

Prose

Sample Company For Period Ending December 31,

MANAGEMENT DISCUSSION AND ANALYSIS

The following is an example/sample of the target use case for narratives. The information was taken from various existing samples and put together to minimize the effort required to put this example together. It may seem nonsensical, but it definitely shows the Actual use case. The Actual use case has the following characteristics:

- 1) It contains a mixture of paragraphs of text and tables of information,
- 2) The information MUST be viewed in a particular order to make sense,
- 3) There is typically a large volume of information, such as the "Management Discussion and Analysis",
- 4) The information can be unique to a company, no standard taxonomy concepts exist.
- 5) The information contains a mixture of "data" and "labels".

This example is intended to mimic the characteristics of the use case described above. It would likely be quite easy to find an example from a financial report which shows this use case in a form which is more comfortable to domain users (i.e., accountants). If the domain users would like this example updated to be more understandable to an accountant, we can put that together for them. But, this example is to show the characteristics of the use case with minimum effort, not to be 100% correct from a financial reporting perspective.

RECEIVABLES

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade receivables include receivables from major customers. Trade receivables include related party receivables.

DIRECTOR COMPENSATION

The following is a listing of director compensation:

Name of director	Salary	Bonus	Director fees	Fair Value of Options Granted
John James	0	0	60,000	0
Buck Rogers	879,639	1,213,486	0	569,000
Clark Kent	0	0	24,200	0
Lois Lane	0	0	57,000	0

ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis, except for the revaluation of land and buildings and certain financial instruments. The principal accounting policies adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Inventories are stated at the lower of cost and net realizable value. Included in inventory are: (a) raw materials, (b) supplies, (c) finished goods.

LONG TERM DEBT

The following is a summary of Long-term Debt outstanding as of December 31, 2004 and 2003:

	2004	2003
Note payable to a bank, principal payments of \$11,300 due September 15 and October 15, 2004, 2005, and 2006 with an additional principal payment of \$880 paid when the note is due on October 15, 2006, interest at prime plus 2% is payable monthly, secured by equipment	\$ 23,480	\$ 46,080
Note payable to a bank, principal payments of \$3,400 due monthly from August through January, interest at prime plus 2% payable monthly, due October 5, 2009, secured by a vehicle	85,000	0
Note payable to a related party, payable in semi-annual principal installments of \$10,000 plus interest at 10%, unsecured	0	45,000
Capital lease payable in monthly installments of \$1,200 including interest at 13.2%, due February 2007, secured by a vehicle	33,301	43,782
Long Term Debt, Total	141,781	134,862
Current Portion of Long Term-Debt	23,000	22,000
Non Current Portion of Long Term Debt	\$ 118,781	\$ 112,862