

Micro Firm Profit-Loss Report (5 year)

release date: December 2011

**Sole Proprietorship**

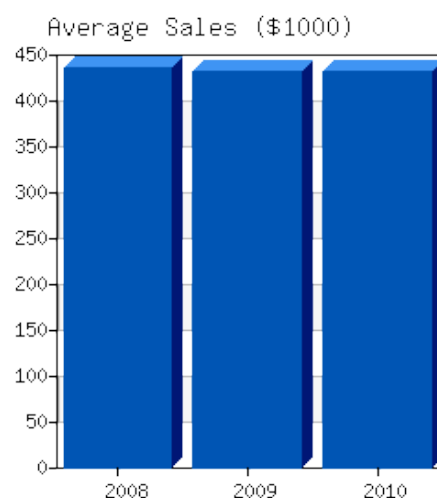
Interior Design Services

[541410] Sector: Professional-Scientific-Technical Services

Firms Analyzed: 2,566

Contents

- P1: Income-Expense statement- dollar-based
- P2: Income-Expense statement- percentage-based
- P3: Annual Cash Flow
- P4: Monthly Cash Flow
- P5: Financial Ratios - Cash Flow-Solvency
- P6: Financial Ratios - Profitability
- P7: Financial Ratios - Efficiency
- P9: About the Data



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	471,290	444,059	455,192	434,408	431,786	431,786
Inventory (% Revenue)	4,242	4,307	4,552	3,692	3,929	3,929
Cost of Sales	96,567	92,809	99,004	88,750	154,320	154,277
COS-Labor Portion	17,155	17,185	22,168	21,112	7,297	7,297
Gross Profit	374,723	351,250	356,188	345,658	277,466	277,509
Salary-Wages	29,738	31,439	35,004	31,625	18,653	18,653
Contract Labor-Commissions	18,098	15,897	20,757	19,418	24,828	24,828
Rent	7,399	7,993	6,464	8,297	6,995	6,995
Advertising	4,430	4,041	4,006	4,605	15,587	15,587
Benefits-Pension	1,414	1,332	1,138	1,086	1,166	1,166
Insurance (non-health)	8,389	7,194	6,509	6,603	1,770	1,770
Taxes paid	4,807	4,885	5,053	4,344	3,627	3,627
Other SG & Exp.	103,967	100,935	106,378	103,867	118,741	118,741
EBITDA	196,481	177,534	170,879	165,813	86,099	86,142
Interest paid	2,309	2,131	2,003	2,389	1,598	1,511
Home Office Expense	3,393	3,819	4,643	4,648	10,233	10,233
Amort. & Dep.	16,872	14,210	13,383	13,249	7,686	7,686
Total Expenses	200,816	193,876	205,338	200,131	210,884	210,797
Net Profit	173,907	157,374	150,850	145,527	66,582	66,712
Total Direct Labor & NP	238,898	221,895	228,779	217,682	117,360	117,490

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	20.49%	20.90%	21.75%	20.43%	35.74%	35.73%
COS-Labor Portion	3.64%	3.87%	4.87%	4.86%	1.69%	1.69%
Gross Profit	79.51%	79.10%	78.25%	79.57%	64.26%	64.27%
Salary-Wages	6.31%	7.08%	7.69%	7.28%	4.32%	4.32%
Contract Labor-Commissions	3.84%	3.58%	4.56%	4.47%	5.75%	5.75%
Rent	1.57%	1.80%	1.42%	1.91%	1.62%	1.62%
Advertising	0.94%	0.91%	0.88%	1.06%	3.61%	3.61%
Benefits-Pension	0.30%	0.30%	0.25%	0.25%	0.27%	0.27%
Insurance (non-health)	1.78%	1.62%	1.43%	1.52%	0.41%	0.41%
Taxes paid	1.02%	1.10%	1.11%	1.00%	0.84%	0.84%
Other SG & Exp.	22.06%	22.73%	23.37%	23.91%	27.50%	27.50%
EBITDA	41.68%	39.98%	37.54%	38.17%	19.94%	19.95%
Interest paid	0.49%	0.48%	0.44%	0.55%	0.37%	0.35%
Home Office Expense	0.72%	0.86%	1.02%	1.07%	2.37%	2.37%
Amort. & Dep.	3.58%	3.20%	2.94%	3.05%	1.78%	1.78%
Total Expenses	42.61%	43.66%	45.11%	46.07%	48.84%	48.81%
Net Profit	36.89%	35.44%	33.14%	33.50%	15.43%	15.45%
Total Direct Labor & NP	50.68%	49.97%	50.25%	50.11%	27.18%	27.21%

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	471,290	455,192	455,192	434,408	431,786	431,786
Cost of Sales	96,567	99,004	99,004	88,750	154,320	154,277
Gross Profit	374,723	356,188	356,188	345,658	277,466	277,509
All Direct Expenses	274,809	284,313	284,313	268,595	345,687	345,644
Net Cash	196,481	170,879	170,879	165,813	84,501	84,631
Net Cash & Labor	261,472	248,808	248,808	237,968	135,279	135,409
Annual Cash Flow (%)						
Net Cash/ Revenue	41.69%	39.98%	37.54%	38.17%	19.57%	19.60%
Net Cash/ Cost of Sales	203.47%	191.29%	172.60%	186.83%	54.76%	54.86%
Net Cash/ Gross Profit	52.43%	50.54%	47.97%	47.97%	30.45%	30.50%
Net Cash/ All Direct Expenses	71.50%	66.61%	60.10%	61.73%	24.44%	24.49%
Net Cash	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Cash/ Net Cash & Labor	75.14%	73.34%	68.68%	69.68%	62.46%	62.50%

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	16,181	32,362	48,543	64,724	80,905	97,086	113,267	129,448	145,629	161,810	177,991
Income	39,274	39,274	39,274	39,274	39,274	39,274	39,274	39,274	39,274	39,274	39,274	39,274
Available Cash	39,274	55,455	71,636	87,817	103,998	120,179	136,360	152,541	168,722	184,903	201,084	217,265
Cost of Sales	8,047	8,047	8,047	8,047	8,047	8,047	8,047	8,047	8,047	8,047	8,047	8,047
Gross Profit	31,227	31,227	31,227	31,227	31,227	31,227	31,227	31,227	31,227	31,227	31,227	31,227
All Direct Exp.	23,093	23,093	23,093	23,093	23,093	23,093	23,093	23,093	23,093	23,093	23,093	23,093
Net Cash	16,181	32,362	48,543	64,724	80,905	97,086	113,267	129,448	145,629	161,810	177,991	194,172
Net Cash & Labor	21,597	43,194	64,791	86,388	107,985	129,582	151,178	172,775	194,372	215,969	237,566	259,163

Monthly Cash Flow Table: 2007

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	14,617	29,234	43,851	58,468	73,085	87,702	102,318	116,935	131,552	146,169	160,786
Income	37,005	37,005	37,005	37,005	37,005	37,005	37,005	37,005	37,005	37,005	37,005	37,005
Available Cash	37,005	51,622	66,239	80,856	95,473	110,089	124,706	139,323	153,940	168,557	183,174	197,791
Cost of Sales	7,734	7,734	7,734	7,734	7,734	7,734	7,734	7,734	7,734	7,734	7,734	7,734
Gross Profit	29,271	29,271	29,271	29,271	29,271	29,271	29,271	29,271	29,271	29,271	29,271	29,271
All Direct Exp.	22,388	22,388	22,388	22,388	22,388	22,388	22,388	22,388	22,388	22,388	22,388	22,388
Net Cash	14,617	29,234	43,851	58,468	73,085	87,702	102,318	116,935	131,552	146,169	160,786	175,403
Net Cash & Labor	19,994	39,987	59,981	79,975	99,968	119,962	139,956	159,949	179,943	199,937	219,930	239,924

Monthly Cash Flow Table: 2008

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	14,073	28,146	42,219	56,292	70,365	84,438	98,511	112,584	126,657	140,730	154,803
Income	37,933	37,933	37,933	37,933	37,933	37,933	37,933	37,933	37,933	37,933	37,933	37,933
Available Cash	37,933	52,006	66,079	80,152	94,225	108,298	122,371	136,444	150,517	164,590	178,663	192,736
Cost of Sales	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250
Gross Profit	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682
All Direct Exp.	23,860	23,860	23,860	23,860	23,860	23,860	23,860	23,860	23,860	23,860	23,860	23,860
Net Cash	14,073	28,146	42,219	56,292	70,365	84,438	98,511	112,584	126,657	140,730	154,803	168,876
Net Cash & Labor	20,567	41,134	61,701	82,268	102,835	123,403	143,970	164,537	185,104	205,671	226,238	246,805

Monthly Cash Flow Table: 2009

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	13,619	27,237	40,856	54,475	68,093	81,712	95,331	108,949	122,568	136,187	149,805
Income	36,201	36,201	36,201	36,201	36,201	36,201	36,201	36,201	36,201	36,201	36,201	36,201
Available Cash	36,201	49,819	63,438	77,057	90,675	104,294	117,913	131,531	145,150	158,769	172,387	186,006
Cost of Sales	7,396	7,396	7,396	7,396	7,396	7,396	7,396	7,396	7,396	7,396	7,396	7,396
Gross Profit	28,805	28,805	28,805	28,805	28,805	28,805	28,805	28,805	28,805	28,805	28,805	28,805
All Direct Exp.	22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582	22,582
Net Cash	13,619	27,237	40,856	54,475	68,093	81,712	95,331	108,949	122,568	136,187	149,805	163,424
Net Cash & Labor	19,632	39,263	58,895	78,526	98,158	117,790	137,421	157,053	176,684	196,316	215,947	235,579

Monthly Cash Flow Table: 2010

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Retained Cash	0	7,042	14,084	21,125	28,167	35,209	42,251	49,292	56,334	63,376	70,418	77,459
Income	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982
Available Cash	35,982	43,024	50,066	57,107	64,149	71,191	78,233	85,274	92,316	99,358	106,400	113,441
Cost of Sales	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860	12,860
Gross Profit	23,122	23,122	23,122	23,122	23,122	23,122	23,122	23,122	23,122	23,122	23,122	23,122
All Direct Exp.	28,940	28,940	28,940	28,940	28,940	28,940	28,940	28,940	28,940	28,940	28,940	28,940
Net Cash	7,042	14,084	21,125	28,167	35,209	42,251	49,292	56,334	63,376	70,418	77,459	84,501
Net Cash & Labor	11,273	22,547	33,820	45,093	56,366	67,640	78,913	90,186	101,459	112,733	124,006	135,279

Monthly Cash Flow Table: 2011q2

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
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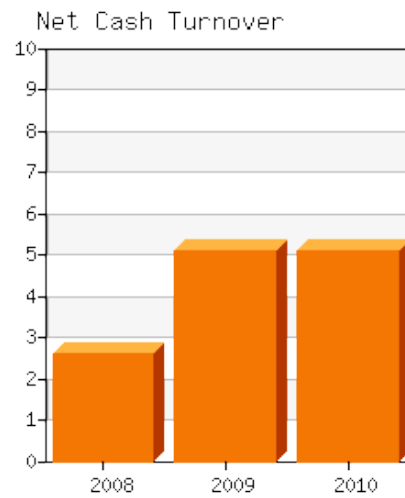
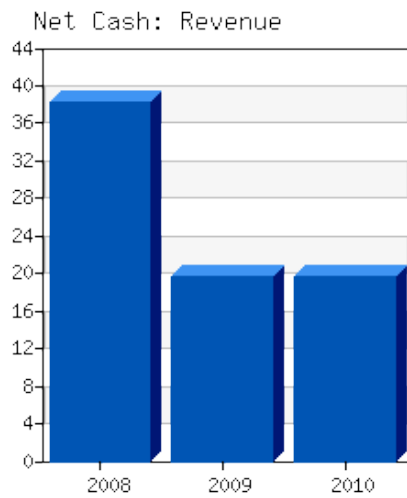
Retained Cash	0	7,053	14,105	21,158	28,210	35,263	42,316	49,368	56,421	63,473	70,526	77,578
Income	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982	35,982
Available Cash	35,982	43,035	50,087	57,140	64,193	71,245	78,298	85,350	92,403	99,455	106,508	113,561
Cost of Sales	12,856	12,856	12,856	12,856	12,856	12,856	12,856	12,856	12,856	12,856	12,856	12,856
Gross Profit	23,126	23,126	23,126	23,126	23,126	23,126	23,126	23,126	23,126	23,126	23,126	23,126
All Direct Exp.	28,930	28,930	28,930	28,930	28,930	28,930	28,930	28,930	28,930	28,930	28,930	28,930
Net Cash	7,053	14,105	21,158	28,210	35,263	42,316	49,368	56,421	63,473	70,526	77,578	84,631
Net Cash & Labor	11,284	22,568	33,852	45,136	56,420	67,705	78,989	90,273	101,557	112,841	124,125	135,409

financial ratios: Cash Flow- Solvency

	2006	2007	2008	2009	2010	2011q2
net cash/ Revenue %	41.69	39.98	37.54	38.17	19.57	19.60
net cash turnover (X)	2.40	2.50	2.66	2.62	5.11	5.10

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.



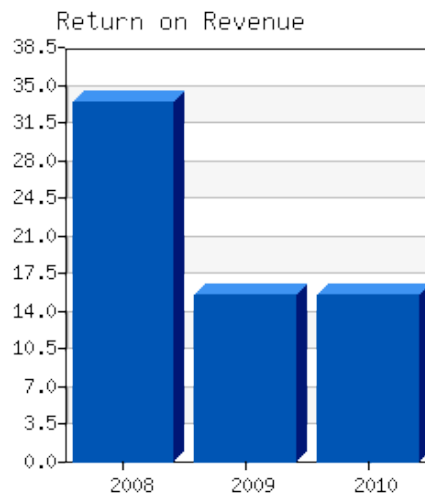
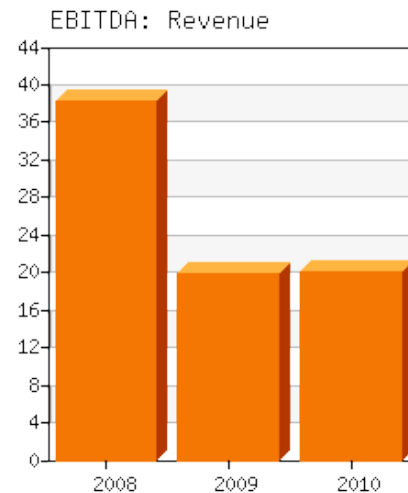
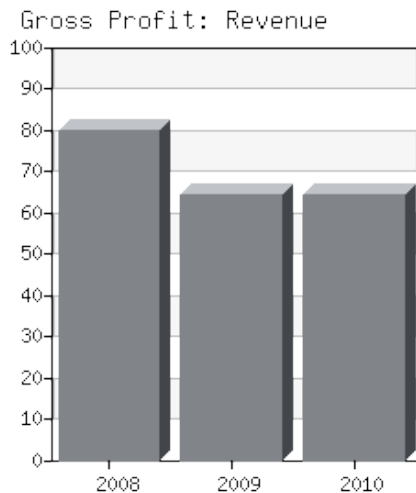
financial ratios: Profitability

	2006	2007	2008	2009	2010	2011q2
gross profit: Revenue	79.51	79.10	78.25	79.57	64.26	64.27
EBITDA: Revenue	41.69	39.98	37.54	38.17	19.94	19.95
return on Revenue (%)	36.90	35.44	33.14	33.50	15.42	15.45

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)	22.76	21.55	21.75	24.04	39.28	39.27
days inventory	16.03	16.94	16.78	15.18	9.29	9.30
EBITDA: interest	85.09	83.31	85.31	69.41	53.88	57.01
inventory turnover	111.10	103.10	100.00	117.66	109.90	109.90
total labor: Revenue	13.79	14.53	17.12	16.61	11.76	11.76

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.

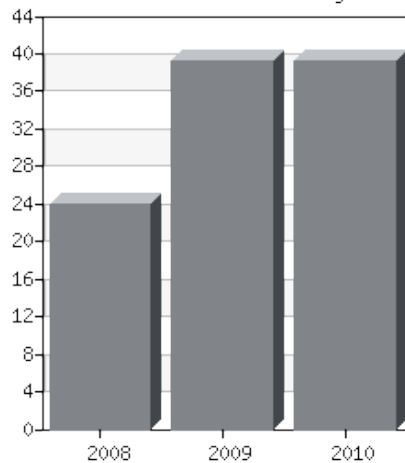
Days Inventory: 365 divided by (Cost of Sales: Inventory): Shows the average number of days of items in inventory. Positive inventory balance will align most closely with industry benchmarks.

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.

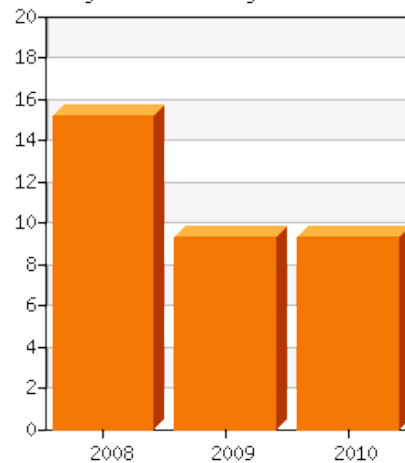
Inventory Turnover: Revenue divided by Inventory. Target at or slightly above industry level. This ratio indicates how quickly inventory turns over. Ratios below the industry norm suggest high levels of inventory. High ratios could indicate product levels insufficient to satisfy demand in a timely manner.

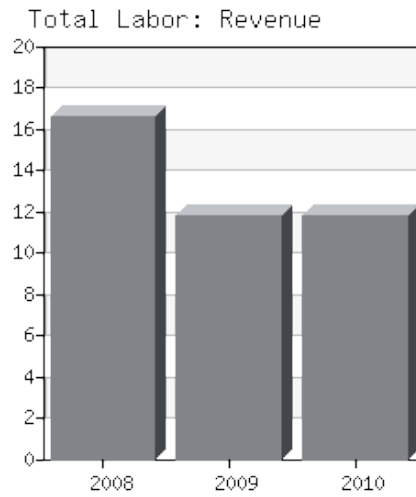
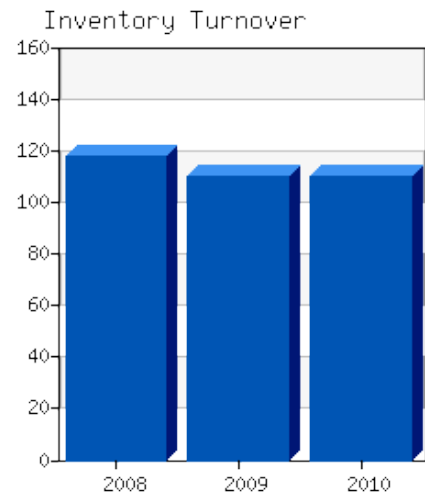
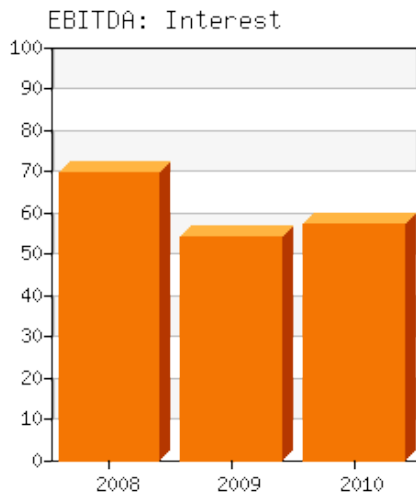
Total Labor: Revenue: All direct compensation costs as a percentage of sales, including the labor cost portion of cost of sales, salary & wages, contract labor and commissions. Net Profit is also included for sole proprietorship and most startup operations because it is considered owner compensation.

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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