ABSTRACT

The study undertook to examine the importance of adhering to international financial reporting standards on the financial performance of public enterprises of Rwanda, the case study of Bralirwa Company LTD, Rwanda. The study objectives included, examining the level of adherence to IFRS in Bralirwa Company Ltd in Rwanda, to investigate the financial performance of Bralirwa Company Ltd and to analyze the effect of the application of international financial reporting standards on the financial performance of Bralirwa Company Ltd. The research undertook a case design where he collected and analyzed both qualitative and quantitative data to see if IFRS have been implemented and whether they are suitable for public companies of Rwanda. The study took a sample of twenty four respondents being the technical staff in accounts and finance department and all questionnaires were responded to. Majority of the respondents were of the view that the company prepares standardized financial reports and acknowledged that there is effect of accrual based IFRS and the quality of the financial statements since it provides for all accrued incomes and expenditures in form of commitments. The findings of the study show that positive effects from adherence to IFRS by Bralirwa Company Ltd are to be found. While the IFRS program may be seen as adopting an external reporting system, the impacts of this implementation should not be ignored. Several benefits accompanied by some drawbacks were discovered. External positive influences, besides the internal, were documented. The implementation of the IFRS was seen to assure the future financing from investors and it had simplifies the reporting of foreign subsidiaries.