

63-409
FEB 16 1954 (3)



CANADA

OPERATING RESULTS
AND
FINANCIAL STRUCTURE RETAIL FOOD STORES
1952

(Independent)



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

6505-631
8-1-54

Price 25 cents

Vol. 4—Part II—K-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 — Operating Results of Miscellaneous Wholesalers, (Automotive parts and accessories, drugs, hardware, plumbing and heating equipment), 25¢

Part II — Retail Statistics

- E — General Review, 25¢
- F — Retail Trade, 50¢
- G — Retail Chain Stores, 50¢
- *H — Operating Results of Chain Food Stores, 25¢
- *I — Operating Results of Chain Clothing Stores, 25¢
- *J — Operating Results of Miscellaneous Chain Stores (variety, drug, furniture), 25¢
- K — Operating Results of Retail Food Stores, 25¢
- L — Operating Results of Retail Clothing Stores, 25¢
- M — Operating Results of Retail Hardware, Furniture, Appliance and Radio Stores, 25¢
- N — Operating Results of Filling Stations and Garages, 25¢
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Part III — Service and Special Fields

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- U — Farm Implement and Equipment Sales, 25¢
- V — New Motor Vehicle Sales and Motor Vehicle Financing, 25¢
- W — Advertising Agencies (Memorandum), 25¢
- X — Motion Picture Production (Memorandum), 10¢

The reports are punched to permit of filing in a ring binder.

* Biennial reports — not issued for 1952.

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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returned by customers are deducted from gross sales, but sales of meals or lunches provided employees and any goods withdrawn by the proprietor for personal use are included.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 — investment of a permanent nature not readily converted into cash and intangibles such as goodwill and organization costs.

Liabilities and Net Worth

Current liabilities — are 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 receivables) can result in a stronger or more favourable ratio.

Liquidity Ratio — $\text{Cash} + \text{Accounts Receivable} + \text{Government Bonds and Securities} \div \text{Current Liabilities}$ — 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 RETAIL FOOD STORES 1952

INTRODUCTION

The ratios appearing in the operating results bulletins may not constitute an ideal pattern of operations which all retailers should set as a goal, but they do represent a standard by which the retailer may ascertain whether or not his operations are being conducted as effectively, economically and profitably as those of the trade in general. To the merchant whose profits are below average, the operating results summaries may help to disclose the reasons which account for this situation. Reflection and consideration on the part of the merchant make it possible to decide whether his operating methods should be altered or whether the situation is normal in the light of conditions peculiar to the location of his business.

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.

Statistics derived from other sources have shown that the mortality rate of business is much higher among new entrants into the field of retailing than among those established for five years or more. There are many reasons for this, some of them associated with the natural incompetence of the initiate retailer which could not be completely overcome by means of operating statement analysis. 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 food stores. Separate figures are given for:

1. Grocery stores
2. Combination meat and grocery stores
3. Meat markets
4. Fruit and vegetable stores
5. Confectionery stores

There are analyses of:

1. profit and loss statements
2. balance sheets

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

Balance sheet data, which was introduced in 1948, is continued in this 1952 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.

This year, definitions of the ratios, presented in this bulletin, for comparison and financial statement analysis, are shown on the opposite page.

COMPARISON OF MAIN ITEMS BY TRADES

In relation to sales, the 1952 net operating profit ratios of food stores held firm when compared to 1950 operating results ratios. Grocery and combination store managements operated with a slightly lower gross profit (mark-up) but by trimming expenses, retained the same net operating profit, in relation to net sales. The opposite situation occurred in fruit and vegetable store operations; gross profits, as a relative of sales, remained the same but net operating profits showed a slight decline

from the 1950 ratio. Confectionery stores were operated with a higher mark-up, but a corresponding rise in operating expenses occurred, resulting in a net operating profit ratio identical to that of 1950. Meat markets reported an increase in the average mark-up and only a portion of this increase was absorbed by greater operating expenses. Therefore meat markets was the only kind of business which experienced a gain in net operating profits.

Average Gross and Net Profits — Historical Summary by Trades

Year	Grocery		Combination		Meat		Fruit and Vegetable		Confectionery	
	Gross Profit	Net Profit	Gross Profit	Net Profit	Gross Profit	Net Profit	Gross Profit	Net Profit	Gross Profit	Net Profit
(Per cent of net sales)										
1938	16.0	4.5	17.4	4.1	22.4	5.6	(Not available)			
1941	15.2	5.7	16.9	5.2	—	—				
1944	14.2	6.3	15.2	5.8	17.1	6.0	16.4	6.6	19.5	9.6
1945	14.1	6.1	14.9	5.0	16.9	6.0	16.0	6.6	20.7	10.1
1946	14.3	6.0	15.1	4.8	17.2	5.8	16.1	6.5	18.9	8.8
1948	14.0	5.7	14.6	4.4	16.6	5.5	17.5	6.5	19.1	8.5
1950	14.4	5.2	14.9	4.1	16.1	5.0	17.5	5.9	18.2	7.5
1952	13.8	5.2	14.6	4.1	17.5	6.1	17.5	5.6	18.8	7.5

Average Inventories and Stock Turnover — Historical Summary by Trades

Year	Grocery			Combination			Meat		
	Beginning Inventory	Ending Inventory	Stock turnover ¹	Beginning Inventory	Ending Inventory	Stock turnover ¹	Beginning Inventory	Ending Inventory	Stock turnover ¹
	\$	\$		\$	\$		\$	\$	
1938	2,570	2,472	9.9	2,275	2,265	13.0	732	732	31.0
1941	2,636	2,979	7.9	2,046	2,324	13.0	(Not available)		
1945	2,382	2,468	11.5	3,084	3,176	15.5	882	972	41.6
1946	2,442	2,843	11.4	3,231	3,846	14.9	1,054	1,284	37.2
1948	3,389	3,423	10.6	4,460	4,520	13.8	1,249	1,398	37.4
1950	3,528	3,906	10.9	4,453	5,141	13.9	1,130	1,305	43.4
1952	3,947	3,956	10.1	5,298	5,104	13.8	1,521	1,365	39.1
	Fruit and Vegetable			Confectionery					
	Beginning Inventory	Ending Inventory	Stock turnover ¹	Beginning Inventory	Ending Inventory	Stock turnover ¹			
	\$	\$		\$	\$				
1945	1,212	1,283	25.2	970	1,030	15.3			
1946	1,278	1,418	24.6	1,117	1,352	13.0			
1948	1,682	1,868	19.2	1,410	1,487	12.1			
1950	1,912	2,152	18.8	1,771	1,948	11.3			
1952	2,426	2,481	18.4	1,985	2,061	12.0			

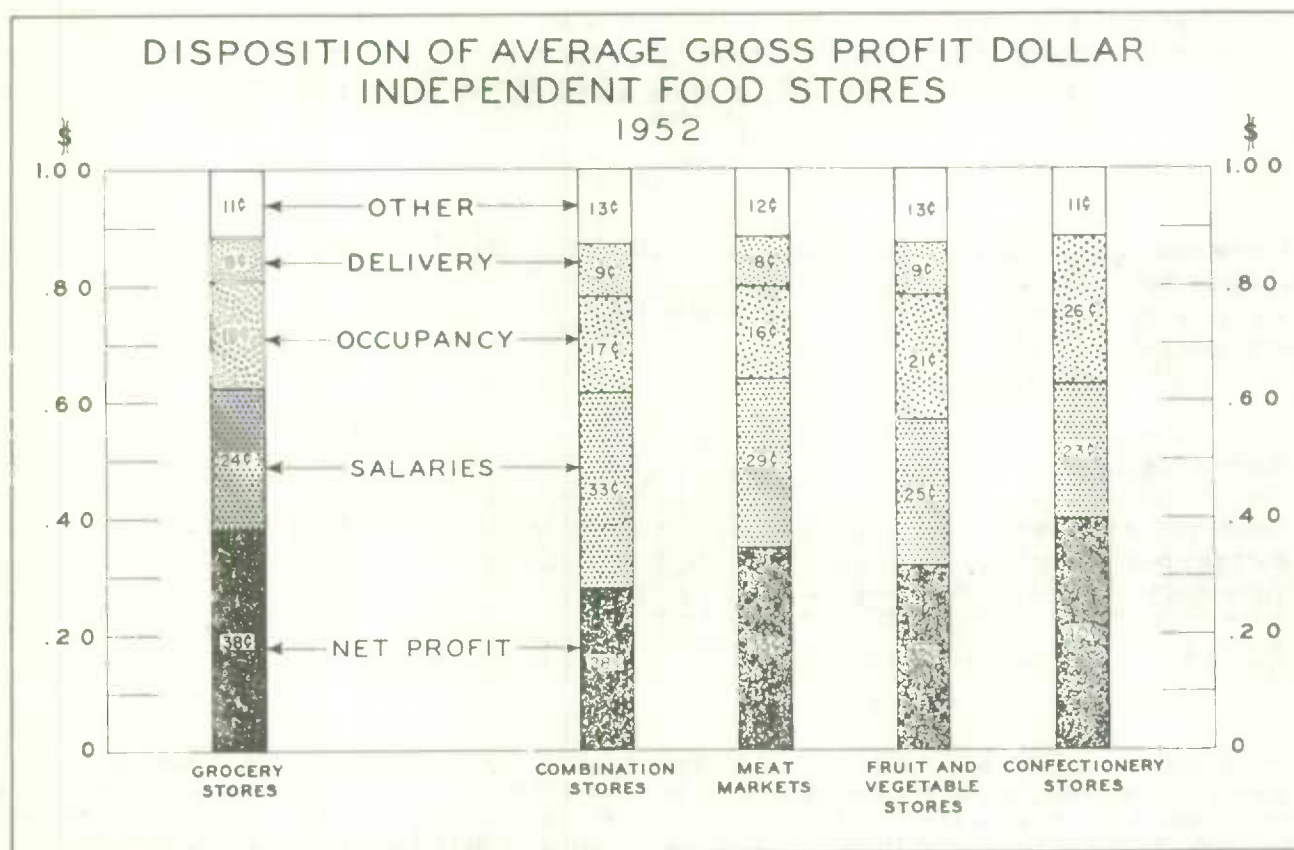
1. Times per year.

Comparison with previous survey results indicated that both beginning and end of the year inventories increased in all five types of food retail stores. In all trades except confectionery, the increased inventories resulted in lower rates of stock turnover than were experienced in 1950.

Meat markets, because they stocked the most perishable type of merchandise, continued to show the lowest inventories and the highest annual rate

of stock turnover of 39.1. Conversely, grocery stores which stocked the most stable line of goods of the five trades, maintained large inventories and experienced the slowest stock turnover of 10.1 times per year.

The average inventory figures represent dollar volume and the changes can be attributed to either price or quantity increase, or the combined effect of both.



The chart showing the disposition of the average gross profit dollar for each of the five food trades surveyed, is a valuable standard to which firms within each specific trade might compare their results. Differences arising from such comparisons are more apparent than if percentage ratios of costs and profits to sales were used as the standard or basis of comparison. However, because the number of gross profit dollars varies considerably between trades, there is no common basis for reliable inter-trade comparisons of average gross profit dollar components. As an example, combination stores op-

erated with a larger sales' volume than did confectionery stores thereby requiring a smaller mark-up to obtain a reasonable net profit. By comparison it can be noted that combination stores retained only 28 cents of their average gross profit dollar as net profit, whereas confectionery stores retained 40 cents. There is no justification to assume from this comparison that confectionery stores realized a greater net profit than did combination stores. Inter-trade comparisons should be made with items expressed as proportions of their respective sales.

FINANCIAL STRUCTURE

Balance sheet information was introduced in the 1948 survey and continued for 1950 and again in this 1952 survey. This information is presented in the form of averages of firms in three sales-size categories and a differentiation is made between firms operated in owned or rented premises. The segregation of both fixed assets and fixed liabilities into those used in the business and not used in the business, introduced in the 1950 survey, has been continued in the 1952 results. This allows direct comparison

between 1950 and 1952, but the major criterion of this segregation was to allow the presentation of data applicable to trading operations exclusively. The ratios summarized below are therefore unbiased by non-trade factors. These ratios are compiled from the averages of firms reporting in the \$20,000 and over sales-size categories, and not the over-all trade averages. Ratio definitions appear on page six of this publication.

Balance Sheet Ratios Independent Retail Food Stores Compared as at December 31, 1952

Item	Grocery stores	Combination stores	Meat markets	Fruit and vegetables stores	Confectionery stores
(Average of firms with net sales of \$20,000 and over)					
Owned					
Current ratio	3.90	2.68	2.76	5.27	2.74
Liquidity ratio.....	1.98	1.43	2.21	3.21	1.17
Working capital to net worth.....	0.51	0.44	0.33	0.36	0.28
Worth debt ratio.....	3.36	2.31	3.12	4.76	2.49
Turnover of total capital employed	3.56	4.00	3.92	4.10	3.04
Rented					
Current Ratio.....	2.97	2.37	2.47	2.69	3.43
Liquidity ratio.....	1.36	1.22	2.00	1.36	1.77
Working capital to net worth.....	0.64	0.53	0.56	0.55	0.47
Worth debt ratio.....	2.19	1.67	2.15	2.64	2.64
Turnover of total capital employed	5.41	6.23	7.53	8.23	5.40

A current ratio of 2 to 1, that is \$2.00 of current assets for each \$1.00 of current liabilities, is generally considered a favourable credit position of a business. The most apparent difference between the current ratios of businesses operated in owned or rented premises occurred in the fruit and vegetable trade, where the "owned" showed 5.27 as opposed to 2.69 for "rented". This difference was not only due to larger average current assets in the owned category, but was accentuated by lower current liabilities for stores in this group.

The liquidity ratio, a test of credit strength of the business, showed that all five trades were in better than standard position with more than \$1.00 readily convertible assets for each \$1.00 of current liabilities. Again, marked differences occurred between trades due to their individual financial structural requirements.

A larger proportion of the capital of lessee-merchants, as compared to owner-proprietors, could be realized readily after the satisfaction of their respective current liabilities, as shown by the working capital to net worth ratios. That is, after allowing for the payment of current liabilities out of current assets, the owner-proprietor grocer had only 51 per cent of his capital in the form of current assets, whereas the lessee-grocer had 64 per cent.

The worth-debt ratio takes on its significance when there is a difference derived by comparison of the ratios for consecutive periods. A decline would indicate that the proprietor is more dependent on outside financial assistance. That is, loans by the business may produce a favourable current ratio, but this situation can be counteracted by a decline in the worth-debt ratio of that business. Because this ratio has not appeared in previous operating results bulletins, it is impossible to provide an illustration.

COMPARISON OF FINANCIAL STRUCTURE BY TRADES

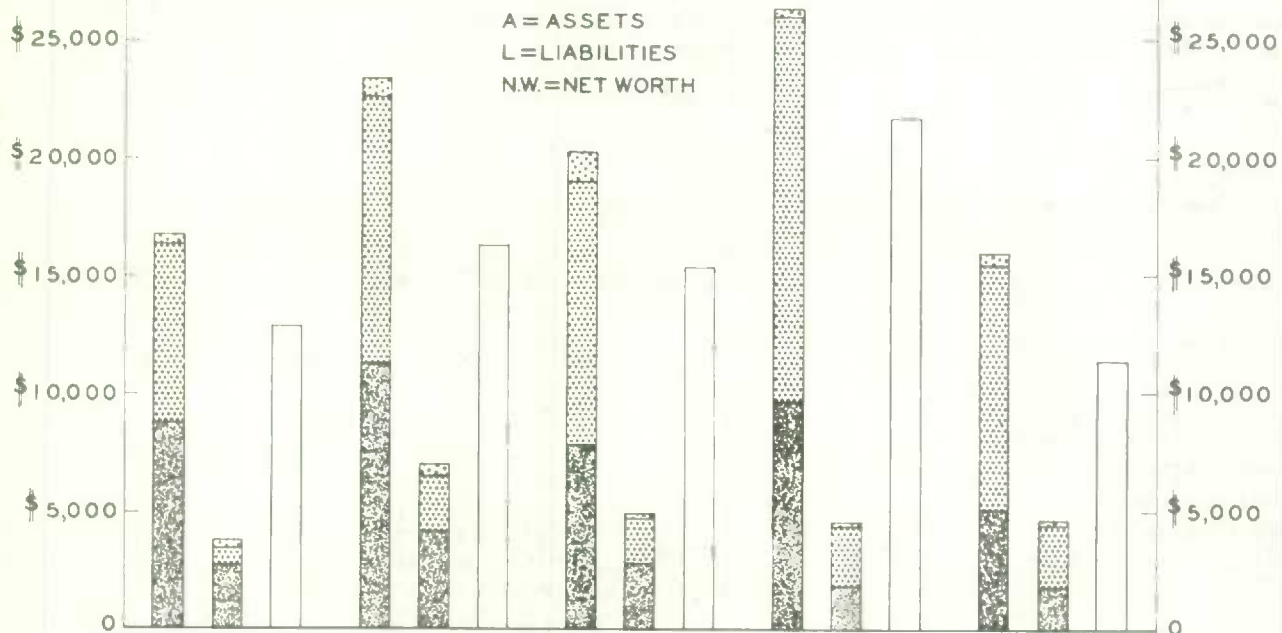
AVERAGE FINANCIAL POSITION DECEMBER 31, 1952

AVERAGE
FINANCIAL POSITION

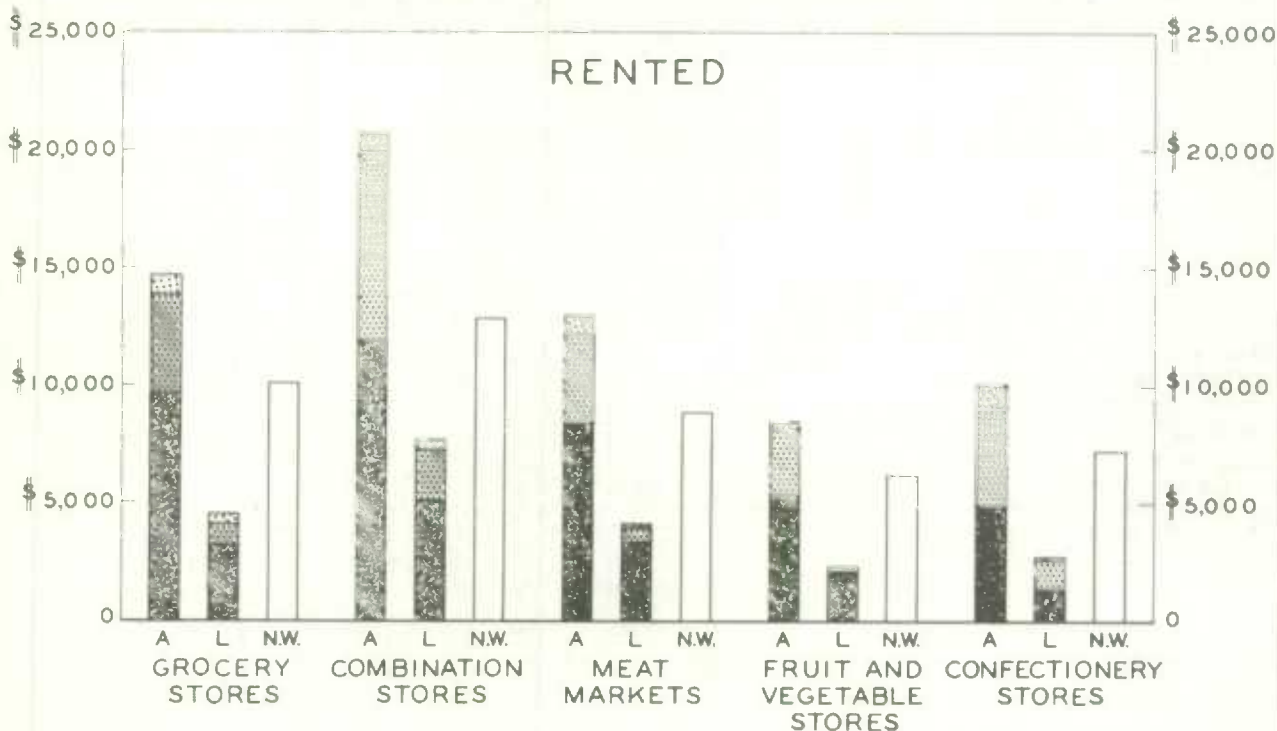
TOTAL ASSETS = TOTAL LIABILITIES + NET WORTH

AVERAGE
FINANCIAL POSITION

OWNED



RENTED



CURRENT-ASSETS
OR LIABILITIES

FIXED-ASSETS
OR LIABILITIES

OTHER-ASSETS
OR LIABILITIES

INDEPENDENT GROCERY STORES

This classification includes stores recognized by the trade as independent grocery stores. The term "independent" is used to mean non-chain or single establishment firms. Fresh meats were stocked by some, but when this item represented more than 20 per cent of annual sales, the store was classified as a combination store. After careful editing of the questionnaires returned, it was possible to use 745 reports of independent unincorporated firms in the tabulation of profit and loss averages and ratios. Results of grocery stores operated in owned or rented premises are presented separately. A further

differentiation is made within each of these categories to show results of firms within sales-size ranges.

Balance sheet results are shown, in the form of averages, for both owned and rented categories but only for those firms in the sales-size groups commencing at \$20,000. Returns from a total of 468 stores, comprised of 265 owned and 203 rented, were used to obtain the balance sheet results of grocery stores. To present this information a further segregation of results was made to show averages of firms in operation "under 10 years" and "10 years and over".

Operating Results

Although identical firm results are not used, a reasonable year-to-year comparison of operating results may be made. Because profits and expenses for each year are expressed as percentages of their respective sales, it is necessary to take into account the change in sales to make a significant interpretation of changes in ratios. As an example, if average sales increased 10 per cent from \$50,000 in 1950 to \$55,000 in 1952, and rent showed a proportionate increase from \$600 to \$660, the rent expense ratio would be identical for both years. However, if rent remained unchanged, or increased less than 10 per cent, the rent expense ratio would decline. It is therefore necessary to note the changes in net sales in order to interpret a change in ratios correctly.

The average gross profit, expressed as a percentage of average net sales, declined from 14.44 per cent in 1950 to 13.78 per cent in 1952. Operating expenses, with the exception of delivery expense,

also showed decreases which more than offset the reduction in gross profit. Consequently, the net operating profit ratios showed an increase from 5.18 per cent in 1950 to 5.24 per cent in 1952. This increase, together with greater 1952 average sales, indicates that grocers realized a larger average net operating profit when expressed in dollar value.

Generally, inventories were of slightly higher value at the end of 1952 than at the beginning of the year.

The annual rate of stock turnover ranged from 5.89 in the smaller stores to 14.10 for stores in the largest sales-size category.

Detailed information, with respect to both operating costs and financial position, is presented on the following pages.

Operating Results of Independent Grocery Stores 1950 and 1952 Compared

Item	1950	1952
Average net sales per store	\$ 47,217	50,405
Profit and Loss Data (Per cent of net sales)		
Gross profit	14.44	13.78
Operating expenses:		
Employees' salaries	3.72	3.32
Occupancy	2.82	2.58
Delivery	1.02	1.05
Store supplies	0.55	0.52
All other expenses	1.15	1.07
Total operating expenses	9.26	8.54
Net operating profit before deduction of proprietors' salaries and income tax	5.18	5.24

Balance Sheet Ratios of Independent Grocery Stores as at December 31, 1952

Ratio ¹	Owned	Rented
Current ratio	3.90	2.97
Liquidity ratio	1.98	1.36
Working capital to net worth	0.51	0.64
Worth debt ratio	3.36	2.19
Turnover of total capital employed	3.56	5.41

1. Ratio definitions are shown on page 6.

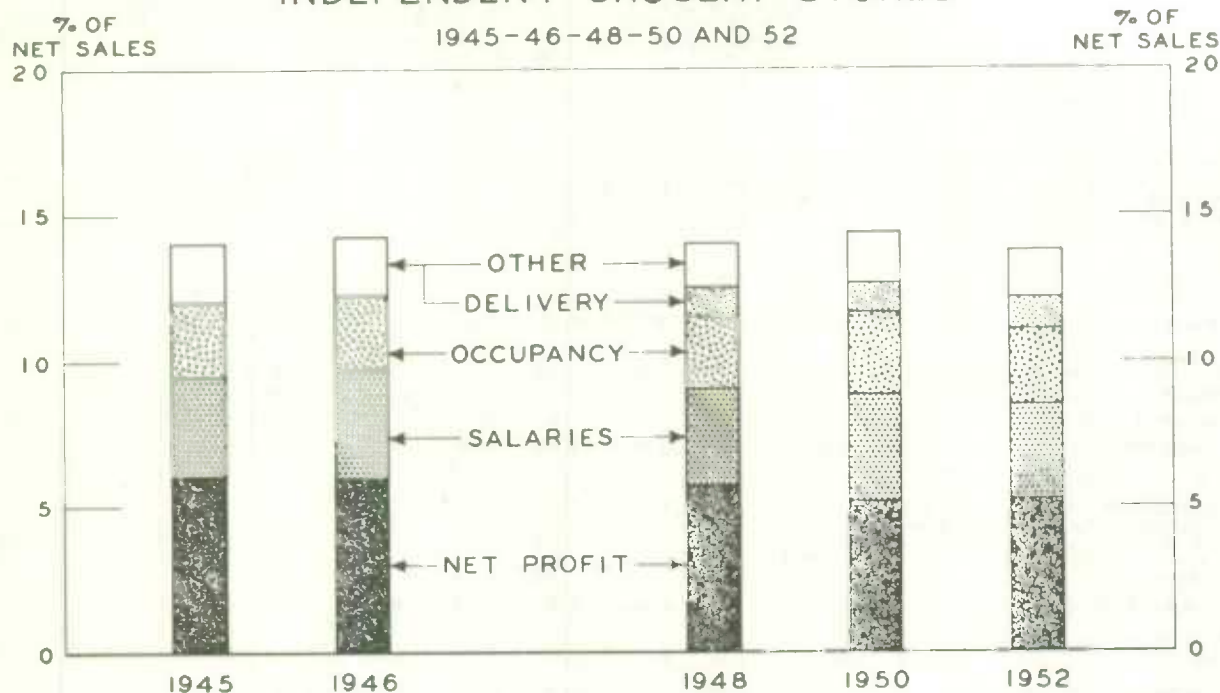
COMPOSITION OF AVERAGE GROSS PROFIT
INDEPENDENT GROCERY STORES

TABLE 1. Independent Grocery Stores — Operating Results by Annual Sales Volume and Occupancy 1952

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	\$100,000 and over	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting	22	85	191	99	29	38	134	97	44
Average net sales per store	\$ 6,514	15,918	33,271	65,770	160,601	16,121	34,880	66,926	152,378
Average cost of goods sold	\$ 5,078	13,631	28,843	57,128	140,003	13,453	29,956	57,359	130,742
Average beginning inventory	\$ 852	1,753	3,062	5,001	10,683	1,748	3,005	5,230	9,100
Average inventory, end of year	\$ 872	1,791	3,071	5,074	11,037	1,766	2,912	5,024	9,450
Stock turnover (times per year)	5.89	7.69	9.40	11.34	12.89	7.66	10.12	11.19	14.10
Profit and Loss Data (Per cent of net sales)									
Gross profit	22.04	14.36	13.31	13.14	12.82	16.54	14.10	14.29	14.20
Operating expenses:									
Employees' salaries and wages (except delivery)	0.42	1.22	2.06	3.33	4.30	1.03	2.34	3.74	4.84
Taxes	1.62	0.79	0.53	0.43	0.33	0.42	0.30	0.18	0.15
Insurance	0.30	0.33	0.25	0.26	0.24	0.20	0.17	0.19	0.19
Rent	—	—	—	—	—	2.70	1.64	1.37	1.03
Heat, light and power	2.32	1.23	0.76	0.55	0.40	1.10	0.63	0.41	0.30
Delivery	1.07	0.92	1.00	0.99	0.99	0.83	1.01	1.14	1.17
Repairs and maintenance	0.38	0.44	0.31	0.31	0.30	0.29	0.25	0.18	0.19
Depreciation allowances	0.54	0.46	0.68	0.75	0.74	0.20	0.34	0.39	0.36
Store supplies	0.63	0.45	0.45	0.58	0.47	0.63	0.49	0.55	0.57
Advertising	0.10	0.08	0.16	0.25	0.20	0.03	0.17	0.24	0.29
Bad debts - written off	0.43	0.11	0.06	0.10	0.10	0.08	0.08	0.13	0.10
(Less) amount recovered	0.06	0.01	0.01	0.01	0.01	—	0.01	0.01	0.03
Net bad debt loss	0.37	0.10	0.05	0.09	0.09	0.08	0.07	0.12	0.07
All other expenses	0.91	0.64	0.80	0.76	0.84	0.79	0.72	0.76	0.75
Total operating expenses	8.66	6.66	7.05	8.30	8.90	8.30	8.13	9.27	9.91
Net operating profit before deduction of proprietors' salaries and income tax	13.38	7.70	6.26	4.84	3.92	8.24	5.97	5.02	4.29

TABLE 2. Independent Grocery Stores — Owned — Financial Structure by Size of Business as at December 31, 1952

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	1,205	1,346	1,305	2,274	2,155	2,197	1,660	6,736	4,480	1,908
Accounts and notes receivable (net)	647	1,032	920	2,327	2,106	2,183	4,350	6,307	5,437	1,776
Merchandise inventory	2,691	3,225	3,070	3,892	5,485	4,928	7,642	11,855	9,983	4,356
Other current assets	164	851	652	111	806	563	1,281	3,322	2,415	804
Total current assets	4,707	6,454	5,947	8,604	10,552	9,871	14,933	28,220	22,315	8,844
Fixed assets (net):										
Used in the business	5,766	4,612	4,947	8,350	6,471	7,127	9,999	11,896	11,053	6,252
Not used in the business	1,518	1,251	1,329	1,660	662	1,011	1,468	1,996	1,761	1,273
Total fixed assets (net)	7,284	5,863	6,276	10,010	7,133	8,138	11,467	13,892	12,814	7,525
Other assets:										
Investments of a permanent nature	—	365	259	360	116	201	103	196	155	230
Intangibles	191	377	323	11	69	49	144	262	209	226
Total other assets	191	742	582	371	185	250	247	458	364	456
Total assets	12,182	13,059	12,805	18,985	17,870	18,259	26,647	42,570	35,493	16,825
Liabilities										
Current liabilities—accounts and notes payable	1,117	1,336	1,273	3,004	2,578	2,727	6,425	6,710	6,583	2,269
Fixed liabilities—mortgages on fixed assets:										
Used in the business	1,377	423	700	1,995	880	1,269	2,338	2,385	2,364	1,048
Not used in the business	336	182	227	224	19	91	67	407	256	167
Other liabilities	241	230	233	708	348	474	725	712	718	358
Total liabilities	3,071	2,171	2,433	5,931	3,825	4,561	9,555	10,214	9,921	3,862
Net worth—proprietor's or partners' equity in the business	9,111	10,888	10,372	13,054	14,045	13,698	17,092	32,356	25,572	12,963
Total liabilities and net worth	12,182	13,059	12,805	18,985	17,870	18,259	26,647	42,570	35,493	16,825
Number of stores reporting	45	110	155	29	54	83	12	15	27	265
Average net sales of stores reporting	30,659	33,805	32,892	65,236	65,888	65,660	131,906	168,766	152,384	55,330

TABLE 3. Independent Grocery Stores — Rented — Financial Structure by Size of Business as at December 31, 1952

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	696	1,028	916	1,627	2,580	2,133	3,387	3,437	3,415	1,906
Accounts and notes receivable (net)	809	1,199	1,067	1,344	2,550	1,998	4,180	4,071	4,120	2,049
Merchandise inventory	3,199	3,129	3,152	4,980	5,256	5,130	8,536	10,616	9,680	5,247
Other current assets	13	604	405	18	1,201	659	100	384	256	480
Total current assets	4,717	5,960	5,540	7,969	11,567	9,920	16,203	18,508	17,471	9,682
Fixed assets (net):										
Used in the business	2,172	1,287	1,585	2,626	2,981	2,818	5,180	5,646	5,436	2,848
Not used in the business	1,499	1,969	1,811	967	2,011	1,534	303	110	197	1,379
Total fixed assets (net)	3,671	3,256	3,396	3,593	4,992	4,352	5,483	5,756	5,633	4,227
Other assets:										
Investments of a permanent nature	—	209	138	—	80	43	107	499	322	136
Intangibles	175	257	230	1,086	271	644	3,465	43	1,583	665
Total other assets	175	466	368	1,086	351	687	3,572	542	1,905	801
Total assets	8,563	9,682	9,304	12,648	16,910	14,959	25,258	24,806	25,009	14,710
Liabilities										
Current liabilities—accounts and notes payable	1,638	1,274	1,397	2,912	2,466	2,670	8,480	8,034	8,234	3,264
Fixed liabilities—mortgages on fixed assets:										
Used in the business	302	115	178	265	285	276	2,172	101	1,033	387
Not used in the business	519	706	643	570	634	604	—	34	19	504
Other liabilities	362	90	188	305	543	435	1,207	872	1,023	453
Total liabilities	2,841	2,185	2,406	4,052	3,928	3,985	11,859	9,041	10,309	4,608
Net worth—proprietor's or partners' equity in the business	5,722	7,497	6,898	8,596	12,982	10,974	13,399	15,765	14,700	10,102
Total liabilities and net worth	8,563	9,682	9,304	12,648	16,910	14,959	25,258	24,806	25,009	14,710
Number of stores reporting	27	53	80	36	45	83	18	22	40	203
Average net sales of stores reporting	36,664	34,679	35,349	69,579	65,762	67,510	142,397	185,980	155,367	72,147

INDEPENDENT COMBINATION STORES

This classification includes stores recognized by the trade as independent combination stores. The term "independent" is used to mean non-chain or single establishment firms. Both fresh meats and groceries were sold by stores in this classification and of these two commodity groups the smaller was not less than 20 per cent of annual sales. Profit and loss statements from 723 such stores were used in the tabulation of profit and loss averages and ratios. Results of combination stores operated in owned or rented premises are presented separately. A further differentiation is made within each of these

categories to show results of firms within sales-size ranges.

Balance sheet information was tabulated from results submitted by 561 combination stores. Of these, 324 conducted operations in owned premises and 237 in rented premises. Results are shown separately for each of these groups as well as by annual sales-size ranges commencing at \$20,000. A further segregation of results was made to present balance sheet information for firms in operation "under 10 years" and "10 years and over".

Operating Results

Although identical firm results are not used, a reasonable year-to-year comparison of operating results may be made. Because profits and expenses for each year are expressed as percentages of their respective sales, it is necessary to take into account the change in sales to make a significant interpretation of changes in ratios. As an example, if average sales increased 10 per cent from \$50,000 in 1950 to \$55,000 in 1952, and rent showed a proportionate increase from \$600 to \$660, the rent expense ratio would be identical for both years. However, if rent remained unchanged or increased less than 10 per cent, the rent expense ratio would decline. It is therefore necessary to note the changes in net sales in order to interpret a change in ratios correctly.

The average gross profit, expressed as a percentage of average net sales, declined from 14.88 per cent in 1950 to 14.57 per cent in 1952. Total operating expenses showed a slightly greater net

decline which resulted in a very slight increase in the net operating profit ratio. This increase, together with greater 1952 average sales, indicates that combination stores realized a larger net operating profit when expressed in absolute dollars.

In total, inventories were slightly higher in value at the end of 1952 than at the beginning of the year. However, in five of the eight sales-size classifications, slight declines occurred.

The average annual rate of stock turnover ranged from 8.68 in the smaller stores to 14.92 for stores in the largest sales-size category.

Detailed information with respect to both annual operating costs and financial position as at December 31, 1952, is presented in the following chart and tables.

Operating Results of Independent Combination Stores 1950 and 1952 Compared

Item	1950	1952
Average net sales per store	\$ 78,079	84,326
Profit and Loss Data (Per cent of net sales)		
Gross profit.....	14.88	14.57
Operating expenses:		
Employees' salaries	5.26	4.88
Occupancy	2.61	2.44
Delivery	1.25	1.32
Store supplies	0.61	0.63
All other expenses	1.10	1.21
Total operating expenses	10.83	10.48
Net operating profit before deduction of proprietors' salaries and income tax	4.05	4.09

Balance Sheet Ratios of Independent Combination Stores as at December 31, 1952

Ratio ¹	Ow ned	Rented
Current ratio	2.68	2.37
Liquidity ratio	1.43	1.22
Working capital to net worth	0.44	0.53
Worth debt ratio	2.31	1.67
Turnover of total capital employed	4.00	6.23

1. Ratio definitions are shown on page 6.

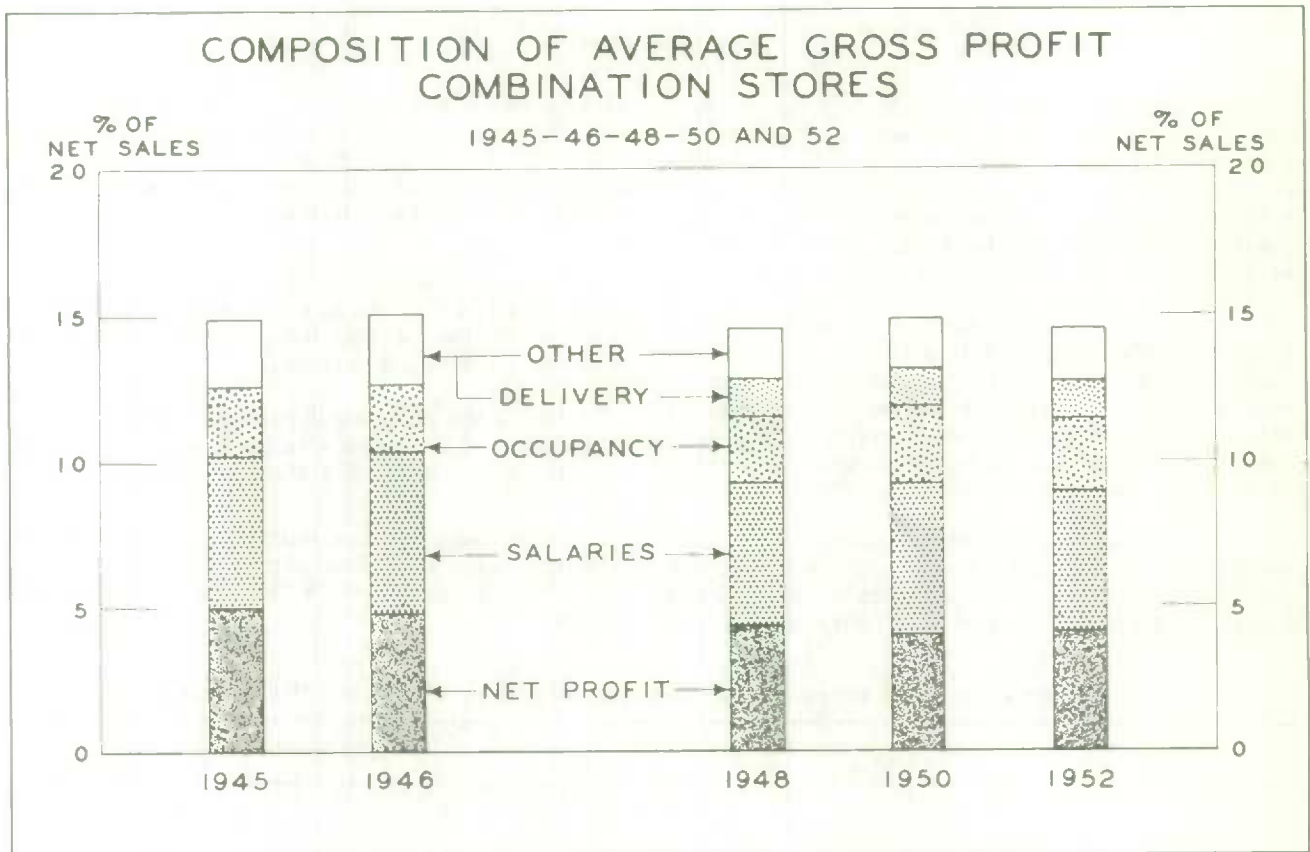


TABLE 4. Independent Combination Stores — Operating Results by Annual Sales Volume and Occupancy 1952

Item	Ow ned stores with annual net sales of				Rented stores with annual net sales of			
	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting	31	140	144	92	13	72	114	110
Average net sales per store	\$ 16,370	34,197	75,536	163,601	16,194	36,746	73,218	168,014
Average cost of goods sold	\$ 13,908	29,353	64,920	140,285	13,570	31,253	62,182	142,244
Average beginning inventory	\$ 1,519	2,832	4,849	9,805	1,576	2,184	4,252	10,165
Average inventory, end of year	\$ 1,545	2,620	4,765	9,917	1,552	2,166	4,328	9,100
Stock turnover (times per year)	9.08	10.77	13.50	14.23	8.68	14.37	14.49	14.83

TABLE 4. Independent Combination Stores - Operating Results by Annual Sales Volume and Occupancy 1952 - Concluded

Item	Owned stores with annual net sales of				Rented stores with annual net sales of			
	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Profit and Loss Data (Per cent of net sales)								
Gross profit	15.04	14.16	14.05	14.25	16.20	14.96	15.07	14.92
Operating expenses:								
Employees' salaries and wages (except delivery)	0.77	2.70	4.27	5.35	2.17	2.88	4.72	5.93
Taxes	0.86	0.54	0.48	0.27	0.56	0.27	0.23	0.15
Insurance	0.36	0.34	0.28	0.27	0.30	0.18	0.24	0.25
Rent	—	—	—	—	3.26	1.77	1.10	0.83
Heat, light and power	1.56	0.81	0.54	0.41	1.10	0.67	0.47	0.30
Delivery	0.90	1.45	1.32	1.12	1.16	1.25	1.36	1.47
Repairs and maintenance	0.37	0.41	0.38	0.35	0.31	0.29	0.29	0.28
Depreciation allowances	1.20	1.02	0.70	0.64	0.25	0.44	0.47	0.47
Store supplies	0.56	0.64	0.50	0.63	0.62	0.72	0.69	0.67
Advertising	0.06	0.12	0.22	0.29	0.08	0.11	0.20	0.28
Bad debts-written off	0.19	0.26	0.17	0.17	0.13	0.05	0.07	0.07
(Less) amount recovered	0.09	0.18	0.02	0.01	—	—	0.01	0.01
Net bad debt loss	0.10	0.08	0.15	0.16	0.13	0.05	0.06	0.06
All other expenses	0.82	0.89	0.85	0.85	1.18	0.77	0.81	0.92
Total operating expenses	7.56	9.00	9.69	10.34	11.12	9.40	10.64	11.61
Net operating profit before deduction of proprietors' salaries and income tax	7.48	5.16	4.36	3.91	5.08	5.56	4.43	3.31

TABLE 5. Independent Combination Stores - Owned - Financial Structure by Size of Business as at December 31, 1952

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	877	1,367	1,185	1,378	2,636	2,230	2,489	3,379	3,093	2,099
Accounts and notes receivable (net)	1,059	904	961	2,373	2,632	2,548	6,723	5,523	5,909	2,881
Merchandise inventory	3,083	2,477	2,703	4,723	4,735	4,731	9,917	9,528	9,653	5,319
Other current assets	424	482	460	476	1,420	1,115	435	2,319	1,713	1,047
Total current assets	5,443	5,230	5,309	8,950	11,423	10,624	19,564	20,749	20,368	11,346
Fixed assets (net):										
Used in the business	7,369	5,792	6,380	9,272	7,583	8,129	18,240	11,353	13,567	8,945
Not used in the business	3,066	2,200	2,522	1,808	1,151	1,363	3,436	3,872	3,732	2,371
Total fixed assets (net)	10,435	7,992	8,902	11,080	8,734	9,492	21,676	15,225	17,299	11,316
Other assets:										
Investments of a permanent nature	—	334	209	76	196	157	928	1,011	985	390
Intangibles	97	89	93	408	331	356	743	889	842	392
Total other assets	97	423	302	484	527	513	1,671	1,900	1,827	782
Total assets	15,975	13,645	14,513	20,514	20,684	20,629	42,911	37,874	39,494	23,444
Liabilities										
Current liabilities—accounts and notes payable	1,878	1,250	1,484	3,062	3,352	3,258	10,452	8,782	9,319	4,227
Fixed liabilities—mortgages on fixed assets:										
Used in the business	1,745	636	1,049	2,966	1,401	1,906	6,988	1,767	3,445	2,014
Not used in the business	448	307	360	438	119	222	739	418	521	347
Other liabilities	169	68	105	591	550	564	1,896	447	913	498
Total liabilities	4,240	2,261	2,998	7,057	5,422	5,950	20,075	11,414	14,198	7,086
Net worth—proprietor's or partners' equity in the business	11,735	11,384	11,515	13,457	15,262	14,679	22,836	26,460	25,296	16,358
Total liabilities and net worth	15,975	13,645	14,513	20,514	20,684	20,629	42,911	37,874	39,494	23,444
Number of stores reporting	41	69	110	42	88	130	27	57	84	324
Average net sales of stores reporting	37,164	32,606	34,305	72,020	76,306	74,921	193,693	150,701	164,520	84,361

TABLE 6. Independent Combination Stores — Rented — Financial Structure by Size of Business as at December 31, 1952

Item	Stores with annual net sales of									Total all Size \$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	1,142	1,598	1,450	1,910	2,209	2,674	3,394	3,044	3,195	2,394
Accounts and notes receivables (net)	871	698	755	2,012	2,322	2,162	4,759	5,072	4,937	2,991
Merchandise inventory	2,130	2,261	2,218	3,951	4,579	4,296	9,344	8,565	9,117	5,799
Other current assets	118	345	270	122	614	352	345	2,095	1,340	747
Total current assets	4,261	4,902	4,693	7,995	9,724	8,944	18,342	18,776	18,589	11,931
Fixed assets (net):										
Used in the business	1,744	2,036	1,941	3,623	3,053	3,311	6,413	5,620	5,962	4,090
Not used in the business	2,127	1,640	1,799	2,932	4,922	4,023	3,735	5,531	4,756	3,858
Total fixed assets (net)	3,871	3,676	3,740	6,555	7,975	7,334	10,148	11,151	10,718	7,948
Other assets:										
Investments of a permanent nature	532	300	376	19	309	178	214	1,301	832	480
Intangibles	283	15	102	245	483	375	457	457	457	352
Total other assets	815	315	478	264	792	553	671	1,758	1,289	832
Total assets	8,947	8,893	8,911	14,814	18,491	16,831	29,161	31,685	30,596	20,711
Liabilities										
Current liabilities—accounts and notes payable	1,209	986	1,059	3,018	3,795	3,444	9,278	8,137	8,630	5,029
Fixed liabilities—mortgages on fixed assets:										
Used in the business	828	109	344	1,280	364	778	2,294	868	1,483	971
Not used in the business	6	45	32	1,531	2,299	1,952	545	1,966	1,353	1,315
Other liabilities	358	124	200	363	161	252	1,240	429	779	453
Total liabilities	2,401	1,264	1,635	6,192	6,619	6,426	13,357	11,400	12,245	7,768
Net worth—proprietor's or partners' equity in the business	6,546	7,629	7,276	8,622	11,872	10,405	15,804	20,285	18,351	12,943
Total liabilities and net worth	8,947	8,893	8,911	14,814	18,491	16,831	29,161	31,685	30,596	20,711
Number of stores reporting	16	33	49	42	51	93	41	54	95	237
Average net sales of stores reporting	38,370	34,161	35,535	72,011	74,750	73,513	170,531	172,505	171,653	105,000

INDEPENDENT MEAT MARKETS

This classification includes stores recognized by the trade as independent meat markets. The term "independent" is used to mean non-chain or single establishment firms. Fresh meats with related lines of poultry, fish and dairy products were sold by stores in this classification. If groceries formed more than 20 per cent of annual sales, the business was classified as a combination store.

The results of 227 unincorporated meat markets, comprised to 102 operated by owner-proprietors and 125 by lessee-proprietors, were used in the tabulation of operating results for this trade. Tabulations

are presented separately for each of these groups and within each group a further detailed presentation is shown for typical sales-size ranges.

Balance sheet information was tabulated from results submitted by 166 meat markets. Of these, 76 conducted operations in owned premises and 90 in rented premises. Results are shown separately for each of these groups as well as by annual sales-size ranges commencing at \$20,000. A further segregation of results was made to present balance sheet information for firms in operation "under 10 years" and "10 years and over".

Operating Results

Although identical firm results are not used, a reasonable year-to-year comparison of operating results may be made. Because profits and expenses for each year are expressed as percentages of their respective sales, it is necessary to take into account the change in sales to make a significant in-

terpretation of changes in ratios. As an example, if average sales increased 10 per cent from \$50,000 in 1950 to \$55,000 in 1952, and rent showed a proportionate increase from \$600 to \$660, the rent expense ratio would be identical for both years. However, if rent remained unchanged or increased less than 10

per cent, the rent expense ratio would decline. It is therefore necessary to note the changes in net sales in order to interpret a change in ratios correctly.

The average gross profit, expressed as a percentage of average net sales, increased from 16.08 per cent in 1950 to 17.54 per cent in 1952. Total operating expenses also increased, but this was a smaller increase than occurred in the gross profit, with the result that net operating profit increased from 5.02 per cent to 6.14 per cent. This increase, together with greater 1952 average sales, indicates that meat markets realized a greater net operating profit when expressed in absolute dollars.

In total, inventories were slightly lower in value at the end of 1952 than at the beginning of the year.

However, this trend was common only to those stores in the large sales-size categories. Slight increases in inventory values were reported by stores in the smaller sales-size categories.

The average annual rate of stock turnover ranged from 18.77 in the smaller stores to 48.41 in the larger sales-size categories. A widespread range such as this is to be expected in this trade where the perishable goods are stocked in comparatively smaller quantities.

Detailed information with respect to both annual operating costs and financial position as at December 31, 1952 is presented in the following chart and tables:

Operating Results of Independent Meat Markets 1950 and 1952 Compared

Item	1950	1952
Average net sales per store	\$ 62,931	68,402
Profit and Loss Data (Per cent of net sales)		
Gross profit	16.08	17.54
Operating expenses:		
Employees' salaries	5.13	5.09
Occupancy	2.69	2.79
Delivery	1.24	1.48
Store supplies	0.79	0.80
All other expenses	1.21	1.24
Total operating expenses	11.06	11.40
Net operating profit before deduction of proprietors' salaries or income tax	5.02	6.14

Balance Sheet Ratios of Independent Meat Markets as at December 31, 1952

Ratio ¹	Owned	Rented
Current ratio	2.76	2.47
Liquidity ratio	2.21	2.00
Working capital to net worth	0.33	0.56
Worth debt ratio	3.12	2.15
Turnover of total capital employed	3.92	7.53

1. Ratio definitions are shown on page 6.

COMPOSITION OF AVERAGE GROSS PROFIT MEAT MARKETS

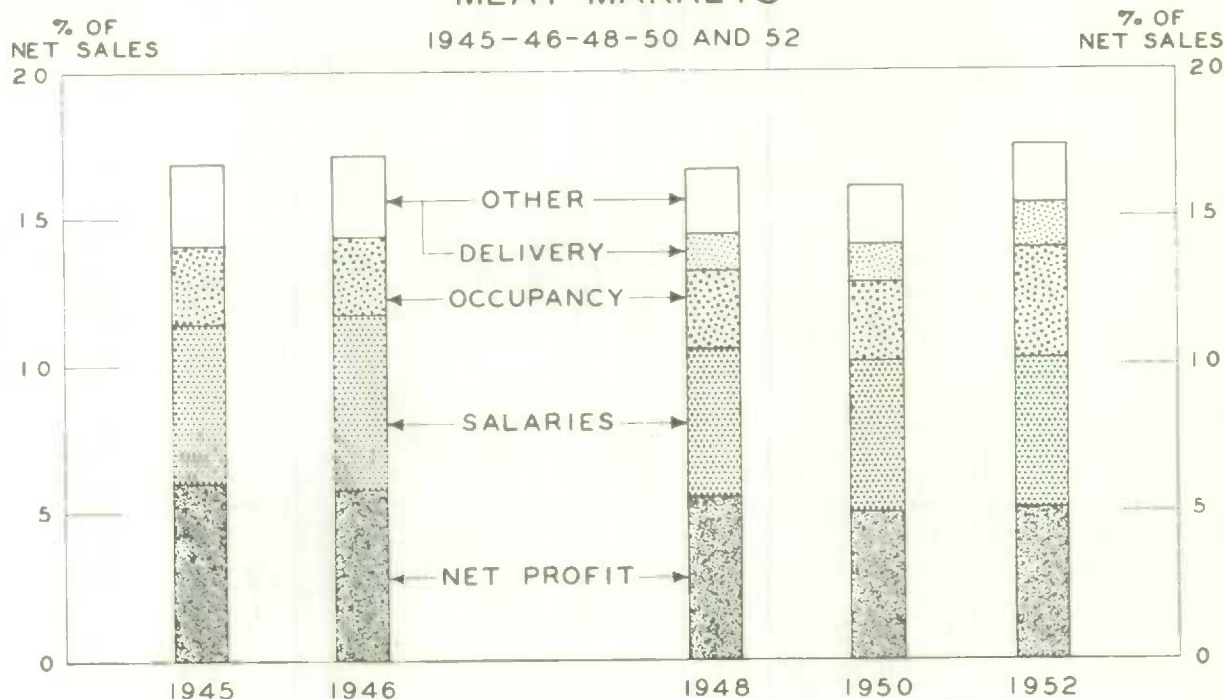


TABLE 7. Independent Meat Markets — Operating Results by Annual Sales Volume and Occupancy 1952

	Owned stores with annual net sales of				Rented stores with annual net sales of		
	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting	12	39	34	15	45	44	30
Average net sales per store	\$ 16,134	33,959	71,764	147,179	32,702	66,612	161,677
Average cost of goods sold	\$ 12,700	27,755	58,342	120,918	26,610	55,221	135,193
Average beginning inventory	\$ 657	1,028	1,871	2,945	596	1,284	3,367
Average inventory, end of year	\$ 696	1,030	1,897	2,050	612	1,132	2,807
Stock turnover (times per year)	18.77	26.96	30.96	48.41	44.02	45.73	43.79
Profit and Loss Data							
(per cent of net sales)							
Gross profit	21.28	18.27	18.70	17.84	18.63	17.10	16.38
Operating expenses:							
Employees' salaries and wages (except delivery)	2.28	3.83	5.42	7.07	3.05	4.50	5.48
Taxes	0.58	0.45	0.41	0.33	0.22	0.16	0.16
Insurance	0.42	0.29	0.27	0.26	0.20	0.18	0.19
Rent	—	—	—	—	1.55	1.33	0.87
Heat, light and power	1.22	0.90	0.62	0.44	0.69	0.51	0.31
Delivery	2.51	1.76	1.32	1.38	1.50	1.45	1.48
Repairs and maintenance	0.85	0.66	0.53	0.50	0.34	0.26	0.40
Depreciation allowances	1.26	1.02	1.05	0.78	0.64	0.49	0.44
Store supplies	0.61	0.32	0.91	0.82	0.82	0.64	0.82
Advertising	0.10	0.20	0.20	0.17	0.12	0.13	0.14
Bad debts - written off	—	0.05	0.23	0.01	0.11	0.15	0.04
(Less) amount recovered	—	0.01	0.01	—	—	0.03	0.01
Net bad debt loss	—	0.04	0.22	0.01	0.11	0.12	0.03
All other expenses	1.33	1.07	1.16	1.18	1.00	0.97	0.84
Total operating expenses	11.16	11.04	12.11	12.94	10.24	10.74	11.16
Net operating profit before deduction of proprietors' salaries and income tax	10.12	7.23	6.59	4.90	8.39	6.36	5.22

TABLE 8. Independent Meat Markets—Owned—Financial Structure by Size of Business as at December 31, 1952

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	Total	
	(average per store)							
Assets								
Current assets:								
Cash on hand and in bank.....	1,681	1,087	1,217	2,930	5,380	4,482	5,113	3,224
Accounts and notes receivable (net).....	1,426	1,102	1,173	3,243	2,587	2,828	3,623	2,277
Merchandise inventory.....	635	1,180	1,081	1,615	2,155	1,957	2,036	1,594
Other current assets.....	471	348	374	337	1,634	1,158	1,120	821
Total current assets.....	4,213	3,717	3,825	8,125	11,756	10,425	11,892	7,916
Fixed assets (net):								
Used in the business.....	7,910	4,893	5,553	15,034	7,159	10,047	11,351	8,377
Not used in the business.....	301	2,256	1,829	4,547	2,670	3,358	3,626	2,763
Total fixed assets (net).....	8,211	7,149	7,382	19,581	9,829	13,405	14,877	11,140
Other assets:								
Investments of a permanent nature.....	—	229	179	—	409	259	3,327	790
Intangibles.....	51	253	209	245	1,270	894	46	450
Total other assets.....	51	482	388	245	1,679	1,153	3,373	1,240
Total assets.....	12,475	11,348	11,595	27,951	23,264	24,983	30,142	20,296
Liabilities								
Current liabilities—accounts and notes payable.....	2,479	1,977	2,087	5,767	2,317	3,582	3,097	2,863
Fixed liabilities—mortgages on fixed assets:								
Used in the business.....	2,511	754	1,139	3,963	1,070	2,131	1,163	1,535
Not used in the business.....	—	290	227	1,678	—	615	223	379
Other liabilities.....	88	223	193	359	21	145	63	150
Total liabilities.....	5,078	3,244	3,646	11,767	3,408	6,473	4,546	4,927
Net worth—proprietor's or partners' equity in the business.....	7,397	8,104	7,949	16,184	19,856	18,510	25,596	15,369
Total liabilities and net worth.....	12,475	11,348	11,595	27,951	23,264	24,983	30,142	20,296
Number of stores reporting.....	7	25	32	11	19	30	14	76
Average net sales of stores reporting.....	31,902	33,520	33,166	73,558	68,786	70,536	146,185	68,736

TABLE 9. Independent Meat Markets—Rented—Financial Structure by Size of Business as at December 31, 1952

Item	Stores with annual net sales									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.....	1,512	1,753	1,627	1,548	3,104	2,621	4,124	6,024	5,142	3,218
Accounts and notes receivable (net).....	1,337	1,035	1,193	1,785	1,823	1,811	3,640	4,340	4,015	2,405
Merchandise inventory.....	637	1,048	834	1,091	988	1,026	3,446	2,300	2,832	1,603
Other current assets.....	612	2,329	1,433	9	192	136	810	2,702	1,824	1,099
Total current assets.....	4,098	6,165	5,087	4,433	6,117	5,594	12,020	15,366	13,813	8,325
Fixed assets (net):										
Used in the business.....	3,192	1,060	2,173	4,272	1,513	2,370	6,068	4,628	5,297	3,337
Not used in the business.....	166	1,563	834	825	633	892	—	503	269	585
Total fixed assets (net).....	3,358	2,623	3,007	5,097	2,146	3,062	6,068	5,131	5,566	3,922
Other assets:										
Investments of a permanent nature.....	—	—	—	—	—	—	—	1,575	844	295
Intangibles.....	27	—	14	24	474	335	1,644	680	1,127	520
Total other assets.....	27	—	14	24	474	335	1,644	2,255	1,971	815
Total assets.....	7,483	8,788	8,108	9,554	8,737	8,991	19,732	22,752	21,350	13,062
Liabilities										
Current liabilities—accounts and notes payable.....	2,162	816	1,518	3,695	1,554	2,218	5,345	6,698	6,070	3,365
Fixed liabilities—mortgages on fixed assets:										
Used in the business.....	54	—	28	1,756	100	614	1,420	73	699	475
Not used in the business.....	—	675	323	—	200	138	—	—	—	143
Other liabilities.....	98	158	127	444	—	138	459	—	212	161
Total liabilities.....	2,314	1,649	1,966	5,895	1,854	3,108	7,224	6,771	6,981	4,144
Net worth—proprietor's or partners' equity in the business.....	5,169	7,139	6,112	3,659	6,883	5,883	12,508	15,981	14,369	8,918
Total liabilities and net worth.....	7,483	8,788	8,108	9,554	8,737	8,991	19,732	22,752	21,350	13,062
Number of stores reporting.....	12	11	23	9	20	29	13	15	28	80
Average net sales of stores reporting.....	38,489	35,813	37,209	78,612	65,410	69,507	146,629	182,278	165,727	93,896

INDEPENDENT FRUIT AND VEGETABLE STORES

This classification includes stores recognized by the trade as independent fruit and vegetable stores. The term "independent" is used to mean non-chain or single establishment firms. The sales of these stores were comprised of not only fresh fruits and vegetables, but also additional commodities such as groceries, tobacco and confectionery. However, if a store which specialized in the sale of fresh fruits and vegetables sold 50% or more of these additional commodities, it was omitted from the results appearing in this bulletin. Profit and loss statements from 137 fruit and vegetable stores were used in the compilation of profit and loss averages and ratios. These results are presented for stores operating in owned or rented premises. A further

differentiation is made within each of these categories to show results of firms within sales-size ranges.

Balance sheet information was tabulated from results submitted by 79 fruit and vegetable stores. Of these, 25 conducted operations in owned premises and 54 in rented premises. Results are shown separately for each of these groups, as well as by annual sales-size ranges commencing at \$20,000. There was insufficient response from firms in this trade to allow the additional segregation of balance sheet results for firms in operation "under 10 years" and "10 years and over".

Operating Results

Although identical firm results are not used, a reasonable year-to-year comparison of operating results may be made. Because profits and expenses for each year are expressed as percentages of their respective sales, it is necessary to take into account the change in sales to make a significant interpretation of changes in ratios. As an example, if average sales increased 10 per cent from \$50,000 in 1950 to \$55,000 in 1952, and rent showed a proportionate increase from \$600 to \$660, the rent expense ratio would be identical for both years. However, if rent remained unchanged or increased less than 10 per cent, the rent expense ratio would decline. It is therefore necessary to note the changes in net sales in order to interpret a change in ratios correctly.

The average gross profit, expressed as a percentage of average net sales, remained of the same order in 1952 as was determined in our 1950 survey. The total operating expense ratio of 11.93% for 1952 was only slightly greater than that of 11.58% for 1950. Consequently, the net operating profit ratio for 1952 was slightly lower than that for 1950. However, because of the increase in the average sales of reporting firms, this slight decline in the net operating profit ratio does not necessarily mean that fruit and vegetable store proprietors realized a

smaller net operating profit when expressed in absolute dollars.

In total, inventories were of slightly higher value at the end of 1952 than at the beginning of the year. However, this trend was common only to the stores in the owned premises category.

The average annual rate of stock turnover varied inversely with sales-size. This condition is the reverse of the results obtained for other trades and is due to the differences in the proportion of fresh fruits and vegetables stocked. That is, the sales of the stores in the smaller sales-size categories are comprised almost entirely of fruit and vegetables, whereas the stores in the larger sales-size categories sell a higher proportion of groceries and other comparatively non-perishable commodities. Consequently, the inventories of the smaller stores, comprised largely of perishable commodities, would be comparatively smaller. This condition would produce a larger stock turnover ratio.

Detailed information with respect to both annual operating costs and financial position as at December 31, 1952 is presented in the following chart and tables:

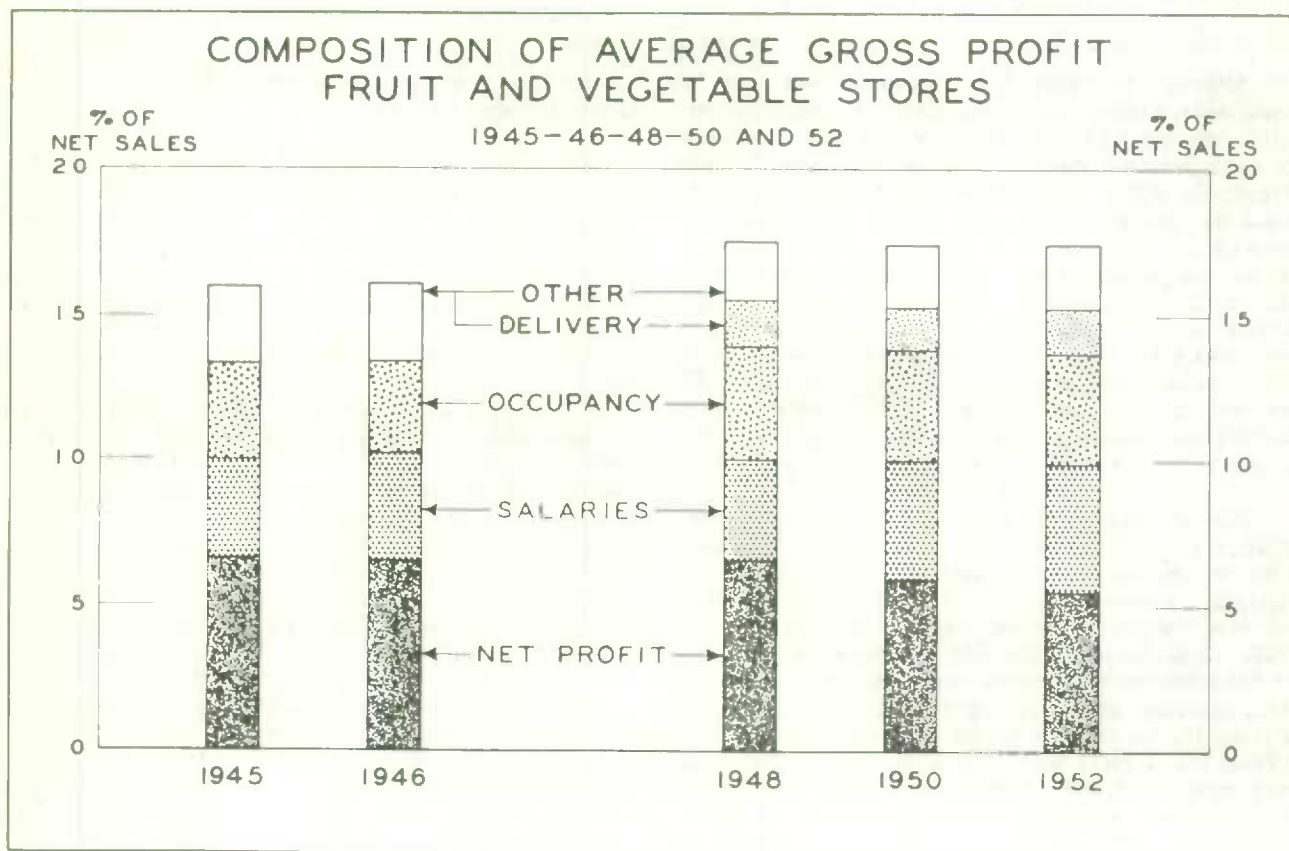
Operating Results of Independent Fruit and Vegetable Stores 1950 and 1952 Compared

Item	1950	1952
Average net sales per stores	46,225	54,768
Profit and Loss Data (Per cent of net sales)		
Gross profit	17.48	17.48
Operating expenses:		
Employees' salaries	4.12	4.41
Occupancy	3.82	3.78
Delivery	1.53	1.54
Store supplies	1.11	1.15
All other expenses	1.00	1.05
Total operating expenses	11.58	11.93
Net operating profit before deduction of proprietors' salaries and income tax	5.90	5.55

Balance Sheet Ratios of Independent Fruit and Vegetable Stores as at December 31, 1952

Ratio ¹	Owned	Rented
Current ratio	5.27	2.69
Liquidity ratio	3.21	1.36
Working capital to net worth	0.36	0.55
Worth debt ratio	4.76	2.64
Turnover of total capital employed.....	4.10	8.23

1. Ratio definitions are shown on page 6.



Independent Fruit and Vegetable Stores, Operating Profits and Expenses, Historical Summary

	Gross Profit	Expenses				Net Operating Profit
		Salaries	Occupancy	Delivery	Other	
	(per cent of net sales)					
1945	16.00	3.40	3.30	1	2.70	6.60
1946	16.10	3.70	3.20	1	2.70	6.50
1948	17.51	3.48	3.85	1.63	2.05	6.50
1950	17.48	4.12	3.82	1.53	2.11	5.90
1952	17.48	4.41	3.78	1.54	2.20	5.55

1. Not segregated; included in "Other".

TABLE 10. Independent Fruit and Vegetable Stores Operating Results by Annual Sales Volume and Occupancy 1952

Item	Owned stores with annual net sales of			Rented stores with annual net sales of		
	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999
Number of stores reporting	10	17	10	10	35	44
Average net sales per store	\$ 14,817	\$ 34,482	\$ 75,847	\$ 15,495	\$ 33,838	\$ 70,161
Average cost of goods sold	\$ 11,857	\$ 28,498	\$ 64,435	\$ 12,173	\$ 27,387	\$ 57,750
Average beginning inventory	536	1,772	3,525	572	1,694	3,159
Average inventory, end of year	562	1,838	3,722	488	1,677	3,125
Stock turnover (times per year)	21.60	15.79	17.78	22.97	16.25	18.38
Profit and Loss Data (Per cent of net sales)						
Gross profit	19.97	17.36	15.04	21.43	19.07	17.68
Operating expenses:						
Employees' salaries and wages (except delivery)	2.05	3.48	3.79	1.76	3.65	4.48
Taxes	2.09	1.04	0.42	0.56	0.27	0.23
Insurance	0.55	0.37	0.14	0.14	0.23	0.25
Rent	—	—	—	4.44	3.33	2.43
Heat, light and power	1.43	0.96	0.50	1.14	0.68	0.54
Delivery	1.59	1.70	1.02	1.78	1.22	1.58
Repairs and maintenance	0.46	0.41	0.18	0.04	0.24	0.25
Depreciation allowances	0.86	0.86	0.66	0.09	0.40	0.34
Store supplies	1.51	1.16	1.58	0.57	1.15	1.13
Advertising	0.01	0.11	0.10	0.10	0.15	0.13
Bad debts-written off	0.14	0.04	0.04	0.25	0.03	0.04
(Less) amount recovered	—	—	—	—	—	—
Net bad debt loss	0.14	0.04	0.04	0.25	0.03	0.04
All other expenses	1.53	0.78	0.85	0.47	0.91	0.94
Total operating expenses	12.22	10.91	9.28	11.34	12.26	12.34
Net operating profit before deduction of proprietors' salaries and income tax	7.75	6.45	5.76	10.09	6.81	5.34

TABLE 11. Independent Fruit and Vegetable Stores Financial Structure by Size of Business and Occupancy, as at December 31, 1952

Item	Owned stores with annual net sales of		Total all sizes \$20,000 and over	Rented stores with annual net sales of			Total all sizes \$20,000 and over
	\$20,000 to \$49,999	\$50,000 to \$99,999		\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over	
	(Average per store)						
Assets							
Current assets:							
Cash on hand and in bank	4,199	2,317	3,126	912	1,953	4,329	1,876
Accounts and notes receivable (net)	487	396	1,256	170	782	1,387	634
Merchandise inventory	2,309	3,502	3,790	1,583	3,201	4,016	2,707
Other current assets	1,473	1,886	1,536	67	464	14	259
Total current assets	8,468	8,101	9,708	2,732	6,400	9,746	5,476
Fixed assets (net):							
Used in the business	10,464	8,223	9,429	1,175	2,267	3,042	1,963
Not used in the business	11,659	5,214	6,913	365	1,302	—	786
Total fixed assets (net)	22,123	13,437	16,342	1,540	3,569	3,042	2,749
Other assets:							
Investments of a permanent nature	—	385	200	312	49	678	228
Intangibles	—	11	110	28	51	757	134
Total other assets	—	396	310	340	100	1,435	362
Total assets	30,591	21,934	26,360	4,612	10,069	14,223	8,587
Liabilities							
Current liabilities — accounts and notes payable	963	1,992	1,841	704	2,447	4,272	2,039
Fixed liabilities — mortgages on fixed assets:							
Used in the business	706	1,445	977	—	225	—	112
Not used in the business	3,869	672	1,588	—	—	—	—
Other liabilities	—	327	170	195	263	17	206
Total liabilities	5,538	4,436	4,576	899	2,935	4,289	2,357
Net worth — proprietor's or partners' equity in the business	25,053	17,498	21,784	3,713	7,134	9,934	6,230
Total liabilities and net worth	30,591	21,934	26,360	4,612	10,069	14,223	8,587
Number of stores reporting	8	13	25	20	27	7	54
Average net sales of stores reporting	42,200	75,716	79,744	33,543	69,782	130,323	64,200

INDEPENDENT CONFECTIONERY STORES

This classification includes stores recognized by the trade as independent confectionery stores. The term "independent" is used to mean non-chain or single establishment firms. The primary commodities sold by firms in this classification were candy and confectionery, soft drinks, tobacco, ice cream, fruits, newspapers and magazines. Light lunches in some instances also formed part of the sales, but results of firms in which this item exceeded 50 per cent of the sales were not used in the tabulations.

Profit and loss statements of 185 independent confectionery stores were used in the tabulation of

profit and loss averages and ratios. Results of stores operated in owned or rented premises are shown separately. A further differentiation is made within each of these categories to show results of firms within typical sales-size ranges.

Balance sheet information, suitable for tabulation, was submitted by 76 confectionery stores most of which were in the \$20,000 to \$49,999 annual sales range category. Therefore, the detailed information for firms in business "under 10 years" and "10 years and over" is presented for this sales-size classification only.

Operating Results

Although identical firm results are not used, a reasonable year-to-year comparison of operating results may be made. Because profits and expenses for each year are expressed as percentages of their respective sales, it is necessary to take into account the change in sales to make a significant interpretation of changes in ratios. As an example, if average sales increased 10 per cent from \$50,000 in 1950 to \$55,000 in 1952, and rent showed a proportionate increase from \$600 to \$660, the rent expense ratio would be identical for both years. However, if rent remained unchanged or increased less than 10 per cent, the rent expense ratio would decline. It is therefore necessary to note the changes in net sales in order to interpret a change in ratios correctly.

The average gross profit, expressed as a percentage of average net sales, increased slightly in 1952 when compared to the 1950 results. The total operating expense ratio increased to a greater ex-

tent, resulting in a slight decline in the net operating profit ratio. However, because of the increase in the average net sales, this decline does not necessarily mean that confectionery store proprietors realized a smaller net operating profit when expressed in absolute dollars.

Inventories were of slightly higher value at the end of 1952 than at the beginning of the year for all sales-size categories except the smallest.

The average annual rate of stock turnover ranged from 6.03 in the smaller stores to 16.83 for stores in the largest sales-size category.

Detailed information with respect to both annual operating costs and financial position as at December 31, 1952, is presented in the following chart and tables.

Operating Results of Independent Confectionery Stores 1950 and 1952 Compared

Item	1950	1952
Average net sales per store..... \$	25,705	29,946
Profit and Loss Data (Per cent of net sales)		
Gross profit	18.21	18.76
Operating expenses:		
Employees' salaries.....	3.91	4.31
Occupancy	4.93	4.84
Delivery	0.15	0.25
Store supplies	0.48	0.56
All other expenses	1.14	1.32
Total operating expenses.....	10.69	11.28
Net operating profit before deduction of proprietors' salaries and income tax	7.52	7.48

Balance Sheet Ratios of Independent Confectionery Stores as at December 31, 1952

Ratio ¹	Owned	Rented
Current ratio.....	2.74	3.43
Liquidity ratio.....	1.17	1.77
Working capital to net worth	0.28	0.47
Worth debt ratio.....	2.49	2.64
Turnover of total capital employed.....	3.04	5.40

1. Ratio definitions are shown on page 6.

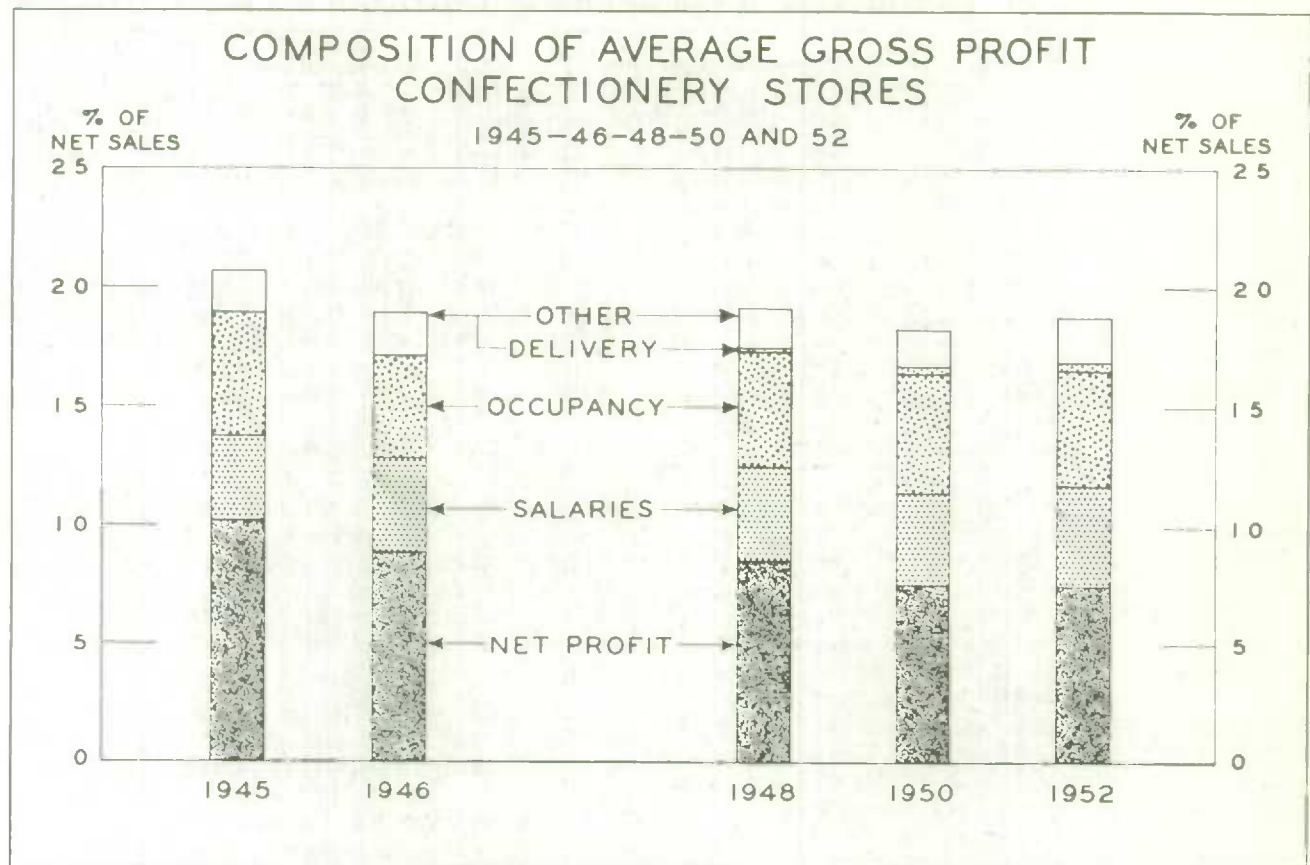


TABLE 12. Independent Confectionery Stores - Operating Results by Annual Sales Volume and Occupancy 1952

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
Number of stores reporting	10	23	34	10	9	31	53	15
Average net sales per store	\$ 7,459	14,375	32,204	70,678	6,799	15,092	32,631	71,645
Average cost of goods sold	\$ 5,809	11,899	26,427	57,735	5,141	11,768	26,673	57,863
Average beginning inventory	\$ 580	1,276	2,104	3,243	851	1,424	2,334	3,511
Average inventory, end of year	\$ 533	1,350	2,195	3,618	855	1,452	2,425	3,526
Stock turnover (times per year)	10.45	9.06	12.30	16.83	6.03	6.24	11.21	16.45
Profit and Loss Data (Per cent of net sales)								
Gross profit	22.13	17.22	17.94	18.31	24.39	22.03	18.26	19.23
Operating expenses:								
Employees' salaries and wages (except delivery)	1.34	2.81	3.85	6.66	2.01	2.35	3.93	5.52
Taxes	1.78	1.06	0.64	0.49	0.64	0.55	0.29	0.33
Insurance	0.70	0.52	0.30	0.39	0.60	0.33	0.24	0.32
Rent	—	—	—	—	5.27	4.34	2.55	1.82
Heat, light and power	2.72	2.27	0.96	1.14	2.60	1.66	0.84	0.87
Delivery	0.21	0.17	0.35	0.19	—	0.16	0.28	0.24
Repairs and maintenance	0.60	0.57	0.65	0.44	0.51	0.34	0.37	0.79
Depreciation allowances	1.50	1.53	0.99	0.88	0.03	0.30	0.54	1.10
Store supplies	0.34	0.50	0.51	0.77	0.53	0.58	0.43	0.69
Advertising	0.13	0.16	0.16	0.30	—	0.04	0.18	0.23
Bad debts-written off	0.07	—	0.03	0.01	0.07	0.12	0.06	0.01
(Less) amount recovered	—	—	—	—	—	0.02	—	—
Net bad debt loss	0.07	—	0.03	0.01	0.07	0.10	0.06	0.01
All other expenses	0.80	1.32	0.97	1.42	0.58	0.96	0.84	1.43
Total operating expenses	10.19	10.91	9.41	12.69	12.84	11.71	10.55	13.35
Net operating profit before deduction of proprietors' salaries and income tax	11.94	6.31	8.53	5.62	11.55	10.32	7.71	5.88

TABLE 13. Independent Confectionery Stores Financial Structure by Size and Occupancy as at December 31, 1952

Item	Owned stores with annual net sales of			Total all sizes \$20,000 and over	Rented stores with annual net sales of			\$50,000 to \$99,999	Total all sizes \$20,000 and over
	\$20,000 to \$49,999				\$20,000 to \$49,999				
	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	984	1,894	1,373	1,543	867	1,506	1,218	3,514	1,686
Accounts and notes receivable (net)	86	309	182	181	44	171	113	259	154
Merchandise inventory	1,888	2,996	2,363	2,904	2,436	1,763	2,070	3,041	2,341
Other current assets	43	933	425	427	584	448	509	372	471
Total current assets	3,001	6,132	4,343	5,055	3,931	3,893	3,910	7,286	4,852
Fixed assets (net):									
Used in the business	7,164	4,732	6,122	7,770	1,384	990	1,168	3,560	1,835
Not used in the business	1,267	4,647	2,715	2,686	412	5,076	2,970	952	2,407
Total fixed assets (net)	8,431	9,379	8,837	10,456	1,796	6,066	4,138	4,512	4,242
Other assets:									
Investments of a permanent nature	—	1,062	455	386	—	—	—	—	—
Intangibles	228	57	155	132	920	—	416	2,399	969
Total other assets	228	1,119	610	518	920	—	416	2,399	969
Total assets	11,660	16,630	13,790	16,029	6,647	9,959	8,464	14,197	10,063
Liabilities									
Current liabilities — accounts and notes payable									
Fixed liabilities — mortgages on fixed assets:	951	1,175	1,047	1,842	1,335	748	1,013	2,455	1,415
Used in the business	1,408	1,609	1,494	1,993	62	431	265	39	202
Not used in the business	839	583	730	641	—	2,653	1,455	—	1,049
Other liabilities	78	8	48	116	263	24	132	21	101
Total liabilities	3,276	3,375	3,319	4,592	1,660	3,856	2,865	2,515	2,767
Net worth — proprietor's or partners' equity in the business									
	8,384	13,255	10,471	11,437	4,987	6,103	5,599	11,682	7,296
Total liabilities and net worth	11,660	16,630	13,790	16,029	6,647	9,959	8,464	14,197	10,063
Number of stores reporting	16	12	28	33	14	17	31	12	43
Average net sales of stores reporting	32,078	35,636	33,604	40,559	33,645	30,354	31,840	65,855	41,333



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TABLE 1		TABLE 2		TABLE 3		TABLE 4		TABLE 5	
Year	Value	Year	Value	Year	Value	Year	Value	Year	Value
1980	100	1980	100	1980	100	1980	100	1980	100
1981	105	1981	105	1981	105	1981	105	1981	105
1982	110	1982	110	1982	110	1982	110	1982	110
1983	115	1983	115	1983	115	1983	115	1983	115
1984	120	1984	120	1984	120	1984	120	1984	120
1985	125	1985	125	1985	125	1985	125	1985	125
1986	130	1986	130	1986	130	1986	130	1986	130
1987	135	1987	135	1987	135	1987	135	1987	135
1988	140	1988	140	1988	140	1988	140	1988	140
1989	145	1989	145	1989	145	1989	145	1989	145
1990	150	1990	150	1990	150	1990	150	1990	150
1991	155	1991	155	1991	155	1991	155	1991	155
1992	160	1992	160	1992	160	1992	160	1992	160
1993	165	1993	165	1993	165	1993	165	1993	165
1994	170	1994	170	1994	170	1994	170	1994	170
1995	175	1995	175	1995	175	1995	175	1995	175
1996	180	1996	180	1996	180	1996	180	1996	180
1997	185	1997	185	1997	185	1997	185	1997	185
1998	190	1998	190	1998	190	1998	190	1998	190
1999	195	1999	195	1999	195	1999	195	1999	195
2000	200	2000	200	2000	200	2000	200	2000	200
2001	205	2001	205	2001	205	2001	205	2001	205
2002	210	2002	210	2002	210	2002	210	2002	210
2003	215	2003	215	2003	215	2003	215	2003	215
2004	220	2004	220	2004	220	2004	220	2004	220
2005	225	2005	225	2005	225	2005	225	2005	225
2006	230	2006	230	2006	230	2006	230	2006	230
2007	235	2007	235	2007	235	2007	235	2007	235
2008	240	2008	240	2008	240	2008	240	2008	240
2009	245	2009	245	2009	245	2009	245	2009	245
2010	250	2010	250	2010	250	2010	250	2010	250
2011	255	2011	255	2011	255	2011	255	2011	255
2012	260	2012	260	2012	260	2012	260	2012	260
2013	265	2013	265	2013	265	2013	265	2013	265
2014	270	2014	270	2014	270	2014	270	2014	270
2015	275	2015	275	2015	275	2015	275	2015	275
2016	280	2016	280	2016	280	2016	280	2016	280
2017	285	2017	285	2017	285	2017	285	2017	285
2018	290	2018	290	2018	290	2018	290	2018	290
2019	295	2019	295	2019	295	2019	295	2019	295
2020	300	2020	300	2020	300	2020	300	2020	300