
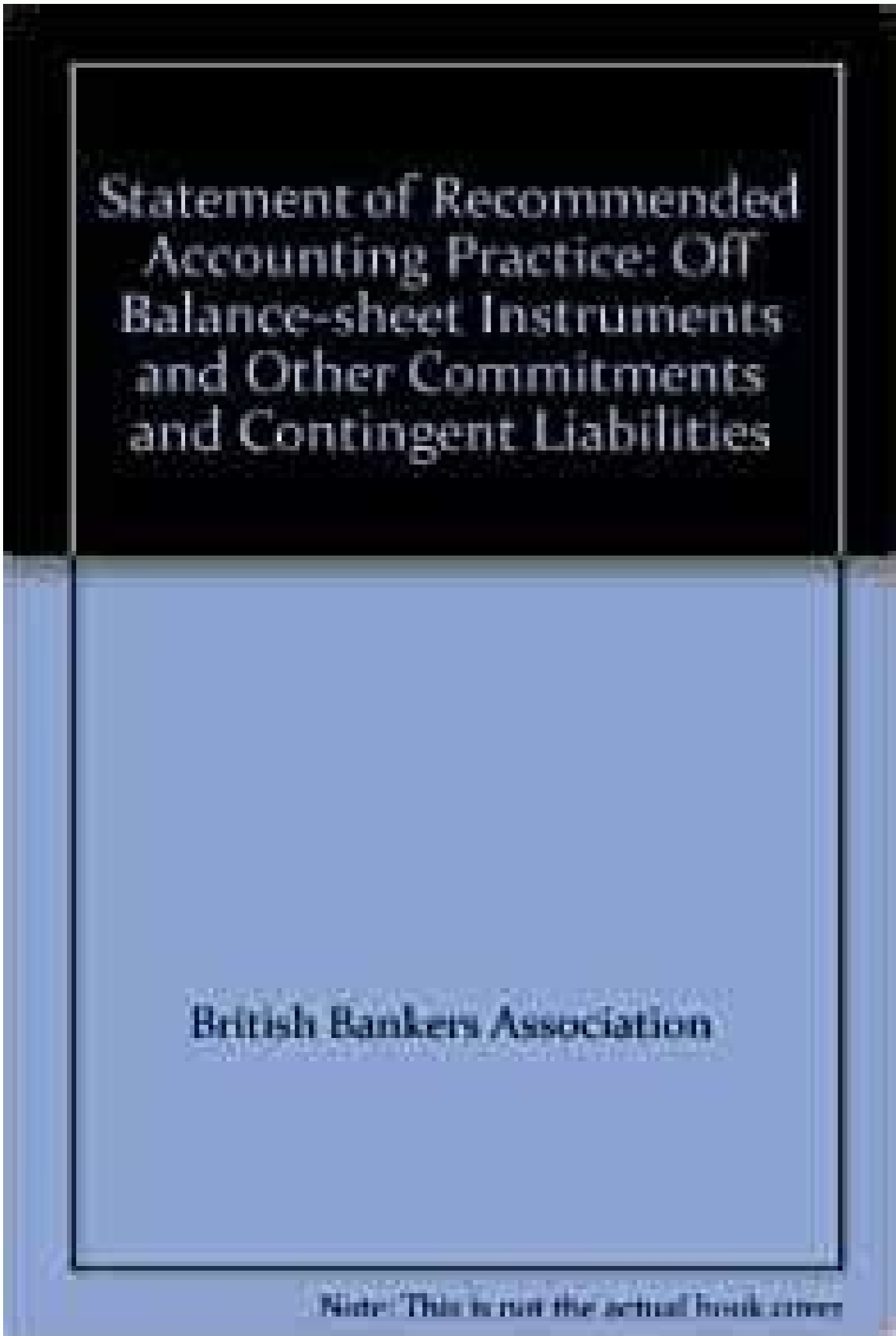


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ABC Corporation Balance Sheets As of December 31,			
	2015	2014	2013
ASSETS			
Current Assets			
Cash	\$ 120,000	\$ 105,000	\$ 80,000
Accounts Receivable	35,000	43,000	60,000
Inventory	180,000	190,000	175,000
Prepaid Expenses	12,000	6,000	4,000
Total Current Assets	347,000	344,000	319,000
Property, Plan and Equipment			
Land	100,000	100,000	100,000
Building	300,000	300,000	300,000
Equipment	175,000	150,000	150,000
Less Accumulated Depreciation	(142,500)	(132,500)	(124,000)
Net Property, Plant and Equipment	432,500	417,500	426,000
Other Assets			
Goodwill	50,000	50,000	50,000
Franchise Costs, net of amortization	80,000	88,000	96,000
Total Other Assets	130,000	138,000	146,000
TOTAL ASSETS	\$ 909,500	\$ 899,500	\$ 891,000
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable	\$ 25,000	\$ 28,000	\$ 40,000
Note Payable - Bank	10,000	12,000	-
Taxes Payable	5,000	4,000	7,000
Current Portion of Long-Term Debt	50,000	55,000	60,000
Total Current Liabilities	90,000	99,000	107,000
Noncurrent Liabilities			
Pension and Other Benefits Payable	75,000	85,000	70,000
Long-Term Debt	200,000	210,000	220,000
Total Noncurrent Liabilities	275,000	295,000	290,000
Stockholders' Equity			
Common Stock - 30,000 Shares Issued and Outstanding	300,000	300,000	300,000
Additional Paid in Capital	20,000	20,000	20,000
Retained Earnings	224,500	185,500	174,000
Total Stockholders' Equity	544,500	505,500	494,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 909,500	\$ 899,500	\$ 891,000



Definition of Off-Balance Sheet Arrangement

Any contract to which an unconsolidated entity is a party, under which the registrant may have:

- ❖ Any obligation under a guarantee contract (as referenced in FIN 45);
- ❖ A retained or contingent interest that serves as financial support for assets transferred;
- ❖ Any obligation under a derivative that has been classified as equity (as referenced in paragraph 11a of SFAS 133); and
- ❖ Any obligation under a material variable interest (as referenced in FIN 46) held by the registrant in certain entities.

	For the Period				
	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Six Months Ended January 31, 2011	Six Months Ended January 31, 2010	From May 16, 2003 (Inception) to January 31, 2011
Stock Based Consulting					
Amortization of deferred compensation	\$ -	\$ -	\$ -	\$ -	\$ 1,157,500
Common stock issued for consulting services	298,146	220,726	487,970	1,245,965	2,794,226
Options issued to consultants	592,143	493,506	1,134,465	937,663	7,519,437
Warrants issued for consulting services	-	-	-	-	1,618,526
	890,889	714,232	1,622,435	2,183,628	12,589,689
Stock Based Management Fees					
Amortization of deferred compensation	-	-	-	-	650,000
Options issued to management	289,691	26,564	2,079,107	1,896,564	8,395,774
	289,691	26,564	2,079,107	1,896,564	9,045,774
Stock Based Wages and Benefits					
Options issued to employees	410,973	471,042	1,238,957	855,473	\$ 302,177
	\$ 1,603,543	\$ 1,211,838	\$ 4,941,099	\$ 5,025,165	\$ 26,937,940

NOKIA

10. PROVISIONS, NOKIA GROUP, Continuing operations, reported (unaudited)

EUR million	Reimbursement	Divestment related	Warranty	Project losses	Litigation and other contingencies	Intangible liabilities	Other	Total
At January 1, 2014	413	0	84	132	79	19	340	827
Translation differences	1	0	1	0	1	0	3	5
Revaluation differences	0	0	0	0	(2)	0	0	(2)
Additional provisions	76	0	0	17	10	10	41	154
Changes to estimates	(81)	(1)	(20)	(24)	(7)	(6)	(1)	(139)
Change in income statement	17	0	1	13	9	1	41	82
Unfold during period	(20)	(2)	(20)	(7)	(1)	(6)	(3)	(59)
At September 30, 2014	344	0	117	133	91	20	398	973
At January 1, 2015	347	137	117	107	66	24	475	1,179
Transfer to liabilities of disposed groups held for sale	0	0	0	0	(3)	0	(3)	(3)
Translation differences	(7)	(1)	1	0	(3)	0	1	(2)
Revaluation differences	0	(7)	0	0	0	0	(7)	(14)
Additional provisions	11	30	12	3	20	11	42	119
Changes to estimates	(8)	(17)	(20)	(24)	(3)	(3)	(1)	(66)
Change in income statement	13	0	0	(19)	0	11	30	15
Unfold during period	(7)	(1)	(27)	(2)	(1)	(1)	(7)	(39)
At September 30, 2015	331	119	99	67	62	32	505	1,115

EUR million has been restated from litigation and other contingencies to better reflect the nature of these items. The restatements of EUR 94 million in first quarter expenses to divestment related provisions.

All other material contingencies and off-balance sheet arrangements are disclosed in note 10. Provisions, of our Annual Report on Form 20-F for 2014 and notes "Operating and financial review and programs - liquidity and capital resources" as part of our Annual Report on Form 20-F for 2014, respectively. All estimates have agreed to take a credit-bearing arrangement against income from Nokia Technologies in June 2015. The detailed equity payment obligations will be subject to commercial arbitration. There have not occurred any other significant changes to other material contingencies and off-balance sheet arrangements.

Commitments and contingencies examples. Are commitments and contingencies liabilities. What are off balance sheet commitments.

There are also some uncertain events the occurrence of which may result in an outflow of funds and that events are termed as contingencies. has to pay to XYZ Ltd without considering the fact whether ABC Ltd is actually earning from applying those funds taken on loan. Will win the suit or loss the suit. According to IFRS commitments are to be recorded as liability if it occurs in the reporting period as well as in notes so as to inform that organization is efficiently completing the commitments. And contingency is the uncertain event which may or may not become the obligation for the organization. They are dependent in nature. Conclusion Commitments and Contingencies are the terms used in the presentation of financial statements. Guarantees given as guarantors. Amount involved in all of the above. The outflow of compensation depends on whether ABC Ltd. Contingencies are to be disclosed in the disclosures after the balance sheet. Following are the things required to disclosed in the notes related to contingencies: Nature of Contingency. The following are the things that are required to disclosed in notes to accounts. Another Example of commitment. ABC Ltd. took loan from XYZ Ltd. Commitment and Contingencies Notes to Financial Statements Commitments if not relate to the reporting period are to be disclosed by way of notes to Financial Statements. A business organization has to fulfill certain contracts and obligations to survive in the industry and to run the business smoothly. According to IFRS the contingencies whether it results in inflow or outflow of funds are to be disclosed in the notes to the accounts. at the interest rate of 4% p.a. for 5 years and agreed to pay the monthly instalment consisting of principle and interest. The payment is independent and does not change or canceled due to any other transactions. All commitments and contingencies are to be disclosed in footnotes so as to make the clear picture and to comply with the accounting principles and disclosure requirements. The major difference between commitments and contingencies is commitment is the certain obligation non fulfillment of which results into a penalty. Commitment and Contingencies (IFRS) IFRS 37 related to commitments and contingencies the main objective is to set the principal globally. for purchase of goods and payment will be made after 3 months and for this ABC Ltd. Here we also discuss the definition and commitment and contingencies notes to financial statements along with an example. You may also have a look at the following articles to learn more - Finance vs Lease Corporate Finance Capital Reserve Reserve Requirements The contracts or obligations are said to be commitments for business organization and which are certain in nature i.e., they result in an inflow of outflow of fund irrespective of other events. The transaction between ABC Ltd and XYZ Ltd is said to be commitment. Lease commitments. The commitments which does not belongs to the reporting period are to be shown as foot notes in the balance sheet. The example of contingency is XYZ Ltd filed a suit against ABC Ltd for damaging the goodwill by selling at the price lower than the market price and to attract the customers and demanded the compensation for the same. Commitment and Contingencies (GAAP) As per Generally accepted accounting principles commitments are to be recorded as and when occurs whereas the contingencies are recorded in notes to balance sheet if the contingency is related to outflow of the funds. Example of Commitment and Contingency ABC Ltd. Hence ABC Ltd. Company is supposed to enter into lease is the example of commitments which the company is required to disclosed in the footnotes as the transactions does not occur and if there is chances of cancellation of lease agreement and for this company is required to pay penalty as per penalty clause of agreement is the type of contingency and if the amount is ascertainable then the amount of contingency is to be disclosed. Definition of Commitments and Contingencies Commitment is the promise made by the company to the outside parties due to contract or legal obligations whereas contingencies are the obligations of the company the occurrence of which depends upon the happening or non-happening of uncertain future events hence contingency may or may not result in an outflow of funds. Amount involved if it is measurable. Contingencies may or may not result in the liabilities as they are future based. If the amount of contingency is measurable then the amount is also to be disclosed. Other contractual obligations. Results in gaining the faith of stakeholders. Short and long term contractual commitments for future purchases. Will win or loss. Disclosure requirements leads to comply with the legal norms. IFRS excludes commitment related to financial instruments, insurance contracts or construction contracts. The details like nature, timing and extent of commitment and the causes if commitment is not fulfilled is to be disclosed in the notes. There are accounting standards and disclosure requirements as per generally accepted accounting principles which needs to be complied. Capital or Revenue expenses commitments. Contingencies are uncertain in nature and depend upon the happening or non-happening of uncertain events that are future-based. Advantages of Commitment and Contingencies Following are the advantages : Gives more transparent disclosures. Case pending with the court. The amount of contingencies if measurable also to be disclosed. Attracts the investors as the investors may access from the future transactions about the profitability of the company. Hence the above agreement is termed as commitment. Commitment refers to the contractual obligations which are certain and independent in nature. Entered into a transaction with XYZ Ltd. Recommended Articles This is a guide to Commitments and Contingencies. Contingencies are the events the occurrence of which depends upon the happening or non-happening of uncertain future events. Chances of Occurrence. Commitments are the future obligations which has to fulfill and they are independent from any other business event. If the commitments relates to the reporting period they needs to disclosed in the balance sheet as liabilities and if commitments does not belong to the reporting period they needs to disclosed in notes to accounts. Whereas contingency means payment which is not certain and depends upon the future event. Signed the contract of the above transactions with XYZ Ltd. Hence the above arrangement is termed as a contingency as it is not certain whether ABC Ltd.