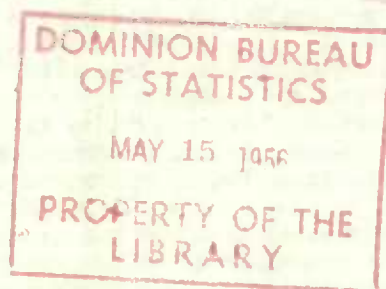


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CANADA

# OPERATING RESULTS AND FINANCIAL STRUCTURE INDEPENDENT JEWELLERY STORES 1954



*Published by Authority of*  
The Right Honourable C. D. Howe, Minister of Trade and Commerce

**DOMINION BUREAU OF STATISTICS**  
Industry and Merchandising Division  
Merchandising and Services Section

6505-539-124

Price 25 cents

Vol. 3—Par: II—OS-1

## 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¢
  - 3 Operating Results of Furniture Store Chains, 25¢
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- 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¢
- X—Motion Picture Production (Memorandum), 10¢

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 JEWELLERY 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 trades covered. 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.

Analyses of both profit and loss and balance sheet statements are presented in this report.

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, are 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 JEWELLERY STORES

Only retail establishments selling mainly jewellery, silverware, clocks and watches are used in this publication. Optical and leather goods, gifts and novelties may also be sold along with repair work but the latter should not exceed 50% of the total trade.

Unincorporated and incorporated "single establishment" or "independent" firms only are covered. After careful editing, 386 questionnaires were used for the profit and loss tabulations of unincorporated stores (119 for owned and 267 for

rented stores). The results of incorporated stores were derived from 66 properly completed questionnaires, covering rented stores only.

Returns from which balance sheet data were used numbered 239 for unincorporated stores and 65 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 on a sales-size range basis 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 jewellery 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.

The summary chart does 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 expressed as a percentage of average net sales for unincorporated stores increased to 40.19 per cent for 1954 from 39.99 per cent for 1952. A greater increase in net operating expenses reversed the initial increase in the gross profit to result in a decrease for net operating profit from 14.95 per cent in 1952 down to 14.66 per cent in 1954. The expense items; salaries, store supplies and advertising all showed a decrease in 1954 compared to 1952 but these were offset by increased ratios of occupancy and other expenses. The increase in the gross profit of in-

corporated stores from 42.38 per cent in 1952 to 43.52 per cent in 1954 was also more than offset by the increase in net operating expenses, 39.11 per cent in 1952 to 40.38 per cent in 1954. Final net operating profit decreased to 3.14 per cent in 1954 compared with 3.27 per cent in 1952. Salaries of management, charged as operating expenses, account for the low net profit ratio of incorporated firms compared to unincorporated stores.

Inventories for owned stores were slightly higher at the end of the year than they were at the beginning. This was due to sales-size class \$50,000 — \$99,999, the only group showing an increase for the year. Rented store inventories at the end of the year were lower for each sales-size category. Overall inventories for the two occupancy groups were slightly lower at the end of the year than they were at the beginning. Incorporated rented store inventories were lower at the end of the year for all except the sales-size group \$100,000 and over.

The rate of turnover for jewellery stores for both types of organization was very low and increased with the size of sales, ranging from 0.78 times per year to 1.82 times per year for both unincorporated and incorporated firms.

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

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

Operating Results of Independent Jewellery Stores, 1952 and 1954 Compared

Item	Unincorporated		Incorporated	
	1952	1954	1952	1954
	(per cent of net sales)			
Gross profit .....	39.99	40.19	42.38	43.52
Operating expenses:				
Employees' salaries .....	10.37	10.07	21.12	22.92
Occupancy .....	7.44	8.30	8.16	8.25
Store Supplies .....	1.18	1.08	1.34	1.42
Advertising .....	1.97	1.88	3.49	3.31
All other expenses .....	4.08	4.20	5.00	4.48
Total operating expenses .....	25.04	25.53	39.11	40.38
Net operating profit before deduction of income tax (1).....	14.95	14.66	3.27	3.14

(1) Proprietors' salaries included for unincorporated stores.

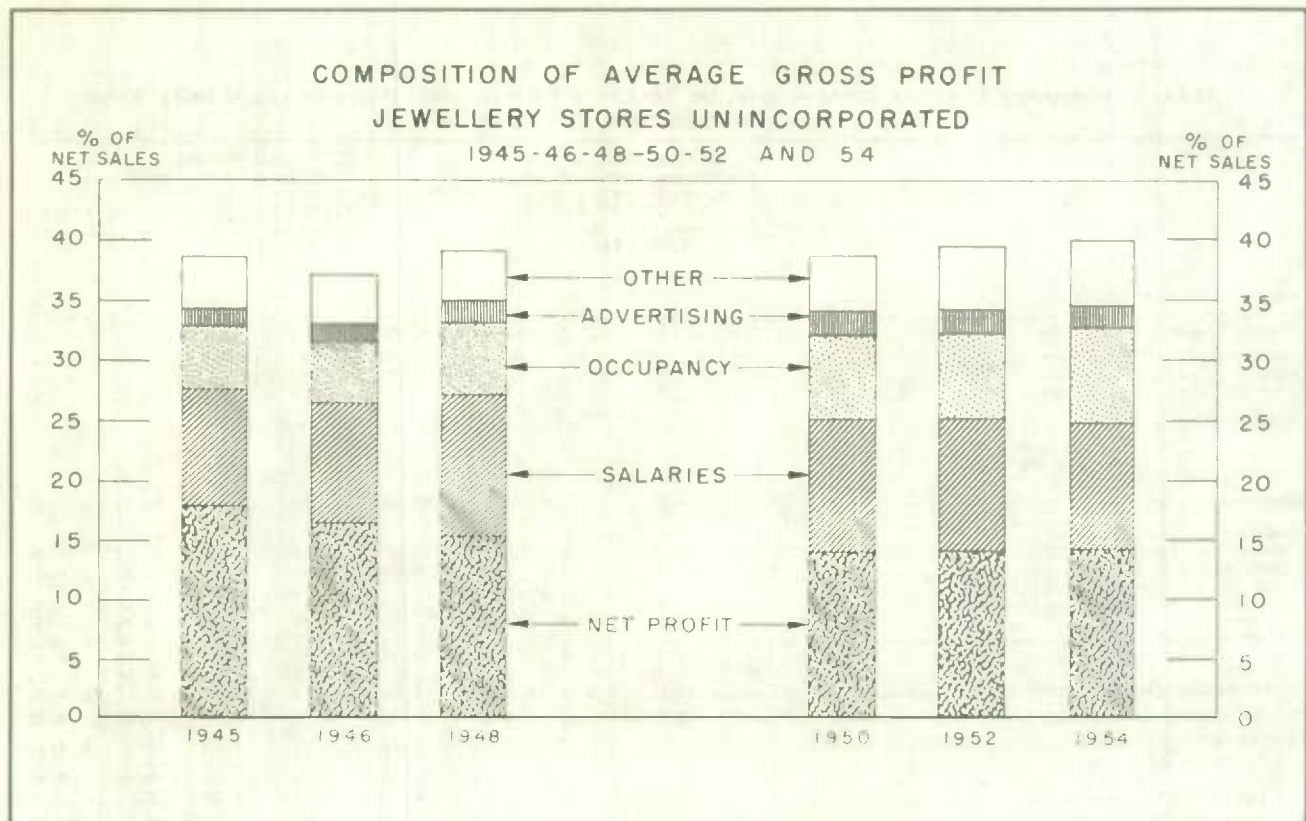
Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores and are shown here for the first time. They do not agree with ratios shown formerly for 1952 or with those shown in historical tables.



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

Item		Unincorporated		Incorporated
		Owned	Rented	Rented
Current ratio .....	1948	2.66	3.68	—
	1950	2.31	2.67	2.63
	1952	3.25	3.11	2.42
	1954	3.59	2.94	2.84
Liquidity ratio .....	1952	1.19	1.07	0.83
	1954	1.15	0.95	0.92
Working capital to net worth ratio .....	1948	0.61	0.89	—
	1950	0.61	0.86	0.91
	1952	0.67	0.88	0.85
	1954	0.66	0.86	0.93
Worth debt ratio .....	1948	2.13	2.78	—
	1950	1.35	1.72	1.39
	1952	2.06	2.01	1.41
	1954	2.03	1.89	1.48
Turn over of total capital employed .....	1952	1.17	1.45	1.39
	1954	1.02	1.36	1.34

Note: Ratio definitions are shown on page 6.



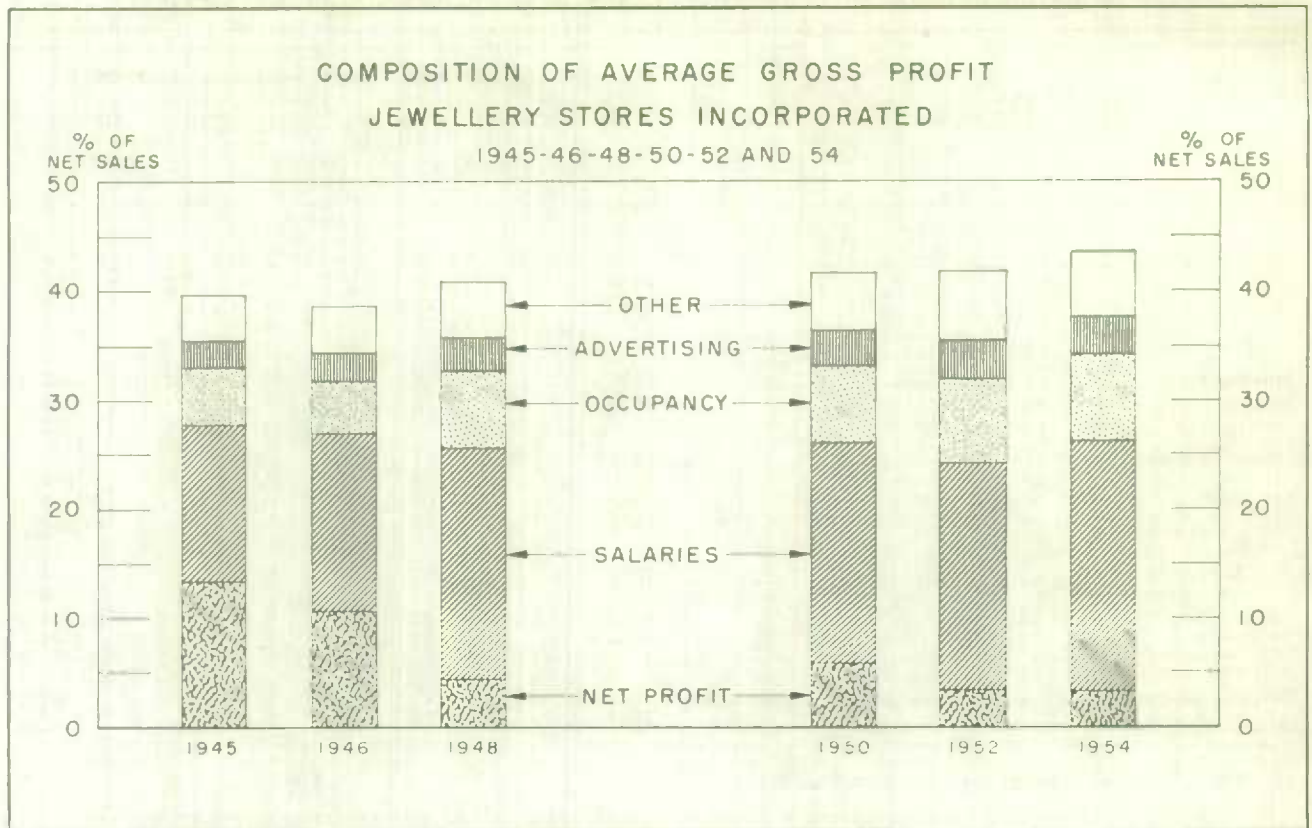


TABLE 1. Independent Jewellery Stores — Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy, 1954

Item	Owned stores with annual net sales of				Rented stores with annual net sales of				
	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting .....	21	30	45	23	25	63	128	39	12
Average net sales per store .....	\$ 6,693	15,529	33,573	67,524	7,063	15,309	31,841	64,831	130,624
Average beginning inventory .....	\$ 4,935	10,801	17,636	22,190	4,818	9,494	15,849	25,622	44,478
Average inventory, end of year .....	\$ 4,702	10,680	17,378	23,494	4,802	9,109	15,682	24,857	44,250
Average cost of goods sold .....	\$ 3,975	9,536	21,063	39,774	3,729	8,521	19,249	38,567	80,670
Stock turnover (times per year) .....	0.82	0.89	1.20	1.74	0.78	0.92	1.22	1.53	1.82
<b>Profit and Loss Data (per cent of net sales)</b>									
<b>Gross profit .....</b>	<b>40.61</b>	<b>38.59</b>	<b>37.26</b>	<b>41.10</b>	<b>47.20</b>	<b>44.34</b>	<b>39.54</b>	<b>40.51</b>	<b>38.24</b>
Operating expenses:									
Employees' salaries and wages (except delivery) .....	3.49	6.29	8.74	14.22	2.48	7.22	9.69	12.92	13.26
Delivery .....	0.61	0.51	0.58	0.49	0.86	0.36	0.43	0.33	0.47
Occupancy expenses:									
Taxes .....	2.01	1.73	1.27	1.00	0.72	0.71	0.51	0.48	0.37
Insurance .....	1.41	1.14	1.02	1.12	1.32	1.00	0.85	0.79	0.80
Rent .....	—	—	—	—	9.64	7.87	4.56	3.68	3.28
Heat, light and power .....	2.66	2.27	1.24	1.00	1.98	1.09	0.96	0.68	0.53
Repairs and maintenance .....	0.85	1.26	0.98	0.87	0.45	0.66	0.61	0.54	0.51
Depreciation allowances .....	2.08	2.85	2.31	1.41	1.56	0.92	1.02	1.02	0.63
<b>Total occupancy expenses .....</b>	<b>9.01</b>	<b>9.25</b>	<b>6.82</b>	<b>5.40</b>	<b>15.67</b>	<b>12.25</b>	<b>8.51</b>	<b>7.19</b>	<b>6.12</b>
Office or store supplies .....	1.04	1.06	1.17	1.22	1.30	0.96	1.02	1.18	1.03
Advertising .....	1.26	1.37	1.37	2.08	1.17	1.25	1.95	2.25	2.75
Net loss on bad debts .....	0.04	0.11	0.15	0.34	0.08	0.20	0.34	0.63	0.47
All other expenses .....	3.62	3.95	3.47	3.66	4.66	3.81	3.30	2.83	3.35
<b>Total operating expenses .....</b>	<b>19.07</b>	<b>22.54</b>	<b>22.30</b>	<b>27.41</b>	<b>26.22</b>	<b>26.05</b>	<b>25.24</b>	<b>27.33</b>	<b>27.45</b>
<b>Net operating profit before deduction of proprietors' salaries and income tax .....</b>	<b>21.54</b>	<b>16.05</b>	<b>14.96</b>	<b>13.69</b>	<b>20.98</b>	<b>18.29</b>	<b>14.30</b>	<b>13.18</b>	<b>10.79</b>

TABLE 2. Independent Jewellery Stores — Operating Results of Incorporated Rented Stores by Annual Sales Volume, 1954

Item	Stores with annual net sales of		
	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting .....	19	21	26
Average net sales per store .....	\$ 34,888	74,816	159,569
Average beginning inventory .....	23,360	42,230	53,367
Average inventory, end of year .....	22,890	40,258	54,516
Average cost of goods sold .....	19,022	41,405	91,392
Stock turnover (times per year) .....	0.82	1.00	1.69
<b>Profit and Loss Data</b> (per cent of net sales)			
Gross profit .....	45.48	44.66	42.72
Operating expenses:			
Employees' salaries and wages (except delivery) .....	24.35	23.82	22.31
Delivery .....	0.80	0.46	0.54
Occupancy expenses:			
Taxes .....	0.99	0.58	0.50
Insurance .....	1.86	1.02	0.95
Rent .....	6.60	4.99	3.50
Heat, light and power .....	1.12	0.85	0.54
Repairs and maintenance .....	0.90	0.60	0.51
Depreciation allowances .....	0.88	1.13	1.06
Total occupancy expenses .....	12.35	9.17	7.06
Office or store supplies .....	1.12	1.28	1.53
Advertising .....	2.35	2.42	3.82
Net loss on bad debts .....	0.24	0.55	0.79
All other expenses .....	3.37	3.46	3.17
Total operating expenses .....	44.58	41.16	39.22
Net operating profit before provision for income tax .....	0.90	3.50	3.50

TABLE 3. Independent Jewellery 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 sizes \$20,000 and over
	\$20,000-\$49,999			\$50,000-\$99,999			
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	
(average per store)							
<b>Assets</b>							
Current assets:							
Cash on hand and in bank.....	2,335	3,943	3,532	7,248	8,679	8,243	5,174
Accounts and notes receivable (net).....	1,649	1,719	1,701	7,168	4,906	5,595	3,058
Merchandise inventory.....	16,571	17,786	17,475	24,122	23,187	23,472	19,565
Other current assets.....	2,176	507	934	1,242	1,257	1,252	1,045
Total current assets.....	22,731	23,955	23,642	39,780	38,029	38,562	28,842
Fixed assets (net):							
Used in the business.....	12,728	9,829	10,571	23,214	16,811	18,760	13,425
Not used in the business.....	1,370	1,954	1,804	3,010	4,395	3,973	2,560
Total fixed assets (net).....	14,098	11,783	12,375	26,224	21,206	22,733	15,985
Other assets:							
Long term investments.....	1,050	2,232	1,929	1,900	94	644	1,481
Other assets.....	2,719	434	1,019	146	910	677	900
Total other assets.....	3,769	2,666	2,948	2,046	1,004	1,321	2,381
Total assets.....	40,598	38,404	38,965	68,050	60,239	62,616	47,208
<b>Liabilities</b>							
Current liabilities:							
Accounts and notes payable.....	7,864	5,436	6,057	9,636	12,651	11,733	8,035
Fixed liabilities:							
Mortgages on fixed assets used in business.....	7,225	2,443	3,667	8,839	4,292	5,676	4,367
Mortgages on fixed assets not used in business.....	—	152	113	2,531	770	1,306	529
Total fixed liabilities.....	7,225	2,595	3,780	11,370	5,062	6,982	4,896
Other liabilities.....	3,136	2,373	2,568	2,905	2,688	2,754	2,633
Total liabilities.....	18,225	10,404	12,405	23,911	20,401	21,469	15,564
Net worth:							
Proprietor's or partners' equity in the business.....	22,373	28,000	26,560	44,139	39,838	41,147	31,644
Total liabilities and net worth.....	40,598	38,404	38,965	68,050	60,239	62,616	47,208
Average net sales of stores reporting.....	31,137	34,418	33,579	66,759	68,234	67,524	45,499
Number of stores reporting.....	11	32	43	7	16	23	66



## MERCHANDISING AND SERVICES

TABLE 4. Independent Jewellery 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 to \$49,999			\$50,000 to \$99,999			\$100,000 and over	
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	Total	
(Average per store)								
Assets								
Current assets:								
Cash on hand and in bank.....	1,843	3,822	2,953	3,931	7,648	6,218	9,247	4,090
Accounts and notes receivable (net) .....	2,843	2,037	2,391	8,020	4,569	5,897	15,706	4,028
Merchandise inventory .....	15,603	16,111	15,888	28,214	22,759	24,857	46,080	19,829
Other current assets .....	853	617	721	1,000	2,917	2,180	5,230	1,337
Total current assets .....	21,142	22,587	21,953	41,165	37,893	39,152	76,263	29,284
Fixed assets (net):								
Used in the business.....	2,318	2,797	2,587	3,840	2,744	3,165	4,475	2,837
Not used in the business .....	382	672	545	—	2,448	1,507	—	727
Total fixed assets (net) .....	2,700	3,469	3,132	3,840	5,192	4,672	4,475	3,564
Other assets:								
Long term investments .....	413	1,530	1,039	1,618	423	882	677	981
Other assets .....	253	401	336	1,316	344	718	325	421
Total other assets .....	666	1,931	1,375	2,934	767	1,600	1,002	1,402
Total assets .....	24,508	27,987	26,460	47,939	43,852	45,424	81,740	34,250
Liabilities								
Current liabilities:								
Accounts and notes payable.....	8,270	6,418	7,231	20,210	9,166	13,414	28,196	9,958
Fixed liabilities:								
Mortgages on fixed assets used in business .....	770	756	762	772	146	387	—	629
Mortgages on fixed assets not used in business.....	330	171	241	—	876	539	—	293
Total fixed liabilities .....	1,100	927	1,003	772	1,022	926	—	922
Other liabilities.....	1,616	565	1,027	1,966	402	1,003	155	966
Total liabilities .....	10,986	7,910	9,261	22,948	10,590	15,343	28,351	11,846
Net worth:								
Proprietor's or partners' equity in the business .....	13,522	20,077	17,199	24,991	33,262	30,081	53,389	22,404
Total liabilities and net worth .....	24,508	27,987	26,460	47,939	43,852	45,424	81,740	34,250
Average net sales of stores reporting.....	31,549	31,920	31,757	65,381	64,487	64,831	130,706	45,505
Number of stores reporting .....	54	69	123	15	24	39	11	173

TABLE 5. Independent Jewellery Stores — Rented — Financial Structure of Incorporated 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 to \$49,999	\$50,000 to \$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.....	2,622	3,406	11,888	7,445	9,142	6,424	7,946	6,228
Accounts and notes receivable (net).....	2,565	6,407	4,876	5,678	23,350	17,390	20,728	10,556
Merchandise inventory.....	22,890	39,254	41,394	40,273	50,110	56,453	52,901	40,049
Other current assets.....	2,336	1,213	1,125	1,171	1,713	6,234	3,702	2,485
Total current assets.....	30,413	50,280	59,283	54,567	84,315	86,501	85,277	59,318
Fixed assets (net):								
Used in the business.....	2,315	5,236	2,379	3,876	8,842	5,930	7,561	4,837
Not used in the business.....	55	—	—	—	70	326	182	86
Total fixed assets (net).....	2,370	5,236	2,379	3,876	8,912	6,256	7,743	4,923
Other assets:								
Long term investments.....	1,084	30	869	430	2,054	—	1,150	898
Other assets.....	1,445	2,341	2,778	2,549	5,031	10,070	7,248	4,034
Total other assets.....	2,529	2,371	3,647	2,979	7,085	10,070	8,398	4,932
Total assets.....	35,312	57,887	65,309	61,422	100,312	102,827	101,418	69,173

TABLE 5. Independent Jewellery Stores — Rented — Financial Structure of Incorporated Stores by Size and Age of Business as at December 31, 1954 — Concluded

Item	Stores with annual net sales of							Total all sizes \$20,000 and over
	\$20,000 to \$49,999	\$50,000 to \$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)							
Liabilities								
Current liabilities:								
Accounts and notes payable.....	11,393	18,411	14,006	16,313	35,304	27,502	31,871	20,859
Fixed liabilities:								
Mortgages on fixed assets used in business.....	447	433	—	227	—	—	—	204
Mortgages on fixed assets not used in business.....	231	—	—	—	—	—	—	67
Total fixed liabilities.....	678	433	—	227	—	—	—	271
Other liabilities.....	4,707	9,825	7,477	8,707	6,817	6,522	6,687	6,761
Total liabilities.....	16,778	28,669	21,483	25,247	42,121	34,024	38,558	27,891
Net worth:								
Capital stock—paid up.....	12,159	18,302	22,323	20,217	37,878	40,984	39,245	25,180
Surplus and undivided profit.....	6,375	10,916	21,503	15,958	20,313	27,819	23,615	16,102
Total net worth.....	18,534	29,218	43,826	36,175	58,191	68,803	62,860	41,282
Total liabilities and net worth.....	35,312	57,887	65,309	61,422	100,312	102,827	101,418	69,173
Average net sales of stores reporting.....	34,888	74,306	75,378	74,816	138,791	169,221	152,181	92,901
Number of stores reporting.....	19	11	10	21	14	11	25	65

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