ISSN 2348-1218 (print)
International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 3, pp: (48-56), Month: July - September 2021, Available at: www.researchpublish.com

IFRS Adoption and Financial Performance Indicators of Quoted Conglomerates Firms in Nigeria

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Abstract: **This study empirically investigated the impact of IFRS adoption and financial performance indicators of quoted conglomerates in Nigeria with specific focus on pre-IFRS (2007 to 2011) and Post –IFRS adoption (2012 to 2018). The key performance indicators considered include price earnings ratio, liquidity, leverage and growth in revenue .The study adopted the T-statistics to test the research hypothesis. Findings presented in the above section clearly revealed that price earnings ratio (PER), liquidity (LIQ) and leverage (LEV) showed an increase indicating that IFRS adoption has had a positive impact of the performance of firms among the conglomerate sector of the economy. However, the Paired t-test showed that that the difference in mean values for all variables were statistically insignificant. Hence, we conclude that, even with the adoption of IFRS, the consumer sector performance still did not change. Hence, there is need for regulators to ensure that local policies are introduce to encourage or stimulates the economy further to enable better performance on the part of the firms. Again, management need to consider growth strategy that will result in the improvement in return on invested capital overtime. Lastly, management should consider adopting policy to improve liquidity position especially in the face of rising debt ratio as observed in the leverage variable.**

Keywords: **IFRS Adoption, Financial Performance Indicators, Quoted Conglomerates.**

1. INTRODUCTION

The debate surrounding performance cannot be overemphasised. A firm needs to be in strong performance standing to be able to survive and compete both in the short-run and long-run periods. The consequences of poor performance could be catastrophic in many areas. It is detrimental in all aspects, from the loss of revenue to inability to finance the daily operation of the firm, liquidity or solvency problem to, in severe cases, liquidation of the firm. In these severe cases, employees lose their jobs, investors lose their investments and the economy at large suffers. The loss of jobs is not limited to direct employees, but the indirect jobs created along the supply chain as a result of the operation of the firms. In the case of conglomerate firms, performance is essentially important because of the role conglomerate firms play in the economy development of Nigeria. This is why studying performance and analysing the impact of adoption of IFRS on the performance of firms cannot be overemphasised. International financial reporting standards have been adopted and well internalised by Nigerian firms by now. The argument advocated the superiority of IFRS compared to the local standards (statement of Accounting standards, SAS) prepared by the defunct Nigerian Accounting Standards Boards (NASB). However, the superior arguments as advocated by proponents of adoption of IFRS were theoretical and an empirical analysis need be undertaken to know what impact adoption have on performance. In other economies around the world, effect of adoption has been negative.

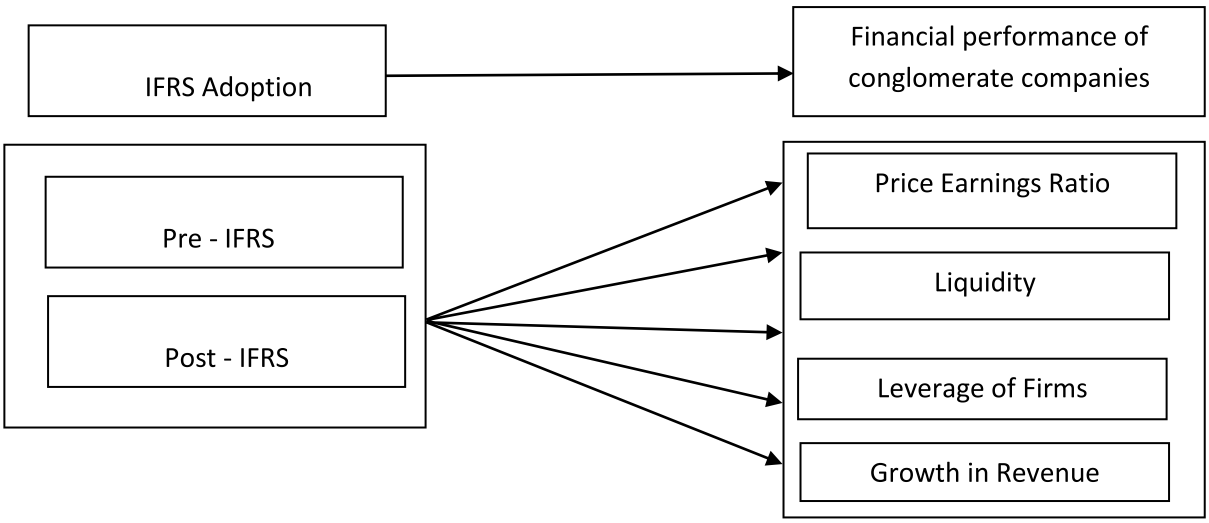
In Nigeria, research revolving around adoption of IFRS and financial performance have concentrated efforts on the financial sectors with other authors such as Ibanichuka and Asukwo (2018), Umobong & Ibanichuka (2016) Adelus (2017), Ironkwe and Oglekwu (2016), Asian (2015) focusing on the oil and gas sector, manufacturing sector in addition to the banking sector. However, research on the impact of IFRS adoption on financial performance in the conglomerate sector has been scarce. The dearth of research in this area makes it difficult to ascertain what effect adoption has had on financial performance of conglomerate firms. It should be known that the conglomerate sector is special with its peculiarity in the Nigerian economy and thus, deserve research attention. Moreover, apart from the dearth of research in this sector, authors which have researched on the impact of IFRS on performance of firms used limited measures of performance, mostly accounting performance, such as ROE, ROA and EPS to the exclusion of other performance variables. Junaidu, and Ahmadu (2019) had rightly divided corporate performance into operational and financial performances. Operational performance includes (i) market share (ii) product quality and (iii) marketing effectiveness. Financial performance is broken down into two sub-topics; these are (i) market-based performance (e.g., stock price, dividend pay-out, earnings per share, price earnings ratio, etc. and (ii) accounting-based performance (e.g., return on assets and return on equity). In the subdivision of financial performance, previous researches have focused majorly on accounting based performance measures to the exclusion of other measures. This present research extends the performance measures to cover a wide range of both market-based and accounting-based indicators such as earnings per share (EPS), and share price (SP) in order to provide answers to the problems identified above. Specifically, the study focused on six quoted conglomerates. This sector was chosen because investigation as it relates IFRS adoption and financial performance has not been carried out.

2. LITERATURE REVIEWS

2.1. Conceptual Review

The omnibus question being asked amongst scholars and the main theme of this research is whether the adoption of a uniform global financial reporting framework would enhance financial performance. Theoretically, IFRS can help to promote excellent corporate and firm performance; however, there is as yet no robust empirical evidence that this causal relationship is quantitatively significant. Performance simply means any recognized accomplishment or the achievement of set goals. Thus, a company that is performing well is one that is successfully achieving its goals and is efficiently executing suitable strategies (Nsijilem, 2015). The corporate performance of an entity can be measured in terms its profitability, leverage, solvency etc. The performance of an entity can be measured through the use of ratio and trend analysis. However, this study focuses on some selected indicators of financial performance in terms of acid test, operating profit, gearing and earnings per share. Financial Statement Information is organized in a manner that enables its stakeholders draw logical conclusions in relation to the financial performance and wellbeing of the reporting organization (Frank and Sangster, 2008). They also noted that ratio analysis is the initial step in assessing the financial performance and position of a given entity. The profitability of any given entity is of paramount interest of almost all categories of stakeholders which is calculated in relation to sales or assets and equity investment as noted by Ezirim and Nwakama (2004). A company's profitability measure specifies if the entity is performing satisfactorily or not. Firm performance can be determined by profitability indicators along with other measures. This therefore determines the viability of the company.

More purposes of clarity, figure 1 below state the conceptual model:



Source: Researcher Compilation (2021)

Figure 2.1: Operationalization of the Variables of Research

The diagram above explains the relationship between the independent variable and the dependent variable of the research work. On the left hand side is the independent variable, international financial reporting standards, taking as a cut off in this study. Adoption of the global standards marks the difference in financial reporting and consequently the behaviour of certain firms' variables. On the right hand side are the various dependent variables of the study. Due to the nature of the study, it employs a number of dependent variables and uses t-test to examine the difference between both periods. These dependent variables were pooled together and the mean of both pre IFRS adoption and post IFRS adoption as depicted on the left hand sides are compared using the test of mean difference. The results would ultimately determine the impact of IFRS adoption on the dependent variables of the research.

2.2. Theoretical Review

The Institutional theory was used to underpin the study. This theory indicates that, in order for organizations to survive, she must conform to the rules and belief systems prevailing in the environment. In the context of IFRS convergence initiatives, institutionalization can be seen as social processes through which a nation accepts that local accounting standards that are engrossed in the interests of international accounting harmonization (Rodrigues & Crag, 2007). It considers how rules, norms and routines become established as authoritative guidelines, and considers how these elements are created, adopted and adapted over time (scott, 2001) Compliance occurs in many circumstances because other types of behavior are inconceivable. Wahyunic (2012) added that when a country adopt IFRS and dump their previous accounting standard, the main motive should be economical such as IFRS will bring economic benefit to the country. The economic advantage can be a reduction in the cost of capital or an increase significantly in foreign investors to the country's capital market.

By way of application, the theory seems to suggest that value of firms should improve after adopting IFRS due to unified standards and therefore paving ways for more foreign direct investment and capital cost reduction. Hence, we expect increase in the value of shares of firms after adoption of IFRS in Nigeria.

A number of theory has been reviewed which relate to the works and explain the relationship between variables. It is difficult to hinge a study of this nature one single theory; hence this study makes uses of numerous theories to postulates its hypotheses but principally hinged on the agency theory.

2.3. Empirical Studies

In their study, Enakirerhi, Ibanichuka & Ofurum (2020) examined liquidity for 87 firms quoted on the floor of the NSE. The primary goal of the research was to look into the effect of IFRS adoption on the liquidity position of companies listed on the Nigerian Stock Exchange's board. The current ratio was used to calculate short-term liquidity, and the paired sample t-test is used to determine the statistical difference between the mean of liquidity in pre-IFRS and post-IFRS times. Using descriptive statistics to calculate the mean of both periods, the results showed that the mean of liquidity is lower in the post-IFRS adoption period, suggesting a negative effect of IFRS adoption in Nigeria. Furthermore, the paired sample t-test revealed that the mean of both phases differs, and the difference is important at the 1% stage. As a result, the study concluded that IFRS adoption has had a substantial but negative effect on firms' short-term liquidity status as measured by their current ratio. The study concluded that managers should find a way to boost firms' liquidity positions, and that because adoption should have resulted in greater transparency, openness, and flexibility, a new study should be conducted to determine if the decrease in liquidity is solely due to the adoption of IFRS or the economic recession that afflicted the Nigerian economy in 2015.

Ajibade, et al, (2019) researched on International Financial Reporting Standard (IFRS) adoption and economic growth: a study of Nigeria and Kenya. The study adopted descriptive statistics to analyze the data collected from the manufacturing sector GDP of the two countries for the period of 2000-2011 and 2012-2016 as the pre and post IFRS adoption years respectively. The result of the T-test carried out at a significant level of 5% showed that there is a significant difference in the manufacturing sector GDP pre and post IFRS. Examining the findings revealed that adoption of IFRS improves the economic growth of both countries significantly. This means that IFRS adoption has brought about improved GDP in the manufacturing sector GDP of both countries. Thus posits that for emerging countries to enjoy improved economic growth, they have to properly adopt the notions of IFRS in their financial statement preparations and presentation so as to enjoy the full benefits.

As opined by Junaidu & Ahmadu (2019), despite the importance and adaptations of the International Financial Reporting Standard (IFRS) in Nigeria, the literature shows that few studies have attempted to investigate the impact of IFRS adoption on firm performance, especially the relationship between IFRS adoption and liquidity performance of Nigerian food and beverage listed companies. According to the literature, not only is there little knowledge on the effects of IFRS adoption, but there is also little research in this important area. Thus, their study's aim was to look into the impact of IFRS adoption on the liquidity output of food and beverage listed companies in Nigeria based on this knowledge and analysis. Secondary data was gathered from the annual reports of the firms in the study. The data obtained from the audited financial statements of the sampled companies was analyzed using multiple ordinary least square (OLS) regression. The I-T and J-T tests were also used to see whether there was any noticeable improvement in firm results following the introduction of IFRS. The findings revealed that there is a significant link between IFRS adoption and the liquidity performance of NSE-listed food and beverage companies. The study's findings suggest that organizations in Nigeria should place a greater focus on the adoption of IFRS. According to the study's findings, organizations that implement IFRS will boost their liquidity efficiency. However, the direction of the link between IFRS adoption and liquidity was obviously missing in the study.

Earlier on, Aggreh, Malgwi, Enyi-Igbokwe & Aggreh (2018) agreed in part with Enakirerhi et al (2020) and looked at the impact of the implementation of International Financial Reporting Standards (IFRS) on the financial results of eleven (11) deposit money banks listed on the Nigerian Stock Exchange (NSE) as of December 31, 2014. Using IFRS and Nigerian Statement of Accounting Standards (SAS) related financial statements, the Wilcoxon Signed-Rank test was used to see if there were any major variations in the profitability, liquidity, and leverage ratios of the selected banks. The findings indicate that the implementation of the International Financial Reporting Standards (IFRS) has a substantial impact on the financial performance of Nigerian deposit money banks. Specifically, the implementation of the International Financial Reporting Standards (IFRS) has a substantial and positive impact on the profitability of Nigerian deposit money banks, although it has a significant but negative impact on their liquidity and financial leverage. As more companies in Nigeria move from SAS to IFRS, the study recommended that regulatory authorities, professional bodies, and the government continue to educate the public about the possible effects of IFRS implementation. Furthermore, companies should make every effort to take advantage of the IFRS' ability to enhance their business processes in all aspects in order to encourage uniformity and accountability.

In addition, Malomo, Babatunde and Adedokun (2018) looked into the effect of the International Financial Reporting Standards (IFRS) on stock price synchronicity in Nigeria. This study was conducted using a sample of 20 companies that were listed on the Nigerian Stock Exchange (NSE) between 2010 and 2015. It was discovered that the explained variable and explanatory variables have a relationship. For the purpose of their analysis, both univariate and multivariate techniques were used. Estimates based on panel data were also used in the analysis. The empirical experiments yielded statistically significant results at the 0.05 stage. According to the study's results, IFRS adoption enhances the information ecosystem by capitalizing firm-specific information into stock prices. According to the study's results, IFRS adoption enhances the information climate in Nigeria by capitalizing firm-specific information into stock prices, minimizing stock price synchronicity.

Uwuigbe, Erin, Uwuigbe, Peter, and Jinadu (2017) studied the behaviour of stock in the Nigerian context after the adoption of the global standards. The effect of International Financial Reporting Standards (IFRS) on stock market behavior in Nigeria's financial and consumer goods sectors was investigated in their paper. The study used a sample of 52 listed companies (30 from the financial sector and 22 from the consumer goods sector) of the Nigeria Stock Exchange to answer the research questions. The effect of IFRS adoption on stock market behavior was investigated using secondary data sources. The General Linear Model (GLM) and Fixed Effects Model were used to examine the influence of IFRS on stock market behavior (FEM).The study's findings indicate that the implementation of the International Financial Reporting Standards (IFRS) has increased the trading volume activities of listed companies in Nigeria. It also pointed out that there is no correlation between IFRS adoption and stock price informativeness. Their study suggests that regulatory bodies in the country to ensure that companies listed on the Stock Exchange follow the IFRS implementation to the letter, as this will provide investors with relevant details about stock market indices. Often, the stock market must be productive in order for investors to have convenient access to stock market information on a timely basis, allowing them to make timely and prompt decisions.

It was concluded that, IFRS regime has no relationship with firms' performance. Omaliko, Uzodimma and Okpala (2017) explained that prior studies which investigated the effect of IFRS on the financial results of money depositing banks listed on the NSE provided the impetus for their research. Their paper investigated the financial performance of money depositing banks following the implementation of the International Financial Reporting Standards. Using pooled data that suits the variables, a Wilcoxon model was investigated. The findings indicated that IFRS adoption has had a positive effect on certain financial statement variables for money depositing banks, such as profitability and growth potential. However, specific standards which contributed to this gain were not mentioned. Future research will be able to pinpoint the particular IFRS provisions that have a positive effect on financial performance indicators.

In their words, Adelusi & Ibigbami (2017) explained that the country voted to make the International Financial Reporting Standard (IFRS) mandatory on January 1, 2012, prompting the researchers to investigate the impact of IFRS adoption on the profitability of several publicly traded oil and gas companies in Nigeria. When using Nigerian GAAP and IFRS, the emphasis is on these companies' liquidity, profitability, and leverage. To see if there was a major difference in performance evaluation, the study used secondary data from the financial reports of five publicly traded oil and gas firms. The data was analyzed using pair sample test statistics to compare the time when NG-GAAP was in operation versus the time when the companies switched to the International Financial Reporting Standard. The research was conducted between 2009 and 2014. The financial statements were presented using Nigerian Generally Accepted Accounting Principles (NG-GAAP) from 2009 to 2011, and International Financial Reporting Standards (IFRS) from 2012 to 2014. The results show that there was no statistically significant difference in the report of the main performance indicators (KPIs) used to evaluate the company's performance. As a result, it is suggested that more research be conducted to cover a longer time after the implementation of IFRS in order to investigate the reporting efficiency of companies after the adoption of the global norm. Oil and Gas should be included in the curriculum of tertiary institutions, particularly the Polytechnic, where the study of technical education and advancement is very important, in order for the study of international financial reporting standards to be well implemented in Nigeria, especially in the oil and gas sector.. Ironkwe & Oglekwu (2016) added that in this era of global economic collapse, corporate organizations in Nigeria must urgently boost their corporate output in order to be and stay competitive in the global market. Full compliance with International Financial Reporting Standards (IFRS) is critical for increasing and enhancing the acceptability and reliability of the tool used to measure business entities' financial performance. A comparative study was conducted to examine the profitability of Listed Manufacturing Companies in Nigeria during the pre-IFRS Adoption (2009-2011) and post-IFRS Adoption (2012-2014) eras (2012-2014). The output of the two periods in terms of EPS and ROE was analyzed using descriptive statistics and Analysis of Variance (ANOVA). The findings of the studies revealed that risk and return have an inverse relationship. Except for EPS, which increased by 2.3 percent, ROE showed a significant drop of 15.7 percent in results during the Post Adoption Periods. Analyses of the tested hypotheses revealed that there was no substantial difference in EPS and ROE before and after the adoption of IFRS.

Similarly, Umobong (2015) studied the effect of the International Financial Reporting Standards (IFRS) on the market performance of Nigerian food and beverage manufacturers. As a success criterion, Earnings per Share, Price Earnings Ratio, and Dividend Yield were chosen. To determine the impact of pre and post IFRS adoption on firm market results, data was collected and divided into pre and post IFRS categories. A comparative analysis and T test were performed. The findings show that there are no major variations in market performance between pre- and post-IFRS times, implying a poor connection between IFRS adoption and market performance of quoted food and beverage manufacturing firms on the Nigeria Stock Exchange

3. METHODOLOGY

3.1 Research Design, Population, Sample and Sampling Techniques

The study adopted the Ex-Post Facto research design. This is because this research design involves already existing data. Further, the study population covered all listed conglomerates as at 30th July, 2018. Accordingly, we adopted the judgemental sampling techniques to choose the sample size.

3.2. Data Sourcing, Data Analysis Techniques and Model Specification

The study used for the study is mainly secondary in nature. Data for the study was collected from the annual reports of the selected banks. The data collected is for a period of ten (10) years (i.e. a pre-IFRS (2007 to 2011) and Post –IFRS

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International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 3, pp: (48-56), Month: July - September 2021, Available at: www.researchpublish.com

adoption (2012 to 2018). Hence, a total of sixty (60) observations were considered. The study adopted the paired sample t-test to test the research hypothesis. This helped us to test whether there is a mean difference between the performance of the selected conglomerate firms in the pre and post-IFRS adoption. Thus, we modeled after the works of Ikpefan (2013) and Temile (2018). It is therefore stated thus:

$$t = \frac{\hat{x}_1 - \hat{x}_2}{\sqrt{\left(\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}\right)}}$$

Where:

$\hat{x}_1 and\ \hat{x}_2$ = sample mean of selected performance variables (price earnigns ratio, liquidity, leverage and growth in revenue of firms) in pre and post IFRS era

s_1^2 and s_2^2 = sample variances for both periods

$\mathbf{n_1}$ and $\mathbf{n_2}$ = sample size for both periods

3.3. A priori Expectation

Variables	A priori Expectation
Price earnings ratio	+ (Increase)
Liquidity	+ (Increase)
Leverage of firms	+ (Increase)
Growth in Revenue	- (Increase)

Source: Author's construct

4. RESULTS AND DISCUSSION

This section covered the data analysis, interpretation, and discussion of the regression result with a view to drawing inferences whether IFRS adoption has increased selected key performance variables or not. This was done using both the descriptive and Student T-Test. The results are presented herein:

4.1 Price earnings Ratios (PER) of Conglomerates Firms in Pre and Post IFRS periods

The price earnings ratio of firms measures investors' confidence in the ability of the firm to generate returns to them. It measures future indicative growths in earnings and thus is a good measure of investors underlying motives for buying or selling the shares of a particular firm. A higher price earnings ratio signals increased investors demand for the share of the firm. In other word, a higher earnings ratio indicates investors believe that the future earnings of the firm will be higher and thus, higher demand for the share of the firm at the present. Thus, price earnings ratios indicate underlying motives and belief in the future growth rates of the firm. As such, a higher price earnings ratio is usually desired. From the table 4.1 above, the price earnings ratio for pre IFRS periods has a mean value of -0.9080, a minimum of -37.9874 and a maximum of 3.6630. The standard deviation shows a relatively higher spread away from the mean value. In the periods after the adoption of IFRS, the mean value of -0.7102 indicates improved belief in the future performance of conglomerate firms. The maximum value is 41.79, a minimum of -150.366 and a standard deviation of 31.877 indicating a wider spread than the pre adoption era. The post IFRS periods see higher mean value, maximum value, minimum value and standard deviation than the pre IFRS adoption era in Nigeria history. This is an indication that investors' beliefs in the future growth of the conglomerate sectors generally increased and became slightly stronger after the adoption of IFRS. The price earnings ratio of conglomerate firms has essentially performed slightly better after adoption of IFRS. The higher standard deviation in post IFRS also indicates that price earnings ratio is widely more spread compare to the 7.06 observed in the pre IFRS adoption years of 2007 to 2011. This could be clearly seen in the minimum and maximum values of -150.366 and 41.79 respectively. Probably, the adoption of IFRS ain Nigeria has strengthen investors' belief in the future earnings or growth potential in prices of shares in Nigeria conglomerate sector. This could be as a result of more transparent and competence offered by the international financial reporting standards. However, to determine whether the difference in mean is significant or not, we examine the test of mean difference in the table below

Table 4.1: Two Sample t-test for the Means of Price earnings ratio (Pre & Post-IFRS)

Variable	Obs.	Mean	Std. Dev.	[95% Conf.	Interval]
PER PRE	30	-0.908	7.0694		
PER POST	30	-0.7102	31.8771		
Difference		-.19774	-.19774	-12.51894	12.12346

Difference = mean (PER PRE) - mean (PER POST) t-Statistics (Sign Two Tailed)= -0.033 (0.974)
Ho: diff = 0 H1: diff≠0 Degrees of freedom = 29

From the above table, the mean difference of -01977, a t-value of 0.0033 and p-value of 0.974 show that there is no significant difference between the mean value of pre and post IFRS adoption periods. Although the mean value after adoption of IFRS show some improvement compare to pre adoption, as earlier noted, the result of the mean test of difference revealed no significant improvement and hence, the null hypothesis stating that post IFRS adoption price earning ratio is not significantly different from the pre IFRS adoption price earnings ratio cannot be rejected in favour of the alternate.

4.2 Liquidity of Conglomerate Firm in Pre and Post IFRS Adoption in Nigeria

Liquidity is one of the measures of firm's stability and ability to meet its short term obligations as they fall due. The ability of the firm to manage its liquid assets to meets its short term obligation is crucial to the survival and sustainability of firms. Liquidity position determines whether a firm can survive in the interim and it's a good measure of stability. Theoretically, a liquidity position of at least 2:1 is desired. However, practically, this is not always the case practically. This is because the peculiarity of the organisation would determine whether higher or lower liquidity ratios would be desired. From the table 4.2 above, the pre adoption mean liquidity ratio is 0.9505 indicating that current liability is covered 0.9 times. The maximum of 2.28 times and minimum of 0.3894 indicates that liquidity position is fairly good but could be classified as weak by theoretical standards. The standard deviation indicates a moderate spread. In post IFRS adoption era, the mean liquidity increases to 1.0212 indicating that current assets are able to cover current liability up to 1.02 times. This is a slight improvement from the pre IFRS adoption years. The standard deviation indicates a moderate spread with some firms among the conglomerate firms seem to be of better liquidity position before adoption of IIFRS as indicated by the maximum of 2.28 times.

Table 4.2: Two Sample t-test for the Means of Liquidity of Firm (Pre & Post-IFRS)

Variable	Obs.	Mean	Std. Dev.	[95% Conf.	Interval]
LIQ PRE	30	0.9505	0.6172		
LIQ POST	30	1.0212	0.3508		
Difference		-.07078	.65607	-.31576	.17420

Difference = mean (LIQ PRE) - mean (LIQ POST) t-Statistics (Sign Two Tailed)= -0.591 (0.559)
Ho: diff = 0 H1: diff ≠0 Degrees of freedom = 29

The test of mean difference in the table above revealed that, although, liquidity increased after adoption of International Financial reporting Standards in Nigeria, the increase is not statistically significant. The t-statistic is -0.591 with a p-value of 0.559 indicates that the variable is not significant even at 10% level. Hence, the null hypothesis that there is no significant difference between the mean of both periods cannot be rejected

4.3 Leverage of Firm and International Financial reporting Standards in Conglomerate Firms in Nigeria

The leverage of firms measures how much of the assets of the firm is financed by borrowing. This measures the long term obligation. The mean pre adoption debt financing is 13% of the total assets while the post adoption debt financing increased to 17%, an indication of increased transparency, transaction cost, reduced agency problem and as such firms

ISSN 2348-1218 (print)
International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 3, pp: (48-56), Month: July - September 2021, Available at: www.researchpublish.com

were more able to obtain loan from lending to finance the assets. The increase in debt financing could have been as a result of increase confidence of bondholders on firms' financial reports brought about by the adoption of the international financial reporting standards. It could also be as result of reduction in the cost of debt financing or a combined effect. Hence, a study would be needed to examine whether IFRS has led to reduction in the cost of debt. In terms of debt performance, conglomerate seems to perform better after the adoption of IFRS in Nigeria.

Table 4.3: Two Sample t-test for the Means of Leverage of Firm (Pre & Post-IFRS)

Variable	Obs.	Mean	Std. Dev.	[95% Conf.	Interval]
LEV PRE	30	0.1390	0.1061		
LEV POST	30	0.1691	0.1211		
Difference		-.03007	.16796	-.09278	.03265

Difference = mean (LEV PRE) - mean (LEV POST) t-Statistics (Sign Two Tailed)= -0.980 (0.335)

Ho: diff = 0 H1: diff ≠0 Degrees of freedom = 29

The test of mean difference indicates a mean difference of -0.03007, a t-statistics of -0.980 and a p-value of 0.335. This means that the difference is not significant at 5% level. Hence, the null hypothesis stating a non-significant difference cannot be rejected in favour of the alternate. Although, the difference is not significant probably due to the lower degree of freedom in this study (29), an increase in debt financing shows more access to loan financing, transparency and greater disclosure and as such, investors were willing to lend more the firms after adoption of IFRS. On the other hand, it could have been the pressure to sustain the firm, lack of capital leading to increase in borrowing. However, a better standards ensure that lender able to lend to the firm without the fear of bankruptcy occasioned by increased manipulations of accounting figures as witnessed in earlier accounting scandals of the early year 2000.

4.4 Growth of Conglomerate Sector in Pre and Post IFRS Adoption in Nigeria

Growth is one of the few area that IFRS adoption was supposed to make a significant impact. All things being equal, greater flexibility, adaptability, openness, transparency means that more investment would flow in and growth, especially growth in revenue will be accelerated. In this study, growth is measured by the changes in revenue of firms over the years. The results of the study posit some interesting findings. In Pre IFRS adoption, the mean growth is 2.2914 indicating over 200% growth over time. This is an impressive growth for the pre adoption periods of the conglomerates firms compare to the post adoption periods of 2012 t0 2016 where average growth rate fell to about 6%. Also, an interesting feature of this variable is the larger standard deviation in pre IFRS adoption era indicating a wide spread of growth in revenue from the mean value. This indicates that not all firm performance are close to the mean unlike the post adoption periods where firms' performance are cluster around the mean value as indicated by the low standard deviation witnessed. To further test our hypothesis, we proceed with the test of mean difference in the table below:

Table 4.4: Two Sample t-test for the Means of Growth of Firm (Pre & Post-IFRS)

Variable	Obs.	Mean	Std. Dev.	[95% Conf.	Interval]
GR PRE	30	2.2914	11.9723		
GR POST	30	0.0600	0.3154		
Difference		2.23137	11.95177	-2.23149	6.69424

Difference = mean (GR PRE) - mean (GR POST) t-Statistics (Sign Two Tailed)= 1.023 (0.315)

Ho: diff = 0 H1: diff ≠0 Degrees of freedom = 29

From the table 4.8 above, we could see that growth in revenue has a mean difference of 2.2313 and a standard deviation of about 11.9. However, the low t-statistics means that the p-value is high, indicating that the difference in mean is not statistical important to reject our hypothesis. Thus, the null hypothesis stating that there is no difference in mean of growth in revenue pre and post IFRS era cannot be rejected.

ISSN 2348-1218 (print)
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5. CONCLUSIONS AND RECOMMENDATIONS

This study empirically investigated the impact of IFRS adoption and financial performance indicators of quoted conglomerates in Nigeria with specific focus on pre-IFRS (2007 to 2011) and Post –IFRS adoption (2012 to 2018). The key performance indicators considered include price earnings ratio, liquidity, leverage and growth in revenue .The study adopted the T-statistics to test the research hypothesis. Findings presented in the above section clearly revealed that price earnings ratio (PER), liquidity (LIQ) and leverage (LEV) showed an increase indicating that IFRS adoption has had a positive impact of the performance of firms among the conglomerate sector of the economy. However, the Paired t-test showed that that the difference in mean values for all variables were statistically insignificant. Hence, we conclude that, even with the adoption of IFRS, the consumer sector performance still did not change. Hence, there is need for regulators to ensure that local policies are introduce to encourage or stimulates the economy further to enable better performance on the part of the firms. Again, management need to consider growth strategy that will result in the improvement in return on invested capital overtime. Lastly, management should consider adopting policy to improve liquidity position especially in the face of rising debt ratio as observed in the leverage variable.

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