



A stable closing process despite the crisis

Bookkeeping, preparation of financial statements and reporting

With their employees working from home and being confronted with increasingly complex accounting issues, companies may be experiencing temporary capacity bottlenecks. And still they are required to prepare monthly and quarterly financial statements. In these times it is above all particularly important for business decisions that companies keep up the monthly reporting to management and actually increase the frequency of reporting. Consequently, it must be ensured that daily transaction processing and the preparation of monthly and quarterly financial statements as well as supplementary reporting, such as the preparation of (interim) management reports, does not grind to a halt. The economic effects of COVID-19 need to be appropriately reflected

in the reporting in the notes and the management report. The preparation of the outlook for the management report represents a particular challenge. In these exceptional circumstances it is necessary to forecast the direction of expected development.

In addition, there needs to be extensive reporting in the management report on relevant risks, such as uncertainty in the supply chains, prolonged production stops, and sales problems. A risk to the company's continued existence as a going concern may also have to be reported on.

Some companies are now considering reducing their quarterly reports to a minimum in line with the Exchange Regulations. This sweeping change needs to be prepared carefully.

Detailed explanations of material crisis-related changes will also need to be provided in the notes to the IFRS/HGB financial statements. Due to the possible effects of COVID-19 on different accounting issues, such as impairment losses, leases or recognition of provisions, the main focus must be on presenting the most important content appropriately for users without inflating the notes. What is especially important for investors in the current situation is to be able to understand the assumptions made and any changes in estimates based on the disclosures. ➔

Example of short-term relief efforts

- Quick assessment for identification of relevant effects of COVID-19 on the preparation of the financial statements
- Regular company-specific updates on the effects of COVID-19 that are relevant for the financial statements
- Support for month-end and end-of-quarter tasks, such as:
 - Preparation of accounting records, such as for accounting for KfW subsidies or short-time work compensation
 - Preparation and/or review of journal entries
 - Preparation and/or review of account reconciliation
 - Processing of accounts receivable (including customer creditworthiness checks) and accounts payable
 - Monthly/quarterly consolidation process
- Assistance with the preparation or review of monthly, quarterly, and annual IFRS and HGB financial statements
- Preparation of complex IFRS and HGB notes disclosures, particularly on crisis-related special factors
- Assistance with preparation of the management report
- Assistance with controlling/management reporting

Our team of experts is happy to assist you with these challenges!



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