

Corporate Financial Reporting and Investors' Confidence in Listed Consumer Goods Companies in Nigeria

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ABSTRACT

Optimistic investors invest their capital into businesses and projects which result into expansion of businesses, create new job possibility and support to the growth and development of the nation economy. Information disclosed by the financial statements enables stakeholders to better understand the performance or otherwise of the business, as well as the assessment of the financial strength and growth potentials of the firm. For any business organization to grow it needs to publish adequate, reliable, clear and fair financial information. Evidence from research showed that most businesses released window dressing financial statement for public consumption without realizing how it would affect them, which result into lack of trust from the investors. This study therefore examined the effect of corporate financial reporting on investor's confidence of listed consumer goods companies in Nigeria for the period between 2015 – 2024. The study adopted ex post facto research design and the population consisted of 28 listed consumer goods companies upon which 10 companies were selected using purposive sampling techniques. The results from the GMM estimator showed that accounting conservatism and cash flow value have positive and significant effect with the co-efficient (0.0068 and 0.0025) and p-value (0.009 and 0.001) at 5% level of significant respectively. While equity value has negative coefficient -0.6150 but significant with p-value 0.000 at 5% level of significant. The study concluded that corporate financial reporting enhanced investors' confidence of listed consumer goods companies in Nigeria. The study recommended that companies should prepare their annual financial reports with transparency, truthfulness and without compromising the standard in such a way that investors can place the reliance on the contents of the reports, which will subsequently propel a positive market response and increase their performance.

Key Words: Accounting confidence, Cashflow, Equity Value, Investors' confidence, and Tobin's Q.

INTRODUCTION

Financial information of any organization is influenced by the nature of business operated, and are becoming fastest growing and high-risk as it shapes and reshape the investment decision of the user of the financial statement of the investors. It also outlines the dangers associated with this type of business and has a big role in how profitable the company's operations are. Effective resource management is necessary to boost investor trust, according to good business acumen (Ojaniwuna, 2023). Firm's financial reporting has become ever more imperative for businesses today as stakeholders are turning their focus towards the critical role of firms' performance in making decision (Nacasius *et al.*, 2020).

Timeliness and reliability of information in the financial report is of the utmost priority of investors because this will boost investors' confidence to consumer goods companies as investors are constantly looking out for sources of information that will give them the edge (Millar, 2021). However, lack of investors' confidence in financial reports prompt them to look elsewhere. As a result, they depend more and more on unconventional and unaudited data from sources like social media, internet news, and analyst presentations. When it comes to general financial information and liquidity, investors are especially eager for certainty. Information speed is thought to be more crucial when it comes to other parts of reporting, such rising dangers. This trend is being accelerated by worries about traditional corporate reporting, as investors have been increasingly sceptical of the information corporations provide since the financial crisis.

The main factor driving the capital market is investor confidence (New York Institute of Finance, 2022). This is because investors must rely on information provided by businesses in order to comprehend their perspective for both present and future investments. Investor confidence is simply the degree to which the firm's information is accepted and used to make well-informed investment decisions (Ogan & Adegbe, 2022; Zubair & Ibrahim, 2011). It suggests the extent to which investors get disclosures from a company and base their investment choices on them. This is made possible when the company has an efficient monitoring and control system that reassures investors about the company's performance, financial stability, and adherence to pertinent laws.

Stakeholders can gain a better understanding of the business's profitability or lack thereof, solvency level, and evaluation of the firm's financial soundness and growth prospects thanks to information provided by the financial statements (Seiyabo & Okoye, 2020). A wide range of users can make management and investment decisions with the use of relevant financial information, which offers sufficient information about a company's financial status, performance, and changes in financial position. Financial data's main function is to provide the parties concerned with information that helps them make wise business and financial decisions. The annual financial report is used by many investors to make decisions about the performance of businesses.

For any business organization to grow it needs to published adequate, reliable, clear and fair financial information. Additionally, disclosed financial statements improve comparative analysis and offer a more solid foundation for forecasting. However, the trustworthiness of public financial statements has been seriously questioned due to the expectations of having a virile published financial report free from window dressing, manipulation, or discretionary treatment of financial transactions (Ogan & Adegbe, 2022).

The financial reports are important to investors' decision-making and should include pertinent and trustworthy information for making strategic choices. However, a number of financial scandals, as well as the losses resulting from earning management techniques and other financial mishandling, have consistently raised concerns among stakeholders and severely undermined investor confidence.

The problems confronted by the investors are the difficulties on a choice of deciding when to contribute, irrespective of whether to contribute. An investor can minimize decision-related risk by rely on the content of the information in financial reporting (Dare & Adegbe, 2023). Investors are concern about the going concern of the firm which usually determine by the financial performance of the company than how attractive is the company or its productivity. This is because no investor would invest in a company that has its viability at risk. However, financial information serve as a determinant of the financial statement of the company provides (Amaraihu & Onodu 2018).

Without understanding how it would impact them, the majority of corporations published window-dressing financial statements for public consumption. Healthy financial information can only be gathered or disseminated with the help of a financial expert. Financial information is used by corporate organisations to inform stakeholders about their financial health and operational performance at any given time. Financial reporting is the method by which businesses inform the public about their operations (Onumoh et al., 2024). A formal, thorough statement that describes the company's financial operations is called financial reporting information. In order to assist users in making well-informed decisions on performance evaluation, forecast, investments, plans, and expected returns, it contains all relevant data provided in an easily comprehensible way.

Despite the introduction of strong corporate governance, yet, investor's confidence in corporate financial reporting is still a night mare. With the importance of corporate financial reporting on the investor's confidence, very scanty studies have been conducted in this vital area of research that prompt the researcher to carry out this research on this area with specific focus on the consumer goods aspect of manufacturing sector of the country. In the light of this, the following researcher hypotheses become pertinent and were tested in this study:

Hypothesis of the Study

There is no significant effect of equity value on investors' confidence of consumer goods companies in Nigeria.

Several studies have been conducted across the globe on the corporate financial reporting and the investors' confidence. Dominate this body of knowledge were the studies by Ogan and Adegbe (2022) with the focus on manufacturing sector for the period between 2011 - 2020; Falana, Igbekoyi and Oluwagbade (2024) on firm attributes and financial reporting quality of listed multinational firms in Nigeria for the period between 2011-2023. Egolum *et al.*, (2021) on the effect of financial reporting quality on corporate performance. The integrated reporting and share price performance of Nigerian listed industrial goods companies were also studied by Akpan *et al.* in 2024. Onumoh and associates (2024), analyse how different types of capital and integrated reporting affect company value in the setting of Nigerian manufacturing companies.

It has been discovered that none of these studies carried its study on consumer goods companies in Nigeria with the application of Generalized Moment Method (GMM) despite the unique feature of GMM that make it stand out among the estimation techniques that available. The study cover between 2015 – 2024 (10 years). The findings of this study will complement the body of knowledge already available on the subject matter, as well as act as a fundamental reference for future investigations.

LITERATURE REVIEW

Conceptual Review

Conceptual Review

Financial reporting quality, according to Hung *et al.*, (2023), is the quality of information included in financial reports, including disclosures. This description emphasizes the importance of information and disclosure while focusing on the foundation of financial reporting quality. It captures the general understanding of financial reporting quality. However, it is quite broad and does not provide specific criteria or metrics of what constitutes quality.

On the one hand, Setiyawati *et al.*, (2020) defined the quality of financial reports as accounting standards compliance, measured by the level of non-compliance, and attained through inspection. In this regard, Falana *et al.*, (2023) stated that the quality of accounting information can be determined by analyzing accounting information's relevance and timeliness to stakeholders in making decisions. The accounting standards aim to produce relevant and reliable financial statements. While offering information on what constitutes financial reporting quality, this definition assumes compliance entails quality. But compliance alone might neglect the evolving nature of financial reporting practices and the ongoing efforts by regulators to maintain or improve quality.

In this study, the quality of a financial report is conceptualized as the extent to which it contains decision-useful and reliable information regarding an organization's financial performance and situation to address users' needs. In this regard, financial reporting quality entails not just information of a financial nature but also non-financial information and disclosures that aid decision-making. The study, therefore, represents financial reporting quality with faithful representation.

Accounting Conservatism

According to Watts (2003), conservatism is defined as the tendency of bookkeeping to have a higher degree of verifiability for spotting positive news. An agreement between an entity and other participants is one of the many requirements for conservatism. Conservative accounting can lower financing costs, increase returns on investment, and boost a company's cash value (Li, 2015). According to Abdolkarim and Mehran's (2016) research, there is a strong correlation between accounting conservatism and Tobin's Q; hence, an increase in conservatism lowers Tobin's Q and vice versa. Additionally, a number of academic studies have found that accounting conservatism has a favourable impact on the quality of financial reporting (Kordlouie *et al.*, 2014; Penman & Zhang, 2002; Ugwunta & Ugwuany, 2019).

Investor's Confidence

Ogujiofor et al. (2025) define investor confidence as the willingness of investors to participate in the investment possibilities and related intermediation channels that are accessible to them based on their perceptions of risk and return. Investor confidence is essential for success in both domestic and foreign capital markets. This implies that investors' decisions to invest are influenced by their opinions on and degrees of trust in the business and the stock market. Because future financial needs can require more investment from both present and potential investors, investor confidence is essential. The share price is thus represented by the investor's confidence, which is referred to as the dependent variable.

Theoretical Review and Framework

Decision-usefulness Theory

Decision-Usefulness theory assumes accounting information's primary goal is to help investors/stakeholders make better economic choices, believing information should be relevant, reliable, timely, and comparable, and that a stable link exists between data and decisions, with financial reports as key predictors for future returns. While decision-usefulness theory serves as the basis of the study's theoretical foundation, it was propounded by George Staubus in 1961. The decision-usefulness theory assumes that rational people utilize accounting information and that the primary purpose of financial reporting is to offer relevant information for decision-making. Accordingly, the FASB and IASB recognize decision usefulness as the primary goal of financial reporting (Falana et al., 2023). In essence, it is a market-based model that assumes the availability of relevant information to enable rational decision-making and efficient resource allocation (Abakasanga *et al.*, 2019).

Decision usefulness theory is important in the financial reporting context, providing insight into financial reporting quality. This theory has been used to justify accounting standards, policies, and choice selection for over 40 years (William *et al.*, 2015). Soyinka *et al.*, (2017) applied the assumptions of decision usefulness theory to explain the financial reporting quality's importance, decision-making and information provision. Kamotho *et al.*, (2022), on the other hand, asserted that it can be extended to an integrated report. Hitz (2007) emphasized the importance of decision usefulness in fair value accounting, while Yew *et al.*, (2020) stated decision usefulness theory is important in differentiating net income and comprehensive income.

However, this theory has been criticized due to differences in users' needs. Kamotho *et al.*, (2022) argued that variations might affect certain financial reporting quality in terms of priority and importance. Over time, users' perceptions change, and such changes affect the application of decision usefulness theory. According to Yew *et al.*, (2020), the assumptions of decision usefulness theory may be abandoned under extreme conditions. While the primary assumption of decision usefulness theory lies in utility, Kamotho *et al.*, (2022) opined that such might be inadequate for policy choices at micro or macro levels. Other factors inform decision-making and choices.

Stakeholders Theory

In contrast, the stakeholder idea sees the company as a hub of connections. Stakeholder theory, according to Clarke (2004), characterises the company as multilateral agreements between the enterprise and its various stakeholders. Stakeholder theory sees a company as having more than two stakeholders, in contrast to agency theory, which limits the firm's stakeholders to only shareholders and management. Formal and informal rules that have emerged throughout the course of the partnership frame the relationship between the organisation and its internal stakeholders, including employees, managers, and owners (Yohanis & Santiadiji, 2021). Although management is funded by shareholders, they rely on workers to carry out the business's productive goals.

Customers, prospective investors, suppliers, and the community are examples of external stakeholders that are equally significant and subject to legal and informal regulations that companies must abide by (Yohanis & Santiadiji, 2021). The interdependence of the company and society is acknowledged by the stakeholder theory. As a result, the company's social mission extends beyond its obligations to shareholders and managers alone (Kiel & Nicholson, 2003).

Empirical Review

Many eminent scholars have investigated the relationship between corporate financial reporting and investors' confidence from various angles. Egolum, Egbunike and Eze (2021) the effect of financial reporting quality on corporate performance of selected quoted manufacturing companies. The explore the uses of Ex-post facto research design for the study with the uses of multiple logistic regression, the study showed that there is a statistically significant effect of financial reporting quality on corporate performance of selected companies.

Ojianwuma (2021) evaluated the impact of timely financial statements, accounting conservatism, earnings management, and earnings per share on the value (Tobin's Q). The regression model was analysed using the Excel analytical tool kit. The analysis' findings showed that Tobin's Q is positively impacted by financial reporting. Tobin's Q is positively and significantly impacted by accounting conservatism and timely financial reporting, according to the explanatory factors' individual impacts.

The impact of integrated reporting on the share price performance of Nigerian listed industrial products companies was investigated by Akpan et al. in 2024. Industrial products companies were the study's main emphasis. The study's conclusions showed that financial capital significantly improves the price-earnings ratio of Nigerian listed industrial goods companies. According to the study's findings, integrated reporting significantly affects the share price performance of Nigerian listed industrial goods companies.

Onumoh and associates (2024). Analyse how different types of capital and integrated reporting affect company value in the setting of Nigerian manufacturing companies. via 2011 to 2022, information was gathered via annual reports and accounts. Multiple regression analysis was used in the study to investigate the connection between integrated reporting variables and company value. The results demonstrate that while intellectual capital, human capital, and social/relationship capital do not exhibit statistically significant connections, manufacturing capital and leverage have a significant impact on business value.

Dare and Adegbe (2023, investigate the impact of corporate financial reporting on investors' confidence of industrial goods industries in Nigeria with the introduction of audit firm size as moderating variable. The study found that corporate financial reporting significantly affects investors' confidence. The study also found that audit firm size moderately affects the effect of corporate financial reporting on investor confidence.

From the reviewed of empirical evidences, it has been identified that none of the studies conducted here in Nigeria focused on consumer goods sector of the manufacturing companies and mostly, despite the usefulness of Generalised Moment Method that its unique features make it stand out among the techniques of data analysis, none of the study make used of GMM. This is thereby focused on consumer goods companies listed on Nigerian Exchange Group with the application of GMM techniques of data analysis.

METHODOLOGY

An ex-post factor research design is used in the study. This type of methodology was chosen because, by first identifying certain current effects and then looking back by examining causal elements, it helps to analyze potential cause and effect correlations. The twenty-eight (28) consumer goods companies listed on the Nigeria Exchange Group (NXG) as of December 31, 2024, make up the study's target population.

Sample Size and Sampling Technique: the study used purposeful sampling techniques to select ten (10) consumer goods companies that were used as samples for the study. Corporate financial reporting (independent variable), which was proxied by equity value, accounting conservatism, and cash flow value, and dependent variables (investors' confidence) is proxy by Tobin's Q. The data spanned the ten (10) years from 2015 to 2024.

Heteroskedasticity, unobserved heterogeneity, and endogeneity are all addressed in the study using the Generalized Method of Moments (GMM) estimate. The correlation of independent variables, moderating variables, and control variables with error terms is referred to as endogeneity. Because the GMM estimator has the greatest ability to handle endogeneity, it is used in this investigation. According to Ullah *et al.*, (2018), the GMM changes data to eliminate the impacts of all endogeneity sources, including simultaneity, dynamic

endogeneity, and unobserved heterogeneity. The study chose the lags that best address the endogeneity out of the several lags that GMM gives. Version 14.5 of STATA software was utilized for the analysis in the study.

The model is as specified below:

$$INCO_{it} = \alpha + \beta_1 EQV_{it} + \beta_2 ACC_{it} + \beta_3 CFV_{it} + \mu_i$$

Where:

INCO = Investors' Confidence; EQV = Equity Value; ACC = Accounting Conservatism; CFV = Cash Flow Value.

α = Intercept; $\beta_1 - \beta_3$ = Parameters of Estimate; $\mu_{it} = \varepsilon_{it} + \lambda_i$; ε_{it} = stochastic error term; λ_i = cross-sectionals individual difference (Composite Error). *A priori* expectation is that $\beta_1 - \beta_3 > 0$

Variables Measurement:

Equity Value: It is the total assets minus liabilities (Dare & Adegbeie. 2023; Ajayi-Owoeye *et al.*, 2022).

Accounting Conservatism: it is the measured by (NI_t/MV_{t-1}) Net Income scaled by lagged Market value (Khan & Watts, 2009; Mohamed Ali Yousuf, 2020).

Cash Flow Value: It is the free cash flow divided by net operating cash flow (Dare & Adegbeie. 2023).

Tobin's Q = It is the market valuation of the companies divided by replacement cost of company's assets (Ogan & Adegbeie, 2022).

Data Analysis and Discussion of Findings

This section's main goal is to convey the findings from the inferential analysis of the various variables. Regression analysis is the primary inferential analysis technique used in this study to investigate the corporate financial reporting on investors' confidence of quoted consumer goods companies in Nigeria. The outcomes are displayed in accordance with the system's generalized method of moment (GMM) estimator. Unit root testing was done before the estimation to determine whether each variable was stationary.

Correlation Analysis: An implicit assumption that is made when using GMM estimation method is that correlation analysis is statistical method that is used to discover if there is a relationship among the variables, and how strong that relationship may be. Table 1 displays the relationship among the variables using pairwise correlation.

Table 1: Results of Pairwise Correlation Analysis

	INCO	EQV	INV	CFV
INCO	1			
EQV	0.7149 (0.000)	1		
ACC	-0.1852 (0.033)	-0.1354 (0.121)	1	
CFV				1

CFV	0.1153	0.0699	-0.3024	1
	(0.187)	(0.425)	(0.000)	

Source: Author's Computations, (2025).

Investors' confidence has a statistically significant positive correlation coefficients with equity value (0.7149 with p-value of 0.000) but a statistically significant negative correlation with accounting conservatism (-0.1852 with p-value of 0.033). However, investors' confidence has no statistically significant correlation coefficients with some variables such as cash flow value. This implies that investors' confidence has significant positive relationship with equity value but has significant negative relationship with accounting conservatism. It also implies that investors' confidence moves in the same direction with the former variable but moves in opposite direction with the latter variable. Consequently, higher levels of investors' confidence are associated with higher levels equity value, but higher level of investors' confidence is associated with lower levels of accounting conservatism and vice versa.

There are no statistically significant correlation coefficients between equity value and any of the factors. As a result, not all the variables are related to higher or lower levels of equity value. Cash flow value and accounting conservatism have a statistically significant negative connection (-0.3024 with p-value of 0.000). In general, none of the explanatory factors' correlation coefficients are as high as 0.8. This indicates that using these variables together in a regression model would not result in the issue of severe multicollinearity, according to the general rule of identifying severe multicollinearity (see Asteriou & Hall, 2016).

Inferential Analysis: Presented in this section are the results of inferential analysis which are conducted mainly to answer the research questions, achieve the objectives of this study and verify its hypotheses. Majorly, the regression analysis was conducted and presented here for these purposes. Furthermore, some pre-estimation tests such as unit root test, arellano-bond test of auto correlation, sargan test, and variance inflation factor (VIF) test were also conducted and presented prior to the major results in order to examine the time series properties of the panel data variables employed in the study and take relevance decision as to the specific method of estimation.

Panel Unit Root Test: The results of panel unit root test are presented here for the variables of this study. For robustness purpose, both the Fisher-type augmented Dickey-Fuller (Fisher-ADF) and Fisher-type Phillips-Perron (Fisher-PP) unit root tests were conducted and are presented in Table 2. The t-statistic as well as the p-values of each test are presented. Each of the variables were first tested at their level series to check their stationary. The test was conducted on the first-differenced series of variables that are not stationary at their level series.

Table 2: Unit Root Test Results

Variable	Fisher-ADF		Fisher-PP	
	Statistic	p-value	Statistic	p-value
INCO	9.549	0.000	12.902	0.000
EQV	4.995	0.000	23.86	0.000
ACC	4.100	0.000	9.541	0.000
CFV	6.483	0.001	12.543	0.000

Source: Author's Computations, 2025.

Note: INCO investors' confidence; EQV is equity value; ACC is accounting conservatism; CFV is cash flow value.

Both the Fisher-type ADF and Fisher-type PP test statistics for investors' confidence, equity value, accounting conservatism, and cash flow value of the listed consumer goods firms are statistically significant because their p-values are less than the 0.1 level of significance, according to the unit root test results shown in Table 2. This indicates that these variables are stationary and lack a unit root. As a result, every variable in this study can be considered stationary. As a result, estimate techniques like the Generalised Method of Moments (GMM) regression can be used without risk of producing misleading regression results.

Hypothesis: There is no significant effect of equity value on investors' confidence of consumer goods companies in Nigeria.

Table 3: Two-Step System GMM Regression Results

Variable	Coefficient	Windmeijer-Corrected Standard Errors	Z	p-value
INCO(lag)	0.000556	0.000457	1.22	0.223
EQV	-0.61497	0.057244	-10.74	0.000
ACC	0.006769	0.031371	0.22	0.009
CFV	0.002451	0.027535	0.34	0.001
Constant	0.146047	0.036029	4.05	0.000
Wald Chi-squared	53100.0			0.000
AR test (1)	-1.473			0.140
AR test (2)	-1.046			0.295
Sargan test	24.68			0.101
Mean VIF	1.15			

Source: Author's Computations, (2025).

Research Model and *Apriori* Expectation

$$INCO_{it} = \alpha + \beta_1 EQV_{it} + \beta_2 ACC_{it} + \beta_3 CFV_{it} + \mu_i$$

$$INCO = 0.0005 - 0.0615E + 0.007A + 0.002C$$

The model answered the effect of corporate financial reporting on investor's confidence of listed consumer goods companies in Nigeria. The regression estimate showed the significant negative coefficient of equity value signifies that per cent point increase in equity value will lead to fall in investors' confidence by 0.61497 per cent points. As regard the fitness of the regression model presented in Table 3, the results indicate that the regression model is statistically significant judging from the Wald Chi-squared statistic value of 53100.0 for the model and the p-value of 0.000 being lower than 0.05 (5% significant level). This implies that the model is statistically significant and has good fit.

The Arellano-Bond test of auto-correlation (AR), which has a null hypothesis of no auto-correlation, is also shown in Table 3, evaluating the study's model in terms of auto-correlation (or serial correlation). The test's

fundamental premise is that first-order auto-correlation in the GMM results might be acceptable, but second-order auto-correlation seriously calls into question the validity of the findings. The outcome in Table 3 demonstrates that the p-value is much higher than 0.05 and the first-order auto-correlation statistic value is extremely high (i.e., -1.473). This suggests that there is no first-order auto-correlation in the model and satisfies the test's condition, indicating that the test's null hypothesis of no first-order auto-correlation could not be rejected.

The outcome also demonstrates that the p-value is significantly higher than 0.05 and the second-order auto-correlation statistic value is extremely high (i.e., -1.046). This shows that the test's condition is satisfied because the test null hypothesis cannot be rejected at the second-order test. As a result, both first-order and second-order tests show that the model is devoid of auto-correlation issues.

The Sargan test of over-identifying restriction was used to evaluate the validity of the instruments used for this model. This was done to confirm the validity of the limitations imposed on the instruments used to prevent over-identification. The validity of over-identifying limitations is the test's null hypothesis. The test result's statistic value of 24.68 and p-value of more than 0.05 indicate that the model's null hypothesis could not be rejected. This suggests that the model is valid for over-identifying restriction.

The computed variance inflation factor (VIF) for the model revealed a mean value of 1.15, which is lower than the rule of thumb value (10) of deciding if the variables would lead to the problem of multicollinearity (Asteriou & Hall, 2016). This signifies that there is absence of severe multicollinearity in the model.

Examining the importance of each explanatory variables of the model, the results show that equity value has statistically significant, with the coefficient of equity value (-0.61497) being negative with p-value of (0.000); accounting conservatism (0.006769) being positive with p-value of (0.009); and cash flow value has positive and significant effect on investors' confidence with the p-value 0.001 and coefficient 0.002451. These are verified by their respective p-values being less than 0.05 (i.e. 5% significance level). The significant negative coefficient of equity value signifies that per cent point increase in equity value will lead to fall in investors' confidence by 0.61497 per cent points. Also, the significant positive coefficient of accounting conservatism denotes that a per cent point increase in accounting conservatism will lead to increase in investors' confidence by 0.006769 per cent points of the listed consumer goods firms in Nigeria.

Decisions

At a level of significance 0.05, the Wald Test is 53100.0 while the p-value of the wald test is 0.000 which is less than 0.05 adopted level of significance. Therefore, the study rejected the null hypothesis which implied that there is significant effect of equity value on investors' confidence of consumer goods companies in Nigeria.

Decision; At a level of significance 0.05 and Wald Test 53100, the p-value is 0.000 which is less than the adopted significance level of 0.05. Therefore, the study rejected the null hypothesis which implied that corporate financial reporting quality had significant effect on investors' confidence in listed consumer goods companies in Nigeria.

DISCUSSION OF FINDINGS:

Based on the results obtained in all the regression estimates presented in Table 4, there is doubt that quality of corporate financial reporting plays a significant role in investors' confidence of listed consumer goods companies in Nigeria. The following GMM-based regression models revealed how the corporate financial reporting of the listed consumer goods companies can influence investors' confidence activities. The first regression result shows that explanatory variables have positive and significant effect on investors' confidence of listed consumer goods firms in Nigeria as measured by Tobins' Q of the sampled companies. This evidence attests to the fact that firm's quality of financial reporting dominates and will increase the investors' confidence by investor more to the companies. This is supported by decision-usefulness theory that is of conclusion that accounting information's primary goal is to help investors make better economic choices, believing information should be relevant, reliable, timely, and comparable, and that a stable link exists between data and decisions, with financial reports as key predictors for future returns.

The findings of the study is in line with study by Dare and Adegbe (2023); Ojianwuna (2023); Egolum et al., (2021); Ogujiofor et al., (2025); Onumoh et al., (2024); Falana et al., (2024); Ajayi-Owoeye et al., (2022) which found positive and significant influence of corporate financial reporting on investors' confidence of quoted manufacturing companies in Nigeria with particular reference to consumer goods sector of the manufacturing companies in Nigeria.

More also, the regression model reveals a significant positive relationship between equity value, accounting conservatism, and cash flow value in relation to investors' confidence as measured Tobins' Q in the model which is quite evident, as firms' quality of corporate financial reporting significantly prompt the investors' confidence on the activities of consumer goods companies in Nigeria.

CONCLUSION AND RECOMMENDATIONS

This study reached notable conclusions on the effect of corporate financial reporting on investors' confidence of listed consumer goods companies. The study concluded that corporate financial reporting has significant effect on investors' confidence of listed consumer goods companies in Nigeria. Specifically, when individual explanatory variables are considered, equity value, accounting conservatism, and cash flow value were noted to have increased the likelihood of investors' confidence by way of committing their resources more to the company. The findings of this study and the conclusion therefrom present the opportunity to make recommendations for relevant stakeholders. Therefore, based on these findings and related conclusion, the following recommendations were made:

The management of the Companies should prepare their annual financial reports with transparency, truthfulness and without compromising the standard in such a way that investors can place the reliance on the contents of the reports, this will subsequently propel a positive market response and increase their performance.

The management of the companies should ensure that their published annual reports are in a position to motivate prospective investors and encourage the public to develop trust in the organization's leadership.

The management of consumer goods firms should place the highest focus on the timeliness of audited corporate annual financial reports, viewing it as a critical and fundamental factor influencing the value of information provided to stakeholders. Therefore, financial reporting must be made public as soon as possible after the end of the reported period; otherwise, it loses some of its credibility and economic significance. Consequently, it is crucial for the organisations' continued operations to minimize audit delays and enhance the timeliness of audit findings.

Contribution to knowledge and future research

A distinctive feature of this study is the combination of equity value, accounting conversatism, and cash flow regressed against Tobin's Q of the consumer goods companies in Nigeria. This is rare in the contemporary studies on the effects of investors' confidence on corporate financial reporting of consumer goods companies in Nigeria and has provided insights that have added to the body of knowledge in the field of study.

The study acknowledged the efforts of the previous studies that have investigated the effect of investors' confidence on the corporate financial reporting. However, majority of these studies focused on other sector and failed to extend the scope up to 2024 while none of these previous studies conducted in Nigeria used generalized method of moments (GMM) and mostly used ordinary least square method in analysing their data.

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