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NEWFOUNDLAND



TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Logging Industry (SIC 0411)

| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
| Businesses in sample (No.) | 8                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Depreciation               | 4.1                 | --            | --                     | --                     | --         | 87.6                           | 4.6                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 10.7                | --            | --                     | --                     | --         | 100.0                          | 10.7                          | --            | --                     | --                     | --         |
| Heat, light & telephone    | 0.9                 | --            | --                     | --                     | --         | 87.9                           | 1.0                           | --            | --                     | --                     | --         |
| Rent                       | -                   | --            | --                     | --                     | --         | -                              | -                             | --            | --                     | --                     | --         |
| <b>Personnel expenses</b>  | <b>52.6</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>52.6</b>                   | --            | --                     | --                     | --         |
| <b>Financial expenses</b>  | <b>0.9</b>          | --            | --                     | --                     | --         | <b>56.3</b>                    | <b>1.6</b>                    | --            | --                     | --                     | --         |
| Interest & bank charges    | 0.2                 | --            | --                     | --                     | --         | 56.3                           | 0.3                           | --            | --                     | --                     | --         |
| Professional fees          | 0.7                 | --            | --                     | --                     | --         | 56.3                           | 1.3                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>      | <b>31.3</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>31.3</b>                   | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>       | <b>-0.4</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>-0.4</b>                   | --            | --                     | --                     | --         |
| <b>Total</b>               | <b>100.0</b>        | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>...</b>                    | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 0411 - Logging Industry

Businesses primarily engaged in harvesting hardwood and softwood trees on an own-account basis. Included are businesses primarily engaged in the combined activities of driving, booming, sorting and rafting and towing of wood. Berking mills are also included.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Logging Industry (SIC 0411)

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 8         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 10        | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 3         | --            | --                  | --                  | --         |
| Inventory                         | -         | --            | --                  | --                  | --         |
| Other current assets              | -         | --            | --                  | --                  | --         |
| Total current assets              | 13        | --            | --                  | --                  | --         |
| Fixed assets                      | 52        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 26        | --            | --                  | --                  | --         |
| Other assets                      | -         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>40</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 4         | --            | --                  | --                  | --         |
| Other current liabilities         | 4         | --            | --                  | --                  | --         |
| Total current liabilities         | 8         | --            | --                  | --                  | --         |
| Mortgages payable                 | -         | --            | --                  | --                  | --         |
| Long term debt                    | 16        | --            | --                  | --                  | --         |
| Other liabilities                 | 15        | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>39</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>-</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Logging Industry (SIC 0411)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 6        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 4.2      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 11.5     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 54.7     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Logging Industry (SIC 0411)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | -                 |               |                     |                     |            |
| Low sales value (\$000's)                           | -                 | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | -                 | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         | -                 |               |                     |                     |            |
| Cash from operations                                | -                 | --            | --                  | --                  | --         |
| Depreciation  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        | -                 |               |                     |                     |            |
| Disposal of fixed assets                            | -                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -                 | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         | -                 |               |                     |                     |            |
| Increase in long term debt                          | -                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -                 | --            | --                  | --                  | --         |
| Loans from shareholders                             | -                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -                 | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | -                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | -                 | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Logging Industry (SIC 0411)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | 30                      | 1,946                      | 63                         | 5  | 1                         |
| less than 20  | 30                      | 1,946                      | 63                         | 5  | 1                         |
| 20 - 99   | -                       | -                          | -                          | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | 32                      | X                          | 127                        | 2  | ...                       |
| less than 20  | 31                      | 2,995                      | 107                        | 2  | ...                       |
| 20 - 99   | 1                       | X                          | 20                         | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Logging Industry (SIC 0411)**

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>29</b> |               |                     |                     |            |
| Average sales \$                           | 199,417   | --            | --                  | --                  | --         |
| Average expense \$                         | 196,259   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,158     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>23</b> |               |                     |                     |            |
| Average sales \$                           | 213,791   | --            | --                  | --                  | --         |
| Average expense \$                         | 204,645   | --            | --                  | --                  | --         |
| Average net profit \$                      | 9,146     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>6</b>  |               |                     |                     |            |
| Average sales \$                           | 213,902   | --            | --                  | --                  | --         |
| Average expense \$                         | 231,593   | --            | --                  | --                  | --         |
| Average net loss \$                        | -17,691   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>29</b> |               |                     |                     |            |
| Average sales \$                           | 220,716   | --            | --                  | --                  | --         |
| Average expense \$                         | 212,908   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 7,808     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 233,974   | --            | --                  | --                  | --         |
| Average expense \$                         | 216,700   | --            | --                  | --                  | --         |
| Average net profit \$                      | 17,274    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 243,641   | --            | --                  | --                  | --         |
| Average expense \$                         | 262,499   | --            | --                  | --                  | --         |
| Average net loss \$                        | -18,858   | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>42</b> |               |                     |                     |            |
| Average sales \$                           | 143,802   | --            | --                  | --                  | --         |
| Average expense \$                         | 133,781   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 10,021    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>35</b> |               |                     |                     |            |
| Average sales \$                           | 147,622   | --            | --                  | --                  | --         |
| Average expense \$                         | 136,118   | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,504    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>7</b>  |               |                     |                     |            |
| Average sales \$                           | 54,875    | --            | --                  | --                  | --         |
| Average expense \$                         | 57,622    | --            | --                  | --                  | --         |
| Average net loss \$                        | -2,747    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Single Family Housing Contractors (SIC 4011)

|                            | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|-----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 15        |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)       | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)       | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 48.3                | --            | --                     | --                     | --         | 100.0                          | 48.3                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 2.4                 | --            | --                     | --                     | --         | 97.5                           | 2.4                           | --            | --                     | --                     | --         |
| Depreciation            | 0.6                 | --            | --                     | --                     | --         | 72.4                           | 0.8                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 1.1                 | --            | --                     | --                     | --         | 79.6                           | 1.3                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 0.4                 | --            | --                     | --                     | --         | 52.3                           | 0.8                           | --            | --                     | --                     | --         |
| Rent                    | 0.3                 | --            | --                     | --                     | --         | 15.2                           | 2.0                           | --            | --                     | --                     | --         |
| Personnel expenses      | 36.6                | --            | --                     | --                     | --         | 100.0                          | 36.6                          | --            | --                     | --                     | --         |
| Financial expenses      | 1.9                 | --            | --                     | --                     | --         | 100.0                          | 1.9                           | --            | --                     | --                     | --         |
| Interest & bank charges | 1.1                 | --            | --                     | --                     | --         | 99.0                           | 1.1                           | --            | --                     | --                     | --         |
| Professional fees       | 0.8                 | --            | --                     | --                     | --         | 100.0                          | 0.8                           | --            | --                     | --                     | --         |
| Other expenses          | 10.9                | --            | --                     | --                     | --         | 100.0                          | 10.9                          | --            | --                     | --                     | --         |
| Profit (loss)           | -0.1                | --            | --                     | --                     | --         | 100.0                          | -0.1                          | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- .. not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

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This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

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Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high end low values of sales are shown.

## How to use the tables

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- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 4011 - Single Family Housing Contractors

Businesses primarily engaged in the development and construction of single detached and single attached dwellings such as: cottages, single duplexes, garden homes, semi-detached houses, single attached houses, single detached houses, erecting prefabricated homes, row houses (exc. row duplexes), single residences and summer homes.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Single Family Housing Contractors (SIC 4011)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 15         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 5          | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 60         | --            | --                  | --                  | --         |
| Inventory                         | 50         | --            | --                  | --                  | --         |
| Other current assets              | 24         | --            | --                  | --                  | --         |
| Total current assets              | 139        | --            | --                  | --                  | --         |
| Fixed assets                      | 31         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 7          | --            | --                  | --                  | --         |
| Other assets                      | 6          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>169</b> | --            | --                  | --                  | --         |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 18         | --            | --                  | --                  | --         |
| Other current liabilities         | 76         | --            | --                  | --                  | --         |
| Total current liabilities         | 94         | --            | --                  | --                  | --         |
| Mortgages payable                 | 13         | --            | --                  | --                  | --         |
| Long term debt                    | 42         | --            | --                  | --                  | --         |
| Other liabilities                 | 3          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>152</b> | --            | --                  | --                  | --         |
| <b>Total equity</b>               | <b>17</b>  | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Single Family Housing Contractors (SIC 4011)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 14       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.1      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 5.8      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 1.8      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 1.3      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Single Family Housing Contractors (SIC 4011)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 14                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 12                | --            | --                  | --                  | --         |
| Depreciation  | 6                 | --            | --                  | --                  | --         |
| Other   | -38               | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 2                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -9                | --            | --                  | --                  | --         |
| Increase in investment                              | -1                | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 46                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -2                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 23                | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -34               | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>6</b>          | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>8</b>          | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>13</b>         | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Single Family Housing Contractors (SIC 4011)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>172</b>              | <b>9,331</b>               | <b>458</b>                 | <b>36</b>  | <b>39</b>                 |
| less than 20  | 170                     | X                          | 363                        | 36   | 38                        |
| 20 - 99   | 2                       | X                          | 95                         | -  | 1                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>296</b>              | <b>20,904</b>              | <b>841</b>                 | <b>66</b>  | <b>...</b>                |
| less than 20  | 290                     | 12,618                     | 529                        | 65   | ...                       |
| 20 - 99   | 5                       | X                          | 203                        | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | 1                       | X                          | 109                        | 1  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Single Family Housing Contractors (SIC 4011)**

|  | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>102</b> |               |                     |                     |            |
| Average sales \$                           | 241,227    | 17,519        | 59,325              | 210,224             | 677,838    |
| Average expense \$                         | 235,091    | 17,553        | 60,106              | 210,465             | 652,239    |
| Average net profit (loss) \$               | 6,136      | -34           | -781                | -241                | 25,599     |
| <b>Businesses reporting a profit (No.)</b> | <b>71</b>  |               |                     |                     |            |
| Average sales \$                           | 236,868    | 18,435        | 78,860              | 171,640             | 678,535    |
| Average expense \$                         | 223,358    | 16,667        | 76,087              | 159,475             | 641,204    |
| Average net profit \$                      | 13,510     | 1,768         | 2,773               | 12,165              | 37,331     |
| <b>Businesses reporting a loss (No.)</b>   | <b>31</b>  |               |                     |                     |            |
| Average sales \$                           | 247,542    | 15,588        | 43,638              | 256,981             | 673,961    |
| Average expense \$                         | 263,138    | 19,420        | 47,273              | 272,257             | 713,603    |
| Average net loss \$                        | -15,596    | -3,832        | -3,635              | -15,276             | -39,642    |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>96</b>  |               |                     |                     |            |
| Average sales \$                           | 194,718    | 13,213        | 31,199              | 124,398             | 610,060    |
| Average expense \$                         | 194,321    | 8,675         | 29,952              | 129,893             | 608,764    |
| Average net profit (loss) \$               | 397        | 4,538         | 1,247               | -5,495              | 1,296      |
| <b>Businesses reporting a profit (No.)</b> | <b>72</b>  |               |                     |                     |            |
| Average sales \$                           | 210,485    | 14,692        | 29,817              | 149,531             | 647,895    |
| Average expense \$                         | 200,735    | 3,780         | 27,596              | 142,720             | 628,844    |
| Average net profit \$                      | 9,750      | 10,912        | 2,221               | 6,811               | 19,055     |
| <b>Businesses reporting a loss (No.)</b>   | <b>24</b>  |               |                     |                     |            |
| Average sales \$                           | 172,648    | 11,000        | 54,246              | 100,866             | 524,479    |
| Average expense \$                         | 191,615    | 16,000        | 69,227              | 117,883             | 563,348    |
| Average net loss \$                        | -18,967    | -5,000        | -14,981             | -17,017             | -38,869    |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>131</b> |               |                     |                     |            |
| Average sales \$                           | 315,746    | 26,140        | 90,950              | 193,634             | 952,260    |
| Average expense \$                         | 308,260    | 25,763        | 86,367              | 190,969             | 929,942    |
| Average net profit (loss) \$               | 7,486      | 377           | 4,583               | 2,665               | 22,318     |
| <b>Businesses reporting a profit (No.)</b> | <b>80</b>  |               |                     |                     |            |
| Average sales \$                           | 299,165    | 27,508        | 94,365              | 234,919             | 839,867    |
| Average expense \$                         | 279,684    | 25,209        | 87,429              | 218,936             | 787,163    |
| Average net profit \$                      | 19,481     | 2,299         | 6,936               | 15,983              | 52,704     |
| <b>Businesses reporting a loss (No.)</b>   | <b>51</b>  |               |                     |                     |            |
| Average sales \$                           | 337,530    | 24,682        | 69,574              | 163,006             | 1,092,856  |
| Average expense \$                         | 346,210    | 26,355        | 79,718              | 170,220             | 1,108,547  |
| Average net loss \$                        | -8,680     | -1,673        | -10,144             | -7,214              | -15,691    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Residential Renovation Contractors (SIC 4013)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 7        |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 36.0                | --            | --                     | --                     | --         | 67.2                           | 53.5                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 1.8                 | --            | --                     | --                     | --         | 67.2                           | 2.6                           | --            | --                     | --                     | --         |
| Depreciation            | 1.0                 | --            | --                     | --                     | --         | 67.2                           | 1.6                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 0.2                 | --            | --                     | --                     | --         | 19.3                           | 0.8                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 0.6                 | --            | --                     | --                     | --         | 64.9                           | 0.9                           | --            | --                     | --                     | --         |
| Rent                    | -                   | --            | --                     | --                     | --         | 0.2                            | 0.2                           | --            | --                     | --                     | --         |
| Personnel expenses      | 56.8                | --            | --                     | --                     | --         | 100.0                          | 56.8                          | --            | --                     | --                     | --         |
| Financial expenses      | 0.5                 | --            | --                     | --                     | --         | 49.9                           | 1.1                           | --            | --                     | --                     | --         |
| Interest & bank charges | 0.4                 | --            | --                     | --                     | --         | 49.9                           | 0.9                           | --            | --                     | --                     | --         |
| Professional fees       | 0.1                 | --            | --                     | --                     | --         | 17.1                           | 0.5                           | --            | --                     | --                     | --         |
| Other expenses          | 3.3                 | --            | --                     | --                     | --         | 100.0                          | 3.3                           | --            | --                     | --                     | --         |
| Profit (loss)           | 1.6                 | --            | --                     | --                     | --         | 100.0                          | 1.6                           | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 4013 - Residential Renovation Contractors

Businesses primarily engaged in residential additions, major improvements and repairs, renovation, rehabilitation, retro-fitting and conversions involving more than one trade.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Residential Renovation Contractors (SIC 4013)**

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 7         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 15        | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 10        | --            | --                  | --                  | --         |
| Inventory                         | -         | --            | --                  | --                  | --         |
| Other current assets              | -         | --            | --                  | --                  | --         |
| Total current assets              | 26        | --            | --                  | --                  | --         |
| Fixed assets                      | 6         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 3         | --            | --                  | --                  | --         |
| Other assets                      | -         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>30</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 4         | --            | --                  | --                  | --         |
| Other current liabilities         | 13        | --            | --                  | --                  | --         |
| Total current liabilities         | 17        | --            | --                  | --                  | --         |
| Mortgages payable                 | 1         | --            | --                  | --                  | --         |
| Long term debt                    | 4         | --            | --                  | --                  | --         |
| Other liabilities                 | 3         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>24</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>5</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Residential Renovation Contractors (SIC 4013)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 6        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 2.9      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 47.4     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 2.6      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 1.0      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets

c) Interest coverage = net profit + interest expense / interest expense

**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Residential Renovation Contractors (SIC 4013)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 2                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | X                 | --            | --                  | --                  | --         |
| Depreciation  | X                 | --            | --                  | --                  | --         |
| Other   | X                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | X                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | X                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | X                 | --            | --                  | --                  | --         |
| Increase in investment                              | X                 | --            | --                  | --                  | --         |
| Decrease in investment                              | X                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | X                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | X                 | --            | --                  | --                  | --         |
| Loans from shareholders                             | X                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | X                 | --            | --                  | --                  | --         |
| Advances & loans from government                    | X                 | --            | --                  | --                  | --         |
| Increase in equity                                  | X                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | X                 | --            | --                  | --                  | --         |
| Other   | X                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | X                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | X                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | X                 | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Residential Renovation Contractors (SIC 4013)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>40</b>               | <b>1,139</b>               | <b>54</b>                  | <b>17</b>  | <b>21</b>                 |
| less than 20  | 40                      | 1,139                      | 54                         | 17   | 21                        |
| 20 - 99   | -                       | -                          | -                          | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>101</b>              | <b>2,397</b>               | <b>99</b>                  | <b>34</b>  | <b>...</b>                |
| less than 20  | 101                     | 2,397                      | 99                         | 34   | ...                       |
| 20 - 99   | -                       | -                          | -                          | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Residential Renovation Contractors (SIC 4013)**

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | 15        |               |                     |                     |            |
| Average sales \$                           | 57,400    | --            | --                  | --                  | --         |
| Average expense \$                         | 41,125    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 16,275    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | 10        |               |                     |                     |            |
| Average sales \$                           | 56,506    | --            | --                  | --                  | --         |
| Average expense \$                         | 33,893    | --            | --                  | --                  | --         |
| Average net profit \$                      | 22,613    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | 5         |               |                     |                     |            |
| Average sales \$                           | 131,239   | --            | --                  | --                  | --         |
| Average expense \$                         | 135,988   | --            | --                  | --                  | --         |
| Average net loss \$                        | -4,749    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | 17        |               |                     |                     |            |
| Average sales \$                           | 214,524   | --            | --                  | --                  | --         |
| Average expense \$                         | 204,587   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 9,937     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | 12        |               |                     |                     |            |
| Average sales \$                           | 227,117   | --            | --                  | --                  | --         |
| Average expense \$                         | 213,107   | --            | --                  | --                  | --         |
| Average net profit \$                      | 14,010    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | 5         |               |                     |                     |            |
| Average sales \$                           | 218,059   | --            | --                  | --                  | --         |
| Average expense \$                         | 224,187   | --            | --                  | --                  | --         |
| Average net loss \$                        | -6,128    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | 43        |               |                     |                     |            |
| Average sales \$                           | 143,517   | --            | --                  | --                  | --         |
| Average expense \$                         | 138,794   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,723     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | 27        |               |                     |                     |            |
| Average sales \$                           | 137,762   | --            | --                  | --                  | --         |
| Average expense \$                         | 128,575   | --            | --                  | --                  | --         |
| Average net profit \$                      | 9,187     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | 16        |               |                     |                     |            |
| Average sales \$                           | 155,418   | --            | --                  | --                  | --         |
| Average expense \$                         | 159,947   | --            | --                  | --                  | --         |
| Average net loss \$                        | -4,529    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Excavating and Grading Contractors (SIC 4214)

|                             | Total (1)           | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|-----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.)  | 9                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$'000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$'000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
|                             | Industry average(2) |               |                        |                        |            |                                | Reporting businesses only( 3) |               |                        |                        |            |
| Selected expense item       | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% | % busi-<br>nesses<br>reporting | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                             | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales               | 5.0                 | --            | --                     | --                     | --         | 18.1                           | 27.6                          | --            | --                     | --                     | --         |
| Occupancy expenses          | 33.7                | --            | --                     | --                     | --         | 100.0                          | 33.7                          | --            | --                     | --                     | --         |
| Depreciation                | 11.8                | --            | --                     | --                     | --         | 100.0                          | 11.8                          | --            | --                     | --                     | --         |
| Repairs & maintenance       | 20.3                | --            | --                     | --                     | --         | 95.6                           | 21.2                          | --            | --                     | --                     | --         |
| Heat, light & telephone     | 1.6                 | --            | --                     | --                     | --         | 46.4                           | 3.5                           | --            | --                     | --                     | --         |
| Rent                        | -                   | --            | --                     | --                     | --         | 6.6                            | 0.5                           | --            | --                     | --                     | --         |
| Personnel expenses          | 30.5                | --            | --                     | --                     | --         | 100.0                          | 30.5                          | --            | --                     | --                     | --         |
| Financial expenses          | 10.0                | --            | --                     | --                     | --         | 100.0                          | 10.0                          | --            | --                     | --                     | --         |
| Interest & bank charges     | 9.3                 | --            | --                     | --                     | --         | 100.0                          | 9.3                           | --            | --                     | --                     | --         |
| Professional fees           | 0.7                 | --            | --                     | --                     | --         | 60.8                           | 1.2                           | --            | --                     | --                     | --         |
| Other expenses              | 27.3                | --            | --                     | --                     | --         | 100.0                          | 27.3                          | --            | --                     | --                     | --         |
| Profit (loss)               | -6.6                | --            | --                     | --                     | --         | 100.0                          | -6.6                          | --            | --                     | --                     | --         |
| Total                       | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell:  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell:  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 4214 - Excavating and Grading Contractors

Businesses primarily engaged in construction site excavating and grading.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Excavating and Grading Contractors (SIC 4214)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 9          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 9          | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 23         | --            | --                  | --                  | --         |
| Inventory                         | 3          | --            | --                  | --                  | --         |
| Other current assets              | 4          | --            | --                  | --                  | --         |
| Total current assets              | 39         | --            | --                  | --                  | --         |
| Fixed assets                      | 166        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 93         | --            | --                  | --                  | --         |
| Other assets                      | 1          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>112</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 17         | --            | --                  | --                  | --         |
| Other current liabilities         | 39         | --            | --                  | --                  | --         |
| Total current liabilities         | 55         | --            | --                  | --                  | --         |
| Mortgages payable                 | 1          | --            | --                  | --                  | --         |
| Long term debt                    | 47         | --            | --                  | --                  | --         |
| Other liabilities                 | 3          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>107</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>5</b>   | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Excavating and Grading Contractors (SIC 4214)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 7        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 0.6      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -0.9     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 2.0      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 1.1      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

- a) Debt/equity = total liabilities / equity.
- b) Debt ratio = total liabilities / total assets.
- c) Interest coverage = net profit + interest expense / interest expense.



**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Excavating and Grading Contractors (SIC 4214)**

|   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 5         |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                                   |           |               |                     |                     |            |
| <b>Operating activities</b>                         |           |               |                     |                     |            |
| Cash from operations                                | 54        | --            | --                  | --                  | --         |
| Depreciation  | 34        | --            | --                  | --                  | --         |
| Other   | 10        | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -         | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |           |               |                     |                     |            |
| Disposal of fixed assets                            | 32        | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -98       | --            | --                  | --                  | --         |
| Increase in investment                              | -         | --            | --                  | --                  | --         |
| Decrease in investment                              | -         | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |           |               |                     |                     |            |
| Increase in long term debt                          | 35        | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -29       | --            | --                  | --                  | --         |
| Loans from shareholders                             | 2         | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -10       | --            | --                  | --                  | --         |
| Advances & loans from government                    | -         | --            | --                  | --                  | --         |
| Increase in equity                                  | -         | --            | --                  | --                  | --         |
| Decrease in equity                                  | -         | --            | --                  | --                  | --         |
| Other   | 1         | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>32</b> | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>13</b> | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>44</b> | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Excavating and Grading Contractors (SIC 4214)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>35</b>               | <b>2,431</b>               | <b>122</b>                 | <b>10</b>  | <b>7</b>                  |
| less than 20  | 34                      | X                          | 80                         | 10   | 7                         |
| 20 - 99   | 1                       | X                          | 42                         | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>66</b>               | <b>2,693</b>               | <b>121</b>                 | <b>17</b>  | <b>...</b>                |
| less than 20  | 66                      | 2,693                      | 121                        | 17   | ...                       |
| 20 - 99   | -                       | -                          | -                          | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Excavating and Grading Contractors (SIC 4214)

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>41</b> |               |                     |                     |            |
| Average sales \$                           | 96,982    | --            | --                  | --                  | --         |
| Average expense \$                         | 93,364    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,618     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>32</b> |               |                     |                     |            |
| Average sales \$                           | 123,436   | --            | --                  | --                  | --         |
| Average expense \$                         | 110,931   | --            | --                  | --                  | --         |
| Average net profit \$                      | 12,505    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 100,257   | --            | --                  | --                  | --         |
| Average expense \$                         | 108,249   | --            | --                  | --                  | --         |
| Average net loss \$                        | -7,992    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>47</b> |               |                     |                     |            |
| Average sales \$                           | 183,016   | --            | --                  | --                  | --         |
| Average expense \$                         | 171,702   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 11,314    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>38</b> |               |                     |                     |            |
| Average sales \$                           | 211,868   | --            | --                  | --                  | --         |
| Average expense \$                         | 190,784   | --            | --                  | --                  | --         |
| Average net profit \$                      | 21,084    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 118,043   | --            | --                  | --                  | --         |
| Average expense \$                         | 123,808   | --            | --                  | --                  | --         |
| Average net loss \$                        | -5,765    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>64</b> |               |                     |                     |            |
| Average sales \$                           | 113,067   | 19,470        | 32,520              | 82,551              | 317,725    |
| Average expense \$                         | 108,182   | 19,114        | 29,684              | 75,499              | 308,430    |
| Average net profit (loss) \$               | 4,885     | 356           | 2,836               | 7,052               | 9,295      |
| <b>Businesses reporting a profit (No.)</b> | <b>46</b> |               |                     |                     |            |
| Average sales \$                           | 153,412   | 22,107        | 30,537              | 84,095              | 476,910    |
| Average expense \$                         | 130,167   | 11,668        | 19,720              | 70,458              | 418,823    |
| Average net profit \$                      | 23,245    | 10,439        | 10,817              | 13,637              | 58,087     |
| <b>Businesses reporting a loss (No.)</b>   | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 73,614    | 17,942        | 33,864              | 77,995              | 164,656    |
| Average expense \$                         | 88,128    | 23,431        | 36,433              | 90,369              | 202,279    |
| Average net loss \$                        | -14,514   | -5,489        | -2,569              | -12,374             | -37,623    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Electrical Contractors (SIC 4261)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 6        |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 69.6                | --            | --                     | --                     | --         | 100.0                          | 69.6                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 3.4                 | --            | --                     | --                     | --         | 100.0                          | 3.4                           | --            | --                     | --                     | --         |
| Depreciation            | 1.4                 | --            | --                     | --                     | --         | 100.0                          | 1.4                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 1.0                 | --            | --                     | --                     | --         | 100.0                          | 1.0                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 0.5                 | --            | --                     | --                     | --         | 75.7                           | 0.7                           | --            | --                     | --                     | --         |
| Rent                    | 0.4                 | --            | --                     | --                     | --         | 21.6                           | 1.8                           | --            | --                     | --                     | --         |
| Personnel expenses      | 17.7                | --            | --                     | --                     | --         | 100.0                          | 17.7                          | --            | --                     | --                     | --         |
| Financial expenses      | 1.5                 | --            | --                     | --                     | --         | 100.0                          | 1.5                           | --            | --                     | --                     | --         |
| Interest & bank charges | 0.7                 | --            | --                     | --                     | --         | 100.0                          | 0.7                           | --            | --                     | --                     | --         |
| Professional fees       | 0.8                 | --            | --                     | --                     | --         | 100.0                          | 0.8                           | --            | --                     | --                     | --         |
| Other expenses          | 3.5                 | --            | --                     | --                     | --         | 100.0                          | 3.5                           | --            | --                     | --                     | --         |
| Profit (loss)           | 4.4                 | --            | --                     | --                     | --         | 100.0                          | 4.4                           | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 4261- Electrical Contractors

Businesses primarily engaged in the installation and repair of electrical and communication wiring systems, except transmission and distribution lines

**TABLE 2. Balance sheet profile for 1986  
Newfoundland, Electrical Contractors (SIC 4261)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 6          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 16         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 122        | --            | --                  | --                  | --         |
| Inventory                         | 49         | --            | --                  | --                  | --         |
| Other current assets              | 23         | --            | --                  | --                  | --         |
| Total current assets              | 210        | --            | --                  | --                  | --         |
| Fixed assets                      | 78         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 27         | --            | --                  | --                  | --         |
| Other assets                      | 4          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>266</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 68         | --            | --                  | --                  | --         |
| Other current liabilities         | 101        | --            | --                  | --                  | --         |
| Total current liabilities         | 169        | --            | --                  | --                  | --         |
| Mortgages payable                 | -          | --            | --                  | --                  | --         |
| Long term debt                    | 20         | --            | --                  | --                  | --         |
| Other liabilities                 | 3          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>192</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>74</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986  
Newfoundland, Electrical Contractors (SIC 4261)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 6        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.6      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 2.9      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 12.7     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

- a) Debt/equity = total liabilities / equity.
- b) Debt ratio = total liabilities / total assets.
- c) Interest coverage = net profit + interest expense / Interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Electrical Contractors (SIC 4261)

|   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 8         |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                                   |           |               |                     |                     |            |
| <b>Operating activities</b>                         |           |               |                     |                     |            |
| Cash from operations                                | 13        | --            | --                  | --                  | --         |
| Depreciation  | 6         | --            | --                  | --                  | --         |
| Other   | 6         | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -         | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |           |               |                     |                     |            |
| Disposal of fixed assets                            | -         | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -13       | --            | --                  | --                  | --         |
| Increase in investment                              | -         | --            | --                  | --                  | --         |
| Decrease in investment                              | -         | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |           |               |                     |                     |            |
| Increase in long term debt                          | 4         | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -5        | --            | --                  | --                  | --         |
| Loans from shareholders                             | -         | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -4        | --            | --                  | --                  | --         |
| Advances & loans from government                    | -         | --            | --                  | --                  | --         |
| Increase in equity                                  | -         | --            | --                  | --                  | --         |
| Decrease in equity                                  | -         | --            | --                  | --                  | --         |
| Other   | -         | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>8</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>10</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>18</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Electrical Contractors (SIC 4261)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>192</b>              | <b>13,769</b>              | <b>707</b>                 | <b>28</b>  | <b>24</b>                 |
| less than 20  | 181                     | 10,743                     | 553                        | 27   | 24                        |
| 20 - 99   | 3                       | 1,409                      | 72                         | -  | -                         |
| 100 - 499   | 3                       | 394                        | 20                         | 1  | -                         |
| 500 and over  | 5                       | 1,223                      | 62                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>244</b>              | <b>17,850</b>              | <b>831</b>                 | <b>36</b>  | <b>...</b>                |
| less than 20  | 224                     | 12,465                     | 579                        | 32   | ...                       |
| 20 - 99   | 8                       | 3,767                      | 178                        | -  | ...                       |
| 100 - 499   | 6                       | 545                        | 25                         | 3  | ...                       |
| 500 and over  | 6                       | 1,073                      | 49                         | 1  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Electrical Contractors (SIC 4261)

|  | Total (1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>76</b>  |               |                     |                     |            |
| Average sales \$                           | 251,042    | 30,103        | 92,257              | 177,929             | 703,878    |
| Average expense \$                         | 243,049    | 21,779        | 85,040              | 181,673             | 683,705    |
| Average net profit (loss) \$               | 7,993      | 8,324         | 7,217               | -3,744              | 20,173     |
| <b>Businesses reporting a profit (No.)</b> | <b>55</b>  |               |                     |                     |            |
| Average sales \$                           | 257,503    | 32,016        | 91,476              | 200,047             | 706,474    |
| Average expense \$                         | 240,018    | 21,215        | 80,281              | 189,607             | 668,970    |
| Average net profit \$                      | 17,485     | 10,801        | 11,195              | 10,440              | 37,504     |
| <b>Businesses reporting a loss (No.)</b>   | <b>21</b>  |               |                     |                     |            |
| Average sales \$                           | 245,122    | 20,750        | 94,764              | 166,440             | 698,534    |
| Average expense \$                         | 254,115    | 24,540        | 100,326             | 177,552             | 714,043    |
| Average net loss \$                        | -8,993     | -3,790        | -5,562              | -11,112             | -15,509    |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>78</b>  |               |                     |                     |            |
| Average sales \$                           | 188,266    | 38,852        | 95,695              | 169,341             | 449,177    |
| Average expense \$                         | 180,413    | 37,174        | 89,791              | 161,177             | 433,508    |
| Average net profit (loss) \$               | 7,853      | 1,678         | 5,904               | 8,164               | 15,669     |
| <b>Businesses reporting a profit (No.)</b> | <b>62</b>  |               |                     |                     |            |
| Average sales \$                           | 221,470    | 37,869        | 94,243              | 169,341             | 584,428    |
| Average expense \$                         | 208,790    | 31,548        | 86,776              | 161,177             | 555,659    |
| Average net profit \$                      | 12,680     | 6,321         | 7,467               | 8,164               | 28,769     |
| <b>Businesses reporting a loss (No.)</b>   | <b>16</b>  |               |                     |                     |            |
| Average sales \$                           | 129,963    | 40,854        | 108,446             | -                   | 240,588    |
| Average expense \$                         | 136,674    | 48,635        | 116,264             | -                   | 245,123    |
| Average net loss \$                        | -6,711     | -7,781        | -7,818              | -                   | -4,535     |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>103</b> |               |                     |                     |            |
| Average sales \$                           | 320,578    | 49,605        | 109,491             | 223,123             | 900,094    |
| Average expense \$                         | 311,830    | 45,990        | 103,966             | 222,983             | 874,382    |
| Average net profit (loss) \$               | 8,748      | 3,615         | 5,525               | 140                 | 25,712     |
| <b>Businesses reporting a profit (No.)</b> | <b>74</b>  |               |                     |                     |            |
| Average sales \$                           | 297,627    | 51,507        | 109,499             | 219,831             | 809,669    |
| Average expense \$                         | 275,843    | 44,342        | 100,805             | 199,857             | 758,369    |
| Average net profit \$                      | 21,784     | 7,165         | 8,694               | 19,974              | 51,300     |
| <b>Businesses reporting a loss (No.)</b>   | <b>29</b>  |               |                     |                     |            |
| Average sales \$                           | 390,779    | 45,654        | 109,398             | 226,294             | 1,181,768  |
| Average expense \$                         | 418,538    | 49,412        | 143,716             | 245,260             | 1,235,763  |
| Average net loss \$                        | -27,759    | -3,758        | -34,318             | -18,966             | -53,995    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Painters and Decorators (SIC 4275)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 5        |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 7.2                 | --            | --                     | --                     | --         | 68.1                           | 10.5                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 5.9                 | --            | --                     | --                     | --         | 68.1                           | 8.7                           | --            | --                     | --                     | --         |
| Depreciation            | 4.1                 | --            | --                     | --                     | --         | 68.1                           | 6.0                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 1.4                 | --            | --                     | --                     | --         | 68.1                           | 2.1                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 0.4                 | --            | --                     | --                     | --         | 68.1                           | 0.6                           | --            | --                     | --                     | --         |
| Rent                    | -                   | --            | --                     | --                     | --         | 1.1                            | 0.4                           | --            | --                     | --                     | --         |
| Personnel expenses      | 44.5                | --            | --                     | --                     | --         | 100.0                          | 44.5                          | --            | --                     | --                     | --         |
| Financial expenses      | 2.8                 | --            | --                     | --                     | --         | 100.0                          | 2.8                           | --            | --                     | --                     | --         |
| Interest & bank charges | 2.1                 | --            | --                     | --                     | --         | 100.0                          | 2.1                           | --            | --                     | --                     | --         |
| Professional fees       | 0.6                 | --            | --                     | --                     | --         | 100.0                          | 0.6                           | --            | --                     | --                     | --         |
| Other expenses          | 36.2                | --            | --                     | --                     | --         | 100.0                          | 36.2                          | --            | --                     | --                     | --         |
| Profit (loss)           | 3.4                 | --            | --                     | --                     | --         | 100.0                          | 3.4                           | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 4275 - Painters and Decorators

Businesses primarily engaged in painting, paperhanging and decorating in buildings and painting of heavy (engineering) structures. Included are establishments primarily engaged in paint or paper stripping and parking lot or road surface marking.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Painters and Decorators (SIC 4275)**

|                                   | Total (1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 5          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 39         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 91         | --            | --                  | --                  | --         |
| Inventory                         | 4          | --            | --                  | --                  | --         |
| Other current assets              | 2          | --            | --                  | --                  | --         |
| Total current assets              | 136        | --            | --                  | --                  | --         |
| Fixed assets                      | 39         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 17         | --            | --                  | --                  | --         |
| Other assets                      | 1          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>159</b> | --            | --                  | --                  | --         |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 37         | --            | --                  | --                  | --         |
| Other current liabilities         | 54         | --            | --                  | --                  | --         |
| Total current liabilities         | 90         | --            | --                  | --                  | --         |
| Mortgages payable                 | 1          | --            | --                  | --                  | --         |
| Long term debt                    | 39         | --            | --                  | --                  | --         |
| Other liabilities                 | -          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>130</b> | --            | --                  | --                  | --         |
| <b>Total equity</b>               | <b>28</b>  | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Painters and Decorators (SIC 4275)**

|                                 | Total (2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 5         |               |                     |                     |            |
| Low sales value (\$000's)       | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)       | --            | --                  | --                  | --         |
| Average                         |           |               |                     |                     |            |
| <b>Liquidity ratio</b>          |           |               |                     |                     |            |
| Current ratio (times)           | 1.4       | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |           |               |                     |                     |            |
| Debt/equity ratio (times)       | -22.8     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | -7.1      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.9       | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Painters and Decorators (SIC 4275)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 4                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 3                 | --            | --                  | --                  | --         |
| Depreciation  | 4                 | --            | --                  | --                  | --         |
| Other   | -6                | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 1                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -9                | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 8                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -7                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 3                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -24               | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>-27</b>        | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>43</b>         | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>16</b>         | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Painters and Decorators (SIC 4275)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>34</b>               | <b>2,275</b>               | <b>115</b>                 | <b>7</b>   | <b>10</b>                 |
| less than 20  | 32                      | X                          | 71                         | 6  | 10                        |
| 20 - 99   | 2                       | X                          | 44                         | 1  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>57</b>               | <b>2,480</b>               | <b>113</b>                 | <b>9</b>   | <b>...</b>                |
| less than 20  | 55                      | 2,062                      | 95                         | 7  | ...                       |
| 20 - 99   | 1                       | X                          | 16                         | 1  | ...                       |
| 100 - 499   | 1                       | X                          | 2                          | 1  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Painters and Decorators (SIC 4275)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>36</b> |               |                     |                     |            |
| Average sales \$                           | 110,109   | --            | --                  | --                  | --         |
| Average expense \$                         | 98,316    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 11,793    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>31</b> |               |                     |                     |            |
| Average sales \$                           | 121,862   | --            | --                  | --                  | --         |
| Average expense \$                         | 106,758   | --            | --                  | --                  | --         |
| Average net profit \$                      | 15,104    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>5</b>  |               |                     |                     |            |
| Average sales \$                           | 62,400    | --            | --                  | --                  | --         |
| Average expense \$                         | 70,607    | --            | --                  | --                  | --         |
| Average net loss \$                        | -8,207    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>38</b> |               |                     |                     |            |
| Average sales \$                           | 105,514   | --            | --                  | --                  | --         |
| Average expense \$                         | 98,751    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 6,763     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>30</b> |               |                     |                     |            |
| Average sales \$                           | 109,910   | --            | --                  | --                  | --         |
| Average expense \$                         | 97,955    | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,955    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 74,824    | --            | --                  | --                  | --         |
| Average expense \$                         | 82,137    | --            | --                  | --                  | --         |
| Average net loss \$                        | -7,313    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>45</b> |               |                     |                     |            |
| Average sales \$                           | 87,649    | --            | --                  | --                  | --         |
| Average expense \$                         | 81,266    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 6,383     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>31</b> |               |                     |                     |            |
| Average sales \$                           | 77,444    | --            | --                  | --                  | --         |
| Average expense \$                         | 64,907    | --            | --                  | --                  | --         |
| Average net profit \$                      | 12,537    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 120,907   | --            | --                  | --                  | --         |
| Average expense \$                         | 128,146   | --            | --                  | --                  | --         |
| Average net loss \$                        | -7,239    | --            | --                  | --                  | --         |

1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Truck Transport Industry (SIC 456)

| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Businesses in sample (No.) | 19                  |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| <b>Vehicle expenses</b>    | <b>38.8</b>         | --            | --                     | --                     | --         | <b>77.5</b>                    | <b>50.0</b>                   | --            | --                     | --                     | --         |
| Depreciation               | 10.3                | --            | --                     | --                     | --         | 64.8                           | 15.8                          | --            | --                     | --                     | --         |
| Repairs & maintenance      | 11.4                | --            | --                     | --                     | --         | 76.1                           | 15.0                          | --            | --                     | --                     | --         |
| Fuel expense               | 17.1                | --            | --                     | --                     | --         | 77.5                           | 22.0                          | --            | --                     | --                     | --         |
| <b>Personnel expenses</b>  | <b>32.4</b>         | --            | --                     | --                     | --         | <b>73.7</b>                    | <b>43.9</b>                   | --            | --                     | --                     | --         |
| <b>Financial expenses</b>  | <b>7.6</b>          | --            | --                     | --                     | --         | <b>90.4</b>                    | <b>8.4</b>                    | --            | --                     | --                     | --         |
| Interest & bank charges    | 4.4                 | --            | --                     | --                     | --         | 85.3                           | 5.1                           | --            | --                     | --                     | --         |
| Professional fees          | 3.2                 | --            | --                     | --                     | --         | 69.1                           | 4.7                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>      | <b>9.4</b>          | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>9.4</b>                    | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>       | <b>11.9</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>11.9</b>                   | --            | --                     | --                     | --         |
| <b>Total</b>               | <b>100.0</b>        | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>...</b>                    | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- .. not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 456 - Truck Transport Industry

Businesses primarily engaged in the provision of all types of trucking, transfer and related services. Truck "broker-operators" are included in this industry.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Truck Transport Industry (SIC 456)**

|                                   | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 19        |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 8         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 7         | --            | --                  | --                  | --         |
| Inventory                         | -         | --            | --                  | --                  | --         |
| Other current assets              | 5         | --            | --                  | --                  | --         |
| Total current assets              | 21        | --            | --                  | --                  | --         |
| Fixed assets                      | 72        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 32        | --            | --                  | --                  | --         |
| Other assets                      | 2         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>62</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 6         | --            | --                  | --                  | --         |
| Other current liabilities         | 13        | --            | --                  | --                  | --         |
| Total current liabilities         | 20        | --            | --                  | --                  | --         |
| Mortgages payable                 | 5         | --            | --                  | --                  | --         |
| Long term debt                    | 4         | --            | --                  | --                  | --         |
| Other liabilities                 | 16        | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>44</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>17</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Truck Transport Industry (SIC 456)**

|                                 | Total (2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 12        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)       | --            | --                  | --                  | --         |
| Average                         |           |               |                     |                     |            |
| <b>Liquidity ratio</b>          |           |               |                     |                     |            |
| Current ratio (times)           | 1.4       | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |           |               |                     |                     |            |
| Debt/equity ratio (times)       | -1.0      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 1.4       | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.9       | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

- a) Debt/equity = total liabilities / equity
- b) Debt ratio = total liabilities / total assets
- c) Interest coverage = net profit + interest expense / interest expense

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Truck Transport Industry (SIC 456)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 11                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | -                 | --            | --                  | --                  | --         |
| Depreciation  | 15                | --            | --                  | --                  | --         |
| Other   | -2                | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 7                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -8                | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 3                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -13               | --            | --                  | --                  | --         |
| Loans from shareholders                             | 1                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -3                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 12                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 13                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Truck Transport Industry (SIC 456)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>254</b>              | <b>18,586</b>              | <b>1,190</b>               | <b>49</b>  | <b>49</b>                 |
| less than 20  | 242                     | 11,056                     | 713                        | 48   | 47                        |
| 20 - 99   | 7                       | 3,387                      | 207                        | -  | 2                         |
| 100 - 499   | 3                       | X                          | 233                        | 1  | -                         |
| 500 and over  | 2                       | X                          | 37                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>390</b>              | <b>28,404</b>              | <b>1,536</b>               | <b>83</b>  | <b>...</b>                |
| less than 20  | 369                     | 14,960                     | 823                        | 80   | ...                       |
| 20 - 99   | 15                      | 7,584                      | 381                        | 3  | ...                       |
| 100 - 499   | 3                       | 4,788                      | 252                        | -  | ...                       |
| 500 and over  | 3                       | 1,072                      | 70                         | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Truck Transport Industry (SIC 456)**

|  | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>126</b> |               |                     |                     |            |
| Average sales \$                           | 135,683    | 16,560        | 33,097              | 77,624              | 415,449    |
| Average expense \$                         | 118,924    | 11,078        | 27,211              | 66,216              | 371,192    |
| Average net profit (loss) \$               | 16,759     | 5,482         | 5,886               | 11,408              | 44,257     |
| <b>Businesses reporting a profit (No.)</b> | <b>101</b> |               |                     |                     |            |
| Average sales \$                           | 136,193    | 15,928        | 34,710              | 77,426              | 416,707    |
| Average expense \$                         | 115,078    | 8,812         | 26,007              | 61,684              | 363,808    |
| Average net profit \$                      | 21,115     | 7,116         | 8,703               | 15,742              | 52,899     |
| <b>Businesses reporting a loss (No.)</b>   | <b>25</b>  |               |                     |                     |            |
| Average sales \$                           | 133,430    | 21,834        | 27,068              | 78,231              | 406,588    |
| Average expense \$                         | 141,242    | 29,987        | 31,715              | 80,069              | 423,196    |
| Average net loss \$                        | -7,812     | -8,153        | -4,647              | -1,838              | -16,608    |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>121</b> |               |                     |                     |            |
| Average sales \$                           | 127,956    | 22,687        | 45,440              | 83,732              | 359,965    |
| Average expense \$                         | 117,491    | 19,578        | 34,736              | 71,758              | 343,892    |
| Average net profit (loss) \$               | 10,465     | 3,109         | 10,704              | 11,974              | 16,073     |
| <b>Businesses reporting a profit (No.)</b> | <b>105</b> |               |                     |                     |            |
| Average sales \$                           | 133,593    | 21,592        | 44,256              | 83,392              | 385,131    |
| Average expense \$                         | 118,143    | 14,885        | 31,207              | 70,026              | 356,455    |
| Average net profit \$                      | 15,450     | 6,707         | 13,049              | 13,366              | 28,676     |
| <b>Businesses reporting a loss (No.)</b>   | <b>16</b>  |               |                     |                     |            |
| Average sales \$                           | 118,853    | 25,566        | 52,836              | 88,411              | 308,599    |
| Average expense \$                         | 125,625    | 31,909        | 56,770              | 95,572              | 318,250    |
| Average net loss \$                        | -6,772     | -6,343        | -3,934              | -7,161              | -9,651     |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>215</b> |               |                     |                     |            |
| Average sales \$                           | 110,413    | 18,815        | 34,151              | 71,374              | 317,312    |
| Average expense \$                         | 102,754    | 15,956        | 27,849              | 58,994              | 308,216    |
| Average net profit (loss) \$               | 7,659      | 2,859         | 6,302               | 12,380              | 9,096      |
| <b>Businesses reporting a profit (No.)</b> | <b>180</b> |               |                     |                     |            |
| Average sales \$                           | 101,874    | 19,925        | 33,128              | 73,049              | 281,395    |
| Average expense \$                         | 87,746     | 14,434        | 24,118              | 56,810              | 255,621    |
| Average net profit \$                      | 14,128     | 5,491         | 9,010               | 16,239              | 25,774     |
| <b>Businesses reporting a loss (No.)</b>   | <b>35</b>  |               |                     |                     |            |
| Average sales \$                           | 124,976    | 16,068        | 37,267              | 63,476              | 383,091    |
| Average expense \$                         | 133,191    | 19,720        | 39,210              | 69,293              | 404,542    |
| Average net loss \$                        | -8,215     | -3,652        | -1,943              | -5,817              | -21,451    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Specialty Food Stores (SIC 6012)

| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |  |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|--|
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |  |
| Businesses in sample (No.) | 17                  |               |                        |                        |            |                                |                               |               |                        |                        |            |  |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |  |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |  |
|                            | Percent of sales    |               |                        |                        |            |                                |                               |               |                        |                        |            |  |
| Cost of sales              | 56.1                | --            | --                     | --                     | --         | 100.0                          | 56.1                          | --            | --                     | --                     | --         |  |
| Occupancy expenses         | 14.2                | --            | --                     | --                     | --         | 100.0                          | 14.2                          | --            | --                     | --                     | --         |  |
| Depreciation               | 3.3                 | --            | --                     | --                     | --         | 100.0                          | 3.3                           | --            | --                     | --                     | --         |  |
| Repairs & maintenance      | 2.9                 | --            | --                     | --                     | --         | 100.0                          | 2.9                           | --            | --                     | --                     | --         |  |
| Heat, light & telephone    | 4.5                 | --            | --                     | --                     | --         | 88.2                           | 5.1                           | --            | --                     | --                     | --         |  |
| Rent                       | 3.4                 | --            | --                     | --                     | --         | 26.6                           | 12.9                          | --            | --                     | --                     | --         |  |
| Personnel expenses         | 33.0                | --            | --                     | --                     | --         | 88.2                           | 37.4                          | --            | --                     | --                     | --         |  |
| Financial expenses         | 5.1                 | --            | --                     | --                     | --         | 100.0                          | 5.1                           | --            | --                     | --                     | --         |  |
| Interest & bank charges    | 1.7                 | --            | --                     | --                     | --         | 87.5                           | 2.0                           | --            | --                     | --                     | --         |  |
| Professional fees          | 3.4                 | --            | --                     | --                     | --         | 100.0                          | 3.4                           | --            | --                     | --                     | --         |  |
| Other expenses             | 4.5                 | --            | --                     | --                     | --         | 100.0                          | 4.5                           | --            | --                     | --                     | --         |  |
| Profit (loss)              | -13.0               | --            | --                     | --                     | --         | 100.0                          | -13.0                         | --            | --                     | --                     | --         |  |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |  |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

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- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6012 - Specialty Food Stores

Businesses primarily engaged in retail dealing usually in one line of food. Included in this industry are those retail bakeries which sell mainly purchased goods and shops which bake their products on the premises and sell them over-the-counter to final consumers. Businesses primarily engaged in selling fried chicken, doughnuts, pizzas, soft ice cream and the like for off-premises consumption are classified in 9213 -- Take-Out Food Services.

This group includes the following types of stores: bread and pastry shops, butcher shops, candy and nut stores, confectionery stores, dairy products stores, delicatessens, fish and sea food stores, fruit and vegetables stores, health food stores, ice cream stores, milk stores, specialty food stores (exc. Take-Out Food Services).

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Specialty Food Stores (SIC 6012)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 17         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 34         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 2          | --            | --                  | --                  | --         |
| Inventory                         | 9          | --            | --                  | --                  | --         |
| Other current assets              | 2          | --            | --                  | --                  | --         |
| Total current assets              | 47         | --            | --                  | --                  | --         |
| Fixed assets                      | 204        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 23         | --            | --                  | --                  | --         |
| Other assets                      | 15         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>244</b> | --            | --                  | --                  | --         |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 25         | --            | --                  | --                  | --         |
| Other current liabilities         | 35         | --            | --                  | --                  | --         |
| Total current liabilities         | 59         | --            | --                  | --                  | --         |
| Mortgages payable                 | 18         | --            | --                  | --                  | --         |
| Long term debt                    | 103        | --            | --                  | --                  | --         |
| Other liabilities                 | 19         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>199</b> | --            | --                  | --                  | --         |
| <b>Total equity</b>               | <b>45</b>  | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Specialty Food Stores (SIC 6012)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 16       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.0      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 33.5     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | -11.6    | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

## Definitions:

## 1. Liquidity ratio:

Current = current assets / current liabilities.

## 2. Leverage ratios:

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Specialty Food Stores (SIC 6012)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 9                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 62                | --            | --                  | --                  | --         |
| Depreciation  | 7                 | --            | --                  | --                  | --         |
| Other   | -82               | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -34               | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 81                | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -200              | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | 41                | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 63                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -5                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 61                | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -5                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -10               | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 34                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 24                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Food Stores (SIC 601)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>759</b>              | <b>50,537</b>              | <b>4,795</b>               | <b>130</b>   | <b>187</b>                |
| less than 20  | 727                     | 20,012                     | 1,926                      | 129  | 184                       |
| 20 - 99   | 21                      | 7,908                      | 778                        | -  | 1                         |
| 100 - 499   | 5                       | 6,871                      | 669                        | -  | 2                         |
| 500 and over  | 6                       | 15,746                     | 1,422                      | 1  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>1,127</b>            | <b>60,700</b>              | <b>5,171</b>               | <b>200</b>   | <b>...</b>                |
| less than 20  | 1,077                   | 26,762                     | 2,268                      | 192  | ...                       |
| 20 - 99   | 36                      | 11,534                     | 1,000                      | 6  | ...                       |
| 100 - 499   | 7                       | 10,034                     | 865                        | 1  | ...                       |
| 500 and over  | 7                       | 12,370                     | 1,038                      | 1  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Specialty Food Stores (SIC 6012)**

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>49</b> |               |                     |                     |            |
| Average sales \$                           | 122,912   | --            | --                  | --                  | --         |
| Average expense \$                         | 118,898   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,014     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>41</b> |               |                     |                     |            |
| Average sales \$                           | 124,321   | --            | --                  | --                  | --         |
| Average expense \$                         | 117,495   | --            | --                  | --                  | --         |
| Average net profit \$                      | 6,826     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 85,680    | --            | --                  | --                  | --         |
| Average expense \$                         | 87,005    | --            | --                  | --                  | --         |
| Average net loss \$                        | -1,325    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>43</b> |               |                     |                     |            |
| Average sales \$                           | 173,164   | --            | --                  | --                  | --         |
| Average expense \$                         | 169,423   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,741     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>29</b> |               |                     |                     |            |
| Average sales \$                           | 219,157   | --            | --                  | --                  | --         |
| Average expense \$                         | 207,619   | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,538    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 181,263   | --            | --                  | --                  | --         |
| Average expense \$                         | 188,305   | --            | --                  | --                  | --         |
| Average net loss \$                        | -7,042    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>75</b> |               |                     |                     |            |
| Average sales \$                           | 157,027   | 14,544        | 52,511              | 114,000             | 447,054    |
| Average expense \$                         | 153,253   | 12,392        | 50,465              | 111,200             | 438,955    |
| Average net profit (loss) \$               | 3,774     | 2,152         | 2,046               | 2,800               | 8,099      |
| <b>Businesses reporting a profit (No.)</b> | <b>51</b> |               |                     |                     |            |
| Average sales \$                           | 165,195   | 15,547        | 49,941              | 114,585             | 480,705    |
| Average expense \$                         | 157,648   | 11,976        | 44,291              | 108,763             | 465,563    |
| Average net profit \$                      | 7,547     | 3,571         | 5,650               | 5,822               | 15,142     |
| <b>Businesses reporting a loss (No.)</b>   | <b>24</b> |               |                     |                     |            |
| Average sales \$                           | 132,568   | 11,042        | 60,083              | 111,440             | 347,707    |
| Average expense \$                         | 141,191   | 13,846        | 68,660              | 121,857             | 360,402    |
| Average net loss \$                        | -8,623    | -2,804        | -8,577              | -10,417             | -12,695    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Pharmacies (SIC 6031)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 34                  |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales              | 61.8                | --            | --                     | --                     | --         | 100.0                          | 61.8                          | --            | --                     | --                     | --         |
| Occupancy expenses         | 7.2                 | --            | --                     | --                     | --         | 100.0                          | 7.2                           | --            | --                     | --                     | --         |
| Depreciation               | 1.8                 | --            | --                     | --                     | --         | 100.0                          | 1.8                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 0.8                 | --            | --                     | --                     | --         | 92.8                           | 0.9                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 1.1                 | --            | --                     | --                     | --         | 98.2                           | 1.1                           | --            | --                     | --                     | --         |
| Rent                       | 3.5                 | --            | --                     | --                     | --         | 89.6                           | 3.9                           | --            | --                     | --                     | --         |
| Personnel expenses         | 21.9                | --            | --                     | --                     | --         | 100.0                          | 21.9                          | --            | --                     | --                     | --         |
| Financial expenses         | 2.8                 | --            | --                     | --                     | --         | 100.0                          | 2.8                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 2.0                 | --            | --                     | --                     | --         | 98.2                           | 2.0                           | --            | --                     | --                     | --         |
| Professional fees          | 0.9                 | --            | --                     | --                     | --         | 98.2                           | 0.9                           | --            | --                     | --                     | --         |
| Other expenses             | 3.8                 | --            | --                     | --                     | --         | 100.0                          | 3.8                           | --            | --                     | --                     | --         |
| Profit (loss)              | 2.5                 | --            | --                     | --                     | --         | 100.0                          | 2.5                           | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6031 - Pharmacies

Businesses primarily engaged in retail dealing in drugs, pharmaceuticals and patent medicines and drug sundries. Prescribed medicines must be sold but are not necessarily the source of greatest revenue. They may be secondarily engaged in selling other lines such as cosmetics, toiletries, tobacco products, confectionery, stationery, giftware and novelty merchandise.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Pharmacies (SIC 6031)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 34         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 13         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 23         | --            | --                  | --                  | --         |
| Inventory                         | 112        | --            | --                  | --                  | --         |
| Other current assets              | 1          | --            | --                  | --                  | --         |
| Total current assets              | 149        | --            | --                  | --                  | --         |
| Fixed assets                      | 75         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 36         | --            | --                  | --                  | --         |
| Other assets                      | 15         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>203</b> | --            | --                  | --                  | --         |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 44         | --            | --                  | --                  | --         |
| Other current liabilities         | 55         | --            | --                  | --                  | --         |
| Total current liabilities         | 98         | --            | --                  | --                  | --         |
| Mortgages payable                 | -          | --            | --                  | --                  | --         |
| Long term debt                    | 34         | --            | --                  | --                  | --         |
| Other liabilities                 | 14         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>147</b> | --            | --                  | --                  | --         |
| <b>Total equity</b>               | <b>56</b>  | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Pharmacies (SIC 6031)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 34       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | (1)           | 293                 | 488                 | 761        |
| High sales value (\$000's)      | (1)      | 293           | 488                 | 761                 | (1)        |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.8      | 0.8           | 1.1                 | 2.6                 | 2.2        |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 10.6     | 33.3          | -19.2               | 12.2                | 1.5        |
| Interest coverage ratio (times) | 3.8      | 2.7           | 1.1                 | 2.7                 | 8.7        |
| Debt ratio (times)              | 0.8      | 0.9           | 0.9                 | 0.9                 | 0.5        |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Pharmacies (SIC 6031)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 42                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | (1)           | 293                 | 488                 | 705        |
| High sales value (\$000's)                          | (1)               | 293           | 488                 | 705                 | (1)        |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 11                | -2            | 7                   | 13                  | 26         |
| Depreciation  | 9                 | 5             | 8                   | 8                   | 16         |
| Other   | -11               | 11            | -18                 | -11                 | -24        |
| <b>Dividends</b>                                    | -4                | -             | -1                  | -                   | -14        |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 3                 | 6             | -                   | 3                   | 3          |
| Purchase of fixed assets                            | -23               | -31           | -7                  | -21                 | -31        |
| Increase in investment                              | -2                | -             | -                   | -4                  | -2         |
| Decrease in investment                              | -                 | -             | -                   | -                   | -          |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 20                | 35            | 12                  | 10                  | 24         |
| Repayment of long term debt                         | -10               | -18           | -6                  | -5                  | -9         |
| Loans from shareholders                             | 7                 | 7             | -                   | 3                   | 17         |
| Repayment of loans from shareholders                | -2                | -             | -1                  | -                   | -8         |
| Advances & loans from government                    | -                 | -             | -                   | -                   | -          |
| Increase in equity                                  | -                 | -             | -                   | -                   | -          |
| Decrease in equity                                  | -                 | -             | -                   | -                   | -          |
| Other   | -                 | -             | -                   | -                   | -1         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -                 | 12            | -6                  | -4                  | -3         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | -11               | -3            | -12                 | -13                 | -16        |
| <b>Cash &amp; equivalents - End of the year</b>     | -11               | 9             | -18                 | -17                 | -19        |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Pharmacies (SIC 6031)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>101</b>              | <b>15,603</b>              | <b>1,401</b>               | <b>3</b>   | <b>13</b>                 |
| less than 20  | 81                      | 8,439                      | 759                        | 2  | 8                         |
| 20 - 99   | 17                      | 5,220                      | 470                        | -  | 5                         |
| 100 - 499   | 3                       | 1,944                      | 172                        | 1  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>128</b>              | <b>22,443</b>              | <b>1,669</b>               | <b>10</b>  | <b>...</b>                |
| less than 20  | 98                      | 10,984                     | 818                        | 8  | ...                       |
| 20 - 99   | 27                      | 9,225                      | 687                        | 2  | ...                       |
| 100 - 499   | 3                       | 2,234                      | 164                        | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Pharmacies (SIC 6031)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>37</b> |               |                     |                     |            |
| Average sales \$                           | 677,494   | --            | --                  | --                  | --         |
| Average expense \$                         | 645,497   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 31,997    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>39</b> |               |                     |                     |            |
| Average sales \$                           | 680,540   | --            | --                  | --                  | --         |
| Average expense \$                         | 641,075   | --            | --                  | --                  | --         |
| Average net profit \$                      | 39,465    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>4</b>  |               |                     |                     |            |
| Average sales \$                           | 613,992   | --            | --                  | --                  | --         |
| Average expense \$                         | 644,700   | --            | --                  | --                  | --         |
| Average net loss \$                        | -30,708   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>25</b> |               |                     |                     |            |
| Average sales \$                           | 766,488   | --            | --                  | --                  | --         |
| Average expense \$                         | 729,346   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 37,142    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>21</b> |               |                     |                     |            |
| Average sales \$                           | 789,175   | --            | --                  | --                  | --         |
| Average expense \$                         | 735,846   | --            | --                  | --                  | --         |
| Average net profit \$                      | 53,329    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>4</b>  |               |                     |                     |            |
| Average sales \$                           | 419,536   | --            | --                  | --                  | --         |
| Average expense \$                         | 427,332   | --            | --                  | --                  | --         |
| Average net loss \$                        | -7,796    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>57</b> |               |                     |                     |            |
| Average sales \$                           | 444,980   | 66,003        | 288,145             | 516,144             | 909,629    |
| Average expense \$                         | 433,062   | 56,025        | 288,253             | 505,407             | 882,564    |
| Average net profit (loss) \$               | 11,918    | 9,978         | -108                | 10,737              | 27,065     |
| <b>Businesses reporting a profit (No.)</b> | <b>39</b> |               |                     |                     |            |
| Average sales \$                           | 450,124   | 55,196        | 286,665             | 528,681             | 929,955    |
| Average expense \$                         | 430,975   | 44,256        | 277,070             | 514,044             | 888,528    |
| Average net profit \$                      | 19,149    | 10,940        | 9,595               | 14,637              | 41,427     |
| <b>Businesses reporting a loss (No.)</b>   | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 456,424   | 208,576       | 289,006             | 477,021             | 851,091    |
| Average expense \$                         | 462,474   | 211,294       | 294,759             | 478,452             | 865,390    |
| Average net loss \$                        | -6,050    | -2,718        | -5,753              | -1,431              | -14,299    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

**TABLE 1. Selected operating ratios, in percent of sales, 1986**  
**Newfoundland, Appliance, Television, Radio and Stereo Stores (SIC 622)**

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |  |  |  |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|--|--|--|--|
| Businesses in sample (No.) | 6        |               |                     |                     |            |  |  |  |  |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |  |  |  |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |  |  |  |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 27.6                | --            | --                     | --                     | --         | 38.9                           | 70.9                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 8.0                 | --            | --                     | --                     | --         | 100.0                          | 8.0                           | --            | --                     | --                     | --         |
| Depreciation            | 6.8                 | --            | --                     | --                     | --         | 100.0                          | 6.8                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 0.2                 | --            | --                     | --                     | --         | 38.9                           | 0.6                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 0.8                 | --            | --                     | --                     | --         | 47.9                           | 1.6                           | --            | --                     | --                     | --         |
| Rent                    | 0.3                 | --            | --                     | --                     | --         | 32.7                           | 0.8                           | --            | --                     | --                     | --         |
| Personnel expenses      | 10.9                | --            | --                     | --                     | --         | 47.9                           | 22.8                          | --            | --                     | --                     | --         |
| Financial expenses      | 35.1                | --            | --                     | --                     | --         | 100.0                          | 35.1                          | --            | --                     | --                     | --         |
| Interest & bank charges | 10.3                | --            | --                     | --                     | --         | 100.0                          | 10.3                          | --            | --                     | --                     | --         |
| Professional fees       | 24.8                | --            | --                     | --                     | --         | 100.0                          | 24.8                          | --            | --                     | --                     | --         |
| Other expenses          | 21.0                | --            | --                     | --                     | --         | 100.0                          | 21.0                          | --            | --                     | --                     | --         |
| Profit (loss)           | -2.6                | --            | --                     | --                     | --         | 100.0                          | -2.6                          | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

**Symbols**

- zero or no observations
- too small too be expressed
- ... not applicable
- x confidential

**Footnotes**

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

**Notes**

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

**How to use the tables**

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

**Standard Industrial Classification Definition (SIC 1980):****SIC 622 - Appliance, Television, Radio and Stereo Stores**

Businesses primarily engaged in retail dealing in major household appliances, small electrical appliances, television, radio and sound equipment. Repair shops for such appliances are included in this industry group.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Appliance, Television, Radio and Stereo Stores (SIC 522)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 6          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 19         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 29         | --            | --                  | --                  | --         |
| Inventory                         | 75         | --            | --                  | --                  | --         |
| Other current assets              | 5          | --            | --                  | --                  | --         |
| Total current assets              | 128        | --            | --                  | --                  | --         |
| Fixed assets                      | 81         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 35         | --            | --                  | --                  | --         |
| Other assets                      | 2          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>176</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 29         | --            | --                  | --                  | --         |
| Other current liabilities         | 66         | --            | --                  | --                  | --         |
| Total current liabilities         | 95         | --            | --                  | --                  | --         |
| Mortgages payable                 | 15         | --            | --                  | --                  | --         |
| Long term debt                    | 13         | --            | --                  | --                  | --         |
| Other liabilities                 | -          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>124</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>52</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Appliance, Television, Radio and Stereo Stores (SIC 622)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 6        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.9      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 2.2      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 19.8     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.6      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Appliance, Television, Radio and Stereo Stores (SIC 622)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 5                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 7                 | --            | --                  | --                  | --         |
| Depreciation  | 10                | --            | --                  | --                  | --         |
| Other   | -3                | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 1                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -22               | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 25                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -6                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 5                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -                 | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | 17                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning Of the year</b> | -6                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End Of the year</b>     | 11                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Appliance, Television, Radio and Stereo Stores (SIC 622)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>88</b>               | <b>5,296</b>               | <b>393</b>                 | <b>13</b>  | <b>16</b>                 |
| less than 20  | 83                      | 2,996                      | 236                        | 13   | 16                        |
| 20 - 99   | 4                       | X                          | 139                        | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | 1                       | X                          | 18                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>122</b>              | <b>7,736</b>               | <b>509</b>                 | <b>19</b>  | <b>...</b>                |
| less than 20  | 114                     | 4,288                      | 286                        | 18   | ...                       |
| 20 - 99   | 7                       | X                          | 201                        | 1  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | 1                       | X                          | 22                         | -  | ...                       |

- (1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.  
(2) Refers to businesses reporting no payroll deductions in the previous year.  
(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
 Newfoundland, Appliance, Television, Radio and Stereo Stores (SIC 622)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 221,157   | --            | --                  | --                  | --         |
| Average expense \$                         | 210,076   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 11,081    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>12</b> |               |                     |                     |            |
| Average sales \$                           | 218,759   | --            | --                  | --                  | --         |
| Average expense \$                         | 208,327   | --            | --                  | --                  | --         |
| Average net profit \$                      | 15,432    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>2</b>  |               |                     |                     |            |
| Average sales \$                           | 112,798   | --            | --                  | --                  | --         |
| Average expense \$                         | 126,023   | --            | --                  | --                  | --         |
| Average net loss \$                        | -13,225   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 330,213   | --            | --                  | --                  | --         |
| Average expense \$                         | 317,688   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 12,525    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 304,059   | --            | --                  | --                  | --         |
| Average expense \$                         | 282,467   | --            | --                  | --                  | --         |
| Average net profit \$                      | 21,592    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | 973,000   | --            | --                  | --                  | --         |
| Average expense \$                         | 1,096,000 | --            | --                  | --                  | --         |
| Average net loss \$                        | -123,000  | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>26</b> |               |                     |                     |            |
| Average sales \$                           | 252,926   | --            | --                  | --                  | --         |
| Average expense \$                         | 245,625   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 7,301     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>19</b> |               |                     |                     |            |
| Average sales \$                           | 396,490   | --            | --                  | --                  | --         |
| Average expense \$                         | 379,284   | --            | --                  | --                  | --         |
| Average net profit \$                      | 17,206    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>7</b>  |               |                     |                     |            |
| Average sales \$                           | 203,320   | --            | --                  | --                  | --         |
| Average expense \$                         | 210,078   | --            | --                  | --                  | --         |
| Average net loss \$                        | -6,758    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Gasoline Service Stations (SIC 6331)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 36       |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 73.4                | --            | --                     | --                     | --         | 100.0                          | 73.4                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 4.3                 | --            | --                     | --                     | --         | 100.0                          | 4.3                           | --            | --                     | --                     | --         |
| Depreciation            | 1.2                 | --            | --                     | --                     | --         | 97.6                           | 1.2                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 0.6                 | --            | --                     | --                     | --         | 86.6                           | 0.7                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 1.5                 | --            | --                     | --                     | --         | 100.0                          | 1.5                           | --            | --                     | --                     | --         |
| Rent                    | 1.0                 | --            | --                     | --                     | --         | 52.0                           | 2.0                           | --            | --                     | --                     | --         |
| Personnel expenses      | 17.7                | --            | --                     | --                     | --         | 100.0                          | 17.7                          | --            | --                     | --                     | --         |
| Financial expenses      | 1.3                 | --            | --                     | --                     | --         | 100.0                          | 1.3                           | --            | --                     | --                     | --         |
| Interest & bank charges | 0.8                 | --            | --                     | --                     | --         | 97.6                           | 0.8                           | --            | --                     | --                     | --         |
| Professional fees       | 0.5                 | --            | --                     | --                     | --         | 97.0                           | 0.5                           | --            | --                     | --                     | --         |
| Other expenses          | 2.7                 | --            | --                     | --                     | --         | 100.0                          | 2.7                           | --            | --                     | --                     | --         |
| Profit (loss)           | 0.7                 | --            | --                     | --                     | --         | 100.0                          | 0.7                           | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- .. too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6331 - Gasoline Service Stations

Businesses primarily engaged in retail dealing in gasoline, lubricating oils and greases. Included in this industry are firms primarily engaged in lubricating motor vehicles. This group industry includes firms described as: retail diesel fuel, filling stations, gas bars, gasoline service stations, retail gasoline, motor vehicles lubrication services, and self-serve gasoline stations.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Gasoline Service Stations (SIC 6331)**

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 36        |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 11        | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 14        | --            | --                  | --                  | --         |
| Inventory                         | 23        | --            | --                  | --                  | --         |
| Other current assets              | 2         | --            | --                  | --                  | --         |
| Total current assets              | 49        | --            | --                  | --                  | --         |
| Fixed assets                      | 66        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 26        | --            | --                  | --                  | --         |
| Other assets                      | 2         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>91</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 12        | --            | --                  | --                  | --         |
| Other current liabilities         | 28        | --            | --                  | --                  | --         |
| Total current liabilities         | 40        | --            | --                  | --                  | --         |
| Mortgages payable                 | 7         | --            | --                  | --                  | --         |
| Long term debt                    | 23        | --            | --                  | --                  | --         |
| Other liabilities                 | 3         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>73</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>18</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Gasoline Service Stations (SIC 6331)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 31       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | (1)           | 344                 | 718                 | 874        |
| High sales value (\$000's)      | (1)      | 344           | 718                 | 874                 | (1)        |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.5      | 1.1           | 1.3                 | 1.7                 | 1.7        |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -4.8     | -6.6          | 2.6                 | -16.1               | 1.5        |
| Interest coverage ratio (times) | 4.3      | 21.2          | -1.3                | -5.2                | 3.3        |
| Debt ratio (times)              | 0.8      | 0.8           | 0.9                 | 0.7                 | 0.7        |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Gasoline Service Stations (SIC 6331)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 26                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | (1)           | 343                 | 662                 | 910        |
| High sales value (\$000's)                          | (1)               | 343           | 662                 | 910                 | (1)        |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 3                 | 1             | 1                   | 1                   | 7          |
| Depreciation  | 9                 | 5             | 9                   | 10                  | 11         |
| Other   | 2                 | -4            | 5                   | -2                  | 7          |
| <b>Dividends</b>                                    | -                 | -             | -                   | -1                  | -          |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 3                 | -             | -                   | 1                   | 8          |
| Purchase of fixed assets                            | -13               | -             | -12                 | -5                  | -32        |
| Increase in investment                              | -                 | -             | -                   | -                   | -          |
| Decrease in investment                              | -                 | -             | -                   | -                   | -          |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 7                 | -             | 5                   | 2                   | 21         |
| Repayment of long term debt                         | -9                | -11           | -6                  | -4                  | -16        |
| Loans from shareholders                             | 1                 | 1             | 2                   | -                   | 2          |
| Repayment of loans from shareholders                | -2                | -             | -1                  | -4                  | -1         |
| Advances & loans from government                    | -                 | -             | -                   | -                   | -          |
| Increase in equity                                  | -                 | -             | -                   | -                   | -          |
| Decrease in equity                                  | -                 | -             | -                   | -                   | -          |
| Other   | -                 | -             | -                   | -                   | -          |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>1</b>          | <b>-8</b>     | <b>3</b>            | <b>-2</b>           | <b>7</b>   |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>8</b>          | <b>-</b>      | <b>-1</b>           | <b>7</b>            | <b>16</b>  |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>8</b>          | <b>-</b>      | <b>3</b>            | <b>5</b>            | <b>23</b>  |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Gasoline Service Stations (SIC 6331)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>289</b>              | <b>15,253</b>              | <b>1,445</b>               | <b>34</b>  | <b>49</b>                 |
| less than 20  | 281                     | 13,405                     | 1,271                      | 32   | 49                        |
| 20 - 99   | 6                       | X                          | 135                        | 2  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | 2                       | X                          | 39                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>393</b>              | <b>20,441</b>              | <b>1,750</b>               | <b>64</b>  | <b>...</b>                |
| less than 20  | 386                     | 18,513                     | 1,580                      | 63   | ...                       |
| 20 - 99   | 5                       | 1,401                      | 124                        | 1  | ...                       |
| 100 - 499   | 1                       | X                          | 18                         | -  | ...                       |
| 500 and over  | 1                       | X                          | 28                         | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Gasoline Service Stations (SIC 6331)

|  | Total (1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>171</b> |               |                     |                     |            |
| Average sales \$                           | 484,924    | 55,444        | 253,446             | 529,017             | 1,101,790  |
| Average expense \$                         | 477,530    | 51,767        | 241,791             | 520,432             | 1,096,129  |
| Average net profit (loss) \$               | 7,394      | 3,677         | 11,655              | 8,585               | 5,661      |
| <b>Businesses reporting a profit (No.)</b> | <b>136</b> |               |                     |                     |            |
| Average sales \$                           | 473,923    | 53,564        | 248,154             | 523,293             | 1,070,682  |
| Average expense \$                         | 463,038    | 46,393        | 234,024             | 512,289             | 1,059,447  |
| Average net profit \$                      | 10,885     | 7,171         | 14,130              | 11,004              | 11,235     |
| <b>Businesses reporting a loss (No.)</b>   | <b>35</b>  |               |                     |                     |            |
| Average sales \$                           | 531,399    | 60,376        | 299,968             | 569,028             | 1,196,225  |
| Average expense \$                         | 540,192    | 65,871        | 310,065             | 577,348             | 1,207,482  |
| Average net loss \$                        | -8,793     | -5,495        | -10,097             | -8,320              | -11,257    |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>154</b> |               |                     |                     |            |
| Average sales \$                           | 480,352    | 83,784        | 289,485             | 512,015             | 1,036,123  |
| Average expense \$                         | 476,472    | 80,682        | 285,779             | 506,259             | 1,033,169  |
| Average net profit (loss) \$               | 3,880      | 3,102         | 3,706               | 5,756               | 2,954      |
| <b>Businesses reporting a profit (No.)</b> | <b>112</b> |               |                     |                     |            |
| Average sales \$                           | 488,483    | 95,731        | 281,652             | 497,631             | 1,078,919  |
| Average expense \$                         | 479,247    | 86,411        | 274,288             | 488,769             | 1,067,519  |
| Average net profit \$                      | 9,236      | 9,320         | 7,364               | 8,862               | 11,400     |
| <b>Businesses reporting a loss (No.)</b>   | <b>42</b>  |               |                     |                     |            |
| Average sales \$                           | 476,590    | 68,401        | 314,750             | 559,760             | 963,450    |
| Average expense \$                         | 483,824    | 73,305        | 322,840             | 564,313             | 974,838    |
| Average net loss \$                        | -7,234     | -4,904        | -8,090              | -4,553              | -11,388    |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>172</b> |               |                     |                     |            |
| Average sales \$                           | 548,818    | 147,859       | 324,942             | 609,331             | 1,113,141  |
| Average expense \$                         | 542,156    | 138,627       | 317,895             | 601,245             | 1,110,856  |
| Average net profit (loss) \$               | 6,662      | 9,232         | 7,047               | 8,086               | 2,285      |
| <b>Businesses reporting a profit (No.)</b> | <b>133</b> |               |                     |                     |            |
| Average sales \$                           | 548,011    | 132,172       | 314,949             | 600,514             | 1,144,408  |
| Average expense \$                         | 535,423    | 119,291       | 304,611             | 585,155             | 1,132,635  |
| Average net profit \$                      | 12,588     | 12,881        | 10,338              | 15,359              | 11,773     |
| <b>Businesses reporting a loss (No.)</b>   | <b>39</b>  |               |                     |                     |            |
| Average sales \$                           | 567,117    | 207,907       | 362,836             | 632,913             | 1,064,813  |
| Average expense \$                         | 575,595    | 212,641       | 368,267             | 644,278             | 1,077,194  |
| Average net loss \$                        | -8,478     | -4,734        | -5,431              | -11,365             | -12,381    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986  
Newfoundland, Tire, Battery, Parts and Accessories Stores (SIC 6342)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |  |  |  |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|--|--|--|--|
| Businesses in sample (No.) | 12       |               |                     |                     |            |  |  |  |  |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |  |  |  |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |  |  |  |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 62.4                | --            | --                     | --                     | --         | 100.0                          | 62.4                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 7.5                 | --            | --                     | --                     | --         | 100.0                          | 7.5                           | --            | --                     | --                     | --         |
| Depreciation            | 1.7                 | --            | --                     | --                     | --         | 95.8                           | 1.7                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 2.6                 | --            | --                     | --                     | --         | 100.0                          | 2.6                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 2.7                 | --            | --                     | --                     | --         | 100.0                          | 2.7                           | --            | --                     | --                     | --         |
| Rent                    | 0.6                 | --            | --                     | --                     | --         | 16.2                           | 3.5                           | --            | --                     | --                     | --         |
| Personnel expenses      | 23.3                | --            | --                     | --                     | --         | 98.3                           | 23.7                          | --            | --                     | --                     | --         |
| Financial expenses      | 1.9                 | --            | --                     | --                     | --         | 100.0                          | 1.9                           | --            | --                     | --                     | --         |
| Interest & bank charges | 1.2                 | --            | --                     | --                     | --         | 85.5                           | 1.4                           | --            | --                     | --                     | --         |
| Professional fees       | 0.8                 | --            | --                     | --                     | --         | 89.8                           | 0.8                           | --            | --                     | --                     | --         |
| Other expenses          | 5.2                 | --            | --                     | --                     | --         | 100.0                          | 5.2                           | --            | --                     | --                     | --         |
| Profit (loss)           | -0.4                | --            | --                     | --                     | --         | 100.0                          | -0.4                          | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

**Symbols**

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

**Footnotes**

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

**Notes**

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented, for comparison purposes, the high and low values of sales are shown.

**How to use the tables**

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

**Standard Industrial Classification Definition (SIC 1980):**

**SIC 6342 - Tire, Battery, Parts and Accessories Stores**

Businesses primarily engaged in retail dealing in new or used tires, tubes batteries and other automobile parts and accessories separately or in combination. These establishments may be secondarily engaged in tire installation and repair as well as in automobile repair. This industry includes the following types of retail operations: retail automotive batteries, retail automotive parts and accessories, retail automotive cassettes and 8-track tape recorders, retail motor vehicle radios (inc. C.B. or GRS), retail motor vehicle stereos, retail motor vehicle tape decks and retail tires and tubes.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Tire, Battery, Parts and Accessories Stores (SIC 6342)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 12         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 12         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 32         | --            | --                  | --                  | --         |
| Inventory                         | 50         | --            | --                  | --                  | --         |
| Other current assets              | 9          | --            | --                  | --                  | --         |
| Total current assets              | 104        | --            | --                  | --                  | --         |
| Fixed assets                      | 42         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 16         | --            | --                  | --                  | --         |
| Other assets                      | -          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>130</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 6          | --            | --                  | --                  | --         |
| Other current liabilities         | 41         | --            | --                  | --                  | --         |
| Total current liabilities         | 48         | --            | --                  | --                  | --         |
| Mortgages payable                 | -          | --            | --                  | --                  | --         |
| Long term debt                    | 16         | --            | --                  | --                  | --         |
| Other liabilities                 | -          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>64</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>66</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Tire, Battery, Parts and Accessories Stores (SIC 6342)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 12       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 3.1      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 1.8      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 3.2      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.5      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Tire, Battery, Parts and Accessories Stores (SIC 6342)**

|   | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 8        |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)      | --            | --                  | --                  | --         |
| Average (\$000's)                                   |          |               |                     |                     |            |
| <b>Operating activities</b>                         |          |               |                     |                     |            |
| Cash from operations                                | 8        | --            | --                  | --                  | --         |
| Depreciation  | 5        | --            | --                  | --                  | --         |
| Other   | -2       | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -        | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |          |               |                     |                     |            |
| Disposal of fixed assets                            | 8        | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -10      | --            | --                  | --                  | --         |
| Increase in investment                              | -        | --            | --                  | --                  | --         |
| Decrease in investment                              | -        | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |          |               |                     |                     |            |
| Increase in long term debt                          | -        | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -1       | --            | --                  | --                  | --         |
| Loans from shareholders                             | -        | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -1       | --            | --                  | --                  | --         |
| Advances & loans from government                    | -        | --            | --                  | --                  | --         |
| Increase in equity                                  | -        | --            | --                  | --                  | --         |
| Decrease in equity                                  | -        | --            | --                  | --                  | --         |
| Other   | -        | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>6</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>3</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>9</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Tire, Battery, Parts and Accessories Stores (SIC 6342)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>36</b>               | <b>2,171</b>               | <b>205</b>                 | <b>3</b>   | <b>4</b>                  |
| less than 20  | 34                      | 1,205                      | 111                        | 3  | 4                         |
| 20 - 99   | 1                       | X                          | 92                         | -  | -                         |
| 100 - 499   | 1                       | X                          | 2                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>41</b>               | <b>1,945</b>               | <b>148</b>                 | <b>5</b>   | <b>...</b>                |
| less than 20  | 39                      | X                          | 122                        | 4  | ...                       |
| 20 - 99   | 2                       | X                          | 26                         | 1  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
 Newfoundland, Tire, Battery, Parts and Accessories Stores (SIC 6342)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 283,351   | --            | --                  | --                  | --         |
| Average expense \$                         | 273,803   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 9,548     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>7</b>  |               |                     |                     |            |
| Average sales \$                           | 295,862   | --            | --                  | --                  | --         |
| Average expense \$                         | 282,347   | --            | --                  | --                  | --         |
| Average net profit \$                      | 13,515    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | 156,800   | --            | --                  | --                  | --         |
| Average expense \$                         | 168,800   | --            | --                  | --                  | --         |
| Average net loss \$                        | -12,000   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>4</b>  |               |                     |                     |            |
| Average sales \$                           | 312,656   | --            | --                  | --                  | --         |
| Average expense \$                         | 304,201   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 8,455     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 249,798   | --            | --                  | --                  | --         |
| Average expense \$                         | 237,992   | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,806    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | 1,560,000 | --            | --                  | --                  | --         |
| Average expense \$                         | 1,605,000 | --            | --                  | --                  | --         |
| Average net loss \$                        | -45,000   | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 172,161   | --            | --                  | --                  | --         |
| Average expense \$                         | 168,342   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,819     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>13</b> |               |                     |                     |            |
| Average sales \$                           | 170,791   | --            | --                  | --                  | --         |
| Average expense \$                         | 164,388   | --            | --                  | --                  | --         |
| Average net profit \$                      | 6,403     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>5</b>  |               |                     |                     |            |
| Average sales \$                           | 203,049   | --            | --                  | --                  | --         |
| Average expense \$                         | 208,545   | --            | --                  | --                  | --         |
| Average net loss \$                        | -5,496    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, General Stores (SIC 6412)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 34       |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 81.1                | --            | --                     | --                     | --         | 100.0                          | 81.1                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 6.3                 | --            | --                     | --                     | --         | 100.0                          | 6.3                           | --            | --                     | --                     | --         |
| Depreciation            | 1.5                 | --            | --                     | --                     | --         | 100.0                          | 1.5                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 1.5                 | --            | --                     | --                     | --         | 95.1                           | 1.6                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 3.1                 | --            | --                     | --                     | --         | 100.0                          | 3.1                           | --            | --                     | --                     | --         |
| Rent                    | 0.1                 | --            | --                     | --                     | --         | 10.5                           | 1.2                           | --            | --                     | --                     | --         |
| Personnel expenses      | 8.9                 | --            | --                     | --                     | --         | 100.0                          | 8.9                           | --            | --                     | --                     | --         |
| Financial expenses      | 1.0                 | --            | --                     | --                     | --         | 100.0                          | 1.0                           | --            | --                     | --                     | --         |
| Interest & bank charges | 0.4                 | --            | --                     | --                     | --         | 69.3                           | 0.6                           | --            | --                     | --                     | --         |
| Professional fees       | 0.5                 | --            | --                     | --                     | --         | 98.9                           | 0.5                           | --            | --                     | --                     | --         |
| Other expenses          | 3.7                 | --            | --                     | --                     | --         | 100.0                          | 3.7                           | --            | --                     | --                     | --         |
| Profit (loss)           | -1.1                | --            | --                     | --                     | --         | 100.0                          | -1.1                          | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6412 - General Stores

Businesses primarily engaged in retail dealing in a general line of merchandise on a non-departmental basis, the most important of which is food. Other merchandise sold usually includes ready-to-wear apparel, toiletries, cosmetics, hardware, farm supplies and housewares. Businesses may be described as: country general stores and general stores.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, General Stores (SIC 6412)

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 34        |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 10        | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 14        | --            | --                  | --                  | --         |
| Inventory                         | 46        | --            | --                  | --                  | --         |
| Other current assets              | -         | --            | --                  | --                  | --         |
| Total current assets              | 70        | --            | --                  | --                  | --         |
| Fixed assets                      | 52        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 31        | --            | --                  | --                  | --         |
| Other assets                      | 1         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>93</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 6         | --            | --                  | --                  | --         |
| Other current liabilities         | 30        | --            | --                  | --                  | --         |
| Total current liabilities         | 36        | --            | --                  | --                  | --         |
| Mortgages payable                 | -         | --            | --                  | --                  | --         |
| Long term debt                    | 24        | --            | --                  | --                  | --         |
| Other liabilities                 | -         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>60</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>32</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, General Stores (SIC 6412)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 32       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | (1)           | 348                 | 479                 | 1,003      |
| High sales value (\$000's)      | (1)      | 348           | 479                 | 1,003               | (1)        |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 2.4      | 2.9           | 2.2                 | 1.8                 | 2.8        |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 3.8      | 9.1           | 3.4                 | 2.4                 | 0.9        |
| Interest coverage ratio (times) | 41.1     | -4.4          | 24.9                | 86.3                | 32.2       |
| Debt ratio (times)              | 0.8      | 1.4           | 0.6                 | 0.7                 | 0.4        |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, General Stores (SIC 6412)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 27                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | (1)           | 406                 | 516                 | 992        |
| High sales value (\$000's)                          | (1)               | 406           | 516                 | 992                 | (1)        |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 10                | -7            | 18                  | 4                   | 16         |
| Depreciation  | 7                 | 4             | 4                   | 7                   | 12         |
| Other   | -13               | 4             | -12                 | -1                  | -30        |
| <b>Dividends</b>                                    | -2                | -             | -                   | -1                  | -6         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 7                 | -             | 1                   | -                   | 19         |
| Purchase of fixed assets                            | -11               | -6            | -7                  | -12                 | -16        |
| Increase in investment                              | -                 | -             | -                   | -                   | -          |
| Decrease in investment                              | 2                 | -             | -                   | 8                   | -          |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 5                 | 1             | 6                   | 3                   | 7          |
| Repayment of long term debt                         | -4                | -1            | -3                  | -4                  | -7         |
| Loans from shareholders                             | 7                 | 18            | 3                   | 1                   | 7          |
| Repayment of loans from shareholders                | -3                | -9            | -                   | -2                  | -3         |
| Advances & loans from government                    | -                 | -             | -                   | -                   | -          |
| Increase in equity                                  | -                 | -             | -                   | -                   | -          |
| Decrease in equity                                  | -                 | -             | -                   | -                   | -          |
| Other   | -                 | -             | -                   | 1                   | -1         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | 3                 | 4             | 10                  | 3                   | -2         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 18                | 7             | 24                  | 18                  | 19         |
| <b>Cash &amp; equivalents - End of the year</b>     | 21                | 11            | 34                  | 20                  | 18         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, General Stores (SIC 6412)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>80</b>               | <b>2,771</b>               | <b>296</b>                 | <b>18</b>  | <b>20</b>                 |
| less than 20  | 78                      | X                          | 247                        | 18   | 20                        |
| 20 - 99   | 2                       | X                          | 49                         | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>105</b>              | <b>4,154</b>               | <b>390</b>                 | <b>16</b>  | <b>...</b>                |
| less than 20  | 102                     | 3,322                      | 312                        | 16   | ...                       |
| 20 - 99   | 3                       | 832                        | 78                         | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, General Stores (SIC 5412)

|  | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>88</b>  |               |                     |                     |            |
| Average sales \$                           | 299,649    | 59,658        | 143,885             | 253,214             | 741,839    |
| Average expense \$                         | 292,605    | 57,377        | 132,699             | 252,739             | 727,604    |
| Average net profit (loss) \$               | 7,044      | 2,281         | 11,186              | 475                 | 14,235     |
| <b>Businesses reporting a profit (No.)</b> | <b>74</b>  |               |                     |                     |            |
| Average sales \$                           | 300,118    | 79,061        | 143,426             | 249,334             | 728,649    |
| Average expense \$                         | 286,560    | 74,085        | 131,218             | 238,973             | 701,963    |
| Average net profit \$                      | 13,558     | 4,976         | 12,208              | 10,361              | 26,686     |
| <b>Businesses reporting a loss (No.)</b>   | <b>14</b>  |               |                     |                     |            |
| Average sales \$                           | 304,724    | 35,125        | 150,142             | 263,085             | 770,545    |
| Average expense \$                         | 315,070    | 36,251        | 152,870             | 287,753             | 783,407    |
| Average net loss \$                        | -10,346    | -1,126        | -2,728              | -24,668             | -12,862    |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>67</b>  |               |                     |                     |            |
| Average sales \$                           | 293,364    | 37,492        | 145,562             | 284,559             | 705,842    |
| Average expense \$                         | 289,711    | 38,099        | 139,824             | 275,838             | 705,081    |
| Average net profit (loss) \$               | 3,653      | -607          | 5,738               | 8,721               | 761        |
| <b>Businesses reporting a profit (No.)</b> | <b>53</b>  |               |                     |                     |            |
| Average sales \$                           | 290,136    | 40,422        | 152,898             | 279,949             | 687,275    |
| Average expense \$                         | 280,731    | 38,496        | 144,699             | 268,063             | 671,664    |
| Average net profit \$                      | 9,405      | 1,926         | 8,199               | 11,886              | 15,611     |
| <b>Businesses reporting a loss (No.)</b>   | <b>14</b>  |               |                     |                     |            |
| Average sales \$                           | 300,892    | 34,354        | 119,026             | 306,765             | 743,421    |
| Average expense \$                         | 311,468    | 37,674        | 122,191             | 313,293             | 772,715    |
| Average net loss \$                        | -10,576    | -3,320        | -3,165              | -6,528              | -29,294    |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>108</b> |               |                     |                     |            |
| Average sales \$                           | 310,516    | 53,703        | 141,712             | 261,806             | 784,841    |
| Average expense \$                         | 301,998    | 54,894        | 132,163             | 252,409             | 768,527    |
| Average net profit (loss) \$               | 8,518      | -1,191        | 9,549               | 9,397               | 16,314     |
| <b>Businesses reporting a profit (No.)</b> | <b>81</b>  |               |                     |                     |            |
| Average sales \$                           | 319,939    | 76,384        | 143,444             | 263,967             | 795,961    |
| Average expense \$                         | 307,598    | 74,307        | 131,080             | 251,168             | 773,835    |
| Average net profit \$                      | 12,341     | 2,077         | 12,364              | 12,799              | 22,126     |
| <b>Businesses reporting a loss (No.)</b>   | <b>27</b>  |               |                     |                     |            |
| Average sales \$                           | 290,707    | 38,323        | 131,598             | 253,415             | 739,490    |
| Average expense \$                         | 296,080    | 41,731        | 138,484             | 257,226             | 746,877    |
| Average net loss \$                        | -5,373     | -3,408        | -6,886              | -3,811              | -7,387     |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, General Merchandise Stores (SIC 6413)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 15                  |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales              | 59.4                | --            | --                     | --                     | --         | 99.1                           | 60.0                          | --            | --                     | --                     | --         |
| Occupancy expenses         | 9.9                 | --            | --                     | --                     | --         | 100.0                          | 9.9                           | --            | --                     | --                     | --         |
| Depreciation               | 4.4                 | --            | --                     | --                     | --         | 95.4                           | 4.7                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 1.4                 | --            | --                     | --                     | --         | 100.0                          | 1.4                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 4.1                 | --            | --                     | --                     | --         | 100.0                          | 4.1                           | --            | --                     | --                     | --         |
| Rent                       | -                   | --            | --                     | --                     | --         | 1.3                            | 2.0                           | --            | --                     | --                     | --         |
| Personnel expenses         | 16.1                | --            | --                     | --                     | --         | 95.4                           | 16.8                          | --            | --                     | --                     | --         |
| Financial expenses         | 5.1                 | --            | --                     | --                     | --         | 95.4                           | 5.3                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 4.4                 | --            | --                     | --                     | --         | 85.0                           | 5.2                           | --            | --                     | --                     | --         |
| Professional fees          | 0.7                 | --            | --                     | --                     | --         | 95.4                           | 0.7                           | --            | --                     | --                     | --         |
| Other expenses             | 4.6                 | --            | --                     | --                     | --         | 100.0                          | 4.6                           | --            | --                     | --                     | --         |
| Profit (loss)              | 4.9                 | --            | --                     | --                     | --         | 100.0                          | 4.9                           | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6413 - General Merchandise Stores

Businesses primarily engaged in retail dealing in a general line of merchandise on a non-departmental basis including ready-to-wear apparel, toiletries, cosmetics, hardware and housewares, where food and household furniture are not normally commodity lines and where no one commodity line accounts for more than 50% of total revenue.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, General Merchandise Stores (SIC 6413)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 15         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 22         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 10         | --            | --                  | --                  | --         |
| Inventory                         | 67         | --            | --                  | --                  | --         |
| Other current assets              | 2          | --            | --                  | --                  | --         |
| Total current assets              | 100        | --            | --                  | --                  | --         |
| Fixed assets                      | 99         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 29         | --            | --                  | --                  | --         |
| Other assets                      | 25         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>195</b> | --            | --                  | --                  | --         |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 8          | --            | --                  | --                  | --         |
| Other current liabilities         | 32         | --            | --                  | --                  | --         |
| Total current liabilities         | 40         | --            | --                  | --                  | --         |
| Mortgages payable                 | 2          | --            | --                  | --                  | --         |
| Long term debt                    | 70         | --            | --                  | --                  | --         |
| Other liabilities                 | 1          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>113</b> | --            | --                  | --                  | --         |
| <b>Total equity</b>               | <b>81</b>  | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, General Merchandise Stores (SIC 6413)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 11       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 39.4     | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -20.2    | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 5.7      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

- a) Debt/equity = total liabilities / equity.
- b) Debt ratio = total liabilities / total assets.
- c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, General Merchandise Stores (SIC 6413)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 12                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | -22               | --            | --                  | --                  | --         |
| Depreciation  | 8                 | --            | --                  | --                  | --         |
| Other   | 40                | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 19                | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -19               | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 11                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -28               | --            | --                  | --                  | --         |
| Loans from shareholders                             | 2                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -1                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | 10                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | -14               | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | -4                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, General Merchandise Stores (SIC 6413)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>28</b>               | <b>4,341</b>               | <b>467</b>                 | <b>8</b>   | <b>12</b>                 |
| less than 20  | 26                      | 497                        | 53                         | 8  | 12                        |
| 20 - 99   | 1                       | X                          | 43                         | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | 1                       | X                          | 371                        | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>54</b>               | <b>4,969</b>               | <b>467</b>                 | <b>11</b>  | <b>...</b>                |
| less than 20  | 51                      | 688                        | 64                         | 10   | ...                       |
| 20 - 99   | 1                       | X                          | 33                         | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | 2                       | X                          | 370                        | 1  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the *Survey of Employment, Payroll and Hours*, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, General Merchandise Stores (SIC 6413)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>27</b> |               |                     |                     |            |
| Average sales \$                           | 248,250   | --            | --                  | --                  | --         |
| Average expense \$                         | 236,545   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 11,705    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>19</b> |               |                     |                     |            |
| Average sales \$                           | 304,217   | --            | --                  | --                  | --         |
| Average expense \$                         | 277,897   | --            | --                  | --                  | --         |
| Average net profit \$                      | 26,320    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 265,216   | --            | --                  | --                  | --         |
| Average expense \$                         | 268,735   | --            | --                  | --                  | --         |
| Average net loss \$                        | -3,519    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>34</b> |               |                     |                     |            |
| Average sales \$                           | 249,844   | --            | --                  | --                  | --         |
| Average expense \$                         | 243,985   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 5,859     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>26</b> |               |                     |                     |            |
| Average sales \$                           | 259,661   | --            | --                  | --                  | --         |
| Average expense \$                         | 248,099   | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,562    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 206,051   | --            | --                  | --                  | --         |
| Average expense \$                         | 221,422   | --            | --                  | --                  | --         |
| Average net loss \$                        | -15,371   | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>53</b> |               |                     |                     |            |
| Average sales \$                           | 261,074   | 89,547        | 155,954             | 272,184             | 526,611    |
| Average expense \$                         | 256,583   | 86,099        | 152,066             | 265,868             | 522,299    |
| Average net profit (loss) \$               | 4,491     | 3,448         | 3,888               | 6,316               | 4,312      |
| <b>Businesses reporting a profit (No.)</b> | <b>42</b> |               |                     |                     |            |
| Average sales \$                           | 250,687   | 85,584        | 157,333             | 271,813             | 488,018    |
| Average expense \$                         | 241,215   | 80,882        | 150,270             | 263,012             | 470,695    |
| Average net profit \$                      | 9,472     | 4,702         | 7,063               | 8,801               | 17,323     |
| <b>Businesses reporting a loss (No.)</b>   | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 332,493   | 116,342       | 147,908             | 281,669             | 784,051    |
| Average expense \$                         | 372,357   | 121,366       | 162,544             | 338,992             | 866,526    |
| Average net loss \$                        | -39,864   | -5,024        | -14,636             | -57,323             | -82,475    |

1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Hardware Stores (SIC 6531)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 10                  |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales              | 77.1                | --            | --                     | --                     | --         | 100.0                          | 77.1                          | --            | --                     | --                     | --         |
| Occupancy expenses         | 6.1                 | --            | --                     | --                     | --         | 100.0                          | 6.1                           | --            | --                     | --                     | --         |
| Depreciation               | 2.5                 | --            | --                     | --                     | --         | 68.0                           | 3.6                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 0.2                 | --            | --                     | --                     | --         | 66.1                           | 0.3                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 2.8                 | --            | --                     | --                     | --         | 100.0                          | 2.8                           | --            | --                     | --                     | --         |
| Rent                       | 0.7                 | --            | --                     | --                     | --         | 26.2                           | 2.6                           | --            | --                     | --                     | --         |
| Personnel expenses         | 12.3                | --            | --                     | --                     | --         | 66.1                           | 18.6                          | --            | --                     | --                     | --         |
| Financial expenses         | 5.5                 | --            | --                     | --                     | --         | 100.0                          | 5.5                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 4.8                 | --            | --                     | --                     | --         | 68.0                           | 7.0                           | --            | --                     | --                     | --         |
| Professional fees          | 0.8                 | --            | --                     | --                     | --         | 100.0                          | 0.8                           | --            | --                     | --                     | --         |
| Other expenses             | 4.7                 | --            | --                     | --                     | --         | 100.0                          | 4.7                           | --            | --                     | --                     | --         |
| Profit (loss)              | -5.6                | --            | --                     | --                     | --         | 100.0                          | -5.6                          | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

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- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6531 - Hardware Stores

Businesses primarily engaged in retail dealing in any combination of the basic lines of hardware, such as hand and power tools, builders' hardware, fasteners, electrical and plumbing supplies. These businesses may be secondarily engaged in retailing housewares, electrical appliances, paint, sporting goods, etc.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Hardware Stores (SIC 6531)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 10         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 8          | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 28         | --            | --                  | --                  | --         |
| Inventory                         | 78         | --            | --                  | --                  | --         |
| Other current assets              | -          | --            | --                  | --                  | --         |
| Total current assets              | 114        | --            | --                  | --                  | --         |
| Fixed assets                      | 43         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 15         | --            | --                  | --                  | --         |
| Other assets                      | 5          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>146</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 30         | --            | --                  | --                  | --         |
| Other current liabilities         | 38         | --            | --                  | --                  | --         |
| Total current liabilities         | 68         | --            | --                  | --                  | --         |
| Mortgages payable                 | 6          | --            | --                  | --                  | --         |
| Long term debt                    | 61         | --            | --                  | --                  | --         |
| Other liabilities                 | 2          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>136</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>10</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Hardware Stores (SIC 6531)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 10       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 6.4      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 19.5     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 4.5      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.9      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Hardware Stores (SIC 6531)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 8                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 12                | --            | --                  | --                  | --         |
| Depreciation  | 8                 | --            | --                  | --                  | --         |
| Other   | 1                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 1                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -9                | --            | --                  | --                  | --         |
| Increase in investment                              | -5                | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 1                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -24               | --            | --                  | --                  | --         |
| Loans from shareholders                             | 2                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -3                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -1                | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>-18</b>        | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>13</b>         | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>-5</b>         | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Hardware, Paint, Glass and Wallpaper Stores (SIC 653)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>51</b>               | <b>5,412</b>               | <b>456</b>                 | <b>7</b>   | <b>9</b>                  |
| less than 20  | 46                      | 2,301                      | 175                        | 6  | 9                         |
| 20 - 99   | 3                       | X                          | 99                         | -  | -                         |
| 100 - 499   | 2                       | X                          | 182                        | 1  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>77</b>               | <b>7,398</b>               | <b>561</b>                 | <b>11</b>  | <b>...</b>                |
| less than 20  | 71                      | 3,438                      | 242                        | 11   | ...                       |
| 20 - 99   | 5                       | X                          | 107                        | -  | ...                       |
| 100 - 499   | 1                       | X                          | 212                        | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Hardware Stores (SIC 6531)

|                                     | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-------------------------------------|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                         |           |               |                     |                     |            |
| Number of observations in sample    | 15        |               |                     |                     |            |
| Average sales \$                    | 724,918   | --            | --                  | --                  | --         |
| Average expense \$                  | 684,353   | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 40,565    | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 13        |               |                     |                     |            |
| Average sales \$                    | 723,861   | --            | --                  | --                  | --         |
| Average expense \$                  | 680,207   | --            | --                  | --                  | --         |
| Average net profit \$               | 43,654    | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 2         |               |                     |                     |            |
| Average sales \$                    | 69,948    | --            | --                  | --                  | --         |
| Average expense \$                  | 80,371    | --            | --                  | --                  | --         |
| Average net loss \$                 | -10,423   | --            | --                  | --                  | --         |
| <b>1985</b>                         |           |               |                     |                     |            |
| Number of observations in sample    | 17        |               |                     |                     |            |
| Average sales \$                    | 398,867   | --            | --                  | --                  | --         |
| Average expense \$                  | 382,521   | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 16,346    | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 15        |               |                     |                     |            |
| Average sales \$                    | 426,892   | --            | --                  | --                  | --         |
| Average expense \$                  | 405,927   | --            | --                  | --                  | --         |
| Average net profit \$               | 20,965    | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 2         |               |                     |                     |            |
| Average sales \$                    | 542,500   | --            | --                  | --                  | --         |
| Average expense \$                  | 563,500   | --            | --                  | --                  | --         |
| Average net loss \$                 | -21,000   | --            | --                  | --                  | --         |
| <b>1986</b>                         |           |               |                     |                     |            |
| Number of observations in sample    | 30        |               |                     |                     |            |
| Average sales \$                    | 330,466   | --            | --                  | --                  | --         |
| Average expense \$                  | 326,414   | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 4,052     | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 19        |               |                     |                     |            |
| Average sales \$                    | 341,379   | --            | --                  | --                  | --         |
| Average expense \$                  | 332,063   | --            | --                  | --                  | --         |
| Average net profit \$               | 9,316     | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 11        |               |                     |                     |            |
| Average sales \$                    | 535,405   | --            | --                  | --                  | --         |
| Average expense \$                  | 567,054   | --            | --                  | --                  | --         |
| Average net loss \$                 | -31,649   | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Sporting Goods Stores (SIC 6541)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 11       |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 67.0                | --            | --                     | --                     | --         | 100.0                          | 67.0                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 12.7                | --            | --                     | --                     | --         | 100.0                          | 12.7                          | --            | --                     | --                     | --         |
| Depreciation            | 0.8                 | --            | --                     | --                     | --         | 100.0                          | 0.8                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 0.6                 | --            | --                     | --                     | --         | 56.3                           | 1.0                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 0.9                 | --            | --                     | --                     | --         | 58.5                           | 1.5                           | --            | --                     | --                     | --         |
| Rent                    | 10.4                | --            | --                     | --                     | --         | 83.7                           | 12.5                          | --            | --                     | --                     | --         |
| Personnel expenses      | 8.5                 | --            | --                     | --                     | --         | 58.5                           | 14.5                          | --            | --                     | --                     | --         |
| Financial expenses      | 4.5                 | --            | --                     | --                     | --         | 100.0                          | 4.5                           | --            | --                     | --                     | --         |
| Interest & bank charges | 1.4                 | --            | --                     | --                     | --         | 100.0                          | 1.4                           | --            | --                     | --                     | --         |
| Professional fees       | 3.1                 | --            | --                     | --                     | --         | 100.0                          | 3.1                           | --            | --                     | --                     | --         |
| Other expenses          | 10.8                | --            | --                     | --                     | --         | 100.0                          | 10.8                          | --            | --                     | --                     | --         |
| Profit (loss)           | -3.5                | --            | --                     | --                     | --         | 100.0                          | -3.5                          | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 6541 - Sporting Goods Stores

Businesses primarily engaged in retail dealing in sporting goods, playground and gymnasium equipment. Businesses may be described by product line such as: retail archery equipment, retail athletic clothing (inc. uniforms), retail athletic footwear, retail baseball equipment, retail bowling equipment, retail camping equipment (exc. tent trailers), retail sports and fishing tackle, retail football equipment, retail golf equipment, retail hockey equipment, retail hunting equipment, retail playground equipment, retail skiing equipment, retail soccer equipment, retail softball equipment, sporting goods stores, retail tennis equipment, and retail track and field equipment.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Sporting Goods Stores (SIC 6541)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 11         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 10         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 13         | --            | --                  | --                  | --         |
| Inventory                         | 132        | --            | --                  | --                  | --         |
| Other current assets              | 22         | --            | --                  | --                  | --         |
| Total current assets              | 177        | --            | --                  | --                  | --         |
| Fixed assets                      | 30         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 17         | --            | --                  | --                  | --         |
| Other assets                      | -          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>191</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 22         | --            | --                  | --                  | --         |
| Other current liabilities         | 54         | --            | --                  | --                  | --         |
| Total current liabilities         | 75         | --            | --                  | --                  | --         |
| Mortgages payable                 | -          | --            | --                  | --                  | --         |
| Long term debt                    | 35         | --            | --                  | --                  | --         |
| Other liabilities                 | -          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>110</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>81</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Sporting Goods Stores (SIC 6541)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 11       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 4.1      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 3.8      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 4.0      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Sporting Goods Stores (SIC 6541)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 10                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 7                 | --            | --                  | --                  | --         |
| Depreciation  | 5                 | --            | --                  | --                  | --         |
| Other   | -1                | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -40               | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 2                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -4                | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | -                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -2                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 1                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -2                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -3                | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -38               | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 46                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 8                 | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Sporting Goods Stores (SIC 6541)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>25</b>               | <b>922</b>                 | <b>68</b>                  | <b>6</b>   | <b>1</b>                  |
| less than 20  | 25                      | 922                        | 68                         | 6  | 1                         |
| 20 - 99   | -                       | -                          | -                          | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>42</b>               | <b>1,550</b>               | <b>113</b>                 | <b>14</b>  | <b>...</b>                |
| less than 20  | 42                      | 1,550                      | 113                        | 14   | ...                       |
| 20 - 99   | -                       | -                          | -                          | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Sporting Goods Stores (SIC 6541)

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 203,965   | --            | --                  | --                  | --         |
| Average expense \$                         | 199,538   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,427     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 268,690   | --            | --                  | --                  | --         |
| Average expense \$                         | 252,063   | --            | --                  | --                  | --         |
| Average net profit \$                      | 16,627    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 142,623   | --            | --                  | --                  | --         |
| Average expense \$                         | 149,478   | --            | --                  | --                  | --         |
| Average net loss \$                        | -6,855    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 118,079   | --            | --                  | --                  | --         |
| Average expense \$                         | 112,045   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 6,034     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 155,493   | --            | --                  | --                  | --         |
| Average expense \$                         | 141,395   | --            | --                  | --                  | --         |
| Average net profit \$                      | 14,098    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>2</b>  |               |                     |                     |            |
| Average sales \$                           | 45,878    | --            | --                  | --                  | --         |
| Average expense \$                         | 48,993    | --            | --                  | --                  | --         |
| Average net loss \$                        | -3,115    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>16</b> |               |                     |                     |            |
| Average sales \$                           | 286,301   | --            | --                  | --                  | --         |
| Average expense \$                         | 282,976   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,325     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 374,169   | --            | --                  | --                  | --         |
| Average expense \$                         | 355,138   | --            | --                  | --                  | --         |
| Average net profit \$                      | 19,031    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>5</b>  |               |                     |                     |            |
| Average sales \$                           | 274,047   | --            | --                  | --                  | --         |
| Average expense \$                         | 283,462   | --            | --                  | --                  | --         |
| Average net loss \$                        | -9,415    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Operators of Buildings and Dwellings (SIC 751)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25%   |                                |                               |               |                        |                        |             |
|----------------------------|---------------------|---------------|------------------------|------------------------|--------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|-------------|
| Businesses in sample (No.) | 75                  |               |                        |                        |              |                                |                               |               |                        |                        |             |
| Low sales value (\$000's)  | (1)                 | (1)           | 24                     | 30                     | 117          |                                |                               |               |                        |                        |             |
| High sales value (\$000's) | (1)                 | 24            | 30                     | 117                    | (1)          |                                |                               |               |                        |                        |             |
| Selected expense item      | Industry average(2) |               |                        |                        |              | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |             |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25%   |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25%  |
|                            | Percent of sales    |               |                        |                        |              |                                | Percent of sales              |               |                        |                        |             |
| <b>Occupancy expenses</b>  | <b>30.7</b>         | <b>36.9</b>   | <b>33.9</b>            | <b>30.6</b>            | <b>22.1</b>  | <b>99.8</b>                    | <b>30.7</b>                   | <b>36.9</b>   | <b>33.9</b>            | <b>30.6</b>            | <b>22.3</b> |
| Depreciation               | 15.1                | 15.5          | 21.5                   | 15.2                   | 9.6          | 91.1                           | 16.6                          | 15.7          | 21.5                   | 18.1                   | 11.3        |
| Repairs & maintenance      | 6.0                 | 5.8           | 7.4                    | 7.4                    | 3.6          | 77.8                           | 7.8                           | 5.8           | 10.0                   | 9.3                    | 6.3         |
| Heat, light & telephone    | 8.2                 | 15.6          | 5.0                    | 8.0                    | 3.8          | 59.6                           | 13.7                          | 20.7          | 7.1                    | 14.9                   | 8.9         |
| Rent                       | 1.3                 | ...           | ...                    | ...                    | ...          | 5.5                            | 23.8                          | -             | -                      | ...                    | ...         |
| <b>Personnel expenses</b>  | <b>12.4</b>         | <b>1.3</b>    | <b>17.1</b>            | <b>15.3</b>            | <b>15.7</b>  | <b>38.4</b>                    | <b>32.3</b>                   | <b>5.3</b>    | <b>43.3</b>            | <b>31.2</b>            | <b>41.9</b> |
| <b>Financial expenses</b>  | <b>39.1</b>         | <b>50.2</b>   | <b>14.9</b>            | <b>41.4</b>            | <b>45.3</b>  | <b>100.0</b>                   | <b>39.1</b>                   | <b>50.2</b>   | <b>14.9</b>            | <b>41.4</b>            | <b>45.3</b> |
| Interest & bank charges    | 32.0                | 40.1          | 11.7                   | 37.9                   | 33.8         | 94.3                           | 34.0                          | 40.5          | 11.9                   | 45.4                   | 34.1        |
| Professional fees          | 7.1                 | 10.2          | 3.1                    | 3.5                    | 11.5         | 98.9                           | 7.1                           | 10.3          | 3.1                    | 3.6                    | 11.5        |
| <b>Other expenses</b>      | <b>18.0</b>         | <b>20.1</b>   | <b>27.0</b>            | <b>11.2</b>            | <b>16.8</b>  | <b>99.5</b>                    | <b>18.1</b>                   | <b>20.1</b>   | <b>27.0</b>            | <b>11.4</b>            | <b>16.8</b> |
| <b>Profit (loss)</b>       | <b>-0.2</b>         | <b>-8.6</b>   | <b>7.0</b>             | <b>1.4</b>             | <b>0.1</b>   | <b>100.0</b>                   | <b>-0.2</b>                   | <b>-8.6</b>   | <b>7.0</b>             | <b>1.4</b>             | <b>0.1</b>  |
| <b>Total</b>               | <b>100.0</b>        | <b>100.0</b>  | <b>100.0</b>           | <b>100.0</b>           | <b>100.0</b> | <b>100.0</b>                   | <b>...</b>                    | <b>...</b>    | <b>...</b>             | <b>...</b>             | <b>...</b>  |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 751 - Operators of Buildings and Dwellings

Businesses primarily engaged in the operating or in owning and operating buildings and dwellings.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Operators of Buildings and Dwellings (SIC 751)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25%   |
|-----------------------------------|------------|---------------|---------------------|---------------------|--------------|
| Businesses in sample (No.)        | 75         |               |                     |                     |              |
| Low sales value (\$000's)         | (1)        | (1)           | 24                  | 30                  | 117          |
| High sales value (\$000's)        | (1)        | 24            | 30                  | 117                 | (1)          |
| Average (\$000's)                 |            |               |                     |                     |              |
| <b>Assets</b>                     |            |               |                     |                     |              |
| Cash                              | 30         | 4             | 5                   | 20                  | 87           |
| Accounts and notes receivable     | 7          | 2             | -                   | 1                   | 26           |
| Inventory                         | 4          | -             | 6                   | 1                   | 8            |
| Other current assets              | 10         | 1             | 2                   | 3                   | 34           |
| Total current assets              | 51         | 6             | 12                  | 25                  | 155          |
| Fixed assets                      | 450        | 125           | 140                 | 246                 | 1,252        |
| Less: Accum. dep. on fixed assets | 84         | 12            | 28                  | 54                  | 235          |
| Other assets                      | 38         | -             | 2                   | 16                  | 131          |
| <b>Total assets</b>               | <b>455</b> | <b>119</b>    | <b>126</b>          | <b>234</b>          | <b>1,303</b> |
| <b>Liabilities and equity</b>     |            |               |                     |                     |              |
| Current loans                     | 21         | 8             | 1                   | 16                  | 55           |
| Other current liabilities         | 30         | 10            | 5                   | 10                  | 93           |
| Total current liabilities         | 51         | 17            | 6                   | 26                  | 148          |
| Mortgages payable                 | 198        | 71            | 21                  | 59                  | 625          |
| Long term debt                    | 80         | 47            | 85                  | 98                  | 89           |
| Other liabilities                 | 12         | 1             | 2                   | -                   | 43           |
| <b>Total liabilities</b>          | <b>341</b> | <b>136</b>    | <b>114</b>          | <b>183</b>          | <b>905</b>   |
| <b>Total equity</b>               | <b>115</b> | <b>-17</b>    | <b>12</b>           | <b>51</b>           | <b>398</b>   |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Operators of Buildings and Dwellings (SIC 751)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 75       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | (1)           | 24                  | 30                  | 117        |
| High sales value (\$000's)      | (1)      | 24            | 30                  | 117                 | (1)        |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 6.3      | 8.3           | 2.8                 | 5.1                 | 8.4        |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 3.1      | -7.2          | 33.0                | -10.5               | 4.3        |
| Interest coverage ratio (times) | 13.7     | 7.6           | 4.5                 | 39.1                | 1.9        |
| Debt ratio (times)              | 0.9      | 1.1           | 0.9                 | 0.8                 | 0.7        |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Operators of Buildings and Dwellings (SIC 751)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 59                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | (1)           | 17                  | 26                  | 117        |
| High sales value (\$000's)                          | (1)               | 17            | 26                  | 117                 | (1)        |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 4                 | -4            | 5                   | 1                   | 17         |
| Depreciation  | 12                | 3             | 3                   | 9                   | 31         |
| Other   | 6                 | 11            | 5                   | 3                   | 7          |
| <b>Dividends</b>                                    | -4                | -             | -8                  | -7                  | -2         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 68                | -             | -                   | 6                   | 263        |
| Purchase of fixed assets                            | -37               | -74           | -1                  | -18                 | -53        |
| Increase in investment                              | -10               | -             | -                   | -                   | -39        |
| Decrease in investment                              | 1                 | -             | -                   | 1                   | 4          |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 44                | 55            | -                   | 2                   | 121        |
| Repayment of long term debt                         | -80               | -2            | -2                  | -11                 | -298       |
| Loans from shareholders                             | 14                | 14            | 1                   | 20                  | 15         |
| Repayment of loans from shareholders                | -8                | -1            | -2                  | -3                  | -26        |
| Advances & loans from government                    | -                 | -             | -                   | -                   | -          |
| Increase in equity                                  | -                 | -             | -                   | -                   | -          |
| Decrease in equity                                  | -                 | -             | -                   | -                   | -          |
| Other   | -                 | -             | -                   | -                   | -1         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | 12                | 1             | 1                   | 4                   | 39         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 13                | 1             | 6                   | 15                  | 25         |
| <b>Cash &amp; equivalents - End of the year</b>     | 24                | 3             | 7                   | 19                  | 64         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Operators of Buildings and Dwellings (SIC 751)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>161</b>              | <b>16,956</b>              | <b>979</b>                 | <b>20</b>  | <b>38</b>                 |
| less than 20  | 155                     | 7,516                      | 444                        | 20   | 38                        |
| 20 - 99   | 2                       | X                          | 41                         | -  | -                         |
| 100 - 499   | 2                       | X                          | 452                        | -  | -                         |
| 500 and over  | 2                       | X                          | 42                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>242</b>              | <b>28,305</b>              | <b>1,638</b>               | <b>52</b>  | <b>...</b>                |
| less than 20  | 228                     | 9,201                      | 488                        | 47   | ...                       |
| 20 - 99   | 8                       | 2,901                      | 149                        | 3  | ...                       |
| 100 - 499   | 3                       | 4,746                      | 413                        | 2  | ...                       |
| 500 and over  | 3                       | 11,457                     | 588                        | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Operators of Buildings and Dwellings (SIC 751)

|  | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>43</b>  |               |                     |                     |            |
| Average sales \$                           | 118,310    | --            | --                  | --                  | --         |
| Average expense \$                         | 117,475    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 835        | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>28</b>  |               |                     |                     |            |
| Average sales \$                           | 138,623    | --            | --                  | --                  | --         |
| Average expense \$                         | 116,405    | --            | --                  | --                  | --         |
| Average net profit \$                      | 22,218     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>15</b>  |               |                     |                     |            |
| Average sales \$                           | 103,496    | --            | --                  | --                  | --         |
| Average expense \$                         | 138,192    | --            | --                  | --                  | --         |
| Average net loss \$                        | -34,696    | --            | --                  | --                  | --         |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>41</b>  |               |                     |                     |            |
| Average sales \$                           | 101,359    | --            | --                  | --                  | --         |
| Average expense \$                         | 82,609     | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 18,750     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>25</b>  |               |                     |                     |            |
| Average sales \$                           | 97,129     | --            | --                  | --                  | --         |
| Average expense \$                         | 69,552     | --            | --                  | --                  | --         |
| Average net profit \$                      | 27,577     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>16</b>  |               |                     |                     |            |
| Average sales \$                           | 127,258    | --            | --                  | --                  | --         |
| Average expense \$                         | 143,628    | --            | --                  | --                  | --         |
| Average net loss \$                        | -16,370    | --            | --                  | --                  | --         |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>101</b> |               |                     |                     |            |
| Average sales \$                           | 93,078     | 14,553        | 27,648              | 53,946              | 276,163    |
| Average expense \$                         | 92,608     | 16,795        | 24,461              | 47,910              | 281,266    |
| Average net profit (loss) \$               | 470        | -2,242        | 3,187               | 6,036               | -5,103     |
| <b>Businesses reporting a profit (No.)</b> | <b>53</b>  |               |                     |                     |            |
| Average sales \$                           | 84,117     | 14,023        | 25,811              | 55,047              | 241,586    |
| Average expense \$                         | 68,371     | 10,895        | 18,473              | 37,220              | 206,896    |
| Average net profit \$                      | 15,746     | 3,128         | 7,338               | 17,827              | 34,690     |
| <b>Businesses reporting a loss (No.)</b>   | <b>48</b>  |               |                     |                     |            |
| Average sales \$                           | 111,854    | 15,038        | 30,837              | 52,367              | 349,175    |
| Average expense \$                         | 139,648    | 22,192        | 34,855              | 63,239              | 438,304    |
| Average net loss \$                        | -27,794    | -7,154        | -4,018              | -10,872             | -89,129    |

1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Operators of Non-Residential Buildings (SIC 7512)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |  |  |  |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|--|--|--|--|
| Businesses in sample (No.) | 51       |               |                     |                     |            |  |  |  |  |  |
| Low sales value (\$000's)  | (1)      | (1)           | 26                  | 40                  | 117        |  |  |  |  |  |
| High sales value (\$000's) | (1)      | 26            | 40                  | 117                 | (1)        |  |  |  |  |  |

  

| Selected expense item     | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|---------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                           | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                           | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| <b>Occupancy expenses</b> | 22.0                | 12.4          | 31.2                   | 23.8                   | 20.9       | 99.5                           | 22.1                          | 12.4          | 31.2                   | 23.8                   | 21.2       |
| Depreciation              | 13.2                | 8.6           | 24.1                   | 13.7                   | 7.4        | 95.8                           | 13.7                          | 9.6           | 24.1                   | 18.3                   | 7.5        |
| Repairs & maintenance     | 3.2                 | 2.7           | 3.7                    | 5.0                    | 2.3        | 49.0                           | 6.5                           | 12.3          | 4.9                    | 5.4                    | 7.8        |
| Heat, light & telephone   | 2.4                 | 0.2           | 3.4                    | 4.7                    | 2.3        | 33.8                           | 7.2                           | 3.9           | 6.7                    | 6.7                    | 8.6        |
| Rent                      | 3.2                 | ...           | ...                    | ...                    | ...        | 12.2                           | 26.5                          | -             | -                      | ...                    | ...        |
| <b>Personnel expenses</b> | 19.9                | 2.7           | 12.0                   | 27.0                   | 34.2       | 40.5                           | 49.1                          | 32.9          | 31.3                   | 43.7                   | 62.2       |
| <b>Financial expenses</b> | 30.9                | 33.6          | 33.9                   | 32.1                   | 26.5       | 100.0                          | 30.9                          | 33.6          | 33.9                   | 32.1                   | 26.5       |
| Interest & bank charges   | 22.4                | 31.2          | 30.9                   | 11.7                   | 14.9       | 91.1                           | 24.6                          | 32.5          | 35.5                   | 16.3                   | 15.1       |
| Professional fees         | 8.5                 | 2.4           | 3.0                    | 20.4                   | 11.6       | 95.4                           | 8.9                           | 2.4           | 3.4                    | 22.4                   | 11.6       |
| <b>Other expenses</b>     | 13.4                | 13.7          | 20.0                   | 16.4                   | 7.3        | 96.5                           | 13.9                          | 13.7          | 22.9                   | 16.7                   | 7.3        |
| <b>Profit (loss)</b>      | 13.7                | 37.5          | 2.9                    | 0.8                    | 11.0       | 100.0                          | 13.7                          | 37.5          | 2.9                    | 0.8                    | 11.0       |
| <b>Total</b>              | 100.0               | 100.0         | 100.0                  | 100.0                  | 100.0      | 100.0                          | ...                           | ...           | ...                    | ...                    | ...        |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 7512 - Operators of Non-Residential Buildings

Businesses primarily engaged in operating, or owning and operating buildings and dwellings such as: arena operating, conference/convention centre operating, leasing non-residential buildings, meeting hall operating, office building rental, real estate operating - non-residential buildings, shopping centre operating, stadium operating and theatre building operating.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Operators of Non-Residential Buildings (SIC 7512)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 51         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | (1)           | 26                  | 40                  | 117        |
| High sales value (\$000's)        | (1)        | 26            | 40                  | 117                 | (1)        |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 94         | 16            | 45                  | 16                  | 215        |
| Accounts and notes receivable     | 11         | -             | 2                   | 2                   | 30         |
| Inventory                         | 8          | 18            | -                   | -                   | 12         |
| Other current assets              | 9          | -             | 11                  | 6                   | 13         |
| Total current assets              | 122        | 34            | 58                  | 23                  | 270        |
| Fixed assets                      | 444        | 107           | 211                 | 222                 | 932        |
| Less: Accum. dep. on fixed assets | 157        | 23            | 78                  | 100                 | 328        |
| Other assets                      | 8          | 1             | 3                   | 9                   | 16         |
| <b>Total assets</b>               | <b>417</b> | <b>119</b>    | <b>194</b>          | <b>153</b>          | <b>889</b> |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 42         | 4             | 15                  | 28                  | 93         |
| Other current liabilities         | 53         | 12            | 16                  | 24                  | 119        |
| Total current liabilities         | 95         | 16            | 31                  | 52                  | 211        |
| Mortgages payable                 | 132        | 62            | 48                  | 8                   | 292        |
| Long term debt                    | 54         | 2             | 64                  | 52                  | 84         |
| Other liabilities                 | 13         | 6             | -                   | 1                   | 32         |
| <b>Total liabilities</b>          | <b>294</b> | <b>86</b>     | <b>143</b>          | <b>114</b>          | <b>618</b> |
| <b>Total equity</b>               | <b>123</b> | <b>34</b>     | <b>51</b>           | <b>39</b>           | <b>271</b> |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Operators of Non-Residential Buildings (SIC 7512)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 51       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | (1)           | 26                  | 40                  | 117        |
| High sales value (\$000's)      | (1)      | 26            | 40                  | 117                 | (1)        |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 6.7      | 2.4           | 2.5                 | 2.0                 | 14.5       |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 3.3      | 2.9           | 10.4                | -6.4                | 2.3        |
| Interest coverage ratio (times) | 6.1      | 7.5           | 2.4                 | 22.0                | 2.7        |
| Debt ratio (times)              | 0.7      | 0.7           | 0.8                 | 0.9                 | 0.7        |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Operators of Non-Residential Buildings (SIC 7512)**

|   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 43        |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)       | (1)           | 24                  | 35                  | 117        |
| High sales value (\$000's)                          | (1)       | 24            | 35                  | 117                 | (1)        |
| Average (\$000's)                                   |           |               |                     |                     |            |
| <b>Operating activities</b>                         |           |               |                     |                     |            |
| Cash from operations                                | 10        | 7             | 3                   | -4                  | 23         |
| Depreciation  | 11        | 1             | 9                   | 8                   | 21         |
| Dther   | 15        | 13            | 14                  | 16                  | 15         |
| <b>Dividends</b>                                    | <b>-5</b> | <b>-18</b>    | <b>-</b>            | <b>-4</b>           | <b>-3</b>  |
| <b>Investment activities</b>                        |           |               |                     |                     |            |
| Disposal of fixed assets                            | 58        | -             | 2                   | 94                  | 114        |
| Purchase of fixed assets                            | -25       | -             | -6                  | -5                  | -63        |
| Increase in investment                              | -19       | -             | -                   | -                   | -53        |
| Decrease in investment                              | 3         | -             | -                   | 9                   | 5          |
| <b>Financing activities</b>                         |           |               |                     |                     |            |
| Increase in long term debt                          | 80        | -             | 10                  | 5                   | 215        |
| Repayment of long term debt                         | -76       | -3            | -15                 | -21                 | -191       |
| Loans from shareholders                             | 6         | 5             | 4                   | 3                   | 11         |
| Repayment of loans from shareholders                | -15       | -             | -15                 | -28                 | -18        |
| Advances & loans from government                    | -         | -             | -                   | -                   | -          |
| Increase in equity                                  | -         | -             | -                   | -                   | -          |
| Decrease in equity                                  | -         | -             | -                   | -                   | -          |
| Dther   | -         | -             | -1                  | 2                   | -1         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>42</b> | <b>6</b>      | <b>5</b>            | <b>74</b>           | <b>75</b>  |
| Cash & equivalents-Beginning of the year            | 24        | 8             | 8                   | 14                  | 51         |
| Cash & equivalents - End of the year                | 67        | 14            | 13                  | 89                  | 127        |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Operators of Non-Residential Buildings (SIC 7512)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>161</b>              | <b>16,956</b>              | <b>979</b>                 | <b>20</b>  | <b>38</b>                 |
| less than 20  | 155                     | 7,516                      | 444                        | 20   | 38                        |
| 20 - 99   | 2                       | X                          | 41                         | -  | -                         |
| 100 - 499   | 2                       | X                          | 452                        | -  | -                         |
| 500 and over  | 2                       | X                          | 42                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>242</b>              | <b>28,305</b>              | <b>1,638</b>               | <b>52</b>  | <b>...</b>                |
| less than 20  | 228                     | 9,201                      | 488                        | 47   | ...                       |
| 20 - 99   | 8                       | 2,901                      | 149                        | 3  | ...                       |
| 100 - 499   | 3                       | 4,746                      | 413                        | 2  | ...                       |
| 500 and over  | 3                       | 11,457                     | 588                        | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Operators of Non-Residential Buildings (SIC 7512)

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>20</b> |               |                     |                     |            |
| Average sales \$                           | 126,799   | --            | --                  | --                  | --         |
| Average expense \$                         | 116,674   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 10,125    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 147,551   | --            | --                  | --                  | --         |
| Average expense \$                         | 113,792   | --            | --                  | --                  | --         |
| Average net profit \$                      | 33,759    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>6</b>  |               |                     |                     |            |
| Average sales \$                           | 99,511    | --            | --                  | --                  | --         |
| Average expense \$                         | 141,720   | --            | --                  | --                  | --         |
| Average net loss \$                        | -42,209   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>22</b> |               |                     |                     |            |
| Average sales \$                           | 97,748    | --            | --                  | --                  | --         |
| Average expense \$                         | 77,209    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 20,539    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>16</b> |               |                     |                     |            |
| Average sales \$                           | 96,220    | --            | --                  | --                  | --         |
| Average expense \$                         | 73,715    | --            | --                  | --                  | --         |
| Average net profit \$                      | 22,505    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>6</b>  |               |                     |                     |            |
| Average sales \$                           | 40,692    | --            | --                  | --                  | --         |
| Average expense \$                         | 44,553    | --            | --                  | --                  | --         |
| Average net loss \$                        | -3,861    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>66</b> |               |                     |                     |            |
| Average sales \$                           | 107,934   | 18,589        | 31,031              | 76,875              | 305,247    |
| Average expense \$                         | 98,775    | 12,584        | 33,777              | 67,216              | 281,522    |
| Average net profit (loss) \$               | 9,159     | 5,999         | -2,746              | 9,659               | 23,725     |
| <b>Businesses reporting a profit (No.)</b> | <b>38</b> |               |                     |                     |            |
| Average sales \$                           | 107,489   | 18,125        | 30,789              | 86,690              | 294,351    |
| Average expense \$                         | 92,199    | 10,769        | 29,587              | 70,367              | 258,074    |
| Average net profit \$                      | 15,290    | 7,356         | 1,202               | 16,323              | 36,277     |
| <b>Businesses reporting a loss (No.)</b>   | <b>28</b> |               |                     |                     |            |
| Average sales \$                           | 139,208   | 21,602        | 31,232              | 57,900              | 446,098    |
| Average expense \$                         | 176,888   | 24,524        | 37,270              | 61,124              | 584,632    |
| Average net loss \$                        | -37,680   | -2,922        | -6,038              | -3,224              | -138,534   |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Insurance and Real Estate Agencies (SIC 7611)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 7                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Occupancy expenses         | 13.1                | --            | --                     | --                     | --         | 95.1                           | 13.8                          | --            | --                     | --                     | --         |
| Depreciation               | 2.0                 | --            | --                     | --                     | --         | 95.1                           | 2.1                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 1.1                 | --            | --                     | --                     | --         | 77.5                           | 1.5                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 4.5                 | --            | --                     | --                     | --         | 95.1                           | 4.7                           | --            | --                     | --                     | --         |
| Rent                       | 5.5                 | --            | --                     | --                     | --         | 95.1                           | 5.8                           | --            | --                     | --                     | --         |
| Personnel expenses         | 53.9                | --            | --                     | --                     | --         | 100.0                          | 53.9                          | --            | --                     | --                     | --         |
| Financial expenses         | 2.6                 | --            | --                     | --                     | --         | 100.0                          | 2.6                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 1.2                 | --            | --                     | --                     | --         | 74.5                           | 1.6                           | --            | --                     | --                     | --         |
| Professional fees          | 1.4                 | --            | --                     | --                     | --         | 100.0                          | 1.4                           | --            | --                     | --                     | --         |
| Other expenses             | 23.6                | --            | --                     | --                     | --         | 100.0                          | 23.6                          | --            | --                     | --                     | --         |
| Profit (loss)              | 6.8                 | --            | --                     | --                     | --         | 100.0                          | 6.8                           | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 7611 - Insurance and Real Estate Agencies

Businesses primarily engaged in either the selling of insurance and pension products as an independent agent or broker or dealing in real estate such as buying and selling for others, managing and appraising real estate for others or whose activities encompass both fields such as: real estate appraisal services, independent insurance claim adjusters, insurance agents and brokers, insurance and real estate agencies, insurance broker services and real estate agencies.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Insurance and Real Estate Agencies (SIC 7611)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 7          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 94         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 196        | --            | --                  | --                  | --         |
| Inventory                         | -          | --            | --                  | --                  | --         |
| Other current assets              | 12         | --            | --                  | --                  | --         |
| Total current assets              | 302        | --            | --                  | --                  | --         |
| Fixed assets                      | 186        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 23         | --            | --                  | --                  | --         |
| Other assets                      | 64         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>530</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 22         | --            | --                  | --                  | --         |
| Other current liabilities         | 207        | --            | --                  | --                  | --         |
| Total current liabilities         | 229        | --            | --                  | --                  | --         |
| Mortgages payable                 | 100        | --            | --                  | --                  | --         |
| Long term debt                    | 51         | --            | --                  | --                  | --         |
| Other liabilities                 | 55         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>436</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>94</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Insurance and Real Estate Agencies (SIC 7611)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 7        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.7      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 5.2      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 23.7     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 1.0      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986**  
**Newfoundland, Insurance and Real Estate Agencies (SIC 7611)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 5                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 145               | --            | --                  | --                  | --         |
| Depreciation  | 24                | --            | --                  | --                  | --         |
| Other   | -162              | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -6                | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 7                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -68               | --            | --                  | --                  | --         |
| Increase in investment                              | -5                | --            | --                  | --                  | --         |
| Decrease in investment                              | 13                | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 11                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -21               | --            | --                  | --                  | --         |
| Loans from shareholders                             | 1                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -17               | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | 11                | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -67               | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 153               | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 86                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986**  
**Newfoundland, Insurance and Real Estate Agencies (SIC 7611)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>90</b>               | <b>12,023</b>              | <b>667</b>                 | <b>15</b>  | <b>34</b>                 |
| less than 20  | 75                      | 5,158                      | 290                        | 12   | 31                        |
| 20 - 99   | 8                       | 4,192                      | 237                        | 2  | 3                         |
| 100 - 499   | 2                       | X                          | 42                         | -  | -                         |
| 500 and over  | 5                       | X                          | 98                         | 1  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>155</b>              | <b>20,894</b>              | <b>1,089</b>               | <b>28</b>  | <b>...</b>                |
| less than 20  | 136                     | 8,247                      | 434                        | 28   | ...                       |
| 20 - 99   | 10                      | 7,893                      | 418                        | -  | ...                       |
| 100 - 499   | 3                       | 1,461                      | 77                         | -  | ...                       |
| 500 and over  | 6                       | 3,293                      | 160                        | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Insurance and Real Estate Agencies (SIC 7611)**

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 168,071   | --            | --                  | --                  | --         |
| Average expense \$                         | 155,969   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 12,102    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 161,549   | --            | --                  | --                  | --         |
| Average expense \$                         | 143,633   | --            | --                  | --                  | --         |
| Average net profit \$                      | 17,916    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 302,266   | --            | --                  | --                  | --         |
| Average expense \$                         | 315,724   | --            | --                  | --                  | --         |
| Average net loss \$                        | -13,458   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>13</b> |               |                     |                     |            |
| Average sales \$                           | 253,650   | --            | --                  | --                  | --         |
| Average expense \$                         | 246,851   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 6,799     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>10</b> |               |                     |                     |            |
| Average sales \$                           | 336,434   | --            | --                  | --                  | --         |
| Average expense \$                         | 320,687   | --            | --                  | --                  | --         |
| Average net profit \$                      | 15,747    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 119,918   | --            | --                  | --                  | --         |
| Average expense \$                         | 135,116   | --            | --                  | --                  | --         |
| Average net loss \$                        | -15,198   | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>15</b> |               |                     |                     |            |
| Average sales \$                           | 339,234   | --            | --                  | --                  | --         |
| Average expense \$                         | 313,116   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 26,118    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>12</b> |               |                     |                     |            |
| Average sales \$                           | 349,457   | --            | --                  | --                  | --         |
| Average expense \$                         | 282,548   | --            | --                  | --                  | --         |
| Average net profit \$                      | 66,909    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 745,133   | --            | --                  | --                  | --         |
| Average expense \$                         | 753,396   | --            | --                  | --                  | --         |
| Average net loss \$                        | -8,263    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Computer Services (SIC 7721)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 5                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| <b>Occupancy expenses</b>  | 28.0                | --            | --                     | --                     | --         | 100.0                          | 28.0                          | --            | --                     | --                     | --         |
| Depreciation               | 16.8                | --            | --                     | --                     | --         | 58.4                           | 28.8                          | --            | --                     | --                     | --         |
| Repairs & maintenance      | 1.1                 | --            | --                     | --                     | --         | 50.9                           | 2.2                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 3.9                 | --            | --                     | --                     | --         | 50.9                           | 7.8                           | --            | --                     | --                     | --         |
| Rent                       | 6.1                 | --            | --                     | --                     | --         | 50.9                           | 12.0                          | --            | --                     | --                     | --         |
| <b>Personnel expenses</b>  | 24.7                | --            | --                     | --                     | --         | 50.9                           | 48.6                          | --            | --                     | --                     | --         |
| <b>Financial expenses</b>  | 4.1                 | --            | --                     | --                     | --         | 92.5                           | 4.5                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 2.7                 | --            | --                     | --                     | --         | 92.5                           | 2.9                           | --            | --                     | --                     | --         |
| Professional fees          | 1.4                 | --            | --                     | --                     | --         | 92.5                           | 1.5                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>      | 41.5                | --            | --                     | --                     | --         | 100.0                          | 41.5                          | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>       | 1.7                 | --            | --                     | --                     | --         | 100.0                          | 1.7                           | --            | --                     | --                     | --         |
| <b>Total</b>               | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 7721 - Computer Services

Businesses primarily engaged in providing computer facilities on a rental, leasing or time sharing basis and such activities as programming, planning and systems work.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Computer Services (SIC 7721)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 5          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 4          | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 4          | --            | --                  | --                  | --         |
| Inventory                         | 4          | --            | --                  | --                  | --         |
| Other current assets              | 4          | --            | --                  | --                  | --         |
| Total current assets              | 15         | --            | --                  | --                  | --         |
| Fixed assets                      | 28         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 19         | --            | --                  | --                  | --         |
| Other assets                      | 3          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>27</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 7          | --            | --                  | --                  | --         |
| Other current liabilities         | 6          | --            | --                  | --                  | --         |
| Total current liabilities         | 13         | --            | --                  | --                  | --         |
| Mortgages payable                 | -          | --            | --                  | --                  | --         |
| Long term debt                    | 8          | --            | --                  | --                  | --         |
| Other liabilities                 | 25         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>46</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>-18</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Computer Services (SIC 7721)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 5        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 8.8      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -5.6     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 2.8      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 1.5      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Computer Services (SIC 7721)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 1                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | X                 | --            | --                  | --                  | --         |
| Depreciation  | X                 | --            | --                  | --                  | --         |
| Other   | X                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | X                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | X                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | X                 | --            | --                  | --                  | --         |
| Increase in investment                              | X                 | --            | --                  | --                  | --         |
| Decrease in investment                              | X                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | X                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | X                 | --            | --                  | --                  | --         |
| Loans from shareholders                             | X                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | X                 | --            | --                  | --                  | --         |
| Advances & loans from government                    | X                 | --            | --                  | --                  | --         |
| Increase in equity                                  | X                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | X                 | --            | --                  | --                  | --         |
| Other   | X                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | X                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | X                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | X                 | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Computer Services (SIC 7721)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>11</b>               | <b>8,865</b>               | <b>393</b>                 | <b>-</b>   | <b>3</b>                  |
| less than 20  | 7                       | 750                        | 34                         | -  | 3                         |
| 20 - 99   | -                       | -                          | -                          | -  | -                         |
| 100 - 499   | 3                       | X                          | 313                        | -  | -                         |
| 500 and over  | 1                       | X                          | 46                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>18</b>               | <b>10,252</b>              | <b>301</b>                 | <b>5</b>   | <b>...</b>                |
| less than 20  | 13                      | 1,148                      | 37                         | 4  | ...                       |
| 20 - 99   | 2                       | X                          | 61                         | 1  | ...                       |
| 100 - 499   | 2                       | X                          | 175                        | -  | ...                       |
| 500 and over  | 1                       | X                          | 28                         | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Computer Services (SIC 7721)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| Number of observations in sample           | 1         | --            | --                  | --                  | --         |
| Average sales \$                           | X         | --            | --                  | --                  | --         |
| Average expense \$                         | X         | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | X         | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | X         | --            | --                  | --                  | --         |
| Average expense \$                         | X         | --            | --                  | --                  | --         |
| Average net profit \$                      | X         | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>-</b>  |               |                     |                     |            |
| Average sales \$                           | X         | --            | --                  | --                  | --         |
| Average expense \$                         | X         | --            | --                  | --                  | --         |
| Average net loss \$                        | X         | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| Number of observations in sample           | 1         | --            | --                  | --                  | --         |
| Average sales \$                           | X         | --            | --                  | --                  | --         |
| Average expense \$                         | X         | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | X         | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>-</b>  |               |                     |                     |            |
| Average sales \$                           | X         | --            | --                  | --                  | --         |
| Average expense \$                         | X         | --            | --                  | --                  | --         |
| Average net profit \$                      | X         | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | X         | --            | --                  | --                  | --         |
| Average expense \$                         | X         | --            | --                  | --                  | --         |
| Average net loss \$                        | X         | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| Number of observations in sample           | 6         | --            | --                  | --                  | --         |
| Average sales \$                           | 24,118    | --            | --                  | --                  | --         |
| Average expense \$                         | 22,626    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 1,492     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>4</b>  |               |                     |                     |            |
| Average sales \$                           | 25,278    | --            | --                  | --                  | --         |
| Average expense \$                         | 21,329    | --            | --                  | --                  | --         |
| Average net profit \$                      | 3,949     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>2</b>  |               |                     |                     |            |
| Average sales \$                           | 19,295    | --            | --                  | --                  | --         |
| Average expense \$                         | 34,836    | --            | --                  | --                  | --         |
| Average net loss \$                        | -15,541   | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Management Consulting Services (SIC 7771)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|----------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.) | 5        |               |                     |                     |            |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |

  

| Selected expense item     | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|---------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                           | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                           | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| <b>Occupancy expenses</b> | 3.3                 | --            | --                     | --                     | --         | 72.7                           | 4.5                           | --            | --                     | --                     | --         |
| Depreciation              | 0.7                 | --            | --                     | --                     | --         | 36.2                           | 1.9                           | --            | --                     | --                     | --         |
| Repairs & maintenance     | 0.1                 | --            | --                     | --                     | --         | 2.8                            | 2.0                           | --            | --                     | --                     | --         |
| Heat, light & telephone   | 0.7                 | --            | --                     | --                     | --         | 34.8                           | 2.0                           | --            | --                     | --                     | --         |
| Rent                      | 1.9                 | --            | --                     | --                     | --         | 69.8                           | 2.7                           | --            | --                     | --                     | --         |
| <b>Personnel expenses</b> | 69.7                | --            | --                     | --                     | --         | 100.0                          | 69.7                          | --            | --                     | --                     | --         |
| <b>Financial expenses</b> | 5.6                 | --            | --                     | --                     | --         | 100.0                          | 5.6                           | --            | --                     | --                     | --         |
| Interest & bank charges   | 4.5                 | --            | --                     | --                     | --         | 98.6                           | 4.6                           | --            | --                     | --                     | --         |
| Professional fees         | 1.0                 | --            | --                     | --                     | --         | 100.0                          | 1.0                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>     | 21.0                | --            | --                     | --                     | --         | 100.0                          | 21.0                          | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>      | 0.4                 | --            | --                     | --                     | --         | 100.0                          | 0.4                           | --            | --                     | --                     | --         |
| <b>Total</b>              | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 7771 - Management Consulting Services

Businesses primarily engaged in providing business and management consulting services such as: business management consulting services, customs consultants, financial management consultants, manager development consultants, organization management consultants, personnel management consultants and tariff and customs consultants.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Management Consulting Services (SIC 7771)**

|                                   | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 5         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 2         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 17        | --            | --                  | --                  | --         |
| Inventory                         | -         | --            | --                  | --                  | --         |
| Other current assets              | 36        | --            | --                  | --                  | --         |
| Total current assets              | 55        | --            | --                  | --                  | --         |
| Fixed assets                      | 7         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 3         | --            | --                  | --                  | --         |
| Other assets                      | -         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>59</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 10        | --            | --                  | --                  | --         |
| Other current liabilities         | 29        | --            | --                  | --                  | --         |
| Total current liabilities         | 38        | --            | --                  | --                  | --         |
| Mortgages payable                 | -         | --            | --                  | --                  | --         |
| Long term debt                    | 16        | --            | --                  | --                  | --         |
| Other liabilities                 | -         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>54</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>5</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Management Consulting Services (SIC 7771)**

|                                 | Total (2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 5         |               |                     |                     |            |
| Low sales value (\$000's)       | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)       | --            | --                  | --                  | --         |
| Average                         |           |               |                     |                     |            |
| <b>Liquidity ratio</b>          |           |               |                     |                     |            |
| Current ratio (times)           | 1.2       | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |           |               |                     |                     |            |
| Debt/equity ratio (times)       | -123.4    | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | -0.8      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.9       | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Management Consulting Services (SIC 7771)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 4                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 2                 | --            | --                  | --                  | --         |
| Depreciation  | 8                 | --            | --                  | --                  | --         |
| Other   | 9                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 27                | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -22               | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | 3                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 16                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -59               | --            | --                  | --                  | --         |
| Loans from shareholders                             | 148               | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -136              | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>-3</b>         | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| Cash & equivalents-Beginning of the year            | 1                 | --            | --                  | --                  | --         |
| Cash & equivalents - End of the year                | -1                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Management Consulting Services (SIC 7771)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>41</b>               | <b>4,796</b>               | <b>247</b>                 | <b>11</b>  | <b>15</b>                 |
| less than 20  | 35                      | 1,645                      | 92                         | 11   | 12                        |
| 20 - 99   | 2                       | X                          | 25                         | -  | 2                         |
| 100 - 499   | 3                       | 1,009                      | 55                         | -  | -                         |
| 500 and over  | 1                       | X                          | 75                         | -  | 1                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>73</b>               | <b>8,089</b>               | <b>317</b>                 | <b>14</b>  | <b>...</b>                |
| less than 20  | 62                      | 4,146                      | 161                        | 14   | ...                       |
| 20 - 99   | 5                       | 2,319                      | 89                         | -  | ...                       |
| 100 - 499   | 4                       | X                          | 56                         | -  | ...                       |
| 500 and over  | 2                       | X                          | 11                         | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Management Consulting Services (SIC 7771)**

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 93,883    | --            | --                  | --                  | --         |
| Average expense \$                         | 90,378    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,505     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>11</b> |               |                     |                     |            |
| Average sales \$                           | 106,776   | --            | --                  | --                  | --         |
| Average expense \$                         | 92,052    | --            | --                  | --                  | --         |
| Average net profit \$                      | 14,724    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 73,230    | --            | --                  | --                  | --         |
| Average expense \$                         | 91,563    | --            | --                  | --                  | --         |
| Average net loss \$                        | -18,333   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 134,792   | --            | --                  | --                  | --         |
| Average expense \$                         | 128,749   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 6,043     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 166,649   | --            | --                  | --                  | --         |
| Average expense \$                         | 156,817   | --            | --                  | --                  | --         |
| Average net profit \$                      | 9,832     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | 198,000   | --            | --                  | --                  | --         |
| Average expense \$                         | 202,000   | --            | --                  | --                  | --         |
| Average net loss \$                        | -4,000    | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>12</b> |               |                     |                     |            |
| Average sales \$                           | 96,470    | --            | --                  | --                  | --         |
| Average expense \$                         | 92,991    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,479     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 98,604    | --            | --                  | --                  | --         |
| Average expense \$                         | 84,948    | --            | --                  | --                  | --         |
| Average net profit \$                      | 13,656    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>3</b>  |               |                     |                     |            |
| Average sales \$                           | 110,842   | --            | --                  | --                  | --         |
| Average expense \$                         | 115,083   | --            | --                  | --                  | --         |
| Average net loss \$                        | -4,241    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Hotels and Motor Hotels (SIC 9111)

| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
| Businesses in sample (No.) | 5                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 |               |                        |                        |            |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 |               |                        |                        |            |                                |                               |               |                        |                        |            |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Occupancy expenses         | 15.2                | --            | --                     | --                     | --         | 100.0                          | 15.2                          | --            | --                     | --                     | --         |
| Depreciation               | 4.3                 | --            | --                     | --                     | --         | 100.0                          | 4.3                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 2.3                 | --            | --                     | --                     | --         | 100.0                          | 2.3                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 8.6                 | --            | --                     | --                     | --         | 100.0                          | 8.6                           | --            | --                     | --                     | --         |
| Rent                       | -                   | --            | --                     | --                     | --         | -                              | -                             | --            | --                     | --                     | --         |
| Personnel expenses         | 25.5                | --            | --                     | --                     | --         | 100.0                          | 25.5                          | --            | --                     | --                     | --         |
| Financial expenses         | 7.1                 | --            | --                     | --                     | --         | 100.0                          | 7.1                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 5.6                 | --            | --                     | --                     | --         | 100.0                          | 5.6                           | --            | --                     | --                     | --         |
| Professional fees          | 1.4                 | --            | --                     | --                     | --         | 91.4                           | 1.6                           | --            | --                     | --                     | --         |
| Other expenses             | 46.6                | --            | --                     | --                     | --         | 100.0                          | 46.6                          | --            | --                     | --                     | --         |
| Profit (loss)              | 5.6                 | --            | --                     | --                     | --         | 100.0                          | 5.6                           | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

- (1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.
- (2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.
- (3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9111 - Hotels and Motor Hotels

Business primarily engaged in providing short term accommodation to the public with or without food, beverage and other services. A hotel-type room has access only from the interior of the building and a motel-hotel type room has access from both the interior and exterior.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Hotels and Motor Hotels (SIC 9111)**

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 5          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 12         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 6          | --            | --                  | --                  | --         |
| Inventory                         | 10         | --            | --                  | --                  | --         |
| Other current assets              | 4          | --            | --                  | --                  | --         |
| Total current assets              | 32         | --            | --                  | --                  | --         |
| Fixed assets                      | 395        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 88         | --            | --                  | --                  | --         |
| Other assets                      | 67         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>406</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 31         | --            | --                  | --                  | --         |
| Other current liabilities         | 66         | --            | --                  | --                  | --         |
| Total current liabilities         | 97         | --            | --                  | --                  | --         |
| Mortgages payable                 | 127        | --            | --                  | --                  | --         |
| Long term debt                    | 62         | --            | --                  | --                  | --         |
| Other liabilities                 | -          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>285</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>121</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Hotels and Motor Hotels (SIC 9111)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 5        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 0.4      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -4.0     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 2.1      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Hotels and Motor Hotels (SIC 9111)

|  | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)               | 2                 |               |                     |                     |            |
| Low sales value (\$000's)                | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)               | (1)               | --            | --                  | --                  | --         |
|  | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>              |                   |               |                     |                     |            |
| Cash from operations                     | X                 | --            | --                  | --                  | --         |
| Depreciation                             | X                 | --            | --                  | --                  | --         |
| Other                                    | X                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                         | X                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>             |                   |               |                     |                     |            |
| Disposal of fixed assets                 | X                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                 | X                 | --            | --                  | --                  | --         |
| Increase in investment                   | X                 | --            | --                  | --                  | --         |
| Decrease in investment                   | X                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>              |                   |               |                     |                     |            |
| Increase in long term debt               | X                 | --            | --                  | --                  | --         |
| Repayment of long term debt              | X                 | --            | --                  | --                  | --         |
| Loans from shareholders                  | X                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders     | X                 | --            | --                  | --                  | --         |
| Advances & loans from government         | X                 | --            | --                  | --                  | --         |
| Increase in equity                       | X                 | --            | --                  | --                  | --         |
| Decrease in equity                       | X                 | --            | --                  | --                  | --         |
| Other                                    | X                 | --            | --                  | --                  | --         |
| Increase(decrease) in cash & equivalents | X                 | --            | --                  | --                  | --         |
| Cash & equivalents-Beginning of the year | X                 | --            | --                  | --                  | --         |
| Cash & equivalents - End of the year     | X                 | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Hotels and Motor Hotels (SIC 9111)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>56</b>               | <b>8,889</b>               | <b>946</b>                 | <b>2</b>   | <b>3</b>                  |
| less than 20  | 45                      | 2,939                      | 312                        | 2  | 2                         |
| 20 - 99   | 8                       | 2,755                      | 286                        | -  | -                         |
| 100 - 499   | 2                       | X                          | 315                        | -  | -                         |
| 500 and over  | 1                       | X                          | 33                         | -  | 1                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>74</b>               | <b>13,770</b>              | <b>1,200</b>               | <b>16</b>  | <b>...</b>                |
| less than 20  | 54                      | 3,655                      | 319                        | 9  | ...                       |
| 20 - 99   | 12                      | 5,114                      | 444                        | 3  | ...                       |
| 100 - 499   | 4                       | 3,479                      | 304                        | 2  | ...                       |
| 500 and over  | 4                       | 1,522                      | 133                        | 2  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Hotels and Motor Hotels (SIC 9111)

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | 12        |               |                     |                     |            |
| Average sales \$                           | 580,937   | --            | --                  | --                  | --         |
| Average expense \$                         | 586,574   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | -5,637    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | 5         |               |                     |                     |            |
| Average sales \$                           | 467,662   | --            | --                  | --                  | --         |
| Average expense \$                         | 453,283   | --            | --                  | --                  | --         |
| Average net profit \$                      | 14,379    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | 7         |               |                     |                     |            |
| Average sales \$                           | 702,224   | --            | --                  | --                  | --         |
| Average expense \$                         | 725,608   | --            | --                  | --                  | --         |
| Average net loss \$                        | -23,384   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | 3         |               |                     |                     |            |
| Average sales \$                           | 1,260,250 | --            | --                  | --                  | --         |
| Average expense \$                         | 1,181,500 | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 78,750    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | 3         |               |                     |                     |            |
| Average sales \$                           | 1,260,250 | --            | --                  | --                  | --         |
| Average expense \$                         | 1,181,500 | --            | --                  | --                  | --         |
| Average net profit \$                      | 78,750    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | -         |               |                     |                     |            |
| Average sales \$                           | -         | --            | --                  | --                  | --         |
| Average expense \$                         | -         | --            | --                  | --                  | --         |
| Average net loss \$                        | -         | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | 12        |               |                     |                     |            |
| Average sales \$                           | 332,096   | --            | --                  | --                  | --         |
| Average expense \$                         | 314,116   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 17,980    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | 8         |               |                     |                     |            |
| Average sales \$                           | 339,318   | --            | --                  | --                  | --         |
| Average expense \$                         | 316,128   | --            | --                  | --                  | --         |
| Average net profit \$                      | 23,190    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | 4         |               |                     |                     |            |
| Average sales \$                           | 218,130   | --            | --                  | --                  | --         |
| Average expense \$                         | 235,988   | --            | --                  | --                  | --         |
| Average net loss \$                        | -17,868   | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Motels (SIC 9112)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 5        |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item     | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|---------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                           | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                           | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| <b>Occupancy expenses</b> | 20.1                | --            | --                     | --                     | --         | 100.0                          | 20.1                          | --            | --                     | --                     | --         |
| Depreciation              | 5.4                 | --            | --                     | --                     | --         | 100.0                          | 5.4                           | --            | --                     | --                     | --         |
| Repairs & maintenance     | 6.7                 | --            | --                     | --                     | --         | 100.0                          | 6.7                           | --            | --                     | --                     | --         |
| Heat, light & telephone   | 8.0                 | --            | --                     | --                     | --         | 100.0                          | 8.0                           | --            | --                     | --                     | --         |
| Rent                      | -                   | --            | --                     | --                     | --         | -                              | -                             | --            | --                     | --                     | --         |
| <b>Personnel expenses</b> | 25.0                | --            | --                     | --                     | --         | 100.0                          | 25.0                          | --            | --                     | --                     | --         |
| <b>Financial expenses</b> | 5.2                 | --            | --                     | --                     | --         | 100.0                          | 5.2                           | --            | --                     | --                     | --         |
| Interest & bank charges   | 3.8                 | --            | --                     | --                     | --         | 100.0                          | 3.8                           | --            | --                     | --                     | --         |
| Professional fees         | 1.4                 | --            | --                     | --                     | --         | 100.0                          | 1.4                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>     | 45.0                | --            | --                     | --                     | --         | 100.0                          | 45.0                          | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>      | 4.7                 | --            | --                     | --                     | --         | 100.0                          | 4.7                           | --            | --                     | --                     | --         |
| <b>Total</b>              | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- .. too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9112 - Motels

Businesses primarily engaged in short term accommodation to the public with or without food, beverage and other services. A motel-type room has access from the exterior only and generally has parking facilities in close proximity.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Motels (SIC 9112)

|                                   | Total (1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 5          |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 23         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 3          | --            | --                  | --                  | --         |
| Inventory                         | 8          | --            | --                  | --                  | --         |
| Other current assets              | 5          | --            | --                  | --                  | --         |
| Total current assets              | 39         | --            | --                  | --                  | --         |
| Fixed assets                      | 365        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 145        | --            | --                  | --                  | --         |
| Other assets                      | 15         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>274</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 30         | --            | --                  | --                  | --         |
| Other current liabilities         | 53         | --            | --                  | --                  | --         |
| Total current liabilities         | 83         | --            | --                  | --                  | --         |
| Mortgages payable                 | -          | --            | --                  | --                  | --         |
| Long term debt                    | 144        | --            | --                  | --                  | --         |
| Other liabilities                 | 9          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>235</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>39</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Motels (SIC 9112)

|                                 | Total (2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 5         |               |                     |                     |            |
| Low sales value (\$000's)       | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)       | --            | --                  | --                  | --         |
| Average                         |           |               |                     |                     |            |
| <b>Liquidity ratio</b>          |           |               |                     |                     |            |
| Current ratio (times)           | 0.5       | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |           |               |                     |                     |            |
| Debt/equity ratio (times)       | 9.5       | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 2.2       | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.9       | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Motels (SIC 9112)

|   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 5         |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                                   |           |               |                     |                     |            |
| <b>Operating activities</b>                         |           |               |                     |                     |            |
| Cash from operations                                | 9         | --            | --                  | --                  | --         |
| Depreciation  | 21        | --            | --                  | --                  | --         |
| Other   | 8         | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -         | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |           |               |                     |                     |            |
| Disposal of fixed assets                            | 1         | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -19       | --            | --                  | --                  | --         |
| Increase in investment                              | -         | --            | --                  | --                  | --         |
| Decrease in investment                              | 1         | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |           |               |                     |                     |            |
| Increase in long term debt                          | 4         | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -21       | --            | --                  | --                  | --         |
| Loans from shareholders                             | -         | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -1        | --            | --                  | --                  | --         |
| Advances & loans from government                    | -         | --            | --                  | --                  | --         |
| Increase in equity                                  | -         | --            | --                  | --                  | --         |
| Decrease in equity                                  | -         | --            | --                  | --                  | --         |
| Other   | -         | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>4</b>  | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>16</b> | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>20</b> | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Motels (SIC 9112)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>29</b>               | <b>2,082</b>               | <b>225</b>                 | <b>4</b>   | <b>2</b>                  |
| less than 20  | 27                      | X                          | 179                        | 4  | 2                         |
| 20 - 99   | 2                       | X                          | 46                         | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>33</b>               | <b>2,409</b>               | <b>208</b>                 | <b>2</b>   | <b>...</b>                |
| less than 20  | 30                      | 1,573                      | 135                        | 2  | ...                       |
| 20 - 99   | 3                       | 836                        | 73                         | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Motels (SIC 9112)

|                                     | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-------------------------------------|----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                         |          |               |                     |                     |            |
| Number of observations in sample    | 4        |               |                     |                     |            |
| Average sales \$                    | 197,287  | --            | --                  | --                  | --         |
| Average expense \$                  | 186,391  | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 10,896   | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 3        |               |                     |                     |            |
| Average sales \$                    | 210,280  | --            | --                  | --                  | --         |
| Average expense \$                  | 192,745  | --            | --                  | --                  | --         |
| Average net profit \$               | 17,535   | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 1        |               |                     |                     |            |
| Average sales \$                    | 171,301  | --            | --                  | --                  | --         |
| Average expense \$                  | 173,685  | --            | --                  | --                  | --         |
| Average net loss \$                 | -2,384   | --            | --                  | --                  | --         |
| <b>1985</b>                         |          |               |                     |                     |            |
| Number of observations in sample    | 4        |               |                     |                     |            |
| Average sales \$                    | 179,188  | --            | --                  | --                  | --         |
| Average expense \$                  | 178,020  | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 1,168    | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 3        |               |                     |                     |            |
| Average sales \$                    | 245,135  | --            | --                  | --                  | --         |
| Average expense \$                  | 236,472  | --            | --                  | --                  | --         |
| Average net profit \$               | 8,663    | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 1        |               |                     |                     |            |
| Average sales \$                    | 47,294   | --            | --                  | --                  | --         |
| Average expense \$                  | 61,116   | --            | --                  | --                  | --         |
| Average net loss \$                 | -13,822  | --            | --                  | --                  | --         |
| <b>1986</b>                         |          |               |                     |                     |            |
| Number of observations in sample    | 10       |               |                     |                     |            |
| Average sales \$                    | 380,152  | --            | --                  | --                  | --         |
| Average expense \$                  | 377,738  | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 2,414    | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 4        |               |                     |                     |            |
| Average sales \$                    | 481,201  | --            | --                  | --                  | --         |
| Average expense \$                  | 470,482  | --            | --                  | --                  | --         |
| Average net profit \$               | 10,719   | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 6        |               |                     |                     |            |
| Average sales \$                    | 418,947  | --            | --                  | --                  | --         |
| Average expense \$                  | 426,570  | --            | --                  | --                  | --         |
| Average net loss \$                 | -7,623   | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Licensed Restaurants (SIC 9211)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |  |  |  |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|--|--|--|--|
| Businesses in sample (No.) | 25       |               |                     |                     |            |  |  |  |  |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |  |  |  |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |  |  |  |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 44.9                | --            | --                     | --                     | --         | 100.0                          | 44.9                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 19.0                | --            | --                     | --                     | --         | 100.0                          | 19.0                          | --            | --                     | --                     | --         |
| Depreciation            | 2.3                 | --            | --                     | --                     | --         | 87.8                           | 2.6                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 3.6                 | --            | --                     | --                     | --         | 100.0                          | 3.6                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 8.0                 | --            | --                     | --                     | --         | 100.0                          | 8.0                           | --            | --                     | --                     | --         |
| Rent                    | 5.2                 | --            | --                     | --                     | --         | 70.6                           | 7.3                           | --            | --                     | --                     | --         |
| Personnel expenses      | 34.5                | --            | --                     | --                     | --         | 100.0                          | 34.5                          | --            | --                     | --                     | --         |
| Financial expenses      | 3.9                 | --            | --                     | --                     | --         | 100.0                          | 3.9                           | --            | --                     | --                     | --         |
| Interest & bank charges | 1.9                 | --            | --                     | --                     | --         | 97.0                           | 2.0                           | --            | --                     | --                     | --         |
| Professional fees       | 2.0                 | --            | --                     | --                     | --         | 100.0                          | 2.0                           | --            | --                     | --                     | --         |
| Other expenses          | 10.3                | --            | --                     | --                     | --         | 100.0                          | 10.3                          | --            | --                     | --                     | --         |
| Profit (loss)           | -12.6               | --            | --                     | --                     | --         | 97.0                           | -13.0                         | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9211 - Licensed Restaurants

Businesses primarily engaged in preparing and serving meals for consumption on the premises and licensed to serve alcoholic beverages.

TABLE 2. Balance sheet profile for 1986  
Newfoundland, Licensed Restaurants (SIC 9211)

|                                   | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 25         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)        | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)        | --            | --                  | --                  | --         |
| Average (\$000's)                 |            |               |                     |                     |            |
| <b>Assets</b>                     |            |               |                     |                     |            |
| Cash                              | 15         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 5          | --            | --                  | --                  | --         |
| Inventory                         | 8          | --            | --                  | --                  | --         |
| Other current assets              | 2          | --            | --                  | --                  | --         |
| Total current assets              | 30         | --            | --                  | --                  | --         |
| Fixed assets                      | 91         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 36         | --            | --                  | --                  | --         |
| Other assets                      | 8          | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>93</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |            |               |                     |                     |            |
| Current loans                     | 6          | --            | --                  | --                  | --         |
| Other current liabilities         | 93         | --            | --                  | --                  | --         |
| Total current liabilities         | 99         | --            | --                  | --                  | --         |
| Mortgages payable                 | 1          | --            | --                  | --                  | --         |
| Long term debt                    | 46         | --            | --                  | --                  | --         |
| Other liabilities                 | -          | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>147</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>-54</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986  
Newfoundland, Licensed Restaurants (SIC 9211)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 24       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.3      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -7.4     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 6.8      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 2.4      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Licensed Restaurants (SIC 9211)

|   | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 15       |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)      | --            | --                  | --                  | --         |
| Average (\$000's)                                   |          |               |                     |                     |            |
| <b>Operating activities</b>                         |          |               |                     |                     |            |
| Cash from operations                                | 8        | --            | --                  | --                  | --         |
| Depreciation  | 8        | --            | --                  | --                  | --         |
| Other   | 6        | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -4       | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |          |               |                     |                     |            |
| Disposal of fixed assets                            | 29       | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -5       | --            | --                  | --                  | --         |
| Increase in investment                              | -29      | --            | --                  | --                  | --         |
| Decrease in investment                              | 1        | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |          |               |                     |                     |            |
| Increase in long term debt                          | 1        | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -8       | --            | --                  | --                  | --         |
| Loans from shareholders                             | 3        | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -3       | --            | --                  | --                  | --         |
| Advances & loans from government                    | -        | --            | --                  | --                  | --         |
| Increase in equity                                  | -        | --            | --                  | --                  | --         |
| Decrease in equity                                  | -        | --            | --                  | --                  | --         |
| Other   | -        | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | 9        | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 9        | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 18       | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Licensed Restaurants (SIC 9211)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>155</b>              | <b>17,181</b>              | <b>1,842</b>               | <b>15</b>  | <b>15</b>                 |
| less than 20  | 140                     | 4,488                      | 479                        | 13   | 14                        |
| 20 - 99   | 12                      | 3,425                      | 368                        | 2  | 1                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | 3                       | 9,268                      | 995                        | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>180</b>              | <b>20,097</b>              | <b>2,030</b>               | <b>28</b>  | <b>...</b>                |
| less than 20  | 160                     | 5,977                      | 603                        | 23   | ...                       |
| 20 - 99   | 15                      | X                          | 443                        | 3  | ...                       |
| 100 - 499   | 2                       | X                          | 37                         | 2  | ...                       |
| 500 and over  | 3                       | 9,325                      | 947                        | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Licensed Restaurants (SIC 9211)

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 220,974   | --            | --                  | --                  | --         |
| Average expense \$                         | 213,014   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 7,960     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>12</b> |               |                     |                     |            |
| Average sales \$                           | 218,528   | --            | --                  | --                  | --         |
| Average expense \$                         | 204,481   | --            | --                  | --                  | --         |
| Average net profit \$                      | 14,047    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>2</b>  |               |                     |                     |            |
| Average sales \$                           | 520,231   | --            | --                  | --                  | --         |
| Average expense \$                         | 570,804   | --            | --                  | --                  | --         |
| Average net loss \$                        | -50,573   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>17</b> |               |                     |                     |            |
| Average sales \$                           | 241,049   | --            | --                  | --                  | --         |
| Average expense \$                         | 233,542   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 7,507     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>12</b> |               |                     |                     |            |
| Average sales \$                           | 219,396   | --            | --                  | --                  | --         |
| Average expense \$                         | 205,797   | --            | --                  | --                  | --         |
| Average net profit \$                      | 13,599    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>5</b>  |               |                     |                     |            |
| Average sales \$                           | 398,137   | --            | --                  | --                  | --         |
| Average expense \$                         | 428,755   | --            | --                  | --                  | --         |
| Average net loss \$                        | -30,618   | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>51</b> |               |                     |                     |            |
| Average sales \$                           | 203,069   | 83,249        | 123,598             | 195,995             | 409,433    |
| Average expense \$                         | 197,823   | 77,937        | 118,213             | 190,188             | 404,955    |
| Average net profit (loss) \$               | 5,246     | 5,312         | 5,385               | 5,807               | 4,478      |
| <b>Businesses reporting a profit (No.)</b> | <b>35</b> |               |                     |                     |            |
| Average sales \$                           | 194,983   | 79,227        | 117,547             | 196,159             | 386,999    |
| Average expense \$                         | 182,949   | 70,152        | 106,198             | 179,730             | 375,716    |
| Average net profit \$                      | 12,034    | 9,075         | 11,349              | 16,429              | 11,283     |
| <b>Businesses reporting a loss (No.)</b>   | <b>16</b> |               |                     |                     |            |
| Average sales \$                           | 229,393   | 95,434        | 134,146             | 193,828             | 494,163    |
| Average expense \$                         | 271,094   | 101,521       | 139,160             | 328,307             | 515,386    |
| Average net loss \$                        | -41,701   | -6,087        | -5,014              | -134,479            | -21,223    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Unlicensed Restaurants (including Drive-ins) (SIC 9212)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |    |
|----------------------------|----------|---------------|---------------------|---------------------|------------|----|
| Businesses in sample (No.) | 22       |               |                     |                     |            |    |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         | -- |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         | -- |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 53.6                | --            | --                     | --                     | --         | 100.0                          | 53.6                          | --            | --                     | --                     | --         |
| Occupancy expenses      | 13.7                | --            | --                     | --                     | --         | 100.0                          | 13.7                          | --            | --                     | --                     | --         |
| Depreciation            | 2.4                 | --            | --                     | --                     | --         | 89.6                           | 2.6                           | --            | --                     | --                     | --         |
| Repairs & maintenance   | 1.2                 | --            | --                     | --                     | --         | 88.5                           | 1.3                           | --            | --                     | --                     | --         |
| Heat, light & telephone | 4.0                 | --            | --                     | --                     | --         | 100.0                          | 4.0                           | --            | --                     | --                     | --         |
| Rent                    | 6.1                 | --            | --                     | --                     | --         | 41.9                           | 14.5                          | --            | --                     | --                     | --         |
| Personnel expenses      | 19.0                | --            | --                     | --                     | --         | 95.4                           | 19.9                          | --            | --                     | --                     | --         |
| Financial expenses      | 2.1                 | --            | --                     | --                     | --         | 89.7                           | 2.3                           | --            | --                     | --                     | --         |
| Interest & bank charges | 1.4                 | --            | --                     | --                     | --         | 84.9                           | 1.6                           | --            | --                     | --                     | --         |
| Professional fees       | 0.7                 | --            | --                     | --                     | --         | 79.4                           | 0.9                           | --            | --                     | --                     | --         |
| Other expenses          | 7.1                 | --            | --                     | --                     | --         | 100.0                          | 7.1                           | --            | --                     | --                     | --         |
| Profit (loss)           | 4.6                 | --            | --                     | --                     | --         | 100.0                          | 4.6                           | --            | --                     | --                     | --         |
| Total                   | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small too be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9212 - Unlicensed Restaurants (Including Drive-Ins)

Businesses primarily engaged in preparing and serving meals for consumption on the premises and not licensed to serve alcoholic beverages. Included are businesses commonly referred to as "drive-ins" where food is consumed either in customers' motor vehicles or at tables in or about the premises.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Unlicensed Restaurants (including Drive-ins) (SIC 9212)

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 22        |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 3         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 3         | --            | --                  | --                  | --         |
| Inventory                         | 7         | --            | --                  | --                  | --         |
| Other current assets              | 2         | --            | --                  | --                  | --         |
| Total current assets              | 14        | --            | --                  | --                  | --         |
| Fixed assets                      | 90        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 29        | --            | --                  | --                  | --         |
| Other assets                      | 5         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>80</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 8         | --            | --                  | --                  | --         |
| Other current liabilities         | 19        | --            | --                  | --                  | --         |
| Total current liabilities         | 27        | --            | --                  | --                  | --         |
| Mortgages payable                 | 4         | --            | --                  | --                  | --         |
| Long term debt                    | 35        | --            | --                  | --                  | --         |
| Other liabilities                 | 1         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>66</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>14</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Unlicensed Restaurants (including Drive-ins) (SIC 9212)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 18       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.4      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 10.3     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 9.7      | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.7      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Unlicensed Restaurants (including Drive-ins) (SIC 9212)

|   | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 16       |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)      | --            | --                  | --                  | --         |
| Average (\$000's)                                   |          |               |                     |                     |            |
| <b>Operating activities</b>                         |          |               |                     |                     |            |
| Cash from operations                                | 9        | --            | --                  | --                  | --         |
| Depreciation  | 8        | --            | --                  | --                  | --         |
| Other   | -5       | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -        | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |          |               |                     |                     |            |
| Disposal of fixed assets                            | 5        | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -10      | --            | --                  | --                  | --         |
| Increase in investment                              | -6       | --            | --                  | --                  | --         |
| Decrease in investment                              | -        | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |          |               |                     |                     |            |
| Increase in long term debt                          | 8        | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -8       | --            | --                  | --                  | --         |
| Loans from shareholders                             | -        | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -5       | --            | --                  | --                  | --         |
| Advances & loans from government                    | -        | --            | --                  | --                  | --         |
| Increase in equity                                  | -        | --            | --                  | --                  | --         |
| Decrease in equity                                  | -        | --            | --                  | --                  | --         |
| Other   | -        | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -2       | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 12       | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 10       | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Unlicensed Restaurants (including Drive-ins) (SIC 9212)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>56</b>               | <b>3,636</b>               | <b>389</b>                 | <b>3</b>   | <b>14</b>                 |
| less than 20  | 48                      | 1,556                      | 166                        | 3  | 13                        |
| 20 - 99   | 8                       | 2,080                      | 223                        | -  | 1                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>84</b>               | <b>4,979</b>               | <b>503</b>                 | <b>16</b>  | <b>...</b>                |
| less than 20  | 71                      | 2,240                      | 226                        | 11   | ...                       |
| 20 - 99   | 10                      | 2,733                      | 277                        | 2  | ...                       |
| 100 - 499   | 3                       | 6                          | -                          | 3  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Unlicensed Restaurants (including Drive-ins) (SIC 9212)**

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>25</b> |               |                     |                     |            |
| Average sales \$                           | 155,865   | --            | --                  | --                  | --         |
| Average expense \$                         | 157,319   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | -1,454    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 174,981   | --            | --                  | --                  | --         |
| Average expense \$                         | 163,574   | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,407    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>7</b>  |               |                     |                     |            |
| Average sales \$                           | 115,010   | --            | --                  | --                  | --         |
| Average expense \$                         | 135,309   | --            | --                  | --                  | --         |
| Average net loss \$                        | -20,299   | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>19</b> |               |                     |                     |            |
| Average sales \$                           | 232,188   | --            | --                  | --                  | --         |
| Average expense \$                         | 227,573   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,615     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 323,384   | --            | --                  | --                  | --         |
| Average expense \$                         | 299,659   | --            | --                  | --                  | --         |
| Average net profit \$                      | 23,725    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>5</b>  |               |                     |                     |            |
| Average sales \$                           | 195,509   | --            | --                  | --                  | --         |
| Average expense \$                         | 210,242   | --            | --                  | --                  | --         |
| Average net loss \$                        | -14,733   | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>35</b> |               |                     |                     |            |
| Average sales \$                           | 227,850   | --            | --                  | --                  | --         |
| Average expense \$                         | 217,746   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 10,104    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>27</b> |               |                     |                     |            |
| Average sales \$                           | 223,871   | --            | --                  | --                  | --         |
| Average expense \$                         | 210,121   | --            | --                  | --                  | --         |
| Average net profit \$                      | 13,750    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>8</b>  |               |                     |                     |            |
| Average sales \$                           | 252,459   | --            | --                  | --                  | --         |
| Average expense \$                         | 259,741   | --            | --                  | --                  | --         |
| Average net loss \$                        | -7,282    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Take-Out Food Services (SIC 9213)

| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
| Businesses in sample (No.) | 28                  |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
|                            | Percent of sales    |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Cost of sales              | 50.7                | --            | --                     | --                     | --         | 100.0                          | 50.7                          | --            | --                     | --                     | --         |
| Occupancy expenses         | 14.3                | --            | --                     | --                     | --         | 100.0                          | 14.3                          | --            | --                     | --                     | --         |
| Depreciation               | 3.6                 | --            | --                     | --                     | --         | 76.0                           | 4.7                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 2.0                 | --            | --                     | --                     | --         | 78.4                           | 2.6                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 6.0                 | --            | --                     | --                     | --         | 100.0                          | 6.0                           | --            | --                     | --                     | --         |
| Rent                       | 2.6                 | --            | --                     | --                     | --         | 32.7                           | 8.1                           | --            | --                     | --                     | --         |
| Personnel expenses         | 22.8                | --            | --                     | --                     | --         | 100.0                          | 22.8                          | --            | --                     | --                     | --         |
| Financial expenses         | 4.4                 | --            | --                     | --                     | --         | 100.0                          | 4.4                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 2.7                 | --            | --                     | --                     | --         | 96.6                           | 2.8                           | --            | --                     | --                     | --         |
| Professional fees          | 1.7                 | --            | --                     | --                     | --         | 89.4                           | 1.9                           | --            | --                     | --                     | --         |
| Other expenses             | 7.3                 | --            | --                     | --                     | --         | 100.0                          | 7.3                           | --            | --                     | --                     | --         |
| Profit (loss)              | 0.4                 | --            | --                     | --                     | --         | 100.0                          | 0.4                           | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9213 - Take-Out Food Services

Businesses primarily engaged in preparing and selling packaged or wrapped food to the public for consumption away from the premises such as: take-out chinese foods, doughnut shops, take-out fish and chips, take-out fried chicken, hot dog stands, ice cream stands, take-out pizzerias, refreshment booths, and prepared food take-out service (exc. caterers and mobile food services).

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Take-Out Food Services (SIC 9213)**

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 28        |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 3         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 2         | --            | --                  | --                  | --         |
| Inventory                         | 3         | --            | --                  | --                  | --         |
| Other current assets              | -         | --            | --                  | --                  | --         |
| Total current assets              | 8         | --            | --                  | --                  | --         |
| Fixed assets                      | 41        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 19        | --            | --                  | --                  | --         |
| Other assets                      | 5         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>35</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 6         | --            | --                  | --                  | --         |
| Other current liabilities         | 14        | --            | --                  | --                  | --         |
| Total current liabilities         | 20        | --            | --                  | --                  | --         |
| Mortgages payable                 | -         | --            | --                  | --                  | --         |
| Long term debt                    | 10        | --            | --                  | --                  | --         |
| Other liabilities                 | -         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>30</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>5</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Take-Out Food Services (SIC 9213)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 23       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 0.6      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -8.7     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 19.5     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 1.0      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense



**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986**  
**Newfoundland, Take-Out Food Services (SIC 9213)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 19                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 11                | --            | --                  | --                  | --         |
| Depreciation  | 11                | --            | --                  | --                  | --         |
| Other   | -9                | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | -                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -4                | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | 1                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 2                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -8                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 4                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -8                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 3                 | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 2                 | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986**  
**Newfoundland, Take-Out Food Services (SIC 9213)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>127</b>              | <b>7,202</b>               | <b>767</b>                 | <b>21</b>  | <b>37</b>                 |
| less than 20  | 119                     | 3,610                      | 382                        | 20   | 37                        |
| 20 - 99   | 6                       | X                          | 166                        | 1  | -                         |
| 100 - 499   | 2                       | X                          | 219                        | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>216</b>              | <b>9,914</b>               | <b>999</b>                 | <b>51</b>  | <b>...</b>                |
| less than 20  | 205                     | 5,527                      | 555                        | 49   | ...                       |
| 20 - 99   | 9                       | X                          | 314                        | 1  | ...                       |
| 100 - 499   | 2                       | X                          | 130                        | 1  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Take-Out Food Services (SIC 9213)**

|  | Total(1)   | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>35</b>  |               |                     |                     |            |
| Average sales \$                           | 117,157    | --            | --                  | --                  | --         |
| Average expense \$                         | 113,101    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,056      | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>27</b>  |               |                     |                     |            |
| Average sales \$                           | 112,885    | --            | --                  | --                  | --         |
| Average expense \$                         | 103,153    | --            | --                  | --                  | --         |
| Average net profit \$                      | 9,732      | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>8</b>   |               |                     |                     |            |
| Average sales \$                           | 218,970    | --            | --                  | --                  | --         |
| Average expense \$                         | 230,403    | --            | --                  | --                  | --         |
| Average net loss \$                        | -11,433    | --            | --                  | --                  | --         |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>45</b>  |               |                     |                     |            |
| Average sales \$                           | 150,183    | --            | --                  | --                  | --         |
| Average expense \$                         | 146,513    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 3,670      | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>35</b>  |               |                     |                     |            |
| Average sales \$                           | 173,516    | --            | --                  | --                  | --         |
| Average expense \$                         | 162,808    | --            | --                  | --                  | --         |
| Average net profit \$                      | 10,708     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>10</b>  |               |                     |                     |            |
| Average sales \$                           | 110,337    | --            | --                  | --                  | --         |
| Average expense \$                         | 120,856    | --            | --                  | --                  | --         |
| Average net loss \$                        | -10,519    | --            | --                  | --                  | --         |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>112</b> |               |                     |                     |            |
| Average sales \$                           | 129,424    | 18,151        | 52,209              | 91,369              | 355,967    |
| Average expense \$                         | 125,706    | 17,583        | 49,928              | 86,714              | 348,597    |
| Average net profit (loss) \$               | 3,718      | 568           | 2,281               | 4,655               | 7,370      |
| <b>Businesses reporting a profit (No.)</b> | <b>77</b>  |               |                     |                     |            |
| Average sales \$                           | 125,990    | 19,721        | 53,634              | 91,043              | 339,560    |
| Average expense \$                         | 117,324    | 18,535        | 44,419              | 83,025              | 323,318    |
| Average net profit \$                      | 8,666      | 1,186         | 9,215               | 8,018               | 16,242     |
| <b>Businesses reporting a loss (No.)</b>   | <b>35</b>  |               |                     |                     |            |
| Average sales \$                           | 136,426    | 14,362        | 50,509              | 92,454              | 388,377    |
| Average expense \$                         | 142,325    | 15,286        | 56,501              | 98,977              | 398,534    |
| Average net loss \$                        | -5,899     | -924          | -5,992              | -6,523              | -10,157    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Taverns, Bars, and Night Clubs (SIC 9221)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 58       |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | (1)           | 76                  | 117                 | 181        |  |
| High sales value (\$000's) | (1)      | 76            | 117                 | 181                 | (1)        |  |

  

| Selected expense item   | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|-------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                         | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                         | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Cost of sales           | 51.9                | 53.2          | 51.8                   | 55.0                   | 48.1       | 100.0                          | 51.9                          | 53.2          | 51.8                   | 55.0                   | 48.1       |
| Occupancy expenses      | 12.5                | 14.8          | 12.0                   | 10.0                   | 13.2       | 100.0                          | 12.5                          | 14.8          | 12.0                   | 10.0                   | 13.2       |
| Depreciation            | 3.7                 | 4.0           | 4.4                    | 3.0                    | 3.4        | 94.7                           | 3.9                           | 4.0           | 5.0                    | 3.3                    | 3.4        |
| Repairs & maintenance   | 2.0                 | 2.1           | 1.7                    | 2.0                    | 2.4        | 93.6                           | 2.2                           | 2.8           | 1.7                    | 2.0                    | 2.4        |
| Heat, light & telephone | 5.6                 | 8.8           | 5.7                    | 4.9                    | 3.4        | 100.0                          | 5.6                           | 8.8           | 5.7                    | 4.9                    | 3.4        |
| Rent                    | 1.2                 | -             | 0.2                    | 0.2                    | 4.0        | 19.1                           | 6.0                           | -             | 1.4                    | 2.6                    | 7.7        |
| Personnel expenses      | 19.4                | 20.7          | 18.1                   | 18.9                   | 20.2       | 97.2                           | 20.0                          | 22.5          | 18.1                   | 18.9                   | 20.8       |
| Financial expenses      | 6.3                 | 8.2           | 4.3                    | 5.1                    | 7.8        | 100.0                          | 6.3                           | 8.2           | 4.3                    | 5.1                    | 7.8        |
| Interest & bank charges | 3.3                 | 4.3           | 2.6                    | 2.8                    | 3.7        | 98.1                           | 3.4                           | 4.7           | 2.6                    | 2.8                    | 3.7        |
| Professional fees       | 3.0                 | 3.9           | 1.8                    | 2.3                    | 4.1        | 100.0                          | 3.0                           | 3.9           | 1.8                    | 2.3                    | 4.1        |
| Other expenses          | 12.8                | 12.5          | 15.9                   | 11.5                   | 11.1       | 100.0                          | 12.8                          | 12.5          | 15.9                   | 11.5                   | 11.1       |
| Profit (loss)           | -3.0                | -9.5          | -2.2                   | -0.6                   | -0.3       | 98.4                           | -3.0                          | -9.5          | -2.3                   | -0.6                   | -0.3       |
| Total                   | 100.0               | 100.0         | 100.0                  | 100.0                  | 100.0      | 100.0                          | ...                           | ...           | ...                    | ...                    | ...        |

## Symbols

- zero or no observations
- too small too be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9221 - Taverns, Bars and Night Clubs

Businesses primarily engaged in selling alcoholic beverages for consumption on the premises. Food may be sold as a secondary activity.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Taverns, Bars, and Night Clubs (SIC 9221)**

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 58        |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | (1)           | 76                  | 117                 | 181        |
| High sales value (\$000's)        | (1)       | 76            | 117                 | 181                 | (1)        |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 8         | 3             | 3                   | 9                   | 16         |
| Accounts and notes receivable     | 2         | 2             | 1                   | 2                   | 2          |
| Inventory                         | 4         | 1             | 3                   | 4                   | 7          |
| Other current assets              | 3         | -             | 3                   | 1                   | 6          |
| Total current assets              | 16        | 5             | 11                  | 16                  | 31         |
| Fixed assets                      | 100       | 57            | 103                 | 89                  | 144        |
| Less: Accum. dep. on fixed assets | 42        | 25            | 52                  | 39                  | 50         |
| Other assets                      | 6         | -             | 2                   | 2                   | 18         |
| <b>Total assets</b>               | <b>80</b> | <b>37</b>     | <b>64</b>           | <b>69</b>           | <b>143</b> |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 9         | 2             | 8                   | 5                   | 21         |
| Other current liabilities         | 16        | 12            | 10                  | 13                  | 29         |
| Total current liabilities         | 25        | 14            | 18                  | 18                  | 49         |
| Mortgages payable                 | 10        | 2             | 9                   | 10                  | 17         |
| Long term debt                    | 39        | 36            | 48                  | 34                  | 39         |
| Other liabilities                 | 3         | -             | -                   | 7                   | 6          |
| <b>Total liabilities</b>          | <b>78</b> | <b>52</b>     | <b>74</b>           | <b>69</b>           | <b>111</b> |
| <b>Total equity</b>               | <b>2</b>  | <b>-15</b>    | <b>-11</b>          | <b>-</b>            | <b>31</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Taverns, Bars, and Night Clubs (SIC 9221)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 57       |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | (1)           | 104                 | 148                 | 188        |
| High sales value (\$000's)      | (1)      | 104           | 148                 | 188                 | (1)        |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.1      | 1.3           | 1.5                 | 0.9                 | 0.6        |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 5.1      | 8.4           | 6.9                 | 34.5                | -26.1      |
| Interest coverage ratio (times) | 5.4      | -2.7          | 5.1                 | 10.8                | 7.8        |
| Debt ratio (times)              | 1.0      | 1.3           | 1.0                 | 1.0                 | 0.8        |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986  
Newfoundland, Taverns, Bars, and Night Clubs (SIC 9221)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 43                |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | (1)           | 89                  | 126                 | 187        |
| High sales value (\$000's)                          | (1)               | 89            | 126                 | 187                 | (1)        |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 3                 | -1            | -2                  | -1                  | 16         |
| Depreciation  | 6                 | 4             | 6                   | 5                   | 10         |
| Other   | 2                 | -9            | -3                  | 7                   | 12         |
| <b>Dividends</b>                                    | -                 | -             | -                   | -                   | -          |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 4                 | 15            | -                   | -                   | 1          |
| Purchase of fixed assets                            | -7                | -2            | -2                  | -7                  | -17        |
| Increase in investment                              | -1                | -             | -                   | -5                  | -1         |
| Decrease in investment                              | -                 | -             | -                   | -                   | 1          |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 7                 | 4             | -                   | 5                   | 17         |
| Repayment of long term debt                         | -12               | -11           | -8                  | -14                 | -15        |
| Loans from shareholders                             | 8                 | 6             | 11                  | 11                  | 4          |
| Repayment of loans from shareholders                | -9                | -10           | -1                  | -4                  | -22        |
| Advances & loans from government                    | -                 | -             | -                   | -                   | -          |
| Increase in equity                                  | -                 | -             | -                   | -                   | -          |
| Decrease in equity                                  | -                 | -             | -                   | -                   | -          |
| Other   | -                 | -             | -                   | -                   | -          |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>1</b>          | <b>-4</b>     | <b>1</b>            | <b>-3</b>           | <b>8</b>   |
| Cash & equivalents-Beginning of the year            | 8                 | 5             | -                   | 21                  | 7          |
| Cash & equivalents - End of the year                | 9                 | 1             | 1                   | 18                  | 15         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986  
Newfoundland, Taverns, Bars, and Night Clubs (SIC 9221)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>161</b>              | <b>5,719</b>               | <b>608</b>                 | <b>19</b>  | <b>41</b>                 |
| less than 20  | 157                     | 4,313                      | 458                        | 19   | 41                        |
| 20 - 99   | 4                       | 1,406                      | 150                        | -  | -                         |
| 100 - 499   | -                       | -                          | -                          | -  | -                         |
| 500 and over  | -                       | -                          | -                          | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>238</b>              | <b>7,353</b>               | <b>742</b>                 | <b>43</b>  | <b>...</b>                |
| less than 20  | 234                     | 5,671                      | 572                        | 43   | ...                       |
| 20 - 99   | 4                       | 1,682                      | 170                        | -  | ...                       |
| 100 - 499   | -                       | -                          | -                          | -  | ...                       |
| 500 and over  | -                       | -                          | -                          | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
 Newfoundland, Taverns, Bars, and Night Clubs (SIC 9221)

|  | Total (1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|------------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>33</b>  |               |                     |                     |            |
| Average sales \$                           | 207,551    | --            | --                  | --                  | --         |
| Average expense \$                         | 205,833    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 1,718      | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>26</b>  |               |                     |                     |            |
| Average sales \$                           | 204,598    | --            | --                  | --                  | --         |
| Average expense \$                         | 192,438    | --            | --                  | --                  | --         |
| Average net profit \$                      | 12,160     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>7</b>   |               |                     |                     |            |
| Average sales \$                           | 197,994    | --            | --                  | --                  | --         |
| Average expense \$                         | 219,038    | --            | --                  | --                  | --         |
| Average net loss \$                        | -21,044    | --            | --                  | --                  | --         |
| <b>1985</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>34</b>  |               |                     |                     |            |
| Average sales \$                           | 172,701    | --            | --                  | --                  | --         |
| Average expense \$                         | 171,463    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 1,238      | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>27</b>  |               |                     |                     |            |
| Average sales \$                           | 188,791    | --            | --                  | --                  | --         |
| Average expense \$                         | 180,448    | --            | --                  | --                  | --         |
| Average net profit \$                      | 8,343      | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>7</b>   |               |                     |                     |            |
| Average sales \$                           | 163,394    | --            | --                  | --                  | --         |
| Average expense \$                         | 177,437    | --            | --                  | --                  | --         |
| Average net loss \$                        | -14,043    | --            | --                  | --                  | --         |
| <b>1986</b>                                |            |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>119</b> |               |                     |                     |            |
| Average sales \$                           | 140,782    | 40,375        | 90,020              | 136,130             | 296,602    |
| Average expense \$                         | 140,187    | 42,396        | 92,354              | 141,059             | 284,939    |
| Average net profit (loss) \$               | 595        | -2,021        | -2,334              | -4,929              | 11,663     |
| <b>Businesses reporting a profit (No.)</b> | <b>59</b>  |               |                     |                     |            |
| Average sales \$                           | 150,564    | 54,613        | 94,329              | 134,100             | 319,214    |
| Average expense \$                         | 140,229    | 49,701        | 87,478              | 130,890             | 292,847    |
| Average net profit \$                      | 10,335     | 4,912         | 6,851               | 3,210               | 26,367     |
| <b>Businesses reporting a loss (No.)</b>   | <b>60</b>  |               |                     |                     |            |
| Average sales \$                           | 127,561    | 31,919        | 85,202              | 137,215             | 255,906    |
| Average expense \$                         | 138,267    | 38,058        | 97,807              | 146,492             | 270,709    |
| Average net loss \$                        | -10,706    | -6,139        | -12,605             | -9,277              | -14,803    |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Beauty Shops (SIC 9712)

|                            | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |  |
|----------------------------|----------|---------------|---------------------|---------------------|------------|--|
| Businesses in sample (No.) | 6        |               |                     |                     |            |  |
| Low sales value (\$000's)  | (1)      | --            | --                  | --                  | --         |  |
| High sales value (\$000's) | (1)      | --            | --                  | --                  | --         |  |

  

| Selected expense item     | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|---------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
|                           | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                           | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| <b>Occupancy expenses</b> | <b>18.7</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>18.7</b>                   | --            | --                     | --                     | --         |
| Depreciation              | 2.5                 | --            | --                     | --                     | --         | 89.9                           | 2.8                           | --            | --                     | --                     | --         |
| Repairs & maintenance     | 3.7                 | --            | --                     | --                     | --         | 100.0                          | 3.7                           | --            | --                     | --                     | --         |
| Heat, light & telephone   | 6.2                 | --            | --                     | --                     | --         | 100.0                          | 6.2                           | --            | --                     | --                     | --         |
| Rent                      | 6.3                 | --            | --                     | --                     | --         | 81.3                           | 7.8                           | --            | --                     | --                     | --         |
| <b>Personnel expenses</b> | <b>51.2</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>51.2</b>                   | --            | --                     | --                     | --         |
| <b>Financial expenses</b> | <b>3.9</b>          | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>3.9</b>                    | --            | --                     | --                     | --         |
| Interest & bank charges   | 3.1                 | --            | --                     | --                     | --         | 100.0                          | 3.1                           | --            | --                     | --                     | --         |
| Professional fees         | 0.8                 | --            | --                     | --                     | --         | 89.9                           | 0.8                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>     | <b>30.5</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>30.5</b>                   | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>      | <b>-4.3</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>-4.3</b>                   | --            | --                     | --                     | --         |
| <b>Total</b>              | <b>100.0</b>        | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>...</b>                    | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9712 - Beauty Shops

Businesses primarily engaged in providing women's hairdressing and beauty services.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Beauty Shops (SIC 9712)

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 6         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 2         | --            | --                  | --                  | --         |
| Accounts and notes receivable     | -         | --            | --                  | --                  | --         |
| Inventory                         | 1         | --            | --                  | --                  | --         |
| Other current assets              | 1         | --            | --                  | --                  | --         |
| Total current assets              | 4         | --            | --                  | --                  | --         |
| Fixed assets                      | 22        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 6         | --            | --                  | --                  | --         |
| Other assets                      | -         | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>20</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 2         | --            | --                  | --                  | --         |
| Other current liabilities         | 4         | --            | --                  | --                  | --         |
| Total current liabilities         | 6         | --            | --                  | --                  | --         |
| Mortgages payable                 | 7         | --            | --                  | --                  | --         |
| Long term debt                    | 2         | --            | --                  | --                  | --         |
| Other liabilities                 | 1         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>16</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>4</b>  | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Beauty Shops (SIC 9712)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 3        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 0.7      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | 9.9      | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | -3.5     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.8      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Beauty Shops (SIC 9712)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 4                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | -1                | --            | --                  | --                  | --         |
| Depreciation  | 9                 | --            | --                  | --                  | --         |
| Other   | 3                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | 1                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -13               | --            | --                  | --                  | --         |
| Increase in investment                              | -                 | --            | --                  | --                  | --         |
| Decrease in investment                              | -                 | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 15                | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -7                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 2                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -9                | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -                 | --            | --                  | --                  | --         |
| Cash & equivalents-Beginning of the year            | 11                | --            | --                  | --                  | --         |
| Cash & equivalents - End of the year                | 12                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 4 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Beauty Shops (SIC 9712)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>211</b>              | <b>6,934</b>               | <b>644</b>                 | <b>53</b>  | <b>57</b>                 |
| less than 20  | 206                     | 5,045                      | 469                        | 53   | 57                        |
| 20 - 99   | 2                       | X                          | 55                         | -  | -                         |
| 100 - 499   | 2                       | X                          | 108                        | -  | -                         |
| 500 and over  | 1                       | X                          | 12                         | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>391</b>              | <b>10,247</b>              | <b>912</b>                 | <b>97</b>  | <b>...</b>                |
| less than 20  | 382                     | 7,397                      | 659                        | 95   | ...                       |
| 20 - 99   | 6                       | 1,020                      | 91                         | 2  | ...                       |
| 100 - 499   | 2                       | X                          | 149                        | -  | ...                       |
| 500 and over  | 1                       | X                          | 13                         | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.

(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 4 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986

## Newfoundland, Beauty Shops (SIC 9712)

|  | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>22</b> |               |                     |                     |            |
| Average sales \$                           | 44,384    | --            | --                  | --                  | --         |
| Average expense \$                         | 40,290    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,094     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>21</b> |               |                     |                     |            |
| Average sales \$                           | 43,861    | --            | --                  | --                  | --         |
| Average expense \$                         | 39,260    | --            | --                  | --                  | --         |
| Average net profit \$                      | 4,601     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>1</b>  |               |                     |                     |            |
| Average sales \$                           | 18,151    | --            | --                  | --                  | --         |
| Average expense \$                         | 18,776    | --            | --                  | --                  | --         |
| Average net loss \$                        | -625      | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 25,352    | --            | --                  | --                  | --         |
| Average expense \$                         | 18,971    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 6,381     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 25,352    | --            | --                  | --                  | --         |
| Average expense \$                         | 18,971    | --            | --                  | --                  | --         |
| Average net profit \$                      | 6,381     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>-</b>  |               |                     |                     |            |
| Average sales \$                           | -         | --            | --                  | --                  | --         |
| Average expense \$                         | -         | --            | --                  | --                  | --         |
| Average net loss \$                        | -         | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>40</b> |               |                     |                     |            |
| Average sales \$                           | 50,160    | --            | --                  | --                  | --         |
| Average expense \$                         | 45,649    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 4,511     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>31</b> |               |                     |                     |            |
| Average sales \$                           | 43,036    | --            | --                  | --                  | --         |
| Average expense \$                         | 35,331    | --            | --                  | --                  | --         |
| Average net profit \$                      | 7,705     | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>9</b>  |               |                     |                     |            |
| Average sales \$                           | 71,362    | --            | --                  | --                  | --         |
| Average expense \$                         | 74,802    | --            | --                  | --                  | --         |
| Average net loss \$                        | -3,440    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Services to Buildings and Dwellings (SIC 995)

|                            | Total (1)           | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 6                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | (1)                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| <b>Occupancy expenses</b>  | <b>4.3</b>          | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>4.3</b>                    | --            | --                     | --                     | --         |
| Depreciation               | 1.2                 | --            | --                     | --                     | --         | 100.0                          | 1.2                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 2.1                 | --            | --                     | --                     | --         | 44.5                           | 4.7                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 1.0                 | --            | --                     | --                     | --         | 48.5                           | 2.1                           | --            | --                     | --                     | --         |
| Rent                       | -                   | --            | --                     | --                     | --         | 9.9                            | 0.4                           | --            | --                     | --                     | --         |
| <b>Personnel expenses</b>  | <b>69.4</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>69.4</b>                   | --            | --                     | --                     | --         |
| <b>Financial expenses</b>  | <b>2.5</b>          | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>2.5</b>                    | --            | --                     | --                     | --         |
| Interest & bank charges    | 0.6                 | --            | --                     | --                     | --         | 100.0                          | 0.6                           | --            | --                     | --                     | --         |
| Professional fees          | 1.8                 | --            | --                     | --                     | --         | 100.0                          | 1.8                           | --            | --                     | --                     | --         |
| <b>Other expenses</b>      | <b>19.2</b>         | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>19.2</b>                   | --            | --                     | --                     | --         |
| <b>Profit (loss)</b>       | <b>4.6</b>          | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>4.6</b>                    | --            | --                     | --                     | --         |
| <b>Total</b>               | <b>100.0</b>        | --            | --                     | --                     | --         | <b>100.0</b>                   | <b>...</b>                    | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 995 - Services to Buildings and Dwellings

Businesses primarily engaged in disinfecting and exterminating, window cleaning, janitorial and other services to buildings and dwellings.

**TABLE 2. Balance sheet profile for 1986**  
**Newfoundland, Services to Buildings and Dwellings (SIC 995)**

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 6         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 39        | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 8         | --            | --                  | --                  | --         |
| Inventory                         | -         | --            | --                  | --                  | --         |
| Other current assets              | -         | --            | --                  | --                  | --         |
| Total current assets              | 47        | --            | --                  | --                  | --         |
| Fixed assets                      | 8         | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 5         | --            | --                  | --                  | --         |
| Other assets                      | 26        | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>76</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 6         | --            | --                  | --                  | --         |
| Other current liabilities         | 13        | --            | --                  | --                  | --         |
| Total current liabilities         | 20        | --            | --                  | --                  | --         |
| Mortgages payable                 | -         | --            | --                  | --                  | --         |
| Long term debt                    | 1         | --            | --                  | --                  | --         |
| Other liabilities                 | -         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>21</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>55</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**TABLE 3. Financial ratios(1) for incorporated businesses only, 1986**  
**Newfoundland, Services to Buildings and Dwellings (SIC 995)**

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 6        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.5      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -1.4     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 11.1     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.5      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:**

**1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.

**TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986**  
**Newfoundland, Services to Buildings and Dwellings (SIC 995)**

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 8                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 19                | --            | --                  | --                  | --         |
| Depreciation  | 5                 | --            | --                  | --                  | --         |
| Other   | 6                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | -                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -8                | --            | --                  | --                  | --         |
| Increase in investment                              | -3                | --            | --                  | --                  | --         |
| Decrease in investment                              | 14                | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 1                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -2                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 1                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -36               | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | <b>-4</b>         | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | <b>17</b>         | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | <b>13</b>         | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes. See Table 1 for symbols and notes.

**TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986**  
**Newfoundland, Services to Buildings and Dwellings (SIC 995)**

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>70</b>               | <b>9,331</b>               | <b>868</b>                 | <b>16</b>  | <b>11</b>                 |
| less than 20  | 57                      | 2,028                      | 169                        | 16   | 11                        |
| 20 - 99   | 10                      | 4,086                      | 392                        | -  | -                         |
| 100 - 499   | 1                       | X                          | 20                         | -  | -                         |
| 500 and over  | 2                       | X                          | 287                        | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>107</b>              | <b>8,122</b>               | <b>746</b>                 | <b>25</b>  | <b>...</b>                |
| less than 20  | 92                      | 2,737                      | 237                        | 24   | ...                       |
| 20 - 99   | 11                      | 4,152                      | 383                        | 1  | ...                       |
| 100 - 499   | 1                       | X                          | 16                         | -  | ...                       |
| 500 and over  | 3                       | X                          | 110                        | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.  
 (3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986  
Newfoundland, Services to Buildings and Dwellings (SIC 995)

|                                     | Total(1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-------------------------------------|----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                         |          |               |                     |                     |            |
| Number of observations in sample    | 18       |               |                     |                     |            |
| Average sales \$                    | 72,278   | --            | --                  | --                  | --         |
| Average expense \$                  | 63,174   | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 9,104    | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 16       |               |                     |                     |            |
| Average sales \$                    | 77,049   | --            | --                  | --                  | --         |
| Average expense \$                  | 63,680   | --            | --                  | --                  | --         |
| Average net profit \$               | 13,369   | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 2        |               |                     |                     |            |
| Average sales \$                    | 208,578  | --            | --                  | --                  | --         |
| Average expense \$                  | 217,568  | --            | --                  | --                  | --         |
| Average net loss \$                 | -8,990   | --            | --                  | --                  | --         |
| <b>1985</b>                         |          |               |                     |                     |            |
| Number of observations in sample    | 27       |               |                     |                     |            |
| Average sales \$                    | 95,993   | --            | --                  | --                  | --         |
| Average expense \$                  | 85,439   | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 10,554   | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 27       |               |                     |                     |            |
| Average sales \$                    | 95,993   | --            | --                  | --                  | --         |
| Average expense \$                  | 85,439   | --            | --                  | --                  | --         |
| Average net profit \$               | 10,554   | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | -        |               |                     |                     |            |
| Average sales \$                    | -        | --            | --                  | --                  | --         |
| Average expense \$                  | -        | --            | --                  | --                  | --         |
| Average net loss \$                 | -        | --            | --                  | --                  | --         |
| <b>1986</b>                         |          |               |                     |                     |            |
| Number of observations in sample    | 38       |               |                     |                     |            |
| Average sales \$                    | 113,502  | --            | --                  | --                  | --         |
| Average expense \$                  | 97,004   | --            | --                  | --                  | --         |
| Average net profit (loss) \$        | 16,498   | --            | --                  | --                  | --         |
| Businesses reporting a profit (No.) | 30       |               |                     |                     |            |
| Average sales \$                    | 115,723  | --            | --                  | --                  | --         |
| Average expense \$                  | 97,451   | --            | --                  | --                  | --         |
| Average net profit \$               | 18,272   | --            | --                  | --                  | --         |
| Businesses reporting a loss (No.)   | 8        |               |                     |                     |            |
| Average sales \$                    | 100,066  | --            | --                  | --                  | --         |
| Average expense \$                  | 105,788  | --            | --                  | --                  | --         |
| Average net loss \$                 | -5,722   | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

TABLE 1. Selected operating ratios, in percent of sales, 1986

## Newfoundland, Janitorial Services (SIC 9953)

|                            | Total(1)            | Bottom<br>25% | Lower<br>middle 25%    | Upper<br>middle 25%    | Top<br>25% |                                |                               |               |                        |                        |            |
|----------------------------|---------------------|---------------|------------------------|------------------------|------------|--------------------------------|-------------------------------|---------------|------------------------|------------------------|------------|
| Businesses in sample (No.) | 5                   |               |                        |                        |            |                                |                               |               |                        |                        |            |
| Low sales value (\$000's)  | {1}                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| High sales value (\$000's) | {1}                 | --            | --                     | --                     | --         |                                |                               |               |                        |                        |            |
| Selected expense item      | Industry average(2) |               |                        |                        |            | % busi-<br>nesses<br>reporting | Reporting businesses only( 3) |               |                        |                        |            |
|                            | Total               | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |                                | Total                         | Bottom<br>25% | Lower<br>middle<br>25% | Upper<br>middle<br>25% | Top<br>25% |
|                            | Percent of sales    |               |                        |                        |            |                                | Percent of sales              |               |                        |                        |            |
| Occupancy expenses         | 3.9                 | --            | --                     | --                     | --         | 100.0                          | 3.9                           | --            | --                     | --                     | --         |
| Depreciation               | 0.9                 | --            | --                     | --                     | --         | 100.0                          | 0.9                           | --            | --                     | --                     | --         |
| Repairs & maintenance      | 2.1                 | --            | --                     | --                     | --         | 43.2                           | 4.8                           | --            | --                     | --                     | --         |
| Heat, light & telephone    | 1.0                 | --            | --                     | --                     | --         | 50.4                           | 1.9                           | --            | --                     | --                     | --         |
| Rent                       | -                   | --            | --                     | --                     | --         | 11.1                           | 0.4                           | --            | --                     | --                     | --         |
| Personnel expenses         | 77.5                | --            | --                     | --                     | --         | 100.0                          | 77.5                          | --            | --                     | --                     | --         |
| Financial expenses         | 2.1                 | --            | --                     | --                     | --         | 100.0                          | 2.1                           | --            | --                     | --                     | --         |
| Interest & bank charges    | 0.7                 | --            | --                     | --                     | --         | 100.0                          | 0.7                           | --            | --                     | --                     | --         |
| Professional fees          | 1.4                 | --            | --                     | --                     | --         | 100.0                          | 1.4                           | --            | --                     | --                     | --         |
| Other expenses             | 11.5                | --            | --                     | --                     | --         | 100.0                          | 11.5                          | --            | --                     | --                     | --         |
| Profit (loss)              | 5.0                 | --            | --                     | --                     | --         | 100.0                          | 5.0                           | --            | --                     | --                     | --         |
| Total                      | 100.0               | --            | --                     | --                     | --         | 100.0                          | ...                           | --            | --                     | --                     | --         |

## Symbols

- zero or no observations
- too small to be expressed
- ... not applicable
- x confidential

## Footnotes

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

(2) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$  for each quartile.

(3) Value in each cell =  $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$  for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

## Notes

Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

## How to use the tables

- (1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
- (2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
- (3) Data pertaining to the selected sales size range will be in that quartile.

## Standard Industrial Classification Definition (SIC 1980):

## SIC 9953 - Janitorial Services

Businesses primarily engaged in cleaning and maintenance of buildings and dwellings such as car service, floor waxing, janitorial services, janitorial maintenance of buildings and dwellings and office cleaning.

TABLE 2. Balance sheet profile for 1986

## Newfoundland, Janitorial Services (SIC 9953)

|                                   | Total(1)  | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|-----------------------------------|-----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)        | 5         |               |                     |                     |            |
| Low sales value (\$000's)         | (1)       | --            | --                  | --                  | --         |
| High sales value (\$000's)        | (1)       | --            | --                  | --                  | --         |
| Average (\$000's)                 |           |               |                     |                     |            |
| <b>Assets</b>                     |           |               |                     |                     |            |
| Cash                              | 32        | --            | --                  | --                  | --         |
| Accounts and notes receivable     | 8         | --            | --                  | --                  | --         |
| Inventory                         | -         | --            | --                  | --                  | --         |
| Other current assets              | -         | --            | --                  | --                  | --         |
| Total current assets              | 41        | --            | --                  | --                  | --         |
| Fixed assets                      | 11        | --            | --                  | --                  | --         |
| Less: Accum. dep. on fixed assets | 7         | --            | --                  | --                  | --         |
| Other assets                      | 27        | --            | --                  | --                  | --         |
| <b>Total assets</b>               | <b>70</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Liabilities and equity</b>     |           |               |                     |                     |            |
| Current loans                     | 5         | --            | --                  | --                  | --         |
| Other current liabilities         | 13        | --            | --                  | --                  | --         |
| Total current liabilities         | 18        | --            | --                  | --                  | --         |
| Mortgages payable                 | -         | --            | --                  | --                  | --         |
| Long term debt                    | 2         | --            | --                  | --                  | --         |
| Other liabilities                 | -         | --            | --                  | --                  | --         |
| <b>Total liabilities</b>          | <b>20</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |
| <b>Total equity</b>               | <b>50</b> | <b>--</b>     | <b>--</b>           | <b>--</b>           | <b>--</b>  |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1986

## Newfoundland, Janitorial Services (SIC 9953)

|                                 | Total(2) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---------------------------------|----------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)      | 5        |               |                     |                     |            |
| Low sales value (\$000's)       | (1)      | --            | --                  | --                  | --         |
| High sales value (\$000's)      | (1)      | --            | --                  | --                  | --         |
| Average                         |          |               |                     |                     |            |
| <b>Liquidity ratio</b>          |          |               |                     |                     |            |
| Current ratio (times)           | 1.5      | --            | --                  | --                  | --         |
| <b>Leverage ratios</b>          |          |               |                     |                     |            |
| Debt/equity ratio (times)       | -1.6     | --            | --                  | --                  | --         |
| Interest coverage ratio (times) | 17.2     | --            | --                  | --                  | --         |
| Debt ratio (times)              | 0.5      | --            | --                  | --                  | --         |

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes.

**Definitions:****1. Liquidity ratio:**

Current = current assets / current liabilities.

**2. Leverage ratios:**

a) Debt/equity = total liabilities / equity.

b) Debt ratio = total liabilities / total assets.

c) Interest coverage = net profit + interest expense / interest expense.



TABLE 4. Statement of changes in financial position for incorporated businesses only, 1986

## Newfoundland, Janitorial Services (SIC 9953)

|   | Total(1)          | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|---|-------------------|---------------|---------------------|---------------------|------------|
| Businesses in sample (No.)                          | 8                 |               |                     |                     |            |
| Low sales value (\$000's)                           | (1)               | --            | --                  | --                  | --         |
| High sales value (\$000's)                          | (1)               | --            | --                  | --                  | --         |
|   | Average (\$000's) |               |                     |                     |            |
| <b>Operating activities</b>                         |                   |               |                     |                     |            |
| Cash from operations                                | 23                | --            | --                  | --                  | --         |
| Depreciation  | 5                 | --            | --                  | --                  | --         |
| Other   | 6                 | --            | --                  | --                  | --         |
| <b>Dividends</b>                                    | -                 | --            | --                  | --                  | --         |
| <b>Investment activities</b>                        |                   |               |                     |                     |            |
| Disposal of fixed assets                            | -                 | --            | --                  | --                  | --         |
| Purchase of fixed assets                            | -10               | --            | --                  | --                  | --         |
| Increase in investment                              | -4                | --            | --                  | --                  | --         |
| Decrease in investment                              | 17                | --            | --                  | --                  | --         |
| <b>Financing activities</b>                         |                   |               |                     |                     |            |
| Increase in long term debt                          | 2                 | --            | --                  | --                  | --         |
| Repayment of long term debt                         | -1                | --            | --                  | --                  | --         |
| Loans from shareholders                             | 1                 | --            | --                  | --                  | --         |
| Repayment of loans from shareholders                | -43               | --            | --                  | --                  | --         |
| Advances & loans from government                    | -                 | --            | --                  | --                  | --         |
| Increase in equity                                  | -                 | --            | --                  | --                  | --         |
| Decrease in equity                                  | -                 | --            | --                  | --                  | --         |
| Other   | -                 | --            | --                  | --                  | --         |
| <b>Increase(decrease) in cash &amp; equivalents</b> | -5                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents-Beginning of the year</b> | 20                | --            | --                  | --                  | --         |
| <b>Cash &amp; equivalents - End of the year</b>     | 15                | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of incorporated businesses reporting sales between \$10,000 and \$2,000,000. Sample count includes only those businesses reporting a statement of changes.  
See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1983-1986 based on SIC classification in 1986

## Newfoundland, Services to Buildings and Dwellings (SIC 995)

| Business size expressed in<br>average labour units(1) | Number of<br>businesses | Total payroll<br>(\$000's) | Average labour<br>units(1) | Changes in number of businesses<br>with paid employees |                           |
|---|-------------------------|----------------------------|----------------------------|--|---------------------------|
|   |                         |                            |                            | Newly<br>reporting(2)                                  | No longer<br>reporting(3) |
| <b>1983</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>70</b>               | <b>9,331</b>               | <b>868</b>                 | <b>16</b>  | <b>11</b>                 |
| less than 20  | 57                      | 2,028                      | 169                        | 16   | 11                        |
| 20 - 99   | 10                      | 4,086                      | 392                        | -  | -                         |
| 100 - 499   | 1                       | X                          | 20                         | -  | -                         |
| 500 and over  | 2                       | X                          | 287                        | -  | -                         |
| <b>1986</b>   |                         |                            |                            |  |                           |
| <b>Total</b>  | <b>107</b>              | <b>8,122</b>               | <b>746</b>                 | <b>25</b>  | <b>...</b>                |
| less than 20  | 92                      | 2,737                      | 237                        | 24   | ...                       |
| 20 - 99   | 11                      | 4,152                      | 383                        | 1  | ...                       |
| 100 - 499   | 1                       | X                          | 16                         | -  | ...                       |
| 500 and over  | 3                       | X                          | 110                        | -  | ...                       |

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.

(2) Refers to businesses reporting no payroll deductions in the previous year.  
(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

**TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1984-1986**  
**Newfoundland, Janitorial Services (SIC 9953)**

|  | Total (1) | Bottom<br>25% | Lower<br>middle 25% | Upper<br>middle 25% | Top<br>25% |
|--|-----------|---------------|---------------------|---------------------|------------|
| <b>1984</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>16</b> |               |                     |                     |            |
| Average sales \$                           | 81,049    | --            | --                  | --                  | --         |
| Average expense \$                         | 73,152    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 7,897     | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>14</b> |               |                     |                     |            |
| Average sales \$                           | 102,376   | --            | --                  | --                  | --         |
| Average expense \$                         | 87,414    | --            | --                  | --                  | --         |
| Average net profit \$                      | 14,962    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>2</b>  |               |                     |                     |            |
| Average sales \$                           | 208,578   | --            | --                  | --                  | --         |
| Average expense \$                         | 217,568   | --            | --                  | --                  | --         |
| Average net loss \$                        | -8,990    | --            | --                  | --                  | --         |
| <b>1985</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 100,609   | --            | --                  | --                  | --         |
| Average expense \$                         | 88,814    | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 11,795    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>18</b> |               |                     |                     |            |
| Average sales \$                           | 100,609   | --            | --                  | --                  | --         |
| Average expense \$                         | 88,814    | --            | --                  | --                  | --         |
| Average net profit \$                      | 11,795    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>-</b>  |               |                     |                     |            |
| Average sales \$                           | -         | --            | --                  | --                  | --         |
| Average expense \$                         | -         | --            | --                  | --                  | --         |
| Average net loss \$                        | -         | --            | --                  | --                  | --         |
| <b>1986</b>                                |           |               |                     |                     |            |
| <b>Number of observations in sample</b>    | <b>32</b> |               |                     |                     |            |
| Average sales \$                           | 118,730   | --            | --                  | --                  | --         |
| Average expense \$                         | 101,473   | --            | --                  | --                  | --         |
| Average net profit (loss) \$               | 17,257    | --            | --                  | --                  | --         |
| <b>Businesses reporting a profit (No.)</b> | <b>25</b> |               |                     |                     |            |
| Average sales \$                           | 122,855   | --            | --                  | --                  | --         |
| Average expense \$                         | 103,703   | --            | --                  | --                  | --         |
| Average net profit \$                      | 19,152    | --            | --                  | --                  | --         |
| <b>Businesses reporting a loss (No.)</b>   | <b>7</b>  |               |                     |                     |            |
| Average sales \$                           | 85,546    | --            | --                  | --                  | --         |
| Average expense \$                         | 89,946    | --            | --                  | --                  | --         |
| Average net loss \$                        | -4,400    | --            | --                  | --                  | --         |

(1) These estimates are based on a sample of businesses reporting sales between \$10,000 and \$2,000,000.

See Table 1 for symbols and notes

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