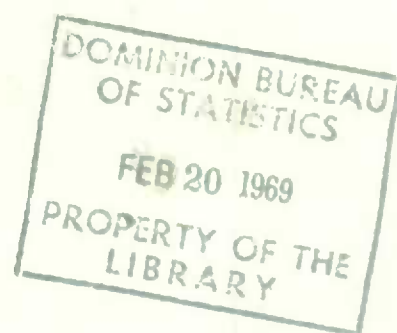


CATALOGUE No.

63-409

TRIENNIAL



FOOD STORES  
(Independent)  
OPERATING RESULTS  
1966

*Published by Authority of*  
The Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS  
Merchandising and Services Division

February 1969  
6403-558

Price: 50 cents



## TABLE OF CONTENTS

	Page
Introduction .....	5
Summaries and Tables by Trades:	
Grocery Stores .....	6
Combination Stores .....	9
Meat Markets .....	13
Confectionery Stores .....	16
Fruit and Vegetable Stores .....	18
Delicatessen Stores .....	21
Dairy Products Stores .....	23
Definitions .....	26



# FOOD STORES

(Independent)

## OPERATING RESULTS

1966

### INTRODUCTION

This report is the second of its kind since 1960. The first bulletin was published for the year 1963. During the 1961 Census of Merchandising and Service Establishments, data were collected on gross profit ratios for retail trades and these are published in Table 20, Volume VI, Part 1, of the Census of Canada, 1961; the small bulletin containing Table 20 bears Catalogue No. 97-505. These publications are obtainable from the Queen's Printer, Ottawa.

The present report contains information about operating results of the following kinds of business:

- grocery stores;
- combination stores;
- meat markets;
- confectionery stores;
- fruit and vegetable stores;
- delicatessen stores;
- dairy products stores.

It is the intention to survey independent businesses reported on by the present bulletin every three years.

The figures in this report are published primarily as a guide for retailers. The averages and ratios that are shown can be used as a standard against which business men can compare their own operating experience. They also provide useful information to others interested in the cost of distribution of consumer goods. Data are provided for various types and sizes of operations. However, it is well to keep in mind that the averages and ratios published here do not represent the ideal situation to be aimed for. They are merely the observed results of a range of operational efficiencies. Where averages and ratios are given for a number of size categories or a number of types of operation, a weighting procedure has been applied to such data. These ratios are "weighted" according to the Census weights of the different sales sizes for independent stores. Data on financial structure are not collected.

**Note:** Definitions are given at the end of this report.

# GROCERY STORES, INDEPENDENT

Stores in this category are primarily engaged in selling a general line of groceries and non-edible grocery items such as tissues, soaps, cleaning agents and polishes. Other items may include cooked or prepared meats, a small quantity of fresh meats (less than 15 per cent of total sales), fresh fruits and vegetables, drug sundries and also a general line of merchandise such as is found in country general stores. Grocery items should constitute at least 68 per cent of the total trade with fresh meats not more than 15 per cent. An exception is made in the case of stores selling a combination of fruits, vegetables and groceries, together with candy and confectionery, ice cream, tobacco and magazines. In such stores, if fruits, vegetables and groceries together form 40 per cent of the total trade and groceries predominate, the stores come within this classification. Unincorporated businesses and incorporated companies were surveyed.

Over 470 usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent, unincorporated businesses was 15.87 per cent of net sales in 1966 compared with 15.45 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 2.16 per cent of net sales compared with 2.86 per cent in 1963. Delivery expense was 1.14 per cent (0.79 per cent in 1963),

occupancy expenses were 3.97 per cent (4.24 per cent), office and store supplies 0.49 per cent (0.46 per cent), all other expenses 1.75 per cent (1.71 per cent). Total operating expenses accounted for 9.51 per cent (10.06 per cent) and net operating profit, before deduction of proprietors' salaries, withdrawals, and income tax and addition of net non-trading income, was 6.36 per cent (5.39 per cent). Taking account of non-trading income and expense, net profit was 6.76 per cent of net sales compared with 5.94 per cent in 1963. In the detailed tables, figures are given for stores with owned premises and stores with rented premises.

For the second time data were collected from independent grocery stores operated by incorporated companies. For all stores the gross profit was 17.94 per cent of net sales compared with 17.06 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 11.10 per cent of net sales (8.23 per cent in 1963), delivery expense was 0.81 per cent (0.38 per cent), occupancy expenses were 3.31 per cent (3.20 per cent), office and store supplies 0.27 per cent (0.56 per cent) and all other expenses 1.67 per cent (1.92 per cent). Total operating expenses were 17.16 per cent (14.29 per cent). Net operating profit before making allowance for income tax, was 0.78 per cent compared with 2.77 per cent in 1963. Data were only collected for stores with rented premises.

TABLE 1. Grocery Stores, Independent, Operating Results, 1956 - 66

Item	Unincorporated businesses					Incorporated	
	1956	1958	1960	1963	1966	1963	1966
	per cent of net sales						
<b>Gross profit</b> .....	<b>14.76</b>	<b>15.07</b>	<b>15.35</b>	<b>15.45</b>	<b>15.87</b>	<b>17.06</b>	<b>17.94</b>
<b>Operating expenses:</b>							
Employees' salaries and wages (except delivery employees) .....	2.55	2.52	2.40	2.86	2.16	8.23	11.10
Delivery expenses including salaries .....	0.82	0.83	0.95	0.79	1.14	0.38	0.81
Occupancy expenses .....	3.56	3.98	4.00	4.24	3.97	3.20	3.31
Office and store supplies .....	0.49	0.43	0.44	0.46	0.49	0.56	0.27
All other expenses .....	1.25	1.42	1.45	1.71	1.75	1.92	1.67
<b>Total operating expenses</b> .....	<b>8.67</b>	<b>9.18</b>	<b>9.24</b>	<b>10.06</b>	<b>9.51</b>	<b>14.29</b>	<b>17.16</b>
<b>Net operating profit</b> before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income .....	<b>6.09</b>	<b>5.89</b>	<b>6.11</b>	<b>5.39</b>	<b>6.36</b>	<b>2.77<sup>1</sup></b>	<b>0.78<sup>1</sup></b>

<sup>1</sup> Net operating profit before addition of net non-trading income and allowance for income tax.

**TABLE 2. Grocery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy**  
(Unincorporated Businesses), 1966

Item	Owned premises with annual net sales of							Total
	Under \$10,000	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	\$200,000- 499,999	
Number of businesses reporting .....	13	41	49	88	86	29	3	309
Average net sales per business .....	\$ 6,903	14,849	25,156	40,233	67,863	127,751	214,569	63,228
Average beginning inventory .....	\$ 1,002	2,270	3,203	4,226	6,478	9,851	19,092	5,924
Average inventory, end of year .....	\$ 1,096	2,259	3,194	4,306	6,770	10,719	21,094	6,255
Average cost of goods sold .....	\$ 5,755	12,352	21,444	34,127	57,546	107,756	177,234	53,289
Stock turnover (times per year) .....	5.49	5.46	6.71	8.00	8.69	10.48	8.82	8.03
<b>Profit and loss data</b> (Per cent of net sales)								
Gross profit .....	16.63	16.65	14.76	15.18	15.20	15.65	17.40	15.53
Operating expenses:								
Employees' salaries and wages (except delivery) .....	0.28	0.75	1.01	1.06	2.10	3.87	5.80	1.93
Delivery expenses (including salaries and wages) .....	0.50	0.47	0.80	1.22	1.36	1.43	1.43	1.13
Occupancy expenses:								
Taxes .....	0.72	1.34	1.16	0.85	0.63	0.48	0.27	0.79
Insurance .....	0.70	0.72	0.58	0.46	0.46	0.31	0.28	0.49
Rent .....	—	—	—	—	—	—	—	—
Heat, light and power .....	1.51	1.98	1.51	1.08	0.87	0.65	0.64	1.11
Repairs and maintenance .....	0.48	0.64	0.64	0.57	0.46	0.44	0.33	0.52
Depreciation allowances .....	0.11	0.85	1.23	1.12	1.08	0.96	0.69	0.99
Total occupancy expenses .....	3.52	5.53	5.12	4.08	3.50	2.84	2.21	3.90
Office and store supplies .....	0.51	0.54	0.31	0.41	0.36	0.47	0.58	0.42
Advertising .....	—	0.25	0.19	0.19	0.41	0.38	0.78	0.31
Net loss on bad debts .....	0.30	0.36	0.25	0.22	0.12	0.13	0.37	0.21
All other expenses .....	0.74	1.24	1.21	1.42	1.39	1.37	0.94	1.30
Total operating expenses .....	5.85	9.14	8.89	8.60	9.24	10.49	12.11	9.20
Net operating profit .....	10.78	7.51	5.87	6.58	5.96	5.16	5.29	6.35
Non-trading income .....	—	0.59	1.40	0.78	0.60	0.27	0.19	0.64
Non-trading expense .....	0.67	0.03	0.14	0.14	0.15	0.02	—	0.13
Net profit before deduction of proprietors' salaries, withdrawals and income tax .....	10.11	8.07	7.13	7.22	6.41	5.41	5.48	6.86
Rented premises with annual net sales of								Total owned and rented
	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	Total		
Number of businesses reporting .....	7	15	34	70	29	157		466
Average net sales per business .....	\$ 17,374	25,931	39,897	68,522	126,595	134,049		85,033
Average beginning inventory .....	\$ 2,661	2,426	3,510	4,718	6,954	7,518		6,415
Average inventory, end of year .....	\$ 2,199	2,414	3,585	5,125	7,268	7,597		6,668
Average cost of goods sold .....	\$ 14,603	22,087	33,422	57,489	104,664	111,695		71,271
Stock turnover (times per year) .....	6.01	9.13	9.42	11.68	14.72	13.70		9.78
<b>Profit and loss data</b> (Per cent of net sales)								
Gross profit .....	15.95	14.82	16.23	16.10	17.32	16.59		15.87
Operating expenses:								
Employees' salaries and wages (except delivery) .....	—	0.40	1.26	1.78	3.59	2.68		2.18
Delivery expenses (including salaries and wages) .....	0.61	0.47	1.21	1.57	1.63	1.16		1.14
Occupancy expenses:								
Taxes .....	0.86	0.38	0.40	0.32	0.21	0.26		0.63
Insurance .....	0.45	0.24	0.40	0.27	0.27	0.30		0.43
Rent .....	2.69	3.18	2.67	2.38	1.89	2.08		0.84
Heat, light and power .....	1.13	0.90	0.96	0.70	0.56	0.62		0.96
Repairs and maintenance .....	0.59	0.50	0.54	0.33	0.28	0.30		0.45
Depreciation allowances .....	0.51	0.44	0.49	0.64	0.53	0.56		0.86
Total occupancy expenses .....	6.23	5.64	5.46	4.64	3.74	4.12		3.97
Office and store supplies .....	0.43	0.41	0.34	0.52	0.52	0.63		0.49
Advertising .....	0.15	0.36	0.30	0.36	0.40	0.28		0.30
Net loss on bad debts .....	0.35	0.04	0.12	0.02	0.06	0.05		0.16
All other expenses .....	0.94	0.70	1.24	1.04	0.98	1.28		1.29
Total operating expenses .....	8.71	8.02	9.93	9.93	10.92	10.20		9.51
Net operating profit .....	7.24	6.80	6.30	6.17	6.40	6.39		6.36
Non-trading income .....	1.94	0.57	0.27	0.25	0.27	0.23		0.51
Non-trading expense .....	0.55	0.03	0.16	0.10	0.10	0.08		0.11
Net profit before deduction of proprietors' salaries, withdrawals and income tax .....	8.63	7.34	6.41	6.32	6.57	6.54		6.76



**TABLE 3. Grocery Stores, Independent, Operating Results by Annual Sales Volume  
and Type of Occupancy**  
(Incorporated Companies), 1966

Item	Rented premises with annual net sales of			
	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	Total
Number of businesses reporting .....	3	3	3	9
Average net sales per business ..... \$	70,371	169,482	275,575	226,521
Average beginning inventory ..... \$	12,530	17,669	17,783	17,253
Average inventory, end of year ..... \$	10,102	16,358	18,656	17,204
Average cost of goods sold ..... \$	55,995	139,756	226,697	186,257
Stock turnover (times per year) .....	4.95	8.21	12.44	10.55
<b>Profit and loss data</b> (Per cent of net sales)				
<b>Gross profit</b> .....	<b>20.43</b>	<b>17.54</b>	<b>17.74</b>	<b>17.94</b>
Operating expenses:				
Employees' salaries and wages (except delivery) .....	12.39	8.63	12.00	11.10
Delivery expenses (including salaries and wages) .....	0.96	1.35	0.57	0.81
Occupancy expenses:				
Taxes .....	0.22	0.37	0.05	0.16
Insurance .....	0.52	0.42	0.24	0.32
Rent .....	3.57	2.13	1.27	1.72
Heat, light and power .....	0.90	0.67	0.39	0.52
Repairs and maintenance .....	0.71	0.25	0.13	0.22
Depreciation allowances .....	0.59	0.33	0.36	0.37
<b>Total occupancy expenses</b> .....	<b>6.51</b>	<b>4.17</b>	<b>2.44</b>	<b>3.31</b>
Office and store supplies .....	0.47	0.26	0.24	0.27
Advertising .....	0.52	0.25	0.22	0.26
Net loss on bad debts .....	—	—	0.14	0.09
All other expenses .....	2.73	0.95	1.27	1.32
<b>Total operating expenses</b> .....	<b>23.58</b>	<b>15.61</b>	<b>16.88</b>	<b>17.16</b>
<b>Net operating profit</b> .....	<b>- 3.15</b>	<b>1.93</b>	<b>0.86</b>	<b>0.78</b>
Non-trading income .....	—	—	—	—
Non-trading expense .....	—	—	0.13	0.08
<b>Net profit before allowance for income tax</b> .....	<b>- 3.15</b>	<b>1.93</b>	<b>0.73</b>	<b>0.70</b>



# COMBINATION STORES, INDEPENDENT

Stores in this category are primarily engaged in selling a combination of groceries and fresh meat, the latter usually accounting for 15 to 50 per cent of sales. Fresh fruits and vegetables, along with some confectionery and tobacco products, often form part of the trade. Unincorporated businesses, incorporated companies and co-operative associations were surveyed.

Over 560 usable reports were received from both unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 16.34 per cent of net sales in 1966 compared with 15.50 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 4.31 per cent in net sales compared with 4.73 per cent in 1963. Delivery expense was 1.41 per cent (0.86 per cent in 1963), occupancy expenses were 3.36 per cent (3.22 per cent), office and store supplies 0.46 per cent (0.54 per cent), all other expenses 2.23 per cent (2.13 per cent). Total operating expenses amounted to 11.77 per cent (11.48 per cent) and net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income and expense, net operating profit was 4.87 per cent of net sales compared with 4.26 per cent in 1963. In the detailed tables a distinction is made between stores with owned premises and stores with rented premises.

For the second time data were collected from independent stores operated by incorporated companies. For all stores, the gross profit was 17.49 per cent of net sales in 1966 compared with 16.74 per cent in 1963. Salaries and wages, excluding the pay for delivery employees, were 8.17 per cent (7.82 per cent in 1963). Delivery expense was 0.68 per cent (0.59 per cent), occupancy expenses amounted to 3.12 per cent (3.18 per cent), office and store supplies were 0.72 per cent (0.69 per cent) and all other expenses reached 2.42 per cent (2.62 per cent). Total operating expenses amounted to 15.11 per cent compared with 14.90 per cent in 1963. Net operating profit, before adding net non-trading income and before making allowance for income tax, was 2.38 per cent of net sales, against 1.84 per cent three years earlier. Taking account of non-trading income and expense, final net profit was 2.66 per cent in 1966.

At the end of this section, data are given for co-operative associations operating combination stores. Usable reports were received from five stores in the sales range of \$200,000 to \$500,000. The gross profit was 15.97 per cent of net sales (18.16 per cent in 1963). Total occupancy expenses were 2.16 per cent (2.71 in 1963) and total operating expenses amounted to 13.64 per cent compared with 15.25 per cent in 1963. Net profit, after taking account of net non-trading income and expense, was 3.06 per cent (2.86 per cent in 1963).

**TABLE 4. Combination Stores, Independent, Operating Results, 1956-66**

Item	Unincorporated businesses					Incorporated <sup>1</sup>	
	1956	1958	1960	1963	1966	1963	1966
	per cent of net sales						
<b>Gross profit</b> .....	<b>15.40</b>	<b>15.07</b>	<b>15.36</b>	<b>15.50</b>	<b>16.34</b>	<b>16.74</b>	<b>17.49</b>
<b>Operating expenses:</b>							
Employees' salaries and wages (except delivery employees) .....	4.38	4.24	4.30	4.73	4.31	7.82	8.17
Delivery expenses including salaries.....	1.09	1.07	0.99	0.86	1.41	0.59	0.68
Occupancy expenses .....	3.10	3.15	3.27	3.22	3.36	3.18	3.12
Office and store supplies .....	0.62	0.57	0.52	0.54	0.46	0.69	0.72
All other expenses.....	1.46	1.63	1.78	2.13	2.23	2.62	2.42
<b>Total operating expenses</b> .....	<b>10.65</b>	<b>10.66</b>	<b>10.86</b>	<b>11.48</b>	<b>11.77</b>	<b>14.90</b>	<b>15.11</b>
<b>Net operating profit</b> before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income .....	<b>4.75</b>	<b>4.41</b>	<b>4.50</b>	<b>4.02</b>	<b>4.57</b>	<b>1.84<sup>2</sup></b>	<b>2.38<sup>2</sup></b>

<sup>1</sup> Please refer to detailed table following for data on incorporated Consumer Co-operative Stores.

<sup>2</sup> Net operating profit before addition of net non-trading income and allowance for income tax.

**TABLE 5. Combination Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1966**

Item	Owned premises with annual net sales of						Total
	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	
Number of businesses reporting .....	3	9	31	90	115	56	306
Average net sales per business .....	12,450	26,164	39,610	74,137	143,082	263,417	171,079
Average beginning inventory .....	3,125	2,951	4,174	6,161	9,208	14,800	9,554
Average inventory, end of year .....	3,002	3,184	3,953	6,278	9,139	15,559	10,362
Average cost of goods sold .....	10,552	21,711	33,228	62,508	120,438	219,886	143,735
Stock turnover (times per year) .....	3.44	7.08	8.18	10.05	13.13	14.49	12.89
<b>Profit and loss data</b> (Per cent of net sales)							
<b>Gross profit</b> .....	<b>15.24</b>	<b>17.02</b>	<b>16.11</b>	<b>15.69</b>	<b>15.83</b>	<b>16.33</b>	<b>16.01</b>
Operating expenses:							
Employees' salaries and wages (except delivery) .....	0.12	0.84	1.21	3.16	4.43	4.91	3.86
Delivery expenses (including salaries and wages) .....	1.33	0.76	0.92	1.29	1.58	1.60	1.42
Occupancy expenses:							
Taxes .....	2.32	1.58	0.92	0.72	0.52	0.57	0.66
Insurance .....	1.31	0.50	0.49	0.41	0.35	0.34	0.39
Rent .....	—	—	—	—	—	—	—
Heat, light and power .....	1.70	1.34	1.44	0.92	0.63	0.48	0.74
Repairs and maintenance .....	1.05	0.67	0.68	0.58	0.38	0.34	0.45
Depreciation allowances .....	0.68	1.60	1.34	0.98	1.00	0.83	0.97
<b>Total occupancy expenses</b> .....	<b>7.06</b>	<b>5.69</b>	<b>4.87</b>	<b>3.61</b>	<b>2.88</b>	<b>2.56</b>	<b>3.21</b>
Office and store supplies .....	0.48	0.29	0.47	0.43	0.41	0.46	0.45
Advertising .....	0.08	0.34	0.16	0.51	0.60	1.00	0.72
Net loss on bad debts .....	0.02	0.60	0.32	0.17	0.15	0.26	0.21
All other expenses .....	0.87	1.80	1.60	1.20	1.26	1.48	1.32
<b>Total operating expenses</b> .....	<b>9.96</b>	<b>10.32</b>	<b>9.55</b>	<b>10.37</b>	<b>11.31</b>	<b>12.27</b>	<b>11.19</b>
<b>Net operating profit</b> .....	<b>5.28</b>	<b>6.71</b>	<b>6.56</b>	<b>5.32</b>	<b>4.52</b>	<b>4.26</b>	<b>4.82</b>
Non-trading income .....	—	0.86	1.24	0.58	0.46	0.74	0.62
Non-trading expense .....	—	0.08	0.04	0.18	0.15	0.29	0.18
<b>Net profit before deduction of proprietors' salaries, with-</b> <b>drawals and income tax</b> .....	<b>5.28</b>	<b>7.49</b>	<b>7.76</b>	<b>5.72</b>	<b>4.83</b>	<b>4.71</b>	<b>5.26</b>
Rented premises with annual net sales of							Total owned and rented
	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	\$500,000 - 999,999	Total	
Number of businesses reporting .....	12	53	66	41	4	176	482
Average net sales per business .....	42,141	75,958	139,964	283,512	682,414	205,609	183,692
Average beginning inventory .....	3,474	5,345	8,989	13,127	25,794	10,443	8,879
Average inventory, end of year .....	3,513	5,436	9,440	14,490	27,674	11,189	10,664
Average cost of goods sold .....	35,499	62,812	116,786	235,133	562,936	170,540	153,526
Stock turnover (times per year) .....	10.16	11.65	12.67	17.03	21.06	14.31	13.41
<b>Profit and loss data</b> (Per cent of net sales)							
<b>Gross profit</b> .....	<b>15.76</b>	<b>17.31</b>	<b>16.56</b>	<b>17.06</b>	<b>17.51</b>	<b>16.91</b>	<b>16.34</b>
Operating expenses:							
Employees' salaries and wages (except delivery) .....	1.49	4.15	5.16	5.69	7.20	5.08	4.31
Delivery expenses (including salaries and wages) .....	1.85	1.44	1.16	1.81	0.16	1.39	1.41
Occupancy expenses:							
Taxes .....	0.44	0.39	0.27	0.19	0.19	0.27	0.52
Insurance .....	0.34	0.40	0.32	0.28	0.16	0.31	0.36
Rent .....	2.85	1.88	1.35	0.99	1.53	1.44	0.53
Heat, light and power .....	0.92	0.73	0.48	0.40	0.47	0.53	0.66
Repairs and maintenance .....	0.67	0.34	0.47	0.32	0.38	0.40	0.43
Depreciation allowances .....	1.10	0.57	0.58	0.69	1.02	0.67	0.86
<b>Total occupancy expenses</b> .....	<b>6.32</b>	<b>4.31</b>	<b>3.47</b>	<b>2.87</b>	<b>3.75</b>	<b>3.62</b>	<b>3.36</b>
Office and store supplies .....	0.56	0.50	0.39	0.45	0.94	0.48	0.46
Advertising .....	0.51	0.46	0.72	1.14	1.50	0.84	0.76
Net loss on bad debts .....	0.10	0.17	0.14	0.03	0.01	0.10	0.17
All other expenses .....	1.47	1.41	0.96	1.09	3.04	1.27	1.30
<b>Total operating expenses</b> .....	<b>12.30</b>	<b>12.44</b>	<b>12.00</b>	<b>13.08</b>	<b>16.60</b>	<b>12.78</b>	<b>11.77</b>
<b>Net operating profit</b> .....	<b>3.46</b>	<b>4.87</b>	<b>4.56</b>	<b>3.98</b>	<b>0.91</b>	<b>4.13</b>	<b>4.57</b>
Non-trading income .....	—	0.10	0.38	0.10	0.10	0.19	0.46
Non-trading expense .....	—	0.13	0.13	0.08	0.26	0.12	0.16
<b>Net profit before deduction of proprietors' salaries with-</b> <b>drawals and income tax</b> .....	<b>3.46</b>	<b>4.84</b>	<b>4.81</b>	<b>4.00</b>	<b>0.75</b>	<b>4.20</b>	<b>4.87</b>

**TABLE 6. Combination Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy  
(Incorporated Companies), 1966**

Item	Owned premises with annual net sales of				Total owned and rented	
	\$100,000-199,999	\$200,000-499,999	\$500,000-999,999	Total		
Number of businesses reporting .....	7	18	4	30		
Average net sales per business .....	158,342	292,681	609,668	564,707		
Average beginning inventory .....	16,866	19,616	31,911	28,793		
Average inventory, end of year .....	15,354	20,571	32,368	29,758		
Average cost of goods sold .....	133,650	244,167	508,996	465,661		
Stock turnover (times per year) .....	8.30	12.15	15.84	14.82		
<b>Profit and loss data</b> (Per cent of net sales)						
<b>Gross profit</b> .....	<b>15.59</b>	<b>16.57</b>	<b>16.51</b>	<b>17.02</b>		
Operating expenses:						
Employees' salaries and wages (except delivery) .....	6.61	7.38	8.21	8.00		
Delivery expenses (including salaries and wages) .....	0.91	1.02	0.22	0.57		
Occupancy expenses:						
Taxes .....	0.40	0.38	0.28	0.39		
Insurance .....	0.59	0.31	0.22	0.27		
Rent .....	—	—	—	—		
Heat, light and power .....	0.86	0.63	0.83	0.69		
Repairs and maintenance .....	0.62	0.34	0.27	0.33		
Depreciation allowances .....	0.83	1.03	1.11	0.98		
<b>Total occupancy expenses</b> .....	<b>3.30</b>	<b>2.69</b>	<b>2.71</b>	<b>2.66</b>		
Office and store supplies .....	0.49	0.53	0.47	0.59		
Advertising .....	0.55	0.47	0.99	0.70		
Net loss on bad debts .....	0.09	0.07	0.09	0.07		
All other expenses .....	1.37	1.14	1.63	1.32		
<b>Total operating expenses</b> .....	<b>13.32</b>	<b>13.30</b>	<b>14.32</b>	<b>13.91</b>		
<b>Net operating profit</b> .....	<b>2.27</b>	<b>3.27</b>	<b>2.19</b>	<b>3.11</b>		
Non-trading income .....	0.38	0.70	1.34	0.88		
Non-trading expense .....	0.21	0.23	—	0.10		
<b>Net profit before allowance for income tax</b> .....	<b>2.44</b>	<b>3.74</b>	<b>3.53</b>	<b>3.89</b>		
<b>Rented premises with annual net sales of</b>						
	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	\$500,000-999,999	\$1,000,000 and over	Total
Number of businesses reporting .....	3	10	24	9	5	51
Average net sales per business .....	83,488	151,962	311,529	741,182	4,961,143	1,190,502
Average beginning inventory .....	3,610	10,678	17,953	34,009	140,373	43,674
Average inventory, end of year .....	4,922	10,787	19,565	33,709	204,853	53,694
Average cost of goods sold .....	65,123	124,428	254,772	602,826	4,204,106	995,495
Stock turnover (times per year) .....	15.27	11.59	13.58	17.80	24.36	16.68
<b>Profit and loss data</b> (Per cent of net sales)						
<b>Gross profit</b> .....	<b>22.00</b>	<b>18.12</b>	<b>18.22</b>	<b>18.67</b>	<b>15.26</b>	<b>17.52</b>
Operating expenses:						
Employees' salaries and wages (except delivery) .....	9.97	8.16	8.95	8.38	7.19	8.19
Delivery expenses (including salaries and wages) .....	0.72	1.43	0.92	0.79	0.13	0.67
Occupancy expenses:						
Taxes .....	0.24	0.34	0.27	0.36	0.15	0.32
Insurance .....	0.30	0.39	0.32	0.17	0.11	0.23
Rent .....	1.90	1.92	1.26	1.46	1.14	0.90
Heat, light and power .....	0.35	0.54	0.53	0.47	0.28	0.53
Repairs and maintenance .....	0.22	0.28	0.37	0.35	0.23	0.32
Depreciation allowances .....	0.36	0.56	0.69	0.91	0.64	0.84
<b>Total occupancy expenses</b> .....	<b>3.37</b>	<b>4.03</b>	<b>3.44</b>	<b>3.72</b>	<b>2.55</b>	<b>3.14</b>
Office and store supplies .....	0.36	0.62	0.61	0.80	1.12	0.73
Advertising .....	0.40	0.80	0.74	0.96	0.88	0.81
Net loss on bad debts .....	0.44	0.03	0.08	0.04	0.03	0.06
All other expenses .....	1.34	1.26	1.25	2.52	0.71	1.54
<b>Total operating expenses</b> .....	<b>16.60</b>	<b>16.33</b>	<b>15.99</b>	<b>17.21</b>	<b>12.61</b>	<b>15.14</b>
<b>Net operating profit</b> .....	<b>5.40</b>	<b>1.79</b>	<b>2.23</b>	<b>1.46</b>	<b>2.65</b>	<b>2.38</b>
Non-trading income .....	—	0.06	0.04	0.05	—	0.32
Non-trading expense .....	—	—	—	0.01	—	0.04
<b>Net profit before allowance for income tax</b> .....	<b>5.40</b>	<b>1.85</b>	<b>2.27</b>	<b>1.50</b>	<b>2.65</b>	<b>2.66</b>

**TABLE 7. Combination Stores, Consumer Co-operative, Operating Results of Associations, 1966**

Item	Owned premises with annual net sale of \$200,000-499,999
Number of businesses reporting .....	5
Average net sales per business ..... \$	325,148
Average beginning inventory ..... \$	31,493
Average inventory, end of year ..... \$	33,115
Average cost of goods sold ..... \$	273,235
Stock turnover (times per year) .....	8.46
<b>Profit and loss data</b> (Per cent of net sales)	
Gross profit .....	15.97
Operating expenses:	
Employees' salaries and wages (except delivery) .....	6.83
Delivery expenses (including salaries and wages) .....	0.93
Occupancy expenses:	
Taxes .....	0.30
Insurance .....	0.29
Rent .....	—
Heat, light and power .....	0.59
Repairs and maintenance .....	0.20
Depreciation allowances .....	0.78
<b>Total occupancy expenses</b> .....	<b>2.16</b>
Office and store supplies .....	0.39
Advertising .....	0.37
Net loss on bad debts .....	0.54
All other expenses .....	2.42
<b>Total operating expenses</b> .....	<b>13.64</b>
<b>Net operating profit</b> .....	<b>2.33</b>
Non-trading income .....	0.80
Non-trading expense .....	0.07
<b>Net profit before allowance for income tax</b> .....	<b>3.06</b>



# MEAT MARKETS, INDEPENDENT

Stores in this classification are primarily engaged in selling fresh meats. Other items may include cured meats, poultry, dairy products and eggs. Dry groceries may also be sold but may not account for more than 49 per cent of total sales. Unincorporated businesses and incorporated companies were both surveyed.

One hundred and fifty usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 20.77 per cent of net sales in 1966 compared with 20.69 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 5.36 per cent of net sales compared with 6.29 per cent in 1963. Delivery expense was 1.61 per cent (1.26 per cent in 1963), occupancy expenses reached 4.01 per cent (4.06 per cent), office and store supplies were 0.93 per cent (1.06 per cent), all other expenses 1.83 per cent (1.89 per cent), making total operating expenses 13.74 per cent of net sales in 1966 compared with 14.56 per cent in 1963. Net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 7.03

per cent (6.13 per cent). Taking account of non-trading income and expense, net profit was 7.23 per cent of net sales compared with 6.39 per cent in 1963. In the detailed tables, a distinction is made between stores with owned premises and stores with rented premises.

For the second time data were collected from independent meat markets operated by incorporated companies. For all stores the gross profit was 21.66 per cent of net sales in 1966 compared with 24.57 per cent in 1963. Salaries and wages amounted to 10.83 per cent (13.08 per cent in 1963), delivery expense was 1.54 per cent (1.00 per cent), occupancy expenses were 3.88 per cent (4.48 per cent), office and store supplies 1.28 per cent (1.25 per cent) and all other expenses accounted for 2.54 per cent (3.24 per cent), making total operating expenses 20.07 per cent (23.05 per cent). Net operating profit, before adding net non-trading income and before making allowance for income tax, was 1.59 per cent of net sales (1.52 per cent). The addition for net non-trading income was 0.17 per cent. In the detailed tables information is available only for stores with rented premises.

TABLE 8. Meat Markets, Independent, Operating Results, 1956 - 66

Item	Unincorporated businesses					Incorporated	
	1956	1958	1960	1963	1966	1963	1966
	per cent of net sales						
Gross profit.....	19.61	19.07	20.25	20.69	20.77	24.57	21.66
Operating expenses:							
Employees' salaries and wages (except delivery employees) .....	5.47	5.48	5.83	6.29	5.36	13.08	10.83
Delivery expenses including salaries .....	1.30	1.24	1.32	1.26	1.61	1.00	1.54
Occupancy expenses .....	3.48	3.54	3.62	4.06	4.01	4.48	3.88
Office and store supplies .....	1.00	0.98	1.08	1.06	0.93	1.25	1.28
All other expenses .....	1.48	1.71	1.88	1.89	1.83	3.24	2.54
Total operating expenses .....	12.73	12.95	13.73	14.56	13.74	23.05	20.07
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income .....	6.88	6.12	6.52	6.13	7.03	1.52 <sup>1</sup>	1.59 <sup>1</sup>

<sup>1</sup> Net operating profit before addition of net non-trading income and allowance for income tax.

**TABLE 9. Meat Markets, Independent, Operating Results by Annual Sales Volume and Type of Occupancy  
(Unincorporated Businesses), 1966**

Item	Owned premises with annual net sales of					
	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000 199,999	\$200,000- 499,999	Total
Number of businesses reporting.....	5	7	19	17	4	52
Average net sales per business..... \$	23,447	36,160	73,735	122,301	271,298	111,277
Average beginning inventory..... \$	1,368	863	2,633	2,642	6,253	2,903
Average inventory, end of year..... \$	1,542	857	2,888	3,616	9,369	3,788
Average cost of goods sold..... \$	18,149	27,898	57,313	95,092	228,032	89,354
Stock turnover (times per year).....	12.47	32.44	20.77	30.39	29.19	25.99
<b>Profit and loss data</b> (Per cent of net sales)						
<b>Gross profit</b> .....	<b>22.60</b>	<b>22.85</b>	<b>22.27</b>	<b>22.25</b>	<b>15.95</b>	<b>21.31</b>
Operating expenses:						
Employees' salaries and wages (except delivery).....	2.22	1.66	5.35	8.75	4.62	5.39
Delivery expenses (including salaries and wages).....	0.57	1.18	2.21	1.62	2.39	1.83
Occupancy expenses:						
Taxes.....	1.33	1.04	0.83	0.56	0.33	0.74
Insurance.....	0.41	0.53	0.44	0.31	0.45	0.42
Rent.....	—	—	—	—	—	—
Heat, light and power.....	1.03	2.17	1.40	0.76	0.34	1.14
Repairs and maintenance.....	0.75	0.62	0.54	0.56	0.56	0.57
Depreciation allowances.....	1.13	1.91	1.41	0.92	1.02	1.27
<b>Total occupancy expenses</b> .....	<b>4.65</b>	<b>6.27</b>	<b>4.62</b>	<b>3.11</b>	<b>2.70</b>	<b>4.14</b>
Office and store supplies.....	0.88	1.45	1.08	0.95	1.04	1.08
Advertising.....	0.16	0.22	0.63	0.38	0.18	0.40
Net loss on bad debts.....	—	0.25	0.04	0.22	0.05	0.12
All other expenses.....	1.17	2.02	2.02	1.37	0.61	1.56
<b>Total operating expenses</b> .....	<b>9.65</b>	<b>13.05</b>	<b>15.95</b>	<b>16.40</b>	<b>11.59</b>	<b>14.52</b>
<b>Net operating profit</b> .....	<b>12.95</b>	<b>9.80</b>	<b>6.32</b>	<b>5.85</b>	<b>4.36</b>	<b>6.79</b>
Non-trading income.....	1.54	0.07	0.25	0.72	0.16	0.40
Non-trading expense.....	—	—	0.01	0.15	—	0.02
<b>Net profit before deduction of proprietors' salaries with- drawals and income tax</b> .....	<b>14.49</b>	<b>9.87</b>	<b>6.56</b>	<b>6.42</b>	<b>4.52</b>	<b>7.17</b>
<b>Rented premises with annual net sales of</b>						
	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	\$200,000- 499,999	Total owned and rented
Number of businesses reporting.....	4	4	23	35	9	79
Average net sales per business..... \$	26,519	46,824	75,672	135,654	302,611	128,236
Average beginning inventory..... \$	993	707	2,177	1,816	3,896	2,493
Average inventory, end of year..... \$	1,090	884	2,420	1,938	4,358	3,019
Average cost of goods sold..... \$	18,599	37,418	59,417	108,614	247,785	103,468
Stock turnover (times per year).....	17.85	47.01	25.86	57.87	60.04	37.41
<b>Profit and loss data</b> (Per cent of net sales)						
<b>Gross profit</b> .....	<b>29.87</b>	<b>20.09</b>	<b>21.48</b>	<b>19.93</b>	<b>18.12</b>	<b>20.77</b>
Operating expenses:						
Employees' salaries and wages (except delivery).....	3.02	2.46	4.61	5.99	8.08	5.36
Delivery expenses (including salaries and wages).....	1.49	1.35	2.01	1.36	0.58	1.61
Occupancy expenses:						
Taxes.....	0.66	0.11	0.27	0.20	0.12	0.45
Insurance.....	0.18	0.33	0.22	0.18	0.18	0.31
Rent.....	4.11	2.09	1.82	1.56	1.26	0.96
Heat, light and power.....	1.25	0.78	0.68	0.60	0.33	0.85
Repairs and maintenance.....	1.02	0.18	0.40	0.37	0.41	0.46
Depreciation allowances.....	1.19	0.90	0.85	0.68	0.45	0.98
<b>Total occupancy expenses</b> .....	<b>8.41</b>	<b>4.39</b>	<b>4.24</b>	<b>3.59</b>	<b>2.75</b>	<b>4.01</b>
Office and store supplies.....	1.29	0.94	0.77	0.68	0.98	0.93
Advertising.....	0.93	0.09	0.26	0.34	0.23	0.33
Net loss on bad debts.....	—	0.16	0.05	0.06	0.01	0.08
All other expenses.....	2.05	1.03	1.47	1.21	1.30	1.42
<b>Total operating expenses</b> .....	<b>17.19</b>	<b>10.42</b>	<b>13.41</b>	<b>13.23</b>	<b>13.93</b>	<b>13.74</b>
<b>Net operating profit</b> .....	<b>12.68</b>	<b>9.67</b>	<b>8.07</b>	<b>6.70</b>	<b>4.19</b>	<b>7.03</b>
Non-trading income.....	—	—	0.10	0.10	0.04	0.21
Non-trading expense.....	—	—	—	—	0.03	0.01
<b>Net profit before deduction of proprietors' salaries with- drawals and income tax</b> .....	<b>12.68</b>	<b>9.67</b>	<b>8.17</b>	<b>6.80</b>	<b>4.20</b>	<b>7.23</b>

**TABLE 10. Meat Markets, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1966**

Item	Rented premises with annual net sales of		
	\$100,000- 199,999	\$200,000- 499,999	Total
Number of businesses reporting.....	3	13	19
Average net sales per business..... \$	153,480	333,422	291,414
Average beginning inventory ..... \$	3,115	7,345	5,723
Average inventory, end of year ..... \$	5,023	8,251	6,760
Average cost of goods sold ..... \$	114,228	271,172	230,973
Stock turnover (times per year) .....	28.07	34.77	35.53
<b>Profit and loss data</b> (Per cent of net sales)			
Gross profit.....	25.57	18.67	21.66
Operating expenses:			
Employees' salaries and wages (except delivery) .....	13.27	8.50	10.83
Delivery expenses (including salaries and wages).....	2.22	1.56	1.54
Occupancy expenses:			
Taxes.....	0.19	0.29	0.21
Insurance.....	0.31	0.19	0.22
Rent .....	2.12	1.09	1.59
Heat, light and power .....	0.88	0.45	0.64
Repairs and maintenance .....	0.44	0.46	0.42
Depreciation allowances.....	0.91	0.61	0.80
<b>Total occupancy expenses .....</b>	<b>4.85</b>	<b>3.09</b>	<b>3.88</b>
Office and store supplies .....	1.37	1.01	1.28
Advertising .....	0.46	0.40	0.51
Net loss on bad debts .....	0.06	0.22	0.11
All other expenses .....	2.24	1.96	1.92
<b>Total operating expenses .....</b>	<b>24.47</b>	<b>16.74</b>	<b>20.07</b>
<b>Net operating profit .....</b>	<b>1.10</b>	<b>1.93</b>	<b>1.59</b>
Non-trading income .....	—	0.57	0.24
Non-trading expense .....	0.09	0.02	0.07
<b>Net profit before allowance for income tax .....</b>	<b>1.01</b>	<b>2.48</b>	<b>1.76</b>



# CONFECTIONERY STORES, INDEPENDENT

This classification contains retail establishments primarily engaged in selling 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 include light lunches, groceries, fresh fruits and vegetables.

Seventy-two usable reports were received from independent unincorporated confectionery stores of all sizes. The gross profit for all stores, in 1966, was 17.09 per cent of net sales compared with 19.29 per cent in 1963. Salaries and wages, excluding the pay for delivery employees, were 1.37 per cent compared with 2.64 per cent in 1963.

Delivery expense amounted to 0.49 per cent (0.31 per cent in 1963). Occupancy expenses were 5.46 per cent (6.17 per cent), office and store supplies 0.41 per cent (0.52 per cent) and all other expenses 1.51 per cent (1.33 per cent), making total operating expenses 9.24 per cent (10.97 per cent). The 1966 net operating profit figure, before deduction of proprietors' salaries, withdrawals and income tax and before the addition of net non-trading income, comes out at 7.85 per cent compared with 8.32 per cent for 1963. After taking account of non-trading income and expense, the final profit was 8.46 per cent compared with 8.73 per cent in 1963. Reports were received only from unincorporated businesses.

TABLE 11. Confectionery Stores, Independent, Operating Results, 1956 - 66

Item	Unincorporated businesses				
	1956	1958	1960	1963	1966
	per cent of net sales				
<b>Gross profit</b> .....	<b>18.98</b>	<b>19.15</b>	<b>19.91</b>	<b>19.29</b>	<b>17.09</b>
<b>Operating expenses:</b>					
Employees' salaries and wages (except delivery employees) .....	3.20	3.27	3.06	2.64	1.37
Delivery expenses including salaries .....	0.16	0.27	0.30	0.31	0.49
Occupancy expenses .....	5.82	6.19	6.07	6.17	5.46
Office and store supplies .....	0.47	0.49	0.45	0.52	0.41
All other expenses .....	1.36	1.46	1.59	1.33	1.51
<b>Total operating expenses</b> .....	<b>11.01</b>	<b>11.68</b>	<b>11.47</b>	<b>10.97</b>	<b>9.24</b>
<b>Net operating profit</b> before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income .....	<b>7.97</b>	<b>7.47</b>	<b>8.44</b>	<b>8.32</b>	<b>7.85</b>

**TABLE 12. Confectionery Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy  
(Unincorporated Businesses), 1966**

Item	Owned stores with annual net sales of					
	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	Total
Number of businesses reporting .....	10	12	9	9	4	45
Average net sales per business .....	\$ 13,935	24,114	36,883	70,492	108,729	40,687
Average beginning inventory .....	\$ 807	1,388	2,502	3,057	7,300	2,281
Average inventory, end of year .....	\$ 807	1,645	2,926	3,380	7,535	2,527
Average cost of goods sold .....	\$ 11,661	20,794	29,674	59,455	87,186	33,748
Stock turnover (times per year) .....	14.45	13.72	10.93	18.48	11.75	14.04
<b>Profit and loss data</b> (Per cent of net sales)						
<b>Gross profit</b> .....	<b>16.32</b>	<b>13.77</b>	<b>19.55</b>	<b>15.66</b>	<b>19.81</b>	<b>16.68</b>
Operating expenses:						
Employees' salaries and wages (except delivery) .....	0.10	0.79	1.01	2.91	6.87	1.48
Delivery expenses (including salaries and wages) .....	1.47	0.01	0.69	0.20	0.16	0.59
Occupancy expenses:						
Taxes .....	2.09	1.23	1.34	0.66	0.56	1.30
Insurance .....	0.71	0.40	0.39	0.26	0.33	0.44
Rent .....	—	—	—	—	—	—
Heat, light and power .....	2.27	1.03	1.53	1.06	0.77	1.45
Repairs and maintenance .....	0.61	1.18	0.55	0.32	0.39	0.65
Depreciation allowances .....	0.28	1.18	2.25	1.28	1.20	1.27
<b>Total occupancy expenses</b> .....	<b>5.96</b>	<b>5.02</b>	<b>6.06</b>	<b>3.58</b>	<b>3.25</b>	<b>5.11</b>
Office and store supplies .....	0.46	0.42	0.27	0.43	0.41	0.39
Advertising .....	0.07	0.03	0.09	0.15	0.09	0.08
Net loss on bad debts .....	0.04	0.03	0.03	0.06	—	0.04
All other expenses .....	0.80	1.44	2.58	1.71	1.74	1.66
<b>Total operating expenses</b> .....	<b>8.90</b>	<b>7.74</b>	<b>10.73</b>	<b>9.04</b>	<b>12.52</b>	<b>9.35</b>
<b>Net operating profit</b> .....	<b>7.42</b>	<b>6.03</b>	<b>8.82</b>	<b>6.62</b>	<b>7.29</b>	<b>7.33</b>
Non-trading income .....	2.05	0.67	1.09	0.36	0.70	1.05
Non-trading expense .....	0.07	—	—	—	—	0.02
<b>Net profit before deduction of proprietors' salaries,   withdrawals and income tax</b> .....	<b>9.40</b>	<b>6.70</b>	<b>9.91</b>	<b>6.98</b>	<b>7.99</b>	<b>8.36</b>
<b>Rented stores with annual net sales of</b>						
	\$10,000- 19,999	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	Total owned and rented
Number of businesses reporting .....	4	6	7	7	3	27
Average net sales per business .....	\$ 16,663	23,954	39,821	75,685	123,171	43,198
Average beginning inventory .....	\$ 1,583	1,920	3,016	4,741	4,345	2,659
Average inventory, end of year .....	\$ 1,600	1,702	3,075	5,447	4,259	2,863
Average cost of goods sold .....	\$ 13,386	19,470	32,993	63,641	101,597	35,848
Stock turnover (times per year) .....	8.41	10.75	10.83	12.49	23.62	12.80
<b>Profit and loss data</b> (Per cent of net sales)						
<b>Gross profit</b> .....	<b>19.66</b>	<b>18.72</b>	<b>17.15</b>	<b>15.91</b>	<b>17.52</b>	<b>17.09</b>
Operating expenses:						
Employees' salaries and wages (except delivery) .....	0.34	—	1.75	1.43	4.80	1.37
Delivery expenses (including salaries and wages) .....	0.85	0.20	0.25	0.48	0.15	0.49
Occupancy expenses:						
Taxes .....	0.45	0.40	0.39	0.33	0.35	0.86
Insurance .....	0.45	0.37	0.30	0.28	0.20	0.39
Rent .....	5.93	3.68	2.15	2.41	1.64	1.47
Heat, light and power .....	1.68	1.03	0.98	0.58	0.38	1.22
Repairs and maintenance .....	0.45	0.39	0.29	0.62	0.82	0.55
Depreciation allowances .....	1.18	0.19	0.61	0.72	0.45	0.97
<b>Total occupancy expenses</b> .....	<b>10.14</b>	<b>6.06</b>	<b>4.72</b>	<b>4.94</b>	<b>3.84</b>	<b>5.46</b>
Office and store supplies .....	0.22	0.39	0.44	0.56	0.43	0.41
Advertising .....	0.02	0.06	0.15	0.21	0.16	0.10
Net loss on bad debts .....	—	0.11	0.34	0.08	0.33	0.11
All other expenses .....	2.23	0.93	0.53	0.73	0.27	1.30
<b>Total operating expenses</b> .....	<b>13.80</b>	<b>7.75</b>	<b>8.18</b>	<b>8.43</b>	<b>9.98</b>	<b>9.24</b>
<b>Net operating profit</b> .....	<b>5.86</b>	<b>10.97</b>	<b>8.97</b>	<b>7.48</b>	<b>7.54</b>	<b>7.85</b>
Non-trading income .....	0.37	—	—	0.66	—	0.66
Non-trading expense .....	0.38	—	—	0.09	—	0.05
<b>Net profit before deduction of proprietors' salaries,   withdrawals and income tax</b> .....	<b>5.85</b>	<b>10.97</b>	<b>8.97</b>	<b>8.05</b>	<b>7.54</b>	<b>8.46</b>

### FRUIT AND VEGETABLE STORES, INDEPENDENT

Stores in this category are primarily engaged in selling fresh fruits and vegetables. An exception is made in the case of stores selling a combination of fruits, vegetables and groceries, together with candy and confectionery, ice cream, tobacco products and magazines. For such stores, if fruits, vegetables and groceries together form 40 per cent of the total trade and fruits and vegetables predominate, the stores are within this classification. Both unincorporated businesses and incorporated companies were surveyed.

Twenty-nine usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 19.62 per cent of net sales in 1966 compared with 20.36 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 3.00 per cent of net sales compared with 4.67 per cent in 1963. Delivery expense was 2.25 per cent (1.01 per cent in 1963), occupancy expenses amounted to 5.38 per cent (5.76 per cent in 1963), office and store supplies reached 1.19 per cent (1.01 per cent), all other expenses were 1.32 per cent (1.23 per cent), making total operating expenses 13.14 per cent (13.68 per cent). Net operating profit, before deduction

of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 6.48 per cent (6.68 per cent). Taking account of non-trading income and expense, final net profit was 6.98 per cent of net sales in 1966 compared with 6.77 per cent in 1963. In the detailed tables, figures are given for both stores with owned premises and stores with rented premises.

In the incorporated sector of the trade 5 companies were surveyed with sales of \$100,000 and over. The gross profit for independent incorporated companies was 28.03 per cent of net sales in 1966 compared with 23.03 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 12.10 per cent compared with 11.40 per cent in 1963. Delivery expense was 0.27 per cent (0.93 per cent in 1963), occupancy expenses were 5.86 per cent (5.16 per cent), office and store supplies 1.51 per cent (1.36 per cent), all other expenses 1.24 per cent (1.68 per cent). Total operating expenses amounted to 20.98 per cent (20.53 per cent). Net operating profit, before making allowance for income tax, was 7.05 per cent of net sales compared with 2.50 per cent in 1963. Reports were received only from stores with rented premises.

TABLE 13. Fruit and Vegetable Stores, Independent, Operating Results, 1956 - 66

Item	Unincorporated businesses					Incorporated	
	1956	1958	1960	1963	1966	1963	1966
	per cent of net sales						
<b>Gross profit</b> .....	<b>19.39</b>	<b>19.00</b>	<b>19.67</b>	<b>20.36</b>	<b>19.62</b>	<b>23.03</b>	<b>28.03</b>
<b>Operating expenses:</b>							
Employees' salaries and wages (except delivery employees) .....	3.94	4.02	4.47	4.67	3.00	11.40	12.10
Delivery expenses including salaries .....	1.34	1.38	1.25	1.01	2.25	0.93	0.27
Occupancy expenses .....	4.69	4.72	4.95	5.76	5.38	5.16	5.86
Office and store supplies .....	0.97	1.03	0.90	1.01	1.19	1.36	1.51
All other expenses .....	1.13	1.34	1.37	1.23	1.32	1.68	1.24
<b>Total operating expenses</b> .....	<b>12.07</b>	<b>12.49</b>	<b>12.94</b>	<b>13.68</b>	<b>13.14</b>	<b>20.53</b>	<b>20.98</b>
<b>Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income</b> .....	<b>7.32</b>	<b>6.51</b>	<b>6.73</b>	<b>6.68</b>	<b>6.48</b>	<b>2.50<sup>1</sup></b>	<b>7.05<sup>1</sup></b>

<sup>1</sup> Net operating profit before addition of net non-trading income and allowance for income tax.

**TABLE 14. Fruit and Vegetable Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1966**

Item	Owned premises with annual net sales of			Rented premises with annual net sales of				Total owned and rented
	\$50,000- 99,999	\$100,000- 499,999	Total	\$20,000- 29,999	\$50,000- 99,999	\$100,000- 499,999	Total	
Number of businesses reporting .....	4	3	9	3	7	4	15	24
Average net sales per business ..... \$	66,228	242,710	166,246	26,180	77,631	194,618	107,271	127,107
Average beginning inventory ..... \$	4,125	8,400	6,370	1,671	3,504	3,683	2,890	4,060
Average inventory, end of year ..... \$	4,542	8,443	6,543	1,511	3,593	4,487	3,282	4,379
Average cost of goods sold ..... \$	55,454	199,380	136,683	20,278	63,079	164,020	88,392	104,634
Stock turnover (times per year) .....	12.80	23.67	20.28	12.75	17.78	40.15	28.57	25.78
<b>Profit and loss data</b> (Per cent of net sales)								
Gross profit.....	16.27	20.60	20.01	22.54	18.74	15.72	19.43	19.62
Operating expenses:								
Employees' salaries and wages (except delivery)	1.65	5.17	4.08	—	1.63	4.10	2.46	3.00
Delivery expenses (including salaries and wages)	0.79	2.40	1.71	2.71	1.82	2.77	2.52	2.25
Occupancy expenses:								
Taxes.....	0.75	0.83	0.87	0.56	0.36	0.18	0.43	0.58
Insurance.....	0.51	0.44	0.48	1.03	0.46	0.31	0.41	0.43
Rent .....	—	—	—	6.65	3.43	1.02	3.30	2.19
Heat, light and power .....	0.60	0.53	0.62	1.14	1.18	0.31	0.84	0.77
Repairs and maintenance .....	0.43	0.62	0.72	0.57	0.37	0.41	0.45	0.54
Depreciation allowances.....	0.84	1.56	1.24	1.29	0.72	0.50	0.68	0.87
<b>Total occupancy expenses .....</b>	<b>3.13</b>	<b>3.98</b>	<b>3.93</b>	<b>11.26</b>	<b>6.52</b>	<b>2.73</b>	<b>6.11</b>	<b>5.38</b>
Office and store supplies .....	0.81	0.92	1.01	2.69	1.81	0.73	1.28	1.19
Advertising .....	0.80	0.23	0.41	0.39	0.11	0.31	0.18	0.26
Net loss on bad debts .....	—	—	—	—	0.03	—	0.01	—
All other expenses.....	1.05	1.46	1.40	2.22	0.85	0.97	0.89	1.06
<b>Total operating expenses .....</b>	<b>8.23</b>	<b>14.16</b>	<b>12.54</b>	<b>19.27</b>	<b>12.77</b>	<b>11.61</b>	<b>13.45</b>	<b>13.14</b>
<b>Net operating profit .....</b>	<b>8.04</b>	<b>6.44</b>	<b>7.47</b>	<b>3.27</b>	<b>5.97</b>	<b>4.11</b>	<b>5.98</b>	<b>6.48</b>
Non-trading income .....	—	1.72	1.12	10.68	0.61	0.19	1.04	1.07
Non-trading expense .....	—	0.41	0.26	9.41	—	0.23	0.72	0.57
<b>Net profit before deduction of proprietors' salaries, withdrawals and income tax .....</b>	<b>8.04</b>	<b>7.75</b>	<b>8.33</b>	<b>4.54</b>	<b>6.58</b>	<b>4.07</b>	<b>6.30</b>	<b>6.98</b>

**TABLE 15. Fruit and Vegetable Stores, Independent, Operating Results of  
Incorporated Companies with Rented Premises, 1966**

Item	Total \$100,000 and over
Number of businesses reporting .....	5
Average net sales per business ..... \$	205,919
Average beginning inventory ..... \$	4,648
Average inventory, end of year ..... \$	8,466
Average cost of goods sold ..... \$	150,515
Stock turnover (times per year) .....	22.66
<b>Profit and loss data</b> (Per cent of net sales)	
<b>Gross profit</b> .....	<b>28.03</b>
Operating expenses:	
Employees' salaries and wages (except delivery) .....	12.10
Delivery expenses (including salaries and wages) .....	0.27
Occupancy expenses:	
Taxes .....	0.56
Insurance .....	0.40
Rent .....	2.44
Heat, light and power .....	0.42
Repairs and maintenance .....	0.72
Depreciation allowances .....	1.32
<b>Total occupancy expenses</b> .....	<b>5.86</b>
Office and store supplies .....	1.51
Advertising .....	0.15
Net loss on bad debts .....	—
All other expenses .....	1.09
<b>Total operating expenses</b> .....	<b>20.98</b>
<b>Net operating profit</b> .....	<b>7.05</b>
Non-trading income .....	—
Non-trading expense .....	—
<b>Net profit before allowance for income tax</b> .....	<b>7.05</b>



# DELICATESSEN STORES, INDEPENDENT

Stores in this category are primarily engaged in selling cooked food ready to serve in the home without further preparation such as cooked meats and prepared salads. Other items may include bakery products, confectionery, dairy products, canned and bottled foods and groceries. Only unincorporated businesses were surveyed.

Fourteen usable reports were collected from unincorporated businesses. The gross profit for delicatessen stores operated by unincorporated businesses was 26.28 per cent of net sales in 1966 compared with 28.86 per cent in 1963. Salaries and wages, excluding the pay for delivery em-

ployees, were 7.16 per cent (8.25 per cent in 1963), delivery expense was 0.47 per cent (0.59 per cent), occupancy expenses amounted to 8.44 per cent (9.07 per cent), office and store supplies were 0.86 per cent (1.05 per cent) and all other expenses reached 3.02 per cent (2.76 per cent). Total operating expenses were 19.95 per cent (21.72 per cent) and net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 6.33 per cent (7.14 per cent). Taking account of non-trading income and expense, the final profit was 6.89, per cent of net sales compared with 7.15 per cent in 1963. Data were only collected from delicatessen stores with rented premises.

TABLE 16. Delicatessen Stores, Independent, Operating Results, 1963 - 66

Item	Unincorporated businesses	
	1963	1966
	per cent of net sales	
Gross profit .....	28.86	26.28
Operating expenses:		
Employees' salaries and wages (except delivery employees) .....	8.25	7.16
Delivery expenses including salaries .....	0.59	0.47
Occupancy expenses .....	9.07	8.44
Office and store supplies .....	1.05	0.86
All other expenses .....	2.76	3.02
Total operating expenses .....	21.72	19.95
Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income .....	7.14	6.33

**TABLE 17. Delicatessen Stores, Independent, Operating Results of Unincorporated Businesses, 1966**

Item	Rented premises with annual net sales of				Total
	\$20,000- 29,999	\$30,000- 49,999	\$50,000- 99,999	\$100,000- 199,999	
Number of businesses reporting .....	4	3	3	3	14
Average net sales per business ..... \$	24,218	35,384	72,435	123,674	79,658
Average beginning inventory ..... \$	1,566	1,086	2,969	20,576	4,773
Average inventory, end of year ..... \$	1,815	1,879	3,218	17,436	4,700
Average cost of goods sold ..... \$	17,325	22,696	57,714	86,736	60,384
Stock turnover (times per year) .....	10.25	15.31	18.65	4.56	16.64
<b>Profit and loss data</b> (Per cent of net sales)					
<b>Gross profit</b> .....	<b>28.46</b>	<b>35.86</b>	<b>20.32</b>	<b>29.87</b>	<b>26.28</b>
Operating expenses:					
Employees' salaries and wages (except delivery).....	2.25	12.05	5.34	8.74	7.16
Delivery expenses (including salaries and wages)....	0.22	—	0.69	0.88	0.47
Occupancy expenses:					
Taxes .....	0.52	0.30	0.22	0.35	0.28
Insurance .....	0.62	0.40	0.13	0.59	0.31
Rent .....	6.09	4.03	3.74	3.92	4.03
Heat, light and power .....	2.30	1.32	1.00	0.87	1.19
Repairs and maintenance .....	2.27	0.17	0.41	1.55	0.71
Depreciation allowances .....	3.78	1.59	1.52	2.38	1.92
<b>Total occupancy expenses</b> .....	<b>15.58</b>	<b>7.81</b>	<b>7.02</b>	<b>9.66</b>	<b>8.44</b>
Office and store supplies .....	1.80	0.83	0.58	0.98	0.86
Advertising .....	0.17	0.45	0.32	0.78	0.37
Net loss on bad debts .....	—	—	0.03	0.01	0.02
All other expenses .....	1.90	3.53	2.56	2.63	2.63
<b>Total operating expenses</b> .....	<b>21.92</b>	<b>24.67</b>	<b>16.54</b>	<b>23.68</b>	<b>19.95</b>
<b>Net operating profit</b> .....	<b>6.54</b>	<b>11.19</b>	<b>3.78</b>	<b>6.19</b>	<b>6.33</b>
Non-trading income .....	0.62	2.03	—	—	0.56
Non-trading expense .....	—	—	—	—	—
<b>Net profit before deduction of proprietors' salaries, withdrawals and income tax</b> .....	<b>7.16</b>	<b>13.22</b>	<b>3.78</b>	<b>6.19</b>	<b>6.89</b>



### DAIRY PRODUCTS STORES, INDEPENDENT

Stores in this category are primarily engaged in selling dairy products such as fluid milk, cream, butter and cheese in which any manufacturing operations carried out are not extensive enough to justify the classification of the store as a manufacturing plant. Other items may include lard, honey, cooked meats, light groceries and eggs. Both unincorporated businesses and incorporated companies were surveyed.

Twenty-one usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent unincorporated businesses was 41.70 per cent of net sales, in 1966, compared with 44.53 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 12.82 per cent (9.99 per cent in 1963), delivery expense was 0.02 per cent (0.52 per cent), occupancy expenses reached 11.83 per cent (17.27 per cent), office and store supplies 1.97 per cent (0.65 per cent), all other expenses 3.74 per cent (5.76 per cent), making total operating expenses 30.38 per cent, in 1966, compared with 34.19 per cent in 1963. Net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income was 11.32 per cent, in

1966, against 10.34 per cent three years earlier. Taking account of non-trading income and expense, the final net profit was 11.47 per cent (10.32 per cent in 1963). In the detailed tables, a distinction is made between stores with owned premises and stores with rented premises.

In the incorporated sector of the trade four usable reports were received. The gross profit for independent incorporated companies was 54.04 per cent, compared with 41.58 per cent in 1963. Salaries and wages, in 1966, excluding the pay for delivery employees, were 23.95 per cent (15.17 per cent in 1963). Occupancy expenses reached 12.40 per cent (14.54 per cent), office and store supplies 0.84 per cent (0.58 per cent), all other expenses 6.95 per cent (8.92 per cent), making total operating expenses 44.14 per cent (41.09 per cent). Net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 9.90 per cent (0.49 per cent). Taking account of non-trading income and expense, the final profit was 10.16 per cent, compared with 0.49 per cent in 1963. Reports were received only from stores with owned premises.

TABLE 18. Dairy Products Stores, Independent, Operating Results, 1963 - 66

Item	Unincorporated businesses		Incorporated	
	1963	1966	1963	1966
<b>Gross profit</b> .....	<b>44.53</b>	<b>41.70</b>	<b>41.58</b>	<b>54.04</b>
Operating expenses:				
Employees' salaries and wages (except delivery employees) .....	9.99	12.82	15.17	23.95
Delivery expenses including salaries .....	0.52	0.02	1.88	—
Occupancy expenses .....	17.27	11.83	14.54	12.40
Office and store supplies .....	0.65	1.97	0.58	0.84
All other expenses .....	5.76	3.74	8.92	6.95
<b>Total operating expenses</b> .....	<b>34.19</b>	<b>30.38</b>	<b>41.09</b>	<b>44.14</b>
<b>Net operating profit</b> before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income .....	<b>10.34</b>	<b>11.32</b>	<b>0.49<sup>1</sup></b>	<b>9.90<sup>1</sup></b>

<sup>1</sup> Net operating profit before addition of net non-trading income and allowance for income tax.

**TABLE 19. Dairy Products Stores, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1966**

Item	Total all sizes, owned premises	Rented premises with annual net sales of			Total owned and rented
		\$30,000- 49,999	\$50,000- 99,999	Total	
Number of businesses reporting .....	7	5	3	10	17
Average net sales per business ..... \$	72,154	43,380	68,587	41,605	56,665
Average beginning inventory ..... \$	1,845	744	1,445	777	1,303
Average inventory, end of year ..... \$	1,708	861	1,369	827	1,261
Average cost of goods sold ..... \$	43,448	27,065	35,578	23,395	33,281
Stock turnover (times per year) .....	37.03	33.75	25.29	39.39	38.23
<b>Profit and loss data</b> (Per cent of net sales)					
<b>Gross profit</b> .....	<b>41.02</b>	<b>37.61</b>	<b>48.13</b>	<b>42.35</b>	<b>41.70</b>
Operating expenses:					
Employees' salaries and wages (except delivery).....	14.35	10.06	9.42	11.33	12.82
Delivery expenses (including salaries and wages)....	—	—	0.09	0.03	0.02
Occupancy expenses:					
Taxes .....	1.17	0.91	0.50	1.38	1.28
Insurance .....	0.53	0.38	0.22	0.27	0.40
Rent .....	—	6.30	9.17	8.06	4.09
Heat, light and power .....	1.33	1.84	1.13	1.88	1.61
Repairs and maintenance .....	1.67	1.02	1.67	1.47	1.57
Depreciation allowances .....	3.10	0.65	1.52	2.69	2.88
<b>Total occupancy expenses</b> .....	<b>7.80</b>	<b>11.10</b>	<b>14.21</b>	<b>15.75</b>	<b>11.83</b>
Office and store supplies .....	1.23	0.56	3.19	2.69	1.97
Advertising .....	1.13	0.08	2.51	0.92	1.02
Net loss on bad debts .....	0.03	0.23	—	0.07	0.05
All other expenses .....	2.52	1.84	4.60	2.81	2.67
<b>Total operating expenses</b> .....	<b>27.06</b>	<b>23.87</b>	<b>34.02</b>	<b>33.60</b>	<b>30.38</b>
<b>Net operating profit</b> .....	<b>13.96</b>	<b>13.74</b>	<b>14.11</b>	<b>8.75</b>	<b>11.32</b>
Non-trading income .....	0.20	0.16	0.03	0.19	0.19
Non-trading expense .....	0.09	—	—	—	0.04
<b>Net profit before deduction of proprietors' salaries, withdrawals and income tax</b> .....	<b>14.07</b>	<b>13.90</b>	<b>14.14</b>	<b>8.94</b>	<b>11.47</b>

**TABLE 20. Dairy Products Stores, Independent, Operating Results of Incorporated Companies with Rented Premises, 1966**

Item	Total all sizes
Number of businesses reporting.....	4
Average net sales per business..... \$	70,315
Average beginning inventory..... \$	787
Average inventory, end of year..... \$	736
Average cost of goods sold..... \$	32,745
Stock turnover (times per year).....	43.96
<b>Profit and loss data</b> (Per cent of net sales)	
<b>Gross profit</b> .....	<b>54.04</b>
Operating expenses:	
Employees' salaries and wages (except delivery) .....	23.95
Delivery expenses (including salaries and wages).....	—
Occupancy expenses:	
Taxes.....	0.86
Insurance.....	0.35
Rent.....	3.73
Heat, light and power.....	2.36
Repairs and maintenance.....	1.36
Depreciation allowances.....	3.74
<b>Total occupancy expenses</b> .....	<b>12.40</b>
Office and store supplies.....	0.84
Advertising.....	1.57
Net loss on bad debts.....	—
All other expenses.....	5.38
<b>Total operating expenses</b> .....	<b>44.14</b>
<b>Net operating profit</b> .....	<b>9.90</b>
Non-trading income.....	0.26
Non-trading expense.....	—
<b>Net profit before allowance for income tax</b> .....	<b>10.16</b>

## 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 for delivery employees)—payments to employees (wages, salaries, bonuses, payments for leave, payments in kind) 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 and licences. 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).

**Depreciation**—Write-offs for the year of fixed assets used in the business only, or rates authorized by the Income Tax Department.

**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 in the case of unincorporated businesses 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 expense 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.

452133

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010738324