

Apple Operations International Limited
CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Years ended	
		26 September 2020	28 September 2019
		\$'m	\$'m
Net sales	3	148,168	140,992
Cost of sales		(90,227)	(86,851)
Gross margin		57,941	54,141
Operating expenses:			
Research and development		(15,489)	(7,590)
Selling, general and administrative		(9,133)	(8,501)
Total operating expenses		(24,622)	(16,091)
Operating income		33,319	38,050
Other income/(expense),net	4	489	3,636
Income before provision for income taxes		33,808	41,686
Provision for income taxes	6	(6,149)	(6,191)
Net income		27,659	35,495

See accompanying notes to consolidated financial statements.

Apple Operations International Limited
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Other Statutory Information

Auditors' Remuneration

The following table shows the fees* paid to the independent auditor in 2020 and 2019:

	Years ended	
	26 September 2020	28 September 2019
	\$'000	\$'000
Audit of Financial Statements	846	831
Other Assurance Services	144	146
Tax Advisory Services	440	625
	<u>1,430</u>	<u>1,602</u>

*This excludes auditors' remuneration borne by Apple Inc. on behalf of the Group.

Staff Numbers and Costs

The following table shows the payroll costs incurred in 2020 and 2019:

	Years ended	
	26 September 2020	28 September 2019
	\$'m	\$'m
Wages and Salaries	3,308	2,822
Social Welfare costs	418	378
Share based payments (Note 5, "Share-Based Compensation")	941	848
Pension costs	175	150
	<u>4,842</u>	<u>4,198</u>

The average number of persons employed by the Group in 2020 was 51,255 (2019: 47,337).