thiruvadi & Huang (2011)

Source: Author's Conceptualization (2018)

3.7 Method of Data Analysis (Secondary Data)

Descriptive and inferential statistical techniques are employed to analyze the secondary data collected from annual reports of Nigerian listed companies from 2012 to 2017.

3.7.1 Descriptive Statistics

The descriptive statistics are used to provide a snapshot of the nature of the variables which include mean, standard deviation, minimum and maximum. The mean is used to measure the average of the variable to understand the magnitude of the data. The standard deviation measures the variability of values for each variable to measure the reliability of the mean. The minimum and maximum show the range of values for each variable. The rationale for the normality test is to explain the proportioned and hell-shaped curve which is the peak of value in the center and minor scores that move towards the boundaries (Gravetter & Wallnau 2004). Different techniques like kolomogrov, Shapiro wilk, skweness and kurtosis, can be used to determine if the data were normally distributed without any preconditions. However,

for the purpose of this study, Shapiro-Wilk and Shapiro-Francia (a simplified Shapiro-Wilk) normality tests are employed.

Correlation analysis is also employed to measures the potency of a linear relationship between IFRS compliance, firm-specific characteristics and corporate governance mechanisms. This technique is a prerequisite for panel data regression analysis to identify the degree of multicollinearity among the variables (Gujarati, 2003). The use of Spearman's correlation or Pearson's correlation will depend on the result of the normality distribution of the data. Other preliminary tests for unit root and stationary of data was not conducted because panel regression technique minimizes bias due to aggregation and also takes care of the problem of heterogeneity, collinearity, omitted variables, model misspecification, unobserved country-specific effects, individual dynamics and effects of other unobservable variables (Beck & Jonathan, 2007; Bruce, 2016; Flannery & Hankins, 2013).

3.7.2 Inferential statistics

The inferential statistics employed in this study include panel data regression and Analysis of variance (ANOVA). Due to the nature of the data, panel data regression technique was employed because the technique is widely used to analyze two-dimensional (typically cross-sectional and longitudinal) panel data (Maddala, 2001). Therefore, the data for this study have satisfied this condition because the data were collected over 6 years from 2012 to 2017 for all the Nigerian listed companies. This technique is an econometric method employed for multidimensional analysis in which data are collected over more than two dimensions. Panel data allows control for variables that cannot be observed or measured like cultural factors or difference in business practices across companies; or variables that change over time but not across entities such as national policies, federal regulations, international agreements, IFRS etc. With panel data, the study can include variables at different levels of analysis suitable for multilevel or hierarchical modelling (Nwakuya & Ijomah, 2017). However, it adds to the complexity of the analysis.

The type of data employed in this study is a balanced panel data because each subject (firm) has the same number of observations across the study period (Greene, 2008). Since the model

specifies in this study is a static model, there is a need to determine the appropriate estimator between the fixed and random effect. Fixed effect rests on the assumption that time-invariant features which are exclusive to the individual and should not be related with other individual attributes. Based on the result Hausman test and existence of autocorrelation problem with fixed effect and random effect, this study employed GLS regression autocorrelation corrected random effect.

Also, the ANOVA test of variances in mean was employed to evaluate the significance of the difference among various sub-sectors of Nigerian listed companies (Kothar, 2004). The study uses ANOVA technique to compare all the industrial sub-sectors regarding IFRS compliance at the same time. This technique is employed when multiple sample cases, such as in the present study, are involved particularly in the fields of social sciences. The study also employed Bonferroni pairwise mean comparison across the selected sub-sectors to further analyse a pairwise test of the mean difference between two different sub-sectors across all sectors of Nigerian listed companies considered in this study.

3.8 Method of Data Analysis (Primary Data)

Thematic and systematic approaches were employed to analyse the data obtained from the interviews to facilitate the process of sorting and coding the data. This was achieved with a number of steps (i) transcribing and sorting out verbatim of all the recorded interviews and thematically; and (ii) coding of the transcribed data to put together the transcribed data by giving it meaning (Basit, 2003). This process will allow the study to merge items that depict the same meaning, and eliminate those not relevant to the research questions been addressed.

3.9 Method of Test of Hypotheses

The hypotheses in the study are tested as specified in table 3.4.

Table 3.4 Method of Test of Hypotheses

S/N	HYPOTHESES	QUANTITATIVE ANALYSIS	QUALITATIVE ANALYSIS
I	Firm- characteristic does not significantly influence IFRS compliance level among listed companies in Nigeria.	GLS regression autocorrelation corrected random effect	Analytical Description
II	Corporate governance mechanisms do not significantly affect IFRS compliance level among listed companies in Nigeria.	GLS regression autocorrelation corrected random effect	Analytical Description
III	There is no significant difference in IFRS compliance level among various sub-sectors of listed companies in Nigeria.	Analysis of variance (ANOVA)	Not applicable

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter provides detailed results generated from the data analysis and interpretation. The structure of this chapter includes an introduction, preliminary presentation, descriptive statistics, analysis of results, restatement and testing of the hypothesis and interpretation and practical implication of the findings. The descriptive analysis was carried out mainly to describe the data and explain the distribution pattern of the variables employed for the study. The result of statistical tools were also presented to test the hypothesis drawn to achieve the research objectives and to provide an answer to research questions as well as discussion of practical implication of the findings.

4.1 Assessment of Response Rate of the data sample

4.1.1 Frequency Distribution of Secondary Data Sample

The study proposes to employ the annual financial statements of 106 listed companies from 2012 to 2017 for analysis. However, not all these selected companies' annual reports available from 2012 to 2017 are relevant to the study. Therefore, only 87 out of the 106 companies sampled meet the criteria which accounted for 82% response rate. The industrial goods and natural resources achieved a response rate of 100% which implies that all the companies in these sets met the criteria set for selection. However, companies from agriculture, health and construction sectors accounted for the significant differences in the response rate achieved.

4.1.2 Response Rate of the Primary Data Sample

The study stated in chapter three to employ qualitative data through the use of semi-structured interviews on IFRS compliance level and its determinants. The researcher interviewed staffers of listed companies in Nigeria, FRCN, NSE and CAC. Out of the ten (10) interviewees proposed, the researcher was granted 7 interviews. This accounted for 70% response rate which was clearly above the average.

4.2 Descriptive Analysis

This section presents a descriptive analysis of the variables of this study. The analysis entails a statistical summary which include mean, minimum, maximum, standard deviation and tabulations which include frequency and percentage distributions. The analysis also entails the presentation of the normality test of each variable and correlation analysis that the relationship that exists among the variables. The statistical summary of the variables employed in this study are presented in table 4.1.1.

Table 4.1.1: Statistical Summary of the Variables

Variable	No	Mean	Std. Dev.	Min	Max
IFRS Compliance Index	522	0.405	0.127	0.06	0.66
Age	522	42.66	20.24	8.00	95.00
Liquidity	522	1.59	2.62	0.00	36.41
Leverage	522	1.99	7.60	-44.37	71.02
Size	522	2,330,000,000	10,300,000,000	4,835	121,000,000,000
Profitability	522	0.12	0.97	-7.52	14.12
Capital intensity	522	0.56	0.29	0.00	3.87
Board size	522	8.70	2.55	4.00	20.00
Board indep.	522	0.05	0.11	0.00	0.75
Foreign board	522	0.17	0.21	0.00	0.83
Board gender	522	0.09	0.11	0.00	0.50
Board training	522	0.75	1.39	0.00	8.00
Board diligence	522	3.63	2.41	0.00	18.00
Audit gender	522	0.17	0.21	0.00	1.00
Audit indep.	522	0.10	0.21	0.00	1.67
Audit expertise	522	0.20	0.30	0.00	1.00
Audit meeting	522	2.86	1.79	0.00	9.00

Source: Author's Computation, (2019).

Table 4.1.1 shows the statistical summary of the continuous variables among all variables of the models. These variables include IFRS compliance index, firm age, liquidity, leverage, firm size (total asset), profitability, capital intensity, size of the board, board independence, Presence of foreign board members, board gender, board training abroad, board diligence,

audit committee, gender, audit committee independence, audit committee expertise, and audit committee meetings. The other two variables namely, international listing and audit quality (i.e., audit firm), are dichotomous and tabulations in the form of frequency and percentage distributions were conducted for them and presented in Table 4.1.2.

IFRS compliance index averaged 0.405 points with a standard deviation of about 0.127 points. While the firm with the lowest IFRS compliance index during the period has 0.06 points, the firm with the highest IFRS compliance index during the period has 0.66 points. This implies that IFRS compliance level is as low as 6% while the maximum of 66% obtained indicates that the highest score concerning all the ten standards employed in the study. As for firm characteristics, the result presented in Table 4.2.1 showed that on average, a firm selected randomly is about 43 years old. This has a standard deviation of about 20 years. While a firm is as young as 8 years old during the period observed which is just two years above the period of study, a firm is as old as 95 years during this period. These types of companies must be full of experiences in term of staff and operations. As to the firms' statistics regarding their liquidity, average liquidity of the firms in this sample is about 1.59 percent with an average spread of 2.62. The lowest liquidity during the period examined is zero percent while the highest liquidity during this period is about 36.41 percent. The average mean score reveals that all Nigerian listed companies averaged mean very close to the ideal value of 2:1.

Firm leverage resulted averaged of about 1.99 percent over the period under consideration with a standard deviation of about 7.6 percent. A firm has as low as -44.37 percent of leverage during the period while another firm has as high as about 71.02 percent of leverage which shows that some firms are highly geared. As regards to the level of firm size (measured in total assets), an average firm in the sample is as big as about 2.33 million Naira, having a sample spread of about 10.3 million Naira. While a firm at a point has as low as 4,835 Naira as total assets, a firm has as high as 121million Naira as total assets. Profitability (i.e., return on equity) averaged about 0.12 with a standard deviation of about 0.97. The firm with the lowest profitability during the period in concern has -7.52 while the firm with the highest level of profitability has about 14.12. The negative value obtained on profitability indicates that some firms reported losses from 2012 to 2017. On average, firms in this sample

have a capital intensity of 0.56 and a standard deviation of 0.29. While some firms have as low as zero capital intensity, other firms have as high as 3.87 capital intensity which shows that much of the Nigerian listed firms invested more in their non-current assets.

The results obtained for corporate governance mechanisms presented in the same table shows that the average board size among the studied firms are about nine individuals with a sample spread of about three individuals. The lowest number of board members obtainable in the sample is four individuals while the highest numbers of board members obtainable in the sample are 20 individuals. This implies that at least, all Nigerian listed firms maintain a minimum board member of four which above the minimum of seven required in the regulatory framework. A summary of board independence shows that the average proportion of independent board members is just five percent with a standard deviation of about 11 percent. The firm that has the lowest level of board independence has zero proportion of board members being independent while the firm with the highest level of board independence has about 75 percent of board members being independent. The score of zero is an indication that some of the Nigerian board members are not independence, meaning that they are bias and subjective in carrying out their responsibilities. Another indicator of corporate governance mechanism is the composition of board members in terms of foreign and indigene.

The summary of foreign board members showed that the average proportion of foreign members in total board members is about 17 percent with a sample spread of about 21 percent. While some firms have no foreigner on their board, some firms have as high as 83 percent of their board being foreign individuals. Well, it is neither compulsory nor statutory for companies listed in Nigeria to have foreigners on the board. The summary of the gender composition of board member shows that the average proportion of female out of total board members is about 9 percent with a sample spread of about 11 percent. While some firms have as low as zero female board members, some firms have as high as 50 percent of their board being female individuals which implies that the problem of gender imbalance is not pronounced. The average number of board members trained abroad among the firms in this sample is about one individual with a sample spread of about one member. While some firms do not have any of their board members trained abroad, some have as high as eight board

members trained abroad. Board diligence has an average of about four meetings with a standard deviation of about two meetings. Some firms have no board meeting while others have as high as 18 meetings.

The average proportion of female individuals in the audit committee is about 17 percent with a standard deviation of about 21 percent, the minimum of zero and maximum of 100 percent of audit committee members. The proportion of audit committee independence of total audit committee is about 10 percent with a standard deviation of about 21 percent, lowest of zero and highest of 167 percent of audit committee members. The proportion of audit committee with financial and accounting experience averaged about 20 percent with a standard deviation of about 30 percent. Some audit committees have no member with financial and accounting experience while others have as high as 100 percent of member of experienced audit committee. The audit committee meeting averaged about 3 sittings with a standard deviation of about two sittings. Some committees have no sitting while some had as high as nine meetings.

The frequency and percentage distributions of firms listed internationally and, the status of the audit firms they engaged are presented in Table 4.1.2. The result shows that 444 firm-year observations (74 firms) have no international listing and only 78 firm-year observations (13 firms) have an international listing. The result also showed that 254 firm-year observations (about 42 firms) did not engage the big-four audit firms while 268 firm-year observations (about 45 firms) engaged the big-four audit firms.

Table 4.1.2: Tabulation of International Listing and Audit Quality of Firms

	Freq.	Percent	Cum.
International Listing			
Not Listed	444	85.06	85.06
Listed	78	14.94	100
Total	522	100	
Audit Quality			
Non-Big Four	254	48.66	48.66
Big Four	268	51.34	100
Total	522	100	

Source: Author's Computation (2019)

The normality tests for each of the variables were conducted following the Shapiro-Wilk and Shapiro-Francia (a simplified Shapiro-Wilk) normality tests and are presented in Table 4.2.3. The test results presented the W and V values, which represent Shapiro Wilk and Francia coefficient and covariance respectively, and their respective z-statistics and p-values. The results revealed that the test statistics for each of the variables are highly statistically at 0.01 for both tests. This indicates rejection of the null hypothesis of normality; hence, each of these variables is not normally distributed.

Table 4.1.3: Test of Normality of Variables

Variable	Shapiro-Wilk				Shapiro-Francia			
	W	V	Z	p-value	W'	V'	Z	p-value
Comdex	0.957	15.0	6.522	0.000	0.958	15.59	6.042	0.000
Age	0.966	11.95	5.975	0.000	0.968	12.17	5.497	0.000
Liq	0.351	226.8	13.06	0.000	0.346	245.3	12.11	0.000
Lev	0.449	192.7	12.67	0.000	0.442	209.3	11.76	0.000
Logsize	0.956	15.52	6.604	0.000	0.953	17.49	6.295	0.000
Prof	0.371	219.9	12.99	0.000	0.361	239.7	12.05	0.000
Audqua	0.636	127.2	11.67	0.000	0.639	135.5	10.8	0.000
Intlst	0.425	201.0	12.77	0.000	0.426	215.2	11.82	0.000
Capint	0.835	57.66	9.765	0.000	0.829	63.98	9.148	0.000
Bdsz	0.944	19.61	7.167	0.000	0.944	21.12	6.71	0.000
Bdind	0.558	154.5	12.14	0.000	0.557	166.2	11.25	0.000
Fbm	0.792	72.81	10.33	0.000	0.793	77.56	9.571	0.000
Bdgd	0.816	64.45	10.03	0.000	0.817	68.74	9.306	0.000
Bdtard	0.586	144.6	11.98	0.000	0.586	155.3	11.1	0.000
bddilbdmet	0.869	45.77	9.208	0.000	0.865	50.71	8.637	0.000
Acgd	0.775	78.6	10.51	0.000	0.776	84.06	9.748	0.000
Acind	0.526	165.9	12.31	0.000	0.523	178.8	11.41	0.000
Acexp	0.682	111.3	11.35	0.000	0.683	118.8	10.51	0.000
Acmet	0.824	61.41	9.917	0.000	0.825	65.59	9.203	0.000
acctyrend1	0.501	174.4	12.43	0.000	0.503	186.5	11.5	0.000

Source: Author's Computation (2019)

The most important normality test is that of the Model Residual whose non-normality is a violation of one of the classical linear regression model (CLRM) assumptions. This is

because a combination of non-normally distributed series in a regression model may produce a normally distributed residual. This test was conducted following the panel skewness and kurtosis normality test of residuals.

Presented in Table 4.1.4 is the result of correlation analysis conducted to examine the linear relationship that exists among explanatory variables. This analysis is useful in determining the direction and strength of the relationship that exists among variables and if any two relationships is as high to lead to the presence of multicollinearity in the models.

Table 4.1.4: Correlation Matrix of Relationships

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Age	1															
Liq	-0.1	1														
Lev	0.07	-0.02	1													
Size	0.14	-0.02	0.01	1												
Prof	0.1	-0.01	-0.18	-0.01	1											
Capint	-0.1	0.01	-0.13	-0.08	-0.05	1										
Bdsz	0.02	-0.1	0.02	-0.04	-0.05	0.02	1									
Bdind	0.14	-0.05	-0.06	0.08	0.06	-0.07	0.18	1								
Fbm	0.27	-0.09	0.11	-0.01	0.03	-0.02	0.1	0.1	1							
Bdgd	0.07	0.06	-0.1	0.07	0.03	-0.04	0.14	0.17	-0.12	1						
Bdtard	0.22	0.03	-0.01	-0.04	0.02	0.01	0.24	0.21	0.28	0.12	1					
Bddil	0.27	-0.08	0.02	0.02	0.1	-0.16	0.14	0.15	0.23	0.23	0.26	1				
Acgd	0.05	0.01	-0.09	0.04	0.01	-0.02	0.34	0.19	-0.11	0.89	0.16	0.19	1			
Acind	0.14	-0.05	-0.05	0.04	0.07	-0.06	0.25	0.94	0.09	0.17	0.21	0.15	0.24	1		
Acexp	0.23	-0.08	0.07	-0.08	0.01	-0.08	0.09	0.15	0.4	0.07	0.32	0.14	0.08	0.17	1	
Acmet	0.3	-0.1	0.08	0.09	0.09	-0.18	0.13	0.14	0.33	0.16	0.28	0.76	0.13	0.14	0.19	1

Source: Author's Computation, (2019).

This analysis was conducted for only the continuous explanatory variables and the result showed that the firm age is positively related to the firm leverage, firm size, profitability, size of the board, board independence, presence of foreign board members, board gender, board training abroad, board diligence, audit committee gender, audit committee independence, audit committee expertise and audit committee meeting but negatively related to liquidity and capital intensity. This indicates that older firms are necessarily having higher levels of each of the latter variables and vice versa. It also shows that firm liquidity is positively related to capital intensity, board gender, board training abroad and audit committee gender but

negatively related to firm leverage, firm size, profitability, board size, board independence, foreign board members, board diligence, audit committee independence, audit committee expertise and audit committee meeting. This means that firms with higher liquidity are found with higher capital intensity, board gender, board training abroad and audit committee gender, and lower levels of firm leverage, firm size, profitability, board size, board independence, foreign board members, board diligence, audit committee independence, audit committee expertise and audit committee meeting.

The leverage level of firms as indicated in table 4.1.4 is positively associated with firm size, board size, foreign board members, board diligence, audit committee expertise and audit committee meeting statistics but negatively related to profitability, capital intensity, board independence, board gender, board training abroad, audit committee independence and audit committee gender. This implies that a higher level of leverage status is related to higher levels of the former variables but lower levels of the latter variables, and vice versa. Firm size measured in total assets is positively related to board independence, board gender, board diligence, audit committee gender, audit committee independence and audit committee meeting but negatively related to profitability, capital intensity, the board size, foreign board members, board training abroad, and audit committee expertise. This indicates that large firms in terms of total assets necessarily have higher levels of board independence, board gender, board diligence, audit committee gender, audit committee independence and audit committee meeting, and lower levels of profitability, capital intensity, board size, foreign board members, board training abroad, and audit committee expertise, and vice versa.

The result in table 4.1.4 also shows that profitability is positively related to board independence, board gender, board diligence, audit committee gender, audit committee independence, audit committee meeting, foreign board members, board training abroad, and audit committee expertise statistics but negatively related to capital intensity and board size. This indicates that higher levels of firms' profitability are associated with higher levels of board independence, board gender, board diligence, audit committee gender, audit committee independence, audit committee meeting, foreign board members, board training abroad and audit committee expertise, and lower levels of capital intensity and board size, and vice versa. The capital intensity of firms presented to be positively related to board size and board training abroad but negatively related to board independence, board gender, board diligence,

audit committee gender, audit committee independence, audit committee meeting, foreign board members, and audit committee expertise. The implication of this is that the more the operation of a firm is capital intensive, the more the firm is expected to have higher board size and board members in training abroad, and lower board independence, board gender, board diligence, audit committee gender, audit committee independence, audit committee meeting, foreign board members, and audit committee expertise, and vice versa.

The size of the board size is seen to be positively linked to board training abroad, board independence, board gender, board diligence, audit committee gender, audit committee independence, audit committee meeting, foreign board members, and audit committee expertise. This implies that companies with higher number of members in the board are necessarily having a higher number of board members being trained abroad, higher number of meetings, higher proportion of their board members being independent, foreign and female, higher proportion of financial experts in audit committee, female, and independent, and higher number of time the audit committee meet and vice versa. Board independence is also seen to be positively related to board training abroad, board gender, board diligence, audit committee gender, audit committee independence, audit committee meeting, foreign board members, and audit committee expertise. This implies that firms with a higher number of independent board members are necessarily having a higher number of board members being trained abroad, higher number of meetings, higher proportion of their board members being foreign and female, higher proportion of financial expert in audit committee, female, and independent, and higher number of meeting held by audit committee and vice versa.

As to the relationship between foreign board members and others, results show that the proportion of foreign board members is positively related to board training abroad, board diligence, audit committee independence, audit committee meeting, foreign board members, and audit committee expertise but negatively related to board gender, and audit committee gender. This implies that firms with a higher proportion of board members that are foreigners are necessarily having a higher number of board members being trained abroad, higher number of meetings, higher proportion of audit committee members being financial experts, female, and independent, and higher number of audit committee meetings, but lower proportion of their board members and audit committee members being female, and vice

versa. The proportion of board members being female individuals is positively related to board training abroad, board diligence, audit committee gender, audit committee independence, audit committee meeting, and audit committee expertise. This implies that firms with a higher proportion of their board being female are necessarily having a higher number of board members being trained abroad, higher number of meetings, higher proportion of financial experts in audit committee, female, and independent, and a higher number of meeting held by audit committee and vice versa.

The proportion of board members being trained abroad is positively related to board diligence, audit committee gender, audit committee independence, audit committee meeting, and audit committee expertise. This implies that companies with higher number of board being sent on training abroad are necessarily having a higher number of meetings, a higher proportion of audit committee members being financial experts, female, and independent, and a higher number of audit committee meetings, and vice versa. The number of meetings held by board members (board diligence) is positively related to audit committee gender, audit committee independence, audit committee meeting, and audit committee expertise. This implies that firms with a higher number of board meetings are necessarily having a higher proportion of audit committee members being financial experts, female, and an independent and higher number of audit committee meetings, and vice versa.

Audit committee independence is positively related to the audit committee meeting, and audit committee expertise. This implies that firms with a higher proportion of audit committee being independent are necessarily having a higher proportion of audit committee members being financial experts and a higher number of audit committee meetings, and vice versa. Lastly, the results show that Audit committee expertise is positively related to the audit committee meeting. This implies that firms with a higher proportion of audit committee being experts in finance and accounting are necessarily having a higher number of audit committee meetings, and vice versa.

The results generally show that the coefficients correlation of the relationships among the variables are well below the rule of thumb threshold of 0.8 except in cases of board gender

and audit committee gender, board independence and audit committee independence, and board diligence and audit committee meeting. This is not surprising since board independence is expected to relate highly with audit committee independence, board meeting (diligence) is expected t relate highly with an audit committee meeting, and board gender is also expected to relate highly with audit committee gender. This indicates that the inclusion of such pairs in a regression model might resulted to the presence of problematic multicollinearity. The audit committee counterparts are therefore transformed to reduce the level of association between the pairs of variables.

4.3 Analysis of IFRS Compliance Level

In an attempt to provide an answer to research question one, the study employs both a descriptive approach and qualitative approach to analysis IFRS compliance. The results from both approaches are presented below.

4.3.1 Descriptive Results on IFRS Compliance Level

The study employs a self-developed compliance index (Comdex) to measure IFRS compliance. The Comdex is computed from the 2012 year of IFRS adoption to 2017. The Comdex range depicts the proportion firm's disclosure score from 0 to 100%. Based on the IFRS compliance index computed in appendix III, the following are the summary of descriptive analysis standards by standards.

Table 4.2 Extent of IFRS Compliance

COMDEX RANGE		Below 49%	50-59	60-69	70-79	80-89	90-100	TOTAL	HIGHEST SCORE
IAS 1	OBSERVATIONS	25	31	25	153	165	123	522	
INDEX	PERCENTAGE (%)	5%	6%	5%	29%	32%	24%	100%	**100%**
IAS7	OBSERVATIONS	127	382	13	0	0	0	522	
INDEX	PERCENTAGE (%)	24%	73%	2%	0%	0%	0%	100%	**65%**
IAS 8	OBSERVATIONS	522	0	0	0	0	0	522	
INDEX	PERCENTAGE (%)	100%	0%	0%	0%	0%	0%	100%	**41%**
IAS 10	OBSERVATIONS	169	58	121	0	174	0	522	
INDEX	PERCENTAGE (%)	32%	11%	23%	0%	33%	0%	100%	**83%**
IAS 24	OBSERVATIONS	190	48	46	29	61	148	522	
INDEX	PERCENTAGE (%)	36%	9%	9%	6%	12%	28%	100%	**100%**
IAS 26	OBSERVATIONS	343	0	0	9	15	155	522	
INDEX	PERCENTAGE (%)	66%	0%	0%	2%	3%	30%	100%	**100%**
IAS 33	OBSERVATIONS	112	118	195	65	32	0	522	
INDEX	PERCENTAGE (%)	21%	23%	37%	12%	6%	0%	100%	**89%**
IFRS 7	OBSERVATIONS	522	0	0	0	0	0	522	
INDEX	PERCENTAGE (%)	100%	0%	0%	0%	0%	0%	100%	**22%**
IFRS 8	OBSERVATIONS	446	62	13	1	0	0	522	
INDEX	PERCENTAGE (%)	85%	12%	2%	0%	0%	0%	100%	**70%**
IFRS 13	OBSERVATIONS	426	8	82	0	6	0	522	
INDEX	PERCENTAGE (%)	82%	2%	16%	0%	1%	0%	100%	**81%**
OVERALL	OBSERVATIONS	368	141	13	0	0	0	522	
COMDEX	PERCENTAGE (%)	70%	27%	2%	0%	0%	0%	100%	**66%**

Sources: Author's Computation (2019)

Table 4.2 depicts the result of IFRS compliance level among listed companies in Nigeria. The result shows the level of compliance with the disclosure requirements of all IFRS considered in the study which include IAS 1, IAS 7, IAS 8, IAS 10, IAS 24, IAS 26, IAS 33, IFRS 7, IFRS 8 and IFRS 13. For IAS 1, the table reveals that 5% of the Nigerian listed firms achieved compliance scores below 49% and more than 85% of the firms achieved compliance scores of 70%. The maximum compliance score is 100%. This is obvious because IAS 1 is on presentation of financial statements of which all listed firms must comply with for the acceptability of financial statements. IAS 7 is a statement of cash flow and the compliance scores show that 24% of the firms achieved below 49%. More than 70% of the Nigerian listed firms achieved compliance of 50-59% and the highest score for this standard is 65%. They may perhaps be attributed to some disclosure requirements of the statement of cash flow which does not occur often. IAS 8 is change in accounting policies, change in accounting estimates and error. The maximum compliance score is 41%. The reason for the

low scores is not farfetched as this standard is only required when entities change their accounting policies, estimate and correcting of prior period errors. This implies that little of such event take place during year under review.

IAS 10 is the event after the reporting period. The list of companies under each of the compliance scores is evenly distributed as 32%, 11%, 23% and 33% of the listed firms achieved compliance scores of below 49%, 50-59%, 60-69% and 80-89% respectively and the highest score is 83%. The required information in this standard is a condition or event after the reporting period which cannot be predicted. IAS 24 related part disclosure share the same characteristics as IAS 10. IFRS compliance level depends on the number of related party information that exists at the end of the reporting period, and the highest score is 100% which may be as a result of few disclosure requirements. IAS 26 (Employee benefit disclosure) is the standard that shows two extreme levels of compliance score among the listed companies. 66% of the listed companies achieved compliance scores below 49% while 33% of the firms achieved compliance scores of 80% above with the highest score of 100%.

IAS 33 is earnings per share, and the result of IFRS compliance level showed that 21%, 23%, 37%, 12% and 6% of the firms achieved compliance scores of below 49%, 50-59%, 60-69%, 70-79% and 80-89% respectively. IFRS 8 is operating segment disclosure. 85% of the Nigerian listed companies achieved compliance scores below 49% which means that more than average of the listed companies did not fully complied with IFRS 8 but is one of the standards that reported the highest score of 70%. IFRS 7 is on disclosure of financial instrument and all the listed companies selected in this study reveal a compliance score below 49% in IFRS 7 with the highest score of 22% which the lowest of all the compliance score. IFRS 13 fair value measurement is one of the recently released standards in 2012. 82% of the Nigerian listed companies achieved compliance scores below 49% while 2% and 16% of the listed firms achieved compliance scores of 50-59% and 60-69% respectively. This represents one of the standards that contributed to the overall low compliance score.

The result overall Comdex shows that more than 70% of Nigerian listed companies compliance level is below 49% while 27% achieved between 50% to 59% and only 2%

achieved compliance score of above 60%. This account for the maximum compliance level of 66% obtained. IAS 8, IFRS 8, IFRS 13, IFRS 7 and IAS 26 were the standards contributed to the level of compliance below 49%. The level of compliance with the disclosure requirement of IAS 7 contributes to 27% of Nigerian listed firms that achieved compliance score of 50% to 59%. The 2% of the firms that achieved compliance score of 60% to 69% are mainly due to the compliance score from IAS 10 and IAS 33. Despite the level of compliance score achieved in IAS 26, IAS 1 and IAS 24, the scores are not enough to influence the overall compliance scores. Therefore, none of the listed companies achieved compliance scores of 70% above which implies that the maximum level of compliance with IFRS disclosure requirements is below 70% among all Nigerian listed companies.

4.3.2 Qualitative Result on the IFRS Compliance Level

In order to have a comprehensive understanding and a robust clarification of the subject matter, the study also employs a qualitative approach to assess IFRS compliance level among companies listed in Nigeria. Interviews were conducted to obtain the perceptions, opinions and experiences of regulatory agencies and the preparers of IFRS financial statement regarding compliance level and the following are the responses collected. Respondent one said that: “I think there is a substantial comply with IFRS because the understanding of IFRS has increased over time. Over the last six years, compliance has been quite substantial”. This was corroborated by the Respondent two who said that “to a considerable extent there is compliance of about 75%.” Respondent three said that; the IFRS compliance level is high because all banks have fully complied. All the above responses were supported by respondent four that: “The Road Map for the adoption of IFRS in Nigeria as prepared by Financial Reporting Council of Nigeria (FRC) stated that listed companies were to adopt and use IFRS to prepare and present their financial statements starting from the year 2012. All companies listed on the Nigeria Stock Exchange (NSE) have compiled and adopted IFRS. Also, FRCN checks companies' financial statements from time to time, and cases of non-compliance are sometimes discovered”.

Respondent five explain that: “Since the approval of Federal Government of Nigeria, effective from January 1, 2012, as the effective date for convergence of accounting standards in Nigeria with International Financial Reporting Standards (IFRS) till date, there is a lot of

significant improvement from the disclosure requirements on financial statements of listed companies". While respondent six said that: "It is a mandatory requirement for all listed companies in Nigeria to comply with IFRS disclosure requirement. Companies have been complying with IFRS extensively visible from the published financial statements". However, respondent seven said that: "Question on the level of IFRS compliance is best answered by NSE and FRCN (the regulatory bodies). However, based on our clients' activities, we can claim that IFRS disclosure requirements are fairly adhered to".

Therefore, it can be deduced from the responses regarding the level of IFRS compliance that the respondents did not understand the differences between adoption and compliance with IFRS. Their responses reveal that when entities have adopted IFRS, it also means that it has fully complied with the disclosure requirements. This accounted for the low-performance level of IFRS compliance achieved in the quantitative analysis. As revealed from the interviewed that entities only adopted because it is mandatory by the government and all companies listed on the NSE have to adopt of which the extent to which they have complied is a question for another day.

4.4 Restatement and Testing of Hypothesis

This section presents the result of panel regression analysis and ANOVA for testing of hypotheses developed for this study. In order to provide answers to research questions two, three and four results from the quantitative and qualitative analysis were presented with regards to each research question.

4.4.1 Impact of Firms' Specific Characteristics on IFRS Compliance Level

Research question two that focuses on the extent to which firm-specific characteristics influence IFRS compliance level has been answered with findings from quantitative and qualitative analysis.

4.4.1.1 Quantitative Result on the Impact of Firms' Specific Characteristics on IFRS Compliance Level.

The fixed and random effects model results presented in Table 4.3 showed the impacts of firms' specific characteristics on IFRS compliance. The standard F-test of homogeneity

conducted to determine if the OLS method (see appendix) is applicable is also presented in the Table. The test shows a statistic value of 11.69 and p-value of 0.000 which indicates that the statistic is significant. The significance of this statistic is suggestive of the fact that the OLS method is not applicable since the null hypothesis of homogeneity among panel members is rejected. This implies that models that capture composite panel such as the fixed and random effects are required.

Table 4.3: Regression Results – Firms' Specific Characteristics and IFRS Compliance Level

VARIABLES	Fixed Effects			Random Effects			AR(1) Random Effects		
	Coefficient	t-value	p-value	Coefficient	t-value	p-value	Coefficient	t-value	p-value
Firm age	0.026***	10.49	0.000	0.001	1.41	0.160	0.000691	1.42	0.154
Liquidity	0.002**	1.99	0.050	-0.001	-0.54	0.587	-0.000716	-0.40	0.689
Leverage	4.75e-05	0.13	0.897	-0.0001	-0.38	0.701	-3.11e-06	-0.01	0.995
Log Size	-0.005***	-3.30	0.001	0.003	0.99	0.323	0.00127	0.54	0.587
Profitability	0.007	1.55	0.124	0.008	1.46	0.146	0.00587*	1.78	0.075
Audit quality	-0.010	-0.60	0.533	0.0388*	1.83	0.067	0.0549***	3.82	0.000
International listing	-			0.070***	2.84	0.005	0.0734***	2.72	0.007
Capital intensity	-0.017*	-1.79	0.076	-0.054***	-2.69	0.007	-0.0216	-1.37	0.170
Year end	-0.021***	-11.80	0.00	0.0063	0.30	0.765	0.0101	0.48	0.629
Constant	-0.512***	-5.30	0.00	0.323***	5.59	0.00	0.314***	6.13	0.000
Observations	522			522			522		
Number of firms	87			87			87		
R-squared	0.358			0.386			0.387		
F/Wald Chi^2-statistic	29.78***			54.36***			49.08***		
F-test of Homogeneity	11.69***								
Wooldridge AR Test	192.7***								

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Source: Author's Computation (2019)

Both the fixed and random effects models are presented in Table 4.3 alongside the first order autocorrelation [AR(1)] random effects model. The study preferred random effects model

because of the inclusion of time fixed variable like international listing which is not accommodated in fixed effects models. However, the Wooldridge test of the first-order autocorrelation reveals that the random effects model suffers from autocorrelation, evident from its statistic value of 192.7 and p-value of 0.000. This highly significant statistic implies a strong rejection of the null hypothesis of no first-order autocorrelation. Therefore, an autocorrelation corrected random effects model is required. This model offers both the within estimators for fixed effects and GLS estimator random effects models.

The result of autocorrelation-corrected random effects model showed that profitability, audit quality, and international listing have a statistically significant impact on IFRS compliance while firm age, liquidity, leverage, firm size, capital intensity and accounting year-end have no statistically significant impact on IFRS compliance. This implies that how old a firm is, its liquidity, leverage, size and capital intensity do not influence its level of compliance to IFRS. Firms whose accounting year-end is 31st December do not also have a different level of compliance from those whose accounting year-end is not 31st December. Audit quality and International listing are statistically significant at one percent level of significance while profitability is only statistically significant at ten percent level of significance. All these statistically significant variables have positive coefficients.

Since audit quality is a dichotomous variable of 'Big-Four' audit firms, its positive coefficient indicates that firms that engage big audit firms comply more with IFRS standards by about 0.055 points than their counterparts that engage non-big-four audit firms. International listing is also a dichotomous variable of firms that are listed in the international front. Its significant positive coefficient indicates that firms that are listed internationally comply more with IFRS standards by 0.073 points than their counterparts that are not listed internationally. The significant positive coefficient of profitability indicates that a percentage point increase in firms' profitability will lead to a rise in the level of IFRS compliance by about 0.007 points and vice versa.

The Wald Chi-squared statistic presented for the AR(1) random effects model showed a value of 49.08 and p-value of 0.000 implying that there is statistical significance of the model. This

implies that the overall model is statistically significant at 1 percent level of significance. R-squared shows a value of 0.387, indicating that 38.7 percent of differences in the level of IFRS compliance is explained in the model.

4.4.1.2 Qualitative Result on the Impact of Firms Characteristics on IFRS Compliance Level

The response of the interviewees varies on the impact of a firm's characteristics on IFRS compliance. Respondent One agreed that firm characteristics influence the level of IFRS compliance that: "From my experience working at my department, I observe that large companies comply more than smaller companies because the large companies have many things at stake so this will prompt them to spend more money in order to engage professional accountant to help in preparing their accounts. The regulator must look at the account to ensure compliance because investors and other users don't know anything about local laws; what they know is the IFRS".

Respondent two added that to an extent it does not. "Firm-characteristics means what the firms engage in, liquidity and leverage status of an entity does not influence its IFRS compliance unless it is specified in the disclosure. He also said that firm with long years of experience is found to have a high level of compliance compared to firms that are just coming up. The international listing status does influence IFRS compliance because of their international experience, and they tend to imitate their international counterpart with IFRS. The big 4 influences are meeting up with requirement and compliance with IFRS because they will not review their standard to suit a particular company rather they will adjust the operation of the company to suit their standard". Other factors noted by this respondent are stock market rules, qualification of the preparer of the financial statement, and quality of the auditor. However, Respondent three deviated from above and said that: "firm characteristics does not have any influence irrespective of the liquidity status, the entity must comply".

Respondent four explained that: "Companies are required to comply with IFRS disclosure requirements. However, firm-characteristics such as liquidity and leverage status of an entity may influence the level of compliance with IFRS disclosure requirements because entities try

to present a rosy picture in their financial statements through such sharp practices as earnings management, window dressing, etc. As regards the size of the firm, listed companies and other significant public interest entities are to use the full IFRS, while small and Medium-Sized Entities (SMEs) are to use a specially prepared IFRS called IFRS for SMEs". He adds that: "The age of a firm does not influence the level of compliance with IFRS disclosure requirements once they can identify which of the two categories above they fall into (i.e., listed companies or SMEs".

Furthermore, respondent four said that: "Internationally listed companies are the first companies to comply with IFRS disclosure requirements because they may have a subsidiary (ies) or parent companies in other countries that prepare and present their financial statements using IFRS. Secondly, their shares or debt instruments may be quoted in foreign stock exchange markets that require the use of IFRS. Also, many of the companies audited by the big 4 audit firms are usually significant listed public interest entities, and the big 4 audit firms ensure these companies and indeed all their clients comply with IFRS disclosure requirements. He also added that: It is now a law in Nigeria and also a requirement that listed companies and non-listed companies should use IFRS to prepare and present their financial statements and non-compliance attracts punishment in the form of penalty by FRCN".

Respondent five respond that: "Factors that may influence the level of compliance with IFRS disclosure requirements among Nigeria listed company includes and not limited to the size of the company, industry type of the company, the regulatory authority over such companies, the ownership structure, etc. The type of external auditor; is it big four or smaller firm may influence the level of compliance to IFRS disclosure requirements. However, the age and size of a firm do not determine the level of compliance, rather the experience, technical know-how and the integrity of a firm will go a long way to determine the efficiency and effectiveness. Besides, IFRS converges all accounting standards worldwide under one a unifying umbrella, financial statements all over the world will have almost the same disclosure requirements, because of the international listed company high ethical behavioural standard, there will be such positive impact influence on the localize listed companies. The high standardization of the big four; Deloitte, E&Y, PWC and KPMG will not compromise

integrity, due care in professional ethics and honesty in line with IFRS disclosure requirements".

Respondent six disagree that: "Firm characteristics influence IFRS compliance. He said that the level of compliance with IFRS disclosure must be completed and full regardless the size of the organization as useful accounting information derived from qualitative financial reports help in the efficient allocation of resources by reducing the dissemination of information, lop-sidedness and improving financial decisions". He added that: "The IFRS is internationally applied and the influence on local firms is positive and value adding". "The reduction in the cost of preparing a different version of financial statements where an organization is a multi-national entity". However, he said that "The IFRS compliance level is influenced in the stances of the Securities and Exchange Commission/CBN/ on the need for compliance, the influence of members of ICAN (Institute of Chartered Accountants of Nigeria) for it to see the light of the day as part of their affiliation to the International Federation of Accountants (IFAC) and the impact of proper reporting on the decision of Auditors, Shareholders, etc".

The last respondent said that: "Firm-characteristics such as liquidity and leverage status of an entity influence the level of compliance with IFRS disclosure requirements". He added that "The bigger, older and more successful entities are more likely to set the pace in terms of ability and willingness to comply with IFRS disclosure requirements because they have more stake and better resources to comply. The internationally listed companies are the real pace-setters because they are open to wider users of IFRS-prepared financial statements and very demanding regulators". Regarding the big 4, he said that "Based on my experience, the BIG are the pace-setters largely because most of their clients are multi-nationals and also very much likely to be internationally listed entities that operate in climes where there is zero-tolerance for non-compliance with IFRS requirements for financial statements". Respondent seven added that "Other factors that influence IFRS compliance is zero tolerance for infraction coupled with close enforcement by the regulatory bodies would enhance higher level of compliance; Punitive sanctions, financial and non-financial on non-complying companies/entities will diminish non-compliance; Delisting from being listed on the Nigerian

Stock Exchange will diminish non-compliance; and rewards and recognition for highly compliant companies will enhance higher level of compliance".

4.4.2 Impact of Corporate Governance Mechanisms on IFRS Compliance level

4.4.2.1 Quantitative Result of Impact of Corporate Governance Mechanisms on IFRS Compliance level

The fixed and random effects model results presented in Table 4.4 show the impacts of corporate governance mechanism on IFRS compliance. The standard F-test of homogeneity conducted to determine if the OLS method (see appendix) is applicable is also presented in the Table. The test shows a statistic value of 9.42 and p-value of 0.000 which indicates that the statistic is significant. The significance of this statistic is also suggestive of the fact that the OLS method is not applicable in this case since the null hypothesis of homogeneity among panel members is rejected. This implies that models that capture heterogeneous panel such as the fixed and random effects are also required in this case. Hausman test was also presented in Table 4.6 to make an appropriate choice between the fixed and random effects models. The Hausman test shows a chi-squared value of 14.74 and p-value of 0.195 indicating that the statistic is significant. This indicates that the null hypothesis that the difference in both models is not systematic is not rejected. This implies that the random effects model is more appropriate in this case.

The result of the random effects model exhibits the first-order autocorrelation. This is evident from the Wooldridge test of the first-order autocorrelation which shows a value of 69.4 and p-value of 0.000 indicating it is statistically significant. Its significance implies the rejection of the null hypothesis of no first-order autocorrelation. Hence, there is the presence of autocorrelation in the model. This prompted an estimation of the model based on the autocorrelation-corrected random effects which accommodate first-order serially correlated disturbances.

Table 4.4: Regression Results – Corporate Governance Mechanisms and IFRS Compliance Level

VARIABLES	Fixed Effects			Random Effects			AR(1) Random Effects		
	Coefficient	t-value	p-value	Coefficient	t-value	p-value	Coefficient	t-value	p-value
Bdsz	0.000867	0.22	0.826	0.00379	1.25	0.213	0.00485*	1.88	0.060
Bdind	-0.00874	-016	0.874	0.0492	0.96	0.337	0.0486	0.95	0.341
Bdtard	-0.00280	-058	0.565	-0.00333	-0.84	0.400	-0.00201	-0.46	0.647
Fbm	0.136**	2.38	0.020	0.112**	2.44	0.015	0.0942***	2.69	0.007
Bdgd	0.0310	0.43	0.671	0.0306	0.47	0.638	0.0235	0.42	0.671
Bddilbdmet	0.00728**	2.05	0.043	0.00940***	3.35	0.001	0.00829***	3.50	0.000
Damet	-0.000557	-0.24	0.809	-0.000599	-0.26	0.793	-0.000214	-0.09	0.932
Acexp	0.0550	1.04	0.300	0.0500*	1.71	0.088	0.0459*	1.89	0.059
Dacind	-0.000282	-0.01	0.989	-0.0121	-0.65	0.515	-0.0216	-1.13	0.257
Dacgd	0.0681**	2.04	0.044	0.0660**	2.03	0.042	0.0464*	1.85	0.065
acctyrend1	-0.00192	-0.16	0.875	0.0143	0.69	0.488	0.0144	0.67	0.500
Constant	0.352***	8.71	0.000	0.309***	8.70	0.000	0.305***	9.75	0.000
Observations	434			434			434		
Number of firms	87			87			87		
R-squared	0.178			0.246			0.254		
F/Wald Chi^2-statistic	3.26***			51.40***			50.98***		
F-test of Homogeneity	9.42***								
Hausman Test	14.74**								
Wooldridge AR Test	69.4***								

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Source: Author's Computation, (2019).

The AR(1) random effects model shows that board size, foreign board member, board diligence (meeting), audit committee expertise, and audit committee gender have statistically significant impact on IFRS compliance while board independence, board member training abroad, board gender, audit committee meeting, audit committee independence, and accounting year-end do not have a statistically significant effect on IFRS compliance. Foreign board members and board diligence are statistically significant at 0.01 levels while board size, audit committee expertise and audit committee gender are only statistically

significant at 0.1 levels. This implies that alongside firms' specific characteristics such as profitability, audit quality and international listing of firms, corporate governance mechanisms like the number of individuals in the board, the number of foreign members in the board, number of meetings held by board, proportion of audit committee with accounting and financial expertise and female proportion of audit committee are also important determinants of IFRS compliance level. Nevertheless, the proportion of independent and female members on the board, number of board members that receive training abroad, number of meetings held by the audit committee, proportion of non-executive and independent directors in audit committee and the end of accounting year do not determine IFRS compliance level.

All the important factors in this model, i.e., the board size, foreign board members, board diligence, audit committee expertise and audit committee gender have positive coefficients, indicating that they all influence IFRS compliance positively. The positive coefficient of board size indicates that increase in the number of directors in the board by an individual will result to a rise in the level of IFRS compliance by about 0.005 points, and vice versa. Similarly, a percentage point rise in the proportion of foreign individuals in total board members will lead to a rise in IFRS compliance index by about 0.094 points, and vice versa. Also, an increase in the number of meetings held by the board of directors will result in an increase in IFRS compliance index by about 0.008 points and vice versa. In the same vein, increase in the proportion of members of the audit committee with financial and accounting expertise by a percentage point will lead to a rise in IFRS compliance index by about 0.046 points and vice versa. A percent point increase in the proportion of the female audit committee member to the total number of the audit committee will result in an increase in the level of IFRS compliance by about 0.046 points, and vice versa.

The Wald Chi-squared statistic presented for the AR(1) random effects model shows a value of 50.98 and p-value of 0.000 which indicates the statistical significance of the model. This implies that the overall model is statistically significant at 1 percent level of significance. R-squared shows a value of 0.254, showing that 25.4 percent of deviations in the level of IFRS compliance is explained in the model.

4.4.2.2 Qualitative Results of the Impact of Corporate Governance Mechanisms on IFRS Compliance Level

The result of the qualitative analysis obtained regarding the impact of corporate governance mechanism on IFRS compliance. Respondent one said that: "IFRS promotes disclosure on how money made are spent while corporate governance promotes disclosure on how the company is management, therefore, a company with good corporate governance will have a high rate of compliance with IFRS". He added that: "The most important factor is the responsibilities of the board. What corporate governance does is to put in place a board that can run the company transparently and effectively well. The more you comply with IFRS, the more qualitative your financial statement will be because the financial statement is all about disclosure which had been set by IFRS. Disclosure is not telling you how to prepare your financial statements is just giving you direction on how to get the best when financial statements are prepared. So, comply ensures quality financial statement and better decision making is ensured".

Respondent two affirms that: "There is a relationship but whether it is positive or negative depends on corporate governance mechanisms but normally it is positive because corporate governance aimed at ensuring honesty and fairness to all parties and this can only be guided by strict adherence to the disclosure of the IFRS rules". He also added that: "Board members might not have fully financial knowledge unlike auditor committee, but they also want to ensure that the expectation of the shareholders is meant, therefore they will also want a high level of IFRS compliance with the disclosure requirement". He said that "Gender diversification whether male or female does not influence the level of IFRS compliance with the disclosure requirement, what matter is their level of financial knowledge because the essence of the financial system is for the users to make an informed decision based on the information provided. So, appropriate disclosure enhances decision making".

Respondent three respond that: "The existence of the audit board and committee influences compliance as they will not sign the consent to the financial statement if disclosures are not strictly adhering to". This was bolstered by respondent four that "Good corporate governance practices by companies ensure and guaranty credible financial statements that comply with IFRS compliance, vice versa. And the quality of Board members and Audit Committee

members reflects on the level of compliance with IFRS disclosure requirements. He said that "FRCN should advocate that members of the audit committee should be financially literate and that the chairman of the audit committee should be financially literate because IFRS is now the globally recognized international generally accepted accounting principles (GAAP). Compliance with IFRS disclosure requirements in the preparation and presentation of financial statements guaranty high-quality financial statements, and such financial statements aid investors and other users in informed economic decision making".

Respondent five explains that: "It is mandatory for listed companies to disclose their corporate governance status; ownership structure, the audit committee members (functions), the composition of the board and membership of committees, etc". He added that: "IFRS compliance with the audit committee of listed companies and composition of the Board vis-a-vis disclosure requirements are very pertinent in good ethical corporate governance because the level of compliance with IFRS disclosure will give reasonable assurance to reliability on financial statements for stakeholders to make informed decisions". Respondent six support the above respond by saying that: "Effective internal corporate governance helps companies to be more aligned with IFRS and thus provide high-quality financial information. Furthermore, audit quality as an external governance factor mediates the relationship between internal corporate governance and IFRS convergence".

He added that "Both board members and audit committee are vital to IFRS compliance based on the raising the following critical questions with management by setting a proper ' tone at the top": What are the steps taken by company concerning IFRS compliance?; Is management taking a new approach on the accounting policies?; Is the company monitoring evolving standards ?; What is management doing communicating IFRS to all stakeholders? And who are authorized to allocate resources as required? IFRS compliance has everything to do with the financial statement because IFRS is the life of the financial statements and it impacts decision making from that place".

Respondent seven said that: "It is axiomatic that a high level of compliance with IFRS disclosure requirements can only be achieved where an entity deliberately and consistently

puts in place a virile corporate governance structure. No more, no less!!!!". He added that: "Board Members and audit committees are in-house agents of ensuring full compliance of their respective entities with IFRS disclosure requirements and because they can be joined in sanctions against non-complying entities they perform vital/positive roles in ensuring proper compliance". He said that: "The level of compliance with IFRS disclosure requirements has much to do with financial statements and decision making there-from because a high level of compliance with IFRS disclosure requirements generates much more confidence in the decision-making process based on such financial statements and the opposite is the case for an entity's financial statements that are non-compliant".

4.4.3 Difference in IFRS Compliance Level across Sub-Sectors of Companies listed in Nigeria

The analysis carried out to achieve this objective is the analysis of variance (ANOVA) test of the mean difference. This will reveal the significant difference in average IFRS compliance across sub-sectors. The aim was to determine if the various sub-sectors have different performance in terms of IFRS compliance. Average values of IFRS compliance index and their respective standard deviations over the period in concern are presented in Table 4.5. The Table shows that IFRS compliance index of the agricultural sub-sector averaged 0.252 points, with a standard deviation of 0.108 points while that of conglomerate averaged 0.45 points with a standard deviation of 0.107 points. Construction, consumer goods, healthcare, ICT, Industrial, natural resources, oil and gas, and services sub-sectors have average IFRS compliance index of 0.377, 0.472, 0.386, 0.372, 0.402, 0.382, 0.422, and 0.374 respectively, with respective standard deviations of 0.114, 0.112, 0.125, 0.11, 0.122, 0.108, 0.133, and 0.124. This primarily shows that these sub-sectors are different in terms of their compliance index. However, this does not sufficiently indicate that their differences are statistically significant. This necessitates a test of difference presented in Table 4.6.

Table 4.5: Mean and Standard Deviation of IFRS Compliance Index

Sector	Mean Compliance Index	Std. Deviation
Agriculture	0.252	0.108
Conglomerate	0.45	0.107
Construction	0.377	0.114
Consumer Goods	0.472	0.112
Health Care	0.386	0.125
ICT	0.372	0.11
Industrial	0.402	0.122
Natural Resources	0.382	0.108
Oil & Gas	0.422	0.133
Services	0.374	0.124
Total	0.405	0.127

Source: Author's Computation, (2019).

Table 4.6 presents ANOVA test of the mean difference of IFRS compliance index across sub-sectors. It shows an F-statistic value of 8.93 with a p-value of 0.000. This indicates a statistically significant F-statistic; hence, rejection of the null hypothesis that the difference across sub-sectors regarding IFRS compliance index is not significant. This implies that the selected sub-sectors are significantly different in terms of their level of compliance with IFRS disclosure requirements and some sub-sectors comply more with these requirements than others.

Table 4.6: Panel Analysis of Variance (ANOVA)

Source	SS	Df	MS	F	p-value
Between groups	1.137	9	0.126	8.93***	0.000
Within groups	7.244	512	0.014		
Total	8.382	521	0.016		
Bartlett's Test				4.441	0.880

*** p<0.01, ** p<0.05, * p<0.1
Source: Author's Computation, (2019).

Table 4.6 also presents the Bartlett's test for equal variance which has F value of 4.441 and p-value of 0.880. This shows that the statistic is not significant which implies that the null hypothesis is unequal variance among sub-sectors. The result indicates that a failure to rejection null hypothesis and a conclusion that the sub-sectors have unequal variance in terms of IFRS compliance index. This implies that the sub-sectors of listed companies in Nigeria can simply be ranked as Consumer goods; Conglomerate; Oil and Gas; Industrial; Healthcare;

Natural Resources; Construction; Services; ICT; and Agriculture as order IFRS compliance level.

Table 4.7: Bonferroni Pairwise Comparison

Sector	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Agric.	Congl.	Const.	Con. Gd	Hlth.	ICT	Indust.	Nat.	Oil
Congl.	0.2***								
Const.	0.12**	-0.073							
Con. Gd	0.2***	0.022	0.1***						
Hlth.	0.1***	-0.064	0.008	-0.1***					
ICT	0.12**	-0.078	-0.005	-0.1***	-0.014				
Indust.	0.1***	-0.048	0.025	-0.1***	0.017	0.03			
Nat. Res.	0.13**	-0.068	0.005	-0.1**	-0.004	0.01	-0.02		
Oil & Gas	0.2***	-0.028	0.045	-0.05	0.036	0.05	0.02	0.04	
Services	0.1***	-0.076	-0.004	-0.1***	-0.012	0.002	-0.03	-0.01	-0.048

*** p<0.05

Source: Author's Computation, (2019).

Table 4.7 presents the Bonferroni pairwise mean comparison across the selected sub-sectors. This analysis entails a pairwise test of the mean difference between two different sub-sectors. The analysis was conducted and verified on a 0.05 level of significance. The result shows that agricultural sub-sector is significantly different from other sub-sectors in terms of their IFRS compliance index. With all the differences positive and significant (in column number 1), IFRS compliance in agricultural sub-sector is significantly lower compare to other sub-sectors.

The result shows that conglomerate sub-sector with IFRS mean compliance level of 0.45 is not significantly different from each of construction, consumer goods, healthcare, ICT, industrial, natural resources, oil and gas, and services sub-sectors in terms compliance with IFRS requirements. This means that IFRS compliance level in conglomerate sub-sector is nearly the same with the compliance level of these other sub-sectors. IFRS mean compliance level of 0.38 in construction sub-sector is significantly different from the compliance level in consumer goods subsector but not significantly different from the compliance level in each of healthcare, ICT, industrial, natural resources, oil and gas, and services sub-sectors. The

significant positive difference in the mean compliance index of construction and consumer goods sub-sectors indicates that construction sub-sector significantly perform below the consumer goods sub-sector in terms of IFRS compliance. The insignificant difference in the mean compliance index of construction and other sub-sectors means that IFRS compliance level in construction sub-sectors is nearly the same with the compliance level of these other sub-sectors.

Consumer goods sub-sectors with IFRS mean compliance index of 0.47 is significantly different from IFRS mean compliance level of healthcare, ICT, industrial, natural resources, and services subsectors, but do not have a significantly different level of IFRS compliance from the compliance level in oil and gas sub-sector. The significant negative difference in the mean compliance index of consumer goods sub-sector and those of healthcare, ICT, industrial, natural resources, and services subsectors indicates that consumer goods sub-sector significantly perform better than other sub-sectors in terms of IFRS compliance level. The insignificant difference in the mean compliance index of consumer goods and oil and gas sub-sector means that IFRS compliance level in these two sub-sectors is similar.

The result further shows that healthcare sub-sector with IFRS mean compliance level of 0.39 is not significantly different from each of ICT, industrial, natural resources, oil and gas, and services sub-sectors in terms of compliance with IFRS requirements. This means that IFRS compliance level in healthcare sub-sector is nearly the same with the compliance level of these other sub-sectors. Similar results were obtained for IFRS compliance level among ICT, industrial, natural resources, and oil and gas sub-sectors. The difference in the level of compliance among these sectors is not statistically significant.

4.4.4 Summary of Hypotheses Testing

Based on the results of the finding from the quantitative and qualitative analysis earlier discussed, the summary of hypothesis testing is presented in Table 4.8.

Table 4.8 Summary of Hypothesis Testing

S/N	Main Hypothesis	Sub-Hypothesis	Quantitative findings	Remarks
1	$H_{01:}$ Firms' characteristic does not significantly influence IFRS compliance level among listed companies in Nigeria.	$H_{01:1:}$ The profitability does not significantly influence IFRS compliance level among listed companies in Nigeria.	+/Significant	Null hypothesis rejected
		$H_{01:2:}$ The leverage does not significantly influence IFRS compliance level among listed companies in Nigeria.	-/Not Significant	Null hypothesis accepted
		$H_{01:3:}$ The international market does not significantly influence IFRS compliance level among listed companies in Nigeria.	+/Significant	Null hypothesis rejected
		$H_{01:4:}$ The audited by one of the "Big 4" auditing firms does not significantly influence IFRS compliance level among listed companies in Nigeria.	+/Significant	Null hypothesis rejected
		$H_{01:5:}$ The Company's size does not significantly influence IFRS compliance level among Nigerian listed companies.	+/Not Significant	Null hypothesis accepted
		$H_{01:6:}$ The Company's age does not significantly influence IFRS compliance level among listed companies in Nigeria.	+/Not Significant	Null hypothesis accepted
		$H_{01:7:}$ The capital intensity does not significantly influence among listed companies in Nigeria.	-/Not Significant	Null hypothesis accepted
		$H_{01:8:}$ The liquidity status does not significantly influence IFRS compliance level among listed companies in Nigeria.	-/Not Significant	Null hypothesis accepted
2	$H_{02:}$ Corporate governance mechanisms do not significantly affect IFRS compliance level among listed companies in Nigeria.	$H_{02:1:}$ The size of board members does not significantly affect IFRS compliance level among listed companies in Nigeria.	+/Significant	Null hypothesis rejected
		$H_{02:2:}$ The independence of board member does not significantly relate with IFRS compliance level among listed companies in	+/Not Significant	Null hypothesis accepted

		Nigeria.		
		$H_{02:3:}$ The presence of foreign board members does not significantly influence IFRS compliance level among listed companies in Nigeria.	+/Significant	Null hypothesis rejected
		$H_{02:4:}$ The possession of international experience by board member does not significantly affect IFRS compliance level among listed companies in Nigeria.	+/Not Significant	Null hypothesis accepted
		$H_{02:5:}$ The proportion of women to men in the board of listed companies in Nigeria do not significantly associated with t IFRS compliance level.	+/Not Significant	Null hypothesis accepted
		$H_{02:6:}$ Board diligence does not significantly relate with IFRS compliance level among listed companies in Nigeria.	+/Not Significant	Null hypothesis rejected
		$H_{02:7:}$ The level of expertise of audit committee does not significantly relate with IFRS compliance level among listed companies in Nigeria.	+/Significant	Null hypothesis rejected
		$H_{02:8:}$ The frequency of meetings held by audit committee does not significantly affect IFRS compliance level among listed companies in Nigeria.	+/Not Significant	Null hypothesis accepted
		$H_{02:9:}$ The independence of audit committee does not significantly associated with IFRS compliance level among listed companies in Nigeria.	+/Not Significant	Null hypothesis accepted
		$H_{02:10:}$ The proportion of women in the audit committee of listed companies in Nigeria does not significantly associated with IFRS compliance level.	+/Significant	Null hypothesis rejected

3	$H_{03:}$ There is no significant difference in IFRS compliance level among various sub-sectors of listed companies in Nigeria.	$H_{03:}$ There is no significant difference in IFRS compliance level among various sub-sectors of listed companies in Nigeria.	+/Significant	Null hypothesis rejected

Sources: Author's Compilation (2019)

4.5 Discussion of Findings

The study employed a mixed-methods approach to have a deep analysis of the determinant of IFRS compliance. The convergent parallel research design of mixed methods which collects quantitative and qualitative data concurrently analyzes the two data sets separately and merging the results during interpretations was employed. The combination of the findings from the quantitative and qualitative analyses provides a unique opportunity to comprehend and explain the results.

i. Level of IFRS compliance from the year of adoption among listed companies in Nigeria.

This research question was answered by employing the descriptive statistic approach and responses from the interviewees. The descriptive statistics revealed that more than 70% (368 firms) of listed companies in Nigeria achieved IFRS compliance score of below 49% while 27% (41 firms) achieved between 50% to 59% compliance score and only 2% (13 firms) achieved compliance score of above 60%. The overall compliance index score ranged from 6% to 66% with an average mean compliance score of 41%. The maximum compliance score achieved among listed companies in Nigeria is relatively equal to the average score obtained from both developed countries and developing countries. The performance compliance score is below what is obtainable in other countries, and the mean average level of compliance of 41% among listed companies in Nigeria is among the lowest compliance score when compared with developed countries such as Greek (72%); European (73%); France (85%) and developing countries such as Kuwait (69%); Turkey (79%); Ghana 85% and Bahrain (63%).

The compliance score obtained aligns with the study conducted by Street and Gray (2002) that there is a significant level of non-compliance with the disclosure requirements of IFRS by companies based in France, Germany, Western Europe countries and Africa. Although, the studies from some of these countries use disclosure requirements of a standard while some use more than a standard. The finding from the descriptive analysis reveals that the level of compliance with the disclosure requirements of IFRS is very low. This is in line with the Santos *et al.* (2014) and Nakayama and Salotti (2014) who found low compliance level in

Brazil. Therefore, the low compliance score may be attributed to the fact that IFRS is still virgin in Nigerian financial reporting system. The study of Glaum and Street (2003) also supports the findings of this study where the result shows a considerable extent of non-compliance in the German capital market and is attributed to a lack of adequate supervision.

However, the maximum compliance score of 66% obtained in this study is even higher than the compliance score of 58% and 64% obtained in 1999 and 2000 respectively by Hodgdon *et al.* (2009) by non-US listed companies which may as result of origin of the companies. Azevedo *et al.* (2018) examined the degree of compliance with the intangible assets disclosure requirements, but the study shows an average of 30% in the disclosure index for intangible assets. The findings also concurred with conclusion of Akhtaruddin (2005) who said that most of the annual reports of companies do not meet the required disclosure of IFRSs.

The interviewed result reveals an improvement IFRS compliance level. This is based on some of the response like "I think there is substantial compliance with IFRS because the understanding of IFRS has increased over time. Over the last six years, compliance has been quite substantial". This was corroborated by other Respondents that: "To a considerable extent there is compliance of about 75%. There is high level of compliance because all banks have fully complied". The reasons for the compliance level were also given by the respondents that: "The Road Map for the adoption of IFRS in Nigeria as prepared by Financial Reporting Council of Nigeria (FRC) stated that listed companies were to adopt and use IFRS to prepare and present their financial statements starting from the year 2012. All companies listed on the Nigeria Stock Exchange (NSE) have complied and adopted IFRS. Also, FRCN checks companies' financial statements from time to time, and cases of non-compliance are sometimes discovered". Regarding the level of compliance, some respondent said that: "Question on the level of IFRS compliance is best answered by NSE and FRCN (the regulatory bodies). However, based on our clients' activities, we can claim that IFRS disclosure requirements are reasonably adhered to".

Therefore, it can be deduced from the responses from the interview that most of the respondents do not understand the differences between adoption and compliance with IFRS. It can be deduced from their responses that when entities have adopted IFRS, it means that it has complied fully with the disclosure requirements of IFRS. This misconception may account for the low-performance compliance score obtained in the quantitative analysis. The analysis revealed that Nigerian listed companies only adopted IFRS because it is mandatory by the government on all companies listed on the NSE of which the extent to which they have complied is not the primary motive.

However, the result of the findings against the doctrine of legitimacy theory which suggests that annual report is the main communication channel because other means of communication does not have the legitimacy of the annual report (Hooghiemstra, 2000; Mousa & Hassan, 2015). This can only be achieved when the companies continuously comply with the norm of the societies that their operations are line with the expectations of the stakeholders and communities in which they operate (Deegan 2002; Deegan *et al.,* 2000; Cormier & Gordon 2001). The low level of IFRS compliance is not a good indicator to conclude that Nigerian listed companies maintain their legitimacy. Therefore, the organization's survival is highly threatened because of the perception of stakeholders and the society that the company operating outside the social contract (Deegan, 2002). The implication of low performance achieved in the compliance score is that the quality in regarding relevance and reliability of accounting information cannot be ascertained which might consequently lead to poor investment and economic decision.

ii. To what extent do firm-specific characteristics influence IFRS compliance level among listed companies in Nigeria?

To answer this research question, eight hypotheses were developed concerning the selected firm's characteristics that influence the IFRS compliance. These include profitability, leverage, international market, audited firm size, company's size, company's age, capital intensity, and liquidity status. The influences of these factors were assessed using both quantitative and qualitative analysis.

Quantitatively, the result of autocorrelation-corrected random effects model reveals that profitability, audit quality, and international listing have a statistically significant influence on IFRS compliance while firm age, liquidity, leverage, firm size, capital intensity, and accounting year-end have no statistically significant impact on IFRS compliance. On profitability, the result revealed a significant positive relationship between profitability and IFRS compliance level (β =0.00587; P<0.1). This implies that the probability status of Nigerian listed companies influences the IFRS compliance level. That is, as the profit increases by 0.05%, so also an increase of 1% in the compliance level.

The finding that profitability of listed companies in Nigeria influences the level of IFRS compliance is supported in the following previous studies (Naser, 1998; Ali et al., 2004; Yiadom and Atsunyo, 2014 and Ioraver *et al.*, 2017) despite the low level of compliance with IFRS. However, the result is contrary to the findings in other studies such as Hodgdon et al. (2009); Ferrer and Ferrer (2011); Paul *et al.* (2012); Al-Shammari (2011); Maia *et al.* (2012); Hossain and Hammami (2009); Al-Mutawaa (2010); Demir and Bahadir (2014); Santos *et al.* (2014); Budaraj and Mohammed-Sarea (2015); Ali *et al.* (2016); Juhmani (2017); Appiah-Kubi and Rjoub (2017) and Ballas *et al.* (2018) claimed that IFRS compliance level does not significantly relate to the profitability of listed companies in Nigeria.

However, the responses from interviewees are contrary because of general comment that: "Firm-characteristics means what the firms engage in, liquidity and leverage status of an entity does not influence its IFRS compliance unless it is specified in the disclosure". Therefore, based on the result obtained from quantitative analysis, the study concludes that IFRS compliance level is influenced by the profitability status of Nigerian listed companies. This also confirmed the philosophy behind signaling theory that companies performing better than their counterparts will use it as a pointer to shareholders and other investors for favourable investment and economic decision. This is achieved with all sort of compliance with disclosure requirements of any regulations.

Regarding the impact of audit quality on IFRS compliance, the study found a significant positive relationship between audit quality and IFRS compliance (β =0.0549, P<0.01). The

finding of the study implies that Nigerian listed companies audited by one of the big four comply more with IFRS disclosure requirements by about 5.5% than those Nigerian listed companies not audited by big four. The finding confirmed a prior expectation of this study that a significant positive relationship exists between audit quality and IFRS compliance. To substantiate further, the responses from interviewee was also considered. Comments like: "The big 4 influences meeting up with requirements and compliance with IFRS because they will not review their standard to suit a particular company rather they will adjust the operation of the company to suit their standard". Another comment obtained the state that: "Also, many of the companies audited by the big 4 audit firms are usually significant listed public interest entities and the big 4 audit firms ensure these companies and indeed all their clients comply with IFRS disclosure requirements". This was supported with a statement that: "The high standardization of the big four such as Deloitte, E&Y, PWC, and KPMG will not compromise integrity, due care in professional ethics and honesty in line with IFRS disclosure requirements. The Big Four are the pace-setters largely because most of their clients are multi-nationals".

Empirically, the finding of this study agreed with those of Dumontier and Raffournier (1998); Street and Gray (2002); Glaum and Street (2003) and Al-Shammari (2011) that IFRS compliance level is influenced by largest audit firms. Also in the same direction with the finding of this study, the findings of Demir and Bahadir (2014); Tsalavoutas *et al.* (2010); Maia *et al.* (2012); Santos *et al.* (2014); Nakayama and Salotti (2014) and Ballas *et al.* (2018) showed that IFRS compliance is positively associated to companies being audited by Big four audit firms align with the current study. However, the finding is contrary with the conclusion of Ali *et al.* (2004) and Ioraver *et al.* (2017) who stated that the quality of external auditors or auditor type to be insignificant in interpreting IFRS compliance level particularly in Nigeria among firms in the banking industry.

Therefore, the study concluded that companies listed in Nigeria audited by Big Four comply more than their counterpart because of the audit firm's experience, reputation, integrity, professional ethics and standardization already in place. The finding regarding audit quality and IFRS compliance was supported by legitimacy theory which posits that companies use the annual report to legitimate their operations within the norms and bound of the society.

This is because the objectives of legitimacy theory are achieved through the connections between the company and the community. The stimulus for IFRS compliance level of companies can use as legitimacy strategies on the public and society. This shows that the myriad expectations society has on how the organization is operating still within the social contract.

The third variable that shows a significant result with IFRS compliance is the international listing status of Nigerian listed companies. The result of the analysis showed a significant positive coefficient (β =0.0734, P<0.01) indicating that Nigerian listed companies that are listed internationally comply more with IFRS standards by 0.073 points than their counterparts that are not listed internationally. Indeed findings from the interviews conducted corroborate that Nigerian companies listed outside Nigeria Stock Exchange market has more compliance level than those not listed outside Nigeria based on responses likes: "The international listing status does influence IFRS compliance because of their international experience, and they tend to imitate their international counterpart with IFRS". This was supported with another comment that: "Internationally listed companies are the first companies to comply with IFRS disclosure requirements because they may have a subsidiary (ies) or parent companies in other countries that prepare and present their financial statements using IFRS. Secondly, their shares or debt instruments may be quoted in foreign stock exchange markets that require the use of IFRS".

The responses from the interviewees virtually support international listing status. Other comments that support the this include: "IFRS converges all accounting standards worldwide under one a unifying umbrella, financial statements all over the world will have almost the same disclosure requirements, because of the international listed company high ethical behavioural standard, there will be such positive impact influence on the localize listed companies. IFRS is internationally applied, and the influence on local firms is positive and value adding. The internationally listed companies are the real "pace-setters" because they are open to more extensive users of IFRS-prepared financial statements and very demanding regulators and also very much likely to be internationally listed entities that operate in climes where there is zero-tolerance for non-compliance with IFRS requirements for financial statements".

The findings of the study aligns with signaling theory that companies with more benefits in term of good reputation and value amplify their IFRS compliance level.. The international listing is a positive status for an entity, and the companies who want to signal such to their stakeholder and other users will embark on more disclosure much more than their counterpart that does not have such status. The result aligns with some empirical studies such as (Dumontier and Raffournier, 1998; Street and Bryant, 2000; Glaum and Street, 2003; Ali *et al.,* 2004; Al-Shammari, 2011; Maia *et al,* 2012 and Yiadom and Atsunyo, 2014) which state that companies listed in other foreign markets other than the market of their origin comply more than their counterpart. However, Ioraver *et al.* (2017) revealed a contrary finding that international listing status of entities is negative and insignificantly associated with IFRS compliance.

The results of other firm's characteristics revealed that firm age, liquidity, leverage, firm size, capital intensity, and accounting year-end have no statistically significant impact on IFRS compliance. This implies that how old a firm is, its liquidity, leverage, size and capital intensity do not influence its level of compliance to IFRS. Firms whose accounting year-end is 31st December do not also have a different level of compliance from those whose accounting year-end is not 31st December. This is in line with the findings of previous studies such as Ali *et al.* (2004); Ali *et al.* (2016); Ballas *et al.* (2018); Ioraver *et al.* (2017); Juhmani (2017) and Wallace & Naser (1995); that leverage was not statistically significant. Meanwhile, liquidity revealed a significant negative association with IFRS compliance by Alsaeed (2006) and Al-Shammari (2011). Size of listed companies does not significantly explain the extent to which entities comply with IFRS as presented Street and Bryant (2000); Glaum and Street (2003); Ballas et al. (2018) and Demir and Bahadir (2014). Akhtaruddin (2005); Alsaeed (2006); Demir and Bahadir (2014); Glaum and Street (2003) and Juhmani (2017) do not support the notion that old companies disclose more information than new companies. Finally, Dumontier and Raffournier (1998) and Paul *et al.* (2012) found that capital intensity was insignificant to IFRS compliance.

Apart from the profitability, international listing status and companies audited by Big Four, the study cannot conclude that other firm specifics characteristics influence IFRS compliance among Nigerian listed companies.

iii. The effect of corporate governance mechanisms on IFRS Compliance Level among listed companies in Nigeria.

The above research question was addressed by employing numbers of corporate governance structure on board member and audit committee that capable of influence IFRS compliance. The corporate governance structure employed to achieve this research question includes size of the board, board independence, presence of foreign board member, board member training abroad, board gender diversity, board diligence, audit committee meetings, audit committee expertise, audit committee independence, and Audit committee gender diversity. Both quantitative and qualitative analyses were employed to provide answers.

The quantitative analysis reveals that board size, foreign board member, board diligence (meeting), audit committee expertise, and audit committee gender have statistically significant impact on IFRS compliance while board independence, board member training abroad, board gender, audit committee meeting, audit committee independence, and accounting year-end do not have a statistically significant impact on IFRS compliance. This implies that all the vital determinant in this model are board size, foreign board members, board diligence, audit committee expertise, and audit committee gender have positive coefficients, indicating that they all influence IFRS compliance positively.

The result showed a significant positive relationship (α=0.00485, P<0.1) between board size and IFRS compliance. The positive coefficient of the board size indicates that increase in the number of directors in the board by an individual will result to an increase in the level of IFRS compliance by about 0.005 points, and vice versa. This aligns with a prior expectation of the study and supported by Adebimpe and Peace (2011) and Madhani (2015) studies that board size has a significant positive relationship with the extent of voluntary disclosures in Nigeria. The response from an interview conducted also concurs with the finding: “IFRS promotes disclosure on how money made are spent while corporate governance promotes disclosure on how the company has been managed and the most important factor is the responsibilities of the board. What corporate governance does is to put in place a board that can run the company transparently and effectively well”.

This result was corroborated by resource dependency theory that the success of an organization is hinged on the resources available and part of the resource is human capital (board of director). It further explains that directors play an important role in providing or securing essential resources that the organization need through their linkages to the external environment because the ability of the board to bring the resources to the company depends on board members (Fernandes, 2017). This implies that the number of members in the board of directors influence the extent to which the entities comply with IFRS disclosure requirements. Similarly, the study also found that foreign board member significantly (α=0.0942, P<0.01) influence the IFRS compliance. This implies that a percentage point increase in the proportion of foreign individuals in board members will lead to a rise in IFRS compliance level by about 0.094 points, and vice versa.

The finding was qualitatively supported with the general comment that: "IFRS compliance with the composition of the Board vis-a-vis disclosure requirements is very pertinent in good ethical corporate governance because the level of compliance with IFRS disclosure will give reasonable assurance to reliability on financial statements for stakeholders to make informed decisions". The findings also aligned with the results of Fernandes (2017) that Brazilian firms with more foreign board members or/and with more board members with training abroad comply better with IFRS 3 requirements. However, Madhani's (2015) results showed a negative relationship with board composition as Haniffa and Cooke (2002) explained that the extent of disclosure is influenced with a high proportion of Malaysian directors on the board. Theoretically, the result is supported by the Upper Echelon Theory that the ability of the board to bring the resources to the company depends on board members and their composition (Fernandes, 2017). This implies that demographic characteristics such as foreign board member affect strategic decision-making and serves as practical proxies for the cognitive base that influences top directors' decisions regarding the level of compliance with IFRS.

The board's diligence revealed a significant relationship. The findings of the quantitative analysis shows that significant positive relationship (α=0.0942, P<0.01) exist between board diligence and IFRS compliance. This implies that an increase in the number of meetings held by the board of directors will result in an increase in IFRS compliance index by about 0.008

points and vice versa. The frequency indicates that board member is active and eager to pursue their primary responsibilities which include the extent to which to comply with IFRS. This concurs with the finding of Kent and Stewart (2008) who showed that the volume of disclosure positively influenced by corporate governance mechanisms such as the number of board meetings and the choice of auditor.

The result of quantitative analysis reveals that financial and accounting expertise (α=0.0459, P<0.1) and audit committee gender diversity (α=0.0464, P<0.1) significantly and positively influences IFRS compliance. This implies that an increase in the percentage of members of the audit committee with financial and accounting expertise by a percentage point will lead to a rise in IFRS compliance index by about 0.046 points and vice versa. Also, a percentage point increase in the proportion female audit committee member to the total number of the audit committee will result to an increase in the level of IFRS compliance by about 0.046 points, and vice versa. The findings reveal that financial and accounting expertise and audit committee gender diversity are part of audit committee characteristics that influence IFRS compliance of companies listed in Nigeria.

The finding was also corroborated with the response from interviews that "Good corporate governance practices by companies ensure and guarantee credible financial statements that comply with IFRS disclosure requirements, vice versa. And the quality of Board members and Audit Committee members reflects on the level of compliance with IFRS disclosure requirements. FRCN should advocate that members of the audit committee should be financially literate and that the chairman of the audit committee should be financially literate because IFRS is now the globally recognized international generally accepted accounting principles (GAAP)". This was further buttressed in another response that "Gender diversification whether male or female does not influence the level of IFRS compliance with the disclosure requirement, what matter is their level of financial knowledge because the essence of the financial system is for the users to make an informed decision based on the information provided".

Also, another respondent explained that: “It is axiomatic that a high level of compliance with IFRS disclosure requirements can only be achieved where an entity deliberately and consistently puts in place a virile corporate governance structure. No more, no less!!!!. Board Members and audit committees are in-house agents of ensuring full compliance of their respective entities with IFRS disclosure requirements, and because they can be joined in sanctions against non-complying entities, they perform vital/positive roles in ensuring good compliance”. The result aligned with upper echelon theory which proposes that the demographic characteristics of top management such as age, gender, practical experience and tenure might affect cognitive base that influences top directors' decisions which include the decision on IFRS compliance (Fernandes, 2017). However, Setiany *et al.* (2017) find a contrary result that insignificant relationship exists between financial disclosure and education background of audit committees' members, the time commitment of audit committees’ members as well as the number of audit committees meetings.

This implies that board size, foreign board member, board diligence (meeting), audit committee expertise, and audit committee gender are the important corporate governance structure that influences the IFRS compliance among Nigerian listed companies. However, the finding also reveals that proportion of independent and female members on board, number of board members that receive training abroad, number of meetings held by audit committee, independent audit committee and the end of accounting year do not impact on IFRS compliance level of companies listed in Nigeria.

iv. The extent to which IFRS compliance level differs among various sub-sectors of listed companies in Nigeria.

This research question was raised to assess the extent to which IFRS compliance level differs among various sub-sectors that listed companies in Nigeria were categorized. The analysis of variance (ANOVA) test of mean difference was conducted, and the findings of the study revealed that a significant difference existed among Nigerian listed companies in IFRS compliance across sub-sectors. The mean IFRS compliance index primarily shows that these sub-sectors are different in terms of their compliance index but does not sufficiently indicate their differences are statistically significant. This necessitates a test of difference, and the ANOVA test of the mean difference of IFRS compliance index across sub-sectors reveals an

F-statistic value of 8.93 with a p-value of 0.000. This indicates a statistically significant F-statistic; hence, rejection of the null hypothesis that the difference across sub-sectors regarding IFRS compliance index is not significant. This implies that the selected sub-sectors are significantly different in terms of their level of compliance with IFRS disclosure requirements and some sub-sectors comply more with these requirements than others.

In order to further elaborate the level of significant differences among various sub sectors of listed companies in Nigeria, the result of Bonferroni pairwise mean comparison of two different sub-sectors reveals the following findings on a 0.05 level of significance. The result shows that agricultural sub-sector is significantly difference from other sub-sectors with the lowest IFRS compliance level. The conglomerate sub-sector is not significantly different from each of construction, consumer goods, healthcare, ICT, industrial, natural resources, oil and gas, and services sub-sectors in terms of compliance with IFRS requirements. The IFRS compliance level in conglomerate sub-sector is nearly the same with the compliance level of these other sub-sectors.

The level of compliance with IFRS in construction sub-sector is significantly different from the compliance level in consumer goods subsector but not significantly different from the compliance level in each of healthcare, ICT, industrial, natural resources, oil and gas, and services sub-sectors. The significant positive difference in the mean compliance index of construction and consumer goods sub-sectors indicates that construction sub-sector significantly perform below the consumer goods sub-sector in terms of IFRS compliance. The insignificant difference in the mean compliance index of construction and other sub-sectors means that IFRS compliance level in construction sub-sectors is nearly the same with the compliance level of these other sub-sectors.

Consumer goods sub-sectors have a significantly different in IFRS compliance level of healthcare, ICT, industrial, natural resources, and services subsectors, but do not have a significantly different level of IFRS compliance from the compliance level in oil and gas sub-sector. The significant negative difference in the mean compliance index of consumer goods sub-sector and those of healthcare, ICT, industrial, natural resources, and services subsectors

indicates that consumer goods sub-sector significantly perform better than other sub-sectors in terms of IFRS compliance. The insignificant difference in the mean compliance index of consumer goods and oil and gas sub-sector means that IFRS compliance level in these two sub-sectors is similar.

The result also showed that health care sub-sector is not significantly different from each of ICT, industrial, natural resources, oil and gas, and services sub-sectors in terms of IFRS compliance level. This means that IFRS compliance level in healthcare sub-sector is nearly the same with the compliance level of these other sub-sectors. Similar IFRS compliance results were obtained for ICT, industrial, natural resources, and oil and gas sub-sectors. The difference in IFRS compliance level among these sectors is not statistically significant.

The significant difference in IFRS compliance level evidence by Yiadom and Atsunyo (2014) who confirmed differences among industry types with regards to their compliance rate. Aledo *et al.* (2009) also substantiate the above result that firms in consumer services, consumer goods, oil and gas, and basic materials, manufacturing and construction industries experience the most significant adjustments, particularly in presentation and measurement practices. The findings is also in accordance with Thomas (2014) also showed that a significant difference in IFRS compliance level amid companies in Sweden and the United Kingdom due to variations in enforcement and national culture. The variation may also be attributed to demographic characteristics and availability of resources as noted by upper echelon theory and resource dependency theory.

Resource dependency theory recognizes the fact that the achievement of an organization is hinged on the resources available to it. The theory emphasizes that the resources received from the environment are uncertain and may affect organizations regarding the decisions made. Therefore, the availability of the resources may be the reason for significant differences in the level of IFRS compliance among sub-sectors. Meanwhile, the upper echelons theory focuses on demographic features of the zenith management team might influence strategic decisions. These observable attributes such as age, practical experience and tenure influences decision of board of directors regarding compliance level in a sector.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter briefly summarises the underlying problems of the study and how the study has attempted to provide solutions to the research problems transformed into research questions. The section also presents the findings, conclusion and recommendations based on the findings. Suggestions for further studies were also presented in this chapter.

5.1 Summary

Globalization is impacting on the accounting profession as it does to almost every profession and this generates a great deal of interest for the harmonization of accounting practices all over the world with the emergence of IFRS. The decision to adopt IFRS is one of the most influential changes in accounting rule. IFRS adoption has significantly enhance uniformity in recognition and measurement of accounting information but the burden of complying fully with the disclosure requirements is complex and impacting upon corporate financial reporting practices of companies across the globe. Many companies usually claim that their financial statements are prepared in accordance with IFRS, but the reality is different due to varying levels of compliance which have been attributed to the absence of "Bright-Line" rules coupled with the failure of auditors to express an opinion regarding the extent of IFRS compliance. These consequently affect the quality of financial information, limit the potential effect of IFRS and impaired the ability of investors and other market participants from making rightful decisions.

Therefore, the study investigates the determinant of IFRS compliance among listed companies in Nigeria because of the effect of IFRS compliance on the quality of the financial statement and financial information as well as decision making therefrom. The study identifies four objectives from which research questions were developed. More precisely, the first research question was meant to investigate the level of compliance with IFRS disclosure requirement from the year of adoption to date among listed companies in Nigeria. The second research question is to determine the firm characteristics such as profitability, leverage, international listing status, audited firm size, company's size, company's age, capital intensity, liquidity status and accounting year end that influence IFRS compliance level among

Nigerian listed companies. The third research question examined the effects of corporate governance mechanisms such as size of the board, board independence, foreign board member, board member training abroad, board gender diversity, board diligence, audit committee meetings, audit committee expertise, audit committee independence and Audit committee gender diversity on IFRS compliance level among listed companies in Nigeria and the fourth and final research question is to assess whether the IFRS compliance level differs among various sub-sectors of companies listed in Nigeria.

In order to have a detailed understanding and evidence, literature was reviewed conceptually on adoption and compliance of IFRS, compliance index and determinants of IFRS compliance. A number of theories such as signaling theory, legitimacy theory, capital need theory, resource dependency theory and upper echelons theory were reviewed. Empirical studies on developed and developing countries were also reviewed with regards to the levels of compliance, firm's characteristics and corporate governance mechanisms from which theoretical and conceptual framework were developed. In order to provide an answer to the research questions and to test the research hypotheses, mixed research methods research was employed. Specifically, the study employed convergent parallel research design of mixed methods for the collection of quantitative and qualitative data concurrently, analyzes the two data sets separately and merging the results during interpretations. The quantitative analyses conducted include panel data regression and ANOVA test of mean differences while the qualitative analysis used semi-structured interviews to explore perceptions and opinions of staffers of FRCN, CAC, NSE and companies listed in Nigeria regarding the determinants of IFRS compliance.

The findings of the study revealed that more than 70% of Nigerian listed companies achieved IFRS compliance score of below 49% while 27% achieved between 50% to 59% compliance score and only 2% achieved compliance score of above 60%. The compliance score ranged from 6% to 66% with an average mean compliance score of 41%. Generally, the level of compliance with disclosure requirements of IFRS is very low among Nigerian listed companies. This perhaps may be attributable to misconception between adoption and compliance with IFRS revealed from qualitative analysis.

For firm characteristics, the result revealed that profitability, audit quality, and international listing have a statistically significant influence on IFRS compliance. The finding shows that profitability has a significant positive relationship (β =0.00587; P<0.1) with IFRS compliance level. The study reveal positive significant relationship between audit quality and IFRS compliance (β =0.0549, P<0.01) while the result also shows a significant positive coefficient (β =0.0734, P<0.01) indicating that Nigerian listed companies that are listed internationally comply more with IFRS standards by 0.073 points than their counterparts that are not listed internationally. This implies that a percentage point increase in firms' profitability will lead to a rise in the level of IFRS compliance by about 0.007 points and vice versa. Nigerian listed companies that engage big audit firms comply more with IFRS standards by about 0.055 points than their counterparts that engage non-big-four audit firms and Nigerian listed companies listed internationally comply more with IFRS standards by 0.073 points than their counterparts that are not listed internationally. However, out of the three firm characteristics that was significant under quantitative analysis. The qualitative failed to provide evidence that profitability influence IFRS compliance though the finding is theoretically supported by signaling theory.

Similarly, the result on corporate governance mechanisms, particularly board member characteristics, revealed that board size, foreign board member, board diligence (meeting), audit committee expertise, and audit committee gender have a statistically significant impact on IFRS compliance. The finding revealed a significant positive relationship (α=0.00485, P<0.1) between board size and IFRS compliance. The positive coefficient of board size indicates that increase in the number of directors in the board by an individual will result to an increase in the level of IFRS compliance by about 0.005 points, and vice versa. Similarly, the study also found that foreign board member significantly (α=0.0942, P<0.01) influences the IFRS compliance. This implies that a percentage point increase in the proportion of foreign individuals in board members will lead to a rise in IFRS compliance level by about 0.094 points, and vice versa. The finding of the quantitative analysis reveals that significant positive relationship (α=0.0942, P<0.01) exists between board diligence and IFRS compliance. The finding was qualitatively confirmed that IFRS compliance with the composition of the Board vis-a-vis disclosure requirements is very relevant in good ethical corporate governance because IFRS compliance level gives reasonable assurance to reliability on financial statements for stakeholders to make an informed decision.

Among the audit committee characteristics, the study reveals that financial and accounting expertise of audit committee (α=0.0459, P<0.1) and audit committee gender diversity (α=0.0464, P<0.1) significantly and positively influences IFRS compliance. This implies that audit committee financial and accounting expertise and gender diversity are part of audit committee characteristics that influence IFRS compliance. This was qualitatively supported that the quality of board members and audit committee reflects on IFRS compliance level. FRCN should advocate that members of the audit committee should be financial experts and that the chairman of the audit committee must be financially knowledgeable because IFRS is now the globally recognized international generally accepted accounting principles (GAAP). However, the response from interviewed reveals that gender diversification whether male or female does not influence IFRS compliance level, what matter is their level of financial knowledge because the essence of the financial system is for the users to make an informed decision based on the information presented.

Finally, the finding of the study further reveals that a significant difference existed among Nigerian listed companies in IFRS compliance across sub-sectors with F-statistic value of 8.93 with a p-value of 0.000 which indicates a statistically significant. This implies that the selected sub-sectors are significantly different in terms of IFRS compliance and some sub-sectors comply more with these requirements than others.

5.2 Conclusion

Based on the findings obtained from both quantitative and qualitative analyses, the following conclusions were reached.

i. IFRS compliance levels among companies listed in Nigeria from 2012 to 2017 is very low evidenced with the IFRS compliance score that ranged from 6% to 66% with a mean average score of 41%;
ii. There is variation in the IFRS compliance level among the 10 IFRS/IAS examined in the study between 2012 and 2017 evidenced with IFRS compliance score of 50% and above recorded for IAS 7; IAS 10; IAS 26; IAS 33; IFRS 8; IFRS 13 and below 49% reported for IAS 8 and IFRS 7;

iii. The study also concludes that misconception exists between the use of the term adoption and compliance with IFRS among the regulatory bodies and listed companies in Nigeria;
iv. Listed companies in Nigeria that have favourable information to disclose particularly on financial performance comply more with IFRS disclosure requirements;
v. The study also concludes that listed companies in Nigeria audited by one of the Big 4 audit firms comply more with IFRS than other companies because of the experience, reputation, integrity, professional ethics and standardization put in place;
vi. Listed companies in Nigeria whose shares or debts instrument quoted in countries other Nigeria Stock Exchange comply with IFRS because of their multinational experience and exposure than their colleagues;
vii. The board sizes of listed companies in Nigeria influence IFRS compliance level;
viii. The level at which listed companies in Nigeria complied with IFRS disclosure requirement is a function of how diligent is the board members. This is because the number of meetings held shows how board members actively pursue their primary responsibilities;
ix. The financial and accounting experience of the audit committee is very important to IFRS compliance so as to present financial information useful for decision making;
x. The proportion of female audit committee member increases IFRS compliance level of companies listed in Nigeria;
xi. The study also concludes that differences existed in IFRS compliance level among various sub-sectors of companies listed in Nigerian stock market.

5.3 Recommendations

The following recommendations were made taking into consideration the findings obtained from the study.

i. With regards to misconception between IFRS adoption and compliance revealed from the findings, the study recommends the need to clarify the misconception between the adoption of IFRS and compliance with IFRS disclosure requirements by standard setter board;
ii. Given the low level of IFRS compliance achieved in the study, the regulatory bodies need to strengthen their monitoring activities to ensure that Nigerian companies are not

only adopting IFRS but also complying and disclosing all the required information to be disclosed in the financial statement;

iii. Based on the conclusion of the study that board size is positively related to IFRS compliance. The study recommend that the regulatory body should ensure that all listed companies in Nigeria maintain the minimum and required board size to ensure that they effectively carry out their primary responsibilities;

iv. Since the study concluded that audit committee expertise influence IFRS compliance, the regulatory bodies, particularly FRCN, should incorporate in the code of corporate governance that, at least a member of the audit committee must possess financial and accounting qualification and experience for financial reporting responsibilities;

v. Taking into consideration of the conclusion reached on board diligence, the study recommends that CAMA 2004 as amended should be reviewed to ensure that board members are meeting monthly and sanctions should be attached in cases of non-compliance;

vi. Based on the conclusion on the misconception, the study recommends sensitization program for stakeholders and other users of financial statements on the differences between adoption and compliance as well as the impact of IFRS compliance on the quality of financial information used for decision making;

vii. Taking the conclusion that Nigerian companies listed in international market comply more than their counterpart, the study, therefore, recommends that Nigeria government should create an avenue that will encourage Nigerian companies to list their shares or debts instrument in other countries to gain more international experience and exposure as well as direct foreign investment; and

viii. Since the study concluded that big 4 audit firms positively influence IFRS compliance, the study recommends that the non-Big Four audit firm should affiliate with Big Four audit firm in order to tap from their wealth of professional experiences and international standardization.

5.4 Contributions to Knowledge

The contribution of the study can be viewed from contribution to concepts, literature review, methodology, theoretical and practice, and policy.

Conceptually, the study contributes by exposing readers to the concept relating to IFRS compliance due to a great deal of non-compliance and variability in the compliance level. This study has demonstrated the differences between the IFRS adoption and IFRS compliance and exposes other readers and users of financial statement to caution with the use of the word. In order to avoid the problem of giving higher weight to standards that contain more items, the study has assessed the relevance of each missing item and then classify as either non-disclosure or not-applicable. Also, the study joined other studies to develop a comprehensive compliance index for disclosure requirements of 10 IFRS/IAS relevant to this study. The study contributes to the sparse literature on corporate governance mechanisms, and IFRS compliance level as previous studies generally focused on firm-specific characteristics as the major determinants of IFRS compliance.

Theoretically, the study has exposed the relevance of the legitimacy theory which previously employed in social and environmental disclosures to IFRS compliance. The study contributes to the literature on the applicability of the multiple-theoretical framework to understand the empirical findings and to identify the determinants of IFRS compliance.

Methodologically, the study used the panel data regression techniques and incorporates other statistical methods such as ANOVA to evaluate sectorial differences in IFRS compliance. The study has contributed to the argument that quantitative data alone does not provide sufficient explanation and interpretation from statistical results. The study contributes to the corporate governance literatures as the findings from quantitative and qualitative analysis can be integrated to IFRS compliance.

On practice and policy implication, the study presents that the level of compliance with IFRS, though very low, shows gradual improvement during the sample period from 2012 to 2017. The migrations from local GAAP in 2012 to IFRS make Nigeria among developing countries in the world that are in the right path to ensure global corporate reporting system. Given the differences between the levels of IFRS compliance among various sub-sectors, the effectiveness of the regulatory agency is not certain in monitoring and enforcing IFRS compliance.

5.5 Limitations and Delimitations of the Study

The previous sections addressed the contributions of the study; however, the following limitations and delimitations were indentified which of course do not affect the findings and contributions to knowledge by this study.

i. The study focuses on Nigerian listed companies but excludes companies from financial services due to the existence of different disclosure regulatory agencies and the unique nature of their transactions. Notwithstanding, the findings of the study provide a basis for the assessment of companies from financial services;
ii. The study particularly focused on listed companies in Nigeria but the findings may be generalised to other countries. The contribution from Nigeria provides good evidence considering its size and economic impact in Africa and the world at large;
iii. Using mixed-methods research involves some challenges in terms of the time and cost required to design and conducts the study but this was however overcome by the researcher with the use of robust research methodology; and
iv. Finally, due to accessibility problems, out of ten interviews proposed, seven interviews were granted which is more than average. This problem was overcome with pragmatic perspective of philosophical approach which provides the study an opportunity to address issues from different points of view.

5.6 Suggestions for Future Research

Notwithstanding the contribution of the study, the limitations addressed above provide an opportunity for future research under the followings:

i. Cross countries analysis of determinants of IFRS compliance among listed companies;
ii. Assessment of Impact of corporate governance mechanisms IFRS compliance among listed companies Sub-Sahara Africa; and
iii. Impact of Regulatory bodies in Nigeria on the level of IFRS compliance among Nigerian listed companies.

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APPENDIX 1: LIST OF NIGERIAN LISTED FIRM ON NSE AS AT 2017

S/N	COMPANIES	TICKER	SECTORS	MEET CRITERIA
1	ELLAH LAKES PLC.	ELLAHLAKES	AGRICULTURE	
2	FTN COCOA PROCESSORS PLC[RST]	FTNCOCOA	AGRICULTURE	
3	LIVESTOCK FEEDS PLC.	LIVESTOCK	AGRICULTURE	
4	OKOMU OIL PALM PLC.	OKOMUOIL	AGRICULTURE	
5	PRESCO PLC	PRESCO	AGRICULTURE	
6	A.G. LEVENTIS NIGERIA PLC.[BMF]	AGLEVENT	CONGLOMERATES	
7	CHELLARAMS PLC.[BLS]	CHELLARAM	CONGLOMERATES	
8	JOHN HOLT PLC.	JOHNHOLT	CONGLOMERATES	
9	S C O A NIG. PLC.	SCOA	CONGLOMERATES	
10	TRANSNATIONAL CORPORATION OF NIGERIA PLC	TRANSCORP	CONGLOMERATES	
11	U A C N PLC.	UACN	CONGLOMERATES	
12	ARBICO PLC.	ARBICO	CONSTRUCTION/REAL ESTATE	
13	JULIUS BERGER NIG. PLC.	JBERGER	CONSTRUCTION/REAL ESTATE	
14	ROADS NIG PLC.[MRF]	ROADS	CONSTRUCTION/REAL ESTATE	
15	SKYE SHELTER FUND PLC	SKYESHELT	CONSTRUCTION/REAL ESTATE	
16	SKYE SHELTER FUND PLC	SKYESHELT	CONSTRUCTION/REAL ESTATE	
17	SMART PRODUCTS NIGERIA PLC[MRF]	SMURFIT	CONSTRUCTION/REAL ESTATE	
18	UACN PROPERTY DEVELOPMENT CO. LIMITED	UAC-PROP	CONSTRUCTION/REAL ESTATE	
19	UNION HOMES REAL ESTATE INVESTMENT TRUST (REIT)	UHOMREIT	CONSTRUCTION/REAL ESTATE	
20	UPDC REAL ESTATE INVESTMENT TRUST	UPDCREIT	CONSTRUCTION/REAL ESTATE	
21	7-UP BOTTLING COMP. PLC.	7UP	CONSUMER GOODS	
22	CADBURY NIGERIA PLC.	CADBURY	CONSUMER GOODS	
23	CHAMPION BREW. PLC.	CHAMPION	CONSUMER GOODS	
24	DANGOTE FLOUR MILLS PLC	DANGFLOUR	CONSUMER GOODS	
25	DANGOTE SUGAR REFINERY PLC	DANGSUGAR	CONSUMER GOODS	
26	DN TYRE & RUBBER PLC[DIP]	DUNLOP	CONSUMER GOODS	
27	FLOUR MILLS NIG. PLC.	FLOURMILL	CONSUMER GOODS	
28	GOLDEN GUINEA BREW. PLC.[MRS]	GOLDBREW	CONSUMER GOODS	
29	GUINNESS NIG PLC	GUINNESS	CONSUMER GOODS	
30	HONEYWELL FLOUR MILL PLC	HONYFLOUR	CONSUMER GOODS	
31	INTERNATIONAL BREWERIES PLC.	INTBREW	CONSUMER GOODS	
32	MCNICHOLS PLC	MCNICHOLS	CONSUMER GOODS	
33	MULTI-TREX INTEGRATED FOODS PLC[BLS]	MULTITREX	CONSUMER GOODS	
34	N NIG. FLOUR MILLS PLC.	NNFM	CONSUMER GOODS	
35	NASCON ALLIED INDUSTRIES PLC	NASCON	CONSUMER GOODS	
36	NESTLE NIGERIA PLC.	NESTLE	CONSUMER GOODS	
37	NIGERIAN BREW. PLC.	NB	CONSUMER GOODS	
38	NIGERIAN ENAMELWARE PLC.	ENAMELWA	CONSUMER GOODS	

39	P Z CUSSONS NIGERIA PLC.	PZ	CONSUMER GOODS	
40	UNILEVER NIGERIA PLC.	UNILEVER	CONSUMER GOODS	
41	UNION DICON SALT PLC.[BRS]	UNIONDICON	CONSUMER GOODS	
42	VITAFOAM NIG PLC.	VITAFOAM	CONSUMER GOODS	
43	ABBEY MORTGAGE BANK PLC	ABBEYBDS	FINANCIAL SERVICES	X
44	ACCESS BANK PLC.	ACCESS	FINANCIAL SERVICES	X
45	AFRICA PRUDENTIAL PLC	AFRIPRUD	FINANCIAL SERVICES	X
46	AFRICAN ALLIANCE INSURANCE COMPANY PLC	AFRINSURE	FINANCIAL SERVICES	X
47	AIICO INSURANCE PLC.	AIICO	FINANCIAL SERVICES	X
48	ASO SAVINGS AND LOANS PLC[DIP]	ASOSAVINGS	FINANCIAL SERVICES	X
49	AXAMANSARD INSURANCE PLC	MANSARD	FINANCIAL SERVICES	X
50	CONSOLIDATED HALLMARK INSURANCE PLC	HMARKINS	FINANCIAL SERVICES	X
51	CONTINENTAL REINSURANCE PLC	CONTINSURE	FINANCIAL SERVICES	X
52	CORNERSTONE INSURANCE COMPANY PLC.	CORNERST	FINANCIAL SERVICES	X
53	CUSTODIAN AND ALLIED PLC	CUSTODIAN	FINANCIAL SERVICES	X
54	DEAP CAPITAL MANAGEMENT & TRUST PLC[DIP]	DEAPCAP	FINANCIAL SERVICES	X
55	DIAMOND BANK PLC	DIAMONDBNK	FINANCIAL SERVICES	X
56	ECOBANK TRANSNATIONAL INCORPORATED	ETI	FINANCIAL SERVICES	X
57	EQUITY ASSURANCE PLC.	EQUITYASUR	FINANCIAL SERVICES	X
58	FBN HOLDINGS PLC	FBNH	FINANCIAL SERVICES	X
59	FCMB GROUP PLC.	FCMB	FINANCIAL SERVICES	X
60	FIDELITY BANK PLC	FIDELITYBK	FINANCIAL SERVICES	X
61	FORTIS MICROFINANCE BANK PLC	FORTISMFB	FINANCIAL SERVICES	X
62	GOLDLINK INSURANCE PLC[MRS]	GOLDINSURE	FINANCIAL SERVICES	X
63	GREAT NIGERIAN INSURANCE PLC[BAA]	GNI	FINANCIAL SERVICES	X
64	GUARANTY TRUST BANK PLC.	GUARANTY	FINANCIAL SERVICES	X
65	GUINEA INSURANCE PLC.	GUINEAINS	FINANCIAL SERVICES	X
66	INFINITY TRUST MORTGAGE BANK PLC[BLS]	INFINITY	FINANCIAL SERVICES	X
67	INTERNATIONAL ENERGY INSURANCE COMPANY PLC[DIP]	INTENEGINS	FINANCIAL SERVICES	X
68	JAIZ BANK PLC	JAIZBANK	FINANCIAL SERVICES	X
69	LASACO ASSURANCE PLC.	LASACO	FINANCIAL SERVICES	X
70	LAW UNION AND ROCK INS. PLC.	LAWUNION	FINANCIAL SERVICES	X
71	LINKAGE ASSURANCE PLC	LINKASSURE	FINANCIAL SERVICES	X
72	MUTUAL BENEFITS ASSURANCE PLC.	MBENEFIT	FINANCIAL SERVICES	X
73	N.E.M INSURANCE CO (NIG) PLC.	NEM	FINANCIAL SERVICES	X
74	NIGER INSURANCE CO. PLC.	NIGERINS	FINANCIAL SERVICES	X
75	NIGERIA ENERYGY SECTOR FUND	NESF	FINANCIAL SERVICES	X
76	NPF MICROFINANCE BANK PLC	NPFMCRFBK	FINANCIAL SERVICES	X
77	OMOLUABI MORTGAGE BANK PLC	OMOMORBNK	FINANCIAL SERVICES	X
78	PRESTIGE ASSURANCE CO. PLC.	PRESTIGE	FINANCIAL SERVICES	X
79	REGENCY ALLIANCE INSURANCE COMPANY PLC	REGALINS	FINANCIAL SERVICES	X

80	RESORT SAVINGS & LOANS PLC[MRF]	RESORTSAL	FINANCIAL SERVICES	X
81	ROYAL EXCHANGE PLC.	ROYALEX	FINANCIAL SERVICES	X
82	SIM CAPITAL ALLIANCE VALUE FUND	SIMCAPVAL	FINANCIAL SERVICES	X
83	SKYE BANK PLC[MRF]	SKYEBANK	FINANCIAL SERVICES	X
84	SOVEREIGN TRUST INSURANCE PLC	SOVRENINS	FINANCIAL SERVICES	X
85	STANBIC IBTC HOLDINGS PLC	STANBIC	FINANCIAL SERVICES	X
86	STANDARD ALLIANCE INSURANCE PLC.	STDINSURE	FINANCIAL SERVICES	X
87	STANDARD TRUST ASSURANCE PLC	STACO	FINANCIAL SERVICES	X
88	STERLING BANK PLC.	STERLNBANK	FINANCIAL SERVICES	X
89	UNIC DIVERSIFIED HOLDINGS PLC.	UNIC	FINANCIAL SERVICES	X
90	UNION BANK NIG.PLC.[BLS]	UBN	FINANCIAL SERVICES	X
91	UNION HOMES SAVINGS AND LOANS PLC.[DIP]	UNHOMES	FINANCIAL SERVICES	X
92	UNITED BANK FOR AFRICA PLC	UBA	FINANCIAL SERVICES	X
93	UNITED CAPITAL PLC	UCAP	FINANCIAL SERVICES	X
94	UNITY BANK PLC	UNITYBNK	FINANCIAL SERVICES	X
95	UNITY KAPITAL ASSURANCE PLC	UNITYKAP	FINANCIAL SERVICES	X
96	UNIVERSAL INSURANCE COMPANY PLC[MRF]	UNIVINSURE	FINANCIAL SERVICES	X
97	WAPIC INSURANCE PLC	WAPIC	FINANCIAL SERVICES	X
98	WEMA BANK PLC.	WEMABANK	FINANCIAL SERVICES	X
99	ZENITH INTERNATIONAL BANK PLC	ZENITHBANK	FINANCIAL SERVICES	X
100	AFRIK PHARMACEUTICALS PLC.[DIP]	AFRIK	HEALTHCARE	
101	EKOCORP PLC.[BMF]	EKOCORP	HEALTHCARE	
102	EVANS MEDICAL PLC.[DIP]	EVANSMED	HEALTHCARE	
103	FIDSON HEALTHCARE PLC	FIDSON	HEALTHCARE	
104	GLAXO SMITHKLINE CONSUMER NIG. PLC.	GLAXOSMITH	HEALTHCARE	
105	MAY & BAKER NIGERIA PLC.	MAYBAKER	HEALTHCARE	
106	MORISON INDUSTRIES PLC.	MORISON	HEALTHCARE	
107	NEIMETH INTERNATIONAL PHARMACEUTICALS PLC	NEIMETH	HEALTHCARE	
108	NIGERIA-GERMAN CHEMICALS PLC.[MRS]	NIG-GERMAN	HEALTHCARE	
109	PHARMA-DEKO PLC.	PHARMDEKO	HEALTHCARE	
110	UNION DIAGNOSTIC & CLINICAL SERVICES PLC[MRF]	UNIONDAC	HEALTHCARE	
111	CHAMS PLC	CHAMS	ICT	
112	COURTEVILLE BUSINESS SOLUTIONS PLC	COURTVILLE	ICT	
113	CWG PLC	CWG	ICT	
114	E-TRANZACT INTERNATIONAL PLC[BLS]	ETRANZACT	ICT	
115	NCR (NIGERIA) PLC.	NCR	ICT	
116	OMATEK VENTURES PLC[MRF]	OMATEK	ICT	
117	TRIPPLE GEE AND COMPANY PLC.	TRIPPLEG	ICT	
118	AFRICAN PAINTS (NIGERIA) PLC.[DIP]	AFRPAINTS	INDUSTRIAL GOODS	
119	AUSTIN LAZ & COMPANY PLC[MRF]	AUSTINLAZ	INDUSTRIAL GOODS	
120	BERGER PAINTS PLC	BERGER	INDUSTRIAL GOODS	

121	BETA GLASS PLC.	BETAGLAS	INDUSTRIAL GOODS	
122	CAP PLC	CAP	INDUSTRIAL GOODS	
123	CEMENT CO. OF NORTH.NIG. PLC	CCNN	INDUSTRIAL GOODS	
124	CUTIX PLC.	CUTIX	INDUSTRIAL GOODS	
125	DANGOTE CEMENT PLC	DANGCEM	INDUSTRIAL GOODS	
126	FIRST ALUMINIUM NIGERIA PLC	FIRSTALUM	INDUSTRIAL GOODS	
127	GREIF NIGERIA PLC	VANLEER	INDUSTRIAL GOODS	
128	LAFARGE AFRICA PLC.	WAPCO	INDUSTRIAL GOODS	
129	MEYER PLC.	MEYER	INDUSTRIAL GOODS	
130	PAINTS AND COATINGS MANUFACTURES PLC[DIP]	PAINTCOM	INDUSTRIAL GOODS	
131	PORTLAND PAINTS & PRODUCTS NIGERIA PLC	PORTPAINT	INDUSTRIAL GOODS	
132	PREMIER PAINTS PLC.[MRF]	PREMPAINTS	INDUSTRIAL GOODS	
133	ALUMINIUM EXTRUSION IND. PLC.	ALEX	NATURAL RESOURCES	
134	B.O.C. GASES PLC.	BOCGAS	NATURAL RESOURCES	
135	MULTIVERSE MINING AND EXPLORATION PLC	MULTIVERSE	NATURAL RESOURCES	
136	THOMAS WYATT NIG. PLC.[MRS]	THOMASWY	NATURAL RESOURCES	
137	11 PLC	MOBIL	OIL AND GAS	
138	ANINO INTERNATIONAL PLC.[MRS]	ANINO	OIL AND GAS	
139	CAPITAL OIL PLC[RST]	CAPOIL	OIL AND GAS	
140	CONOIL PLC	CONOIL	OIL AND GAS	
141	ETERNA PLC.	ETERNA	OIL AND GAS	
142	FORTE OIL PLC.	FO	OIL AND GAS	
143	JAPAUL OIL & MARITIME SERVICES PLC	JAPAULOIL	OIL AND GAS	
144	MRS OIL NIGERIA PLC.	MRS	OIL AND GAS	
145	OANDO PLC	OANDO	OIL AND GAS	
146	RAK UNITY PET. COMP. PLC.	RAKUNITY	OIL AND GAS	
147	SEPLAT PETROLEUM DEVELOPMENT COMPANY LTD	SEPLAT	OIL AND GAS	
148	TOTAL NIGERIA PLC.	TOTAL	OIL AND GAS	
149	ACADEMY PRESS PLC.[MRF]	ACADEMY	SERVICES	
150	AFROMEDIA PLC[MRF]	AFROMEDIA	SERVICES	
151	ASSOCIATED BUS COMPANY PLC	ABCTRANS	SERVICES	
152	C & I LEASING PLC.	CILEASING	SERVICES	
153	CAPITAL HOTEL PLC[BLS]	CAPHOTEL	SERVICES	
154	CAVERTON OFFSHORE SUPPORT GRP PLC[BLS]	CAVERTON	SERVICES	
155	DAAR COMMUNICATIONS PLC[MRS]	DAARCOMM	SERVICES	
156	IKEJA HOTEL PLC[MRF]	IKEJAHOTEL	SERVICES	
157	INTERLINKED TECHNOLOGIES PLC[BLS]	INTERLINK	SERVICES	
158	JULI PLC.[MRF]	JULI	SERVICES	
159	LEARN AFRICA PLC	LEARNAFRCA	SERVICES	
160	MEDVIEW AIRLINE PLC	MEDVIEWAIR	SERVICES	
161	NEWREST ASL NIGERIA PLC	AIRSERVICE	SERVICES	

162	NIGERIAN AVIATION HANDLING COMPANY PLC	NAHCO	SERVICES	
163	R T BRISCOE PLC.	RTBRISCOE	SERVICES	
164	RED STAR EXPRESS PLC	REDSTAREX	SERVICES	
165	SECURE ELECTRONIC TECHNOLOGY PLC	NSLTECH	SERVICES	
166	STUDIO PRESS (NIG) PLC.	STUDPRESS	SERVICES	
167	TANTALIZERS PLC	TANTALIZER	SERVICES	
168	THE INITIATES PLC	INITSPLC	SERVICES	
169	TOURIST COMPANY OF NIGERIA PLC.[DIP]	TOURIST	SERVICES	
170	TRANS-NATIONWIDE EXPRESS PLC.	TRANSEXPR	SERVICES	
171	TRANSCORP HOTELS PLC[BLS]	TRANSCOHOT	SERVICES	
172	UNIVERSITY PRESS PLC.	UPL	SERVICES	

APPENDIX II

Research Interview Guide

Research Interview consent form **Date**……

Interviewer……
Interviewee…….

Purpose of interview
This interview is part of my research for the award of Ph.D Accounting at the Kwara Sate University (KWASU), Malete.

Confidentiality
Please note that all research ethics will be observed at all times when the interview is put to use. The data from interview will only be available to the concerned staff and possibly, to the External supervisor for my Ph.D programmes at KWASU. Excerpt from the interview may be included as part of the final thesis, while your name and any identifying characterisitics will not be included in accordance with the research ethics.

Thank you for your cooperation

The following are the interview questions

1. Kindly share your opinion on IFRS compliance among Nigerian listed companies.
2. What are the factors or likely reasons that you think may influence IFRS compliance among companies listed in Nigeria?
3. Do you agree to the fact that firm-characteristics influence IFRS compliance level of companies listed in Nigeria?
4. What do you think about relationship between corporate governance structure and IFRS compliance level of companies listed in Nigeria?
5. Do you think that IFRS compliance anything to do with quality of financial statements and decision making therefrom?
6. Kindly give your suggestions on how IFRS compliance level be improved among companies listed in Nigeria.

Thank you for your time.

APPENDIX III: Computation of IFRS Compliance Index

COYNA	YEAR	IAS7 INDEX	IFRS 13 INDEX	IAS 8 INDEX	IAS 26 INDEX	IAS 10 INDEX	IAS 1 INDEX	IAS 33 INDEX	IFRS 8 INDEX	IFRS 7 INDEX	IAS 24 INDEX	COMDEX
11 PLC (Former MOBIL)	2012	0.30	0.00	0.18	0.00	0.33	0.56	0.00	0.00	0.00	0.00	0.14
11 PLC (Former MOBIL)	2013	0.30	0.00	0.18	0.00	0.33	0.63	0.78	0.00	0.00	1.00	0.32
11 PLC (Former MOBIL)	2014	0.45	0.81	0.18	0.00	0.33	0.63	0.78	0.00	0.22	1.00	0.44
11 PLC (Former MOBIL)	2015	0.45	0.81	0.41	1.00	0.00	0.77	0.78	0.60	0.22	1.00	0.60
11 PLC (Former MOBIL)	2016	0.40	0.81	0.18	1.00	0.17	0.61	0.78	0.60	0.22	1.00	0.58
11 PLC (Former MOBIL)	2017	0.40	0.81	0.18	1.00	0.67	0.61	0.78	0.60	0.22	1.00	0.63
ABC TRANSPORT PLC	2012	0.55	0.19	0.00	1.00	0.50	0.93	0.56	0.50	0.05	1.00	0.53
ABC TRANSPORT PLC	2013	0.55	0.19	0.00	0.00	0.17	0.30	0.33	0.00	0.05	0.33	0.19
ABC TRANSPORT PLC	2014	0.55	0.19	0.00	0.00	0.33	0.83	0.33	0.00	0.05	0.22	0.25
ABC TRANSPORT PLC	2015	0.55	0.19	0.18	0.96	0.33	0.85	0.89	0.60	0.05	0.78	0.54
ABC TRANSPORT PLC	2016	0.55	0.19	0.18	0.96	0.33	0.87	0.67	0.60	0.05	0.89	0.53
ABC TRANSPORT PLC	2017	0.55	0.19	0.18	0.96	0.33	0.88	0.67	0.60	0.05	0.78	0.52
ACADEMY PRESS	2012	0.45	0.19	0.00	0.09	0.50	0.45	0.56	0.00	0.05	0.00	0.23
ACADEMY PRESS	2013	0.45	0.19	0.41	0.09	0.17	0.79	0.00	0.00	0.05	0.00	0.21
ACADEMY PRESS	2014	0.45	0.19	0.00	0.09	0.00	0.82	0.56	0.00	0.05	0.67	0.28
ACADEMY PRESS	2015	0.45	0.19	0.00	0.09	0.00	0.80	0.56	0.00	0.05	1.00	0.31
ACADEMY PRESS	2016	0.45	0.63	0.41	0.09	0.00	0.81	0.67	0.00	0.17	1.00	0.42
ACADEMY PRESS	2017	0.45	0.63	0.00	0.09	0.33	0.82	0.67	0.00	0.17	1.00	0.42
AG LEVENTUS	2012	0.60	0.19	0.29	1.00	0.50	1.00	0.56	0.50	0.05	0.78	0.55
AG LEVENTUS	2013	0.40	0.19	0.18	1.00	0.50	1.00	0.67	0.30	0.05	0.89	0.52
AG LEVENTUS	2014	0.65	0.50	0.29	1.00	0.00	1.00	0.67	0.40	0.14	0.78	0.55
AG LEVENTUS	2015	0.65	0.50	0.41	1.00	0.83	1.00	0.67	0.40	0.14	0.78	0.64
AG LEVENTUS	2016	0.60	0.81	0.18	1.00	0.83	1.00	0.67	0.50	0.22	0.78	0.66
AG LEVENTUS	2017	0.60	0.81	0.18	1.00	0.33	1.00	0.67	0.50	0.22	0.44	0.58
ALUMINIUM EXTRUSION IND.	2012	0.50	0.19	0.00	0.00	0.17	0.31	0.56	0.00	0.05	0.00	0.18
ALUMINIUM EXTRUSION IND.	2013	0.50	0.19	0.00	0.00	0.17	0.43	0.44	0.00	0.05	0.00	0.18

ALUMINIUM EXTRUSION IND.	2014	0.50	0.19	0.00	0.00	0.00	0.43	0.44	0.00	0.05	0.00	0.16
ALUMINIUM EXTRUSION IND.	2015	0.50	0.19	0.18	0.00	0.33	0.82	0.78	0.20	0.05	1.00	0.40
ALUMINIUM EXTRUSION IND.	2016	0.50	0.25	0.18	0.00	0.33	0.82	0.67	0.20	0.07	0.89	0.39
ALUMINIUM EXTRUSION IND.	2017	0.50	0.25	0.00	0.00	0.67	0.82	0.78	0.20	0.07	0.56	0.38
ARBICO PLC	2012	0.40	0.63	0.00	0.00	0.00	0.80	0.00	0.00	0.17	0.00	0.20
ARBICO PLC	2013	0.40	0.63	0.00	0.00	0.33	0.86	0.78	0.00	0.17	0.00	0.32
ARBICO PLC	2014	0.40	0.19	0.41	0.00	0.67	0.82	0.67	0.00	0.05	0.89	0.41
ARBICO PLC	2015	0.40	0.19	0.41	0.00	0.67	0.83	0.67	0.20	0.05	0.22	0.36
ARBICO PLC	2016	0.40	0.19	0.18	0.00	0.67	0.83	0.56	0.20	0.05	0.89	0.40
ARBICO PLC	2017	0.40	0.19	0.18	0.00	0.67	0.76	0.56	0.20	0.05	0.33	0.33
AUSTIN LAZ & CO PLC	2012	0.40	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.06
AUSTIN LAZ & CO PLC	2013	0.40	0.19	0.00	1.00	0.17	0.56	0.33	0.00	0.05	0.00	0.27
AUSTIN LAZ & CO PLC	2014	0.40	0.19	0.00	0.00	0.33	0.61	0.22	0.00	0.05	0.00	0.18
AUSTIN LAZ & CO PLC	2015	0.40	0.19	0.00	1.00	0.33	0.61	0.11	0.00	0.05	0.00	0.27
AUSTIN LAZ & CO PLC	2016	0.50	0.19	0.00	1.00	0.50	0.61	0.44	0.00	0.05	0.00	0.33
AUSTIN LAZ & CO PLC	2017	0.50	0.19	0.00	0.00	0.50	0.61	0.44	0.00	0.05	0.00	0.23
B.O.C GASES PLC	2012	0.55	0.19	0.18	1.00	0.50	0.71	0.67	0.10	0.05	0.78	0.47
B.O.C GASES PLC	2013	0.55	0.19	0.00	1.00	0.50	0.71	0.67	0.10	0.05	0.67	0.44
B.O.C GASES PLC	2014	0.55	0.19	0.18	1.00	0.83	0.79	0.67	0.10	0.05	0.89	0.52
B.O.C GASES PLC	2015	0.55	0.19	0.41	1.00	0.50	0.79	0.67	0.00	0.05	0.89	0.50
B.O.C GASES PLC	2016	0.55	0.19	0.18	1.00	0.50	0.80	0.67	0.00	0.05	0.89	0.48
B.O.C GASES PLC	2017	0.55	0.19	0.18	1.00	0.50	0.80	0.67	0.00	0.05	0.89	0.48
BERGER PAINTS	2012	0.55	0.19	0.00	0.00	0.33	0.48	0.56	0.00	0.05	0.00	0.22
BERGER PAINTS	2013	0.55	0.19	0.00	0.00	0.33	0.95	0.44	0.00	0.05	0.00	0.25
BERGER PAINTS	2014	0.55	0.63	0.41	1.00	0.50	0.95	0.67	0.30	0.17	0.67	0.58
BERGER PAINTS	2015	0.55	0.63	0.18	1.00	0.83	0.95	0.67	0.30	0.17	0.67	0.59
BERGER PAINTS	2016	0.55	0.63	0.18	0.00	0.50	0.95	0.67	0.20	0.17	0.67	0.45
BERGER PAINTS	2017	0.55	0.63	0.18	0.00	0.50	0.96	0.67	0.20	0.17	0.67	0.45
BETA GLASS PLC	2012	0.55	0.19	0.18	0.78	0.83	0.80	0.56	0.10	0.05	0.89	0.49
BETA GLASS PLC	2013	0.55	0.19	0.18	0.78	0.83	0.80	0.67	0.10	0.05	0.89	0.50

BETA GLASS PLC	2014	0.55	0.19	0.18	0.78	0.83	0.80	0.67	0.10	0.05	0.67	0.48
BETA GLASS PLC	2015	0.55	0.19	0.18	0.96	0.83	0.80	0.67	0.20	0.05	1.00	0.54
BETA GLASS PLC	2016	0.55	0.19	0.18	0.96	0.83	0.80	0.67	0.10	0.05	0.89	0.52
BETA GLASS PLC	2017	0.55	0.19	0.18	0.96	0.83	0.80	0.56	0.20	0.05	1.00	0.53
C & I LEASING	2012	0.45	0.19	0.18	0.17	0.50	0.86	0.56	0.40	0.05	0.00	0.34
C & I LEASING	2013	0.45	0.19	0.18	0.17	0.50	0.86	0.56	0.40	0.05	0.89	0.42
C & I LEASING	2014	0.45	0.19	0.18	0.17	0.50	0.86	0.89	0.40	0.05	0.78	0.45
C & I LEASING	2015	0.45	0.19	0.18	0.17	0.50	0.86	0.89	0.40	0.05	0.78	0.45
C & I LEASING	2016	0.45	0.19	0.18	0.17	0.67	0.86	0.89	0.40	0.05	1.00	0.49
C & I LEASING	2017	0.45	0.19	0.18	0.17	0.67	0.86	0.78	0.40	0.05	0.89	0.46
CADBURY NIG. PLC	2012	0.50	0.19	0.18	1.00	0.83	0.55	0.67	0.30	0.05	0.89	0.52
CADBURY NIG. PLC	2013	0.50	0.19	0.18	1.00	0.83	0.62	0.67	0.30	0.05	1.00	0.53
CADBURY NIG. PLC	2014	0.50	0.19	0.18	1.00	0.83	0.76	0.56	0.30	0.05	1.00	0.54
CADBURY NIG. PLC	2015	0.50	0.19	0.18	1.00	0.83	0.86	0.67	0.30	0.05	1.00	0.56
CADBURY NIG. PLC	2016	0.50	0.19	0.18	1.00	0.83	0.87	0.67	0.30	0.05	1.00	0.56
CADBURY NIG. PLC	2017	0.50	0.19	0.18	1.00	0.83	0.87	0.67	0.30	0.05	1.00	0.56
CAP PLC	2012	0.40	0.19	0.18	0.17	0.50	0.71	0.44	0.10	0.05	0.22	0.30
CAP PLC	2013	0.40	0.19	0.18	0.17	0.50	0.81	0.56	0.10	0.05	1.00	0.40
CAP PLC	2014	0.55	0.19	0.18	0.17	0.50	0.82	0.56	0.10	0.05	0.22	0.33
CAP PLC	2015	0.55	0.19	0.18	0.17	0.50	0.82	0.56	0.10	0.05	1.00	0.41
CAP PLC	2016	0.50	0.19	0.18	0.17	0.50	0.82	0.67	0.10	0.05	1.00	0.42
CAP PLC	2017	0.50	0.19	0.18	0.17	0.50	0.82	0.67	0.10	0.05	0.78	0.40
CAPITAL HOTEL	2012	0.50	0.19	0.18	0.91	0.00	0.79	0.67	0.20	0.05	0.67	0.41
CAPITAL HOTEL	2013	0.50	0.19	0.18	0.91	0.67	0.79	0.67	0.10	0.05	1.00	0.50
CAPITAL HOTEL	2014	0.50	0.19	0.18	0.91	0.67	0.81	0.67	0.10	0.05	1.00	0.51
CAPITAL HOTEL	2015	0.50	0.19	0.18	0.91	0.67	0.81	0.67	0.10	0.05	0.78	0.48
CAPITAL HOTEL	2016	0.50	0.19	0.18	0.91	0.83	0.81	0.67	0.20	0.05	0.78	0.51
CAPITAL HOTEL	2017	0.50	0.19	0.18	0.91	0.83	0.81	0.67	0.20	0.05	0.89	0.52
CAPITAL OIL	2012	0.40	0.19	0.00	0.00	0.00	0.52	0.00	0.00	0.05	0.00	0.12
CAPITAL OIL	2013	0.40	0.19	0.00	0.00	0.00	0.71	0.00	0.00	0.05	0.00	0.14

CAPITAL OIL	2014	0.40	0.19	0.18	0.00	0.33	0.74	0.11	0.00	0.05	0.00	0.20
CAPITAL OIL	2015	0.40	0.19	0.18	0.00	0.33	0.74	0.33	0.00	0.05	0.00	0.22
CAPITAL OIL	2016	0.40	0.19	0.18	0.00	0.33	0.75	0.33	0.00	0.05	0.00	0.22
CAPITAL OIL	2017	0.40	0.19	0.18	0.00	0.33	0.76	0.33	0.00	0.05	0.00	0.22
CEMENT COY OF NORTH	2012	0.50	0.19	0.00	0.00	0.17	0.38	0.44	0.00	0.05	0.00	0.17
CEMENT COY OF NORTH	2013	0.50	0.19	0.18	1.00	0.83	0.71	0.67	0.00	0.05	1.00	0.51
CEMENT COY OF NORTH	2014	0.50	0.19	0.18	1.00	0.83	0.71	0.67	0.00	0.05	1.00	0.51
CEMENT COY OF NORTH	2015	0.50	0.19	0.18	1.00	0.83	0.71	0.67	0.00	0.05	1.00	0.51
CEMENT COY OF NORTH	2016	0.50	0.19	0.18	1.00	0.67	0.71	0.78	0.00	0.05	1.00	0.51
CEMENT COY OF NORTH	2017	0.50	0.19	0.18	1.00	0.83	0.68	0.78	0.00	0.05	1.00	0.52
CHAMPION BREWERIES PLC.	2012	0.45	0.63	0.35	0.96	0.33	0.76	0.78	0.00	0.17	1.00	0.54
CHAMPION BREWERIES PLC.	2013	0.50	0.63	0.18	0.96	0.67	0.81	0.78	0.00	0.17	1.00	0.57
CHAMPION BREWERIES PLC.	2014	0.50	0.63	0.18	0.96	0.83	0.83	0.78	0.00	0.17	1.00	0.59
CHAMPION BREWERIES PLC.	2015	0.50	0.63	0.18	0.96	0.67	0.86	0.78	0.00	0.17	1.00	0.57
CHAMPION BREWERIES PLC.	2016	0.45	0.63	0.18	0.96	0.33	0.86	0.78	0.10	0.17	0.89	0.53
CHAMPION BREWERIES PLC.	2017	0.45	0.63	0.18	0.96	0.83	0.86	0.78	0.10	0.17	0.78	0.57
CHAMS PLC	2012	0.50	0.19	0.18	0.00	0.33	0.88	0.78	0.40	0.05	0.67	0.40
CHAMS PLC	2013	0.50	0.19	0.18	0.00	0.67	0.88	0.78	0.40	0.05	1.00	0.46
CHAMS PLC	2014	0.50	0.19	0.18	0.00	0.67	0.88	0.78	0.40	0.05	1.00	0.46
CHAMS PLC	2015	0.50	0.19	0.18	0.00	0.67	0.88	0.78	0.40	0.05	1.00	0.46
CHAMS PLC	2016	0.50	0.19	0.18	0.00	0.67	0.88	0.78	0.40	0.05	1.00	0.46
CHAMS PLC	2017	0.50	0.19	0.18	0.00	0.67	0.88	0.67	0.30	0.05	1.00	0.44
CHELLARAMS PLC	2012	0.50	0.19	0.00	0.22	0.50	0.88	0.44	0.10	0.05	0.00	0.29
CHELLARAMS PLC	2013	0.50	0.19	0.00	0.00	0.50	0.82	0.56	0.00	0.05	0.00	0.26
CHELLARAMS PLC	2014	0.50	0.19	0.00	0.00	0.50	0.77	0.00	0.00	0.05	0.00	0.20
CHELLARAMS PLC	2015	0.50	0.19	0.18	0.22	0.50	0.89	0.78	0.30	0.05	1.00	0.46
CHELLARAMS PLC	2016	0.60	0.19	0.18	0.22	0.67	0.94	0.78	0.20	0.05	1.00	0.48
CHELLARAMS PLC	2017	0.60	0.19	0.18	0.22	0.33	0.94	0.78	0.20	0.05	0.78	0.43
ConoiL PLC	2012	0.55	0.19	0.00	0.00	0.00	0.52	0.78	0.00	0.05	0.56	0.26
ConoiL PLC	2013	0.55	0.19	0.18	0.00	0.50	0.60	0.78	0.20	0.05	1.00	0.40

ConoiL PLC	2014	0.55	0.19	0.00	0.00	0.33	0.70	0.78	0.00	0.05	1.00	0.36
ConoiL PLC	2015	0.55	0.19	0.18	0.00	0.50	0.74	0.78	0.20	0.05	1.00	0.42
ConoiL PLC	2016	0.55	0.19	0.18	0.00	0.83	0.74	0.78	0.20	0.05	1.00	0.45
ConoiL PLC	2017	0.55	0.19	0.18	0.00	0.83	0.75	0.78	0.20	0.05	1.00	0.45
COURTEVILLE BUSINESS SOLUTION PLC	2012	0.50	0.19	0.00	0.00	0.83	0.77	0.56	0.30	0.05	0.00	0.32
COURTEVILLE BUSINESS SOLUTION PLC	2013	0.50	0.19	0.00	0.00	0.83	0.83	0.67	0.30	0.05	0.00	0.34
COURTEVILLE BUSINESS SOLUTION PLC	2014	0.50	0.19	0.00	0.00	0.67	0.93	0.67	0.30	0.05	0.00	0.33
COURTEVILLE BUSINESS SOLUTION PLC	2015	0.50	0.19	0.00	0.00	0.67	0.93	0.67	0.30	0.05	0.00	0.33
COURTEVILLE BUSINESS SOLUTION PLC	2016	0.50	0.19	0.00	0.00	0.67	0.93	0.56	0.30	0.05	0.00	0.32
COURTEVILLE BUSINESS SOLUTION PLC	2017	0.50	0.19	0.00	0.00	0.67	0.93	0.56	0.30	0.05	0.00	0.32
CUTIX PLC	2012	0.50	0.19	0.00	0.00	0.33	0.67	0.56	0.00	0.05	0.00	0.23
CUTIX PLC	2013	0.50	0.19	0.00	0.00	0.33	0.65	0.56	0.00	0.05	0.00	0.23
CUTIX PLC	2014	0.50	0.19	0.18	0.00	0.83	0.87	0.67	0.20	0.05	0.00	0.35
CUTIX PLC	2015	0.50	0.19	0.00	0.00	0.33	0.87	0.67	0.00	0.05	0.00	0.26
CUTIX PLC	2016	0.50	0.19	0.18	0.00	0.67	0.87	0.67	0.20	0.05	0.00	0.33
CUTIX PLC	2017	0.50	0.19	0.18	0.00	0.67	0.87	0.78	0.20	0.05	0.00	0.34
CWG PLC	2012	0.45	0.19	0.18	0.04	0.67	0.89	0.78	0.60	0.05	1.00	0.48
CWG PLC	2013	0.45	0.19	0.18	0.04	0.67	0.89	0.78	0.60	0.05	1.00	0.48
CWG PLC	2014	0.45	0.19	0.18	0.04	0.67	0.89	0.89	0.60	0.05	0.22	0.42
CWG PLC	2015	0.45	0.19	0.18	0.04	0.67	0.89	0.78	0.60	0.05	1.00	0.48
CWG PLC	2016	0.45	0.19	0.18	0.04	0.33	0.89	0.78	0.60	0.05	1.00	0.45
CWG PLC	2017	0.45	0.19	0.18	0.04	0.67	0.89	0.78	0.70	0.05	1.00	0.49
DAAR COMMUNICATION	2012	0.50	0.19	0.18	0.00	0.50	0.90	0.56	0.20	0.05	0.33	0.34
DAAR COMMUNICATION	2013	0.50	0.19	0.00	0.00	0.00	0.90	0.33	0.00	0.05	0.33	0.23
DAAR COMMUNICATION	2014	0.50	0.19	0.18	0.00	0.67	0.90	0.33	0.50	0.05	0.33	0.37
DAAR COMMUNICATION	2015	0.50	0.19	0.18	0.00	0.67	0.90	0.56	0.40	0.05	0.33	0.38
DAAR COMMUNICATION	2016	0.50	0.19	0.18	0.00	0.67	0.90	0.56	0.40	0.05	1.00	0.44
DAAR COMMUNICATION	2017	0.50	0.19	0.18	0.00	0.83	0.90	0.56	0.40	0.05	1.00	0.46
DANGOTE CEMENT	2012	0.55	0.19	0.18	1.00	0.50	0.90	0.56	0.50	0.05	0.89	0.53
DANGOTE CEMENT	2013	0.55	0.19	0.18	1.00	0.67	0.88	0.56	0.40	0.05	0.89	0.54

DANGOTE CEMENT	2014	0.55	0.19	0.18	1.00	0.67	0.89	0.33	0.40	0.05	0.78	0.50
DANGOTE CEMENT	2015	0.55	0.19	0.18	1.00	0.67	0.92	0.56	0.50	0.05	0.89	0.55
DANGOTE CEMENT	2016	0.55	0.19	0.18	1.00	0.83	0.92	0.56	0.50	0.05	0.67	0.54
DANGOTE CEMENT	2017	0.55	0.19	0.18	1.00	0.83	0.92	0.44	0.50	0.05	0.56	0.52
DANGOTE FLOUR	2012	0.30	0.63	0.18	0.00	0.67	0.95	0.33	0.30	0.17	1.00	0.45
DANGOTE FLOUR	2013	0.30	0.63	0.18	0.13	0.67	0.95	0.89	0.30	0.17	0.89	0.51
DANGOTE FLOUR	2014	0.30	0.63	0.18	0.13	0.67	0.95	0.89	0.40	0.17	0.78	0.51
DANGOTE FLOUR	2015	0.30	0.63	0.18	0.13	0.33	0.95	0.89	0.40	0.17	0.89	0.49
DANGOTE FLOUR	2016	0.30	0.63	0.18	0.13	0.67	0.95	0.56	0.50	0.17	0.89	0.50
DANGOTE FLOUR	2017	0.30	0.63	0.18	0.13	0.33	0.95	0.56	0.50	0.17	0.89	0.46
DANGOTE SUGAR	2012	0.50	0.19	0.18	1.00	0.83	0.94	0.56	0.30	0.05	1.00	0.55
DANGOTE SUGAR	2013	0.50	0.19	0.18	1.00	0.83	0.94	0.56	0.30	0.05	1.00	0.55
DANGOTE SUGAR	2014	0.50	0.19	0.18	1.00	0.83	0.94	0.56	0.50	0.05	1.00	0.57
DANGOTE SUGAR	2015	0.50	0.19	0.18	1.00	0.83	0.94	0.56	0.40	0.05	1.00	0.56
DANGOTE SUGAR	2016	0.50	0.19	0.18	0.00	0.83	0.94	0.56	0.50	0.05	1.00	0.47
DANGOTE SUGAR	2017	0.50	0.19	0.18	1.00	0.83	0.94	0.56	0.30	0.05	1.00	0.55
EKO CORPORATION	2012	0.45	0.19	0.00	0.09	0.33	0.48	0.33	0.00	0.05	0.56	0.25
EKO CORPORATION	2013	0.45	0.19	0.00	0.09	0.00	0.60	0.33	0.00	0.05	0.56	0.23
EKO CORPORATION	2014	0.50	0.19	0.00	0.09	0.17	0.68	0.33	0.00	0.05	0.56	0.26
EKO CORPORATION	2015	0.50	0.19	0.00	0.09	0.17	0.71	0.33	0.20	0.05	0.56	0.28
EKO CORPORATION	2016	0.50	0.19	0.00	0.09	0.17	0.76	0.33	0.20	0.05	0.00	0.23
EKO CORPORATION	2017	0.50	0.19	0.18	0.09	0.67	0.75	0.33	0.20	0.05	0.67	0.36
ELLAH LAKES PLC	2012	0.40	0.19	0.00	0.00	0.00	0.43	0.00	0.00	0.05	0.00	0.11
ELLAH LAKES PLC	2013	0.40	0.19	0.00	0.00	0.00	0.44	0.11	0.00	0.05	0.00	0.12
ELLAH LAKES PLC	2014	0.35	0.19	0.00	0.00	0.00	0.43	0.33	0.00	0.05	0.00	0.14
ELLAH LAKES PLC	2015	0.35	0.19	0.00	0.00	0.00	0.43	0.22	0.00	0.05	0.00	0.12
ELLAH LAKES PLC	2016	0.35	0.19	0.00	0.00	0.83	0.44	0.00	0.00	0.05	0.00	0.19
ELLAH LAKES PLC	2017	0.35	0.19	0.00	0.00	0.83	0.43	0.44	0.00	0.05	0.56	0.29
ETERNA OIL PLC	2012	0.50	0.19	0.18	0.13	0.33	0.86	0.56	0.60	0.05	1.00	0.44
ETERNA OIL PLC	2013	0.50	0.19	0.18	0.13	0.33	0.86	0.56	0.50	0.05	1.00	0.43

ETERNA OIL PLC	2014	0.50	0.19	0.18	0.13	0.33	0.86	0.56	0.50	0.05	1.00	0.43
ETERNA OIL PLC	2015	0.50	0.19	0.18	0.13	0.33	0.86	0.56	0.40	0.05	1.00	0.42
ETERNA OIL PLC	2016	0.50	0.19	0.18	0.13	0.83	0.86	0.56	0.20	0.05	1.00	0.45
ETERNA OIL PLC	2017	0.50	0.19	0.18	0.13	0.83	0.86	0.56	0.20	0.05	1.00	0.45
ETRANZACT PLC	2012	0.40	0.19	0.18	0.17	0.50	0.81	0.44	0.40	0.05	0.56	0.37
ETRANZACT PLC	2013	0.40	0.19	0.18	0.17	0.33	0.81	0.33	0.00	0.05	0.00	0.25
ETRANZACT PLC	2014	0.40	0.19	0.18	0.17	0.33	0.81	0.33	0.00	0.05	0.00	0.25
ETRANZACT PLC	2015	0.45	0.19	0.18	0.17	0.83	0.81	0.56	0.30	0.05	0.67	0.42
ETRANZACT PLC	2016	0.50	0.19	0.18	0.17	0.67	0.81	0.56	0.30	0.05	0.67	0.41
ETRANZACT PLC	2017	0.50	0.19	0.18	0.17	0.67	0.81	0.56	0.30	0.05	0.67	0.41
FIDSON PLC	2012	0.50	0.19	0.00	0.00	0.33	0.88	0.33	0.00	0.05	0.56	0.28
FIDSON PLC	2013	0.50	0.19	0.18	1.00	0.83	0.88	0.33	0.20	0.05	0.56	0.47
FIDSON PLC	2014	0.50	0.25	0.18	1.00	0.83	0.88	0.56	0.30	0.07	0.56	0.51
FIDSON PLC	2015	0.50	0.25	0.18	1.00	0.83	0.88	0.56	0.30	0.07	0.78	0.53
FIDSON PLC	2016	0.50	0.25	0.18	1.00	0.83	0.88	0.56	0.30	0.07	0.67	0.52
FIDSON PLC	2017	0.50	0.25	0.18	1.00	0.83	0.88	0.56	0.30	0.07	0.67	0.52
FIRST ALUMINUM PLC	2012	0.35	0.25	0.18	0.17	0.67	0.96	0.89	0.50	0.07	0.67	0.47
FIRST ALUMINUM PLC	2013	0.35	0.25	0.00	0.17	0.67	0.96	0.89	0.30	0.07	0.67	0.43
FIRST ALUMINUM PLC	2014	0.50	0.25	0.00	0.17	0.67	0.96	0.56	0.30	0.07	0.67	0.41
FIRST ALUMINUM PLC	2015	0.50	0.25	0.00	0.17	0.67	0.96	0.56	0.30	0.07	0.67	0.41
FIRST ALUMINUM PLC	2016	0.45	0.25	0.18	0.17	0.67	0.96	0.56	0.30	0.07	0.67	0.43
FIRST ALUMINUM PLC	2017	0.45	0.25	0.00	0.17	0.67	0.96	0.56	0.30	0.07	0.67	0.41
FLOUR MILLS OF NJGERIA	2012	0.55	0.19	0.00	0.00	0.00	0.92	0.67	0.00	0.05	0.67	0.30
FLOUR MILLS OF NJGERIA	2013	0.55	0.19	0.00	0.00	0.00	0.92	0.67	0.00	0.05	0.67	0.30
FLOUR MILLS OF NJGERIA	2014	0.55	0.19	0.00	0.00	0.33	0.92	0.67	0.00	0.05	0.67	0.34
FLOUR MILLS OF NJGERIA	2015	0.55	0.19	0.00	0.00	0.33	0.94	0.67	0.00	0.05	0.67	0.34
FLOUR MILLS OF NJGERIA	2016	0.55	0.19	0.18	1.00	0.83	0.92	0.67	0.30	0.05	0.67	0.53
FLOUR MILLS OF NJGERIA	2017	0.55	0.19	0.18	1.00	0.83	0.92	0.67	0.40	0.05	0.67	0.54
FORTE OIL PLC	2012	0.50	0.25	0.00	0.35	0.33	0.93	0.67	0.30	0.07	1.00	0.44
FORTE OIL PLC	2013	0.50	0.25	0.18	0.35	0.50	0.93	0.67	0.40	0.07	1.00	0.48

FORTE OIL PLC	2014	0.50	0.25	0.18	0.35	0.33	0.93	0.78	0.40	0.07	1.00	0.48
FORTE OIL PLC	2015	0.50	0.25	0.18	0.35	0.33	0.93	0.78	0.40	0.07	1.00	0.48
FORTE OIL PLC	2016	0.50	0.25	0.18	0.35	0.33	0.93	0.78	0.40	0.07	1.00	0.48
FORTE OIL PLC	2017	0.50	0.25	0.18	0.35	0.83	0.93	0.67	0.40	0.07	1.00	0.52
FTN COCOA PROCESSORS PLC	2012	0.45	0.25	0.00	0.00	0.00	0.81	0.00	0.00	0.07	0.00	0.16
FTN COCOA PROCESSORS PLC	2013	0.45	0.25	0.00	0.00	0.50	0.81	0.00	0.00	0.07	0.00	0.21
FTN COCOA PROCESSORS PLC	2014	0.50	0.25	0.00	0.00	0.00	0.81	0.00	0.00	0.07	0.44	0.21
FTN COCOA PROCESSORS PLC	2015	0.50	0.25	0.00	0.00	0.50	0.81	0.00	0.00	0.07	0.44	0.26
FTN COCOA PROCESSORS PLC	2016	0.50	0.25	0.00	0.00	0.50	0.81	0.00	0.00	0.07	0.44	0.26
FTN COCOA PROCESSORS PLC	2017	0.50	0.25	0.00	0.00	0.33	0.81	0.00	0.00	0.07	0.33	0.23
GLAXOSMITHKLINE CONSUMER NIGERIA PLC	2012	0.50	0.19	0.18	0.87	0.50	0.92	0.67	0.50	0.05	0.78	0.51
GLAXOSMITHKLINE CONSUMER NIGERIA PLC	2013	0.50	0.19	0.18	0.87	0.50	0.92	0.67	0.50	0.05	1.00	0.54
GLAXOSMITHKLINE CONSUMER NIGERIA PLC	2014	0.50	0.19	0.18	0.87	0.50	0.92	0.67	0.60	0.05	0.56	0.50
GLAXOSMITHKLINE CONSUMER NIGERIA PLC	2015	0.50	0.19	0.18	0.87	0.50	0.92	0.00	0.50	0.05	0.00	0.37
GLAXOSMITHKLINE CONSUMER NIGERIA PLC	2016	0.50	0.19	0.18	0.87	0.83	0.92	0.89	0.50	0.05	1.00	0.59
GLAXOSMITHKLINE CONSUMER NIGERIA PLC	2017	0.50	0.19	0.18	0.87	0.83	0.92	0.89	0.50	0.05	1.00	0.59
GREIF NIGERIA PLC	2012	0.50	0.25	0.18	0.09	0.00	0.79	0.67	0.40	0.07	0.00	0.29
GREIF NIGERIA PLC	2013	0.50	0.25	0.18	0.09	0.00	0.79	0.67	0.40	0.07	0.00	0.29
GREIF NIGERIA PLC	2014	0.45	0.25	0.18	0.09	0.33	0.79	0.89	0.20	0.07	1.00	0.42
GREIF NIGERIA PLC	2015	0.45	0.25	0.18	0.09	0.67	0.79	0.56	0.20	0.07	1.00	0.42
GREIF NIGERIA PLC	2016	0.45	0.25	0.18	0.09	0.67	0.79	0.89	0.20	0.07	1.00	0.46
GREIF NIGERIA PLC	2017	0.45	0.25	0.18	0.09	0.67	0.79	0.89	0.20	0.07	1.00	0.46
GUINESS NIG PLC	2012	0.50	0.63	0.18	1.00	0.83	0.89	0.67	0.00	0.17	0.56	0.54
GUINESS NIG PLC	2013	0.50	0.63	0.18	1.00	0.83	0.89	0.67	0.00	0.17	0.56	0.54
GUINESS NIG PLC	2014	0.50	0.63	0.18	1.00	0.83	0.89	0.67	0.00	0.17	0.56	0.54
GUINESS NIG PLC	2015	0.50	0.63	0.18	1.00	0.83	0.89	0.67	0.00	0.17	1.00	0.59
GUINESS NIG PLC	2016	0.50	0.63	0.18	1.00	0.83	0.89	0.67	0.00	0.17	1.00	0.59
GUINESS NIG PLC	2017	0.50	0.63	0.18	1.00	0.83	0.89	0.67	0.00	0.17	1.00	0.59
HONNEYWELL	2012	0.50	0.25	0.18	1.00	0.83	0.93	0.67	0.20	0.07	0.00	0.46
HONNEYWELL	2013	0.50	0.25	0.18	1.00	0.83	0.93	0.67	0.20	0.07	0.00	0.46

HONNEYWELL	2014	0.50	0.25	0.18	1.00	0.50	0.93	0.56	0.20	0.07	0.00	0.42
HONNEYWELL	2015	0.50	0.25	0.18	1.00	0.33	0.93	0.56	0.20	0.07	0.00	0.40
HONNEYWELL	2016	0.50	0.25	0.18	1.00	0.67	0.93	0.67	0.20	0.07	0.00	0.45
HONNEYWELL	2017	0.50	0.25	0.18	1.00	0.83	0.92	0.67	0.20	0.07	0.00	0.46
IKEJA HOTEL	2012	0.50	0.25	0.00	0.00	0.50	0.87	0.00	0.20	0.07	0.00	0.24
IKEJA HOTEL	2013	0.50	0.25	0.18	1.00	0.50	0.87	0.56	0.20	0.07	0.44	0.46
IKEJA HOTEL	2014	0.50	0.25	0.18	1.00	0.67	0.87	0.56	0.20	0.07	0.44	0.47
IKEJA HOTEL	2015	0.50	0.25	0.18	1.00	0.67	0.88	0.56	0.20	0.07	0.44	0.47
IKEJA HOTEL	2016	0.50	0.25	0.18	1.00	0.67	0.88	0.56	0.20	0.07	0.44	0.47
IKEJA HOTEL	2017	0.50	0.25	0.18	1.00	0.83	0.88	0.56	0.20	0.07	0.56	0.50
INTER'NAL BREWERIES	2012	0.50	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.07
INTER'NAL BREWERIES	2013	0.50	0.19	0.18	0.00	0.83	0.89	0.44	0.00	0.05	0.56	0.36
INTER'NAL BREWERIES	2014	0.50	0.19	0.18	0.17	0.83	0.89	0.44	0.20	0.05	0.67	0.41
INTER'NAL BREWERIES	2015	0.50	0.19	0.18	0.17	0.83	0.89	0.44	0.10	0.05	0.56	0.39
INTER'NAL BREWERIES	2016	0.50	0.19	0.18	0.17	0.83	0.89	0.44	0.00	0.05	0.67	0.39
INTER'NAL BREWERIES	2017	0.50	0.19	0.18	0.17	0.83	0.89	0.56	0.00	0.05	0.67	0.40
JAPAUL OIL	2012	0.50	0.25	0.00	0.00	0.33	0.87	0.44	0.00	0.07	0.00	0.25
JAPAUL OIL	2013	0.50	0.25	0.18	0.22	0.67	0.87	0.78	0.50	0.07	0.67	0.47
JAPAUL OIL	2014	0.50	0.25	0.18	0.22	0.67	0.87	0.78	0.50	0.07	1.00	0.50
JAPAUL OIL	2015	0.50	0.25	0.18	0.22	0.67	0.87	0.78	0.40	0.07	1.00	0.49
JAPAUL OIL	2016	0.50	0.25	0.18	0.22	0.67	0.87	0.89	0.40	0.07	1.00	0.50
JAPAUL OIL	2017	0.50	0.25	0.18	0.22	0.83	0.87	0.89	0.40	0.07	1.00	0.52
JOHNHOLT PLC	2012	0.50	0.25	0.00	0.00	0.00	0.71	0.44	0.00	0.07	0.00	0.20
JOHNHOLT PLC	2013	0.50	0.25	0.18	0.00	0.67	0.90	0.78	0.00	0.07	0.67	0.40
JOHNHOLT PLC	2014	0.45	0.25	0.18	0.78	0.33	0.90	0.56	0.00	0.07	1.00	0.45
JOHNHOLT PLC	2015	0.45	0.25	0.18	0.78	0.67	0.90	0.56	0.30	0.07	0.22	0.44
JOHNHOLT PLC	2016	0.45	0.25	0.18	0.78	0.67	0.90	0.56	0.30	0.07	0.22	0.44
JOHNHOLT PLC	2017	0.45	0.25	0.18	0.78	0.67	0.90	0.67	0.30	0.07	1.00	0.53
JULIUS BERGER	2012	0.60	0.25	0.18	1.00	0.83	0.82	0.56	0.20	0.07	0.67	0.52
JULIUS BERGER	2013	0.55	0.25	0.18	1.00	0.83	0.90	0.56	0.40	0.07	0.67	0.54

JULIUS BERGER	2014	0.60	0.25	0.18	1.00	0.83	0.90	0.56	0.40	0.07	0.67	0.55
JULIUS BERGER	2015	0.60	0.25	0.18	1.00	0.83	0.90	0.56	0.40	0.07	0.67	0.55
JULIUS BERGER	2016	0.60	0.25	0.18	1.00	0.83	0.90	0.56	0.40	0.07	0.67	0.55
JULIUS BERGER	2017	0.55	0.25	0.18	1.00	0.83	0.90	0.56	0.40	0.07	1.00	0.57
LAFARGE WAPCO	2012	0.35	0.19	0.18	1.00	0.83	0.87	0.67	0.00	0.05	1.00	0.51
LAFARGE WAPCO	2013	0.35	0.19	0.18	1.00	0.83	0.87	0.44	0.30	0.05	0.22	0.44
LAFARGE WAPCO	2014	0.55	0.19	0.18	1.00	0.83	0.87	0.67	0.20	0.05	0.89	0.54
LAFARGE WAPCO	2015	0.55	0.19	0.18	1.00	0.83	0.87	0.67	0.20	0.05	1.00	0.55
LAFARGE WAPCO	2016	0.50	0.19	0.18	1.00	0.83	0.87	0.67	0.40	0.05	1.00	0.57
LAFARGE WAPCO	2017	0.50	0.19	0.18	1.00	0.83	0.87	0.67	0.40	0.05	1.00	0.57
MAY & BAKER	2012	0.55	0.19	0.18	0.09	0.67	0.88	0.67	0.30	0.05	1.00	0.46
MAY & BAKER	2013	0.55	0.19	0.00	0.09	0.33	0.88	0.67	0.00	0.05	1.00	0.38
MAY & BAKER	2014	0.45	0.19	0.18	0.09	0.67	0.88	0.67	0.40	0.05	1.00	0.46
MAY & BAKER	2015	0.45	0.19	0.18	0.09	0.67	0.88	0.67	0.40	0.05	1.00	0.46
MAY & BAKER	2016	0.50	0.19	0.18	0.09	0.67	0.88	0.67	0.40	0.05	1.00	0.46
MAY & BAKER	2017	0.50	0.19	0.18	0.09	0.67	0.88	0.67	0.50	0.05	0.78	0.45
MCNICHOLS	2012	0.45	0.19	0.00	0.00	0.00	0.02	0.00	0.00	0.05	0.00	0.07
MCNICHOLS	2013	0.45	0.19	0.00	0.00	0.00	0.83	0.00	0.00	0.05	0.00	0.15
MCNICHOLS	2014	0.45	0.19	0.00	0.00	0.17	0.88	0.44	0.00	0.05	0.00	0.22
MCNICHOLS	2015	0.50	0.19	0.00	0.00	0.83	0.88	0.67	0.00	0.05	0.00	0.31
MCNICHOLS	2016	0.50	0.19	0.00	0.00	0.83	0.88	0.67	0.00	0.05	0.00	0.31
MCNICHOLS	2017	0.50	0.19	0.00	0.00	0.67	0.88	0.67	0.00	0.05	0.00	0.30
MEYER PLC	2012	0.55	0.25	0.00	0.09	0.00	0.58	0.00	0.00	0.07	0.00	0.15
MEYER PLC	2013	0.55	0.25	0.00	0.09	0.17	0.80	0.44	0.00	0.07	0.00	0.24
MEYER PLC	2014	0.50	0.25	0.18	0.09	0.33	0.80	0.56	0.40	0.07	0.56	0.37
MEYER PLC	2015	0.50	0.25	0.18	0.09	0.33	0.80	0.56	0.00	0.07	0.44	0.32
MEYER PLC	2016	0.50	0.25	0.18	0.09	0.83	0.80	0.67	0.30	0.07	0.67	0.43
MEYER PLC	2017	0.50	0.25	0.18	0.09	0.50	0.80	0.67	0.30	0.07	0.67	0.40
MORISON INDUSTRIES LTD	2012	0.00	0.00	0.00	0.00	0.00	0.46	0.67	0.00	0.00	0.00	0.11
MORISON INDUSTRIES LTD	2013	0.00	0.00	0.00	0.00	0.00	0.46	0.67	0.00	0.00	0.00	0.11

MORISON INDUSTRIES LTD	2014	0.00	0.00	0.18	0.09	0.00	0.68	0.67	0.00	0.00	0.56	0.22
MORISON INDUSTRIES LTD	2015	0.00	0.00	0.18	0.09	0.00	0.76	0.67	0.00	0.00	0.56	0.22
MORISON INDUSTRIES LTD	2016	0.00	0.00	0.18	0.09	0.00	0.76	0.67	0.00	0.00	0.56	0.22
MORISON INDUSTRIES LTD	2017	0.00	0.00	0.18	0.09	0.00	0.76	0.67	0.00	0.00	0.56	0.22
MRS OIL NIG PLC	2012	0.50	0.06	0.00	0.91	0.83	0.81	0.67	0.20	0.02	1.00	0.50
MRS OIL NIG PLC	2013	0.50	0.06	0.18	0.91	0.83	0.77	0.67	0.20	0.02	1.00	0.51
MRS OIL NIG PLC	2014	0.50	0.63	0.18	0.91	0.83	0.79	0.67	0.20	0.17	1.00	0.59
MRS OIL NIG PLC	2015	0.50	0.63	0.18	0.91	0.83	0.77	0.67	0.20	0.17	1.00	0.59
MRS OIL NIG PLC	2016	0.50	0.63	0.18	0.91	0.83	0.77	0.67	0.20	0.17	1.00	0.59
MRS OIL NIG PLC	2017	0.50	0.63	0.18	0.91	0.67	0.77	0.67	0.20	0.17	1.00	0.57
MULTIVERSE	2012	0.40	0.19	0.00	0.00	0.00	0.76	0.00	0.00	0.05	0.00	0.14
MULTIVERSE	2013	0.40	0.19	0.18	0.09	0.50	0.76	0.67	0.30	0.05	0.89	0.40
MULTIVERSE	2014	0.40	0.19	0.35	0.09	0.67	0.79	0.67	0.30	0.05	0.89	0.44
MULTIVERSE	2015	0.40	0.19	0.18	0.09	0.67	0.79	0.67	0.00	0.05	0.89	0.39
MULTIVERSE	2016	0.40	0.19	0.18	0.09	0.67	0.79	0.67	0.00	0.05	0.89	0.39
MULTIVERSE	2017	0.40	0.19	0.18	0.09	0.67	0.79	0.67	0.00	0.05	0.89	0.39
NAHCO PLC	2012	0.50	0.19	0.18	0.00	0.17	0.64	0.44	0.00	0.05	0.00	0.22
NAHCO PLC	2013	0.50	0.19	0.18	0.00	0.83	0.65	0.56	0.30	0.05	0.78	0.40
NAHCO PLC	2014	0.50	0.19	0.18	0.00	0.83	0.83	0.56	0.30	0.05	0.78	0.42
NAHCO PLC	2015	0.50	0.19	0.18	0.00	0.83	0.90	0.56	0.30	0.05	0.78	0.43
NAHCO PLC	2016	0.50	0.19	0.18	0.00	0.67	0.90	0.56	0.20	0.05	1.00	0.42
NAHCO PLC	2017	0.50	0.19	0.18	0.00	0.83	0.90	0.67	0.20	0.05	1.00	0.45
NASCON PLC	2012	0.55	0.19	0.18	0.83	0.00	0.75	0.78	0.10	0.05	1.00	0.44
NASCON PLC	2013	0.55	0.19	0.18	0.83	0.83	0.75	0.67	0.20	0.05	1.00	0.52
NASCON PLC	2014	0.55	0.19	0.18	0.83	0.83	0.76	0.67	0.30	0.05	1.00	0.54
NASCON PLC	2015	0.55	0.19	0.18	0.83	0.83	0.76	0.44	0.40	0.05	1.00	0.52
NASCON PLC	2016	0.55	0.63	0.18	0.83	0.67	0.76	0.44	0.40	0.17	1.00	0.56
NASCON PLC	2017	0.55	0.63	0.18	0.83	0.33	0.76	0.56	0.40	0.17	1.00	0.54
NCR NIG. PLC	2012	0.45	0.19	0.00	0.00	0.17	0.54	0.44	0.00	0.05	0.11	0.19
NCR NIG. PLC	2013	0.45	0.19	0.00	0.00	0.00	0.56	0.00	0.00	0.05	0.00	0.12

NCR NIG. PLC	2014	0.50	0.19	0.00	0.00	0.00	0.74	0.44	0.00	0.05	0.11	0.20
NCR NIG. PLC	2015	0.50	0.19	0.18	0.96	0.83	0.85	0.67	0.20	0.05	1.00	0.54
NCR NIG. PLC	2016	0.50	0.19	0.18	0.96	0.83	0.85	0.67	0.30	0.05	1.00	0.55
NCR NIG. PLC	2017	0.50	0.19	0.18	0.96	0.83	0.85	0.56	0.30	0.05	1.00	0.54
NEIMETH INT. PHARMACEUTICAL PLC	2012	0.55	0.25	0.00	0.00	0.17	0.73	0.44	0.50	0.07	0.00	0.27
NEIMETH INT. PHARMACEUTICAL PLC	2013	0.55	0.25	0.18	0.13	0.67	0.76	0.67	0.50	0.07	0.44	0.42
NEIMETH INT. PHARMACEUTICAL PLC	2014	0.55	0.25	0.18	0.13	0.67	0.76	0.67	0.50	0.07	0.44	0.42
NEIMETH INT. PHARMACEUTICAL PLC	2015	0.55	0.25	0.18	0.13	0.67	0.79	0.67	0.50	0.07	0.44	0.42
NEIMETH INT. PHARMACEUTICAL PLC	2016	0.55	0.25	0.18	0.13	0.67	0.79	0.67	0.50	0.07	0.44	0.42
NEIMETH INT. PHARMACEUTICAL PLC	2017	0.55	0.25	0.18	0.13	0.67	0.79	0.67	0.50	0.07	0.22	0.40
NESTLE NIGERIA PLC	2012	0.50	0.19	0.18	0.91	0.83	0.67	0.67	0.40	0.05	0.56	0.50
NESTLE NIGERIA PLC	2013	0.50	0.19	0.18	0.91	0.83	0.70	0.67	0.50	0.05	0.56	0.51
NESTLE NIGERIA PLC	2014	0.50	0.19	0.18	0.91	0.83	0.76	0.67	0.50	0.05	0.56	0.51
NESTLE NIGERIA PLC	2015	0.50	0.19	0.18	0.91	0.67	0.79	0.67	0.40	0.05	0.56	0.49
NESTLE NIGERIA PLC	2016	0.50	0.19	0.18	0.91	0.67	0.82	0.67	0.40	0.05	0.56	0.49
NESTLE NIGERIA PLC	2017	0.50	0.19	0.18	0.91	0.67	0.82	0.67	0.40	0.05	0.56	0.49
NEWREST ASL NIG PLC	2012	0.40	0.25	0.00	0.00	0.33	0.68	0.44	0.50	0.07	0.00	0.27
NEWREST ASL NIG PLC	2013	0.40	0.25	0.00	0.00	0.17	0.70	0.78	0.50	0.07	0.33	0.32
NEWREST ASL NIG PLC	2014	0.55	0.25	0.00	0.00	0.17	0.73	0.78	0.50	0.07	0.33	0.34
NEWREST ASL NIG PLC	2015	0.55	0.25	0.18	0.83	0.83	0.90	0.78	0.50	0.07	0.33	0.52
NEWREST ASL NIG PLC	2016	0.55	0.25	0.18	0.83	0.83	0.93	0.78	0.50	0.07	0.33	0.52
NEWREST ASL NIG PLC	2017	0.55	0.25	0.18	0.83	0.83	0.93	0.78	0.50	0.07	0.33	0.52
NIGERIAN BREWERIES PLC	2012	0.50	0.63	0.18	0.96	0.83	0.93	0.67	0.00	0.17	0.89	0.57
NIGERIAN BREWERIES PLC	2013	0.50	0.63	0.18	0.96	0.83	0.93	0.67	0.00	0.17	0.89	0.57
NIGERIAN BREWERIES PLC	2014	0.50	0.63	0.18	0.96	0.83	0.93	0.67	0.00	0.17	0.89	0.57
NIGERIAN BREWERIES PLC	2015	0.50	0.63	0.18	0.96	0.83	0.93	0.67	0.00	0.17	0.89	0.57
NIGERIAN BREWERIES PLC	2016	0.50	0.63	0.18	0.96	0.83	0.93	0.67	0.00	0.17	0.89	0.57
NIGERIAN BREWERIES PLC	2017	0.50	0.63	0.18	0.96	0.83	0.93	0.67	0.00	0.17	0.89	0.57
NIGERIAN ENAMEL WARE PLC	2012	0.50	0.19	0.00	0.00	0.67	0.76	0.00	0.40	0.05	0.00	0.26
NIGERIAN ENAMEL WARE PLC	2013	0.50	0.19	0.18	0.26	0.67	0.77	0.67	0.40	0.05	1.00	0.47

NIGERIAN ENAMEL WARE PLC	2014	0.55	0.19	0.18	0.26	0.67	0.79	0.67	0.40	0.05	1.00	0.47
NIGERIAN ENAMEL WARE PLC	2015	0.55	0.19	0.18	0.26	0.83	0.79	0.67	0.40	0.05	1.00	0.49
NIGERIAN ENAMEL WARE PLC	2016	0.55	0.19	0.18	0.26	0.83	0.79	0.67	0.40	0.05	1.00	0.49
NIGERIAN ENAMEL WARE PLC	2017	0.55	0.19	0.18	0.26	0.83	0.79	0.67	0.40	0.05	1.00	0.49
NORTHERN NIG PLC	2012	0.55	0.19	0.00	0.00	0.00	0.75	0.00	0.00	0.05	0.00	0.15
NORTHERN NIG PLC	2013	0.55	0.19	0.18	0.96	0.67	0.76	0.67	0.00	0.05	1.00	0.50
NORTHERN NIG PLC	2014	0.50	0.19	0.18	0.96	0.67	0.76	0.67	0.00	0.05	1.00	0.50
NORTHERN NIG PLC	2015	0.50	0.19	0.00	0.00	0.00	0.76	0.56	0.00	0.05	1.00	0.31
NORTHERN NIG PLC	2016	0.55	0.19	0.18	0.96	0.67	0.76	0.56	0.30	0.05	1.00	0.52
NORTHERN NIG PLC	2017	0.55	0.19	0.18	0.96	0.67	0.76	0.56	0.30	0.05	1.00	0.52
OANDO NIG PLC	2012	0.50	0.19	0.18	1.00	0.83	0.87	0.78	0.50	0.05	0.44	0.53
OANDO NIG PLC	2013	0.50	0.19	0.18	1.00	0.83	0.87	0.78	0.50	0.05	0.44	0.53
OANDO NIG PLC	2014	0.50	0.19	0.18	1.00	0.67	0.87	0.78	0.50	0.05	0.44	0.52
OANDO NIG PLC	2015	0.50	0.19	0.18	1.00	0.67	0.88	0.78	0.50	0.05	0.44	0.52
OANDO NIG PLC	2016	0.50	0.19	0.18	1.00	0.67	0.88	0.78	0.50	0.05	0.44	0.52
OANDO NIG PLC	2017	0.50	0.19	0.18	1.00	0.83	0.88	0.78	0.50	0.05	0.44	0.54
OKOMU OIL PLC	2012	0.50	0.19	0.00	0.00	0.33	0.05	0.44	0.00	0.05	0.22	0.18
OKOMU OIL PLC	2013	0.50	0.19	0.00	0.00	0.00	0.05	0.44	0.00	0.05	0.22	0.15
OKOMU OIL PLC	2014	0.50	0.19	0.00	0.00	0.00	0.49	0.44	0.00	0.05	0.22	0.19
OKOMU OIL PLC	2015	0.50	0.19	0.18	1.00	0.50	0.87	0.56	0.20	0.05	0.67	0.47
OKOMU OIL PLC	2016	0.50	0.19	0.18	1.00	0.50	0.87	0.56	0.20	0.05	0.67	0.47
OKOMU OIL PLC	2017	0.50	0.19	0.18	1.00	0.50	0.87	0.56	0.20	0.05	0.67	0.47
PHARMA DECO PLC	2012	0.40	0.25	0.18	0.26	0.83	0.71	0.78	0.30	0.07	0.44	0.42
PHARMA DECO PLC	2013	0.40	0.25	0.18	0.26	0.83	0.71	0.78	0.30	0.07	0.44	0.42
PHARMA DECO PLC	2014	0.55	0.25	0.18	0.26	0.83	0.71	0.44	0.30	0.07	0.00	0.36
PHARMA DECO PLC	2015	0.55	0.25	0.18	0.26	0.83	0.71	0.89	0.30	0.07	0.44	0.45
PHARMA DECO PLC	2016	0.55	0.25	0.18	0.26	0.83	0.71	0.89	0.30	0.07	0.44	0.45
PHARMA DECO PLC	2017	0.55	0.25	0.18	0.26	0.83	0.71	0.78	0.30	0.07	0.44	0.44
PORTLAND PAINT	2012	0.55	0.19	0.00	0.00	0.17	0.74	0.67	0.00	0.05	1.00	0.34
PORTLAND PAINT	2013	0.55	0.19	0.18	0.00	0.83	0.74	0.67	0.30	0.05	1.00	0.45

PORTLAND PAINT	2014	0.55	0.19	0.18	0.00	0.83	0.74	0.67	0.30	0.05	1.00	0.45
PORTLAND PAINT	2015	0.55	0.19	0.18	0.00	0.67	0.74	0.67	0.30	0.05	1.00	0.43
PORTLAND PAINT	2016	0.55	0.19	0.18	0.00	0.83	0.74	0.67	0.30	0.05	1.00	0.45
PORTLAND PAINT	2017	0.55	0.19	0.18	0.00	0.50	0.74	0.67	0.30	0.05	1.00	0.42
PREMIER PAINTS	2012	0.40	0.19	0.00	0.00	0.00	0.83	0.44	0.00	0.05	0.00	0.19
PREMIER PAINTS	2013	0.50	0.19	0.00	0.00	0.00	0.85	0.44	0.00	0.05	0.00	0.20
PREMIER PAINTS	2014	0.55	0.63	0.00	0.00	0.00	0.85	0.44	0.00	0.17	0.00	0.26
PREMIER PAINTS	2015	0.55	0.63	0.18	0.00	0.83	0.85	0.56	0.00	0.17	0.44	0.42
PREMIER PAINTS	2016	0.55	0.63	0.18	0.00	0.83	0.80	0.56	0.00	0.17	0.44	0.42
PREMIER PAINTS	2017	0.55	0.63	0.18	0.00	0.83	0.80	0.56	0.00	0.17	0.44	0.42
PRESCO PLC	2012	0.50	0.19	0.00	0.00	0.00	0.76	0.67	0.00	0.05	0.22	0.24
PRESCO PLC	2013	0.50	0.19	0.18	0.00	0.00	0.76	0.67	0.00	0.05	0.89	0.32
PRESCO PLC	2014	0.50	0.19	0.18	1.00	0.00	0.76	0.67	0.00	0.05	0.89	0.42
PRESCO PLC	2015	0.50	0.19	0.18	1.00	0.00	0.76	0.67	0.00	0.05	0.89	0.42
PRESCO PLC	2016	0.50	0.19	0.00	1.00	0.00	0.76	0.67	0.00	0.05	0.89	0.41
PRESCO PLC	2017	0.50	0.19	0.18	1.00	0.00	0.76	0.67	0.00	0.05	0.89	0.42
PZ CUSSONS PLC	2012	0.50	0.19	0.18	0.00	0.83	0.71	0.67	0.50	0.05	1.00	0.46
PZ CUSSONS PLC	2013	0.50	0.19	0.18	0.00	0.83	0.83	0.67	0.50	0.05	1.00	0.47
PZ CUSSONS PLC	2014	0.45	0.19	0.18	0.00	0.83	0.83	0.67	0.50	0.05	1.00	0.47
PZ CUSSONS PLC	2015	0.45	0.19	0.18	0.00	0.83	0.83	0.67	0.40	0.05	1.00	0.46
PZ CUSSONS PLC	2016	0.50	0.19	0.18	0.00	0.83	0.83	0.67	0.50	0.05	1.00	0.47
PZ CUSSONS PLC	2017	0.50	0.19	0.18	0.00	0.83	0.83	0.67	0.50	0.05	1.00	0.47
R.T. BRISCOE PLC	2012	0.55	0.19	0.00	1.00	0.00	0.89	0.44	0.00	0.05	0.11	0.32
R.T. BRISCOE PLC	2013	0.55	0.19	0.18	1.00	0.33	0.89	0.56	0.20	0.05	0.11	0.41
R.T. BRISCOE PLC	2014	0.50	0.63	0.00	1.00	0.00	0.89	0.67	0.00	0.17	0.11	0.40
R.T. BRISCOE PLC	2015	0.50	0.63	0.18	1.00	0.67	0.90	0.44	0.30	0.17	0.11	0.49
R.T. BRISCOE PLC	2016	0.50	0.63	0.18	1.00	0.67	0.90	0.67	0.30	0.17	1.00	0.60
R.T. BRISCOE PLC	2017	0.50	0.63	0.18	1.00	0.67	0.90	0.67	0.30	0.17	1.00	0.60
Red Star Express	2012	0.55	0.50	0.00	0.78	0.83	0.69	0.00	0.00	0.14	0.00	0.35
Red Star Express	2013	0.55	0.50	0.18	0.78	0.67	0.69	0.44	0.30	0.14	0.56	0.48

Red Star Express	2014	0.55	0.50	0.18	1.00	0.67	0.69	0.56	0.40	0.14	0.67	0.53
Red Star Express	2015	0.55	0.50	0.18	1.00	0.83	0.69	0.67	0.40	0.14	0.67	0.56
Red Star Express	2016	0.55	0.50	0.18	1.00	0.83	0.69	0.56	0.50	0.14	0.78	0.57
Red Star Express	2017	0.55	0.50	0.18	1.00	0.83	0.69	0.56	0.50	0.14	0.67	0.56
SECURE ELECTRIC PLC	2012	0.45	0.19	0.00	0.00	0.00	0.70	0.44	0.00	0.05	0.00	0.18
SECURE ELECTRIC PLC	2013	0.45	0.19	0.00	0.00	0.17	0.70	0.44	0.00	0.05	0.00	0.20
SECURE ELECTRIC PLC	2014	0.45	0.19	0.00	0.00	0.17	0.70	0.44	0.00	0.05	0.00	0.20
SECURE ELECTRIC PLC	2015	0.45	0.19	0.00	0.13	0.00	0.73	0.00	0.00	0.05	0.00	0.15
SECURE ELECTRIC PLC	2016	0.45	0.19	0.18	0.13	0.50	0.73	0.67	0.00	0.05	0.00	0.29
SECURE ELECTRIC PLC	2017	0.45	0.19	0.18	0.13	0.50	0.73	0.67	0.00	0.05	0.00	0.29
SKY SHELTER PLC	2012	0.50	0.63	0.18	0.00	0.33	0.50	0.00	0.00	0.17	0.00	0.23
SKY SHELTER PLC	2013	0.50	0.63	0.00	0.00	0.33	0.50	0.11	0.00	0.17	0.00	0.22
SKY SHELTER PLC	2014	0.50	0.63	0.18	0.00	0.33	0.50	0.11	0.00	0.17	0.00	0.24
SKY SHELTER PLC	2015	0.50	0.63	0.18	0.00	0.33	0.50	0.11	0.00	0.17	0.00	0.24
SKY SHELTER PLC	2016	0.50	0.63	0.18	0.00	0.33	0.50	0.11	0.00	0.17	0.00	0.24
SKY SHELTER PLC	2017	0.50	0.63	0.18	0.00	0.33	0.50	0.11	0.00	0.17	0.00	0.24
SMART PRODUCT PLC	2012	0.50	0.63	0.00	0.00	0.00	0.50	0.67	0.00	0.17	0.89	0.34
SMART PRODUCT PLC	2013	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.89	0.44
SMART PRODUCT PLC	2014	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.89	0.44
SMART PRODUCT PLC	2015	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.89	0.44
SMART PRODUCT PLC	2016	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.89	0.44
SMART PRODUCT PLC	2017	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.89	0.44
STUDIO PRESS PLC	2012	0.50	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.10
STUDIO PRESS PLC	2013	0.50	0.00	0.00	0.00	0.33	0.50	0.44	0.00	0.00	0.00	0.18
STUDIO PRESS PLC	2014	0.50	0.63	0.00	0.00	0.00	0.50	0.44	0.00	0.17	0.00	0.22
STUDIO PRESS PLC	2015	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.00	0.35
STUDIO PRESS PLC	2016	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.00	0.35
STUDIO PRESS PLC	2017	0.50	0.63	0.18	0.00	0.83	0.50	0.67	0.00	0.17	0.00	0.35
TANTALIZER PLC	2012	0.60	0.19	0.00	0.00	0.00	0.43	0.44	0.00	0.05	0.00	0.17
TANTALIZER PLC	2013	0.55	0.19	0.00	0.00	0.17	0.43	0.44	0.00	0.05	0.00	0.18

TANTALIZER PLC	2014	0.50	0.63	0.00	0.00	0.00	0.51	0.44	0.00	0.17	0.00	0.23
TANTALIZER PLC	2015	0.55	0.63	0.00	0.00	0.33	0.69	0.00	0.00	0.17	0.00	0.24
TANTALIZER PLC	2016	0.55	0.63	0.00	0.00	0.33	0.69	0.56	0.00	0.17	0.00	0.29
TANTALIZER PLC	2017	0.55	0.63	0.00	0.00	0.33	0.69	0.67	0.00	0.17	0.00	0.30
THOMAS WYATT	2012	0.50	0.63	0.00	0.22	0.33	0.44	0.67	0.00	0.17	0.44	0.34
THOMAS WYATT	2013	0.50	0.63	0.18	0.22	0.50	0.52	0.56	0.00	0.17	0.56	0.38
THOMAS WYATT	2014	0.50	0.63	0.18	0.22	0.67	0.81	0.56	0.00	0.17	0.56	0.43
THOMAS WYATT	2015	0.50	0.63	0.18	0.22	0.67	0.80	0.56	0.00	0.17	0.56	0.43
THOMAS WYATT	2016	0.50	0.63	0.18	0.22	0.67	0.80	0.56	0.00	0.17	0.56	0.43
THOMAS WYATT	2017	0.50	0.63	0.18	0.22	0.67	0.80	0.56	0.00	0.17	0.56	0.43
TOTAL NIG PLC	2012	0.50	0.19	0.18	0.04	0.83	0.62	0.44	0.30	0.05	0.89	0.40
TOTAL NIG PLC	2013	0.50	0.19	0.18	0.04	0.00	0.74	0.67	0.10	0.05	0.89	0.34
TOTAL NIG PLC	2014	0.50	0.19	0.18	0.04	0.83	0.77	0.67	0.30	0.05	0.89	0.44
TOTAL NIG PLC	2015	0.50	0.19	0.18	0.04	0.67	0.77	0.67	0.30	0.05	0.89	0.43
TOTAL NIG PLC	2016	0.50	0.19	0.18	0.04	0.83	0.77	0.67	0.10	0.05	0.89	0.42
TOTAL NIG PLC	2017	0.50	0.19	0.18	0.04	0.83	0.77	0.67	0.40	0.05	0.89	0.45
TOURIST PLC	2012	0.40	0.25	0.00	0.04	0.83	0.67	0.67	0.30	0.07	0.44	0.37
TOURIST PLC	2013	0.40	0.25	0.24	0.04	0.50	0.73	0.67	0.40	0.07	1.00	0.43
TOURIST PLC	2014	0.40	0.25	0.18	0.04	0.50	0.73	0.67	0.40	0.07	1.00	0.42
TOURIST PLC	2015	0.40	0.25	0.18	0.04	0.83	0.77	0.67	0.40	0.07	0.89	0.45
TOURIST PLC	2016	0.40	0.25	0.18	0.04	0.17	0.77	0.67	0.00	0.07	0.89	0.34
TOURIST PLC	2017	0.40	0.25	0.18	0.04	0.83	0.77	0.56	0.40	0.07	0.00	0.35
TRANS NATION WIDE EXP	2012	0.55	0.19	0.00	0.00	0.17	0.51	0.44	0.00	0.05	0.00	0.19
TRANS NATION WIDE EXP	2013	0.55	0.19	0.00	0.00	0.17	0.67	0.44	0.00	0.05	0.00	0.21
TRANS NATION WIDE EXP	2014	0.55	0.19	0.00	0.00	0.67	0.70	0.56	0.00	0.05	0.00	0.27
TRANS NATION WIDE EXP	2015	0.55	0.19	0.00	0.00	0.67	0.70	0.56	0.00	0.05	0.00	0.27
TRANS NATION WIDE EXP	2016	0.55	0.19	0.00	0.00	0.67	0.70	0.56	0.00	0.05	0.00	0.27
TRANS NATION WIDE EXP	2017	0.55	0.19	0.00	0.00	0.83	0.70	0.56	0.00	0.05	0.00	0.29
TRANSNATIONAL PLC	2012	0.55	0.19	0.18	0.30	0.83	0.71	0.67	0.50	0.05	1.00	0.50
TRANSNATIONAL PLC	2013	0.55	0.19	0.18	0.30	0.83	0.76	0.67	0.50	0.05	1.00	0.50

TRANSNATIONAL PLC	2014	0.55	0.19	0.18	0.30	0.17	0.76	0.67	0.50	0.05	1.00	0.44
TRANSNATIONAL PLC	2015	0.55	0.19	0.18	0.30	0.67	0.76	0.67	0.50	0.05	0.44	0.43
TRANSNATIONAL PLC	2016	0.55	0.19	0.18	0.30	0.67	0.76	0.67	0.50	0.05	1.00	0.49
TRANSNATIONAL PLC	2017	0.55	0.19	0.18	0.30	0.83	0.76	0.67	0.50	0.05	1.00	0.50
TRIPPLE GEE PLC	2012	0.50	0.19	0.00	0.00	0.00	0.73	0.00	0.00	0.05	0.00	0.15
TRIPPLE GEE PLC	2013	0.50	0.19	0.00	0.17	0.33	0.79	0.67	0.00	0.05	0.11	0.28
TRIPPLE GEE PLC	2014	0.50	0.19	0.00	0.17	0.33	0.79	0.67	0.00	0.05	0.11	0.28
TRIPPLE GEE PLC	2015	0.50	0.19	0.00	0.17	0.83	0.79	0.67	0.00	0.05	0.11	0.33
TRIPPLE GEE PLC	2016	0.50	0.19	0.00	0.17	0.83	0.79	0.67	0.00	0.05	0.11	0.33
TRIPPLE GEE PLC	2017	0.50	0.19	0.00	0.17	0.83	0.79	0.67	0.00	0.05	0.11	0.33
UACN PLC	2012	0.50	0.19	0.18	0.04	0.83	0.75	0.89	0.40	0.05	0.44	0.43
UACN PLC	2013	0.50	0.19	0.18	0.04	0.50	0.81	0.89	0.40	0.05	0.44	0.40
UACN PLC	2014	0.50	0.19	0.18	0.04	0.83	0.81	0.89	0.40	0.05	0.44	0.43
UACN PLC	2015	0.50	0.19	0.18	0.04	0.67	0.81	0.89	0.40	0.05	0.44	0.42
UACN PLC	2016	0.55	0.19	0.18	0.04	0.83	0.81	0.89	0.40	0.05	0.44	0.44
UACN PLC	2017	0.55	0.19	0.18	0.04	0.83	0.81	0.89	0.40	0.05	0.44	0.44
UACN PROPERTY	2012	0.35	0.19	0.00	0.00	0.17	0.50	0.44	0.00	0.05	0.00	0.17
UACN PROPERTY	2013	0.35	0.19	0.00	0.00	0.17	0.51	0.44	0.50	0.05	0.00	0.22
UACN PROPERTY	2014	0.40	0.19	0.18	0.04	0.50	0.74	0.67	0.50	0.05	1.00	0.43
UACN PROPERTY	2015	0.60	0.19	0.18	0.04	0.50	0.79	0.67	0.50	0.05	1.00	0.45
UACN PROPERTY	2016	0.50	0.19	0.18	0.04	0.67	0.77	0.67	0.50	0.05	1.00	0.46
UACN PROPERTY	2017	0.50	0.19	0.18	0.04	0.83	0.79	0.89	0.50	0.05	1.00	0.50
UNILEVER NIGERIA PLC	2012	0.40	0.19	0.18	0.96	0.83	0.68	0.89	0.30	0.05	0.89	0.54
UNILEVER NIGERIA PLC	2013	0.40	0.19	0.00	0.96	0.00	0.68	0.89	0.40	0.05	0.89	0.45
UNILEVER NIGERIA PLC	2014	0.50	0.63	0.18	0.96	0.83	0.80	0.89	0.40	0.17	0.89	0.62
UNILEVER NIGERIA PLC	2015	0.50	0.63	0.18	0.96	0.83	0.80	0.89	0.40	0.17	0.89	0.62
UNILEVER NIGERIA PLC	2016	0.50	0.63	0.18	0.96	0.83	0.80	0.89	0.40	0.17	0.89	0.62
UNILEVER NIGERIA PLC	2017	0.50	0.63	0.18	0.96	0.83	0.80	0.89	0.40	0.17	0.89	0.62
UNION DICON SALT	2012	0.45	0.19	0.18	0.09	0.67	0.79	0.56	0.00	0.05	0.56	0.35
UNION DICON SALT	2013	0.45	0.19	0.18	0.09	0.67	0.79	0.56	0.00	0.05	0.56	0.35

UNION DICON SALT	2014	0.50	0.19	0.18	0.09	0.67	0.79	0.56	0.00	0.05	0.56	0.36
UNION DICON SALT	2015	0.50	0.19	0.18	0.09	0.67	0.79	0.56	0.00	0.05	0.56	0.36
UNION DICON SALT	2016	0.45	0.19	0.18	0.09	0.67	0.79	0.56	0.00	0.05	0.56	0.35
UNION DICON SALT	2017	0.45	0.19	0.18	0.09	0.67	0.79	0.56	0.00	0.05	0.56	0.35
UNION HOMES	2012	0.50	0.63	0.00	0.00	0.33	0.75	0.56	0.00	0.17	0.56	0.35
UNION HOMES	2013	0.50	0.63	0.00	0.00	0.33	0.80	0.56	0.00	0.17	0.56	0.35
UNION HOMES	2014	0.50	0.63	0.00	0.00	0.33	0.80	0.56	0.00	0.17	0.56	0.35
UNION HOMES	2015	0.50	0.63	0.00	0.00	0.33	0.80	0.56	0.00	0.17	0.56	0.35
UNION HOMES	2016	0.50	0.63	0.00	0.00	0.33	0.80	0.56	0.00	0.17	0.56	0.35
UNION HOMES	2017	0.50	0.63	0.00	0.00	0.33	0.80	0.56	0.00	0.17	0.56	0.35
VITAFOAMS PLC	2012	0.55	0.19	0.00	0.00	0.00	0.90	0.78	0.00	0.05	0.78	0.32
VITAFOAMS PLC	2013	0.55	0.19	0.00	0.00	0.33	0.90	0.78	0.00	0.05	0.78	0.36
VITAFOAMS PLC	2014	0.55	0.19	0.18	1.00	0.67	0.90	0.78	0.30	0.05	0.78	0.54
VITAFOAMS PLC	2015	0.55	0.19	0.18	1.00	0.83	0.90	0.78	0.40	0.05	0.78	0.57
VITAFOAMS PLC	2016	0.55	0.19	0.18	1.00	0.83	0.90	0.78	0.40	0.05	0.78	0.57
VITAFOAMS PLC	2017	0.55	0.19	0.18	1.00	0.83	0.90	0.78	0.40	0.05	0.78	0.57

APPENDIX IV: Statistical Results

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. reg comdex age1 liq lev logsize prof audqua intlst capint acctyrend1
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Source	SS	df	MS		
				Number of obs	= 522
				F(9, 512)	= 22.18
Model	2.35130811	9	.261256457	Prob > F	= 0.0000
Residual	6.03066504	512	.011778643	R-squared	= 0.2805
				Adj R-squared	= 0.2679
Total	8.38197315	521	.01608824	Root MSE	= .10853

comdex	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
age1	.0008184	.000275	2.98	0.003	.0002782	.0013585
liq	-.0056031	.0018265	-3.07	0.002	-.0091914	-.0020148
lev	-.0010223	.0006465	-1.58	0.114	-.0022925	.0002478
logsize	.0020423	.0015785	1.29	0.196	-.0010588	.0051434
prof	.0060927	.0050622	1.20	0.229	-.0038526	.016038
audqua	.0737038	.0106348	6.93	0.000	.0528105	.0945971
intlst	.0564471	.015304	3.69	0.000	.0263806	.0865135
capint	-.0687949	.0177583	-3.87	0.000	-.103683	-.0339067
acctyrend1	.0049765	.0123828	0.40	0.688	-.0193508	.0293038
_cons	.3349631	.0337396	9.93	0.000	.268678	.4012482

```
F test that all u_i=0: F(86, 427) = 11.69                     Prob > F = 0.0000
```

```
Fixed-effects (within) regression               Number of obs      =       522
Group variable: firmid                          Number of groups   =        87

R-sq:                                           Obs per group:
     within  = 0.3581                                         min =         6
     between = 0.0865                                         avg =       6.0
     overall = 0.0713                                         max =         6

                                                F(7,86)            =         .
corr(u_i, Xb)  = -0.9774                        Prob > F           =         .

                                  (Std. Err. adjusted for 87 clusters in firmid)
```

comdex	Coef.	Robust Std. Err.	t	P>|t|	[95% Conf.	Interval]
age1	.0257754	.0024562	10.49	0.000	.0208926	.0306582
liq	.0019381	.000973	1.99	0.050	3.83e-06	.0038724
lev	.0000475	.0003658	0.13	0.897	-.0006797	.0007748
logsize	-.0052331	.0015867	-3.30	0.001	-.0083874	-.0020789
prof	.0068977	.0044383	1.55	0.124	-.0019254	.0157208
audqua	-.0100862	.0168955	-0.60	0.552	-.0436733	.023501
intlst	0	(omitted)				
capint	-.0175109	.0097637	-1.79	0.076	-.0369204	.0018986
acctyrend1	-.0214428	.0018165	-11.80	0.000	-.025054	-.0178317
_cons	-.5115702	.096462	-5.30	0.000	-.7033303	-.3198102
sigma_u	.50693868					
sigma_e	.06573783					
rho	.98346221	(fraction of variance due to u_i)				

```
Random-effects GLS regression                   Number of obs     =       522
Group variable: firmid                          Number of groups  =        87

R-sq:                                           Obs per group:
     within  = 0.0034                                         min =         6
     between = 0.3864                                         avg =       6.0
     overall = 0.2465                                         max =         6

                                                Wald chi2(9)      =     54.36
corr(u_i, X)   = 0 (assumed)                    Prob > chi2       =    0.0000

                                  (Std. Err. adjusted for 87 clusters in firmid)
------------------------------------------------------------------------------
             |               Robust
      comdex |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         age |    .000759   .0005398     1.41   0.160     -.000299     .001817
         liq |  -.0011865   .0021865    -0.54   0.587    -.0054719     .003099
         lev |  -.0001066   .0002777    -0.38   0.701    -.0006508    .0004377
     logsize |   .0026339    .002666     0.99   0.323    -.0025914    .0078591
        prof |   .0076354   .0052477     1.46   0.146    -.0026498    .0179207
      audqua |   .0387584    .021176     1.83   0.067    -.0027459    .0802626
      intlst |   .0703676   .0247775     2.84   0.005     .0218046    .1189306
      capint |  -.0538305   .0199906    -2.69   0.007    -.0930114   -.0146496
  acctyrend1 |   .0062712   .0209734     0.30   0.765    -.0348359    .0473783
       _cons |    .322626   .0577561     5.59   0.000     .2094262    .4358258
-------------+----------------------------------------------------------------
     sigma_u |  .07188599
     sigma_e |  .08115957
         rho |  .43962805   (fraction of variance due to u_i)
------------------------------------------------------------------------------

Wooldridge test for autocorrelation in panel data
H0: no first-order autocorrelation
    F(  1,      86) =    192.734
           Prob > F =      0.0000


RE GLS regression with AR(1) disturbances       Number of obs     =       522
Group variable: firmid                          Number of groups  =        87

R-sq:                                           Obs per group:
     within  = 0.0000                                         min =         6
     between = 0.3865                                         avg =       6.0
     overall = 0.2432                                         max =         6

                                                Wald chi2(10)     =     49.08
corr(u_i, Xb)      = 0 (assumed)                Prob > chi2       =    0.0000

------------------------------------------------------------------------------
      comdex |      Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         age |   .0006913   .0004853     1.42   0.154    -.0002599    .0016425
         liq |  -.0007157   .0017884    -0.40   0.689    -.0042209    .0027894
         lev |  -3.11e-06   .0004654    -0.01   0.995    -.0009152     .000909
     logsize |   .0012676   .0023353     0.54   0.587    -.0033095    .0058448
        prof |   .0058729   .0032948     1.78   0.075    -.0005847    .0123305
      audqua |   .0548725   .0143526     3.82   0.000     .0267419    .0830031
      intlst |   .0734445   .0270178     2.72   0.007     .0204906    .1263984
      capint |  -.0215738   .0157238    -1.37   0.170    -.0523918    .0092442
  acctyrend1 |   .0101067   .0209153     0.48   0.629    -.0308864    .0510999
       _cons |   .3139737   .0511966     6.13   0.000     .2136303    .4143172
-------------+----------------------------------------------------------------
      rho_ar |  .52573653   (estimated autocorrelation coefficient)
     sigma_u |  .05531376
     sigma_e |  .07547855
     rho_fov |  .34940541   (fraction of variance due to u_i)
       theta |  .29158184
------------------------------------------------------------------------------
```

Source	SS	df	MS	Number of obs	=	434
				F(11, 422)	=	11.60
Model	1.37011854	11	.124556231	Prob > F	=	0.0000
Residual	4.52992554	422	.010734421	R-squared	=	0.2322
				Adj R-squared	=	0.2122
Total	5.90004408	433	.013625968	Root MSE	=	.10361

comdex	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
bdsz	.0073028	.0020688	3.53	0.000	.0032364	.0113693
bdind	.1942524	.0516767	3.76	0.000	.0926765	.2958282
bdtard	-.007516	.0040919	-1.84	0.067	-.015559	.000527
fbm	.086412	.0275057	3.14	0.002	.0323467	.1404772
bdgd	-.0052533	.0493366	-0.11	0.915	-.1022294	.0917228
bddilbdmet	.0122257	.0022277	5.49	0.000	.007847	.0166045
damet	.0009736	.0046475	0.21	0.834	-.0081615	.0101088
acexp	.0473327	.018794	2.52	0.012	.0103912	.0842742
dacind	-.055671	.0337977	-1.65	0.100	-.1221038	.0107618
dacgd	.0870811	.0424784	2.05	0.041	.0035854	.1705767
acctyrend1	.0169461	.0125689	1.35	0.178	-.0077593	.0416515
_cons	.2692806	.0216639	12.43	0.000	.2266981	.3118631

F test that all u_i=0: F(86, 336) = 9.42 Prob > F = 0.0000

Fixed-effects (within) regression Number of obs = 434
Group variable: firmid Number of groups = 87

R-sq: Obs per group:
within = 0.0965 min = 4
between = 0.1781 avg = 5.0
overall = 0.1583 max = 5

F(10,86) = .
corr(u_i, Xb) = 0.0019 Prob > F = .

(Std. Err. adjusted for 87 clusters in firmid)

comdex	Coef.	Robust Std. Err.	t	P>|t|	[95% Conf.	Interval]
bdsz	.0008668	.0039233	0.22	0.826	-.0069324	.008666
bdind	-.0087373	.0548217	-0.16	0.874	-.1177191	.1002446
bdtard	-.0027989	.0048458	-0.58	0.565	-.012432	.0068341
fbm	.1361231	.0572841	2.38	0.020	.022246	.2500002
bdgd	.0310287	.0729062	0.43	0.671	-.113904	.1759614
bddilbdmet	.0072774	.0035425	2.05	0.043	.0002351	.0143197
damet	-.0005568	.0022994	-0.24	0.809	-.0051278	.0040142
acexp	.0550086	.0527831	1.04	0.300	-.0499207	.1599379
dacind	-.0002819	.0197704	-0.01	0.989	-.0395842	.0390204
dacgd	.068129	.0333763	2.04	0.044	.001779	.1344789
acctyrend1	-.0019208	.0121582	-0.16	0.875	-.0260906	.022249
_cons	.3523866	.0404593	8.71	0.000	.2719561	.4328171
sigma_u	.09204468					
sigma_e	.06285775					
rho	.68196133	(fraction of variance due to u_i)				

```
Random-effects GLS regression                   Number of obs     =       434
Group variable: firmid                          Number of groups  =        87

R-sq:                                           Obs per group:
     within  = 0.0900                                         min =         4
     between = 0.2460                                         avg =       5.0
     overall = 0.2067                                         max =         5

                                                Wald chi2(11)     =     51.40
corr(u_i, X)   = 0 (assumed)                    Prob > chi2       =    0.0000

                                (Std. Err. adjusted for 87 clusters in firmid)
```

comdex	Coef.	Robust Std. Err.	z	P>|z|	[95% Conf.	Interval]
bdsz	.0037925	.0030444	1.25	0.213	-.0021744	.0097595
bdind	.0491797	.0512689	0.96	0.337	-.0513054	.1496649
bdtard	-.0033315	.0039623	-0.84	0.400	-.0110975	.0044344
fbm	.1115493	.045781	2.44	0.015	.0218202	.2012784
bdgd	.0305689	.0649283	0.47	0.638	-.0966883	.1578261
bddilbdmet	.0093954	.0028026	3.35	0.001	.0039024	.0148885
damet	-.0005992	.0022819	-0.26	0.793	-.0050716	.0038733
acexp	.0499812	.0292938	1.71	0.088	-.0074337	.1073961
dacind	-.0120884	.0185837	-0.65	0.515	-.0485117	.024335
dacgd	.065991	.0324828	2.03	0.042	.0023258	.1296562
acctyrend1	.0143327	.0206673	0.69	0.488	-.0261745	.0548399
_cons	.3089769	.0355195	8.70	0.000	.23936	.3785938
sigma_u	.08451456					
sigma_e	.06285775					
rho	.64384668	(fraction of variance due to u_i)				

	Coefficients (b) fe	(B) re	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
bdsz	.0008668	.0037925	-.0029258	.0020461
bdind	-.0087373	.0491797	-.057917	.0257696
bdtard	-.0027989	-.0033315	.0005326	.003625
fbm	.1361231	.1115493	.0245737	.0302068
bdgd	.0310287	.0305689	.0004599	.0362497
bddilbdmet	.0072774	.0093954	-.002118	.0015741
damet	-.0005568	-.0005992	.0000424	.0004844
acexp	.0550086	.0499812	.0050274	.0247701
dacind	-.0002819	-.0120884	.0118065	.0043703
dacgd	.068129	.065991	.002138	.0089817
acctyrend1	-.0019208	.0143327	-.0162535	.0540045

```
                b = consistent under Ho and Ha; obtained from xtreg
 B = inconsistent under Ha, efficient under Ho; obtained from xtreg

    Test:  Ho:  difference in coefficients not systematic

                chi2(11) = (b-B)'[(V_b-V_B)^(-1)](b-B)
                         =       14.74
              Prob>chi2 =      0.1946

Wooldridge test for autocorrelation in panel data
H0: no first-order autocorrelation
    F(  1,      86) =     69.418
           Prob > F =      0.0000
```

RE GLS regression with AR(1) disturbances — Number of obs = 434
Group variable: firmid — Number of groups = 87

R-sq:
within = 0.0842
between = 0.2543
overall = 0.2117

Obs per group:
min = 4
avg = 5.0
max = 5

Wald chi2(12) = 50.98
corr(u_i, Xb) = 0 (assumed) — Prob > chi2 = 0.0000

theta

min	5%	median	95%	max
0.4697	0.5005	0.5005	0.5005	0.5005

comdex	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
bdsz	.0048528	.0025772	1.88	0.060	-.0001983	.009904
bdind	.0486348	.0511119	0.95	0.341	-.0515427	.1488124
bdtard	-.0020124	.0044004	-0.46	0.647	-.010637	.0066122
fbm	.0942473	.0350622	2.69	0.007	.0255267	.1629679
bdgd	.0235263	.0554306	0.42	0.671	-.0851157	.1321683
bddilbdmet	.0082885	.0023692	3.50	0.000	.003645	.012932
damet	-.0002138	.0025011	-0.09	0.932	-.0051158	.0046882
acexp	.0458794	.0242948	1.89	0.059	-.0017374	.0934963
dacind	-.0216476	.019078	-1.13	0.257	-.0590399	.0157446
dacgd	.0464319	.0251402	1.85	0.065	-.002842	.0957058
acctyrend1	.0143872	.0213154	0.67	0.500	-.0273901	.0561646
_cons	.3047839	.0312588	9.75	0.000	.2435178	.36605
rho_ar	.45233083	(estimated autocorrelation coefficient)				
sigma_u	.07425874					
sigma_e	.0604753					
rho_fov	.60124153	(fraction of variance due to u_i)				

Summary of COMDEX

sectorid	Mean	Std. Dev.	Freq.
1	.25166666	.10842454	18
2	.45	.10718981	30
3	.37722222	.11430813	36
4	.47156863	.11239732	102
5	.38571428	.12511736	42
6	.37194445	.11047481	36
7	.4022619	.12238937	84
8	.38208333	.10794439	24
9	.42199999	.1325474	60
10	.37366666	.12367454	90
Total	.40461686	.12683943	522

Analysis of Variance

Source	SS	df	MS	F	Prob > F
Between groups	1.13754363	9	.126393737	8.93	0.0000
Within groups	7.24442952	512	.014149276		
Total	8.38197315	521	.01608824		

Bartlett's test for equal variances: chi2(9) = 4.4410 Prob>chi2 = 0.880

Row Mean-Col Mean	1	2	3	4	5	6
2	.198333					
	0.000					
3	.125556	-.072778				
	0.013	0.614				
4	.219902	.021569	.094346			
	0.000	1.000	0.002			
5	.134048	-.064286	.008492	-.085854		
	0.003	1.000	1.000	0.004		
6	.120278	-.078056	-.005278	-.099624	-.01377	
	0.023	0.369	1.000	0.001	1.000	
7	.150595	-.047738	.02504	-.069307	.016548	.030317
	0.000	1.000	1.000	0.004	1.000	1.000
8	.130417	-.067917	.004861	-.089485	-.003631	.010139
	0.021	1.000	1.000	0.044	1.000	1.000
9	.170333	-.028	.044778	-.049569	.036286	.050056
	0.000	1.000	1.000	0.482	1.000	1.000
10	.122	-.076333	-.003556	-.097902	-.012048	.001722
	0.004	0.110	1.000	0.000	1.000	1.000

Row Mean-Col Mean	7	8	9
8	-.020179		
	1.000		
9	.019738	.039917	
	1.000	1.000	
10	-.028595	-.008417	-.048333
	1.000	1.000	0.680