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CANADA

# OPERATING RESULTS AND FINANCIAL STRUCTURE INDEPENDENT DRUG STORES 1954



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## NOTICE

The annual reports prepared by the Industry and Merchandising Division of the Bureau of Statistics are divided into 3 volumes, as follows: **Volume I—The Primary Industries**, including mining, forestry and fisheries; **Volume II—Manufacturing**; **Volume III—Merchandising and Services**.

Volume III consists of the following parts with individual trade reports listed under each:

### Part I—Wholesale Statistics

- A—Wholesale Trade, 25¢
- \*B—Operating Results of Food Wholesalers, 25¢
- \*C—Operating Results of Dry Goods, Piece Goods and Footwear Wholesalers, 25¢
- \*D—1 Operating Results of Automotive Parts and Accessories Wholesalers, 25¢
  - 2 Operating Results of Drug Wholesalers, 25¢
  - 3 Operating Results of Hardware Wholesalers, 25¢
  - 4 Operating Results of Plumbing and Heating Supply Wholesalers, 25¢
  - 5 Operating Results of Household Appliance & Electrical Supply Wholesalers, 25¢

### Part II—Retail Statistics

- E—General Review—(Discontinued)
- F—Retail Trade, 50¢
- G—Retail Chain Stores, 50¢
- \*H—Operating Results of Food Store Chains, 25¢
- \*I—Operating Results of Clothing Store Chains, 25¢
- \*J—1 Operating Results of Variety Store Chains, 25¢
  - 2 Operating Results of Drug Stores Chains, 25¢
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- K—Operating Results of Independent Food Stores, 25¢
- L—Operating Results of Independent Clothing Stores, 25¢
- M—Operating Results of Independent Hardware, Furniture, Appliance and Radio Stores, 25¢
- N—Operating Results of Filling Stations & Garages, 25¢
- O—1 Operating Results of Independent General Stores, 25¢
  - 2 Operating Results of Independent Restaurants, 25¢
  - 3 Operating Results of Independent Fuel Dealers, 25¢
  - 4 Operating Results of Independent Drug Stores, 25¢
  - 5 Operating Results of Independent Jewellery Stores, 25¢
  - 6 Operating Results of Independent Tobacco Stores, 25¢
- P—Retail Consumer Credit, 25¢

### Part III—Services and Special Fields

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- S—Hotels, 25¢
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- W—Advertising Agencies (Memorandum), 10¢
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The reports are punched to permit of filing in a ring binder.

\*Biennial reports—not issued for 1954.

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## DEFINITIONS

### Profit and Loss

**Net Sales** — the dollar volume of business done. Allowances and discounts granted to customers and value of goods returned by customers are deducted from gross sales, but sales of meals or lunches provided employees and any goods withdrawn by the proprietor for personal use are included.

**Cost of goods sold** — determined by adding the beginning inventory to net purchases and deducting the ending inventory.

**Gross profit** — the difference between "cost of goods sold" and "net sales".

**Operating expenses** — all costs incurred in the year's operation of a business, except the cost of merchandise. These include:

**Salaries and wages (except delivery)** — payments to employees before deduction of income tax or unemployment insurance. Proprietors' salaries or withdrawals are included in "net operating profit" in unincorporated store operations.

**Taxes** — business, property and water taxes. Taxes collected for remittance to governmental bodies and income tax are not included.

**Insurance** — annual proportion of premiums for insurance policies carried to protect the business.

**Rent** — Payments for use of business premises.

**Heat, light and power** — cost applicable to year's operations.

**Delivery** — includes salaries paid to delivery men, truck repairs and maintenance, depreciation, licenses and insurance on delivery equipment and supplies used in connection with delivery (gas, oil, etc.).

**Repairs and maintenance** — costs incurred to keep fixed store assets operating efficiently (excludes capital expenditure).

**Depreciation allowances** — provision for decrease in the value of fixed store assets.

**Store supplies** — wrapping paper, office supplies, etc.

**Advertising** — displays, window dressing and sales promotion.

**Net bad debt loss** — estimated amount of uncollectable customers' accounts receivable less the amount recovered from former bad debts.

**Other expenses** — telephone, telegraph, postage, bank charges, legal, auditing and collection fees, etc.

**Net operating profit** — is the difference between "total operating expenses" and "gross profit" and includes proprietors' salaries and withdrawals before income tax deductions.

**Occupancy** — the cost of maintaining and occupying a place of business and includes: rent, business and property taxes, insurance, heat, light and power, repairs and maintenance and depreciation.

## DEFINITIONS

### Balance Sheet

#### Assets

**Cash on hand or in bank** — the amount of cash in the business at the end of the year.

**Net accounts receivable** — all customers' notes and accounts owing to the business at the end of the year less any reserve for doubtful accounts.

**Merchandise inventory** — the cost value of merchandise on hand for resale but does not include store supplies on hand.

**Other current assets** — includes assets which may be converted into cash, if necessary within a reasonably short time, such as Dominion of Canada Bonds and prepaid insurance.

**Fixed Assets (net)** — the book value of land, buildings, furniture, fixtures and equipment less any reserves for depreciation. Separate figures are shown for assets used in the business and those not used in the business.

**Other assets** — investments of a permanent nature not readily converted into cash and intangibles such as goodwill and organization costs.

#### Liabilities and Net Worth

**Current liabilities** — obligations which must be paid in the near future and represent accounts payable or any item that may be considered as a direct lien against current assets.

**Fixed liabilities** — mortgages secured by fixed assets and separated, as are fixed assets, between those used and not used in business.

**Other liabilities** — long term notes payable, accrued expenses such as taxes due but not yet paid, and prepaid or deferred income.

**Net worth** — Unincorporated business — the amount invested in the business together with any accumulated profits after proprietor's or partners' withdrawals.

— Incorporated business — net worth is shown in two parts:

- (1) Capital stock, which represents the shareholders' investment of fully paid-up subscribed shares, and
- (2) Surplus, which represents distributable surplus, capital surplus and earned surplus.



## DEFINITIONS

### Profit and Loss Statement Ratios

**Stock Turnover** — the number of times in a year that the average merchandise inventory is sold and replaced. The average of the beginning and ending inventories is divided into the cost of goods sold.

**Note:** Each of the following ratios are expressed as a percentage of "net sales". Consequently, it is permissible to make direct comparisons between these ratios. Each ratio represents a portion of the average net sales' dollar.

**Gross Profit Ratio** — sometimes referred to as the "gross margin ratio" or "mark-up" represents the difference between "cost of goods sold" and "net sales". It is the portion of the average sales' dollar from which the merchant meets his operating expenses and obtains his net operating profit.

**Operating Expense Ratios** — Each item of expense, as well as "total operating expenses" when expressed as a percentage of "net sales" shows the amounts of the average sales' dollar required to operate the average business.

**Net Operating Profit Ratio** — the remaining proportion of the average sales' dollar after "cost of goods sold" and "total operating expenses" have been deducted. From this amount, the percentage allowances for both proprietors' salaries and income tax should be deducted, in order to determine the percentage to sales of net returns on capital investment.

### Balance Sheet Ratios

**Current Ratio** —  $\text{Current Assets} \div \text{Current Liabilities}$  — indicates to what extent the business is able to meet its current obligations out of "current assets". Care should be taken to examine the components of current assets because overstocking of inventories and overinvestment in credit sales (accounts receivable) can result in a stronger or more favourable ratio.

**Liquidity Ratio** —  $\text{Current Assets less Merchandise Inventory} \div \text{Current Liabilities}$  — sometimes referred to as the "acid test", is similar to the "current ratio" as a test of current credit strength. A ratio of 100% (or 1) is usually considered favourable.

**Working Capital to Net Worth Ratio** — denotes the relationship between "working capital" (current assets less current liabilities) and a proprietor's equity in the business. That is, the proportion of "net worth" that could be realized readily if liquidation were necessary.

**Worth-Debt Ratio** —  $\text{Net Worth} \div \text{Total Liabilities}$  — if used in conjunction with the "current ratio", would reflect any weakening of the capital structure of a business through large loans which give a high "current ratio".

### Interstatement Ratio

**Turnover of Total Capital Employed** —  $\text{Net Sales} \div \text{Total Assets used in the business}$  — provides an indication of the degree of management efficiency. However, this ratio should not be used alone because "profits" and not "sales" are the major criterion of efficiency.

# OPERATING RESULTS AND FINANCIAL STRUCTURE

## INDEPENDENT DRUG STORES

1954

### INTRODUCTION

This report on operating results and financial structure presents information in the form of averages and ratios as a guide to retail store operators for the trade covered here. These ratios are the "average" of a broad range of operational efficiency, and as such do not represent top performance guides. However, used with this in mind, they show a standard by which business men can compare their own operating experiences. The pattern of expense and financial ratios, by size and kind of business, permit direct analysis of operating results for the year.

There is growing evidence that independent retail merchants are making more advantageous use of the results shown in the biennial operating results bulletins issued by the Dominion Bureau of Statistics. Many accounting firms whose clientele includes retail merchants have shown much interest in these series.

A number of trade papers and business periodicals have reproduced and interpreted the results of previous studies with the object of illustrating to retail merchants the manner in which operating results can be used as a tool in store management. This is a practice the Bureau is pleased to encourage, since it meets with one of the most important objects in maintaining this series, namely the promotion of improved merchandising on the part of retailers.

The new owner of a retail store or the prospective operator might well study these averages. Not all failures in business, however, come from the "new-owner" group. It seems reasonable to suppose, however, that failure in many cases is

the result of inadequate knowledge on the part of new proprietors of the true fiscal requirements involved in operating a business and the proper allocation of costs. Where capital is limited, as is often the case in a newly-established store, it would seem that most careful attention should be given to maintenance of proper records and that provision be made to check against some such standard performance as these publications provide.

This report deals with independent retail drug stores. Separate figures are given for both unincorporated and incorporated stores.

There are analyses of:

1. Profit and loss statements
2. Balance sheet statements

Profit and loss data are shown for owned and rented stores separately, and for various sale-size categories.

Balance sheet data, which were introduced in 1948, is continued in this 1954 study. This information is presented by sales-size and kind of occupancy groups for stores with \$20,000 or more annual net sales. Where possible, a further differentiation has been made between businesses in operation less than 10 years and 10 years or more. An important change, introduced in 1950, is the segregation of fixed assets and fixed liabilities between those used in the business and those not used in the business. This makes possible a better relationship between assets used in the business and sales than was possible when all fixed assets of the proprietor were reported as one item.

## INDEPENDENT DRUG STORES

Only establishments selling mainly prescription drugs, patent medicines, drug sundries, cosmetics and toilet articles and preparations, tobacco, books, magazines and other novelties, are covered. Ice cream and soft drinks may be sold but drug stores with soda fountains are not included in this survey.

Unincorporated and incorporated "single establishment" or "independent" firms only are covered. After careful editing, 452 questionnaires were used in the tabulation of profit and loss data of unincorporated stores (207 owned and 245 rented stores). The results of incorporated stores were derived from 110 properly completed questionnaires (20 for owned and 90 for rented stores).

Returns for which balance sheet data were properly completed numbered 384 for unincorporated stores and 103 for incorporated firms. Any change in the actual count from survey to survey may be attributed to changes in store classification, stores going out of business, the necessity of augmenting the survey list or simply to different non-response in the survey years.

Tabulation of balance sheet data was made for different sales-size classes and, where possible, a further breakdown by number of years in business.

Compilation of profit and loss data was made for different sales-size categories. The response from large stores is generally better than that from smaller ones. To obtain proper ratios for total trade, weights of the 1951 census were used. For example in response to this survey, independent stores between \$10,000 and \$19,999 may represent 5% of the business done by all respondents. According to the 1951 census, they might account for approximately 11% of total drug store sales. To obtain

ratios for total all sizes, the census weights were applied to the various expense and profit ratios of the different sales-size classes.

Summaries showing figures for years prior to 1952 and the chart do not show weighted ratios. For sake of comparability with previous years for which weights are not available, aggregate or unweighted ratios were used.

The average gross profit of unincorporated stores, expressed as a percentage of net sales, increased in 1954 compared with 1952. Operating expenses, however, increased to a greater extent to cause a decline in net operating profit (11.95 per cent in 1952 to 11.59 per cent in 1954). Incorporated stores reported decreased gross profits in 1954 with lesser decreases in expenses. The net profit decline, therefore, was not as severe as was that of gross profit (4.59 per cent in 1952 compared with 3.64 per cent in 1954). Salaries of management charged as operating expenses account for the lower net profit ratio of incorporated compared with unincorporated stores.

Inventories at the end of the year were higher than at the beginning for both forms of organization and both the owned and rented groups.

The rate of stock turnover progressively increased with size of sales, ranging from a low of 1.98 times per year to a high of 4.38 times per year.

Balance sheet ratios are shown historically, affording valuable comparison for further study.

The following summaries, tables and charts, will give more detail and information on the operating results and financial position of independent drug stores for 1954.

Operating Results of Independent Drug Stores 1952 and 1954 Compared

Item	Unincorporated		Incorporated	
	1952	1954	1952 <sup>1</sup>	1954
	(per cent of net sales)			
<b>Gross Profit</b> .....	<b>28.94</b>	<b>29.82</b>	<b>33.42</b>	<b>32.14</b>
Operating expenses:				
Employees' salaries .....	8.68	9.20	18.74	18.53
Occupancy .....	4.32	4.77	5.33	5.10
Store supplies .....	0.59	0.62	0.67	0.64
Advertising .....	0.74	0.83	1.05	1.03
All other expenses .....	2.66	2.81	3.04	3.09
<b>Total operating expenses</b> .....	<b>16.99</b>	<b>18.23</b>	<b>28.83</b>	<b>28.50</b>
<b>Net operating profit before deduction of income tax<sup>2</sup></b> .....	<b>11.95</b>	<b>11.59</b>	<b>4.59</b>	<b>3.64</b>

1. Covers only rented stores.

2. Proprietors' salaries included for unincorporated stores.

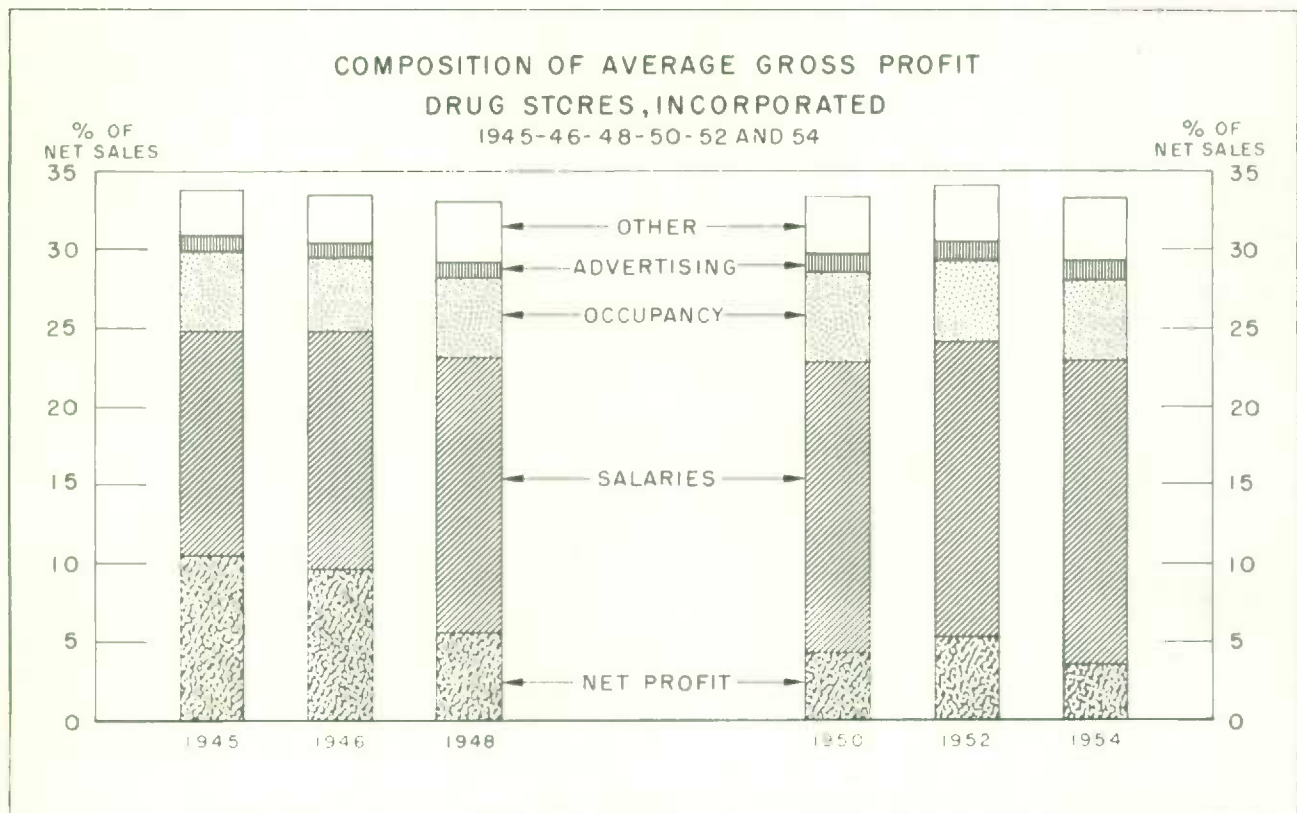
Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores and are shown here for the first time. They do not agree with ratios shown formerly for 1952 nor with those shown in historical tables.

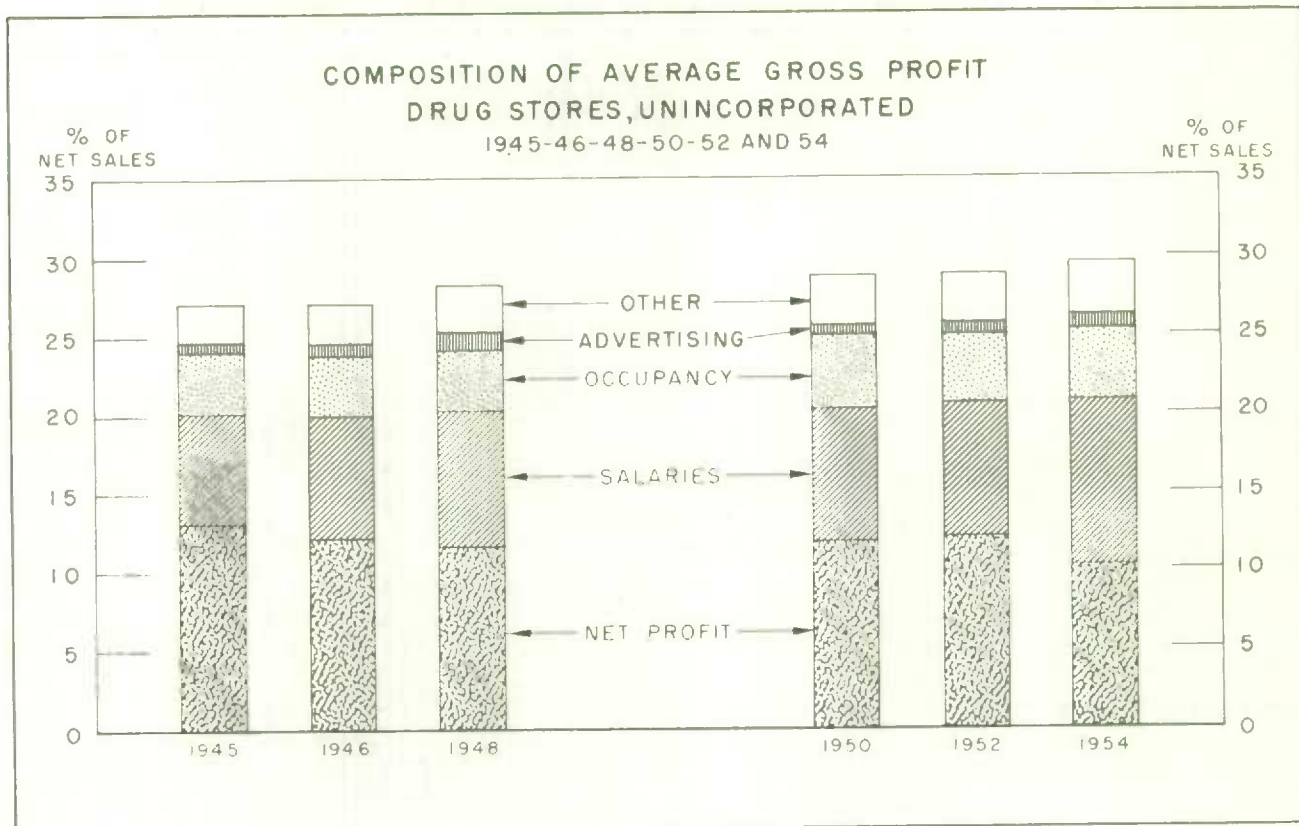


## Financial Ratios of Independent Drug Stores as at December 31, 1948-50-52-54

Item		Unincorporated		Incorporated	
		Owned	Rented	Owned	Rented
Current ratio .....	1948	2.32	3.63	—	4.05
	1950	4.13	3.87	4.36	3.73
	1952	3.97	3.68	—	3.85
	1954	3.52	4.36	3.98	3.32
Liquidity ratio .....	1952	1.36	1.32	—	1.43
	1954	1.06	1.48	1.46	1.13
Working capital to net worth ratio.....	1948	0.43	0.84	—	0.83
	1950	0.56	0.78	0.66	0.80
	1952	0.58	0.76	—	0.77
	1954	0.53	0.78	0.63	0.78
Worth debt ratio .....	1948	2.38	2.56	—	2.56
	1950	2.94	2.70	2.63	2.38
	1952	3.13	2.68	—	2.99
	1954	3.04	2.91	2.09	2.00
Turnover of total capital employed .....	1952	1.90	2.64	—	2.31
	1954	1.91	2.60	1.49	2.41

Note: Item definitions are shown on page 6.





**TABLE 1. Independent Drug Stores — Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis 1954**

Item	Owned stores with annual net sales of				Rented stores with annual net sales of			
	\$10,000- \$19,999	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	\$10,000- \$19,999	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over
Number of stores reporting .....	27	83	69	24	14	89	105	34
Average net sales per store .....	\$ 15,487	33,907	69,318	128,609	15,793	36,556	69,855	130,280
Average beginning inventory .....	\$ 4,984	8,576	14,201	20,653	5,524	3,844	13,199	22,770
Average inventory, end of year .....	\$ 4,980	8,745	14,967	21,566	5,510	9,196	13,498	23,852
Average cost of goods sold .....	\$ 11,151	24,383	48,743	92,501	10,931	25,437	48,697	90,011
Stock turnover (times per year) .....	2.24	2.82	3.34	4.38	1.98	2.82	3.65	3.86
<b>Profit and Loss Data (Per cent of net sales)</b>								
<b>Gross Profit</b> .....	<b>27.99</b>	<b>28.09</b>	<b>29.68</b>	<b>28.07</b>	<b>30.79</b>	<b>30.42</b>	<b>30.29</b>	<b>30.91</b>
<b>Operating expenses:</b>								
Employees' salaries and wages (except delivery) .....	3.90	7.07	10.01	11.10	5.11	7.74	10.22	10.41
Delivery .....	0.73	0.62	0.76	2.02	0.53	0.97	1.27	1.05
<b>Occupancy expenses:</b>								
Taxes .....	1.57	0.91	0.57	0.51	0.74	0.40	0.32	0.23
Insurance .....	0.80	0.69	0.56	0.50	0.44	0.51	0.45	0.38
Rent .....	—	—	—	—	5.00	2.82	2.53	2.23
Heat, light and power .....	1.55	1.03	0.81	0.69	1.04	0.70	0.59	0.44
Repairs and maintenance .....	0.61	1.00	0.66	0.61	0.60	0.50	0.49	0.43
Depreciation allowances .....	0.77	1.00	1.19	1.08	0.27	0.64	0.70	0.56
<b>Total occupancy expenses</b> .....	<b>5.30</b>	<b>4.63</b>	<b>3.89</b>	<b>3.39</b>	<b>8.09</b>	<b>5.57</b>	<b>5.08</b>	<b>4.27</b>
Office and store supplies .....	0.46	0.62	0.68	0.60	0.60	0.60	0.63	0.57
Advertising .....	0.68	0.57	0.93	1.05	0.42	0.81	0.84	0.90
Net loss on bad debts .....	0.10	0.06	0.04	0.05	—	0.05	0.05	0.02
All other expenses .....	1.99	1.52	2.13	1.56	2.13	1.75	1.67	1.34
<b>Total operating expenses</b> .....	<b>13.16</b>	<b>15.09</b>	<b>18.44</b>	<b>19.77</b>	<b>16.88</b>	<b>17.49</b>	<b>19.76</b>	<b>18.46</b>
<b>Net operating profit before deductions of proprietors' salaries and income tax</b> .....	<b>14.83</b>	<b>13.00</b>	<b>11.24</b>	<b>8.30</b>	<b>13.91</b>	<b>12.93</b>	<b>10.53</b>	<b>12.45</b>

TABLE 2. Independent Drug Stores - Operating Results of Incorporated Stores by Annual Sales Volume and Occupancy Basis, 1954

Item	Owned stores with annual net sales of		Rented stores with annual net sales of		
	\$50,000- \$99,999	\$100,000 and over	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over
Number of stores reporting .....	13	7	15	31	41
Average net sales per store .....	\$ 72,742	128,220	39,390	72,747	159,344
Average beginning inventory .....	\$ 19,487	25,755	11,396	17,459	28,376
Average inventory, end of year .....	\$ 20,282	26,784	11,485	18,373	30,175
Average cost of goods sold .....	\$ 52,007	90,809	26,554	50,285	102,557
Stock turnover (times per year) .....	2.62	3.46	2.32	2.81	3.50
Profit and Loss Data (per cent of net sales)					
Gross profit .....	28.50	29.18	32.58	30.87	35.54
Operating expenses:					
Employees' salaries and wages (except delivery) .....	18.26	16.13	18.06	18.08	20.39
Delivery .....	0.36	0.59	1.31	0.76	1.55
Occupancy expenses:					
Taxes .....	0.95	0.54	0.33	0.34	0.31
Insurance .....	0.76	0.47	0.63	0.49	0.38
Rent .....	—	—	3.49	2.77	2.92
Heat, light and power .....	1.03	0.57	0.69	0.73	0.43
Repairs and maintenance .....	0.86	0.66	0.54	0.40	0.37
Depreciation allowances .....	1.24	1.21	0.69	0.67	0.84
Total occupancy expenses .....	4.84	3.45	6.37	5.40	5.25
Office or store supplies .....	0.46	0.54	0.57	0.67	0.72
Advertising .....	0.69	0.76	0.83	1.04	1.42
Net loss on bad debts .....	0.23	0.08	0.05	0.14	0.10
All other expenses .....	1.95	2.01	2.35	1.81	2.00
Total operating expenses .....	26.79	23.56	29.54	27.90	31.43
Net operating profit before provision for income tax .....	1.71	5.62	3.04	2.97	4.21

TABLE 3. Independent Drug Stores - Owned - Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1954

Item	Stores with annual net sales of									Total all stores \$20,000 and over
	\$20,000-\$49,999			\$50,000-\$99,999			\$100,000 and over			
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	
(average per store)										
Assets										
Current assets:										
Cash on hand and in bank .....	1,365	1,732	1,649	3,107	3,942	3,740	5,444	4,229	4,563	2,882
Accounts and notes receivable (net) .....	346	483	452	1,250	991	1,053	327	1,688	1,291	806
Merchandise inventory .....	9,591	8,687	8,392	17,723	14,321	15,140	11,548	25,691	21,566	13,135
Other current assets .....	781	2,448	2,068	137	1,595	1,241	811	5,238	3,947	2,012
<b>Total current assets .....</b>	<b>12,083</b>	<b>13,350</b>	<b>13,061</b>	<b>22,217</b>	<b>20,849</b>	<b>21,180</b>	<b>18,130</b>	<b>36,846</b>	<b>31,387</b>	<b>18,835</b>
Fixed assets (net):										
Used in the business .....	8,790	6,017	6,649	15,410	11,597	12,522	28,404	20,399	22,735	11,226
Not used in the business .....	528	2,077	1,724	318	1,522	1,230	1,887	3,363	2,932	1,703
<b>Total fixed assets (net) .....</b>	<b>9,318</b>	<b>8,094</b>	<b>8,373</b>	<b>15,728</b>	<b>13,119</b>	<b>13,752</b>	<b>30,291</b>	<b>23,762</b>	<b>25,667</b>	<b>12,929</b>
Other assets:										
Long term investments .....	397	2,446	1,979	131	630	509	206	2,364	1,734	1,370
Other assets .....	345	758	664	652	612	622	876	1,377	1,231	728
<b>Total other assets .....</b>	<b>742</b>	<b>3,204</b>	<b>2,643</b>	<b>783</b>	<b>1,242</b>	<b>1,131</b>	<b>1,082</b>	<b>3,741</b>	<b>2,965</b>	<b>2,098</b>
<b>Total assets .....</b>	<b>22,143</b>	<b>24,648</b>	<b>24,077</b>	<b>38,728</b>	<b>35,210</b>	<b>36,063</b>	<b>49,503</b>	<b>64,349</b>	<b>60,019</b>	<b>33,862</b>
Liabilities										
Current liabilities:										
Accounts and notes payable .....	3,200	2,344	2,539	7,157	5,671	6,031	9,148	14,252	12,764	5,355
Fixed liabilities:										
Mortgages on fixed assets used in business .....	1,988	424	780	3,420	1,465	1,939	6,685	1,770	3,203	1,577
Mortgages on fixed assets not used in business .....	—	303	234	—	688	521	575	294	376	366
<b>Total fixed liabilities .....</b>	<b>1,988</b>	<b>727</b>	<b>1,014</b>	<b>3,420</b>	<b>2,153</b>	<b>2,460</b>	<b>7,260</b>	<b>2,064</b>	<b>3,579</b>	<b>1,943</b>
Other liabilities .....	869	248	390	1,984	1,131	1,338	4,740	1,746	2,619	1,076
<b>Total liabilities .....</b>	<b>6,057</b>	<b>3,319</b>	<b>3,943</b>	<b>12,561</b>	<b>8,955</b>	<b>9,829</b>	<b>21,148</b>	<b>18,062</b>	<b>18,962</b>	<b>8,374</b>
Net worth: proprietor's or partners' equity in the business .....	16,086	21,329	20,134	26,167	26,255	26,234	28,355	46,287	41,057	25,488
<b>Total liabilities and net worth .....</b>	<b>22,143</b>	<b>24,648</b>	<b>24,077</b>	<b>38,728</b>	<b>35,210</b>	<b>36,063</b>	<b>49,503</b>	<b>64,349</b>	<b>60,019</b>	<b>33,862</b>
Average net sales of stores reporting .....	32,465	34,470	34,013	75,057	68,309	69,945	109,104	136,640	128,609	61,479
Number of stores reporting .....	18	61	79	16	50	66	7	17	24	169



**TABLE 4. Independent Drug Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1954**

Item	Stores with annual net sales of									Total all sizes \$20,000 and over
	\$20,000-\$49,999			\$50,000-\$99,999			\$100,000 and over			
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	
(average per store)										
Assets										
Current assets:										
Cash on hand and in bank .....	2,709	2,481	2,555	2,818	3,711	3,465	5,121	11,986	9,159	4,014
Accounts and notes receivable (net) .....	552	484	506	1,219	809	922	1,588	3,059	2,453	1,004
Merchandise inventory.....	9,556	8,932	9,135	13,983	13,499	13,632	22,066	25,119	23,862	13,514
Other current assets .....	796	1,823	1,489	244	2,353	1,772	615	5,650	3,577	1,948
Total current assets .....	13,613	13,720	13,685	18,264	20,372	19,791	29,390	45,814	39,051	20,480
Fixed assets (net):										
Used in the business .....	2,560	1,406	1,781	4,204	2,531	2,992	4,572	4,679	4,635	2,784
Not used in the business .....	2,727	1,649	2,000	145	1,278	966	—	3,099	1,823	1,501
Total fixed assets (net).....	5,287	3,055	3,781	4,349	3,809	3,958	4,572	7,778	6,458	4,285
Other assets:										
Long term investments .....	2,865	1,598	2,010	315	1,078	867	75	1,061	655	1,275
Other assets.....	1,773	407	852	2,789	830	1,370	2,035	187	948	1,103
Total other assets.....	4,638	2,005	2,862	3,104	1,908	2,237	2,110	1,248	1,603	2,378
Total assets .....	23,538	18,780	20,328	25,717	26,089	25,986	36,072	54,840	47,112	27,143
Liabilities										
Current liabilities:										
Accounts and notes payable .....	2,879	2,964	2,937	6,271	4,982	5,337	6,516	7,600	7,154	4,698
Fixed liabilities:										
Mortgages on fixed assets used in business .....	1,614	45	555	2,622	246	900	2,373	511	1,278	827
Mortgages on fixed assets not used in business .....	587	148	291	—	421	305	—	1,542	907	395
Total fixed liabilities.....	2,201	193	846	2,622	667	1,205	2,373	2,053	2,185	1,222
Other liabilities.....	1,601	1,230	1,351	1,219	443	657	1,171	1,303	1,248	1,018
Total liabilities.....	6,681	4,387	5,134	10,112	6,092	7,199	10,060	10,956	10,587	6,938
Net worth: proprietor's or partners' equity in the business.....	16,857	14,393	15,194	15,605	19,997	18,787	26,012	43,884	36,525	20,205
Total liabilities and net worth .....	23,538	18,780	20,328	25,717	26,089	25,986	36,072	54,840	47,112	27,143
Average net sales of stores reporting .....	37,773	36,199	36,711	67,386	71,119	70,090	117,182	139,449	130,280	66,723
Number of stores reporting.....	27	56	83	27	71	98	14	20	34	215

**TABLE 5. Independent Drug Stores — Owned — Financial Structure of Incorporated Stores by Size, as at December 31, 1954**

Item	Owned stores with annual net sales of		Total all sizes \$20,000 and over
	\$50,000-\$99,999	\$100,000 and over	
	(average per store)		
Assets			
Current assets:			
Cash on hand and in bank.....	4,534	4,381	4,481
Accounts and notes receivable (net) .....	1,900	3,759	2,550
Merchandise inventory .....	20,282	26,784	22,558
Other current assets .....	7,872	2,727	6,071
Total current assets .....	34,588	37,651	35,660
Fixed assets (net):			
Used in the business .....	17,517	29,205	21,607
Not used in the business .....	—	636	223
Total fixed assets (net) .....	17,517	29,841	21,830
Other assets:			
Long term investments .....	2,475	2,474	2,475
Other assets.....	3,344	229	2,254
Total other assets.....	5,819	2,703	4,729
Total assets.....	57,924	70,195	62,219



TABLE 5. Independent Drug Stores - Owned - Financial Structure of Incorporated Stores by Size, as at December 31, 1954 - Concluded

Item	Owned stores with annual net sales of		Total all sizes \$20,000 and over
	\$50,000-\$99,999	\$100,000 and over	
	(average per store)		
<b>Liabilities</b>			
Current liabilities:			
Accounts and notes payable .....	7,869	10,968	8,954
Fixed liabilities:			
Mortgages on fixed assets used in business .....	5,365	11,543	7,527
Mortgages on fixed assets not used in business .....	—	—	—
<b>Total fixed liabilities .....</b>	<b>5,365</b>	<b>11,543</b>	<b>7,527</b>
Other liabilities .....	2,635	5,555	3,657
<b>Total liabilities .....</b>	<b>15,869</b>	<b>28,066</b>	<b>20,138</b>
Net worth:			
Capital stock .....	20,378	14,638	18,369
Surplus and undivided profits .....	21,677	27,491	23,712
<b>Total net worth .....</b>	<b>42,055</b>	<b>42,129</b>	<b>42,081</b>
<b>Total liabilities and net worth .....</b>	<b>57,924</b>	<b>70,195</b>	<b>62,219</b>
Average net sales of stores reporting .....	72,742	128,220	92,159
Number of stores reporting .....	13	7	20

TABLE 6. Independent Drug Stores - Rented - Financial Structure of Incorporated Stores by Size and Age of Business, as at December 31, 1954

Item	Rented stores with annual net sales of							Total all sizes \$20,000 and over
	\$20,000- \$49,999	\$50,000-\$99,999			\$100,000 and over			
		Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	
	(average per store)							
Assets								
Current assets:								
Cash on hand and in bank .....	1,693	3,621	4,189	4,000	5,910	10,095	8,212	5,668
Accounts and notes receivable (net) .....	1,520	1,384	2,947	2,426	4,738	6,664	5,798	3,909
Merchandise inventory .....	11,301	16,877	19,491	18,620	29,807	30,766	30,334	23,119
Other current assets .....	169	2,413	585	1,194	810	6,092	3,715	2,249
<b>Total current assets .....</b>	<b>14,683</b>	<b>24,295</b>	<b>27,212</b>	<b>26,240</b>	<b>41,265</b>	<b>53,617</b>	<b>48,059</b>	<b>34,945</b>
Fixed assets (net):								
Used in the business .....	1,384	3,933	2,568	3,023	6,833	4,119	5,340	3,883
Not used in the business .....	23	—	—	—	3,736	2,144	2,861	1,382
<b>Total fixed assets (net) .....</b>	<b>1,407</b>	<b>3,933</b>	<b>2,568</b>	<b>3,023</b>	<b>10,569</b>	<b>6,263</b>	<b>8,201</b>	<b>5,265</b>
Other assets:								
Long term investments .....	950	2,183	1,199	1,527	5,883	1,199	3,307	2,295
Other assets .....	1,962	2,524	119	921	13,964	3,348	8,125	4,555
<b>Total other assets .....</b>	<b>2,912</b>	<b>4,707</b>	<b>1,318</b>	<b>2,448</b>	<b>19,847</b>	<b>4,547</b>	<b>11,432</b>	<b>6,850</b>
<b>Total assets .....</b>	<b>19,002</b>	<b>32,935</b>	<b>31,098</b>	<b>31,711</b>	<b>71,681</b>	<b>64,427</b>	<b>67,692</b>	<b>47,060</b>
Liabilities								
Current liabilities:								
Accounts and notes payable .....	4,948	6,845	7,280	7,135	14,331	15,272	14,849	10,510
Fixed liabilities:								
Mortgages on fixed assets used in business .....	17	1,051	342	578	2,611	2,564	2,585	1,457
Mortgages on fixed assets not used in business .....	—	762	35	278	—	134	74	136
<b>Total fixed liabilities .....</b>	<b>17</b>	<b>1,813</b>	<b>377</b>	<b>856</b>	<b>2,611</b>	<b>2,698</b>	<b>2,659</b>	<b>1,593</b>
Other liabilities .....	1,705	2,780	1,525	1,943	6,969	4,039	5,385	3,565
<b>Total liabilities .....</b>	<b>6,670</b>	<b>11,438</b>	<b>9,182</b>	<b>9,934</b>	<b>23,911</b>	<b>22,059</b>	<b>22,893</b>	<b>15,668</b>
Net worth:								
Capital stock .....	7,584	14,923	10,752	12,143	25,491	17,412	21,048	15,720
Surplus and undivided profits .....	4,748	6,574	11,164	9,634	22,279	24,956	23,751	15,672
<b>Total net worth .....</b>	<b>12,332</b>	<b>21,497</b>	<b>21,916</b>	<b>21,777</b>	<b>47,770</b>	<b>42,368</b>	<b>44,799</b>	<b>31,392</b>
<b>Total liabilities and net worth .....</b>	<b>19,002</b>	<b>32,935</b>	<b>31,098</b>	<b>31,711</b>	<b>71,681</b>	<b>64,427</b>	<b>67,692</b>	<b>47,060</b>
Average net sales of stores reporting .....	39,813	70,633	74,227	73,029	162,396	158,535	160,272	109,871
Number of stores reporting .....	13	10	20	30	18	22	40	83





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