

Micro Firm Profit-Loss Report (5 year)

release date: December 2011

**Sole Proprietorship**

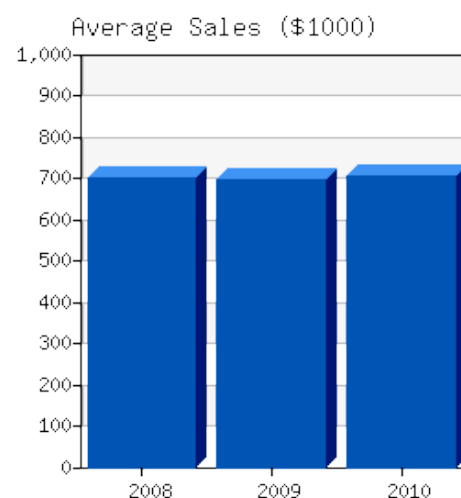
Interior Design Services

[541410] Sector: Professional-Scientific-Technical Services

Firms Analyzed: 1,932

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The Sole Proprietor/Startup Profit & Loss series mirrors the more streamlined financial reports of many startup firms and sole proprietorships. Startups which are not structured as Sole Proprietorships, and SPs desiring a corporate-style balance sheet analysis, can utilize the small business and lower sales class versions of the Industrial Financial Profile series.

Dollar-based sales and other dollar-based data in this report reflect averages for sales of the industry segment, not total industry-wide averages. As a result, sales levels may vary from year to year, depending on the mix of firms that are listed as startups (single site firms with one year or less of operation) or sole proprietorships. Because most startups are also sole proprietorships, the sole proprietor reporting format is used for our startup financial series as well.

Annual Average Revenue, Income & Expense (\$)

	2006	2007	2008	2009	2010	2011q2
Revenue	738,871	717,612	708,531	700,792	696,903	703,420
Inventory (% Revenue)	6,650	6,961	7,085	5,957	6,342	6,401
Cost of Sales	146,962	145,818	145,533	143,172	248,864	251,191
COS-Labor Portion	23,348	24,255	26,003	28,732	11,569	11,677
Gross Profit	591,909	571,794	562,998	557,620	448,039	452,229
Salary-Wages	41,746	45,640	43,504	42,959	29,618	29,895
Contract Labor-Commissions	25,417	23,107	25,791	26,420	40,072	40,447
Rent	11,674	13,061	10,274	13,385	11,290	11,395
Advertising	6,945	6,530	6,377	7,428	25,158	25,393
Benefits-Pension	1,995	1,938	1,417	1,472	1,882	1,899
Insurance (non-health)	13,300	11,697	10,274	10,652	2,857	2,884
Taxes paid	7,536	7,894	7,865	7,008	5,854	5,909
Other SG & Exp.	155,680	155,937	150,279	154,104	176,247	177,825
EBITDA	327,616	305,990	307,217	294,192	155,061	156,582
Interest paid	3,694	3,445	3,118	3,854	2,579	2,462
Home Office Expense	5,320	6,243	7,369	7,498	16,517	16,671
Amort. & Dep.	26,599	23,107	21,185	21,374	12,405	12,521
Total Expenses	299,906	298,599	287,453	296,154	324,479	327,301
Net Profit	292,003	273,195	275,545	261,466	123,560	124,928
Total Direct Labor & NP	382,514	366,197	370,843	359,577	204,819	206,947

Annual Average Revenue, Income & Expense (%)						
	2006	2007	2008	2009	2010	2011q2
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Inventory (% Revenue)	0.90%	0.97%	1.00%	0.85%	0.91%	0.91%
Cost of Sales	19.89%	20.32%	20.54%	20.43%	35.71%	35.71%
COS-Labor Portion	3.16%	3.38%	3.67%	4.10%	1.66%	1.66%
Gross Profit	80.11%	79.68%	79.46%	79.57%	64.29%	64.29%
Salary-Wages	5.65%	6.36%	6.14%	6.13%	4.25%	4.25%
Contract Labor-Commissions	3.44%	3.22%	3.64%	3.77%	5.75%	5.75%
Rent	1.58%	1.82%	1.45%	1.91%	1.62%	1.62%
Advertising	0.94%	0.91%	0.90%	1.06%	3.61%	3.61%
Benefits-Pension	0.27%	0.27%	0.20%	0.21%	0.27%	0.27%
Insurance (non-health)	1.80%	1.63%	1.45%	1.52%	0.41%	0.41%
Taxes paid	1.02%	1.10%	1.11%	1.00%	0.84%	0.84%
Other SG & Exp.	21.07%	21.73%	21.21%	21.99%	25.29%	25.28%
EBITDA	44.35%	42.64%	43.35%	41.99%	22.26%	22.27%
Interest paid	0.50%	0.48%	0.44%	0.55%	0.37%	0.35%
Home Office Expense	0.72%	0.87%	1.04%	1.07%	2.37%	2.37%
Amort. & Dep.	3.60%	3.22%	2.99%	3.05%	1.78%	1.78%
Total Expenses	40.59%	41.61%	40.57%	42.26%	46.55%	46.53%
Net Profit	39.52%	38.07%	38.88%	37.31%	17.74%	17.76%
Total Direct Labor & NP	51.77%	51.02%	52.35%	51.31%	29.39%	29.42%

Inventory (% Revenue): The stockpile of unsold products. Unlike corporate reports which show inventory as a percent of total assets, the sole proprietorship financial format displays Inventory as a percent of Revenue.

Cost of Sales includes materials and labor involved in the direct delivery of a product or service. Other costs are included in the cost of sales to the extent that they are involved in bringing goods to their location and condition ready to be sold. Non-production overheads such as development costs may be attributable to the cost of goods sold. The costs of services provided will consist primarily of personnel directly engaged in providing the service, including supervisory personnel and attributable overhead.

COS-Labor Portion: This reporting format details labor from the materials and delivery portion of the total Cost of Sales.

Gross Profit represents direct operating expenses plus net profit. In addition to the labor portion of Cost of Sales, wage costs are reflected in the **Officers Compensation** and **Wages-Salary** line items. The **Contract Labor-Commissions** line item is reserved for non-employee labor, sales and related costs. In many cases, **SG&A (Sales, General and Administrative)** costs also include some overhead, administrative and supervisory wages.

The **Taxes** line item includes the employer portion of payroll tax on wages taken during the year as well as other paid-in tax items. Sole Proprietorships do not accrue federal business income taxes; Instead, **Net Profit** is assessed as owner's wages. As a result, the Net Profit line item represents what is commonly referred to as **Pre-tax Net Profit** or Net Profit Before Tax. Although it is a controversial measure, the **EBITDA** line item (Earnings before interest, taxes, depreciation and amortization) adds back **Interest Paid, Depreciation-Amortization** and **Home Office** expense to reduce the effect of "paper expenses" and accounting decisions on the bottom line of the Profit and Loss Statement. Since some firms utilized EBITDA is to "add back" non-cash and flexible expenses which may be altered through credits and accounting procedures (such as income tax), paid-in income taxes from the Taxes Paid line item are not added back in the EBITDA calculation.

Rent covers the rental cost of any business property, including land, buildings and equipment.

Insurance (non-health) costs include business liability and property insurance, but exclude employee health insurance, which is covered under the Benefits-Pension line item.

Advertising includes advertising, promotion and publicity for the reporting business, but not on behalf of others.

Benefits-Pension includes, but is not limited to, employee health care and retirement costs.

In addition to varying proportions of overhead, administrative and supervisory wages, some generally more minor expenses, including repairs and written-off debt, are aggregated under **SG&A** (Sales, General and Administrative).

The **Total Direct Labor & NP** line is developed to indicate overall labor costs, aggregating them as a percentage indicator for one-person sole proprietorships as well as larger operations. Total Direct Labor & NP sums the labor portion of Cost of Sales, Salary-Wages, Contract Labor-Commissions and Net Profit line items.

Annual Cash Flow (\$)						
	2006	2007	2008	2009	2010	2011q2
Revenue	738,871	708,531	708,531	700,792	696,903	703,420
Cost of Sales	146,962	145,533	145,533	143,172	248,864	251,191
Gross Profit	591,909	562,998	562,998	557,620	448,039	452,229
All Direct Expenses	411,255	401,314	401,314	406,600	541,842	546,838
Net Cash	327,616	307,217	307,217	294,192	152,482	154,120
Net Cash & Labor	418,127	402,515	402,515	392,303	233,741	236,139
Annual Cash Flow (%)						
Net Cash/ Revenue	44.34%	42.64%	43.36%	41.98%	21.88%	21.91%
Net Cash/ Cost of Sales	222.93%	209.84%	211.10%	205.48%	61.27%	61.36%
Net Cash/ Gross Profit	55.35%	53.51%	54.57%	52.76%	34.03%	34.08%
Net Cash/ All Direct Expenses	79.66%	74.34%	76.55%	72.35%	28.14%	28.18%
Net Cash	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Cash/ Net Cash & Labor	78.35%	76.69%	76.32%	74.99%	65.24%	65.27%

All Direct Expenses includes **Cost of Sales** plus **Total Expenses** from the P1 Income & Expense table, less largely non-cash **Amortization, Depreciation** and **Home Office** expenses. **Net Cash** adds back these non-cash expenses. This generally offers a more comprehensive picture of owner compensation, which will also vary with the actual proportion of owner labor.

Monthly Cash Flow tables on the following page are calculated on a **straight-line sales** basis. Different sales patterns alter monthly cash flow (but not annual totals).

Monthly Cash Flow Table: 2006

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	26,994	53,987	80,981	107,974	134,968	161,961	188,955	215,948	242,942	269,935	296,929
Income	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573	61,573
Available Cash	61,573	88,566	115,560	142,553	169,547	196,540	223,534	250,527	277,521	304,514	331,508	358,501
Cost of Sales	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247
Gross Profit	49,326	49,326	49,326	49,326	49,326	49,326	49,326	49,326	49,326	49,326	49,326	49,326
All Direct Exp.	34,579	34,579	34,579	34,579	34,579	34,579	34,579	34,579	34,579	34,579	34,579	34,579
Net Cash	26,994	53,987	80,981	107,974	134,968	161,961	188,955	215,948	242,942	269,935	296,929	323,922
Net Cash & Labor	34,536	69,072	103,608	138,144	172,680	207,217	241,753	276,289	310,825	345,361	379,897	414,433

Monthly Cash Flow Table: 2007

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	25,212	50,424	75,636	100,848	126,060	151,273	176,485	201,697	226,909	252,121	277,333
Income	59,801	59,801	59,801	59,801	59,801	59,801	59,801	59,801	59,801	59,801	59,801	59,801
Available Cash	59,801	85,013	110,225	135,437	160,649	185,861	211,074	236,286	261,498	286,710	311,922	337,134
Cost of Sales	12,152	12,152	12,152	12,152	12,152	12,152	12,152	12,152	12,152	12,152	12,152	12,152
Gross Profit	47,650	47,650	47,650	47,650	47,650	47,650	47,650	47,650	47,650	47,650	47,650	47,650
All Direct Exp.	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589	34,589
Net Cash	25,212	50,424	75,636	100,848	126,060	151,273	176,485	201,697	226,909	252,121	277,333	302,545
Net Cash & Labor	32,962	65,925	98,887	131,849	164,811	197,774	230,736	263,698	296,660	329,623	362,585	395,547

Monthly Cash Flow Table: 2008

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	25,342	50,683	76,025	101,366	126,708	152,050	177,391	202,733	228,074	253,416	278,757
Income	59,044	59,044	59,044	59,044	59,044	59,044	59,044	59,044	59,044	59,044	59,044	59,044
Available Cash	59,044	84,386	109,727	135,069	160,411	185,752	211,094	236,435	261,777	287,118	312,460	337,802
Cost of Sales	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128	12,128
Gross Profit	46,917	46,917	46,917	46,917	46,917	46,917	46,917	46,917	46,917	46,917	46,917	46,917
All Direct Exp.	33,703	33,703	33,703	33,703	33,703	33,703	33,703	33,703	33,703	33,703	33,703	33,703
Net Cash	25,342	50,683	76,025	101,366	126,708	152,050	177,391	202,733	228,074	253,416	278,757	304,099
Net Cash & Labor	33,283	66,566	99,849	133,132	166,415	199,699	232,982	266,265	299,548	332,831	366,114	399,397

Monthly Cash Flow Table: 2009

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	24,195	48,390	72,585	96,779	120,974	145,169	169,364	193,559	217,754	241,948	266,143
Income	58,399	58,399	58,399	58,399	58,399	58,399	58,399	58,399	58,399	58,399	58,399	58,399
Available Cash	58,399	82,594	106,789	130,984	155,179	179,374	203,568	227,763	251,958	276,153	300,348	324,543
Cost of Sales	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931
Gross Profit	46,468	46,468	46,468	46,468	46,468	46,468	46,468	46,468	46,468	46,468	46,468	46,468
All Direct Exp.	34,205	34,205	34,205	34,205	34,205	34,205	34,205	34,205	34,205	34,205	34,205	34,205
Net Cash	24,195	48,390	72,585	96,779	120,974	145,169	169,364	193,559	217,754	241,948	266,143	290,338
Net Cash & Labor	32,371	64,742	97,112	129,483	161,854	194,225	226,595	258,966	291,337	323,708	356,078	388,449

Monthly Cash Flow Table: 2010

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	12,707	25,414	38,121	50,827	63,534	76,241	88,948	101,655	114,362	127,068	139,775
Income	58,075	58,075	58,075	58,075	58,075	58,075	58,075	58,075	58,075	58,075	58,075	58,075
Available Cash	58,075	70,782	83,489	96,196	108,903	121,609	134,316	147,023	159,730	172,437	185,144	197,850
Cost of Sales	20,739	20,739	20,739	20,739	20,739	20,739	20,739	20,739	20,739	20,739	20,739	20,739
Gross Profit	37,337	37,337	37,337	37,337	37,337	37,337	37,337	37,337	37,337	37,337	37,337	37,337
All Direct Exp.	45,368	45,368	45,368	45,368	45,368	45,368	45,368	45,368	45,368	45,368	45,368	45,368
Net Cash	12,707	25,414	38,121	50,827	63,534	76,241	88,948	101,655	114,362	127,068	139,775	152,482
Net Cash & Labor	19,478	38,957	58,435	77,914	97,392	116,871	136,349	155,827	175,306	194,784	214,263	233,741

Monthly Cash Flow Table: 2011q2

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
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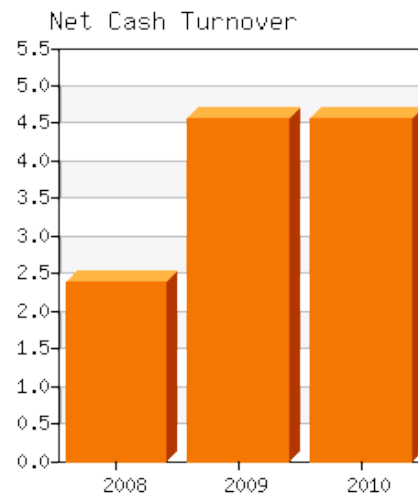
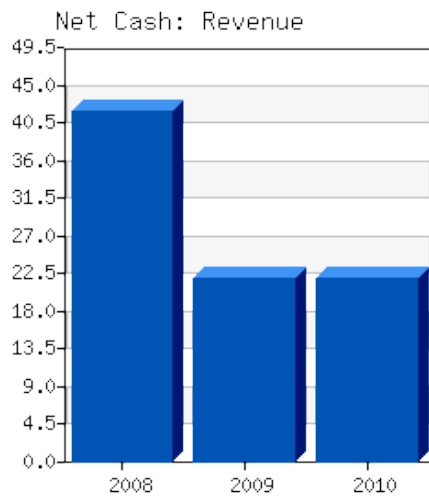
Retained Cash	0	12,843	25,687	38,530	51,373	64,217	77,060	89,903	102,747	115,590	128,433	141,277
Income	58,618	58,618	58,618	58,618	58,618	58,618	58,618	58,618	58,618	58,618	58,618	58,618
Available Cash	58,618	71,462	84,305	97,148	109,992	122,835	135,678	148,522	161,365	174,208	187,052	199,895
Cost of Sales	20,933	20,933	20,933	20,933	20,933	20,933	20,933	20,933	20,933	20,933	20,933	20,933
Gross Profit	37,686	37,686	37,686	37,686	37,686	37,686	37,686	37,686	37,686	37,686	37,686	37,686
All Direct Exp.	45,775	45,775	45,775	45,775	45,775	45,775	45,775	45,775	45,775	45,775	45,775	45,775
Net Cash	12,843	25,687	38,530	51,373	64,217	77,060	89,903	102,747	115,590	128,433	141,277	154,120
Net Cash & Labor	19,678	39,357	59,035	78,713	98,391	118,070	137,748	157,426	177,104	196,783	216,461	236,139

financial ratios: Cash Flow- Solvency

	2006	2007	2008	2009	2010	2011q2
net cash/ Revenue %	44.34	42.64	43.36	41.98	21.88	21.91
net cash turnover (X)	2.26	2.35	2.31	2.38	4.57	4.56

Net Cash: Revenue: (Retained Cash plus Net Profit) divided by Revenue. Adds back non-out of pocket items (e.g., depreciation, amortization, home office) which show as expenses but largely do not reduce liquid assets.

Net Cash Turnover: Revenue divided by Cash. Cash totals taken from the Cash Flow table less out of pocket expenses. Results too far from the benchmark may indicate overly conservative or aggressive liquidity policies.

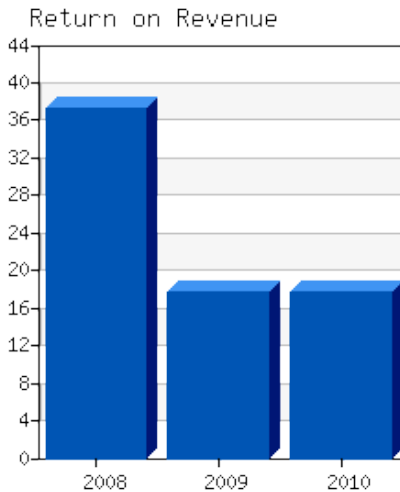
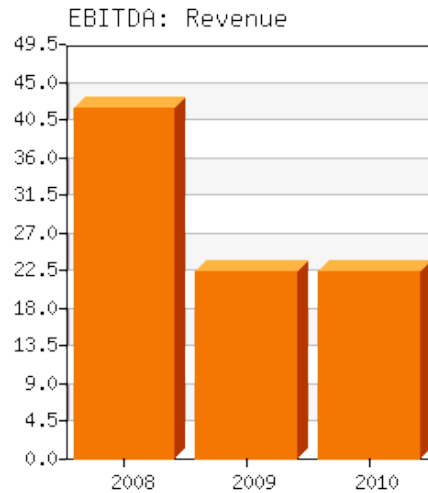
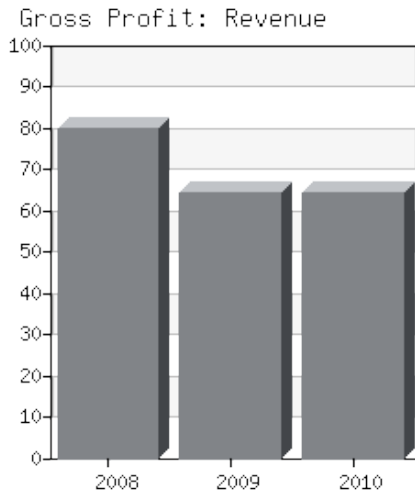


financial ratios: Profitability						
	2006	2007	2008	2009	2010	2011q2
gross profit: Revenue	80.11	79.68	79.46	79.57	64.29	64.29
EBITDA: Revenue	44.34	42.64	43.36	41.98	22.25	22.26
return on Revenue (%)	39.52	38.07	38.89	37.31	17.73	17.76

Gross Profit: Revenue: Gross Profit: divided by Annual Revenue. This is the profit ratio before direct expenses. This ratio can indicate the "play" in other expenses which could be adjusted to increase the Net Profit margin.

EBITDA: Revenue: Earnings Before Interest, income taxes due, Depreciation and Amortization divided by Revenue. EBITDA: Revenue is a relatively controversial (and often criticized) metric designed to eliminate the effect of finance and accounting decisions when comparing companies and industry benchmarks. Tax credits and deferral procedures and non-cash expenditures (Amortization and Depreciation) are not deducted from the profit equation, as are interest expenditures. In the case of sole proprietor reporting formats, the "before tax" refers to owner federal income taxes resulting from Net Profit, rather than federal corporate income taxes.

Return on Revenue: Net Profit divided by Annual Net Revenue, indicating the level of profit from each dollar of Revenue. Income taxes attributable to the Net Profit portion of proprietor income have not been deducted from Net Profit. This ratio can be used as a predictor of the company's ability to withstand changes in prices or market conditions. The ratio is often higher for startups and sole proprietorships due to owner compensation draws accounted as net profit.



financial ratios: Efficiency:						
	2006	2007	2008	2009	2010	2011q2
cost of sales: inventory (x)	22.10	20.95	20.54	24.03	39.24	39.24
days inventory	16.52	17.42	17.77	15.19	9.30	9.30
EBITDA: interest	88.69	88.82	98.53	76.33	60.12	63.60
inventory turnover	111.11	103.09	100.00	117.64	109.89	109.89
total labor: Revenue	12.25	12.96	13.45	14.00	11.66	11.66

Cost of Sales: Inventory: Cost of Sales divided by Inventory. This ratio reflects the number of times inventory is turned over during the course of the year. High levels can mean good liquidity or sales, or shortages requiring better management. Low levels may indicate poor cash flow or overstocking.

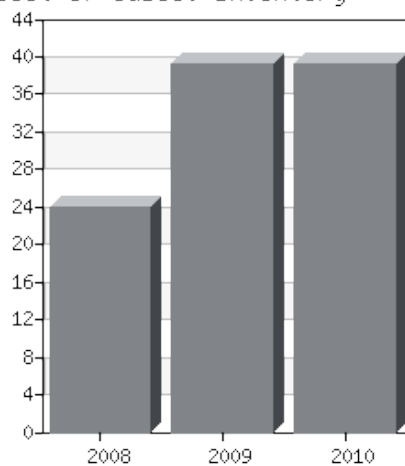
Days Inventory: 365 divided by (Cost of Sales: Inventory): Shows the average number of days of items in inventory. Positive inventory balance will align most closely with industry benchmarks.

EBITDA: Interest: Earnings before Interest, income tax due, Depreciation and Amortization divided by Interest expense. This ratio assesses financial stability by examining whether a company is at least profitable enough to pay interest expense. A ratio >1.00 indicates it is. See cautions in the listing for EBITDA.

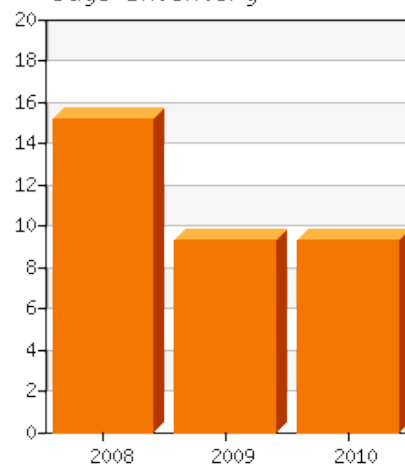
Inventory Turnover: Revenue divided by Inventory. Target at or slightly above industry level. This ratio indicates how quickly inventory turns over. Ratios below the industry norm suggest high levels of inventory. High ratios could indicate product levels insufficient to satisfy demand in a timely manner.

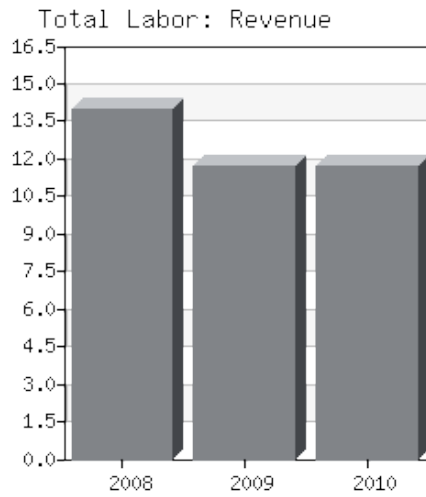
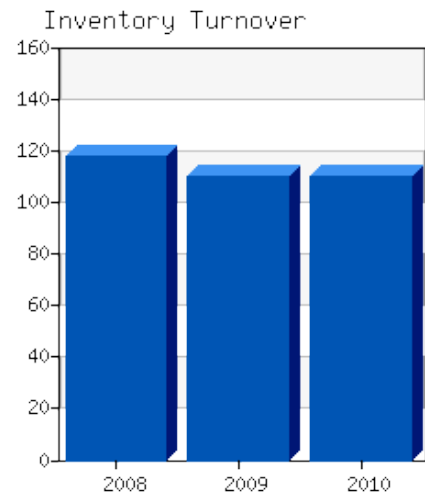
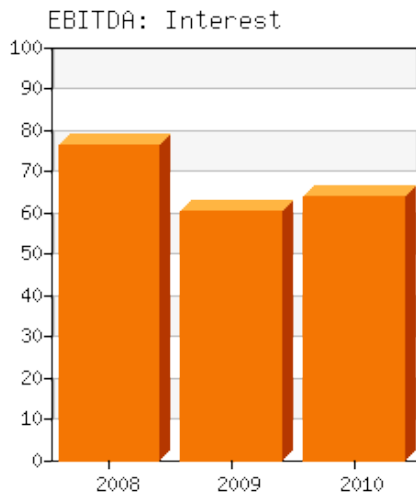
Total Labor: Revenue: All direct compensation costs as a percentage of sales, including the labor cost portion of cost of sales, salary & wages, contract labor and commissions. Net Profit is also included for sole proprietorship and most startup operations because it is considered owner compensation.

Cost of Sales: Inventory



Days Inventory





About the Data

Raw data analyzed for BizMiner reports is sourced from an array of the nation's government and private statistical sources. None of these raw data sources creates the final measures reflected in BizMiner industry profiles. In total, BizMiner accesses over a billion sourced data points from 15 million business operations for each of its twice annual updates covering a 3-5 year time series. Historical data and BizMiner algorithms are used to inform and test projections for non-reporting firms. Data elements are sourced specifically from:

- IRS SOI Corporation Income Tax Returns
- IRS SOI Corporation Tax Book
- IRS SOI 1040 Schedule C Income Tax Returns
- IRS SOI Statistics of Income- Individual Tax Statistics
- US Economic Census of Manufactures
- US Census Economy Overview
- US Census Annual Survey of Manufactures
- US Census Annual Retail Trade Survey
- US Census Annual Wholesale Trade Survey
- US Census Quarterly Financial Reports
- US Census County Business Patterns
- Bureau of Labor Statistics Monthly Employment Reports
- Bureau of Labor Statistics Monthly Unemployment Reports
- US Census Wholesale Trade Report
- US Census Quarterly (New Housing) Sales by Price and Financing
- US Census Total Construction Spending
- US Census Retail Trade Report
- US Census Quarterly Services Survey
- Commercial Real Estate Survey
- Credit Reporting Agencies
- InfoGroup, Inc.
- Business Directories

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