

FINAL EXAM SUPPLEMENT

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Chart of Accounts

Jerri's Pampering Day Spa Chart of Accounts

Use the following accounts for all exam entries. Use the most specific account listed. Use an accrued liability when an invoice has NOT been received and accounts payable when an invoice has been received.

ASSETS

Current

Cash
Accounts receivable
Inventories
Prepaid expenses

Noncurrent

Property, plant, & equipment at historical cost
Accumulated depreciation

LIABILITIES

Current

Accounts payable
Accrued liabilities
Accrued taxes
Deferred revenues

Noncurrent

Long-term debt
Other long-term liabilities

OWNERS' EQUITY

Permanent

Common stock
Retained earnings

Net income

Service revenues
Product revenues
Cost of sales
Sales, general & administrative
Depreciation expense
Interest income
Tax expense
Gain on sale of PP&E
Loss on sale of PP&E
Income summary

Financial Statements

Jerri's Pampering Day Spa 2011 & 2012 Balance Sheets

In Dollars

ASSETS

	31-Dec-12	31-Dec-11
Current assets		
Cash and cash equivalents	\$4,025	\$800
Accounts receivable	\$500	\$500
Inventories	\$575	\$450
Prepaid expenses	\$20	\$120
Total current assets	<u>\$5,120</u>	<u>\$1,870</u>
Property, plant, and equipment, net		
Property, plant & equipment at cost	\$2,700	\$1,200
Accumulated depreciation	(\$175)	(\$150)
Property, plant & equipment, net	<u>\$2,525</u>	<u>\$1,050</u>
Total assets	<u><u>\$7,645</u></u>	<u><u>\$2,920</u></u>

LIABILITIES

Current liabilities		
Accounts payable	\$800	\$200
Accrued taxes	\$190	\$150
Other accrued liabilities	\$150	\$300
Deferred revenues	\$1,900	\$250
Total current liabilities	<u>\$3,040</u>	<u>\$900</u>

SHAREHOLDERS' EQUITY

Contributed capital	\$3,770	\$1,770
Retained earnings	\$835	\$250
Total shareholders' equity	<u>\$4,605</u>	<u>\$2,020</u>
Total liabilities and shareholders' equity	<u><u>\$7,645</u></u>	<u><u>\$2,920</u></u>

Jerri's Pampering Day Spa 2012 Statement of Owners' Equity

<i>In Dollars</i>	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
December 31, 2011	\$1,770	\$250	\$2,020
Issue common stock	\$2,000		\$2,000
Net income		\$585	\$585
December 31, 2012	<u>\$3,770</u>	<u>\$835</u>	<u>\$4,605</u>

Jerri's Pampering Day Spa 2012 Income Statement

In Dollars, for year ended December 31, 2012

Income from operations

Services revenues	\$150
Products revenues	\$1,900
Cost of sales	<u>(\$575)</u>
Products gross margin	\$1,325
Sales, general & administrative	<u>(\$775)</u>
Depreciation expense	<u>(\$25)</u>
Income from operations	\$675
Non-operating income	<u>\$0</u>
Income before taxes	<u>\$675</u>
Tax expense	<u>(\$90)</u>
Net income	<u><u>\$585</u></u>

Jerri's Pampering Day Spa 2012 Indirect Cash Flow Statement

In Dollars, for year ended December 31, 2012

Operating activities

Net income	\$585
Depreciation	\$25
Accounts receivable	\$0
Inventories	<u>(\$125)</u>
Prepaid expenses	\$100
Accounts payable	\$600
Accrued taxes	\$40
Other accrued liabilities	<u>(\$150)</u>
Deferred revenues	\$1,650
Net cash from operations	<u>\$2,725</u>

Investing activities

Purchase property, plant, and equipment	<u>(\$1,500)</u>
Net cash from investing activities	<u>(\$1,500)</u>

Financing activities

Issue common stock	<u>\$2,000</u>
Net cash from financing activities	<u>\$2,000</u>

Net change in cash during year

	<u>\$3,225</u>
Beginning cash balance	<u>\$800</u>
Ending cash balance	<u><u>\$4,025</u></u>

Chart of Accounts

Steelcase, Inc. Chart of Accounts

Use the following accounts for all exam entries. Use the most specific account listed. Use an accrued liability when an invoice has NOT been received and accounts payable when an invoice has been received.

ASSETS

Current

Cash
Short-term investments
Accounts receivable, gross
Allowance for bad debts
Inventories
Prepaid expenses

Noncurrent

PP&E historical cost
PP&E under construction
Capital lease asset historical cost
Accumulated depreciation
Accumulated amortization
Goodwill

LIABILITIES

Current

Accounts payable
Accrued liabilities
Accrued employee compensation
Dividends payable
Current portion of long-term debt
Current portion of capital lease obligation

Current and Noncurrent

Fictitious account for outsiders to record entries using footnote information.

Accrued warranty allowance (current and noncurrent)

Noncurrent

Long-term debt
Capital lease obligation
Other long-term liabilities

OWNERS' EQUITY

Permanent

Common stock
Retained earnings

Net income

Revenues
Cost of sales
Sales, general & administrative
Depreciation expense
Bad debts expense
Interest income
Tax expense
Goodwill impairment charges
Gain on sale of PP&E
Loss on sale of PP&E

Financial Statements

STEELCASE INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	Year Ended		
	February 22, 2013	February 24, 2012	February 25, 2011
Revenue	\$ 2,868.7	\$ 2,749.5	\$ 2,437.1
Cost of sales	1,987.8	1,913.6	1,693.8
Restructuring costs	14.9	26.2	25.8
Gross profit	866.0	809.7	717.5
Operating expenses	727.0	708.3	661.2
Goodwill impairment charges	59.9	—	—
Restructuring costs	19.8	4.3	4.8
Operating income	59.3	97.1	51.5
Interest expense	(17.8)	(25.6)	(19.3)
Investment income	3.7	5.2	14.0
Other income, net	9.7	5.3	5.2
Income before income tax expense	54.9	82.0	51.4
Income tax expense	16.1	25.3	31.0
Net income	<u>\$ 38.8</u>	<u>\$ 56.7</u>	<u>\$ 20.4</u>
Earnings per share:			
Basic	<u>\$ 0.30</u>	<u>\$ 0.43</u>	<u>\$ 0.15</u>
Diluted	<u>\$ 0.30</u>	<u>\$ 0.43</u>	<u>\$ 0.15</u>
Dividends declared and paid per common share	<u>\$ 0.36</u>	<u>\$ 0.24</u>	<u>\$ 0.16</u>

STEELCASE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Year Ended		
	February 22, 2013	February 24, 2012	February 25, 2011
Net income	\$ 38.8	\$ 56.7	\$ 20.4
Other comprehensive income (loss), gross:			
Unrealized gain (loss) on investments	2.5	(0.7)	3.2
Minimum pension liability	—	0.5	15.9
Derivative adjustments	—	(0.2)	(0.6)
Foreign currency translation adjustments	(5.8)	0.8	5.6
Total other comprehensive income (loss), gross	<u>\$ (3.3)</u>	<u>\$ 0.4</u>	<u>\$ 24.1</u>
Other comprehensive income (loss), tax (expense) benefit:			
Unrealized gain (loss) on investments	(0.9)	0.3	(1.2)
Minimum pension liability	(0.8)	(0.6)	(4.6)
Derivative adjustments	—	0.1	0.2
Foreign currency translation adjustments	—	—	—
Total other comprehensive income (loss), tax (expense) benefit	<u>\$ (1.7)</u>	<u>\$ (0.2)</u>	<u>\$ (5.6)</u>
Other comprehensive income (loss), net:			
Unrealized gain (loss) on investments	1.6	(0.4)	2.0
Minimum pension liability	(0.8)	(0.1)	11.3
Derivative adjustments	—	(0.1)	(0.4)
Foreign currency translation adjustments	(5.8)	0.8	5.6
Total other comprehensive income (loss), net	<u>\$ (5.0)</u>	<u>\$ 0.2</u>	<u>\$ 18.5</u>
Comprehensive income	<u><u>\$ 33.8</u></u>	<u><u>\$ 56.9</u></u>	<u><u>\$ 38.9</u></u>
Accumulated other comprehensive income (loss):			
Unrealized gain (loss) on investments	\$ 0.6	\$ (1.0)	\$ (0.6)
Minimum pension liability	18.9	19.7	19.8
Derivative adjustments	(0.1)	(0.1)	—
Foreign currency translation adjustments	(23.6)	(17.8)	(18.6)
Total accumulated other comprehensive income (loss)	<u><u>\$ (4.2)</u></u>	<u><u>\$ 0.8</u></u>	<u><u>\$ 0.6</u></u>

STEELCASE INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	February 22, 2013	February 24, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 150.4	\$ 112.1
Short-term investments	100.5	79.1
Accounts receivable, net of allowances of \$14.5 and \$19.6	287.3	271.4
Inventories	137.5	139.5
Deferred income taxes	56.2	42.4
Prepaid expenses	17.9	17.5
Other current assets	28.8	40.1
Total current assets	<u>778.6</u>	<u>702.1</u>
Property, plant and equipment, net of accumulated depreciation of \$1,221.4 and \$1,215.3	353.2	346.9
Company-owned life insurance	225.8	227.6
Deferred income taxes	101.7	110.4
Goodwill	121.4	176.6
Other intangible assets, net of accumulated amortization of \$46.6 and \$60.2	19.2	18.8
Investments in unconsolidated affiliates	53.3	47.7
Other assets	36.4	48.8
Total assets	<u>\$ 1,689.6</u>	<u>\$ 1,678.9</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 198.6	\$ 191.3
Short-term borrowings and current portion of long-term debt	2.6	2.6
Accrued expenses		
Employee compensation	129.4	123.0
Employee benefit plan obligations	23.8	22.6
Customer deposits	13.5	15.0
Product warranties	14.1	14.0
Other	102.8	93.4
Total current liabilities	<u>484.8</u>	<u>461.9</u>
Long-term liabilities:		
Long-term debt less current maturities	286.4	288.9
Employee benefit plan obligations	158.0	161.1
Other long-term liabilities	92.4	80.5
Total long-term liabilities	<u>536.8</u>	<u>530.5</u>
Total liabilities	<u>1,021.6</u>	<u>992.4</u>
Shareholders' equity:		
Preferred stock-no par value; 50,000,000 shares authorized, none issued and outstanding	—	—
Class A common stock-no par value; 475,000,000 shares authorized, 86,010,584 and 85,260,736 issued and outstanding	—	1.1
Class B common stock-no par value; 475,000,000 shares authorized, 39,154,003 and 41,228,593 issued and outstanding	—	—
Additional paid-in capital	27.2	32.6
Accumulated other comprehensive income (loss)	(4.2)	0.8
Retained earnings	645.0	652.0
Total shareholders' equity	<u>668.0</u>	<u>686.5</u>
Total liabilities and shareholders' equity	<u>\$ 1,689.6</u>	<u>\$ 1,678.9</u>

STEELCASE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended		
	February 22, 2013	February 24, 2012	February 25, 2011
OPERATING ACTIVITIES			
Net income	\$ 38.8	\$ 56.7	\$ 20.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	58.3	56.4	64.4
Changes in cash surrender value of COLI	1.8	(4.5)	(13.5)
Goodwill impairment charges	59.9	—	—
Loss (gain) on disposal of fixed assets	1.6	4.6	(5.7)
Gain from IDEO ownership transition	—	—	(13.2)
Deferred income taxes	(3.0)	13.6	11.3
Pension and post-retirement plans cost (benefit)	1.0	(0.9)	4.0
Restructuring costs	34.7	30.5	30.6
Non-cash stock compensation	9.6	11.6	7.4
Other	(4.8)	0.4	(6.5)
Changes in operating assets and liabilities, net of acquisitions, divestitures and deconsolidations:			
Accounts receivable	(12.8)	8.0	(65.2)
Inventories	2.1	(17.1)	(28.5)
Other assets	2.4	7.3	10.9
Accounts payable	3.4	(2.0)	34.2
Employee compensation liabilities	5.8	(32.5)	3.4
Employee benefit obligations	(2.9)	(0.4)	(23.0)
Accrued expenses and other liabilities	(8.6)	(30.0)	41.7
Net cash provided by operating activities	<u>187.3</u>	<u>101.7</u>	<u>72.7</u>
INVESTING ACTIVITIES			
Capital expenditures	(74.0)	(64.9)	(46.0)
Proceeds from disposal of fixed assets	15.5	11.7	44.9
Purchases of investments	(78.6)	(195.8)	(335.4)
Liquidations of investments	62.6	466.1	59.0
Proceeds from IDEO ownership transition	—	—	29.8
Acquisitions, net of cash acquired	(6.2)	(20.9)	—
Other	(4.8)	7.0	(6.6)
Net cash provided by (used in) investing activities	<u>(85.5)</u>	<u>203.2</u>	<u>(254.3)</u>
FINANCING ACTIVITIES			
Dividends paid	(45.8)	(31.7)	(21.6)
Common stock repurchases	(19.9)	(47.7)	(10.8)
Excess tax benefit from vesting of stock awards	3.8	1.1	0.4
Borrowings of long-term debt, net of issuance costs	0.3	0.2	247.4
Repayments of long-term debt	(2.6)	(255.5)	(2.8)
Borrowings of lines of credit	1.5	—	0.2
Repayments of lines of credit	(1.5)	(0.7)	(1.7)
Net cash provided by (used in) financing activities	<u>(64.2)</u>	<u>(334.3)</u>	<u>211.1</u>
Effect of exchange rate changes on cash and cash equivalents	0.7	(0.7)	1.6
Net increase (decrease) in cash and cash equivalents	38.3	(30.1)	31.1
Cash and cash equivalents, beginning of period	112.1	142.2	111.1
Cash and cash equivalents, end of period	<u>\$ 150.4</u>	<u>\$ 112.1</u>	<u>\$ 142.2</u>
Supplemental Cash Flow Information:			
Income taxes paid, net of refunds received	<u>\$ 9.4</u>	<u>\$ 10.7</u>	<u>\$ (2.3)</u>
Interest paid, net of amounts capitalized	<u>\$ 17.4</u>	<u>\$ 26.2</u>	<u>\$ 17.7</u>

STEELCASE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions, except share and per share data)

	Common Shares Outstanding	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
February 26, 2010	132,963,211	\$ 57.0	\$ —	\$ 8.2	\$ (17.9)	\$ 628.2	\$ 675.5
Common stock issuance	41,720	0.3					0.3
Common stock repurchases	(1,001,590)	(10.8)					(10.8)
Tax effect of exercise of stock awards				0.4			0.4
Stock compensation related to IDEO ownership transition				6.5			6.5
Restricted stock expense		0.1					0.1
Restricted stock units converted to common stock	231,227	1.9		(1.9)			—
Performance share, performance units and restricted stock units expense				7.0			7.0
Other comprehensive income					18.5		18.5
Dividends paid (\$0.16 per share)						(21.6)	(21.6)
Net income						20.4	20.4
February 25, 2011	132,234,568	\$ 48.5	\$ —	\$ 20.2	\$ 0.6	\$ 627.0	\$ 696.3
Common stock issuance	38,888	0.3					0.3
Common stock repurchases	(5,802,293)	(47.7)					(47.7)
Tax effect of exercise of stock awards				1.1			1.1
Restricted stock units issued as common stock	18,166						
Performance units and restricted stock units expense				11.3			11.3
Other comprehensive income					0.2		0.2
Dividends paid (\$0.24 per share)						(31.7)	(31.7)
Net income						56.7	56.7
February 24, 2012	126,489,329	\$ 1.1	\$ —	\$ 32.6	\$ 0.8	\$ 652.0	\$ 686.5
Common stock issuance	43,238			0.3			0.3
Common stock repurchases	(2,346,590)	(1.1)		(18.8)			(19.9)
Tax effect of exercise of stock awards				3.8			3.8
Performance units issued as common stock	763,425						
Restricted stock units issued as common stock	215,185						
Performance units and restricted stock units expense				9.3			9.3
Other comprehensive income (loss)					(5.0)		(5.0)
Dividends paid (\$0.36 per share)						(45.8)	(45.8)
Net income						38.8	38.8
February 22, 2013	125,164,587	\$ —	\$ —	\$ 27.2	\$ (4.2)	\$ 645.0	\$ 668.0

Excerpts: Warranties

STEELCASE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Product Warranties

We offer warranties ranging from 8 years to lifetime for most products, subject to certain exceptions. These warranties provide for the free repair or replacement of any covered product, part or component that fails during normal use because of a defect in materials or workmanship. The accrued liability for product warranties is based on an estimated amount needed to cover product warranty costs, including product recall and retrofit costs incurred as of the balance sheet date determined by historical claims experience and our knowledge of current events and actions.

Roll-Forward of Accrued Liability for Product Warranties	Year Ended		
	February 22, 2013	February 24, 2012	February 25, 2011
Balance as of beginning of period	\$ 29.9	\$ 31.3	\$ 22.1
Accruals related to product warranties, recalls and retrofits	10.7	11.1	17.5
Adjustments related to changes in estimates	(0.3)	1.9	6.0
Reductions for settlements	(9.4)	(14.4)	(14.3)
Currency translation adjustments	0.2	—	—
Balance as of end of period	<u>\$ 31.1</u>	<u>\$ 29.9</u>	<u>\$ 31.3</u>

Our reserve for estimated settlements expected to be paid beyond one year as of February 22, 2013 and February 24, 2012 was \$17.0 and \$15.9, respectively, and is included in *Other long-term liabilities* on the Consolidated Balance Sheets.

Excerpts: Leases

STEELCASE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Our estimated future minimum annual rental commitments and sublease rental income under non-cancelable operating leases are as follows:

Year Ending in February	Minimum annual rental commitments	Minimum annual sublease rental income	Minimum annual rental commitments, net
2014	\$ 47.7	\$ (5.0)	\$ 42.7
2015	38.0	(4.7)	33.3
2016	29.7	(4.8)	24.9
2017	20.1	(4.8)	15.3
2018	14.8	(3.8)	11.0
Thereafter	16.6	(2.2)	14.4
	<u>\$ 166.9</u>	<u>\$ (25.3)</u>	<u>\$ 141.6</u>

Excerpts: Schedule II Allowances

SCHEDULE II
STEELCASE INC.
VALUATION AND QUALIFYING ACCOUNTS

Allowance for Losses on Accounts Receivable	Year Ended		
	February 22, 2013	February 24, 2012	February 25, 2011
Balance as of beginning of period	\$ 19.6	\$ 23.1	\$ 20.6
Additions:			
Charged to costs and expenses	2.8	2.0	7.8
Charged to other accounts	\$ 0.3	(0.2)	0.2
Deductions (1)	(7.9)	(4.7)	(5.0)
Other adjustments (2)	(0.3)	(0.6)	(0.5)
Balance as of end of period	<u>\$ 14.5</u>	<u>\$ 19.6</u>	<u>\$ 23.1</u>

(1) Primarily represents excess of accounts written off over recoveries.

(2) Primarily currency translation adjustments and deconsolidations.

Chart of Accounts

Apple Chart of Accounts	
ASSETS	
Current	
	Cash
OWNERS' EQUITY	
Permanent	
	Accumulated comprehensive income
	Common stock
	Retained earnings
Net income	
	Net sales
	Cost of sales
	Other income or expense
	Research and development
	Selling, general and administrative

Financial Statements

APPLE INC.

	Years ended		
	September 29, 2012	September 24, 2011	September 25, 2010
CONSOLIDATED STATEMENT OF OPERATIONS			
(In millions, except number of shares which are reflected in thousands and per share amounts)			
Net sales	\$156,508	\$108,249	\$65,225
Cost of sales	87,846	64,431	39,541
Gross margin	68,662	43,818	25,684
Operating expenses:			
Research and development	3,381	2,429	1,782
Selling, general and administrative	10,040	7,599	5,517
Total operating expenses	13,421	10,028	7,299
Operating income	55,241	33,790	18,385
Other income/(expense), net	522	415	155
Income before provision for income taxes	55,763	34,205	18,540
Provision for income taxes	14,030	8,283	4,527
Net income	\$41,733	\$25,922	\$14,013
Earnings per share:			
Basic	\$44.64	\$28.05	\$15.41
Diluted	\$44.15	\$27.68	\$15.15
Shares used in computing earnings per share:			
Basic	934,818	924,258	909,461
Diluted	945,355	936,645	924,712
Cash dividends declared per common share	\$2.65	\$0.00	\$0.00

Apple's 2012 10K

APPLE INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except number of shares which are reflected in thousands)

	<u>September 29, 2012</u>	<u>September 24, 2011</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$10,746	\$9,815
Short-term marketable securities	18,383	16,137
Accounts receivable, less allowances of \$98 and \$53, respectively	10,930	5,369
Inventories	791	776
Deferred tax assets	2,583	2,014
Vendor non-trade receivables	7,762	6,348
Other current assets	6,458	4,529
Total current assets	57,653	44,988
Long-term marketable securities	92,122	55,618
Property, plant and equipment, net	15,452	7,777
Goodwill	1,135	896
Acquired intangible assets, net	4,224	3,536
Other assets	5,478	3,556
Total assets	<u>\$176,064</u>	<u>\$116,371</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$21,175	\$14,632
Accrued expenses	11,414	9,247
Deferred revenue	5,953	4,091
Total current liabilities	38,542	27,970
Deferred revenue - non-current	2,648	1,686
Other non-current liabilities	16,664	10,100
Total liabilities	57,854	39,756
Commitments and contingencies		
Shareholders' equity:		
Common stock, no par value; 1,800,000 shares authorized; 939,208 and 929,277 shares issued and outstanding, respectively	16,422	13,331
Retained earnings	101,289	62,841
Accumulated other comprehensive income	499	443
Total shareholders' equity	118,210	76,615
Total liabilities and shareholders' equity	<u>\$176,064</u>	<u>\$116,371</u>

Apple's 2012 10K

APPLE INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In millions, except number of shares which are reflected in thousands)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income/ (Loss)	Total Shareholders' Equity
	Shares	Amount			
Balances as of September 26, 2009	899,806	\$8,210	\$23,353	\$77	\$31,640
Components of comprehensive income:					
Net income	0	0	14,013	0	14,013
Change in foreign currency translation	0	0	0	7	7
Change in unrealized gains/losses on marketable securities, net of tax	0	0	0	123	123
Change in unrecognized gains/losses on derivative instruments, net of tax	0	0	0	(253)	(253)
Total comprehensive income					13,890
Share-based compensation	0	876	0	0	876
Common stock issued under stock plans, net of shares withheld for employee taxes	16,164	703	(197)	0	506
Tax benefit from equity awards, including transfer pricing adjustments	0	879	0	0	879
Balances as of September 25, 2010	915,970	10,668	37,169	(46)	47,791
Components of comprehensive income:					
Net income	0	0	25,922	0	25,922
Change in foreign currency translation	0	0	0	(12)	(12)
Change in unrealized gains/losses on marketable securities, net of tax	0	0	0	(41)	(41)
Change in unrecognized gains/losses on derivative instruments, net of tax	0	0	0	542	542
Total comprehensive income					26,411
Share-based compensation	0	1,168	0	0	1,168
Common stock issued under stock plans, net of shares withheld for employee taxes	13,307	561	(250)	0	311
Tax benefit from equity awards, including transfer pricing adjustments	0	934	0	0	934
Balances as of September 24, 2011	929,277	13,331	62,841	443	76,615
Components of comprehensive income:					
Net income	0	0	41,733	0	41,733
Change in foreign currency translation	0	0	0	(15)	(15)
Change in unrealized gains/losses on marketable securities, net of tax	0	0	0	601	601
Change in unrecognized gains/losses on derivative instruments, net of tax	0	0	0	(530)	(530)
Total comprehensive income					41,789
Dividends and dividend equivalent rights declared	0	0	(2,523)	0	(2,523)
Share-based compensation	0	1,740	0	0	1,740
Common stock issued under stock plans, net of shares withheld for employee taxes	9,931	200	(762)	0	(562)
Tax benefit from equity awards, including transfer pricing adjustments	0	1,151	0	0	1,151
Balances as of September 29, 2012	939,208	\$16,422	\$101,289	\$499	\$118,210

Apple's 2012 10K

APPLE INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Years ended		
	September 29, 2012	September 24, 2011	September 25, 2010
Cash and cash equivalents, beginning of the year	\$9,815	\$11,261	\$5,263
Operating activities:			
Net income	41,733	25,922	14,013
Adjustments to reconcile net income to cash generated by operating activities:			
Depreciation and amortization	3,277	1,814	1,027
Share-based compensation expense	1,740	1,168	879
Deferred income tax expense	4,405	2,868	1,440
Changes in operating assets and liabilities:			
Accounts receivable, net	(5,551)	143	(2,142)
Inventories	(15)	275	(596)
Vendor non-trade receivables	(1,414)	(1,934)	(2,718)
Other current and non-current assets	(3,162)	(1,391)	(1,610)
Accounts payable	4,467	2,515	6,307
Deferred revenue	2,824	1,654	1,217
Other current and non-current liabilities	2,552	4,495	778
Cash generated by operating activities	50,856	37,529	18,595
Investing activities:			
Purchases of marketable securities	(151,232)	(102,317)	(57,793)
Proceeds from maturities of marketable securities	13,035	20,437	24,930
Proceeds from sales of marketable securities	99,770	49,416	21,788
Payments made in connection with business acquisitions, net of cash acquired	(350)	(244)	(638)
Payments for acquisition of property, plant and equipment	(8,295)	(4,260)	(2,005)
Payments for acquisition of intangible assets	(1,107)	(3,192)	(116)
Other	(48)	(259)	(20)
Cash used in investing activities	(48,227)	(40,419)	(13,854)
Financing activities:			
Proceeds from issuance of common stock	665	831	912
Excess tax benefits from equity awards	1,351	1,133	751
Dividends and dividend equivalent rights paid	(2,488)	0	0
Taxes paid related to net share settlement of equity award	(1,226)	(520)	(406)
Cash (used in)/generated by financing activities	(1,698)	1,444	1,257
Increase/(decrease) in cash and cash equivalents	931	(1,446)	5,998
Cash and cash equivalents, end of the year	\$10,746	\$9,815	\$11,261
Supplemental cash flow disclosure:			
Cash paid for income taxes, net	\$7,682	\$3,338	\$2,697

Excerpts

Excerpts from Note 6 – Shareholders’ Equity and Share-based Compensation

(pages 67- 68 Apple’s 2012 10-K)

Apples’ Share-based Compensation footnote

Share-based compensation cost for RSUs is measured based on the closing fair market value of the Company’s common stock on the date of grant. Share-based compensation cost for stock options and employee stock purchase plan rights (“stock purchase rights”) is estimated at the grant date and offering date, respectively, based on the fair-value as calculated by the BSM option-pricing model. The BSM option-pricing model incorporates various assumptions including expected volatility, estimated expected life and interest rates. The Company recognizes share-based compensation cost as expense on a straight-line basis over the requisite service period.

The Company did not grant any stock options during 2012. The Company granted 1,370 and 34,000 stock options during 2011 and 2010, respectively. The weighted-average grant date fair value per share of stock options granted during 2011 and 2010 was \$181.13 and \$108.58, respectively.

During 2012 and 2010, in conjunction with certain business combinations, the Company assumed 41,000 and 98,000 stock options, respectively, which had a weighted-average fair value per share of \$405.39 and \$216.82, respectively. The Company did not assume any stock options during 2011.

The weighted-average fair value of stock purchase rights per share was \$108.44, \$71.47 and \$45.03 during 2012, 2011 and 2010, respectively.

The following table shows a summary of the share-based compensation expense included in the Consolidated Statements of Operations for 2012, 2011, and 2010 (in millions):

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Cost of sales	\$265	\$200	\$151
Research and development	668	450	323
Selling, general and administrative	807	518	405
	<u>\$1,740</u>	<u>\$1,168</u>	<u>\$879</u>

The income tax benefit related to share-based compensation expense was \$567 million, \$467 million and \$314 million for 2012, 2011 and 2010, respectively. As of September 29, 2012, the total unrecognized compensation cost related to outstanding stock options and RSUs was \$4.2 billion, which the Company expects to recognize over a weighted-average period of 3.3 years.

Chart of Accounts

BP Chart of Accounts	
ASSETS	
Current	
	Cash
Current and noncurrent combined	
	<i>Fictitious account to allows outsiders to record related entries using footnote information.</i>
	Reimbursement asset
LIABILITIES	
Current	
	Accounts payable
Current and Noncurrent combined	
	<i>Fictitious accounts to allows outsiders to record related entries using footnote information.</i>
	Provision for oil spill
	Trust fund liability
OWNERS' EQUITY	
Net income	
	Oil spill expense
	Finance costs

Excerpts from Note 2, Significant event – Gull of Mexico oil spill

(Starting on page 158, BP's fiscal 2010 20-F)

Trust fund

BP has established the Deepwater Horizon Oil Spill Trust (the Trust) to be funded in the amount of \$20 billion (the trust fund) over the period to the fourth quarter of 2013, which is available to satisfy legitimate individual and business claims administered by the Gulf Coast Claims Facility (GCCF), state and local government claims resolved by BP, final judgments and settlements, state and local response costs, and natural resource damages and related costs. In 2010 BP contributed \$5 billion to the fund, and further quarterly contributions of \$1.25 billion are to be made during 2011 to 2013. The income statement charge for 2010 includes \$20 billion in relation to the trust fund, adjusted to take account of the time value of money. Fines, penalties and claims administration costs are not covered by the trust fund. The establishment of the trust fund does not represent a cap or floor on BP's liabilities and BP does not admit to a liability of this amount.

Under the terms of the Trust agreement, BP has no right to access the funds once they have been contributed to the trust fund and BP has no decision-making role in connection with the payment by the trust fund of individual and business claims resolved by the GCCF. BP will receive funds from the trust fund only upon its expiration, if there are any funds remaining at that point. BP has the authority under the Trust agreement to present certain resolved claims, including natural resource damages claims and state and local response claims, to the Trust for payment, by providing the trustees with all the required documents establishing that such claims are valid under the Trust agreement. However, any such payments can only be made on the authority of the Trustee and any funds distributed are paid directly to the claimants, not to BP. BP will not settle any such items directly or receive reimbursement from the trust fund for such items.

BP's obligation to make contributions to the trust fund was recognized in full, amounting to \$20 billion on an undiscounted basis as it is committed to making these contributions. On initial recognition the discounted amount recognized was \$19,580 million. After BP's contributions of \$5 billion to the trust fund during 2010, and adjustments for discounting, the remaining liability as at 31 December 2010 was \$14,901 million. This liability is recorded within other payables on the balance sheet, apportioned between current and non-current elements according to the agreed schedule of contributions.

The table below shows movements in the funding obligation, recognized within other payables on the balance sheet, during the period to 31 December 2010.

	\$ millions
Trust fund liability originally recognized -- discounted	19,580
Unwinding discount	73
Change in discount rate	240
Contributions	(5,000)
Other	8
At December 31, 2010	14,901
of which — current	5,002
— non-current	9,899

An asset has been recognized representing BP's right to receive reimbursement from the trust fund. This is the portion of the estimated future expenditure provided for that will be settled by payments

from the trust fund. We use the term "reimbursement asset" to describe this asset. BP will not actually receive any reimbursements from the trust fund, instead payments will be made directly to claimants from the trust fund, and BP will be released from its corresponding obligation.

The portion of the provision recognized during the year for items that will be covered by the trust fund was \$12,567 million. Of this amount, payments of \$3,023 million were made during the year from the trust fund. The remaining reimbursement asset as at 31 December 2010 was \$9,544 million and is recorded within other receivables on the balance sheet. The amount of the reimbursement asset is equal to the amount of provisions as at 31 December 2010 that will be covered by the trust fund – see Note 37 in the table under Provisions relating to the Gulf of Mexico oil spill.

Movements in the reimbursement asset are presented in the table below:

	\$ millions
Increase in provision for items covered by the trust fund	12,567
Amounts paid directly by the trust fund	(3,023)
At December 31, 2010	9,544
of which – current	5,943
– non-current	3,601

...

As noted above, the obligation to fund the \$20 billion trust fund has been recognized in full. Any increases in the provision that will be covered by the trust fund (up to the amount of \$20 billion) have no net income statement effect as a reimbursement asset is also recognized, as described above. These charges for provisions, and the associated reimbursement asset, recognized during the year amounted to \$12,567 million. Thus, a further \$7,433 million could be provided in subsequent periods for items covered by the trust fund with no net impact on the income statement. Such future increases in amounts provided could arise from adjustments to existing provisions, or from the initial recognition of provisions for items that currently cannot be estimated reliably, namely final judgments and settlements and natural resource damages and related costs.

...

Provision

A provision has been recognized for estimated future expenditure relating to the oil spill, for items that can be reliably measured at this time, in accordance with BP's accounting policy for provisions,

....

The total amount recognized as a provision during the year was \$30,261 million (including \$12,567 million for items covered by the trust fund and \$17,694 million for other items). After deducting amounts utilized during the year totalling \$13,935 million (including payments from the trust fund of \$3,023 million and payments made directly by BP of \$10,912 million), and after adjustments for discounting, the remaining provision as at 31 December 2010 was \$16,335 million.

Movements in the provision are presented in the table below.

	\$ millions
Increase in provision — items not covered by the trust fund	17,694
— items covered by the trust fund	12,567
Unwinding discount rate	4
Change in discount rate	5
Utilization — paid by BP	(10,912)
— paid by the trust fund	(3,023)
At December 31, 2010	16,335
of which — current	7,938
— non-current	8,397

...

Impact on group income statement

The group income statement for 2010 includes a pre-tax charge of \$40,935 million in relation to the Gulf of Mexico oil spill. This comprises costs incurred up to December 2010, estimated obligations for future costs that can be estimated reliably at this time and rights and obligations relating to the trust fund. Finance costs of \$77 million reflect the unwinding of discount on the trust fund liability and provisions.

The amount of provision recognized during the year can be reconciled to the income statement change as follows:

	\$ millions
Increase in provision	30,261
Change in discount rate relating to provisions	5
Costs charged directly to income statement	3,339
Trust fund liability — discounted	19,580
Change in discount rate relating to trust fund liability	240
Recognition of reimbursement asset	(12,567)
(Profit) loss before interest and taxation	40,858

Costs charged directly to the income statement relate to expenditure prior to the establishment of a provision at the end of the second quarter and ongoing operating costs of the GCRO.

...

Impact pretax cash flows

Pretax cash flows amounted to \$17,658 [meaning cash outflows related to the oil spill during 2010].