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OPERATING RESULTS AND FINANCIAL STRUCTURE INDEPENDENT FUEL DEALERS 1956

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NOTICE

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

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

Part I — Wholesale Statistics

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

Part II — Retail Statistics

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

Part III — Services and Special Fields

- Q — Laundries, Cleaners and Dyers, 25¢
- R — Motion Picture Theatres, Exhibitors and Distributors, 25¢
- S — Hotels, 25¢
- T — Sales Financing, 25¢
- U — Farm Implement and Equipment Sales, 25¢
- V — New Motor Vehicle Sales and Motor Vehicle Financing, 25¢
- W — Advertising Agencies (Memorandum), 10¢
- X — Motion Picture Production (Memorandum), 10¢

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

- Biennial reports — not issued for 1956.

(February 28, 1958)

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DEFINITIONS

Profit and Loss

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

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.), and amount paid for contract delivery.

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, including rentals of warehouses and garages, etc.

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 allowances – provision for decrease in the value of fixed store assets.

Store supplies – wrapping paper, office supplies, etc.

Advertising – displays, window dressing and sales promotion.

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

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

Net operating profit – is the difference between “total operating expenses” and “gross profits” and includes proprietors' salaries and withdrawals before income tax deductions in unincorporated firms.

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.

DEFINITIONS

Balance Sheet

Assets

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

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

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

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

Fixed assets (net) – the 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

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.

DEFINITIONS

Profit and Loss Statement Ratios

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

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

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

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

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

Balance Sheet Ratios

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

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

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

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

Interstatement Ratio

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

OPERATING RESULTS AND FINANCIAL STRUCTURE INDEPENDENT FUEL DEALERS, 1956

INTRODUCTION

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

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

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

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

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

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

Profit and loss data are shown for owned and rented stores separately, and for various sale-size categories. This 1956 report, for the first time, shows information on "other income" and "other expense". The segregation of these improves the quality of the ratios for net operating profit in that there is little chance of a "net" of these two items being included in operating profit.

Balance sheet data, which were introduced in 1948, are continued in this 1956 study. This information is presented by sales-size and kind of occupancy groups for dealers with \$20,000 or more annual net sales. Where possible, a further differentiation has been made between businesses in operation less than 10 years and 10 years or more. An important change, introduced in 1950, is the segregation of fixed assets and fixed liabilities between those used in the business and those not used in the business. This makes possible a better relationship between assets used in the business and sales, than was possible when all fixed assets of the proprietor were reported as one item.

INDEPENDENT FUEL DEALERS

The survey of independent fuel dealers covers only establishments selling coal, firewood, oil for household consumption, bottled gas and other fuels. Other lines may be carried such as: lumber, building materials and ice, providing the sale of fuel amounts to at least 50% of total trade.

Separate tabulations were made of unincorporated dealers for both profit and loss ratios and balance data. Reports used in this study numbered 184 (134 owned and 50 rented) in the unincorporated group and 93 (50 owned and 43 rented) in the incorporated class. A slightly smaller number was used for the balance sheet tabulation of unincorporated dealers

due to the fact that dealers in the two lowest sales-sizes were not required to furnish balance sheet information. Results are shown by sales-size categories and, where possible, a further breakdown was made in the balance sheet averages by number of years in business.

In compiling trade ratios for the "total, all sizes", the different sales-size ratios were combined by giving each size category its proper "weight" as obtained from the 1951 census. In this survey the reporting is generally better in the larger size business so that any aggregate of reporting firms would show a ratio biased toward the characteristics

of large dealer operation. The use of weighting gives proper importance to small dealer operations so that the ratios shown in the summary table below more truly represent the trade total.

Both unincorporated and incorporated dealers operated on lower gross profit ratios in 1956 than they did in 1954. Unincorporated dealers had the larger marginal profit decrease of the two. Total

operating expenses showed a decrease for both forms of organization with the greater decline for unincorporated dealers. In both instances the decrease in gross profit was more than offset by a greater decline in total operating expense so that a gain in net operating profit resulted. The 1956 net operating profits for unincorporated and incorporated dealers were 5.43 and 2.38 per cent respectively, compared to 5.41 and 2.00 per cent for 1954.

TABLE 1. Operating Results of Independent Fuel Dealers, 1954 and 1956 Compared

Item	Unincorporated		Incorporated	
	1954	1956	1954	1956
	(per cent of net sales)			
Gross profit	22.97	21.12	22.35	22.13
Operating expenses:				
Employees' salaries (except delivery)	3.61	3.04	6.12	6.96
Occupancy	2.48	2.48	2.16	2.18
Delivery	8.99	7.81	9.05	7.89
Advertising	0.52	0.40	0.62	0.57
All other expenses	1.96	1.96	2.40	2.15
Total operating expenses	17.56	15.69	20.35	19.75
Net operating profit before deduction of income tax ¹	5.41	5.43	2.00	2.38

1. Proprietors' salaries included for unincorporated stores.

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores. They do not agree with ratios shown in historical tables.

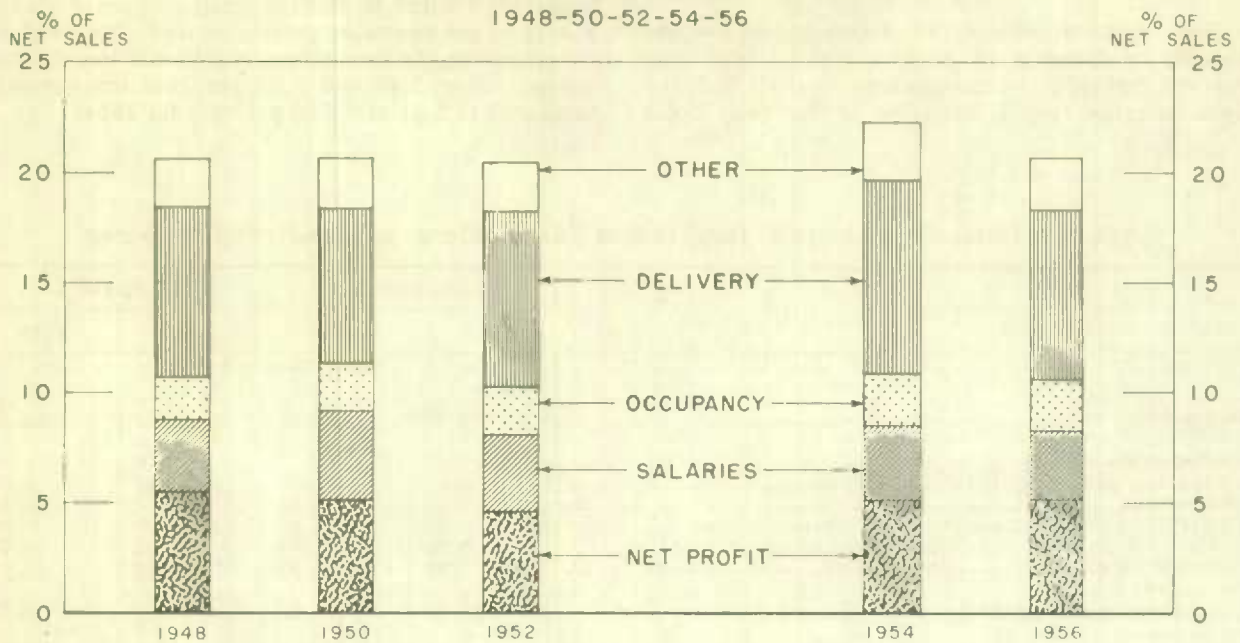
TABLE 2. Independent Fuel Dealers — Balance Sheet Ratios as at December 31

Item ¹		Unincorporated		Incorporated	
		Owned	Rented	Owned	Rented
Current Ratio	1948	1.93	2.60	1.90	1.94
	1950	2.39	1.97	2.99	1.75
	1952	2.21	2.34	1.96	1.54
	1954	2.24	2.04	1.80	1.47
	1956	2.29	2.53	1.95	1.48
Liquidity Ratio	1952	1.55	1.57	1.13	1.01
	1954	1.66	1.68	1.29	1.03
	1956	1.79	1.93	1.46	1.16
Working Capital to Net Worth Ratio	1948	0.49	0.70	0.50	0.78
	1950	0.58	0.67	0.51	0.63
	1952	0.53	0.78	0.49	0.49
	1954	0.54	0.67	0.53	0.53
	1956	0.53	0.73	0.67	0.64
Worth Debt Ratio	1948	1.69	1.85	1.33	0.97
	1950	1.92	1.33	2.50	1.03
	1952	1.86	1.41	1.59	1.03
	1954	1.72	1.32	1.15	0.71
	1956	1.64	1.69	1.02	0.60
Turnover of Total Capital Employed	1952	2.94	3.19	2.89	3.58
	1954	2.70	3.47	2.64	2.84
	1956	2.86	3.36	2.43	3.01

1. Ratio definitions are shown on page 6.

COMPOSITION OF AVERAGE GROSS PROFIT
INDEPENDENT FUEL DEALERS, UNINCORPORATED

1948-50-52-54-56



COMPOSITION OF AVERAGE GROSS PROFIT
INDEPENDENT FUEL DEALERS, INCORPORATED

1948-50-52-54-56

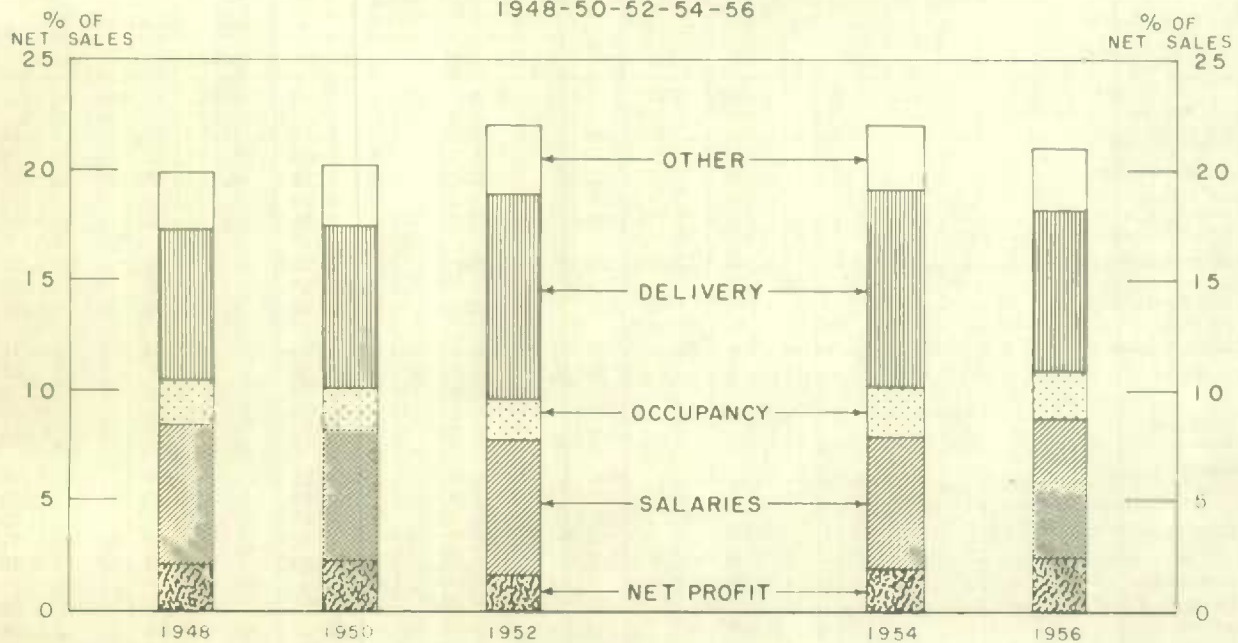


TABLE 3. Independent Fuel Dealers — Operating Results of Unincorporated Firms by Sales Volume and Occupancy Basis, 1956

Item	Owner-dealers with annual net sales of				Lessee-dealers with annual net sales of		
	\$10,000- \$19,999	\$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 dealers reporting	11	43	33	44	15	10	20
Average net sales per dealer	\$ 14,770	\$ 35,104	\$ 74,483	\$ 191,489	\$ 39,263	\$ 69,092	\$ 177,614
Average beginning inventory	1,038	2,208	2,910	6,623	3,029	3,906	7,213
Average inventory, end of year	\$ 1,038	\$ 3,104	\$ 3,444	\$ 7,716	\$ 3,353	\$ 4,612	\$ 8,867
Average cost of goods sold	\$ 10,957	\$ 27,255	\$ 57,668	\$ 152,964	\$ 30,229	\$ 53,377	\$ 143,929
Stock turnover (times per year)	10.56	10.26	18.15	21.34	9.47	12.53	17.90
Profit and Loss Data (per cent of net sales)							
Gross profit	25.81	22.36	22.57	20.11	23.01	22.74	18.96
Operating expenses:							
Executives' and employees' salaries and wages etc. (except delivery)	0.88	2.59	3.32	3.44	2.50	0.77	3.38
Delivery	7.79	7.73	8.19	7.68	9.18	9.26	6.77
Occupancy expenses:							
Taxes	1.02	0.67	0.59	0.41	0.81	0.30	0.18
Insurance	0.68	0.39	0.45	0.33	0.33	0.50	0.20
Rent	0.05	0.11	0.07	0.07	0.78	0.59	0.51
Heat, light and power	0.61	0.29	0.30	0.14	0.36	0.28	0.14
Repairs and maintenance	0.56	0.38	0.64	0.39	0.42	0.22	0.35
Depreciation allowances	0.57	0.80	1.02	0.78	0.78	0.82	0.58
Total occupancy expenses	3.49	2.64	3.07	2.12	3.48	2.71	1.96
Office and store supplies	0.36	0.19	0.28	0.22	0.23	0.33	0.21
Advertising	0.30	0.23	0.43	0.47	0.40	0.27	0.34
Net loss on bad debts	0.37	0.19	0.14	0.27	0.30	0.06	0.40
All other expenses	2.20	1.14	1.55	1.55	1.28	1.53	1.29
Total operating expenses	15.39	14.71	16.98	15.75	17.37	14.93	14.35
Net operating profit	10.42	7.65	5.59	4.36	5.64	7.81	4.61
Non-trading income	2.33	0.98	1.28	0.60	1.10	0.62	0.28
Non-trading expense	0.67	0.04	0.52	0.08	0.23	—	0.05
Net profit before deduction of proprietors' salaries and income tax	12.08	8.59	6.35	4.88	6.51	8.43	4.84

1. Includes rentals for railroad sidings, yards, garages, warehouses, etc.

TABLE 4. Independent Fuel Dealers — Owned — Financial Structure of Unincorporated Firms by Size and Age of Business as at December 31, 1956

Item	Dealers 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 dealer)										
Assets										
Current assets:										
Cash on hand and in bank	1,405	4,039	3,094	1,203	4,485	3,562	1,951	4,799	3,958	3,554
Accounts and notes receivable (net)	2,991	3,049	3,028	5,941	7,248	8,880	32,515	22,920	25,754	12,795
Merchandise inventory	3,375	3,322	3,341	3,915	3,158	3,371	5,985	8,450	7,722	5,026
Other current assets	23	1,418	917	491	1,295	1,069	2,318	2,976	2,782	1,673
Total current assets	7,794	11,828	10,380	11,550	16,186	14,882	42,769	39,145	40,216	23,048
Fixed assets (net):										
Used in the business	4,530	6,533	5,814	12,966	8,743	9,931	16,950	15,255	15,756	10,763
Not used in the business	1,513	2,412	2,089	1,260	5,431	4,258	461	892	764	2,186
Total fixed assets (net)	6,043	8,945	7,903	14,226	14,174	14,189	17,411	16,147	16,520	12,949
Other assets:										
Long term investments	4	1,844	1,183	—	739	532	13,917	2,877	6,139	2,898
Other assets	390	62	180	556	383	431	231	389	342	312
Total other assets	394	1,906	1,363	556	1,122	963	14,148	3,266	6,481	3,210
Total assets	14,231	22,679	19,646	26,332	31,482	30,034	74,328	58,558	63,217	39,207
Liabilities										
Current liabilities:										
Accounts and notes payable	2,395	2,893	2,714	7,008	3,586	4,548	24,555	18,934	20,595	10,066
Fixed liabilities:										
Mortgages on fixed assets used in business	1,871	228	818	4,051	1,545	2,250	3,054	621	1,340	1,416
Mortgages on fixed assets not used in business ..	871	247	471	—	1,043	750	—	—	—	368
Total fixed liabilities	2,742	475	1,289	4,051	2,588	3,000	3,054	621	1,340	1,784
Other liabilities	1,920	1,418	1,598	1,571	1,741	1,693	5,220	5,090	5,128	2,975
Total liabilities	7,057	4,786	5,601	12,630	7,915	9,241	32,829	24,645	27,063	14,825
Net worth: Proprietor's or partners' equity in the business	7,174	17,893	14,045	13,702	23,567	20,793	41,499	33,913	36,154	24,382
Total liabilities and net worth	14,231	22,679	19,646	26,332	31,482	30,034	74,328	58,558	63,217	39,207
Average net sales of dealers reporting	38,609	33,855	35,562	69,858	75,945	74,233	226,059	176,992	191,489	105,962
Number of dealers reporting	14	25	39	9	23	32	13	31	44	115

TABLE 5. Independent Fuel Dealers - Rented - Financial Structure of Unincorporated Firms by Size and Age of Business as at December 31, 1956

Item	Dealers 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 dealer)						
Assets						
Current assets:						
Cash on hand and in bank	2,982	4,551	1,975	4,464	3,592	3,580
Accounts and notes receivable (net).....	3,484	8,685	18,206	25,028	22,640	13,255
Merchandise inventory	2,854	4,867	6,779	10,052	8,907	6,017
Other current assets	3,693	700	598	2,911	2,102	2,358
Total current assets	13,013	18,803	27,558	42,455	37,241	25,210
Fixed assets (net):						
Used in the business	3,346	3,644	5,816	9,152	7,985	5,516
Not used in the business	301	1,139	2,116	483	1,054	815
Total fixed assets (net)	3,647	4,783	7,932	9,635	9,039	6,331
Other assets:						
Long term investments	989	1,334	—	2,125	1,382	1,238
Other assets	—	182	1,752	245	772	388
Total other assets	989	1,516	1,752	2,370	2,154	1,626
Total assets	17,649	25,102	37,242	54,460	48,434	33,167
Liabilities						
Current liabilities:						
Accounts and notes payable	2,059	5,134	14,583	19,909	18,045	9,954
Fixed liabilities:						
Mortgages on fixed assets used in business	—	389	384	99	199	170
Mortgages on fixed assets not used in business	—	—	2,010	138	793	361
Total fixed liabilities	—	389	2,394	237	992	531
Other liabilities	802	1,079	6,834	928	2,995	1,856
Total liabilities	2,861	6,602	23,811	21,074	22,032	12,341
Net worth: Proprietor's or partners' equity in the business	14,788	16,500	13,431	33,386	26,402	20,826
Total liabilities and net worth	17,649	25,102	37,242	54,460	48,434	33,167
Average net sales of dealers reporting	39,263	70,940	136,775	199,605	177,614	108,629
Number of dealers reporting	15	9	7	13	20	44

TABLE 6. Independent Fuel Dealers - Operating Results of Incorporated Firms by Sales Volume and Occupancy Basis 1956

Item	Owner-dealers with annual net sales of			Lessee-dealers with annual net sales of	
	\$50,000-\$99,999	\$100,000-\$299,999	\$300,000 and over	Under \$500,000	\$500,000 and over
Number of dealers reporting	10	22	18	27	16
Average net sales per dealer	76,109	194,512	615,014	244,203	1,140,326
Average beginning inventory	3,156	8,638	45,763	9,604	59,389
Average inventory, end of year	3,471	10,297	52,109	11,533	64,963
Average cost of goods sold	58,385	150,908	470,180	188,556	930,135
Stock turnover (times per year)	17.62	15.94	9.61	17.84	14.96
Profit and Loss Data (per cent of net sales)					
Gross profit	23.29	22.42	23.55	22.79	18.43
Operating expenses:					
Executives' and employees' salaries and wages etc. (except delivery)	7.20	8.07	7.36	6.78	5.17
Delivery	9.50	6.21	8.49	9.40	5.60
Occupancy expenses:					
Taxes	0.99	0.46	0.29	0.24	0.28
Insurance	0.36	0.33	0.30	0.27	0.23
Rent ¹	0.23	0.07	0.16	0.63	0.32
Heat, light and power	0.13	0.22	0.10	0.10	0.12
Repairs and maintenance	0.53	0.52	0.53	0.25	0.45
Depreciation allowances	0.86	0.50	0.81	0.75	0.69
Total occupancy expenses	3.10	2.10	2.19	2.24	2.07
Office and store supplies	0.23	0.25	0.27	0.32	0.27
Advertising	0.37	0.52	0.61	0.83	0.49
Net loss on bad debts	0.54	0.32	0.27	0.19	0.33
All other expenses	2.59	1.61	1.43	2.06	1.63
Total operating expenses	23.53	21.08	20.62	21.82	15.56
Net operating profit	0.24²	1.34	2.93	0.97	2.87
Non-trading income	1.87	0.42	0.93	0.82	0.26
Non-trading expense	—	0.28	0.24	0.35	0.09
Net profit before provision for income tax	1.63	1.48	3.62	1.44	3.04

1. Includes rentals for railroad sidings, yards, garages, warehouses, etc.

2. Net operating loss.

TABLE 7. Independent Fuel Dealers — Owned — Financial Structure of Incorporated Firms by Size and Age of Business as at December 31, 1956

Item	Dealers with annual net sales of					Total all sizes \$50,000 and over
	\$50,000-\$99,999	\$100,000-\$299,999			\$300,000 and over	
		Under 10 years	10 years and over	Total		
(average per dealer)						
Assets						
Current assets:						
Cash on hand and in bank	5,367	7,806	6,876	7,257	22,523	12,374
Accounts and notes receivable (net)	8,236	31,615	26,892	28,824	96,312	49,002
Merchandise inventory	4,404	12,241	9,197	10,442	52,140	24,246
Other current assets	762	2,193	21,181	13,413	11,321	10,130
Total current assets	18,769	53,855	64,146	59,936	182,296	95,752
Fixed assets (net):						
Used in the business	15,852	15,488	21,546	19,068	56,667	31,960
Not used in the business	22,671	1,797	—	735	1,198	5,289
Total fixed assets (net)	38,523	17,285	21,546	19,803	57,865	37,249
Other assets:						
Long term investments	3,794	1,489	1,246	1,345	5,988	3,505
Other assets	1,015	2,994	2,555	2,735	1,972	2,116
Total other assets	4,799	4,483	3,801	4,080	7,960	5,621
Total assets	62,091	75,623	89,493	83,819	248,121	138,622
Liabilities						
Current liabilities:						
Accounts and notes payable	6,634	26,503	40,957	35,045	89,645	49,018
Fixed liabilities:						
Mortgages on fixed assets used in business	—	2,971	1,249	1,953	5,316	2,773
Mortgages on fixed assets not used in business	—	—	—	—	—	—
Total fixed liabilities	—	2,971	1,249	1,953	5,316	2,773
Other liabilities	3,502	6,515	6,933	6,762	36,383	16,774
Total liabilities	10,136	35,989	49,139	43,760	131,344	68,565
Net worth:						
Capital stock	32,726	29,667	24,037	26,340	44,192	34,044
Surplus and undivided profits	19,229	9,967	16,317	13,719	72,585	36,013
Total net worth	51,955	39,634	40,354	40,059	116,777	70,057
Total liabilities and net worth	62,091	75,623	89,493	83,819	248,121	138,622
Average net sales of dealers reporting	76,109	178,595	205,531	194,512	615,014	322,212
Number of dealers reporting	10	9	13	22	18	50

TABLE 8. Independent Fuel Dealers — Rented — Financial Structure of Incorporated Firms by Size and Age of Business as at December 31, 1956

Item	Dealers with annual net sales of				Total all sizes
	Under \$500,000			\$500,000 and over	
	Under 10 years	10 years and over	Total		
(average per dealer)					
Assets					
Current assets:					
Cash on hand and in bank	4,571	5,537	5,250	30,444	14,625
Accounts and notes receivable (net)	41,551	28,533	32,391	191,281	91,513
Merchandise inventory	15,061	9,823	11,375	65,043	31,344
Other current assets	6,028	7,232	6,875	5,084	6,209
Total current assets	67,211	51,125	55,891	291,852	143,691
Fixed assets (net):					
Used in the business	29,083	13,003	17,768	68,267	36,558
Not used in the business	1,517	—	449	398	430
Total fixed assets (net)	30,600	13,003	18,217	68,665	36,988
Other assets:					
Long term investments	659	9,047	6,562	8,445	7,262
Other assets	4,092	4,370	4,288	5,399	4,702
Total other assets	4,751	13,417	10,850	13,844	11,964
Total assets	102,562	77,545	84,958	374,361	192,643

TABLE 8. Independent Fuel Dealers - Rented - Financial Structure of Incorporated Firms by Size and Age of Business as at December 31, 1956

Item	Dealers with annual net sales of				Total all sizes
	Under \$500,000			\$500,000 and over	
	Under 10 years	10 years and over	Total		
	(average per dealer)				
Liabilities					
Current liabilities:					
Accounts and notes payable	51,390	28,169	35,050	201,700	97,059
Fixed liabilities:					
Mortgages on fixed assets used in business	3,852	144	1,243	2,171	1,588
Mortgages on fixed assets not used in business	718	—	212	—	134
Total fixed liabilities	4,570	144	1,455	2,171	1,722
Other liabilities	13,711	5,123	7,668	44,944	21,538
Total liabilities	69,671	33,436	44,173	248,815	120,319
Net worth:					
Capital stock	28,163	21,503	23,476	28,316	25,277
Surplus and undivided profits	4,728	22,606	17,309	97,230	47,047
Total net worth	32,891	44,109	40,785	125,546	72,324
Total liabilities and net worth	102,562	77,545	84,958	374,361	192,643
Average net sales of dealers reporting	262,230	236,613	244,203	1,140,326	577,644
Number of dealers reporting	8	19	27	16	43

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