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VALUE RELEVANCE OF FINANCIAL REPORTING AND RETURN ON EQUITY OF QUOTED OIL AND GAS COMPANIES IN NIGERIA

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Abstract
This study examined the value relevance of accounting information derivable from financial reports of quoted oil and gas companies in Nigeria to determine the return on equity to investors in the industries from 2015 to 2020. Data from ten (10) (71.4%) out of (14) (100%) fourteen listed oil and gas companies in Nigeria were analyzed by adopting an ex post facto research design with Panel data analysis. The result obtained showed a significant effect of value relevance of accounting information (VR) on returns on equity (ROE) of oil and gas industries in the period as the P-value 0.0149 < 0.100 level of significance which indicates that financial reporting quality proxied by the value derived has a significant effect on the return on equity of oil and gas companies in Nigeria. Based on this result, ROE – a prominent determinant of firm performance can be guaranteed by quality financial statements proxied by accounting information relevant to the industry, Thus, the article concluded that the value derived from financial reporting will enhance investment in the industry as return on equity will be enhanced. The study concluded among other factors that the value of accounting information derivable from quality financial reporting is significant in taken prudent investment decisions. In the industry. The study recommends enhancement of Financial Reporting Quality based on IFRS provisions, frequency in reporting, and avoidance of manipulation of accounting data that are contained in the financial statement of oil and gas industries in Nigeria

Key Words: Amortization, Value Relevance, ROE, Financial Impairment, Quality

INTRODUCTION

Value relevance can be described as the extent to which investors consider the information contained in a document that is available for existing and potential users for decision-making purposes. Relevant information must be capable of clear interpretation and comprehension to achieve intended purposes. Accounting information is prima facie information for a potential investor in any business especially when such business entity is registered and fully listing requirements of the Stock Exchange. A financial statement is a ready source of information for investors for making quality decisions. It is the extent to which changes in accounting information can explain the changes in the prices of shares and commodities. David and Macfubara (2018), defined value relevance as the strength of the relationship between accounting variables and the market value of equity of a firm. Francis and Schipper (1999) defined value relevance as the extent to which the financial information of an entity captures or summarizes information that determines firm value. To this end, value relevance is used to measure the degree of the statistical association between accounting information and market values of returns. In the same vein, Barth et al. (2001) state that value relevance examines the association between accounting figures and equity market values. In a more thorough discussion of the construct, Francis and Shipper (1999) offer four interpretations of value relevance. One, that financial statement information influences stock prices by capturing intrinsic share values toward which stock prices drift, that financial information is value relevant if it contains the variables used in a valuation model or assists in predicting those variables, while three and four are based on value relevance as indicated by a statistical association between financial information and prices or returns from the operation. According to IAS 1: Presentation of financial statement, paragraph 26, information is relevant when it influences the economic decisions of users by helping them to evaluate past, present or future events or confirming, or correcting, their past evaluations.

Accounting figures are assumed to have information content if the release of new information modifies investors' beliefs about future cash flows and thus causes price revisions. Information content studies use statistical association models to examine how a corporate firm can harness its return to satisfy its stakeholders, especially on return on equity.

Information about the Return on Equity (ROE) of an entity is used to measure the extent to which its net profit after tax is generated from shareholders' capital invested (Choiriyah et al. 2021). ROE reporting is used to show the success or failure of the management in maximizing the return on investment of shareholders. ROE measures the return on investment of shareholders, using the formula for net income available to common shareholders divided by the number of common equity shares.
Information on ROE is specifically vital because it serves as the window through which investors assess the ability of management to generate net income available to the shareholders from the amount invested. According to Choiriyah et al. (2021), The relationship between value relevance and return on the invested amount by investors becomes a serious issue in a growing economy as investors are often skeptical in taking decisions when dealing with an entity with asymmetry information. It is therefore expedient to know the extent to which value relevance drives a firm's performance in the corporate organization, especially in the oil and gas sector of the developing economy. The tendency to take prudent decisions precipitates the quality of information which will result in a quality of investment decisions. If accounting information provides a poor description of the firm, the value relevance of such information will likely be low and consequently, investors' confidence will be impacted negatively hence this study will unravel the obscurity that often surrounds the misleading concepts and low declaration of dividends in the oil and gas industries at any rate even though other developed country investors are enjoying a bountiful return on their investment decision.

Financial Report
Financial reports are produced by listed companies in compliance with necessary standards prescribed by the International Financial Reporting Standards (IFRS) to disclose the economic, social, and financial performance of entities in line with their established goals and objectives. It provides vital information to stakeholders of the entity, within a specific period, usually one accounting year. According to Muhibudeen and Abdulrahman (2020), the quality of the financial report of an entity depends on the quality of the information presented in the statement. Users of financial reports include managers, directors, employees, prospective investors, financial institutions, government regulatory agencies, media, vendors, and the general public (Saliu & Adetoso, 2018). Financial reports are prepared by companies to provide users with information about the entity's financial position, performance, and changes in equity (Obara & Nengih, 2017). To ensure transparency and credibility in the decision-making process by management and other users of accounting reports financial statements are often prepared according to national standards, professional ethics, code of ethics, and corporate governance (Saliu & Adetoso, 2018).

Accounting Rules/ Regulation
The amalgamation of global markets prompted the establishment of an acceptable set of accounting rules to facilitate better understanding and interpretation of financial statements, irrespective of the business location. Information about the Return on Equity (ROE) of an entity is used to measure the extent to which its net profit after tax is generated from shareholders' capital invested (Choiriyah et al. 2021). ROE reporting is used to show the success or failure of the management in maximizing the return on investment of shareholders. ROE measures the return on investment of shareholders, using the formula for net income available to common shareholders divided by the number of common equity shares. Information on ROE is specifically vital because it serves as the window through

which investors assess the ability of management to generate net income available to the shareholders from the amount invested.

Oil and gas companies in Nigeria are required to prepare their financial report in compliance with SAS 14: Accounting for Petroleum Industry (upstream Activities), and SAS 17: Accounting for Petroleum Industry (Downstream Activities). However, following the development and issuance of IFRS 6: Accounting for Exploration and Evaluation of Mineral Resources, oil and gas entities can now account for their exploration and evaluation cost according to the guidance provided by IFRS 6. In Nigeria, the contributions of the oil and gas sector to the development, growth, and stability of the economy cannot be over-emphasized. Historically, the industry came to the limelight in the year 1956, when oil was first struck, by Shell Group in commercial quantities, at Oloibiri Community, in present-day Bayelsa State (Daferighe & Edet, 2019). However, until the early 1990s, the sector was predominated by the International Oil Companies (IOCs). To stimulate local participation in the oil and gas industry, the Nigerian government through the Nigerian National Petroleum Corporation (NNPC) and other related agencies, formulated and implemented certain policies and regulatory reforms such as the National Oil and Gas Policy (NOGP), 2007, the Nigerian Oil and Gas Industry Content Development (NOGICD) Act, 2010 and the Petroleum Industry Act, 2020 (Oziri & Achinike, 2022). In addition, most of the policy initiatives in the Nigerian oil and gas sector were strategically designed to attract more investment, guarantee increased production capacity, and ensure sustainable economic development, since the sector contributes about 90% of the country's foreign earnings which constitute 60% of the total revenue of the country (Klynveld Peat Marwick Goerdeler (KPMG), 2021). Even though oil and gas companies in Nigeria are among the fastest growing and high-risk entities (Etim et.al., 2020), the contribution of the sector to the Gross Domestic Product (GDP) of Nigeria dropped drastically from 13% to about 7% in 2020 (Price Water house Coopers (PWC), 2020). According to Choiriyah et al. (2021), ROE is a profitability ratio from the perspective of the investors. Sitorus and Elinarty (2017) argued that the higher the rate of return on owners' equity investment, the better because this shows the amount of own capital in generating higher net profit after tax, on the other hand, lower ROE indicates that the amount of capital invested as operating cost only produced a small or low net profit after tax. Generally, shareholders of oil and gas companies will prefer higher ROE because this will mean that the management has efficiently utilized the equity capital invested in generating net income. Higher ROE will attract more investors, which will lead to a better performance of the company Specifically,

Accounting information in the Petroleum Industry-Upstream and Downstream

This standard was first issued in 1993 by the National Accounting Standard Board (NASB) to enhance the comparability of financial statements prepared by companies operating in the upstream sector of the petroleum industry in Nigeria (Barde, 2011). The standard deals with accounting and reporting for upstream activities which involve the acquisition of a mineral interest in properties, exploration (including prospecting), development, and production of crude oil and gas. The downstream sector of the Nigerian oil and gas comprises oil and gas activities such as storage, transportation, marketing, and distribution of refined products from crude oil and liquified gas. SAS 17: Accounting in the Petroleum Industry-Downstream Activities was issued by the NASB to guide accounting practices and reporting formats to be followed by companies operating in the sector. In the process of crude refining, catalysts are added to the crude to speed up the cracking process. Catalysts are expensed as consumed and accounted for as an inventory and recorded at the lower of cost or net realizable value (PwC 2011). NG-GAAP requires catalysts to be separated into short-life (lasts less than a year) and long-life catalysts (lasts a year or over). The costs of short-life catalysts are expensed in the year in which they are incurred while the costs of long-life catalysts are capitalized and written off over the life of the refinery.

Return on Equity (ROE)

Information about the Return on Equity (ROE) of an entity is used to measure the extent to which its

net profit after tax is generated from shareholders' capital invested (Choiriyah et al. 2021). ROE reporting is used to show the success or failure of the management in maximizing the return on investment of shareholders. ROE measures the return on investment of shareholders, using the formula for net income available to common shareholders divided by the number of common equity shares. Information on ROE is specifically vital because it serves as the window through which investors assess the ability of management to generate net income available to the shareholders from the amount invested. According to Choiriyah et al. (2021), ROE is a profitability ratio from the perspective of the investors. Sitorus and Elinarty (2017) argued that the higher the rate of return on owners' equity investment, the better because this shows the amount of own capital in generating higher net profit after tax, on the other hand, lower ROE indicates that the amount of capital invested as operating cost only produced a small or low net profit after tax. Generally, shareholders of oil and gas companies will prefer higher ROE because this will mean that the management has efficiently utilized the equity capital invested in generating net income. Higher ROE will attract more investors, which will lead to better performance of the company. Signaling theory indicates that asymmetric information between a company and its investors causes adverse selection. To avoid this situation, information that provides a signal to the market is disclosed voluntarily by companies (Watt & Zimmerman, 1986). Size, profitability, and growth are factors that affect the decision to disclose voluntary information to avoid adverse selection. Firms with higher profitability will tend to disclose more information to the market to boost investors' confidence and prevent undervaluation of their shares, thus this study supports the signaling theory.

Statement of Problem

The relationship between the value relevance of accounting information and return on investment to investors in the oil and gas industries cannot be underestimated as the investing decision of existing and prospective investors hinged strongly on this phenomenon. Every amount invested by any investor becomes a serious issue in a growing economy if adequate financial information is not available to the users.

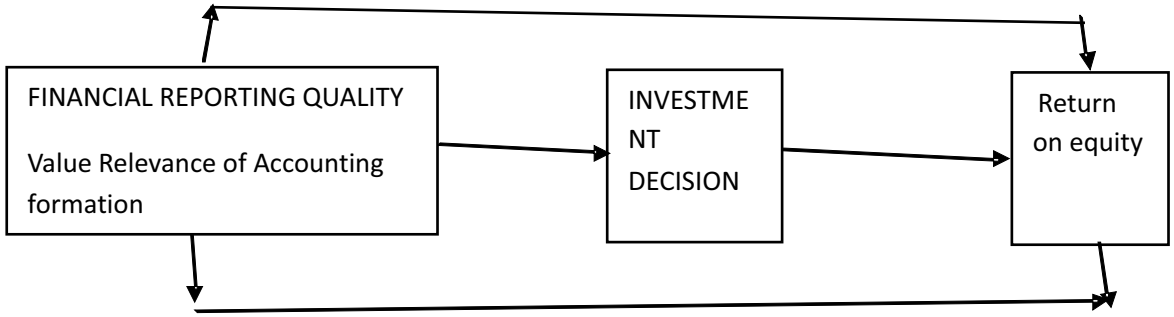
Many investors are often skeptical in taken decisions when dealing with an entity with asymmetry information. It has not been established and as such it is good to know the extent to which value relevance drives a firm's performance in the corporate organization, especially in the oil and gas sector of developing economies. The tendency to take prudent decisions precipitates the quality of information which will result in the quality of
investment decisions of any interested in the goodies that this sector of the economy offers. If accounting information provides a poor description of the firm performance, the value relevance of such information will likely be low and consequently, investors' confidence will be impacted negatively. These problems need adequate attention and as such this study set out to unravel the obscurity that often surrounds the misleads and low declaration of dividends in the oil and gas industries at any rate in Nigeria

Conceptual Framework

This article is anchored by the design below to show the relationship between financial reporting proxied by its relevant information and the performance variable represented by return on equity in oil and gas industries in Nigeria.

Figure 1 depicts the relationship between the information relevance of accounting information which quality financial reporting provides to investors and other stakeholders that often relied on returns on earnings in
taking investment decisions.

Figure 1:



Source: Author's Design, 2023

The paper is anchored on the signaling theory which explains the relevance of accounting information in two forms, both of which led to taking investment decisions that resulted in a positive return on equity and the other that yield a negative return on equity. Thus, either way, information derived from quality financial reporting will derive the returns expected by investors which will become relevant especially when there is the need to take investment decisions.

METHODOLOGY

The study adopted ex post facto research design - a systematic empirical study involving events that have already taken place since no attempt is made to control or manipulate relevant independent or dependent variables. It also utilized secondary data obtained from the Published Annual Reports of selected listed oil and gas companies operating in Nigeria, from 2015 to 2020. The population of the study consists of the Fourteen (14) oil and gas companies listed on the Nigerian Stock Exchange (NSE) as of 31st December 2015 and have remained listed and consistently submitted their annual reports to the NSE from 2015 to 2020. The companies are Ardova Plc, Mobil Plc, Anino International Plc, Capital Oil Plc, Conoil Plc, Eterna Plc, Forte Oil Plc, Japaul Oil Plc, MRS Oil Nigerian Plc, Oando Plc, Rak Unity Petroleum Company Plc, Seplat Petroleum Development Company Ltd and Total Nigerian Plc.

A judgmental or purposive sampling technique was applied to select Ten (10) (71.4%) companies with complete financial statements from 2015 to 2020.

Measurement of Variables

Variables	Types of Variables	Symbol	Measurement	Sources
Return on Equity	Dependent	ROE	Net profit after tax/Shareholders fund X100	Chakroun & Amar (2019)
Value Relevance	Independent	MVE	Market Value of Equity (MVE) = Market price of shares X Number of shares	Davies & Macfubara (2018)

Model Specification

Based on the previous discussion, the following empirical models as applied in Kasmawati (

$ROE_{it} = \beta 0 + \beta 1\ (DA)_{it} + \beta 2\ (MVE)_{it} + \beta 3\ (BMR)_{it} + \beta 4\ (DEBT)_{it} + \beta 5 (OL)_{it} + \beta 6\ (SIZE)_{it} + \beta 3\ (SG)_{it} E_{it.}$ --(2)

Where:

ROE_{it} = Return on Equity of firm i at year t

E_{it} = Error Term

RESULTS AND DISCUSSIONS

The analyzed data comprises ten companies out of fourteen oil and gas quoted on the stock exchange market with their various return on equity which is a prima facie financial performance indicator that accounting information drives in the oil and gas industries. The focus is on return on equity which asymmetric information can help to propagate to guide prospective investors in investment decisions in the oil and gas sector of Nigeria's economy.

Table 1.

Year	Ardo0yn Plc	Capital Oil Plc	Conoil Plc	Eternal Plc	Japaul Gold & vent	MRS oil plc	Oando Plc	Rak Unity Pet	Seplate Energy Plc	Total Energy Plc	Yearly AV.
2015	.458325	.08822	.098139	4.33779	.120723	.458325	.249095	.072113	.150857	.066607	.956943
2016	.144302	.098139	.101312	.051398	.186481	.144302	.183421	.150857	.034238	.664224	.886772
2017	.074809	.101312	.07378	.868641	.12642	.074809	.135216	.034238	.084481	.842899	.912459
2018	.287945	.07378	.145738	.696229	.964875	.287945	.4365	.084481	.539315	.527126	.909938
2019	.175521	.145738	.170948	-.77535	1.82235	.175521	.104542	.539315	.211814	.169082	.886317
2020	.153684	.170948	192897	.758502	.080185	.153684	.049627	.211814	.368971	1.90141	.870001

Source: Author's Computation, 2023.

Descriptive Statistics

Descriptive Statistics

This sub-section discusses the descriptive statistics of the data generated on the dependent and explanatory variables of the study. It provides the summary statistics relating to the measure of central tendency, such as the mean, and the measures of dispersion, such as the standard deviation, the minimum, and the maximum values of the study variables. The table below shows that on average the Financial Reporting Value Relevance (FRVR) of the listed oil and gas firms is 44.4295 with wide variation around the mean supported by the standard deviation of 64.9644. This wide variation was later supported by the minimum and maximum values of 0.2 and 279 respectively of the value relevance. The standard deviation of 0.7524 shows a low level of dispersion in the total assets of the sampled firms. Concerning Sales Growth (SG), Table 4.1 further reveals that on average, the sampled firms experienced moderate sales growth in revenue with a mean of 0.3916 which is a 39.16% increase. The minimum value of -0.3296 and the maximum value of 6.8648, when compared with the minimum value, represent a range of 6 times. This also shows that some of the firms in the sample experienced drastic growth in revenue from one year to the other during the period of this study due to the high demand for oil and gas in Nigeria. In addition, the standard deviation of 0.9786, which is higher than the mean value, attests to wide variation in the sales growth among the firms in the sample. The Leverage (DEBT) has a mean of 0.4436 which means that the average debt of the companies is about 44%. This indicates that most of the firms have moderate debts with a minimum debt of 0.000 which shows other firms do not have debts in their capital structure and maximum debts of about 1.8762 which shows other firms are highly geared. The standard deviation of 0.4301 indicates that there is no significant difference between the leverage of the selected firms since the mean is greater than the standard deviation.

Table 2 Descriptive Statistics

Variables	Observations	Mean	Standard Dev.	Minimum	Maximum
ROE	50	0.1342	0.7955	-1.8223	4.3378
EM	50	3.8823	0.2555	-0.5384	0.9781
MVE	50	44.4295	64.9644	0.2	279
BMR	50	11.5855	13.5495	-5.0000	53.53
SIZE	50	10.6289	0.7524	8.6819	12.1175
SG	50	0.3916	0.9786	-0.3296	6.8648
DEBT (%)	60	0.4436	0.4301	0.0000	1.8762
OL	60	1.1009	0.5227	0.3091	2.9752

Source: Author's Computation, 2023.

: *Shapiro-Wilk test for Normal Data of Dependent variables Residual*

	Model
Variables	**e1**
Obs	124
W	0.98636
V	1.350
Z	0.673
Prob>Z	0.25036

Source: Author's Computation, 2023.

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Source: Author's Computation, 2023.

The table shows that the ROE (the red row) of the sample firms on average is 0.1345 which is 13% and the standard deviation stood at 0.7955. This indicates wide variation around the mean. It also indicates the ROE of the sampled variance within the period of the study. The minimum value and maximum value are -1.8223 and 4.3378. Also, it reveals a large standard deviation of EPS amounting to 5.3678 suggesting that the observations are widely scattered around the mean which is 1.5687. This is also indicated in the wide difference between the maximum and minimum of the data which are 21.76 and -20.02 respectively.

Table 3: Correlation Matrix for Financial Reporting Quality and Return on Equity (Model 1)

VAR.	ROE	EM	MVE	BMR	SIZE	SG	DEBT	OL	VIF
ROE	1.0000								
EM	0.1919	1.0000							1.08
MVE	-0.0099	0.0764	1.0000						1.32
BMR	0.0371	-0.0335	-0.4619	1.0000					1.58
SIZE	0.1568	0.1863	0.3849	0.0851	1.0000				1.37
SG	0.0028	0.1489	0.1132	0.0405	0.4572	1.0000			1.53
DEBT	0.3575	0.1146	-0.1707	0.3478	0.2585	0.1995	1.0000		1.20
OL	0.1431	0.0031	0.2831	-0.5110	-0.1114	0.0302	-0.1280	1.0000	1.34

Source*:* Author's Computation,2023.

```
             |     ROE      EM     MVE     BMR    SIZE      SG    DEBT      OL
-------------+------------------------------------------------------------------
         ROE |  1.0000
          EM |  0.1919   1.0000
         MVE | -0.0099   0.0764   1.0000
         BMR |  0.0371  -0.0335  -0.4619   1.0000
        SIZE |  0.1568   0.1863   0.3849   0.0851   1.0000
          SG |  0.0028   0.1489   0.1132   0.0405   0.4572   1.0000
        DEBT |  0.3575   0.1146  -0.1707   0.3478   0.2585   0.1995   1.0000
          OL |  0.1431   0.0031   0.2831  -0.5110  -0.1114   0.0302  -0.1280   1.0000
regress ROE EM MVE BMR SIZE SG DEBT OL

      Source |       SS       df       MS      Number of obs   =        60
-------------+------------------------------   F(7,52)         =      1.66
       Model |  6.80477688     7.972110982   Prob > F        =    0.1408
    Residual |  30.5347375     52.58720649   R-squared       =    0.1822
-------------+------------------------------   Adj R-squared   =    0.0722
       Total |  37.3395144     59.632873125   Root MSE        =    .76629
------------------------------------------------------------------------------
         ROE |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
          EM |   .3887893   .4063572     0.96   0.343    -.426626    1.204205
         MVE |  -.0035014   .0017654    -1.98   0.053    -.0070439    .0000412
         BMR |  -.0071955   .0092678    -0.78   0.441    -.0257927    .0114016
        SIZE |   .0388158   .1553283     0.25   0.804    -.2728732    .3505047
          SG |   -.071308    .125974    -0.57   0.574    -.3240933    .1814774
        DEBT |   .4366891   .2541113     1.72   0.092    -.0732226    .9466008
          OL |   .1476568   .2213448     0.67   0.508     -.296504    .5918176
       _cons |  -.3677624    1.71618    -0.21   0.831    -3.811529    3.076004
------------------------------------------------------------------------------
         Variables: fitted values of ROE
         chi2(1)     =     2.09
         Prob > chi2 =   0.1481
```

Table 4: GLS Regression Results for Return on Assets, Return on Equity, Earnings Per Share, and Firm Performance.

	Model 1 (ROA)			Model 2 (ROE)			Model 3 (EPS)		
Variables	**Coef.**	**Z**	**P>|z|**	**Coef.**	**Z**	**P>|z|**	**Coef.**	**Z**	**P>|z|**
Constants	0.9166	2.71	0.009*	-0.3677	-0.21	0.830	17.4872	1.62	0.103***
EM	-0.3119	2.52	-0.019*	0.3888	0.96	339	-0.6316	-0.25	0.805
MVE	0.0016	2.79	0.007*	-0.0035	-1.98	0.047**	0.0372	3.36	0.001*
BMR	0.0020	0.49	0.623	-0.0072	-0.78	0.438	0.1045	1.80	0.072***
SIZE	-0.0086	-0.36	0.722	0.0389	0.25	0.803	-2.1699	-2.22	0.026**
SG	-0.0291	-1.97	0.048**	-0.0713	-0.57	0.572	-0.4465	-0.56	0.572
DEBT	0.0848	1.28	0.201	0.4367	1.72	0.086***	2.9582	1.85	0.064***
OL	0.1431	4.34	0.000*	0.1477	0.67	0.505	2.8554	2.05	0.040**
Overall R^2	0.4365			0.1822			0.2917		
Wald chi2(7)	41.88			31.59			21.41		
Prob>chi2	0.0000			0.0149			0.0032		
Hettest	0.0000			0.1481			0.2529		
Hausman	0.6968			0.9614			0.5805		
LM	0.0001			0.0000			0.0000		
Unit root	0.0000			0.0000			0.0000		

***Source**:* Stata 14.0 output based on data extracted from listed oil and gas firms.
*, **, and *** indicate 1%, 5%, and 10% levels of significance.

Regression results from Stata 14.0

Notes:

1. Unicode is supported; see help Unicode advice.
2. Maximum number of variables is set to 5000; see help set Maxar.

. use "\Users\USER\Desktop\ARCHIVE\Software\Stata_15.0x64\Financial reporting and firm performance. data"

The value Wald chi of 31.59 with a probability value of 0.0149 indicates that the model is of good fit and the explanatory variables used as determinants of firm performance are properly selected. It also indicates that the hypothesis of a significant linear relationship between the dependent and independent variables cannot be rejected at a 5% level. Hence, this finding provides enough evidence to reject the hypothesis that the value relevance of financial reporting quality does not significantly affect ROE.

CONCLUSION AND RECOMMENDATIONS

The study examined the relationship between the value relevance of financial reporting - accounting information and return on equity in the oil and gas sector of Nigeria's economy. Finds of the study showed a positive relationship between quality financial reporting proxied by value relevance based on the information derivable and the growth in the return on assets of the oil and gas industry which explained that with good financial reporting, returns on shareholder value will be on increase meaning that investment in this area will be lucrative to existing and potential investors in the economy. The return on equity has a positive significant impact on ROE The study shows that the value relevance of accounting information has a positive and significant impact on other related financial performance variables of the organization including return on asset The study conclude that the value of financial reporting is significant in taken prudent investment decisions as this will

culminate into positive or negative return on equity of an investor in developing economy. Based on the findings of the study, the following recommendations are made: enhancement of Financial Reporting Quality – a good source from where accounting information could be derived.in the oil and gas firms in Nigeria

Regulatory bodies such as the Financial Reporting Council of Nigeria (FRCN), and the Security and Exchange Commission (SEC) should monitor compliance with IFRS by companies to enhance financial reporting quality and that oil and gas companies should avoid engaging in dubious earnings management and accounting conservatism that would affect the returns that are meant for different categories of stakeholders.

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