

Coronavirus impact on financial statements



Focus on...

Information on events occurred after the FY closing date

The COVID-19 pandemic which spread in Italy in the first months of 2020 is certainly a significant event to be considered for the correct determination of the Financial Statements closed at 31 December 2019. The so-called health and social emergency needs to be considered as an “event occurred after the FY closing date” which does not imply a change in Financial Statements values, but rather as proper information.

As provided for by both statutory norms (art. 2427, para. 1, n. 22-quarter of the Italian Civil Code) and accounting standards (OIC - Italian accounting board - standard n. 29), actually, the possible impact of the epidemiological situation on the assets, economic and financial data need to be carefully outlined in the Notes to the Financial Statements and, where required, also in the Directors' Report.

And it should not be forgotten that the corporate management should carry out a prospective analysis, based on the events occurred after the FY closing date, on the company's possibility to continue operating as a going concern generating income for a predictable timeframe of at least 12 months from the Financial Statements reference date.

Specific attention should be paid by those companies whose FY does not correspond with the calendar year, as the COVID-19 emergency and all related consequences will impact directly on the current Financial Statements. In such case, evaluations on the business going concern and on the impairment of corporate assets will be critical. A more in-depth analysis on these last two topics will be made available soon on this website.



Our professionals would be pleased to provide you with any further information you may need.

Please refer to Clever Desk on our website - bgt-grantthornton.it - for further details on any issues concerning COVID-19.

