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Impact of International Financial Reporting Standard (IFRS) on Foreign Direct Investment Drive (FD1) in Nigeria (A Case Study of Nigeria Stock Exchange NSE) Branch Port Harcourt)

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Abstract: *The study investigated the impact of International Financial Reporting Standard (IFRS) on foreign Direct Investment (FD1) in Nigeria. The problem of the study sought to solve as the determination of the impact of IFRS on FDI in Nigeria. The stud) employed a c-descriptive survey design. Four (4) research question and two (2) null hypotheses ere formulated to guide the study. Purpose (non-probability) sampling method was used to select the sample size of 85 operators/staffs in the Nigerian Stock Exchange branch located in Port Harcourt. The instrument used for data collection was a 33-item questionnaire which was developed by the researcher. Crombach's Alpha Reliability -technique was used to establish the reliability of the instrument used. Four (4) research questions in this study were analyzed using simple percentage, Pearson' Product Moment Correlation Coefficient was used to analyze null hypothesis one which was tested at 10% level of confidence, simple regression was used to test a null hypothesis two (2). Results indicated that there is a positive relationship between FDI, increase in gross earnings percentage in shareholder's value and earnings per share. This shows that IFRS has a positive relationship with FDI.- Results revealed in the Regression indicated a coefficient of 0.384 which indicates a positive relationship between IFRS and human resource operating system of a firm. Based on findings and investment implication, it was recommended that firms in Nigeria should adopted IFRS to create a conducive and reliable play ing field for investors to create wealth.*

Key words: International Financial Reporting Standards (IFRS), Foreign Direct Investment and Human Resource Operating System

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INTRODUCTION

Background of the Study

Nigeria, with an estimated population of 168 million, is the largest market for the goods and services in Africa. Its Gross Domestic Product (GDP) was US $214.4 billion in 2008,(Nigerian Stock Exchange, .201 I).As at December 31, 2011. the Corporate Affairs Commission (CAC) has registered a total of 869.092 companies. 1.917.670 business names and 47,4,21 incorporated trustees making it over 2 million business names registered. The Nigerian Stock Exchange has about 198 listed companies with a total market capitalization of about N-8.9 Trillion (US$57 billion) as at 31 December. 2012. Other enterprises operating in the country' are in excess of 2mi!!ion .Despite the above statistics, the productive capacity' is neither satisfying the needs of the people nor increasing growth.

A key policy strategy in developing and repositioning the Nigerian economy is the attraction of Foreign Direct Investments to provide adequate investible funds. Foreign Direct Investment (FD1) has been described by Ernest and Young.(2010) as investment made so as to acquire a lasting management interest (for instance. 10% of voting stocks) and at least 10% of equity shares in an enterprise operating in another country other than the investor's country. Policy makers believe that Foreign.

International Financial Reporting Standards (IFRS) represents a major change for the organisation. Change is not only the reporting of the financial results, but also changes in internal system, business processes, performance management, external communication and more.. 1 he transition. from existing accounting standards is more j u s I a technical accounting exercise with quantitative/financial impact, the- study intends to examine the impact of IFRS adoption Nigeria and its eon-sequent impact in the Nigeria's capital market with reference to Nigerian Stock exchange Market. Therefore, it will be in the interest of the Nigerian economy for listed companies to adopt globally accepted, high quality accounting standards by fully conveying the Nigerian National Accounting Standards with the International Financial Reporting Standards (IFRS) over the earliest possible transaction period, given the increasing globalisation of capital markets.

Statement of the Problem

The problem is premised on how to determine the impact of IFRS on Foreign Direct investment in Nigeria since there is significant importance of financial reporting to capital market: investors, creditors, regulators, and other market participant .This rely on getting accurate, timely and comparable financial information from public *companies* the efficient allocation of capital depends on financial report that provide a realistic picture of companies past performance and future prospects: The implication of window dressing of accounts and misleading financial information on the other hand can be devastating and often results in Investors paying huge opportunity costs by investing; in companies with unrealistic and inflated values, Competitors making decisions on a distorted playing field. Creditors being unable to price credit for the real risks taken and Employees tragically making career and investment decisions based on a false picture of their employer's financial prospects. The researcher therefore intends to find out the impact of international financial standards on direct foreign investment in Nigeria.

Objectives of the Study

The main objective of this research is to examine the impact of International Financing Reporting Standard (IFRS) adoption on Foreign Direct Investment (I Dl) Drive in Nigeria, particularly the capital market with reference to the Nigerian Stock Exchange (NSE). The following are the specific objectives of the study;

- To identify the users of the financial reports.
- To ascertain the impact of the adoption of IFRS on investors
- To determine the impact of IFRS on direct foreign investment drive
- To ascertain the impact of adoption of IFRS on human resources operating system of a firm.

Research Questions

In order to plan a focus and guide for the study, the following research questions were raised;

- Who are the users of financial report?
- W hat are the impacts of the adoption of IFRS on investors?
- What are the impacts of IFRS on direct foreign investment drive?
- What is the impact of adoption of IFRS on human, resourcesoperating system of a firm?

Research Hypotheses

Ho_1: There is no relationship between pre- IFRS adoption and Post -IFRS adoption on foreign investment drive in Nigeria.

Ho_2: There is no significant relationship between IFRS adoption and human resources operating system of a firm.

EVIEW OI RELATED LITERATURE

This topic tends to outlined details other peoples literature as regard to the impact of financial reporting standard of foreign direct investment drive in Nigeria. The researcher, in recognition of this fact, has chosen to thoroughly examine and analyze existing' work in the area of impact of international financial reporting on foreign direct investment drive in Nigeria. It is fervently hoped that this background would enable us to have a base in 5it chapters upon which we can access the impacts created by international -sporting standard on foreign direct investment drive in Nigeria.

Conceptual framework

Recently there has been a push towards the adoptionof IFRS developed and issued by international Accounting Standards Board (IASB). The increasing growth in I trade, cross border financial transactions and investments which involves the preparation and presentation of accounting reports that is useful cross various national borders, has brought about the adoption of IFRS by both the developed and developing countries (Armstrong. 2010). The process of adoption received a significant boost in 2002 when the European Union adopted a regulation 1606/2002- requiring all public companies in the territory to convert to IFRSs beginning in 2005. A number of African'countries including Nigeria, Ghana, Sierra Leone. South a Kenya, Zimbabwe and Tunisia among others have adopted or declared intentions to adopt the standards. In particular, Nigeria adoption of IFRS was launched in September. 2010 by the Flonourable Minister, Federal Ministry of Commerce and industry - Senator .lubriel Martiris-Kuye (OFR). The adoption was planned to commence Public Listed Companies in 2012 and by end 2014 all stakeholders would have complied. As at today, banking sector has fully implemented. This is considered a welcome progress for developing countries especially some of those that had no resources to establish own standards.

There are proponents as well as opponents who have arguments for and against the global adoption of IFRS. According to Ball (2006). the adoption of a common body of international standards is expected to have the following, benefits: lower the cost of financial information processing and auditing to capital market'participants as users, familiarity with one common set of international accounting standards instead of various ka accounting standards by Accountants and Auditors of financial reports, comparability and uniformity of financial statements among companies and countries making the work of investment analysis easy, attraction of foreign investors in addition to general capital market liberalization. Ball (2001) stated that many developing countries where the quality of local governance institutions is low, the decision to adopt will be beneficial. Lipsey and Chrystal (2012) noted that FDI often generates somewhat higher-paying jobs than might otherwise be available to local citizens, it generates investment that may not be possible with the local resources only, it links the recipient economy into the world economy in manners that would be hard to achieve b) new firms of a purely local origin. According to Lipsey and Chrystal (2003) the FDI alters country's comparative advantages and improves its competitiveness through technology transfer and effects myriad externalities, domestic investment which can a alters a country's volume and pattern of trade in many income enhancing directions. Gentries that suffer from corruption, slow-moving, or ineffectual government are likely to resistant the change (La Porta, 1999) but in such countries, the opportunity and switching costs are lower which makes the possibility of adopting IFRS advantageous. Kumar (2007) the foreign capital has the potential to deliver enormous benefits to developing nations, in addition to helping bridge the gap between savings and investment in capital-scarce economies, capital often brings with it modem technology and encourages development of more mature financial sectors. Capital flows have proven effective in promoting growth and produetivit) in countries that have enough skill workers and infrastructure, some economics believe capital flows also help discipline governments macroeconomic policies *Development of Accounting Profession in Nigeria: Brief Overview.*

The accounting profession in Nigeria received a formal reckoning in the mid-1960's 2008). During that period, Nigerian accountants, mostly trained by accounting bodies in the United Kingdom.came together and formed a professional accounting bod) that is responsible for the training of accountants in end fostering the development of the profession in the countiw. Presently, however a number of professional accounting bodies carry out such functions concurrently.. These bodies pay much attention to the teaching of technical and practical aspects of accounting. The two accounting bodies in Nigeria are the Institute Accountants of Nigeria *(1C* AN) and the Association of National Accountants -NAN). They are in essence self-regulating, and both membership elect governing council members. I here is no separate statutory body for the audit ICAN acts as an examining body for awarding Chartered Accountant and as the licensing authority for members engaged in public auditing ICAN is a member, of the International Federation of Accountants (1FAC) and re International foundation and relationship. ICAN members dominate and auditing services in the private sector while ANAN members are mostly n the public sector.

Legal and Regulatory Framework of Accounting in Nigeria

The Companies and Allied Matters. Act (CAMA) 1990. The Companies and Allied Matters Act, 1990 prescribes some format and content of company financial statements, disclosure requirements and auditing. It also requires that financial statements comply with the statement of accounting standards (SAS) issued from time to time by the Nigeria Accounting Standard board (NASB) and that audit.be carried out in accordance with generally accepted auditing standards. The Nigeria Accounting Standards Board (NASB) Act No 22 of 2003. Formally created the Nigeria Accounting Standards Board and also Established for it an Inspectorate Unit. .NASB came into being on September 9 .1982. It is the only recognized Independent body in Nigeria responsible for the development and issuance of statements of accounting standards for users and Preparers of financial statements, investors, commercial enterprises and regulatory agencies of government.

Key between NG-GAAP and IFRS

Nigeria public listed entities are required to present their financial statement reports with IFRS beginning January 2G12. Until then, all Nigeria firms prepared their financial statements in accordance with local standards issued by the Nigeria c Standard Board. As may b.e observed,, the differences,appearing in financial presentation such as change in equity , income statement and significant it estimates and judgments are concepts that are not addressed in the local There are also significant differences in property, plant and equipment, related,, segment reporting, leases, impairment and risk management disclosure. Finally significant differences are also found in other areas such as financial guarantees. - consolidation.and employee benefits.

Defining FDI

According to international institutions such as the International Monetary Fund (IMF) and the United Nations, FDI is defined as an investment made to acquire a lasting interest in an enterprise operating outside of the economy of the investor. Investment may be in incorporated or unincorporated enterprise's, branches or subsidiaries. The investors purpose is to gain an effective voice in the management of the enterprise. Branches or subsidiaries. T he some degree of equity ownership is almost always associated with acquiring an 'effective voice' and international institutions' guidelines suggest a threshold of 10 percent. FDI is also more, likely to result in the importation of new technology and management skills, and Is less likely to displace existing operations. The above definition involves cross-border flows. A broader concept of direct can be considered, to include inflows from other parts of the same nation- state. Such flows are much harder to identify', but if the data are available, they provide that is of great interest in analysing the economic impact of direct Information on total direct investment ('cross border' plus 'investment from in the UK') is indeed available for Northern Ireland at the broad tradable service level, but not for the narrower definition used in this report.

Accounting Diversity Reasons and Consequences

Accounting diversity has been evidenced by previous studies carried out by several of which includes the following-.Gary K, Meek and Sharokh M. 1990); a summary of financial report in a transnational context", Jermyn P, Brooks, and Detz Meiin, Neues Deutshces Bilanzrecht. (1986)According to Gary, Meek and Suadagaraan, considerable differences exist across c re accounting treatment of many items. For example, companies in the United State are not allowed to report property, plant, and equipment at amount greater than historical cost. In contrast, companies in the European Union are allowed to report their assets on the balance- sheet at market values. Research and costs must be expensed as incurred in Japan, but development costs may be capitalized as an asset in Canada and France. Chinese companies are required to Use the direct method in preparing the statement of cash flows, whereas most companies in States and Europe use the indirect method. Differences in accounting can result to significantly different amounts being reported on the balance sheet and income In its 2009 annual report, the South Korean telecommunications firm SK Company Ltd. described 15 significant differences between South Korean and recounting rules. Under South Korean generally accepted accounting principles (GAAP) SK Telecom reported 2009 net income of 1,056 billion South Korean won If SK Telecom had used U.S. GAAP in 2009. its net income w'ould have been: 1357 billion, approximately 28 percent larger.

Access to Foreign Capital Markets

A second problem caused by accounting diversity relates to companies gaining access capital markets. If a company desires to obtain capital by selling stock or borrow ing money in a foreign country, it might be required to present a set of financial - prepared in accordance with the accounting standards in the Country in *re* capital is being obtained. Consider the case of the semiconductor manufacture STMicroelectronics, which is based in Geneva. Switzerland. The equity *r* Switzerland is so small (there are fewer than 8 million Swiss) and ST's capital needs are so great that the company has found it necessary to have its common shares are Euro next-Paris and Borsa Italiana stock exchanges in Europe and on the New York Stock Exchange in the United States. To have stock traded in the United State foreign companies must ether prepare financial statements using US accounting standards or provide a reconciliation of local net income and stockholders' equity to US. GAAP.

Adoption of International Financial Reporting Standards in Developing Countries

Globalization of' capital markets is an irreversible process, and there are many potential benefits to be gained from mutually recognized and respected international accounting. The adoption of uniform standards cut the costs of doing business across borders by reducing the need for supplementary information. They make information More comparable, thereby enhancing evaluation and analysis by users of Financial statement (Adekoye, 201 1). Users become- more confident of the information they are with and presumably, this reduces uncertainty, promotes an efficient allocation ^sources and reduces capital costs (Ahmed. 201 1). To bridge the gap between accounting standards among countries, the International Accounting Standards Committee (1ASC) was founded in 1973 by a group of professional accounting practitioners. The 1ASC was to formulate uniform and global accounting standards at reducing the discrepancies in international accounting principles and reporting. In this light, the International Accounting Standards Committee (1ASC) was ed. Since its establishment the 1ASC has actively been championing the uniformly and standardization of accounting principles for over two decades (Carlson. In April 2001. the International Accounting Standards Board (1ASB) took over setting of International Accounting Standards ffom the International Accounting Standard Committee (1ASC). Thenceforth, the IASB updated the already existing International Accounting Standards and referred to them as International Financial Standards (IFRS).

Empirical Review

Some researchers have gone further to look at the adoption of IFRS from the perspective infrastructure that sustain the implementation of IFRS in Nigeria. For sample Isemmiia and Adeyemo (2013) studied the perceived impact of Nigeria institutional infrastructure on the mandatory adoption of IFRS; the study ~a: Nigerian institutional infrastructures arc potentially strong enough to sustain the ongoing mandatory implementation of IFRS. The findings further show that and Exchange Commission (SEC) has the highest potential 'impact on by Professional Accounting Bodies (PAB), Financial Reporting Council of I)), and Legal Frameworks (LEFW). lsenmiia and Adeyemo (2013) also *assert that* Tertiary Educational Institutions (TEDI) are not potentially developed ~ s-sport the ongoing mandatory adoption of IFRS.

Impact of International Financial Reporting Standard on Investors

Over the last decade, International Financial Reporting Standards (IFRS) have been r over. 100 countries around the world U. Bruggemanm, H.daske, E 'Homburg, P. Pope (201 1). Regulators justify the move towards IFRS by the expectation that collective adoption of I IRS will, among other benefits, enhance the comparability of financial statements and. thus, reinforce foreign equity' investments (e.g., EC Regulation No. 1606/2002)

In this paper, we evaluate this claim by analyzing the impact of mandator) IFRS adoption on cross-border equity investments by individual investors. Individual investors play a vital role in financial markets. At the end of 2007, domestic indiv iduals directly of the market value of listed stocks in Europe (FESE, 2008). In the United State (US), more than 20% of equity is held directly by individual investors (French, 2008). Anecdotal evidence suggests that individual investors are more likely to pursue -ejectives than their institutional counterparts. Companies therefore make great effort to attract individual investors, e.g. via corporate websites .and investor departments (Bruggemamn *el cil* 201 I).

The relevance of individual investors is also recognized by regulators. For example, one of the explicitly stated purposes of the US. Securities and Exchange Commission (SEC) is to "extend individual investor SIC. 2008). Mary Shapiro, the current SEC, chair, emphasizes that "without rules to protect (individual) investors investor, financial systems will not raise capital and the economy will not grow" (FINRA).

Challenges to IFRS Adoption in Nigeria

The practical challenges that may be faced in Nigeria as a result of implementing the need to be identified and addressed in order to benefit fully from the introduction of IFRS. These challenges have been evidence by previous studies conducted b> scholars such as: (Alp and Ustundag, 2009); potential knowledge shortfall, (Li and Meeks, 206): legal system effect. (Shleifer and Vishny, 2003); tax system, (Irvine and Lucas, 2006): education and training. (Martins. 201 1): enforcement and nee mechanism. The challenges are discussed as follows:

Level of Awareness: The transition plan to IFRS and its implications for preparers and users of financial statements, regulators, educators and other stakeholders have to be effectively) coordinated and communicated. This should include raising awareness on potential impact of the conversion, identifying regulatory synergies to be derived communicating the temporal') impact of the transition on business performance financial position. The implementation of IFRS requires considerable preparation at the country and entity levels to ensure coherence and provide clarity on the authority that IFRS will have in relation to other existing national *Accounting Education and Training:* Practical implementation of IFRS requires adequate technical capacity among preparers and users of financial statements, auditors and regulator) authorities. Countries that implemented IFRS faced a variety of capacity related issues – depending on the approach they took. One of the principal challenges Nigeria may encounter in the. practical implementation process, shall be the shortage of accountants and auditors who are technically competent in implementing. Usually, the-time lag between decision date and the actual implementation date is sufficiently long to train a good number of professionals who could competently international standards. *Training Resources Professional: Accountants are looked upon* to ensure *successful implementation* **of IFRS. Along with these accountants, government officials, financial •analysts, auditors, tax practitioners,-regulators, accounting lecturers, stock- broker preparers of financial statements and information officers are all responsible for smooth adoption process. Training materials on IFRS are not readily available at affordable costs in Nigeria to train such a large group, which poses a great challenge to adoption.**

Tax Reporting: The tax considerations associated with the conversion to *I* IRS. like aspects . of a conversion, are complex. IFRS conversion calls for a detailed review laws and tax , administration. Specific taxation rules would have to be redefined to accommodate these adjustments .For instance, tax laws which limit relief of tax losses years should be reviewed. This is because transition adjustments may result in losses that may not be recoverable in four years. Accounting issues that may t significant tax burden on adoption of IFRS, include determination of impairment, Loan loss provisioning and Investment in Securities/Financial Instruments.

Amendment to Existing, Laws In Nigeria: Accounting practices are governed by Companies and Allied Matters Act (CAMA) 1990, and the Statement of Accounting Standards (SAS) issued by the Nigerian Accounting Standards Board (NASH) and other laws such as Nigerian Stock Exchange Act 1961. Nigerian Deposit Insurance Act t Banks and Other.Financial Institution Act 1991, Investment and Securities Act. Companies Income Tax Act. 2004, Federal Inland Revenue Services Act 2007. . All provide some guidelines on preparation of financial statements in Nigeria. IFRS not recognize the presence of these laws and the accountants have to follow the fully with no overriding provisions from these laws. Nigerian law makers have to necessary amendments to ensure a smooth transition to IFRS.

RESEARCH METHODOLOGY

Research design involves the plan structure or ways the researcher intends to execute Study. According to Nworgu (2006), a research design is a plan or blue print which how data relating to a particular problem should be collected and analyzed. It provides the procedural , outline for the conduct of any given investigation, e. this stud)- is a descriptive survey design. Descriptive survey according to are those studies which aim at collecting data -on, and describing in a tic manner, the characteristics features about a given population.

Area of Study

For the purpose of primary data collection, the study area for this research was on the branch office of Nigerian Stock Exchange located at no 10, ikwerre road Port Harcourt. Rivers State. Nigeria with a population of 170,123,740 (2012 estimate) is located in Western Africa Gulf of Guinea and has a total area of 923,768km^2 making the world's 32$^{n;i}$ rarest country (after Tanzania) and lies between latitudes 4° and 14°N and longitude Z. rid I5°E. Richard VI. (2008)"a history survey of Nigeria".

Scope of the Study

The study is focused on examining the impact of International Financial Reporting Standards adoption on Foreign Direct Investment Drive in Nigeria particularly in the capital market.' This research work covered the Nigeria Stock Exchange but focused only on the branch office at No 10 Ikwerre road, Port Harcourt.

Population of the Study

Population is made up of all conceivable elements, subject or observation relating to a r phenomenon on interest to research. It is also referred to as the total set of I observation from which a sample is drawn. Hence, for a purpose of this study, 1 population of this stud) is one hundred and six (106.) operators (NSE: payroll official review for 201 1) at the office of Nigerian Stock Exchange at Port Harcourt, State.

Sampling and Sample Techniques

The researcher adopted a sample size of 85. This was arrived through a purposive (non lity) sampling method. Thus, 80% of the stud) population was adopted (80% of 106) for the stud). *Collection Procedures*

The two main sources of data used in the research work are:

A. Primary Data
B. Secondary Data

Primary sources include those which have been collected or obtained by observation, questionnaire and personal interview. Primary data will be gathered from administration of questionnaire, personal interview and observation as a supplement.

Secondary data consist of research literature which formed the foundation of this study were obtained from standard textbook, academic and professional journal and publication relevant to the study.

This study will employ the use of primary data to arrive at relevant solutions. This primary data will be collected through the administration of research instrument on of respondents from the Nigerian Stock Exchange. The researcher will collect personally from respondents who are the operators in the Nigerian Stock Exchange Its branch office at Port Harcourt.

Analysis Technique

Data obtained from the field will be analyzed using simple percentages and presented hypothesis was tested using simple regression.

Y =; a + p.x
When
X = The Independent Variables

Y = The dependent Variables

a = The point where the regression or equation crosses y - axis,

P = The slope of the regression time

n _ n(Exy)- G»~CCy)
1 ~ 'nIi2-2*)2 2

Y,x-PY.x. *a* = n

The second hypothesis states in chapter one of the study was tested using Spearman product Moment Correlation.

This can be state thus;

n *Zxy-dx)* (Ey)
Vln (Yx*2*)-(Xx))n [Xy*2*l-(X 2)
Where:

n.= Number of session
X|= Independent
variables

Y i = Dependent variables

Decision Rule
Accept Ho if r is negative,
Reject. Ho if r is positive

DATA ANALYSIS AND PRESENTATION

TABLE 1: AGE OF RESPONDENT

Options/Yea r	Frequency	Percentages (%)
1 8 - 20	*16*	*20*
. 21 30	*24*	*30*
3 1 and above	*40*	*50*
Total	**80**	**100**

Sources: Field Survey,

The above table shows 6 (20%) of the respondent indicated that they fall within of 18 - 20 years; while 24 (30%) said 21 - 30 years. Lastly. 40 (50%) said 31 years and above.

TABLE 2: GENDER OF RESPONDENTS

Options/Year	Frequency	Percentages (%)
Male	*51*	*62.8*
Female	*29*	*36.2*
Total	**80**	**100**

Source: Field Survey,

The above table shows 1 (63.8%) were male, while 29 (36.2%) were female.

TABLE 3: YEAR OF EXPERIENCE

Options/Year	Frequency	Percentages (%)
Less than 1 -.5 years	*51*	*62.8*
6-10 years	*29*	*36.2*
11 years and above	*24*	*36.2*
Total -.	*80*	*100*

Sources: yield Survey,

The table shows that 27 (23.8) indicated less that 1 years; while 24 (30%) indicated 6 1 years. Lastly, 29 (36.2%) indicate I I years and above

TABLE 4: IFRS CAN BRING ABOUT CHANGES IN HUMAN RESOURCES SYSTEM

Options	Frequency	Percentage(%)
Strongly agree	14	17.5
Agree	17	21.2
Undecided	22	27.5
Disagree	17	21.2
Strongly disagree	10	12.5
Total	80	100

Sources: Field Survey, 21/13

The above table shows that 14 (17.5%) of the respondent strongly agree that IFRS can bring about changes in human resources system, while 17 (21.2% indicated agree. However, 22 (27.5) of the respondent indicated undecided while 17 (21.2%) indicated disagree and lastly 10 (12.5%) indicated strongly disagree.

Table 5: A Three Year Report of Foreign Direct Investment before Adoption of IFRS

Foreign Investment (NM)	*Direct PAT (NM)*	*ESP (%)*	*Returns Shareholders (%)*	... ----- *On Gross Fund Earnings*
217538	13.840	0.3	30	482.000
155041	2,461	0.31	-> ->	270,000
122210	1,21 1	0.27	25	205.000

Source: NSE Annual Review and Statistical Report 20/0

Table 6: A Three Year Report of Foreign Direct Investment after Adoption of IFRS

Foreign Investment (NM).	*Direct PAT (NM)*	*ESP (%)*	*Returns Shareholders (%)*	*On Gross Fund Earnings*
140196	23815	0.26	26	277233
186128	208793	0.86	21	348260
254095	310140	0.91	19	r422000

Source: NSE Annua/ Review and Outlook 2013

CONCLUSION

The following conclusions were made based on the finding of the study:

i. That the adoption of IFRS influences foreign direct investment drive in Nigeria.
ii. That the adoption of IFRS influence the operating system of the human resource capacity of the employees
iii. The use of IFRS culminates into exchange of new technologies and management states across countries.

iv. IFRS elucidates legal perspectives which should be observed to reduced litigations

RECOMMENDATION

The following recommendations were made based on the above conclusions

i. There is the need to adopt IFRS in present day corporate enterprise. Such will motivate direct foreign investing in Nigeria.
ii. There should be adoption of IFRS in the appraisal and assessment of human resources operating system.
iii. That the IFRS should provide the investors with the information for the evaluation of the financial performance of their prospective investment analysis.
iv. Small investors should also adopt IFRS so as to compete favourable with their multinational counterparts.

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