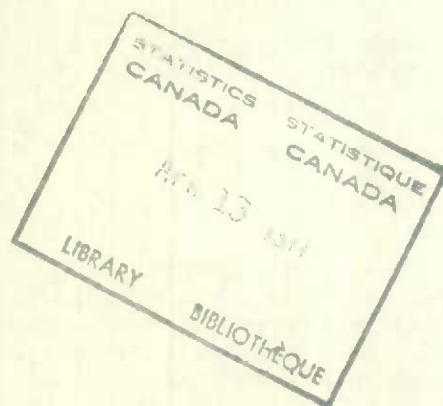


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OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL FOOD STORES

1960

(Independent)

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Other occasional reports and 1951 Census reports on retail trade are shown in a complete list of publications of the Dominion Bureau of Statistics which is available on request from the Information Services Division, D.B.S., or from the Queen's Printer, Ottawa.

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OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL FOOD STORES

1960

(Independent)

INTRODUCTION

This report is a continuation of the practice of the Dominion Bureau of Statistics to publish operating results and financial structure for selected trades primarily as a guide for retailers. The averages and ratios that are shown in this report can be used as a standard by which businessmen can compare their own operating experience. The pattern of expenditures and financial ratios by size and age of business permits direct analysis of operating results for the year. It should be borne in mind, however, that the averages and ratios as published in this report do not represent top performance guides. They are the "average" of a broad range of operational efficiencies.

This report is similar in content to the previous operating results reports issued for this trade. It is important to note that the data shown in this bulletin have been obtained from a co-operative panel of firms which are classified as food stores. An attempt is made in some tables to adjust these data in order to arrive at averages and ratios which are representative of the trades as a whole. These adjusted data are footnoted in various tables of the report. The remaining averages and ratios published in this report have not been weighted and therefore represent the averages and ratios obtained from a reporting panel of firms in each cell.

Note: Profit and loss and balance sheet definitions are shown on the last pages of this report.

INDEPENDENT GROCERY STORES

For the purpose of this report Grocery stores are defined as follows: Retail establishments selling a general line of groceries with not more than 15% of total sales as fresh meats. If the sale of meat exceeds 15% of total business, the retail establishment is classified as a combination store (see page 9).

The "weighted" results from this survey indicate that gross profit, in relation to net sales, increased to 15.35 per cent in 1960 from 15.07 per cent in 1958: an increase of 0.28 per cent. The increase in operating expenses, due primarily to an increase in delivery expense did not offset the increase in gross profit. Final net profit increased to 6.83 per cent of net sales as compared to 6.54 per cent in 1958.

TABLE 1. Operating Results of Independent Grocery Stores, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|---|-----------------------|--------------|--------------|--------------|
| | per cent of net sales | | | |
| Gross Profit | 14.38 | 14.76 | 15.07 | 15.35 |
| Operating expenses: | | | | |
| Employees' salaries | 2.89 | 2.55 | 2.52 | 2.40 |
| Occupancy | 3.30 | 3.56 | 3.98 | 4.00 |
| Delivery | 0.88 | 0.82 | 0.83 | 0.95 |
| Office and store supplies | 0.52 | 0.49 | 0.43 | 0.44 |
| All other expenses | 1.14 | 1.25 | 1.42 | 1.45 |
| Total operating expenses | 8.73 | 8.67 | 9.18 | 9.24 |
| Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading income | 5.65 | 6.09 | 5.89 | 6.11 |

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 2. Independent Grocery Stores - Balance Sheet Ratios as at December 31, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|------|------|------|------|
| Current ratio—Owned | 3.30 | 3.95 | 4.76 | 4.58 |
| Rented | 3.01 | 4.28 | 3.05 | 3.78 |
| Liquidity ratio—Owned | 1.64 | 1.84 | 2.34 | 2.49 |
| Rented | 1.37 | 1.90 | 1.32 | 1.59 |
| Working capital to net worth ratio—Owned | 0.44 | 0.54 | 0.46 | 0.50 |
| Rented | 0.64 | 0.63 | 0.61 | 0.65 |
| Worth debt ratio—Owned | 2.91 | 2.53 | 3.60 | 3.08 |
| Rented | 2.48 | 2.35 | 2.07 | 2.39 |
| Turnover of total capital employed—Owned | 3.24 | 2.59 | 3.11 | 2.81 |
| Rented | 5.59 | 5.44 | 4.65 | 5.66 |

Note: See page 21 for definitions.

TABLE 3. Independent Grocery Stores - Operating Result by Annual Sales Volume and Occupancy Basis, 1960

| Item | Owned stores with annual net sales of | | | | | Rented stores with annual net sales of | | | | Total all sizes ¹ |
|---|---------------------------------------|-----------------|-----------------|-----------------|--------------------|--|-----------------|-----------------|--------------------|------------------------------|
| | Under \$10,000 | \$10,000-19,999 | \$20,000-49,999 | \$50,000-99,999 | \$100,000 and over | \$10,000-19,999 | \$20,000-49,999 | \$50,000-99,999 | \$100,000 and over | |
| Number of stores reporting | 17 | 65 | 140 | 74 | 22 | 20 | 91 | 80 | 32 | 542 |
| Average net sales per store | \$ 6,310 | 15,774 | 32,953 | 66,274 | 154,837 | 15,942 | 35,188 | 70,523 | 137,035 | 56,740 |
| Average beginning inventory | \$ 1,200 | 2,233 | 3,272 | 6,063 | 11,094 | 1,675 | 3,195 | 5,079 | 8,457 | 4,726 |
| Average inventory, end of year | \$ 1,174 | 2,253 | 3,274 | 6,172 | 11,803 | 1,588 | 3,145 | 5,063 | 8,534 | 4,812 |
| Average cost of goods sold | \$ 5,109 | 13,348 | 28,098 | 56,341 | 131,426 | 13,399 | 29,863 | 59,563 | 114,910 | 48,066 |
| Stock turnover (times per year) | 4.30 | 5.95 | 8.58 | 9.21 | 11.48 | 8.21 | 9.42 | 11.75 | 13.53 | 10.08 |
| Profit and loss data (Per cent of net sales) | | | | | | | | | | |
| Gross profit | 19.04 | 15.37 | 14.73 | 14.99 | 15.12 | 15.95 | 15.13 | 15.54 | 16.14 | 15.35 |
| Operating expenses: | | | | | | | | | | |
| Employees' salaries and wages (except delivery) | 1.89 | 0.78 | 1.94 | 2.73 | 4.15 | 0.18 | 1.86 | 3.15 | 4.91 | 2.40 |
| Delivery | 1.57 | 0.77 | 0.82 | 0.86 | 1.08 | 0.80 | 0.69 | 1.00 | 1.29 | 0.95 |
| Occupancy expenses: | | | | | | | | | | |
| Taxes | 1.78 | 1.18 | 0.74 | 0.56 | 0.30 | 0.45 | 0.35 | 0.20 | 0.20 | 0.60 |
| Insurance | 0.81 | 0.48 | 0.38 | 0.28 | 0.32 | 0.33 | 0.25 | 0.22 | 0.22 | 0.35 |
| Rent | — | — | — | — | — | 4.33 | 2.84 | 1.89 | 1.65 | 0.87 |
| Light, heat and power | 2.42 | 1.63 | 1.06 | 0.80 | 0.61 | 1.37 | 0.82 | 0.63 | 0.41 | 0.98 |
| Repairs and maintenance | 1.44 | 0.55 | 0.48 | 0.29 | 0.23 | 0.24 | 0.27 | 0.28 | 0.22 | 0.40 |
| Depreciation allowances | 0.86 | 0.82 | 0.87 | 1.01 | 1.32 | 0.36 | 0.40 | 0.70 | 0.40 | 0.80 |
| Total occupancy expenses | 7.31 | 4.66 | 3.53 | 2.94 | 2.78 | 7.08 | 4.93 | 3.92 | 3.10 | 4.00 |
| Office and store supplies | 0.96 | 0.47 | 0.39 | 0.44 | 0.40 | 0.40 | 0.43 | 0.41 | 0.40 | 0.44 |
| Advertising | 0.01 | 0.14 | 0.20 | 0.35 | 0.33 | 0.14 | 0.17 | 0.29 | 0.37 | 0.24 |
| Net loss on bad debts | 0.08 | 0.22 | 0.08 | 0.10 | 0.12 | 0.34 | 0.08 | 0.07 | 0.07 | 0.10 |
| All other expenses | 1.11 | 1.22 | 1.28 | 0.90 | 1.37 | 1.04 | 0.92 | 0.96 | 1.08 | 1.11 |
| Total operating expenses | 12.93 | 8.26 | 8.24 | 8.32 | 10.23 | 9.96 | 9.08 | 9.82 | 11.22 | 9.24 |
| Net operating profit | 6.11 | 7.11 | 6.49 | 6.67 | 4.89 | 5.97 | 6.05 | 5.72 | 4.92 | 6.11 |
| Non-trading income | 1.85 | 1.54 | 1.48 | 0.54 | 1.02 | 0.30 | 0.41 | 0.27 | 0.18 | 0.90 |
| Non-trading expense | — | 0.16 | 0.29 | 0.09 | 0.52 | 0.15 | 0.17 | 0.01 | 0.03 | 0.18 |
| Net profit before deduction of proprietors' salaries and income tax | 7.96 | 8.49 | 7.68 | 7.12 | 5.39 | 6.12 | 6.29 | 5.98 | 5.07 | 6.83 |

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 4. Independent Grocery Stores - Owned - Financial Structure by Size and Age of Business as at December 31, 1960

| 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 | | |
| average per store (dollars) | | | | | | | | |
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash on hand and in bank | 1,437 | 2,955 | 2,680 | 2,890 | 5,341 | 4,851 | 4,210 | 3,535 |
| Accounts and notes receivable (net) | 266 | 764 | 667 | 1,605 | 1,718 | 1,696 | 7,494 | 1,812 |
| Merchandise inventory | 2,677 | 3,499 | 3,339 | 8,040 | 6,012 | 6,417 | 12,082 | 5,359 |
| Other current assets | 37 | 994 | 808 | 210 | 1,328 | 1,104 | 1,982 | 1,043 |
| Total current assets | 4,417 | 8,212 | 7,474 | 12,745 | 14,398 | 14,068 | 25,768 | 11,749 |
| Fixed assets (net): | | | | | | | | |
| Used in the business | 11,589 | 5,594 | 6,760 | 12,893 | 7,337 | 6,448 | 18,043 | 8,649 |
| Not used in the business | 2,040 | 2,968 | 2,786 | 2,817 | 3,222 | 3,142 | 4,325 | 3,084 |
| Total fixed assets (net) | 13,629 | 8,562 | 9,546 | 15,710 | 10,559 | 11,590 | 22,368 | 11,733 |
| Other assets: | | | | | | | | |
| Long term investments | 179 | 1,041 | 873 | 405 | 655 | 605 | 827 | 783 |
| Other assets | 150 | 77 | 91 | 42 | 89 | 79 | 170 | 97 |
| Total other assets | 328 | 1,118 | 964 | 447 | 744 | 684 | 997 | 880 |
| Total assets | 18,375 | 17,892 | 17,986 | 28,902 | 25,702 | 26,342 | 48,133 | 24,362 |
| Liabilities | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts and notes payable | 925 | 894 | 900 | 2,103 | 2,445 | 2,377 | 10,857 | 2,563 |
| Fixed liabilities: | | | | | | | | |
| Mortgages on fixed assets used in the business | 2,576 | 251 | 704 | 4,031 | 2,082 | 2,472 | 3,535 | 1,600 |
| Mortgages on fixed assets not used in the business | 2,303 | 659 | 978 | 583 | 275 | 336 | 1,763 | 671 |
| Total fixed liabilities | 4,879 | 910 | 1,682 | 4,614 | 2,357 | 2,808 | 5,298 | 2,471 |
| Other liabilities | 1,061 | 583 | 676 | 1,404 | 785 | 909 | 2,264 | 941 |
| Total liabilities | 6,865 | 2,387 | 3,258 | 8,121 | 5,587 | 6,094 | 18,419 | 5,975 |
| Net worth: Proprietor's or partners' equity in the business | 11,510 | 15,505 | 14,728 | 20,781 | 20,115 | 20,248 | 30,714 | 18,387 |
| Total liabilities and net worth | 18,375 | 17,892 | 17,986 | 28,802 | 25,702 | 26,342 | 48,133 | 24,362 |
| Average net sales of stores reporting | 29,251 | 33,358 | 32,559 | 67,001 | 65,623 | 65,899 | 152,821 | 57,514 |
| Number of stores reporting | 21 | 87 | 108 | 12 | 48 | 60 | 23 | 191 |

**TABLE 5. Independent Grocery Stores – Rented – Financial Structure by Size and Age of Business
as at December 31, 1960**

| 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 (dollars) | | | | | | | | | |
| Assets | | | | | | | | | | |
| Current assets: | | | | | | | | | | |
| Cash on hand and in bank | 1,183 | 1,422 | 1,312 | 1,462 | 2,190 | 1,836 | 1,879 | 4,168 | 3,235 | 1,859 |
| Accounts and notes receivable (net) | 201 | 1,873 | 1,101 | 1,012 | 1,034 | 1,024 | 1,061 | 5,461 | 3,669 | 1,499 |
| Merchandise inventory | 2,819 | 3,344 | 3,102 | 4,641 | 5,349 | 5,021 | 7,412 | 10,848 | 9,449 | 4,988 |
| Other current assets | 124 | 732 | 451 | 230 | 57 | 137 | 91 | 220 | 167 | 269 |
| Total current assets | 4,327 | 7,371 | 5,966 | 7,345 | 8,600 | 8,018 | 10,443 | 20,697 | 16,520 | 8,615 |
| Fixed assets (net): | | | | | | | | | | |
| Used in the business | 1,529 | 1,433 | 1,477 | 4,169 | 3,588 | 3,858 | 4,310 | 4,422 | 4,377 | 2,984 |
| Not used in the business | 1,552 | 1,282 | 1,407 | 2,385 | 1,003 | 1,643 | 127 | 2,947 | 1,798 | 1,574 |
| Total fixed assets (net) | 3,081 | 2,715 | 2,884 | 6,554 | 4,591 | 5,501 | 4,437 | 7,369 | 6,175 | 4,558 |
| Other assets: | | | | | | | | | | |
| Long term investments | 50 | 358 | 216 | 56 | 73 | 65 | — | 153 | 90 | 131 |
| Other assets | 279 | 567 | 434 | 553 | 573 | 564 | 711 | 8 | 295 | 466 |
| Total other assets | 329 | 925 | 650 | 609 | 646 | 629 | 711 | 161 | 385 | 597 |
| Total assets | 7,737 | 11,011 | 9,500 | 14,508 | 13,837 | 14,148 | 15,591 | 28,227 | 23,080 | 13,770 |
| Liabilities | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Accounts and notes payable | 1,007 | 1,099 | 1,057 | 1,832 | 2,719 | 2,307 | 3,062 | 6,583 | 5,149 | 2,279 |
| Fixed liabilities: | | | | | | | | | | |
| Mortgages on fixed assets used in the business | 178 | — | 82 | 928 | 342 | 614 | — | 39 | 23 | 300 |
| Mortgages on fixed assets not used in the business | 530 | 117 | 307 | 1,010 | 273 | 615 | — | 237 | 140 | 411 |
| Total fixed liabilities | 708 | 117 | 389 | 1,938 | 615 | 1,229 | — | 276 | 163 | 711 |
| Other liabilities | 730 | 436 | 572 | 1,073 | 636 | 839 | 4,046 | 2,003 | 2,836 | 1,066 |
| Total liabilities | 2,445 | 1,652 | 2,018 | 4,843 | 3,970 | 4,375 | 7,108 | 8,862 | 8,148 | 4,056 |
| Net worth: Proprietor's or partners' equity in the business | 5,292 | 9,359 | 7,482 | 9,665 | 9,867 | 9,773 | 8,483 | 19,365 | 14,932 | 9,714 |
| Total liabilities and net worth | 7,737 | 11,011 | 9,500 | 14,508 | 13,837 | 14,148 | 15,591 | 28,227 | 23,080 | 13,770 |
| Average net sales of stores reporting | 36,937 | 34,633 | 35,696 | 69,801 | 69,971 | 69,892 | 120,877 | 157,199 | 142,401 | 68,246 |
| Number of stores reporting | 30 | 35 | 65 | 32 | 37 | 69 | 11 | 16 | 27 | 161 |

INDEPENDENT COMBINATION STORES

For purposes of this report combination stores are defined as follows: Retail establishments selling mainly a combination of groceries and fresh meats with neither constituting less than 15 per cent of the total trade. This survey covered 755 independent and unincorporated combination stores.

In 1960, the gross profit for combination stores increased to 15.36 per cent of net sales, an increase of 0.29 per cent from 1958. This increase was off-

set to some extent by an increase of 0.20 per cent in operating expenses. The largest increase in the operating expenses was in the "all other expenses" category which increased by 0.15 per cent over 1958. The increase in gross profit and total operating expenses resulted in a net operating profit of 4.50 per cent of net sales an increase of .09 per cent from 1958. The difference between non-trading income and non-trading expense raised this operating profit to a final net profit of 4.92 per cent.

TABLE 6. Operating Results of Independent Combination Stores, 1954-60

| Item | 1954 | 1956 | 1958 | 1960 |
|---|-----------------------|--------------|--------------|--------------|
| | per cent of net sales | | | |
| Gross profit | 15.09 | 15.40 | 15.07 | 15.36 |
| Operating expenses: | | | | |
| Employees' salaries | 4.75 | 4.38 | 4.24 | 4.30 |
| Occupancy | 2.93 | 3.10 | 3.15 | 3.27 |
| Delivery | 1.11 | 1.09 | 1.07 | 0.99 |
| Office and store supplies | 0.61 | 0.62 | 0.57 | 0.52 |
| All other expenses | 1.29 | 1.46 | 1.63 | 1.78 |
| Total operating expenses | 10.69 | 10.65 | 10.66 | 10.86 |
| Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading income | 4.40 | 4.75 | 4.41 | 4.50 |

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 7. Independent Combination Stores — Balance Sheet Ratios as at December 31, 1954-60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|------|------|------|------|
| Current ratio—Owned | 2.40 | 3.03 | 2.74 | 2.86 |
| Rented | 2.41 | 2.94 | 2.44 | 2.39 |
| Liquidity ratio—Owned | 1.20 | 1.50 | 1.39 | 1.44 |
| Rented | 1.24 | 1.50 | 1.21 | 1.19 |
| Working capital to net worth ratio—Owned | 0.41 | 0.41 | 0.40 | 0.42 |
| Rented | 0.55 | 0.55 | 0.52 | 0.52 |
| Worth debt ratio—Owned | 1.90 | 2.13 | 1.96 | 1.95 |
| Rented | 1.81 | 1.85 | 1.62 | 1.55 |
| Turnover of total capital employed—Owned | 3.89 | 3.75 | 4.14 | 3.81 |
| Rented | 6.20 | 5.79 | 6.55 | 6.45 |

Note: See page 21 for definitions.

TABLE 8. Independent Combination Stores — Operating Results by Annual Sales Volume and Occupancy Basis, 1960

| Item | Owned stores with annual net sales of | | | | Rented stores with annual net sales of | | | | Total all sizes ¹ |
|---|---------------------------------------|-----------------|-----------------|--------------------|--|-----------------|-----------------|--------------------|------------------------------|
| | \$10,000-19,999 | \$20,000-49,999 | \$50,000-99,999 | \$100,000 and over | \$10,000-19,999 | \$20,000-49,999 | \$50,000-99,999 | \$100,000 and over | |
| Number of stores reporting | 34 | 134 | 152 | 149 | 12 | 55 | 94 | 116 | 755 |
| Average net sales per store | \$ 15,909 | \$ 33,969 | \$ 74,110 | \$ 189,484 | \$ 15,964 | \$ 35,974 | \$ 73,751 | \$ 196,283 | \$ 113,385 |
| Average beginning inventory | \$ 2,395 | \$ 3,147 | \$ 5,444 | \$ 10,689 | \$ 1,491 | \$ 2,641 | \$ 4,313 | \$ 9,204 | \$ 6,613 |
| Average inventory, end of year | \$ 2,468 | \$ 3,209 | \$ 5,775 | \$ 11,168 | \$ 1,466 | \$ 2,721 | \$ 4,400 | \$ 9,578 | \$ 6,890 |
| Average cost of goods sold | \$ 13,525 | \$ 29,001 | \$ 63,178 | \$ 160,686 | \$ 12,930 | \$ 30,539 | \$ 61,472 | \$ 165,218 | \$ 95,892 |
| Stock turnover (times per year) | 5.56 | 9.13 | 11.26 | 14.70 | 8.75 | 11.39 | 14.11 | 17.59 | 14.20 |
| Profit and loss data (Per cent of net sales) | | | | | | | | | |
| Gross profit | 14.98 | 14.62 | 14.75 | 15.20 | 19.00 | 15.11 | 16.65 | 15.83 | 15.36 |
| Operating expenses: | | | | | | | | | |
| Employees' salaries and wages (except delivery) | 0.99 | 1.90 | 4.24 | 5.55 | 2.58 | 1.68 | 4.54 | 5.96 | 4.30 |
| Delivery | 0.97 | 0.98 | 1.05 | 0.86 | 0.96 | 1.02 | 1.09 | 1.03 | 0.99 |
| Occupancy expenses: | | | | | | | | | |
| Taxes | 0.98 | 0.81 | 0.49 | 0.32 | 0.73 | 0.32 | 0.24 | 0.16 | 0.42 |
| Insurance | 0.37 | 0.40 | 0.35 | 0.28 | 0.30 | 0.25 | 0.31 | 0.24 | 0.31 |
| Rent | — | — | — | — | 4.53 | 2.51 | 1.62 | 0.96 | 0.58 |
| Heat, light and power | 1.52 | 1.08 | 0.77 | 0.51 | 1.42 | 0.83 | 0.56 | 0.41 | 0.70 |
| Repairs and maintenance | 0.62 | 0.51 | 0.39 | 0.35 | 0.56 | 0.38 | 0.36 | 0.32 | 0.39 |
| Depreciation allowances | 0.88 | 1.05 | 1.05 | 1.00 | 0.67 | 0.42 | 0.67 | 0.67 | 0.87 |
| Total occupancy expenses | 4.37 | 3.85 | 3.05 | 2.46 | 8.21 | 4.71 | 3.76 | 2.76 | 3.27 |
| Office and store supplies | 0.47 | 0.55 | 0.43 | 0.54 | 0.56 | 0.56 | 0.48 | 0.58 | 0.52 |
| Advertising | 0.14 | 0.18 | 0.44 | 0.80 | 0.34 | 0.22 | 0.35 | 0.82 | 0.52 |
| Net loss on bad debts | 0.13 | 0.11 | 0.12 | 0.12 | 0.06 | 0.11 | 0.13 | 0.08 | 0.11 |
| All other expenses | 1.16 | 1.11 | 1.06 | 1.33 | 1.46 | 1.18 | 1.13 | 1.01 | 1.15 |
| Total operating expenses | 8.23 | 8.68 | 10.41 | 11.66 | 14.17 | 9.48 | 11.48 | 12.24 | 10.86 |
| Net operating profit | 6.75 | 5.94 | 4.34 | 3.54 | 4.83 | 5.63 | 5.17 | 3.59 | 4.50 |
| Non-trading income | 1.71 | 0.82 | 0.55 | 0.87 | 1.01 | 0.71 | 0.27 | 0.20 | 0.61 |
| Non-trading expense | 0.36 | 0.25 | 0.07 | 0.39 | — | 0.07 | 0.10 | 0.06 | 0.19 |
| Net profit before deduction of proprietors' salaries and income tax | 8.10 | 6.51 | 4.82 | 4.02 | 5.84 | 6.27 | 5.34 | 3.73 | 4.92 |

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 9. Independent Combination Stores — Owned — Financial Structure by Size and Age of Business as at December 31, 1960

| 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 (dollars) | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Current assets: | | | | | | | | | | |
| Cash on hand and in bank | 2,902 | 1,414 | 1,706 | 1,155 | 2,818 | 2,536 | 4,175 | 4,983 | 4,846 | 3,160 |
| Accounts and notes receivable (net) | 745 | 1,010 | 958 | 2,103 | 2,429 | 2,374 | 3,323 | 5,496 | 5,126 | 2,997 |
| Merchandise inventory | 3,616 | 3,213 | 3,292 | 6,537 | 5,692 | 5,835 | 9,363 | 11,548 | 11,180 | 7,103 |
| Other current assets | 1,741 | 939 | 1,097 | 1,101 | 470 | 577 | 683 | 1,756 | 1,573 | 1,095 |
| Total current assets | 9,004 | 6,576 | 7,053 | 10,896 | 11,409 | 11,322 | 17,564 | 23,783 | 22,725 | 14,355 |
| Fixed assets (net): | | | | | | | | | | |
| Used in the business | 11,293 | 8,046 | 8,684 | 12,176 | 9,290 | 9,778 | 16,762 | 20,207 | 19,621 | 13,131 |
| Not used in the business | 2,136 | 2,214 | 2,199 | 2,537 | 2,960 | 2,688 | 3,016 | 6,916 | 6,253 | 3,945 |
| Total fixed assets (net) | 13,429 | 10,260 | 10,883 | 14,713 | 12,250 | 12,666 | 19,778 | 27,123 | 25,874 | 17,076 |
| Other assets: | | | | | | | | | | |
| Long term investments | 3,099 | 487 | 1,000 | — | 1,482 | 1,231 | 102 | 2,798 | 2,339 | 1,578 |
| Other assets | 69 | 185 | 162 | 201 | 182 | 186 | 1,548 | 600 | 761 | 393 |
| Total other assets | 3,168 | 672 | 1,162 | 201 | 1,664 | 1,417 | 1,650 | 3,398 | 3,100 | 1,971 |
| Total assets | 25,601 | 17,508 | 19,098 | 25,810 | 25,323 | 25,405 | 38,992 | 54,304 | 51,699 | 33,402 |
| Liabilities | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Accounts and notes payable | 1,078 | 1,456 | 1,382 | 3,710 | 2,903 | 3,040 | 9,104 | 9,753 | 9,643 | 5,027 |
| Fixed liabilities: | | | | | | | | | | |
| Mortgages on fixed assets used in the business | 3,392 | 908 | 1,396 | 5,681 | 2,380 | 2,938 | 7,004 | 5,101 | 5,425 | 3,426 |
| Mortgages on fixed assets not used in the business | 45 | 471 | 388 | 87 | 361 | 315 | 1,410 | 2,863 | 2,615 | 1,192 |
| Total fixed liabilities | 3,437 | 1,379 | 1,784 | 5,768 | 2,741 | 3,253 | 8,414 | 7,964 | 8,040 | 4,618 |
| Other liabilities | 546 | 477 | 490 | 1,970 | 1,397 | 1,493 | 1,393 | 2,997 | 2,724 | 1,667 |
| Total liabilities | 5,061 | 3,312 | 3,656 | 11,448 | 7,041 | 7,786 | 18,911 | 20,714 | 20,407 | 11,312 |
| Net worth: Proprietor's or partners' equity in the business | 20,540 | 14,196 | 15,442 | 14,362 | 18,282 | 17,619 | 20,081 | 33,590 | 31,292 | 22,090 |
| Total liabilities and net worth | 25,601 | 17,508 | 19,098 | 25,810 | 25,323 | 25,405 | 38,992 | 54,304 | 51,699 | 33,402 |
| Average net sales of stores reporting | 34,072 | 35,035 | 34,846 | 74,012 | 75,039 | 74,865 | 170,873 | 193,769 | 189,875 | 106,319 |
| Number of stores reporting | 22 | 90 | 112 | 23 | 113 | 136 | 25 | 122 | 147 | 395 |

TABLE 10. Independent Combination Stores - Rented - Financial Structure by Size and Age of Business as at December 31, 1960

| 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 (dollars) | | | | | | | | | |
| Assets | | | | | | | | | | |
| Current assets: | | | | | | | | | | |
| Cash on hand and in bank | 788 | 886 | 847 | 1,819 | 1,876 | 1,854 | 3,935 | 4,744 | 4,506 | 2,892 |
| Accounts and notes receivable (net) | 201 | 851 | 591 | 1,907 | 1,675 | 1,766 | 2,526 | 4,578 | 3,976 | 2,566 |
| Merchandise inventory | 3,414 | 2,285 | 2,737 | 4,509 | 4,197 | 4,320 | 8,829 | 9,879 | 9,571 | 6,452 |
| Other current assets | 33 | 63 | 51 | 128 | 335 | 253 | 297 | 2,260 | 1,684 | 878 |
| Total current assets | 4,436 | 4,085 | 4,226 | 8,363 | 8,083 | 8,193 | 15,587 | 21,461 | 19,737 | 12,788 |
| Fixed assets (net): | | | | | | | | | | |
| Used in the business | 1,668 | 2,028 | 1,884 | 3,224 | 2,614 | 2,854 | 7,958 | 8,778 | 8,537 | 5,305 |
| Not used in the business | 557 | 991 | 817 | 1,931 | 2,280 | 2,143 | 2,263 | 5,625 | 4,638 | 3,046 |
| Total fixed assets (net) | 2,225 | 3,019 | 2,701 | 5,155 | 4,894 | 4,997 | 10,221 | 14,403 | 13,175 | 8,351 |
| Other assets: | | | | | | | | | | |
| Long term investments | 183 | 1,041 | 698 | 156 | 835 | 567 | 358 | 3,206 | 2,370 | 1,428 |
| Other assets | 750 | 620 | 672 | 1,275 | 540 | 830 | 2,245 | 1,183 | 1,495 | 1,108 |
| Total other assets | 933 | 1,661 | 1,370 | 1,431 | 1,375 | 1,397 | 2,603 | 4,389 | 3,865 | 2,536 |
| Total assets | 7,594 | 8,765 | 8,297 | 14,949 | 14,352 | 14,587 | 28,411 | 40,253 | 36,777 | 23,675 |
| Liabilities | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | |
| Accounts and notes payable | 1,162 | 1,214 | 1,194 | 2,769 | 2,736 | 2,749 | 6,114 | 10,167 | 8,977 | 5,340 |
| Fixed liabilities: | | | | | | | | | | |
| Mortgages on fixed assets used in the business | 94 | 195 | 154 | 499 | 148 | 287 | 1,786 | 2,709 | 2,438 | 1,259 |
| Mortgages on fixed assets not used in the business | 478 | 129 | 269 | 992 | 429 | 651 | 2,070 | 1,422 | 1,612 | 1,024 |
| Total fixed liabilities | 572 | 324 | 423 | 1,491 | 577 | 938 | 3,856 | 4,131 | 4,050 | 2,283 |
| Other liabilities | 790 | 516 | 625 | 1,204 | 692 | 894 | 3,313 | 2,339 | 2,626 | 1,646 |
| Total liabilities | 2,524 | 2,054 | 2,242 | 5,464 | 4,005 | 4,581 | 13,283 | 16,637 | 15,653 | 9,269 |
| Net worth: Proprietor's or partners' equity in the business | 5,070 | 6,711 | 6,055 | 9,485 | 10,347 | 10,006 | 15,128 | 23,616 | 21,124 | 14,406 |
| Total liabilities net worth | 7,594 | 8,765 | 8,297 | 14,949 | 14,352 | 14,587 | 28,411 | 40,253 | 36,777 | 23,675 |
| Average net sales of stores reporting | 33,074 | 36,978 | 35,417 | 76,988 | 71,588 | 73,721 | 195,015 | 198,475 | 197,459 | 123,780 |
| Number of stores reporting | 18 | 27 | 45 | 32 | 49 | 81 | 32 | 77 | 109 | 235 |

INDEPENDENT MEAT MARKETS

For the purpose of this report, meat markets are defined as follows: Retail establishments selling mainly fresh meats. Other items may include cured meats, poultry, dairy products, eggs, etc. Dry groceries cannot exceed 15 per cent of total sales. Only unincorporated firms were surveyed for financial data.

The gross profit for independent meat markets was at the highest level attained since 1956, reach-

ing 20.25 per cent of net sales as compared to 19.07 per cent in 1958. This increase of 1.18 per cent in gross profit was offset somewhat by an increase of 0.78 per cent in operating expenses. The largest increase in operating expenses was for employees' salaries. The record gross profit and total operating expenses produced a net operating profit of 6.52 per cent. The net gain of non-trading income over non-trading expense raised this to a final net profit of 7.02 per cent of net sales.

TABLE 11. Operating Results of Independent Meat Markets, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|-----------------------|-------|-------|-------|
| | per cent of net sales | | | |
| Gross profit | 18.90 | 19.61 | 19.07 | 20.25 |
| Operating expenses: | | | | |
| Employees' salaries | 5.53 | 5.47 | 5.48 | 5.83 |
| Occupancy | 3.37 | 3.48 | 3.54 | 3.62 |
| Delivery | 1.35 | 1.30 | 1.24 | 1.32 |
| Office and store supplies | 0.94 | 1.00 | 0.98 | 1.08 |
| All other expenses | 1.34 | 1.48 | 1.71 | 1.88 |
| Total operating expenses | 12.53 | 12.73 | 12.95 | 13.73 |
| Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading income | 6.37 | 6.88 | 6.12 | 6.52 |

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 12. Independent Meat Markets - Balance Sheet Ratios as at December 31, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|------|------|------|------|
| Current ratio—Owned | 2.43 | 3.07 | 2.38 | 3.24 |
| Rented | 2.33 | 2.46 | 2.09 | 1.80 |
| Liquidity ratio—Owned | 1.88 | 2.43 | 1.84 | 2.76 |
| Rented | 1.88 | 2.02 | 1.63 | 1.42 |
| Working capital to net worth ratio—Owned | 0.32 | 0.37 | 0.29 | 0.38 |
| Rented | 0.43 | 0.49 | 0.43 | 0.37 |
| Worth debt ratio—Owned | 2.06 | 2.72 | 2.49 | 2.19 |
| Rented | 2.11 | 2.29 | 1.71 | 1.47 |
| Turnover of total capital employed—Owned | 3.99 | 3.63 | 4.17 | 3.65 |
| Rented | 6.58 | 6.71 | 7.70 | 7.45 |

Note: See page 21 for definitions.

TABLE 13. Independent Meat Markets — Operating Results by Annual Sales Volume and Occupancy Basis, 1960

| Item | Owned stores with annual net sales of | | | Rented stores with annual net sales of | | | Total all sizes ¹ |
|---|---------------------------------------|-----------------|--------------------|--|-----------------|--------------------|------------------------------|
| | \$20,000-49,999 | \$50,000-99,999 | \$100,000 and over | \$20,000-49,999 | \$50,000-99,999 | \$100,000 and over | |
| Number of stores reporting | 28 | 20 | 21 | 33 | 49 | 26 | 190 |
| Average net sales per store | \$ 33,678 | 70,960 | 153,947 | 36,047 | 70,044 | 188,874 | 98,844 |
| Average beginning inventory | \$ 574 | 1,320 | 3,285 | 653 | 1,127 | 2,540 | 1,652 |
| Average inventory, end of year | \$ 614 | 1,293 | 3,559 | 617 | 1,114 | 3,019 | 1,798 |
| Average cost of goods sold | \$ 27,199 | 56,323 | 121,241 | 28,654 | 55,622 | 152,534 | 78,972 |
| Stock turnover (times per year) | 45.79 | 43.13 | 35.43 | 45.12 | 49.66 | 54.87 | 45.78 |
| Profit and loss data (Per cent of net sales) | | | | | | | |
| Gross profit | 19.23 | 20.63 | 21.24 | 20.51 | 20.59 | 19.24 | 20.25 |
| Operating expenses: | | | | | | | |
| Employees' salaries and wages (except delivery) | 3.08 | 6.69 | 8.69 | 2.44 | 5.80 | 7.51 | 5.83 |
| Delivery | 1.53 | 1.32 | 1.21 | 1.65 | 1.29 | 1.12 | 1.32 |
| Occupancy expenses: | | | | | | | |
| Taxes | 0.64 | 0.48 | 0.38 | 0.19 | 0.15 | 0.11 | 0.34 |
| Insurance | 0.35 | 0.32 | 0.36 | 0.18 | 0.22 | 0.19 | 0.27 |
| Rent | — | — | — | 2.39 | 1.75 | 1.28 | 0.92 |
| Heat, light and power | 1.01 | 0.73 | 0.69 | 0.74 | 0.64 | 0.30 | 0.69 |
| Repairs and maintenance | 0.46 | 0.49 | 0.62 | 0.38 | 0.47 | 0.40 | 0.48 |
| Depreciation allowances | 1.11 | 1.39 | 1.08 | 0.76 | 0.73 | 0.63 | 0.92 |
| Total occupancy expenses | 3.57 | 3.41 | 3.13 | 4.64 | 3.96 | 2.91 | 3.62 |
| Office and store supplies | 0.92 | 1.14 | 1.15 | 0.93 | 0.96 | 1.27 | 1.08 |
| Advertising | 0.16 | 0.23 | 0.49 | 0.15 | 0.33 | 0.24 | 0.27 |
| Net loss on bad debts | 0.09 | 0.09 | 0.12 | 0.06 | 0.04 | 0.04 | 0.06 |
| All other expenses | 1.86 | 1.39 | 1.83 | 1.45 | 1.46 | 1.35 | 1.53 |
| Total operating expenses | 11.21 | 14.27 | 16.62 | 11.32 | 13.84 | 14.44 | 13.73 |
| Net operating profit | 8.02 | 6.36 | 4.62 | 9.19 | 6.75 | 4.80 | 6.52 |
| Non-trading income | 1.92 | 1.42 | 1.05 | 0.24 | 0.18 | 0.04 | 0.71 |
| Non-trading expense | 0.46 | 0.77 | 0.17 | 0.03 | — | — | 0.21 |
| Net profit before deduction of proprietors' salaries and income tax | 9.48 | 7.01 | 5.50 | 9.40 | 6.93 | 4.84 | 7.02 |

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 14. Independent Meat Markets — Owned — Financial Structure by Size of Business as at December 31, 1960

| 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 | |
| Assets | average per store (dollars) | | | |
| Current assets: | | | | |
| Cash on hand and in bank | 3,389 | 4,617 | 4,607 | 4,135 |
| Accounts and notes receivable (net) | 1,536 | 1,165 | 6,991 | 3,284 |
| Merchandise inventory | 627 | 1,360 | 3,200 | 1,698 |
| Other current assets | 727 | 3,906 | 2,695 | 2,257 |
| Total current assets | 6,279 | 11,048 | 17,493 | 11,374 |
| Fixed assets (net): | | | | |
| Used in the business | 6,119 | 10,086 | 19,867 | 11,855 |
| Not used in the business | 3,057 | 10,380 | 4,649 | 5,582 |
| Total fixed assets (net) | 9,176 | 20,466 | 24,516 | 17,437 |
| Other assets: | | | | |
| Long term investments | 614 | 57 | 2,631 | 1,147 |
| Other assets | 183 | 216 | 56 | 149 |
| Total other assets | 797 | 273 | 2,687 | 1,296 |
| Total assets | 16,252 | 31,787 | 44,696 | 30,107 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts and notes payable | 665 | 2,109 | 7,887 | 3,512 |
| Fixed liabilities: | | | | |
| Mortgages on fixed assets used in the business | 1,181 | 4,374 | 5,353 | 3,461 |
| Mortgages on fixed assets not used in the business | 182 | 2,797 | 1,241 | 1,250 |
| Total fixed liabilities | 1,363 | 7,171 | 6,594 | 4,711 |
| Other liabilities | 812 | 511 | 2,244 | 1,216 |
| Total liabilities | 2,860 | 9,791 | 16,725 | 9,439 |
| Net worth: proprietor's or partners' equity in the business | 13,392 | 21,996 | 27,971 | 20,668 |
| Total liabilities and net north | 16,252 | 31,787 | 44,696 | 30,107 |
| Average net sales of stores reporting | 32,835 | 73,479 | 155,377 | 85,397 |
| Number of stores reporting | 23 | 16 | 20 | 59 |

TABLE 15. Independent Meat Markets - Rented - Financial Structure by Size and Age of Business as at December 31, 1960

| 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 | |
| average per store (dollars) | | | | | | | | |
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash on hand and in bank | 1,673 | 1,988 | 2,616 | 2,415 | 1,496 | 6,947 | 4,676 | 2,776 |
| Accounts and notes receivable (net) | 916 | 1,565 | 1,761 | 1,699 | 2,349 | 8,217 | 5,772 | 2,496 |
| Merchandise inventory | 568 | 1,094 | 1,121 | 1,112 | 3,284 | 3,190 | 3,229 | 1,490 |
| Other current assets | 210 | 19 | 58 | 46 | 99 | 618 | 402 | 178 |
| Total current assets | 3,367 | 4,666 | 5,556 | 5,272 | 7,228 | 18,972 | 14,079 | 6,940 |
| Fixed assets (net): | | | | | | | | |
| Used in the business | 2,603 | 4,659 | 2,948 | 3,558 | 6,146 | 10,991 | 6,973 | 4,641 |
| Not used in the business | 2,364 | 1,205 | 511 | 732 | — | 2,225 | 1,298 | 1,310 |
| Total fixed assets (net) | 4,967 | 6,064 | 3,459 | 4,290 | 6,146 | 13,216 | 10,271 | 5,951 |
| Other assets: | | | | | | | | |
| Long term investments | 360 | 682 | 39 | 244 | 1,000 | 514 | 716 | 392 |
| Other assets | 525 | 957 | 83 | 362 | 2,321 | 1,020 | 1,562 | 703 |
| Total other assets | 885 | 1,639 | 122 | 606 | 3,321 | 1,534 | 2,278 | 1,095 |
| Total assets | 9,219 | 12,369 | 9,137 | 10,188 | 16,695 | 33,722 | 26,628 | 13,986 |
| Liabilities | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts and notes payable | 1,209 | 1,949 | 2,925 | 2,613 | 4,656 | 12,306 | 9,119 | 3,846 |
| Fixed liabilities: | | | | | | | | |
| Mortgages on fixed assets used in business | 82 | 254 | 38 | 107 | 1,503 | 2,247 | 1,937 | 553 |
| Mortgages on fixed assets not used in business | 110 | 567 | 109 | 255 | — | 414 | 241 | 213 |
| Total fixed liabilities | 192 | 821 | 147 | 362 | 1,503 | 2,661 | 2,178 | 766 |
| Other liabilities | 624 | 1,815 | 327 | 602 | 2,593 | 1,505 | 1,959 | 1,040 |
| Total liabilities | 2,025 | 4,585 | 3,399 | 3,777 | 8,752 | 16,472 | 13,256 | 5,652 |
| Net worth: proprietor's or partners' equity in the business | 7,194 | 7,784 | 5,738 | 6,391 | 7,943 | 17,250 | 13,372 | 8,334 |
| Total liabilities and net worth | 9,219 | 12,369 | 9,137 | 10,188 | 16,695 | 33,722 | 26,628 | 13,986 |
| Average net sales of stores reporting | 36,268 | 68,885 | 70,145 | 69,743 | 144,024 | 229,418 | 193,837 | 91,474 |
| Number of stores reporting | 26 | 15 | 32 | 47 | 10 | 14 | 24 | 97 |

INDEPENDENT CONFECTIONERY STORES

For the purpose of this report, confectionery stores are defined as follows: Retail establishments selling mainly candy and confectionery, soft drinks, soda fountain products and ice cream to the extent of at least 50 per cent of total net sales. Other items sold may include tobacco products, groceries, fresh fruits and vegetables and printed matter.

A record gross profit of 19.91 per cent of total sales was attained by stores in this classification. This, as well as the fact that total operating expenses also declined produced a net operating profit of 8.44 per cent of net sales, an increase of 0.97 per cent from 7.47 per cent recorded in 1958. The net of non-trading income and non-trading expense added 1.17 per cent to make a final net profit of 9.61 per cent for the year 1960.

TABLE 16. Operating Results of Independent Confectionery Stores, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|-------|-------|-------|-------|
| Gross profit | 17.57 | 18.98 | 19.15 | 19.91 |
| Operating expenses: | | | | |
| Employees' salaries | 2.79 | 3.20 | 3.27 | 3.06 |
| Occupancy | 5.60 | 5.82 | 6.19 | 6.07 |
| Delivery | 0.20 | 0.16 | 0.27 | 0.30 |
| Office and Store Supplies | 0.43 | 0.47 | 0.49 | 0.45 |
| All other expenses | 1.21 | 1.36 | 1.46 | 1.59 |
| Total operating expenses | 10.23 | 11.01 | 11.68 | 11.47 |
| Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading income | 7.34 | 7.97 | 7.47 | 8.44 |

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 17. Independent Confectionery Stores - Balance Sheet Ratios as at December 31, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|------|------|------|------|
| Current ratio—Owned | 2.54 | 2.62 | 3.87 | 4.71 |
| Rented | 2.18 | 3.14 | 4.10 | 4.34 |
| Liquidity ratio—Owned | 1.07 | 1.41 | 1.96 | 2.55 |
| Rented | 0.93 | 1.49 | 2.05 | 2.32 |
| Working capital to net worth ratio—Owned | 0.28 | 0.26 | 0.29 | 0.36 |
| Rented | 0.41 | 0.48 | 0.61 | 0.68 |
| Worth debt ratio—Owned | 2.92 | 2.25 | 2.69 | 4.82 |
| Rented | 1.95 | 2.16 | 3.03 | 2.65 |
| Turnover to total capital employed—Owned | 3.02 | 2.51 | 3.00 | 3.10 |
| Rented | 6.41 | 4.73 | 5.58 | 4.82 |

Note: See page 21 for definitions.

TABLE 18. Independent Confectionery Stores—Operating Results, by Annual Sales Volume and Occupancy Basis, 1960

| Item | Owned stores with annual net sales of | | | Rented stores with annual net sales of | | | Total all sizes ¹ |
|--|---------------------------------------|-----------------|-----------------|--|-----------------|-----------------|------------------------------|
| | \$10,000-19,999 | \$20,000-49,999 | \$50,000-99,999 | \$10,000-19,999 | \$20,000-49,999 | \$50,000-99,999 | |
| Number of stores reporting | 12 | 21 | 11 | 14 | 33 | 10 | 115 |
| Average net sales per store | \$ 15,473 | 32,239 | 67,122 | 15,621 | 32,870 | 64,622 | 30,596 |
| Average beginning inventory | \$ 1,651 | 2,346 | 3,383 | 1,219 | 2,175 | 4,285 | 2,189 |
| Average inventory, end of year | \$ 1,731 | 2,315 | 3,339 | 1,278 | 2,212 | 5,492 | 2,278 |
| Average cost of goods sold | \$ 12,416 | 26,305 | 56,304 | 12,470 | 26,040 | 50,116 | 24,546 |
| Stock turnover (times per year) | 7.32 | 11.29 | 16.75 | 9.99 | 11.87 | 10.25 | 10.99 |
| Profit and loss data (Per cent of net sales) | | | | | | | |
| Gross profit | 19.76 | 18.41 | 16.11 | 20.17 | 20.78 | 22.45 | 19.91 |
| Operating expenses: | | | | | | | |
| Employees' salaries and wages (except delivery) | 1.41 | 5.85 | 2.65 | 1.53 | 2.48 | 6.63 | 3.06 |
| Delivery | 0.11 | 0.29 | 0.49 | 0.58 | 0.39 | 0.35 | 0.30 |
| Occupancy expenses: | | | | | | | |
| Taxes | 1.24 | 1.07 | 0.86 | 0.58 | 0.34 | 0.22 | 0.82 |
| Insurance | 0.64 | 0.46 | 0.29 | 0.16 | 0.32 | 0.29 | 0.40 |
| Rent | — | — | — | 2.86 | 3.26 | 3.13 | 1.79 |
| Heat, light and power | 1.44 | 1.64 | 0.94 | 1.46 | 1.02 | 0.99 | 1.60 |
| Repairs and maintenance | 0.91 | 0.77 | 0.60 | 0.51 | 0.51 | 0.42 | 0.63 |
| Depreciation allowances | 1.32 | 0.94 | 0.77 | 0.81 | 0.70 | 1.04 | 0.83 |
| Total occupancy expenses | 5.55 | 4.88 | 3.46 | 6.38 | 8.15 | 6.09 | 6.07 |
| Office and store supplies | 0.32 | 0.39 | 0.42 | 0.39 | 0.57 | 0.42 | 0.45 |
| Advertising | 0.09 | 0.08 | 0.13 | 0.11 | 0.20 | 0.43 | 0.16 |
| Net loss on bad debts | 0.11 | 0.04 | 0.01 | 0.03 | 0.04 | 0.03 | 0.04 |
| All other expenses | 2.14 | 1.28 | 0.83 | 0.89 | 1.14 | 2.04 | 1.39 |
| Total operating expenses | 9.73 | 12.81 | 7.99 | 9.91 | 10.97 | 15.99 | 11.47 |
| Net operating profit | 10.03 | 5.60 | 8.12 | 10.26 | 9.81 | 6.46 | 8.44 |
| Non-trading income | 4.87 | 1.06 | 1.29 | 0.91 | 0.47 | 0.96 | 1.34 |
| Non-trading expense | 0.30 | 0.04 | 0.42 | 0.39 | 0.10 | 0.34 | 0.17 |
| Net profit before deduction of proprietors' salaries and income tax | 14.60 | 6.62 | 8.99 | 10.78 | 10.18 | 7.08 | 9.61 |

¹Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 19. Independent Confectionery Stores—Owned—Financial Structure by Size of Business as at December 31, 1960

| Item | Stores with annual net sales of \$20,000 - 49,999 | Total all sizes \$20,000 - 99,999 |
|---|--|--|
| | average per store (dollars) | |
| Assets | | |
| Current assets: | | |
| Cash on hand and in bank | 1,487 | 1,673 |
| Accounts and notes receivable (net) | 187 | 186 |
| Merchandise inventory | 2,445 | 3,384 |
| Other current assets | 1,521 | 2,144 |
| Total current assets | 5,640 | 7,387 |
| Fixed assets (net): | | |
| Used in the business | 7,861 | 8,323 |
| Not used in the business | 4,039 | 3,094 |
| Total fixed assets (net) | 11,900 | 11,417 |
| Other assets: | | |
| Long term investments | 853 | 537 |
| Other assets | — | — |
| Total other assets | 853 | 537 |
| Total assets | 18,393 | 19,341 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts and notes payable | 722 | 1,567 |
| Fixed liabilities: | | |
| Mortgages on fixed assets used in the business | 1,213 | 952 |
| Mortgages on fixed assets not used in the business | 940 | 591 |
| Total fixed liabilities | 2,153 | 1,543 |
| Other liabilities | 229 | 211 |
| Total liabilities | 3,104 | 3,321 |
| Net worth: proprietor's or partners' equity in the business | 15,289 | 16,020 |
| Total liabilities and net worth | 18,393 | 19,341 |
| Average net sales of stores reporting | 33,302 | 48,766 |
| Number of stores reporting | 17 | 27 |

**TABLE 20. Independent Confectionery Stores — Rented — Financial Structure by Size and Age of Business
as at December 31, 1960**

| Item | Stores with annual net sales of | | | | Total all sizes \$20,000 - 99,999 |
|---|---------------------------------|----------------------|---------|----------------------|--|
| | \$20,000 - 49,999 | | | \$50,000 - 99,999 | |
| | Under 10 years | 10 years and over | Total | | |
| average per store (dollars) | | | | | |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash on hand and in bank | 1, 290 | 2, 993 | 2, 273 | 1, 874 | 2, 223 |
| Accounts and notes receivable (net) | 6 | 197 | 116 | 395 | 194 |
| Merchandise inventory | 2, 462 | 1, 979 | 2, 183 | 5, 366 | 3, 181 |
| Other current assets | 20 | 2, 675 | 1, 552 | 618 | 1, 240 |
| Total current assets | 3, 778 | 7, 844 | 6, 124 | 8, 253 | 6, 838 |
| Fixed assets (net): | | | | | |
| Used in the business | 1, 513 | 1, 755 | 1, 652 | 2, 503 | 2, 078 |
| Not used in the business | 909 | 1, 398 | 1, 192 | 1, 953 | 1, 380 |
| Total fixed assets (net) | 2, 422 | 3, 153 | 2, 844 | 4, 456 | 3, 458 |
| Other assets: | | | | | |
| Long term investments | — | — | — | — | — |
| Other assets | 830 | 9 | 356 | 470 | 380 |
| Total other assets | 830 | 9 | 356 | 470 | 380 |
| Total assets | 7, 030 | 11, 006 | 9, 324 | 13, 179 | 10, 676 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts and notes payable | 922 | 1, 290 | 1, 135 | 2, 263 | 1, 574 |
| Fixed liabilities: | | | | | |
| Mortgages on fixed assets used in the business | 500 | — | 211 | 923 | 412 |
| Mortgages on fixed assets not used in the business | — | — | — | 1, 268 | 367 |
| Total fixed liabilities | 500 | — | 211 | 2, 191 | 779 |
| Other liabilities | 921 | 318 | 573 | 621 | 572 |
| Total liabilities | 2, 343 | 1, 608 | 1, 919 | 5, 075 | 2, 925 |
| Net worth: proprietor's or partners' equity in the business | 4, 687 | 9, 398 | 7, 405 | 8, 104 | 7, 751 |
| Total liabilities and net worth | 7, 030 | 11, 006 | 9, 324 | 13, 179 | 10, 676 |
| Average net sales of stores reporting | 34, 977 | 32, 507 | 33, 552 | 65, 334 | 44, 799 |
| Number of stores reporting | 11 | 15 | 26 | 11 | 38 |

INDEPENDENT FRUIT AND VEGETABLE STORES

For purposes of this report, fruit and vegetable stores are defined as follows: Retail establishments selling mainly fresh fruit and fresh vegetables. Although other items may also be sold, the sale of fruits and vegetables must constitute at least 50% of the total trade.

The ratio of gross profit to net sales increased to 19.67 per cent as compared to 19.00 per cent in 1958. This increase in gross profit was offset by an increase in operating expenses with the result that net operating profits increased by only 0.22 per cent of net sales. Non-trading income exceeded non-trading expense thereby raising net operating profit by 0.57 per cent to a final net profit of 7.30 per cent.

TABLE 21 Operating Results of Independent Fruit and Vegetable Stores, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|-----------------------|-------|-------|-------|
| | per cent of net sales | | | |
| Gross profit | 18.42 | 19.39 | 19.00 | 19.67 |
| Operating expenses: | | | | |
| Employees' salaries | 4.35 | 3.94 | 4.02 | 4.47 |
| Occupancy | 4.46 | 4.69 | 4.72 | 4.95 |
| Delivery | 1.46 | 1.34 | 1.38 | 1.25 |
| Office and store supplies | 1.06 | 0.97 | 1.03 | 0.90 |
| All other expenses | 1.14 | 1.13 | 1.34 | 1.37 |
| Total operating expenses | 12.47 | 12.07 | 12.49 | 12.94 |
| Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading income | 5.95 | 7.32 | 6.51 | 6.73 |

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 22. Independent Fruit and Vegetable Stores - Balance Sheet Ratios as at December 31, 1954 - 60

| Item | 1954 | 1956 | 1958 | 1960 |
|--|------|------|------|------|
| Current ratio - Owned | 2.80 | 4.77 | 1.75 | 2.29 |
| Rented | 2.66 | 3.43 | 2.45 | 2.56 |
| Liquidity ratio - Owned | 1.75 | 2.53 | 1.02 | 1.37 |
| Rented | 1.17 | 2.24 | 1.48 | 1.29 |
| Working capital to net worth ratio - Owned | 0.28 | 0.33 | 0.20 | 0.20 |
| Rented | 0.55 | 0.52 | 0.48 | 0.42 |
| Worth debt ratio - Owned | 3.21 | 2.77 | 1.89 | 2.54 |
| Rented | 2.36 | 2.70 | 2.33 | 2.45 |
| Turnover of total capital employed - Owned | 3.95 | 3.50 | 4.93 | 3.40 |
| Rented | 7.46 | 5.63 | 6.74 | 6.57 |

Note: See page 21 for definitions.

TABLE 23. Independent Fruit and Vegetable Stores — Operating Results by Annual Sales Volume and Occupancy Basis, 1960

| Item | Owned stores with annual net sales of \$20,000 - 49,999 | Rented stores with annual net sales of | | | Total all sizes ¹ |
|--|---|--|-------------------|--------------------|------------------------------|
| | | \$20,000 - 49,999 | \$50,000 - 99,999 | \$100,000 and over | |
| Number of stores reporting | 13 | 28 | 33 | 11 | 114 |
| Average net sales per store | \$ 33,727 | 35,929 | 68,513 | 140,313 | 77,351 |
| Average beginning inventory | \$ 1,800 | 2,209 | 3,344 | 5,504 | 3,067 |
| Average inventory, end of year | \$ 1,764 | 2,347 | 3,067 | 5,619 | 3,028 |
| Average cost of goods sold | \$ 28,177 | 29,100 | 54,836 | 113,068 | 62,007 |
| Stock turnover (times per year) | 15.81 | 12.77 | 17.10 | 20.33 | 20.34 |
| Profit and loss data (Per cent of net sales) | | | | | |
| Gross profit | 16.45 | 19.01 | 19.96 | 19.42 | 19.67 |
| Operating expenses: | | | | | |
| Employees' salaries and wages (except delivery) | 2.95 | 3.20 | 4.24 | 7.72 | 4.47 |
| Delivery | 1.28 | 0.98 | 1.18 | 1.35 | 1.25 |
| Occupancy expenses: | | | | | |
| Taxes | 1.02 | 0.39 | 0.30 | 0.22 | 0.66 |
| Insurance | 0.30 | 0.35 | 0.34 | 0.27 | 0.37 |
| Rent | — | 3.66 | 2.95 | 1.73 | 2.06 |
| Heat, light and power | 0.80 | 0.76 | 0.65 | 0.64 | 0.78 |
| Repairs and maintenance | 0.63 | 0.32 | 0.33 | 0.41 | 0.41 |
| Depreciation allowances | 0.37 | 0.45 | 0.57 | 0.84 | 0.67 |
| Total occupancy expenses | 3.12 | 5.93 | 5.14 | 4.11 | 4.95 |
| Office and store supplies | 0.73 | 0.64 | 0.94 | 0.80 | 0.90 |
| Advertising | 0.09 | 0.14 | 0.33 | 0.14 | 0.18 |
| Net loss on bad debts | 0.02 | — | 0.03 | — | 0.01 |
| All other expenses | 1.94 | 1.07 | 0.95 | 0.96 | 1.18 |
| Total operating expenses | 10.13 | 11.96 | 12.81 | 15.08 | 12.94 |
| Net operating profit | 6.32 | 7.05 | 7.15 | 4.34 | 6.73 |
| Non-trading income | 4.30 | — | 0.14 | 0.50 | 0.95 |
| Non-trading expense | 2.59 | — | 0.07 | — | 0.38 |
| Net profit before deduction of proprietors' salaries and income tax | 8.03 | 7.05 | 7.22 | 4.84 | 7.30 |

¹ Averages and ratios "weighted" according to the 1951 census weights of the different sales sizes for independent stores.

TABLE 24. Independent Fruit and Vegetable Stores — Owned — Financial Structure by Size of Business as at December 31, 1960

| Item | Stores with annual net sales of \$20,000- 49,999 | Total all sizes \$20,000 and over |
|---|---|--|
| average per store (dollars) | | |
| Assets | | |
| Current assets: | | |
| Cash on hand and in bank | 1,641 | 2,194 |
| Accounts and notes receivable (net) | 361 | 1,508 |
| Merchandise inventory | 1,667 | 2,984 |
| Other current assets | 1,211 | 730 |
| Total current assets | 4,880 | 7,416 |
| Fixed assets (net): | | |
| Used in the business | 10,358 | 16,893 |
| Not used in the business | 2,864 | 4,233 |
| Total fixed assets (net) | 13,222 | 21,126 |
| Other assets: | | |
| Long term investments | 136 | 874 |
| Other assets | 14 | 153 |
| Total other assets | 150 | 1,027 |
| Total assets | 18,252 | 29,569 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts and notes payable | 904 | 3,243 |
| Fixed liabilities: | | |
| Mortgages on fixed assets used in the business | — | 2,295 |
| Mortgages on fixed assets not used in the business | 472 | 677 |
| Total fixed liabilities | 472 | 2,972 |
| Other liabilities | 1,882 | 2,131 |
| Total liabilities | 3,258 | 8,346 |
| Net worth: proprietor's or partners' equity in the business | 14,994 | 21,223 |
| Total liabilities and net worth | 18,252 | 29,569 |
| Average net sales of stores reporting | 33,410 | 83,293 |
| Number of stores reporting | 11 | 22 |

TABLE 25 Independent Fruit and Vegetable Stores - Rented - Financial Structure by Size and Age of Business as at December 31, 1960

| 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 | | |
| | average per store (dollars) | | | | | |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash on hand and in bank | 1,904 | 1,202 | 3,544 | 2,676 | 3,863 | 2,682 |
| Accounts and notes receivable (net) | 39 | 95 | 249 | 192 | 1,137 | 330 |
| Merchandise inventory | 2,600 | 3,319 | 2,319 | 2,689 | 5,347 | 3,174 |
| Other current assets | 334 | 274 | 153 | 198 | 12 | 201 |
| Total current assets | 4,877 | 4,890 | 6,265 | 5,755 | 10,359 | 6,387 |
| Fixed assets (net): | | | | | | |
| Used in the business | 1,554 | 3,233 | 2,053 | 2,490 | 13,399 | 4,318 |
| Not used in the business | 154 | 1,013 | 468 | 670 | 2,429 | 860 |
| Total fixed assets (net) | 1,708 | 4,246 | 2,521 | 3,160 | 15,828 | 5,178 |
| Other assets: | | | | | | |
| Long term investments | — | — | 2,471 | 1,556 | 1,283 | 1,054 |
| Other assets | 268 | 1,504 | 369 | 789 | — | 487 |
| Total other assets | 268 | 1,504 | 2,840 | 2,345 | 1,283 | 1,541 |
| Total assets | 6,853 | 10,640 | 11,626 | 11,260 | 27,470 | 13,106 |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts and notes payable | 988 | 1,105 | 1,619 | 1,429 | 7,616 | 2,491 |
| Fixed liabilities: | | | | | | |
| Mortgages on fixed assets used in the business | — | 1,138 | 131 | 503 | 1,765 | 601 |
| Mortgages on fixed assets not used in the business | 167 | 201 | — | 75 | 1,060 | 291 |
| Total fixed liabilities | 167 | 1,339 | 131 | 578 | 2,825 | 892 |
| Other liabilities | 66 | 996 | 197 | 493 | 756 | 420 |
| Total liabilities | 1,221 | 3,440 | 1,947 | 2,500 | 11,197 | 3,803 |
| Net worth: proprietor's or partners' equity in the business | 5,632 | 7,200 | 9,679 | 8,760 | 16,273 | 9,303 |
| Total liabilities and net worth | 6,853 | 10,640 | 11,626 | 11,260 | 27,470 | 13,106 |
| Average net sales of stores reporting | 36,193 | 67,059 | 68,673 | 68,075 | 144,119 | 73,502 |
| Number of stores reporting | 15 | 10 | 17 | 27 | 10 | 52 |

DEFINITIONS

PROFIT AND LOSS

Items

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.

Purchases — are taken at invoice value less returns and allowances, cash and trade discounts. Added to the cost of merchandise are the following expenses: duty, inward freight, express and trucking, alterations, etc.

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.

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

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.

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

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.

Non-trading income — interest earned, revenues from rentals, other activities, carrying charges and investments.

Non-trading expense — interest expense, rental expense, any other expenses not pertaining to the business.

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

Asset Items

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 cost 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 Items

Current liabilities — obligations which must be paid in the near future (usually one year) 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.

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.

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