

Hp company analysis



**ASSIGN
BUSTER**

The Consolidated Financial Statements include the accounts of Hewlett-Packard Company, its wholly-owned subsidiaries and its controlled majority-owned subsidiaries HP. HP reports in operating segments based on their product lines. They have seven reportable business segments for financial reporting purposes including Services, Enterprise Storage and Servers (“ESS”), HP Software, the Personal Systems Group (“PSG”), the Imaging and Printing Group (“IPG”), HP Financial Services (“HPFS”), and Corporate Investments. The business segments are based on this organizational structure and information reviewed by HPs management to evaluate the business segment results.

The Services segment provides consulting, outsourcing and technology services across infrastructure, applications and business process domains. Services segment is separated into four main business units including infrastructure technology outsourcing, technology services, applications services and business process outsourcing. The ESS segment provides storage and server products. The server offerings range from entry-level servers to high-end scalable. HPs storage products include entry-level, mid-range and high-end arrays, storage area networks, network attached storage, storage management software, and virtualization technologies, as well as data reduplication solutions, tape drives, tape libraries and optical archival storage. The PSG segment provides commercial and consumer PCs, workstations, handheld computing devices, calculators and other related accessories, software and services for the commercial and consumer markets. Commercial PCs are optimized for commercial uses customers and for connectivity and manageability in networked environments. Consumer

PCs are targeted at the home user to provide advanced graphics, computing, and large modeling capabilities. The HP Software segment provides enterprise software and services.

Enterprise IT management products and services, which are marketed as HPs business technology optimization portfolio, help customers to manage IT infrastructure and services, operations, applications, and business processes and to automate data center operations and IT processes. Business intelligence solutions enable businesses to standardize on consistent data management schemes, connect and share data across the enterprise and apply analytics. Communications and media solutions enable service providers, media companies, and network equipment providers to create, deliver, and manage consumer and enterprise communications services.

The IPG segment provides consumer and commercial printer hardware, printing supplies, printing media and scanning devices. IPG also focuses on imaging solutions in the commercial markets. These solutions range from managed print services solutions to addressing new growth opportunities in commercial printing and capturing high-value pages in areas such as industrial applications, outdoor signage, and the graphic arts business.

Printer supplies include LaserJet toner and inkjet printer cartridges and other printing-related media. The HP Financial Services segment supports and enhances HPs global product and services solutions, providing a broad range of value-added financial life cycle management services. ? ? ? ? ? ? ? HP has adopted the new Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No.

141-R, related to business combinations. They have included the results of operations of the businesses they acquired in fiscal 2010 in HPs consolidated financial statements as of the respective dates of acquisition. They allocate the purchase price of its acquisitions to the tangible assets, liabilities and intangible assets acquired, including in-process research and development (IPR&D), based on their estimated fair values. IPR&D arises when the acquired company has projects under development that have not reached completion. They record the excess of the purchase price over those fair values as goodwill.

INPR&D is initially capitalized as an intangible asset on the balance sheet at fair value with an indefinite life and assessed for impairment thereafter.

When the project is completed, an expected life is determined and the IPR&D will be amortized over its estimated useful life. Post-deal earnings will be affected by the impairment or amortization of the intangible asset. Acquired contingencies from Statement 141R will require a new way of recognizing assets or liabilities arising from a contingency and establishes different recognition thresholds for contractual and noncontractual contingencies. For contractual contingencies, the assets and liabilities that occur from an acquired contingency will be recognized at fair value on the acquisition date.

For all other (noncontractual) contingencies, the acquirer will recognize the asset or liability only if it is more likely than not that the contingency will give rise to an asset or liability as of the acquisition date. Acquisition-related expenses and restructuring costs will also be subject to the Statement of Financial Accounting Standard 146, Accounting for Costs Associated with the Exit or Disposal Activity (FAS146). FAS 146 won't allow restructuring

amounts to be recorded until the expense is incurred, which in the case of acquisition related restructuring, is not until the acquisition is completed. This will result in business combination charges to be recorded subsequent to the acquisition and reflected in the income statement.

In fiscal 2010, HP recorded acquisition-related charges of \$293 million primarily for consulting and integration costs, acquisition costs and retention bonuses associated with the acquisitions of EDS, 3Com, Palm, 3PAR and ArcSight. In fiscal year 2010, HP finalized eleven acquisitions. The purchase price allocation for these acquisitions reflects various preliminary fair value estimates and analyses. They expect to continue to obtain information to assist them in determining the fair value of the net assets acquired at the acquisition date during the measurement period. Measurement period adjustments that HP determines to be material will be applied to the period of acquisition in HPs consolidated financial statements. Hewlett-Packard Company and subsidiaries changed their method of accounting for noncontrolling interests with the adoption of Financial Accounting Standards No.

160 Noncontrolling Interests in Consolidated Financial Statements, which was issued by the FASB in December 2007 to amend Accounting Research Bulletin No. 51. The noncontrolling interest is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The purpose of the statement is to improve the relevance, comparability, and transparency of the financial information that HP provides in its consolidated financial statements. Consolidated Financial Statements The combined financial statements of a parent company and its subsidiaries.

Notes: Because consolidated financial statements present an aggregated look at the financial position of a parent and its subsidiaries, they enable you to gauge

Click the link for more information. The interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statements, separate from the parents equity. Also, the amount of consolidated net income that is assigned to the parent and the noncontrolling interest needs to be clearly identified and presented on the face of the consolidated statement of income. Also in one of the disclosures of the Form 10-K of HP, the Chief Executive Officer and Chief Financial Officer of HP, certify, pursuant to 18 U.

S. C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report for the fiscal year ended October 31, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of HP.

References: <http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7610405-834-730058&type=sect&dcn=0001047469-10-010444>.

Retrieved on July 22, 2011 This is the link that takes you to the copy of Hewlett Packard's 10K filing. This is the annual report that they are required to file for the Securities and Exchange Commission. It provides a comprehensive summary of the company's performance. It includes <https://assignbuster.com/hp-company-analysis/>

information like the company history, organizational structure, subsidiaries, and audited financial statements. Hoyle, J. B., Schaefer, T.

F., & Douppnik, T. S.

(2011). *Advanced accounting* (10th ed.). New York, NY: McGraw-Hill The book *Advanced accounting* (10th ed.) is the book we used during class. It provides a comprehensive and integrative coverage of essential accounting terminology. It helps students to think critically about accounting, focusing on past and present resolutions. It also shows the development of financial reporting as the result of intense and considered debate.

<http://www.fasb.org/home> This link takes you to the homepage of the Financial Accounting Standard Board.

This allows you access to all of the recent activity and latest news. It also has detailed information for all of the Accounting Standards, including FAS No. 141R and FAS No.

160. It allows academic accounting access for free.