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AUTOMOBILE DEALERS, ACCESSORIES, TIRE AND BATTERY SHOPS, SERVICE STATIONS, GARAGES AND PAINT AND BODY SHOPS

(Independent)

OPERATING RESULTS

1965

The last issue of this report, formerly known as Operating Results and Financial Structure of Filling Stations and Garages (Independent) was for 1959. Previously Biennial, it is now Triennial.

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AUTOMOBILE DEALERS, ACCESSORIES, TIRE AND BATTERY SHOPS, SERVICE STATIONS, GARAGES AND PAINT AND BODY SHOPS

(Independent)

OPERATING RESULTS

1965

INTRODUCTION

This report is the first of its kind since 1959. In the 1959 issue, operating results of filling stations and garages only were discussed. The present report contains information about operating results of the following independent kinds of business:

- automobile dealers;
- automobile dealers with wholesale car department;
- automobile dealers with farm implements;
- used car dealers;
- accessories, tire and battery shops;
- second hand parts and accessory shops;
- service stations;
- service stations with restaurants;
- retail garages;
- service garages;
- paint and body shops;
- other specialty repair shops.

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.

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

This report deals with profit and loss statistics presented mainly in the form of percentages of net sales. Results are shown for sales-size groups in some instances. Balance sheet data are not presented.

The primary purpose of the operating results survey is to provide averages or ratios on the different phases of business operation against which firms in the same trade may make direct comparisons with their own results. They also provide useful information to others interested in the cost of distribution of consumer goods.

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.

AUTOMOBILE DEALERS (INDEPENDENT)

Businesses included in this classification are primarily engaged in selling new or both new and used motor vehicles. The value of new car sales amounts to 20 per cent or more of total sales. No wholesale car department is maintained and no farm implements are handled by establishments in this kind of business.

This is the first operating results survey of independent automobile dealers. It is of some interest to note that the gross profit as a percentage of net sales for this kind of business revealed by the 1961 Census of Merchandising was 15.9 per cent. Ratios ranged from 13.0 per cent for Prince Edward Island to 17.8 per cent for Alberta. The census

statistics pertain to independent dealers as well as chain and to both incorporated companies and unincorporated businesses. The 1965 survey indicated gross profit of 14.62 per cent of net sales for unincorporated businesses and 13.68 per cent for incorporated automobile dealers.

The tables which follow give operating expenses as percentages of net sales. Final net profit before deduction of proprietors' salaries, withdrawals, and income tax is 3.58 per cent for unincorporated dealers and it is 1.76 per cent before allowances for income tax for incorporated companies.

TABLE 1. Automobile Dealers, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of					Total	Rented premises with annual net sales of				Total owned and rented
	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	\$500,000-999,999	\$1,000,000 and over		\$100,000-199,999	\$200,000-499,999	\$1,000,000 and over	Total	
Number of businesses reporting	9	26	41	5	3	86	3	7	3	14	100
Average net sales per business	76,988	150,116	325,952	556,343	1,145,393	420,837	166,090	284,228	1,380,627	631,563	470,862
Average beginning inventory	12,496	27,135	37,335	65,658	111,223	48,155	20,961	28,220	172,666	68,913	53,082
Average inventory, end of year	11,870	27,883	43,604	88,461	167,844	62,467	24,036	32,063	224,769	91,422	69,341
Average cost of goods sold	64,866	125,802	273,307	486,977	1,002,612	362,154	138,993	244,127	1,219,637	555,090	407,956
Stock turnover (times per year)	5.32	4.57	6.75	6.32	7.19	6.16	6.18	8.10	6.14	7.26	6.42
Profit and loss data (Per cent of net sales)											
Gross profit	15.75	16.20	16.15	12.47	12.47	15.01	16.31	14.11	11.66	13.37	14.62
Operating expenses:											
Employees' salaries and wages (except delivery)	4.06	6.30	6.22	5.23	4.84	5.73	4.42	4.92	4.10	4.61	5.46
Delivery expenses (including salaries and wages)	0.06	0.05	0.25	0.05	0.10	0.14	-	0.37	0.14	0.41	0.20
Occupancy expenses:											
Taxes	0.83	0.68	0.43	0.25	0.36	0.48	0.24	0.15	0.08	0.17	0.41
Insurance	0.53	0.48	0.40	0.38	0.20	0.40	0.33	0.47	0.20	0.32	0.38
Rent	-	-	-	-	-	-	1.25	0.81	0.93	0.88	0.21
Heat, light and power	0.92	0.65	0.45	0.30	0.27	0.48	0.46	0.38	0.27	0.34	0.45
Repairs and maintenance	0.29	0.38	0.24	0.25	0.25	0.28	0.41	0.20	0.24	0.25	0.27
Depreciation allowances	0.84	0.62	0.55	1.20	0.43	0.67	0.22	0.20	0.27	0.21	0.56
Total occupancy expenses	3.41	2.81	2.07	2.38	1.51	2.31	2.91	2.21	1.99	2.17	2.28
Office and store supplies	0.22	0.27	0.26	0.24	0.49	0.28	0.49	0.33	0.13	0.33	0.25
Advertising	0.27	0.30	0.39	0.40	0.48	0.37	0.05	0.41	1.07	0.52	0.41
Net loss on bad debts	0.20	0.35	0.31	0.13	0.10	0.25	-	0.10	0.09	0.08	0.21
All other expenses	2.64	2.62	2.71	2.53	1.23	2.44	2.70	2.73	2.73	2.22	2.39
Total operating expenses	10.86	12.70	12.21	10.96	8.75	11.52	10.57	11.07	10.25	10.34	11.24
Net operating profit	4.89	3.50	3.94	1.51	3.72	3.49	5.74	3.04	1.41	3.03	3.38
Non-trading income	0.25	0.42	0.44	0.31	0.19	0.36	0.73	0.52	0.24	0.39	0.37
Non-trading expense	-	0.09	0.28	0.02	0.17	0.16	-	0.11	0.42	0.18	0.17
Net profit before deduction of proprietors' salaries, withdrawals and income tax	5.14	3.83	4.10	1.80	3.74	3.69	6.47	3.45	1.23	3.24	3.56

TABLE 2. Automobile Dealers, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of					Total	Rented premises with annual net sales of				Total owned and rented
	\$100,000-199,999	\$200,000-499,999	\$500,000-999,999	\$1,000,000 and over	\$100,000-199,999		\$200,000-499,999	\$500,000-999,999	\$1,000,000 and over	Total	
Number of businesses reporting	11	39	55	63	168	4	20	26	78	128	296
Average net sales per business	156,328	334,755	732,277	2,590,241	1,595,239	167,899	326,994	733,027	4,010,869	2,787,043	2,220,831
Average beginning inventory	21,173	48,057	88,610	238,957	156,137	30,478	41,188	88,188	366,855	261,031	211,197
Average inventory, end of year	20,607	53,470	108,035	334,188	211,313	34,534	52,888	105,494	557,908	389,577	304,886
Average cost of goods sold	127,484	289,584	631,512	2,227,215	1,372,254	134,454	280,184	618,950	3,517,297	2,438,039	1,931,697
Stock turnover (times per year)	6.10	5.70	6.42	7.77	6.97	4.14	5.95	6.39	7.61	7.07	7.02
Profit and loss data (Per cent of net sales)											
Gross profit	18.45	13.49	13.73	14.02	13.99	19.92	14.32	15.56	12.31	13.40	13.68
Operating expenses:											
Employees' salaries and wages (except delivery)	9.74	6.76	6.24	5.62	6.14	9.02	7.11	6.91	5.92	6.34	6.24
Delivery expenses (including salaries and wages)	-	0.21	0.49	0.27	0.31	0.46	0.13	0.31	0.41	0.36	0.34
Occupancy expenses:											
Taxes	0.60	0.38	0.34	0.24	0.30	0.16	0.18	0.20	0.16	0.17	0.23
Insurance	0.55	0.40	0.37	0.27	0.33	0.47	0.42	0.33	0.24	0.29	0.31
Rent	-	-	-	-	-	1.35	1.12	0.95	0.67	0.80	0.42
Heat, light and power	0.82	0.48	0.33	0.25	0.33	0.74	0.42	0.33	0.20	0.27	0.30
Repairs and maintenance	0.37	0.37	0.30	0.28	0.31	0.47	0.24	0.28	0.20	0.22	0.26
Depreciation allowances	0.65	0.55	0.48	0.44	0.48	0.24	0.71	0.33	0.32	0.37	0.42
Total occupancy expenses	2.99	2.18	1.82	1.48	1.75	3.43	3.09	2.40	1.79	2.12	1.94
Office and store supplies	0.44	0.23	0.27	0.19	0.23	0.31	0.40	0.19	0.21	0.23	0.23
Advertising	0.36	0.39	0.46	0.60	0.51	0.20	0.55	0.63	0.65	0.62	0.57
Net loss on bad debts	0.19	0.20	0.22	0.14	0.17	0.09	0.26	0.25	0.08	0.14	0.16
All other expenses	3.58	2.47	2.79	3.36	3.05	3.92	2.39	3.65	2.47	2.73	2.88
Total operating expenses	17.30	12.44	12.29	11.66	12.16	17.43	13.93	14.34	11.53	12.54	12.36
Net operating profit	1.15	1.05	1.44	2.36	1.83	2.49	0.39	1.22	0.78	0.86	1.32
Non-trading income	0.48	0.42	0.77	1.09	0.86	0.27	0.76	0.62	0.94	0.84	0.85
Non-trading expense	-	0.05	0.22	0.48	0.32	-	0.08	0.28	0.66	0.50	0.41
Net profit before allowances for income tax	1.63	1.42	1.99	2.97	2.37	2.76	1.07	1.56	1.06	1.20	1.76

AUTOMOBILE DEALERS WITH WHOLESALE CAR DEPARTMENT (INDEPENDENT)

To this classification belong retail businesses selling mainly new or both new and used motor vehicles, provided that new car sales amount to 20 per cent or more of the total sales, irrespective of number sold, combined with a wholesale car department through which certain makes of cars are distributed to dealers in adjacent territories. The wholesale business must include at least five motor vehicles.

It is of some interest to note that the gross profit as a percentage of net sales for this kind of business revealed by the 1961 Census of Merchandising was 14.8 per cent. Ratios ranged from 13.2 per cent for Ontario to 17.9 per cent for British Columbia. The Census statistics pertain to independent dealers as well as chain and to both incorporated companies and unincorporated busi-

nesses. The 1965 survey indicated gross profit of 12.03 per cent of net sales for incorporated companies dealing in this kind of business.

The table which follows gives operating expenses as percentages of net sales. Employees' salaries and wages (except delivery) were 5.70 per cent, delivery expenses (including salaries and wages) reached 0.42 per cent. Total occupancy expenses accounted for 1.52 per cent and total operating expenses for 11.04 per cent of net sales. Net operating profit was 0.99 per cent and final net profit before allowances for income tax for 27 incorporated companies reporting was 1.39 per cent.

There is no information available about operating results for unincorporated automobile dealers with wholesale car departments.

TABLE 3. Automobile Dealers with Wholesale Car Department, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of		Rented premises with annual net sales of		Total owned and rented
	\$1,000,000 and over	Total	\$1,000,000 and over	Total	
Number of businesses reporting	11	12	13	15	27
Average net sales per business	2,631,510	2,420,745	5,531,608	5,239,521	4,326,598
Average beginning inventory	273,864	251,516	418,255	396,911	349,822
Average inventory, end of year	358,113	335,633	693,022	656,712	552,724
Average cost of goods sold	2,262,457	2,080,605	4,923,054	4,663,024	3,826,651
Stock turnover (times per year).....	7.16	6.92	8.86	8.81	8.20
Profit and loss data (Per cent of net sales)					
Gross profit	14.02	14.15	11.00	11.01	12.03
Operating expenses:					
Employees' salaries and wages (except delivery).....	7.13	6.93	5.01	5.11	5.70
Delivery expenses (including salaries and wages).....	0.20	0.18	0.53	0.54	0.42
Occupancy expenses:					
Taxes	0.40	0.40	0.16	0.16	0.24
Insurance	0.23	0.23	0.22	0.22	0.22
Rent	—	—	0.53	0.53	0.37
Heat, light and power	0.31	0.31	0.14	0.15	0.20
Repairs and maintenance	0.29	0.26	0.14	0.13	0.17
Depreciation allowances	0.54	0.54	0.23	0.22	0.32
Total occupancy expenses	1.77	1.75	1.42	1.41	1.52
Office and store supplies	0.25	0.34	0.20	0.20	0.25
Advertising	0.69	0.66	0.59	0.58	0.61
Net loss on bad debts	0.08	0.11	0.04	0.04	0.06
All other expenses	2.94	3.13	2.17	2.17	2.48
Total operating expenses	13.06	13.10	9.96	10.05	11.04
Net operating profit	0.96	1.05	1.04	0.96	0.99
Non-trading income.....	1.15	1.15	0.94	0.94	1.01
Non-trading expense.....	0.75	0.68	0.60	0.57	0.61
Net profit before allowances for income tax	1.36	1.52	1.38	1.33	1.39

AUTOMOBILE DEALERS WITH FARM IMPLEMENTS (INDEPENDENT)

Businesses in this classification are primarily engaged in selling motor vehicles in combination with farm implements including tractors.

It is of some interest to note that the gross profit as a percentage of net sales for this kind of business revealed by the 1961 Census of Merchandising was 14.5 per cent. Ratios ranged from 13.2 per cent for New Brunswick to 17.1 per cent for British Columbia. The census statistics pertain to independent dealers as well as chain and to both incorporated companies and unincorporated businesses. The 1965 survey indicated gross profit of 13.01 per

cent for unincorporated automobile dealers with farm implements and 12.87 per cent in the case of incorporated companies in this kind of business.

The 1965 results in more detail and by size of business are shown in the tables that follow. The final result before deduction of proprietors' salaries, withdrawals, and income tax for the fifteen unincorporated businesses reporting is a profit of 3.67 per cent of net sales. For twenty-three incorporated companies reporting, the final profit before allowances for income tax is 2.41 per cent.

TABLE 4. Automobile Dealers, with Farm Implements, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of			Total owned and rented
	\$100,000-199,999	\$200,000-499,999	Total	
Number of businesses reporting.....	10	4	14	15
Average net sales per business.....	155,286	374,856	288,897	283,632
Average beginning inventory.....	22,714	61,975	46,605	45,725
Average inventory, end of year.....	24,954	64,724	49,155	48,261
Average cost of goods sold.....	133,465	329,791	252,932	248,064
Stock turnover (times per year).....	5.60	5.21	5.36	5.35
Profit and loss data (Per cent of net sales)				
Gross profit	14.05	12.02	12.81	13.01
Operating expenses:				
Employees' salaries and wages (except delivery).....	4.25	4.78	4.57	4.53
Delivery expenses (including salaries and wages).....	0.36	0.21	0.27	0.26
Occupancy expenses:				
Taxes.....	0.60	0.24	0.38	0.37
Insurance.....	0.39	0.19	0.27	0.27
Rent.....	-	-	-	0.06
Heat, light and power.....	0.60	0.32	0.43	0.43
Repairs and maintenance.....	0.34	0.37	0.36	0.35
Depreciation allowances.....	0.69	0.54	0.60	0.58
Total occupancy expenses	0.62	1.66	2.04	2.06
Office and store supplies.....	0.18	0.09	0.12	0.12
Advertising.....	0.35	0.33	0.34	0.33
Net loss on bad debts.....	0.20	0.17	0.18	0.17
All other expenses.....	2.47	1.68	1.99	2.05
Total operating expenses	10.43	8.92	9.51	9.52
Net operating profit	3.62	3.10	3.30	3.49
Non-trading income.....	0.13	0.23	0.19	0.18
Non-trading expense.....	-	-	-	-
Net profit before deduction of proprietors' salaries, withdrawals and income tax	3.75	3.33	3.49	3.67

TABLE 5. Automobile Dealers with Farm Implements, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of				Rented premises with annual net sales of \$1,000,000 and over	Total owned and rented
	\$200,000-499,999	\$500,000-999,999	\$1,000,000 and over	Total		
Number of businesses reporting.....	4	9	4	17	6	23
Average net sales per business.....	329,629	663,998	2,421,311	1,098,796	693,420	997,615
Average beginning inventory.....	59,940	103,688	255,349	135,404	152,042	139,557
Average inventory, end of year.....	75,618	119,624	341,377	173,784	152,019	168,351
Average cost of goods sold.....	286,878	573,965	2,154,910	970,479	601,419	878,362
Stock turnover (times per year).....	4.23	5.14	7.22	5.45	4.08	5.11
Profit and loss data (Per cent of net sales)						
Gross profit	12.97	13.56	11.00	12.51	13.94	12.87
Operating expenses:						
Employees' salaries and wages (except delivery).....	6.08	6.59	7.20	6.59	5.20	6.24
Delivery expenses (including salaries and wages).....	0.46	0.24	0.63	0.45	0.18	0.38
Occupancy expenses:						
Taxes.....	0.47	0.25	0.22	0.33	0.16	0.29
Insurance.....	0.39	0.29	0.14	0.28	0.25	0.27
Rent.....	—	—	—	—	0.61	0.15
Heat, light and power.....	0.53	0.31	0.32	0.40	0.30	0.38
Repairs and maintenance.....	0.24	0.13	0.23	0.20	0.32	0.23
Depreciation allowances.....	0.63	0.37	0.26	0.44	0.28	0.40
Total occupancy expenses	2.26	1.35	1.17	1.65	1.92	1.72
Office and store supplies.....	0.15	0.19	0.29	0.21	0.12	0.19
Advertising.....	0.19	0.35	0.45	0.32	0.38	0.33
Net loss on bad debts.....	0.48	0.52	0.29	0.43	0.51	0.45
All other expenses.....	2.05	3.16	0.87	1.99	2.50	2.12
Total operating expenses	11.67	12.40	10.90	11.64	10.81	11.43
Net operating profit	1.30	1.16	0.10	0.87	3.13	1.44
Non-trading income.....	2.03	0.79	1.15	1.39	0.68	1.21
Non-trading expense.....	0.48	—	0.22	0.26	0.17	0.24
Net profit before allowances for income tax	2.85	1.95	1.03	2.00	3.64	2.41

USED CAR DEALERS (INDEPENDENT)

Businesses included in this classification are retail establishments selling mainly used motor vehicles. They are independent enterprises having no proprietary connection with a new car agency. The business transacted by used car lots operated in conjunction with a new car agency is included in the report of the new car establishment. The occasional new model, however, may be sold by used car dealers.

It is of some interest to note that the gross profit as a percentage of net sales for this kind of business revealed by the 1961 Census of Merchandising was 17.9 per cent. Ratios ranged from 16.8 per cent for Ontario to 21.2 per cent for British Columbia. The census statistics pertain to independent dealers as well as chain and to both incorporated companies and unincorporated businesses. The 1965 survey indicated gross profit of 17.21 per cent of net sales for twenty-eight unincorporated used car dealers reporting and 18.45 per cent for twenty-four incorporated companies.

The tables which follow give detailed operating expenses as percentages of net sales. In the unincorporated sector of the trade, employees' salaries and wages (except delivery) were 4.64 per cent, total occupancy expenses 3.02 per cent, total operating expenses amounted to 11.55 per cent and net operating profit was 5.66 per cent. After taking account of non-trading income and non-trading expense, final net profit before deduction of proprietors' salaries, withdrawals and income tax amounted to 6.16 per cent.

In the incorporated sector of the trade, employees' salaries and wages (except delivery) accounted for 9.47 per cent. Total occupancy expenses were 2.42 per cent and total operating expenses were 16.30 per cent, leaving a net operating profit of 2.15 per cent. After taking account of non-trading income and non-trading expense, final net profit before allowances for income tax was 2.02 per cent. In the detailed tables, there is a distinction made between used car dealers with owned premises and those with rented premises.

TABLE 6. Used Car Dealers, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of				Rented premises with annual net sales of			Total owned and rented
	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	Total	\$50,000-99,999	\$100,000-199,999	Total	
Number of businesses reporting	7	3	7	17	5	6	11	28
Average net sales per business	86,573	128,193	292,498	183,881	84,676	161,612	129,890	162,345
Average beginning inventory	7,891	19,570	34,940	22,727	10,285	21,784	18,052	20,862
Average inventory, end of year	6,001	21,140	37,209	23,668	10,353	21,709	18,024	21,417
Average cost of goods sold	68,181	110,075	244,808	153,612	65,250	128,703	108,111	135,462
Stock turnover (times per year)	9.82	5.41	6.78	7.13	6.32	5.92	6.05	6.70
Profit and loss data (Per cent of net sales)								
Gross profit	21.24	14.13	16.37	16.91	22.93	15.11	17.65	17.21
Operating expenses:								
Employees' salaries and wages (except delivery)	4.26	5.54	5.00	4.98	3.47	4.43	4.12	4.64
Delivery expenses (including salaries and wages)	-	-	-	-	-	-	-	-
Occupancy expenses:								
Taxes	0.84	0.43	0.34	0.50	0.39	0.29	0.32	0.43
Insurance	0.57	0.50	0.64	0.58	0.56	0.37	0.43	0.52
Rent	-	-	-	-	2.65	1.44	1.83	0.73
Heat, light and power	0.49	0.62	0.49	0.53	0.57	0.85	0.76	0.62
Repairs and maintenance	0.25	0.19	0.47	0.32	0.70	0.24	0.39	0.35
Depreciation allowances	0.40	0.63	0.51	0.52	-	0.20	0.14	0.37
Total occupancy expenses	2.55	2.37	2.45	2.45	4.87	3.39	3.87	3.02
Office and store supplies	0.12	0.32	0.20	0.22	0.18	0.18	0.18	0.20
Advertising	0.85	0.36	0.78	0.66	0.95	0.45	0.61	0.64
Net loss on bad debts	0.05	0.02	0.11	0.06	-	1.00	0.68	0.31
All other expenses	3.77	2.11	2.84	2.85	4.45	1.68	2.58	2.74
Total operating expenses	11.60	10.72	11.38	11.22	13.92	11.13	12.04	11.55
Net operating profit	9.64	3.41	4.99	5.69	9.01	3.98	5.61	5.66
Non-trading income	0.88	1.87	0.31	0.98	-	0.20	0.13	0.64
Non-trading expense	0.56	-	0.07	0.18	-	0.14	0.09	0.14
Net profit before deduction of proprietors' salaries, withdrawals and income tax	9.96	5.28	5.23	6.49	9.01	4.04	5.65	6.16

TABLE 7. Used Car Dealers, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of			Rented premises with annual net sales of				Total owned and rented
	\$50,000-99,999	\$200,000-999,999	Total	\$100,000-199,999	\$200,000-499,999	\$500,000-999,999	Total	
Number of businesses reporting	4	5	9	3	7	5	15	24
Average net sales per business	96,827	510,936	430,915	156,186	380,379	685,850	459,726	448,622
Average beginning inventory	13,906	60,381	51,400	11,288	36,617	52,875	38,640	43,558
Average inventory, end of year	15,235	54,676	47,054	17,316	36,114	57,220	41,053	43,366
Average cost of goods sold	81,220	412,641	348,598	126,858	307,864	587,466	376,860	365,967
Stock turnover (times per year)	5.57	7.17	6.86	8.87	8.46	10.30	9.23	8.32
Profit and loss data (Per cent of net sales)								
Gross profit	16.12	19.24	18.64	18.78	19.06	17.26	18.33	18.45
Operating expenses:								
Employees' salaries and wages (except delivery)	9.70	8.41	8.66	8.78	9.37	11.23	9.98	9.47
Delivery expenses (including salaries and wages)	-	-	-	-	-	-	-	-
Occupancy expenses:								
Taxes	0.53	0.61	0.59	0.24	0.21	0.12	0.18	0.34
Insurance	0.52	0.34	0.37	0.34	0.33	0.20	0.28	0.31
Rent	-	-	-	0.96	0.85	0.70	0.82	0.50
Heat, light and power	0.54	0.42	0.44	0.16	0.34	0.15	0.24	0.32
Repairs and maintenance	0.28	0.21	0.23	1.74	0.77	0.25	0.73	0.54
Depreciation allowances	0.42	0.68	0.63	0.65	0.31	0.07	0.27	0.41
Total occupancy expenses	2.29	2.26	2.26	4.09	2.81	1.49	2.52	2.42
Office and store supplies	0.10	0.17	0.16	0.05	0.07	0.05	0.06	0.10
Advertising	0.46	0.71	0.66	0.24	1.11	1.17	0.99	0.86
Net loss on bad debts	-	0.32	0.26	0.13	0.10	0.16	0.13	0.18
All other expenses	2.31	4.29	3.91	3.97	3.41	1.73	2.86	3.27
Total operating expenses	14.86	16.16	15.91	17.26	16.87	15.83	16.54	16.30
Net operating profit	1.26	3.08	2.73	1.52	2.19	1.43	1.79	2.15
Non-trading income	0.13	1.09	0.90	1.91	0.31	0.59	0.68	0.76
Non-trading expense	-	2.37	1.91	1.41	0.04	-	0.25	0.89
Net profit before allowances for income tax	1.39	1.80	1.72	2.02	2.46	2.02	2.22	2.02

ACCESSORIES, TIRE AND BATTERY SHOPS (INDEPENDENT)

Businesses included in this classification sell mainly a combination of automotive accessories, tires, batteries, radios and automotive parts and, occasionally, gas and oil. The sale of gas and oil does not account for more than 33 per cent of the total trade. Such establishments may also engage in service and repair activities but receipts from these do not constitute more than 25 per cent of the total trade.

It is of some interest to note that gross profit as a percentage of net sales for this kind of business revealed by the 1961 Census of Merchandising was 30.6 per cent. Ratios ranged from 35.4 per cent for British Columbia to 24.1 per cent in the case of Saskatchewan. The census statistics pertain to independent shops as well as chain and to both incorporated companies and unincorporated businesses.

The 1965 results in more detail and by size of business are shown in the tables that follow. Over 130 usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent, unincorporated businesses was 27.65 per cent of net sales. Salaries and wages, in 1965, excluding the pay for delivery employees,

were 8.37 per cent. Delivery expenses were 0.92 per cent, occupancy expenses 5.52 per cent, office and store supplies 0.52 per cent and all other expenses were 3.98 per cent, making total operating expenses 19.31 per cent. Net operating profit before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income was 8.34 per cent. After considering non-operating items net profit was 9.00 per cent of net sales. In the detailed tables, there is a distinction made between shops with owned premises and shops with rented premises.

In the incorporated sector of the trade, for all companies reporting, the gross profit was 28.53 per cent. Salaries and wages, excluding the pay for delivery employees were 13.49 per cent, delivery expenses were 1.03 per cent, total occupancy expenses 4.89 per cent, office and store supplies 0.42 per cent and all other expenses were 5.13 per cent, making total operating expenses 24.96 per cent. Net operating profit, before adding net non-trading income and before making allowance for income tax, was 3.57 per cent. Taking account of non-trading income and expense, net profit was 4.36 per cent. A distinction is also made in this category between shops with owned premises and shops with rented premises.

TABLE 8. Accessories, Tire and Battery Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of					Total	Rented premises with annual net sales of				Total owned and rented
	\$20,000-29,999	\$30,000-49,999	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999		\$30,000-49,999	\$50,000-99,999	\$100,000-199,999	Total	
Number of businesses reporting.....	4	14	9	11	5	43	5	8	6	25	68
Average net sales per business.....	24,902	38,667	69,944	137,130	270,074	126,322	41,488	70,475	143,876	163,454	143,035
Average beginning inventory.....	9,820	10,339	12,699	24,772	55,577	24,936	9,288	15,308	15,285	29,182	26,847
Average inventory, end of year.....	10,449	10,793	11,747	28,429	57,017	26,040	9,236	19,419	16,261	30,727	28,150
Average cost of goods sold.....	17,184	25,886	48,722	101,765	210,209	94,376	29,459	50,838	103,921	119,588	105,724
Stock turnover (times per year).....	1.70	2.44	3.98	3.82	3.73	3.60	3.18	2.93	6.39	4.76	4.12
Profit and loss data (Per cent of net sales)											
Gross profit	30.99	33.05	30.34	25.79	22.16	27.66	28.99	27.86	27.77	27.63	27.65
Operating expenses:											
Employees' salaries and wages (except delivery).....	8.71	8.12	10.04	7.92	7.61	8.62	3.87	6.70	8.40	8.07	8.37
Delivery expenses (including salaries and wages).....	1.01	0.84	0.76	0.57	0.72	0.72	1.63	0.67	1.15	1.17	0.92
Occupancy expenses:											
Taxes.....	1.75	1.60	1.28	0.86	0.67	1.09	0.36	0.43	0.23	0.39	0.77
Insurance.....	1.19	0.78	0.70	0.54	0.74	0.69	0.55	0.54	0.53	0.47	0.59
Rent.....	—	—	—	—	—	—	2.69	3.06	2.58	2.73	1.23
Heat, light and power.....	2.18	1.45	1.33	0.91	0.80	1.15	0.85	0.84	0.88	0.82	1.00
Repairs and maintenance.....	0.96	0.41	0.29	0.54	0.37	0.42	0.12	0.38	0.69	0.37	0.40
Depreciation allowances.....	1.49	2.59	2.19	1.60	1.55	1.91	1.43	1.12	1.14	1.06	1.53
Total occupancy expenses	7.57	6.83	5.79	4.45	4.13	5.26	6.00	6.37	6.05	5.84	5.52
Office and store supplies.....	0.22	0.44	0.42	0.34	1.00	0.52	0.60	0.34	0.74	0.51	0.52
Advertising.....	0.21	0.80	0.90	0.69	0.70	0.76	0.52	0.78	1.03	0.92	0.83
Net loss on bad debts.....	0.42	0.46	0.37	0.38	0.55	0.42	0.04	0.38	0.33	0.33	0.38
All other expenses.....	4.07	3.93	2.74	2.43	1.93	2.68	2.96	2.39	2.55	2.88	2.77
Total operating expenses	22.21	21.42	21.02	16.78	16.64	18.98	15.62	17.63	20.25	19.72	19.31
Net operating profit	8.78	11.63	9.32	9.01	5.52	8.68	13.37	10.23	7.52	7.91	8.34
Non-trading income.....	3.58	0.11	0.74	0.70	0.37	0.68	0.02	0.47	1.18	0.68	0.68
Non-trading expense.....	—	—	—	—	—	—	—	—	—	0.02	0.02
Net profit before deduction of proprietors' salaries, withdrawals and income tax	12.36	11.74	10.06	9.71	5.89	9.36	13.39	10.70	8.70	8.57	9.00

TABLE 9. Accessories, Tire and Battery Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of			Rented premises with annual net sales of					Total owned and rented	
	\$100,000-199,999	\$200,000-499,999	Total	\$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....	9	5	17	3	12	17	12	6	50	67
Average net sales per business....	145,848	265,073	400,454	77,314	162,127	313,459	656,356	1,791,830	720,267	627,775
Average beginning inventory.....	22,848	42,511	34,982	8,209	36,932	63,526	96,876	186,237	94,059	76,974
Average inventory, end of year....	23,794	55,467	46,087	11,788	39,049	64,946	105,831	205,065	101,466	85,450
Average cost of goods sold	105,155	191,454	280,734	52,842	119,543	220,109	479,024	1,297,214	519,779	450,646
Stock turnover (times per year)....	4.42	3.91	6.89	5.28	3.14	3.42	4.72	6.63	4.51	5.20
Profit and loss data (Per cent of net sales)										
Gross profit	29.27	27.77	29.17	31.65	26.27	29.78	27.02	27.60	28.27	28.53
Operating expenses:										
Employees' salaries and wages (except delivery)	14.30	13.08	12.34	11.23	12.41	13.32	14.86	15.76	13.96	13.49
Delivery expenses (including salaries and wages)	0.90	1.08	1.72	1.26	0.79	1.09	0.45	0.36	0.75	1.03
Occupancy expenses:										
Taxes.....	0.84	0.60	0.67	0.47	0.80	0.35	0.26	0.46	0.45	0.51
Insurance.....	0.57	0.79	0.72	0.09	0.67	0.69	0.33	0.24	0.48	0.55
Rent	-	-	-	2.66	2.54	1.98	2.25	2.23	2.21	1.57
Heat, light and power.....	0.73	0.59	0.67	1.02	0.76	0.71	0.51	0.56	0.66	0.66
Repairs and maintenance.....	0.44	0.48	0.58	0.76	0.56	0.44	0.34	0.39	0.45	0.49
Depreciation allowances.....	1.75	1.47	1.78	0.65	0.96	1.07	0.66	0.55	0.83	1.11
Total occupancy expenses	4.33	3.93	4.42	5.65	6.29	5.24	4.35	4.43	5.08	4.89
Office and store supplies	0.40	0.38	0.36	0.98	0.39	0.42	0.33	0.46	0.44	0.42
Advertising	0.67	1.23	1.03	1.51	0.97	1.00	1.22	0.54	0.93	0.96
Net loss on bad debts	0.33	0.31	0.32	1.50	0.38	0.31	0.11	0.31	0.35	0.34
All other expenses.....	3.75	5.76	5.46	2.59	3.05	2.82	2.90	4.00	3.17	3.83
Total operating expenses	24.68	25.77	25.65	24.72	24.28	24.20	24.22	25.86	24.68	24.96
Net operating profit	4.59	2.00	3.52	6.93	1.99	5.58	2.80	1.74	3.59	3.57
Non-trading income.....	0.31	1.65	1.63	0.38	0.26	0.82	1.07	0.47	0.65	0.93
Non-trading expense.....	-	-	0.18	-	-	0.34	0.01	0.01	0.13	0.14
Net profit before allowances for income tax	4.90	3.65	4.97	7.31	2.23	6.06	3.86	2.20	4.11	4.36

SECOND HAND PARTS AND ACCESSORY SHOPS (INDEPENDENT)

Shops in this category are retail businesses specializing in the sale of second hand parts and accessories.

Seventeen usable reports were received from unincorporated businesses and incorporated companies. The gross profit for independent, unincorporated second hand parts and accessory shops was 51.09 per cent. Salaries and wages, excluding the pay for delivery employees, were 10.83 per cent of net sales in 1965. Delivery expenses were 1.73 per cent, total occupancy expenses 9.15 per cent, office and store supplies 0.30 per cent and all other expenses were 5.90 per cent, making total operating expenses 27.91 per cent. Net operating profit before adding net non-trading income and before deduction of proprietors' salaries, withdrawals

and income tax amounted to 23.18 per cent. Taking account of non-trading income and expense, net profit was 23.80 per cent.

For the incorporated companies in this kind of business, the gross profit was 54.72 per cent. Salaries and wages, excluding the pay for delivery employees, were 31.01 per cent of net sales. Delivery expenses were 0.26 per cent, total occupancy expenses 9.41 per cent, office and store supplies 0.70 per cent and all other expenses 5.62 per cent, making total operating expenses 47.00 per cent. Net operating profit, before adding non-trading income and before deduction of income tax amounted to 7.72 per cent. Taking account of non-trading income, final net profit was 8.35 per cent.

TABLE 10. Second Hand Parts and Accessory Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of		
	Under \$30,000	\$30,000 - 99,999	Total
Number of businesses reporting	9	5	14
Average net sales per business	13,631	68,442	49,559
Average beginning inventory	2,725	14,147	10,212
Average inventory, end of year	3,110	14,817	10,784
Average cost of goods sold	4,796	38,415	26,833
Stock turnover (times per year)	1.64	2.65	2.30
Profit and loss data (Per cent of net sales)			
Gross profit	64.82	43.87	51.09
Operating expenses:			
Employees' salaries and wages (except delivery)	15.20	8.53	10.83
Delivery expenses (including salaries and wages)	3.21	0.95	1.73
Occupancy expenses:			
Taxes	1.91	1.12	1.39
Insurance	1.13	0.68	0.84
Rent	—	—	—
Heat, light and power	1.95	1.40	1.59
Repairs and maintenance	0.38	2.29	1.63
Depreciation allowances	4.40	3.33	3.70
Total occupancy expenses	9.77	8.82	9.15
Office and store supplies	0.60	0.15	0.30
Advertising	0.71	0.29	0.43
Net loss on bad debts	1.17	0.08	0.46
All other expenses	7.57	3.67	5.01
Total operating expenses*	38.23	22.49	27.91
Net operating profit	26.59	21.38	23.18
Non-trading income	1.17	1.38	1.31
Non-trading expense	2.01	—	0.69
Net profit before deduction of proprietors' salaries, withdrawals and income tax	25.75	22.76	23.80

TABLE 11. Second Hand Parts and Accessory Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Rented premises with annual net sales of \$30,000 - 199,999
Number of businesses reporting	3
Average net sales per business	102,893
Average beginning inventory	15,781
Average inventory, end of year	19,564
Average cost of goods sold	46,592
Stock turnover (times per year)	2.64
Profit and loss data (Per cent of net sales)	
Gross profit	54.72
Operating expenses:	
Employees' salaries and wages (except delivery)	31.01
Delivery expenses (including salaries and wages)	0.26
Occupancy expenses:	
Taxes	1.34
Insurance	1.35
Rent	3.01
Heat, light and power	1.82
Repairs and maintenance	0.44
Depreciation allowances	1.45
Total occupancy expenses	9.41
Office and store supplies	0.70
Advertising	0.73
Net loss on bad debts	0.10
All other expenses	4.79
Total operating expenses	47.00
Net operating profit	7.72
Non-trading income	0.63
Non-trading expense	—
Net profit before allowances for income tax	8.35

SERVICE STATIONS (INDEPENDENT)

This survey of service stations covers retail businesses selling mainly gas, oil, parts and accessories, tires and tubes and also performing service and repairs. The sale of gas and oil must, however, constitute at least 50 per cent of the total trade.

The last survey of operating results of service stations—previously known as filling stations—was carried out for the year 1959. (Catalogue No. 63-408).

Financial data of 1,399 unincorporated service stations and 119 incorporated companies are included in the present report. The gross profit for independent, unincorporated businesses was 21.61 per cent of net sales in 1965. It is of some interest to note that the gross profit as a percentage of net sales for service stations revealed by the 1961 Census of Merchandising was 23.1 per cent. Gross profit ranged from 19.1 per cent for Nova Scotia to 26.5 per cent for British Columbia. The Census statistics pertain to all businesses of this kind, independent as well as chain, and incorporated companies as well as unincorporated businesses. Salaries and wages, in 1965, for independent unincorporated service stations, excluding the pay for delivery employees, were 6.81 per cent of net sales compared with 7.19 per cent in 1959. Total occupancy expenses

were 5.21 per cent (4.97 per cent in 1959). Total operating expenses amounted to 15.12 per cent (14.67 per cent). Net operating profit, before deduction of proprietors' salaries, withdrawals and income tax and addition of net non-trading income, was 6.49 per cent compared with 7.67 per cent in 1959. Taking account of non-trading income and expense, final net profit was 6.70 per cent (8.04 per cent). In the detailed tables, there is a distinction made between businesses with owned premises and those with rented premises.

In the incorporated sector of the trade for all 119 companies reporting, the gross profit was 25.58 per cent of net sales. (There is no data available for this category of service stations for 1959). Salaries and wages were 14.26 per cent, total occupancy expenses 4.75 per cent, office and store supplies 0.38 per cent and all other expenses were 3.45 per cent, making total operating expenses 22.84 per cent. Net operating profit, before adding net non-trading income and before making allowance for income tax, was 2.74 per cent. After adding non-trading income and expense, final net profit was 3.32 per cent. A distinction is also made in this category between service stations with owned premises and businesses with rented premises.

TABLE 12. Service Stations, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

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.....	62	91	184	237	77	6	691
Average net sales per business.....	15,067	24,513	40,067	70,339	126,799	260,750	76,040
Average beginning inventory.....	1,843	2,325	3,155	3,889	6,174	6,698	4,007
Average inventory, end of year.....	1,845	2,287	3,249	4,109	7,574	7,064	4,385
Average cost of goods sold.....	11,686	18,914	31,346	55,430	99,784	217,993	60,450
Stock turnover (times per year).....	6.34	8.20	9.79	13.86	14.51	31.68	12.95
Profit and loss data (Per cent of net sales)							
Gross profit	22.44	22.84	21.76	21.20	21.30	16.40	21.42
Operating expenses:							
Employees' salaries and wages (except delivery).....	1.80	3.28	4.74	6.48	7.24	7.64	5.68
Delivery expenses (including salaries and wages).....	0.06	0.04	0.01	0.03	0.04	—	0.03
Occupancy expenses:							
Taxes.....	1.69	1.38	0.92	0.90	0.56	0.52	0.95
Insurance.....	0.94	1.06	0.77	0.64	0.50	0.42	0.70
Rent.....	—	—	—	—	—	—	—
Heat, light and power.....	2.44	1.72	1.40	1.05	0.70	0.63	1.23
Repairs and maintenance.....	0.82	0.78	0.76	0.56	0.45	0.35	0.62
Depreciation allowances.....	0.61	1.74	1.63	1.42	1.33	0.46	1.40
Total occupancy expenses	6.70	6.68	5.48	4.57	3.54	2.38	4.90
Office and store supplies.....	0.29	0.25	0.40	0.28	0.26	0.07	0.29
Advertising.....	0.26	0.34	0.32	0.32	0.35	0.82	0.35
Net loss on bad debts.....	0.43	0.24	0.29	0.22	0.23	0.11	0.25
All other expenses.....	2.96	3.60	2.90	2.58	2.32	1.96	2.70
Total operating expenses	12.50	14.43	14.14	14.48	13.98	12.98	14.20
Net operating profit	9.94	8.41	7.62	6.72	7.32	3.42	7.22
Non-trading income.....	0.92	0.88	0.61	0.38	0.23	0.35	0.47
Non-trading expense.....	0.03	0.13	0.06	0.22	0.04	—	0.12
Net profit before deduction of proprietors' salaries, withdrawals and income tax	10.83	9.16	8.18	6.88	7.51	3.77	7.57

TABLE 12. Service Stations, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965 - Concluded

Item	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	\$200,000-499,999	Total	
Number of businesses reporting	4	15	65	253	317	51	708	1,399
Average net sales per business	16,806	24,995	41,060	76,405	136,741	256,386	109,378	99,801
Average beginning inventory	781	1,142	2,094	2,794	4,392	5,958	3,551	3,682
Average inventory, end of year	745	1,354	2,181	2,913	4,949	6,856	3,900	4,039
Average cost of goods sold	12,430	19,891	33,052	59,957	105,888	203,086	85,574	78,357
Stock turnover (times per year)	16.28	15.94	15.47	21.00	22.67	31.70	21.83	19.28
Profit and loss data (Per cent of net sales)								
Gross profit	26.04	20.42	19.50	21.53	22.56	20.79	21.69	21.61
Operating expenses:								
Employees' salaries and wages (except delivery)	1.38	3.47	3.45	6.70	8.77	8.96	7.26	6.81
Delivery expenses (including salaries and wages)	-	-	0.01	0.02	0.01	0.20	0.03	0.03
Occupancy expenses:								
Taxes	0.02	0.48	0.40	0.39	0.35	0.25	0.36	0.53
Insurance	0.33	0.58	0.48	0.48	0.45	0.32	0.46	0.53
Rent	3.81	2.93	2.59	2.76	2.66	2.71	2.72	1.94
Heat, light and power	2.14	1.44	1.19	0.91	0.68	0.50	0.83	0.95
Repairs and maintenance	0.01	0.29	0.35	0.33	0.33	0.32	0.33	0.41
Depreciation allowances	0.13	0.86	0.65	0.68	0.64	0.36	0.63	0.85
Total occupancy expenses	6.44	6.58	5.66	5.55	5.11	4.46	5.33	5.21
Office and store supplies	0.15	0.20	0.37	0.26	0.28	0.21	0.27	0.27
Advertising	0.04	0.24	0.22	0.39	0.44	0.35	0.38	0.37
Net loss on bad debts	1.37	0.29	0.29	0.16	0.18	0.13	3.19	0.21
All other expenses	2.33	2.83	1.85	1.99	2.09	1.82	2.03	2.22
Total operating expenses	11.71	13.61	11.85	15.07	16.88	16.13	15.49	15.12
Net operating profit	14.33	6.81	7.65	6.46	5.68	4.66	6.20	6.49
Non-trading income	-	0.19	0.48	0.12	0.16	0.11	0.17	0.26
Non-trading expense	-	-	0.01	0.01	0.02	-	0.02	0.05
Net profit before deduction of proprietors' salaries, withdrawals and income tax	14.33	7.00	8.12	6.57	5.82	4.77	6.35	6.70

TABLE 13. Service Stations, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of					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	Total	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	Total	
Number of businesses reporting	3	7	12	4	28	11	44	33	91	119
Average net sales per business	41,479	65,482	145,890	360,448	254,450	81,972	137,678	291,785	191,642	216,996
Average beginning inventory	7,893	2,981	4,450	7,807	6,786	4,459	4,953	9,821	6,783	6,784
Average inventory, end of year	6,026	3,744	5,110	8,639	6,696	4,516	5,571	11,974	7,846	7,382
Average cost of goods sold	30,841	49,356	107,390	269,092	193,351	59,339	99,675	223,012	143,584	163,674
Stock turnover (times per year)	4.43	14.86	22.47	32.72	25.38	13.22	18.94	20.47	16.74	21.42
Profit and loss data (Per cent of net sales)										
Gross profit	25.65	24.63	26.39	25.35	24.95	27.61	27.60	23.57	26.01	25.58
Operating expenses:										
Employees' salaries and wages (except delivery)	14.46	13.39	14.10	14.82	13.63	16.22	16.17	12.71	14.69	14.26
Delivery expenses (including salaries and wages)	-	-	-	-	-	-	-	-	-	-
Occupancy expenses:										
Taxes	1.28	0.77	0.92	1.27	0.97	0.41	0.30	0.37	0.34	0.59
Insurance	0.42	0.63	0.59	0.41	0.50	0.61	0.47	0.40	0.46	0.48
Rent	-	-	-	-	-	3.09	2.71	2.58	2.68	1.60
Heat, light and power	1.07	0.97	0.60	1.16	0.80	0.86	0.76	0.68	0.76	0.78
Repairs and maintenance	0.54	0.25	0.23	0.59	0.40	0.42	0.30	0.53	0.39	0.39
Depreciation allowances	0.27	1.12	1.37	1.42	1.29	0.65	0.80	0.52	0.65	0.91
Total occupancy expenses	3.58	3.74	3.71	4.85	3.96	6.04	5.34	5.08	5.28	4.75
Office and store supplies	0.57	0.64	0.41	0.19	0.40	0.36	0.32	0.25	0.36	0.38
Advertising	0.65	0.48	0.20	0.32	0.33	0.35	0.45	0.51	0.45	0.40
Net loss on bad debts	0.21	-	0.28	0.18	0.17	0.49	0.36	0.15	0.29	0.24
All other expenses	2.15	2.65	3.70	3.00	3.13	3.01	2.53	2.30	2.60	2.81
Total operating expenses	21.62	21.10	22.40	23.36	21.62	26.47	25.17	21.00	23.67	22.84
Net operating profit	4.03	3.53	3.99	1.99	3.33	1.14	2.43	2.57	2.34	2.74
Non-trading income	-	0.22	0.74	2.62	1.07	0.10	0.40	0.30	0.31	0.62
Non-trading expense	-	0.05	-	-	0.02	-	-	0.04	0.06	0.04
Net profit before allowances for income tax	4.03	3.70	4.73	4.61	4.38	1.24	2.83	2.83	2.59	3.32

SERVICE STATIONS WITH RESTAURANTS (INDEPENDENT)

To this classification belong establishments selling mainly gas, oil, parts and accessories, tires and tubes and also performing services where sales of these are over 50 per cent of total trade; they also have sales of meals and lunches. The sale of gas and oil constitutes over 40 per cent of total trade. The sale of meals and lunches is between 10 per cent and 50 per cent of total trade.

Service stations with restaurants have never been surveyed before. Only information on unincorporated businesses is available for 1965. Finan-

cial data of 55 independent unincorporated service stations with restaurants are included in this report. The gross profit was 18.67 per cent. Employees' salaries and wages, excluding the pay for delivery employees, were 4.54 per cent. Delivery expenses were 0.14 per cent. Total occupancy expenses reached 5.25 per cent and total operating expenses accounted for 13.06 per cent. Net operating profit, before adding net non-trading income and before deduction of proprietors' salaries, withdrawals and income tax was 5.61 per cent. Final net profit after taking account of non-trading income and non-trading expense was 5.78 per cent.

TABLE 14. Service Stations with Restaurants, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of						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	\$50,000-99,999	\$100,000-199,999	Total	
Number of businesses reporting	4	7	12	16	5	44	4	4	11	55
Average net sales per business	17,774	26,602	41,008	68,656	131,938	68,172	73,709	134,232	115,739	82,645
Average beginning inventory	1,530	1,630	2,070	2,436	4,416	2,617	2,057	6,272	3,423	2,862
Average inventory, end of year	1,708	1,962	2,395	2,745	4,613	2,902	2,950	5,848	4,007	3,238
Average cost of goods sold	12,650	22,241	33,364	56,326	109,490	56,053	62,180	103,884	90,806	66,627
Stock turnover (times per year)	7.81	12.38	14.94	21.74	24.23	19.06	24.83	17.14	29.39	22.20
Profit and loss data (Per cent of net sales)										
Gross profit	28.82	16.39	18.64	17.96	17.01	18.36	15.64	22.61	19.37	18.67
Operating expenses:										
Employees' salaries and wages (except delivery)	-	2.81	2.09	3.71	5.57	3.44	2.92	10.85	7.05	4.54
Delivery expenses (including salaries and wages)	-	-	-	0.46	-	0.20	-	-	-	0.14
Occupancy expenses:										
Taxes	3.14	1.10	0.87	0.64	0.52	0.85	0.19	0.36	0.22	0.66
Insurance	0.92	0.96	0.86	0.75	0.41	0.74	0.45	0.24	0.34	0.62
Rent	-	-	-	-	-	-	1.78	2.40	2.18	0.66
Heat, light and power	2.52	2.31	1.48	1.30	1.09	1.48	1.13	1.51	1.21	1.40
Repairs and maintenance	0.89	0.89	0.84	0.70	0.36	0.69	0.14	0.49	0.29	0.57
Depreciation allowances	3.81	1.46	1.11	2.10	0.59	1.62	0.83	0.59	0.71	1.34
Total occupancy expenses	11.28	6.72	5.16	5.49	2.97	5.38	4.52	5.59	4.95	5.25
Office and store supplies	0.33	0.18	0.41	0.46	0.26	0.37	0.87	0.59	0.63	0.45
Advertising	0.33	0.03	0.22	0.23	0.21	0.21	0.12	0.34	0.23	0.22
Net loss on bad debts	0.22	0.05	0.08	-	0.40	0.11	0.01	0.03	0.09	0.10
All other expenses	3.73	2.55	2.85	2.53	2.14	2.59	1.39	2.01	1.83	2.36
Total operating expenses	15.89	12.34	10.81	12.88	11.55	12.30	9.83	19.41	14.78	13.06
Net operating profit	12.93	4.05	7.83	5.08	5.46	6.06	5.81	3.20	4.59	5.61
Non-trading income	-	0.46	0.50	0.07	0.05	0.19	-	0.70	0.22	0.20
Non-trading expense	-	-	0.11	0.04	-	0.04	-	-	-	0.03
Net profit before deduction of proprietors' salaries, withdrawals and income tax	12.93	4.51	8.22	5.11	5.51	6.21	5.81	3.90	4.81	5.78

RETAIL GARAGES (INDEPENDENT)

To this classification belong retail establishments engaged in making repairs or performing other services in addition to the sale of gas, oil, accessories and parts and also fulfilling one of the two following requirements:

- (a) Receipts from repair work and other services constitute between 25 per cent and 50 per cent of total trade.
- (b) Receipts from repair work and other services constitute less than 25 per cent of the total trade, but the sale of parts and accessories and the sale of gas and oil each constitutes separately more than 33 per cent of the total trade.

Over ninety usable reports were received from unincorporated and incorporated retail garages. The gross profit for unincorporated businesses was 32.52 per cent of net sales. Salaries and wages, excluding the pay for delivery employees, were 11.53 per cent. Delivery expenses amounted to 0.04 per cent. Total occupancy expenses accounted for 5.90 per cent,

office and store supplies for 0.47 per cent, all other expenses for 4.57 per cent, making total operating expenses 22.51 per cent. Net operating profit before adding net non-trading income and before deduction of proprietors' salaries, withdrawals and income tax amounted to 10.01 per cent. Taking account of non-trading income and expense, net profit was 10.30 per cent. In the detailed table there is a distinction made between garages with owned premises and garages with rented premises.

For incorporated companies in this kind of business, the gross profit was 33.32 per cent. Salaries and wages were 15.33 per cent and total occupancy expenses reached 6.98 per cent. Office and store supplies were 0.28 per cent and all other expenses 5.34 per cent, making total operating expenses 27.93 per cent. Net operating profit, before adding non-trading income and before making allowance for income tax, was 5.39 per cent. After adding non-trading income, final net profit was 5.76 per cent.

TABLE 15. Retail Garages, Independent. Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

Item	Owned premises with annual net sales of							Rented premises with annual net sales of			Total owned and rented
	Under \$10,000	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	Total	\$50,000 - 99,999	\$100,000 - 199,999	Total	
Number of businesses reporting ...	4	9	5	31	26	3	78	4	3	7	85
Average net sales per business.....	9,056	15,005	26,074	39,275	70,334	137,010	68,337	78,973	104,281	88,379	71,341
Average beginning inventory	2,073	4,890	3,379	4,937	5,405	17,084	7,404	4,711	11,592	7,269	7,384
Average inventory, end of year	2,474	4,775	3,347	5,076	5,565	10,937	6,244	3,208	15,007	7,593	6,446
Average cost of goods sold	5,498	9,608	15,858	27,240	49,298	92,456	46,808	50,409	68,432	57,108	48,352
Stock turnover (times per year).....	2.41	1.99	4.72	5.44	8.99	6.59	6.76	12.73	5.15	9.91	7.23
Profit and loss data (Per cent of net sales)											
Gross profit	39.29	35.97	39.18	30.64	29.91	32.52	32.00	36.16	34.38	35.50	32.52
Operating expenses:											
Employees' salaries and wages (except delivery)	4.14	6.26	10.24	8.23	12.14	13.83	10.93	14.86	15.09	14.95	11.53
Delivery expenses (including salaries and wages)	-	-	-	0.12	0.05	-	0.05	-	-	-	0.04
Occupancy expenses:											
Taxes	4.78	1.81	2.09	1.27	0.79	1.58	1.30	0.29	0.31	0.30	1.15
Insurance	1.97	1.34	1.44	0.87	0.96	0.43	0.92	0.78	0.50	0.68	0.88
Rent	-	-	-	-	-	-	-	2.58	2.30	2.48	0.37
Heat, light and power	5.01	2.52	2.02	1.69	1.12	0.67	1.39	0.99	0.76	0.90	1.32
Repairs and maintenance	0.69	1.94	0.57	1.01	0.78	0.35	0.80	0.23	-	0.14	0.70
Depreciation allowances	0.86	2.42	3.24	1.53	1.54	1.00	1.63	0.73	0.39	0.60	1.48
Total occupancy expenses	13.33	10.03	9.36	6.37	5.19	4.03	6.04	5.60	4.26	5.10	5.90
Office and store supplies	0.18	0.18	0.31	0.45	0.27	0.43	0.34	1.49	0.71	1.20	0.47
Advertising	0.47	0.45	0.25	0.24	0.21	0.24	0.25	0.33	0.17	0.27	0.25
Net loss on bad debts	1.10	0.75	0.20	0.56	0.85	0.34	0.62	0.08	-	0.05	0.53
All other expenses	4.90	3.61	6.50	3.68	2.83	4.68	3.83	3.50	3.55	3.52	3.79
Total operating expenses	24.12	21.48	26.86	19.65	21.54	23.55	22.06	25.86	23.78	25.09	22.51
Net operating profit	15.17	14.49	12.32	10.99	8.36	8.97	9.94	10.30	10.60	10.41	10.01
Non-trading income	-	0.38	0.01	0.30	0.40	0.41	0.33	0.27	0.19	0.24	0.32
Non-trading expense	-	-	-	-	0.11	-	0.04	-	-	-	0.03
Net profit before deduction of proprietors' salaries, withdrawals and income tax	15.17	14.87	12.33	11.29	8.65	9.38	10.23	10.57	10.79	10.65	10.30

TABLE 16. Retail Garages, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

	Rented premises with annual net sales of		
	\$50,000 - 99,999	\$100,000 - 199,999	Total
Number of businesses reporting	3	3	6
Average net sales per business	86,844	140,225	120,547
Average beginning inventory	7,446	23,668	17,688
Average inventory, end of year	7,096	24,611	18,154
Average cost of goods sold	56,629	94,712	80,673
Stock turnover (times per year)	7.79	3.92	5.35
Profit and loss data (Per cent of net sales)			
Gross profit	34.79	32.46	33.32
Operating expenses:			
Employees' salaries and wages (except delivery)	19.92	12.65	15.33
Delivery expenses (including salaries and wages)	—	—	—
Occupancy expenses:			
Taxes	0.20	0.57	0.43
Insurance	0.57	1.17	0.95
Rent	4.01	1.83	2.63
Heat, light and power	1.64	1.35	1.46
Repairs and maintenance	0.38	1.28	0.95
Depreciation allowances	0.65	0.51	0.56
Total occupancy expenses	7.45	6.71	6.98
Office and store supplies	0.58	0.10	0.28
Advertising	0.40	0.80	0.65
Net loss on bad debts	0.40	0.84	0.68
All other expenses	3.71	4.19	4.01
Total operating expenses	32.46	25.29	27.93
Net operating profit	2.33	7.17	5.39
Non-trading income	1.01	—	0.37
Non-trading expense	—	—	—
Net profit before allowances for income tax	3.34	7.17	5.76

SERVICE GARAGES (INDEPENDENT)

Garages included in this business category are retail establishments mainly engaged in providing a general line of automotive repairs and services where receipts from this activity constitute more than 50 per cent of total revenue. Gas and oil may also be sold.

Financial data of 364 unincorporated businesses and 34 incorporated companies are included in this report. The gross profit for independent unincorporated service garages was 38.60 per cent. Salaries and wages, excluding the pay for delivery employees were 10.97 per cent of net sales. Delivery expenses amounted to 0.04 per cent. Total occupancy expenses accounted for 7.90 per cent. Office and store supplies were 0.45 per cent, all other expenses 5.13 per cent, making total operating expenses 24.49 per cent. Net operating profit, before adding net non-trading income and before deduction of proprietors' salaries, withdrawals and income tax, amounted to

14.11 per cent. Taking account of non-trading income and expense, net profit was 15.05 per cent. In the detailed table, there is a distinction made between service garages with owned premises and those with rented premises.

For the incorporated service garages the gross profit was 48.38 per cent. Salaries and wages, excluding the pay for delivery employees, were 30.29 per cent, delivery expenses were 0.03 per cent, total occupancy expenses 7.70 per cent, office and store supplies 0.45 per cent and all other expenses amounted to 7.20 per cent, making total operating expenses 45.67 per cent. Net operating profit, before adding non-trading income and before making allowance for Income tax, was 2.71 per cent. After adding non-trading income the final profit was 3.29 per cent. A distinction is also made in this category between garages with owned premises and garages with rented premises.

TABLE 17. Service Garages, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

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	
Number of businesses reporting	58	73	57	68	48	12	316
Average net sales per business	6,382	14,752	24,424	38,312	69,407	123,300	53,924
Average beginning inventory	899	1,476	2,396	3,720	6,384	8,144	4,580
Average inventory, end of year	887	1,347	2,349	3,924	6,129	9,631	4,759
Average cost of goods sold	3.219	7.797	15.323	24,347	48.254	82.667	35.876
Stock turnover (times per year)	3.65	5.52	6.46	6.37	7.71	9.30	6.97
Profit and loss data (Per cent of net sales)							
Gross profit	49.56	47.14	37.26	36.45	30.48	32.95	36.21
Operating expenses:							
Employees' salaries and wages (except delivery)	3.49	8.02	12.08	10.80	11.41	14.59	11.00
Delivery expenses (including salaries and wages)	0.20	0.13	0.10	0.03	0.02	—	0.05
Occupancy expenses:							
Taxes	3.51	2.18	1.61	1.17	0.84	0.77	1.31
Insurance	1.79	1.87	1.27	1.19	0.91	0.67	1.15
Rent	—	—	—	—	—	—	—
Heat, light and power	3.86	2.96	2.24	1.62	1.03	0.83	1.69
Repairs and maintenance	1.82	1.05	0.70	0.84	0.59	0.49	0.77
Depreciation allowances	2.88	2.21	2.05	2.57	2.16	1.65	2.22
Total occupancy expenses	13.86	10.27	7.87	7.39	5.53	4.41	7.14
Office and store supplies	0.47	0.50	0.54	0.47	0.35	0.54	0.46
Advertising	0.21	0.32	0.38	0.35	0.27	0.43	0.33
Net loss on bad debts	0.86	0.70	0.19	0.23	0.26	0.65	0.39
All other expenses	5.88	6.62	4.57	3.71	3.46	3.40	4.15
Total operating expenses	24.97	26.56	25.73	22.98	21.30	24.02	23.52
Net operating profit	24.59	20.58	11.53	13.47	9.18	8.93	12.69
Non-trading income	4.84	1.06	1.05	0.96	0.37	0.73	1.00
Non-trading expense	0.06	0.28	—	0.04	0.06	0.83	0.20
Net profit before deduction of proprietors' salaries, withdrawals and income tax	29.37	21.36	12.58	14.39	9.49	8.83	13.49

TABLE 17. Service Garages, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965 - Concluded

Item	Rented premises with annual net sales of						Total owned and rented
	Under \$10,000	\$10,000-19,999	\$20,000-29,999	\$30,000-49,999	\$50,000-99,999	Total	
Number of businesses reporting	9	9	6	12	12	48	364
Average net sales per business	5,918	14,293	20,956	39,266	69,200	39,647	50,419
Average beginning inventory	380	782	701	2,955	4,358	2,492	4,067
Average inventory, end of year	420	806	791	3,000	4,966	2,722	4,259
Average cost of goods sold	3,122	6,779	9,462	22,140	42,165	22,686	32,638
Stock turnover (times per year)	7.80	8.54	12.68	7.43	9.04	9.17	7.51
Profit and loss data (Per cent of net sales)							
Gross profit	47.25	52.57	54.84	43.62	39.07	45.94	38.60
Operating expenses:							
Employees' salaries and wages (except delivery).....	5.52	6.64	14.60	8.61	13.51	10.89	10.97
Delivery expenses (including salaries and wages)	—	—	—	—	—	—	0.04
Occupancy expenses:							
Taxes	2.53	1.36	1.60	0.67	0.53	1.01	1.24
Insurance	1.16	1.57	1.25	0.89	0.78	1.04	1.12
Rent	8.50	5.78	5.49	4.46	3.13	4.65	1.14
Heat, light and power	3.36	2.76	1.36	1.45	0.83	1.53	1.65
Repairs and maintenance	0.26	0.57	0.06	0.89	0.74	0.60	0.73
Depreciation allowances	1.19	1.46	2.88	1.08	0.75	1.39	2.02
Total occupancy expenses	17.00	13.50	12.64	9.44	6.76	10.22	7.90
Office and store supplies	0.14	0.22	0.52	0.43	0.54	0.44	0.45
Advertising	0.24	0.73	0.23	0.43	0.54	0.46	0.36
Net loss on bad debts	1.22	0.14	0.02	0.58	0.02	0.26	0.36
All other expenses	3.80	7.02	6.70	4.17	4.50	5.19	4.41
Total operating expenses	27.92	28.25	34.71	23.66	25.87	27.46	24.49
Net operating profit	19.33	24.32	20.13	19.96	13.20	18.48	14.11
Non-trading income	—	1.81	8.87	0.09	0.37	2.17	1.29
Non-trading expense	—	0.75	2.83	0.51	—	0.82	0.35
Net profit before deduction of proprietors' salaries, withdrawals and income tax	19.33	25.38	26.17	19.54	13.57	19.83	15.05

TABLE 18. Service Garages, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of				Rented premises with annual net sales of					Total owned and rented
	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	Total	\$30,000-49,999	\$50,000-99,999	\$100,000-199,999	\$200,000-499,999	Total	
Number of businesses reporting	7	3	3	13	6	5	7	3	21	34
Average net sales per business	84,502	153,629	307,696	185,851	36,053	61,358	147,462	261,194	151,240	167,266
Average beginning inventory	11,639	11,206	29,663	17,526	2,373	8,397	7,734	8,334	7,603	12,198
Average inventory, end of year	13,315	14,042	33,828	20,481	2,612	8,494	9,457	11,772	9,314	14,485
Average cost of goods sold	51,361	88,463	134,414	93,419	12,803	33,672	87,278	106,035	72,102	81,973
Stock turnover (times per year)	4.12	7.01	4.23	5.26	5.14	3.99	10.15	10.55	8.16	6.82
Profit and loss data (Per cent of net sales)										
Gross profit	39.22	42.42	56.31	46.18	64.49	45.12	40.81	59.40	50.28	48.38
Operating expenses:										
Employees' salaries and wages (except delivery).....	26.61	26.63	36.32	29.88	39.15	28.65	25.54	34.69	30.65	30.29
Delivery expenses (including salaries and wages)	—	—	—	—	—	—	0.15	—	0.05	0.03
Occupancy expenses:										
Taxes	1.50	1.18	0.35	0.99	1.05	0.72	0.91	1.38	1.03	1.01
Insurance	0.76	1.08	1.03	0.97	1.27	1.00	0.60	0.61	0.77	0.86
Rent	—	—	—	—	10.53	2.50	3.98	4.82	4.48	2.41
Heat, light and power	1.17	1.16	1.14	1.16	1.94	1.37	0.68	0.93	1.06	1.11
Repairs and maintenance	0.29	1.24	1.98	1.22	1.04	0.58	0.77	0.54	0.67	0.92
Depreciation allowances	1.34	1.30	1.67	1.44	1.61	2.50	0.95	0.73	1.35	1.39
Total occupancy expenses	5.06	5.96	6.17	5.78	17.44	8.67	7.89	9.01	9.36	7.70
Office and store supplies	1.10	0.90	0.27	0.74	0.74	0.06	0.19	0.16	0.20	0.45
Advertising	0.73	0.41	0.74	0.61	0.66	1.81	0.38	2.19	1.38	1.02
Net loss on bad debts	0.46	0.30	0.52	0.42	0.75	0.35	0.11	0.24	0.28	0.34
All other expenses	3.91	7.32	7.52	6.42	7.32	5.39	5.00	5.00	5.32	5.84
Total operating expenses	37.87	41.52	51.54	43.85	66.06	44.93	39.26	51.29	47.24	45.67
Net operating profit	1.35	0.90	4.77	2.33	1.58¹	0.19	1.55	8.11	3.04	2.71
Non-trading income	0.31	0.25	0.17	0.24	2.23	0.01	0.52	1.51	0.67	0.58
Non-trading expense	—	—	—	—	—	—	—	—	—	—
Net profit before allowances for income tax	1.66	1.15	4.94	2.57	0.65	0.20	2.07	9.62	3.91	3.29

¹ Net operating loss.

PAINT AND BODY SHOPS (INDEPENDENT)

Businesses in this category are retail shops mainly engaged in repairs to auto bodies, or in painting and refinishing automobiles. Also included may be repairs to radiators, tops, and springs; accessories, parts and gas and oil may be sold, but body repairs must constitute at least 50 per cent of receipts.

Over 200 usable reports were received from unincorporated businesses and incorporated companies for this first survey of paint and body shops. The gross profit for independent, unincorporated paint and body shops was 54.64 per cent of net sales in 1965. For 1961, the Census of Merchandising produced a figure of 56.4 per cent but this calculation included the data from incorporated companies, unincorporated businesses and chain and independent shops. Ratios for 1961 ranged from 52.6 per cent for Quebec to 61.6 per cent for Newfoundland. Salaries and wages, in 1965, for independent unincorporated paint and body shops, excluding the pay for delivery employees, were 21.43 per cent of net sales. Delivery expenses amounted to 0.04 per cent. Total occupancy expenses reached 8.52 per cent, office and store supplies 1.00 per cent, all other expenses 6.69 per

cent, making total operating expenses 37.68 per cent. Net operating profit, before deduction of proprietors' salaries, withdrawals and income tax, and addition of net non-trading income, was 16.96 per cent. Taking account of non-trading income and expense, net profit was 17.42 per cent. In the detailed table, there is a distinction made between shops with owned premises and shops with rented premises.

In the incorporated sector of the trade, for all companies, the gross profit was 56.68 per cent of net sales. Salaries and wages were 33.51 per cent. Total occupancy expenses reached 7.36 per cent, office and store supplies were 0.58 per cent, all other expenses accounted for 6.85 per cent, making total operating expenses 48.30 per cent. Net operating profit, before deduction of proprietors' salaries, withdrawals and income tax, and addition of net non-trading income, was 8.38 per cent. The final net profit, after taking account of non-trading income and expense, amounted to 8.58 per cent of net sales. In the detailed tables, there is a distinction made between companies with owned and companies with rented premises.

TABLE 19. Paint and Body Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

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	
Number of businesses reporting	36	17	24	32	7	117
Average net sales per business	14,804	24,030	39,889	67,714	124,639	56,930
Average beginning inventory	621	1,270	3,471	2,328	2,176	2,210
Average inventory, end of year	664	1,385	2,709	2,258	2,792	2,114
Average cost of goods sold	6,118	10,647	19,184	33,098	59,096	26,947
Stock turnover (times per year)	953	8.02	6.21	14.43	23.79	12.04
Profit and loss data (Per cent of net sales)						
Gross profit	58.67	55.70	51.91	51.12	52.59	53.41
Operating expenses:						
Employees' salaries and wages (except delivery)	12.63	17.76	22.19	23.59	26.59	21.29
Delivery expenses (including salaries and wages)	0.13	—	0.16	—	—	0.06
Occupancy expenses:						
Taxes	1.80	2.11	1.35	1.24	1.24	1.49
Insurance	1.56	1.27	1.53	0.97	1.18	1.25
Rent	—	—	—	—	—	—
Heat, light and power	2.77	2.14	2.05	1.48	1.35	1.89
Repairs and maintenance	0.88	1.29	0.54	0.65	0.39	0.73
Depreciation allowances	2.77	2.98	1.90	2.18	2.18	2.32
Total occupancy expenses	9.78	9.79	7.37	6.52	6.34	7.68
Office and store supplies	1.59	0.40	2.08	0.69	0.90	1.14
Advertising	0.41	0.54	0.43	0.62	0.97	0.57
Net loss on bad debts	0.18	0.19	0.36	0.55	0.23	0.34
All other expenses	8.93	6.68	5.76	5.05	5.96	6.13
Total operating expenses	33.65	35.36	38.35	37.02	40.99	37.21
Net operating profit	25.02	20.34	13.56	14.10	11.60	16.20
Non-trading income	0.57	0.57	0.36	0.98	0.43	0.62
Non-trading expense	0.43	0.21	0.07	—	0.61	0.18
Net profit before deduction of proprietors' salaries, withdrawals and income tax	25.16	20.70	13.85	15.08	11.42	16.64

TABLE 19. Paint and Body Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965 - Concluded

Item	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	Total	
Number of businesses reporting	9	14	17	6	48	165
Average net sales per business	16,165	24,652	37,905	65,966	62,310	58,852
Average beginning inventory	110	767	1,058	3,713	1,800	2,063
Average inventory, end of year	223	749	1,360	3,403	1,878	2,030
Average cost of goods sold	5,817	10,524	17,934	27,322	26,574	26,814
Stock turnover (times per year)	35.83	13.89	14.83	7.68	17.61	14.03
Profit and loss data (Per cent of net sales)						
Gross profit	64.02	57.31	52.69	58.58	56.86	54.64
Operating expenses:						
Employees' salaries and wages (except delivery)	13.32	19.07	18.27	25.59	21.67	21.43
Delivery expenses (including salaries and wages)	-	-	-	-	-	0.04
Occupancy expenses:						
Taxes	0.84	1.01	0.73	0.30	0.65	1.19
Insurance	1.37	1.16	0.85	1.10	0.97	1.15
Rent	6.95	5.78	4.58	3.61	5.01	1.79
Heat, light and power	2.21	2.22	1.48	1.45	1.54	1.76
Repairs and maintenance	0.32	0.29	0.71	0.27	0.42	0.62
Depreciation allowances	1.96	1.34	1.80	0.78	1.44	2.01
Total occupancy expenses	13.65	11.80	10.15	7.51	10.03	8.52
Office and store supplies	1.26	1.19	0.44	0.74	0.75	1.00
Advertising	1.00	0.41	0.45	0.85	0.58	0.57
Net loss on bad debts	0.14	0.30	0.37	0.56	0.45	0.37
All other expenses	8.67	5.44	4.86	3.77	5.06	5.75
Total operating expenses	38.04	38.21	34.54	39.02	38.54	37.68
Net operating profit	25.98	19.10	18.15	19.56	18.32	16.96
Non-trading income	-	1.74	-	-	0.57	0.60
Non-trading expense	-	-	0.21	-	0.06	0.14
Net profit before deduction of proprietors' salaries, withdrawals and income tax	25.98	20.84	17.94	19.56	18.83	17.42

TABLE 20. Paint and Body Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of				Rented premises with annual net sales of					Total owned and rented
	\$30,000 - 49,999	\$50,000 - 99,999	\$200,000 - 499,999	Total	\$30,000 - 49,999	\$50,000 - 99,999	\$100,000 - 199,999	\$200,000 - 499,999	Total	
Number of businesses reporting	4	9	3	16	4	6	13	5	28	44
Average net sales per business	38,424	78,025	293,249	119,153	38,040	70,317	148,388	242,330	139,946	135,488
Average beginning inventory	2,173	2,336	7,583	3,535	3,860	1,675	3,254	2,993	2,854	3,000
Average inventory, end of year	2,148	3,557	800	2,562	3,933	2,824	3,958	2,551	3,453	3,262
Average cost of goods sold	15,931	27,886	132,901	49,753	13,622	26,913	70,129	111,491	63,916	60,879
Stock turnover (times per year)	7.38	9.47	31.70	14.21	3.50	11.97	19.45	40.22	20.32	19.01
Profit and loss data (Per cent of net sales)										
Gross profit	58.54	64.26	54.68	60.60	64.19	61.72	52.73	53.99	55.61	56.68
Operating expenses:										
Employees' salaries and wages (except delivery)	36.32	35.41	36.76	35.95	35.97	31.97	33.39	31.43	32.84	33.51
Delivery expenses (including salaries and wages)	-	-	-	-	-	-	-	-	-	-
Occupancy expenses:										
Taxes	1.98	1.63	1.00	1.57	0.72	0.37	0.38	0.65	0.44	0.68
Insurance	1.73	1.57	0.69	1.40	1.84	1.31	0.67	0.69	0.88	0.99
Rent	-	-	-	-	4.06	-	3.35	2.12	2.93	2.30
Heat, light and power	2.08	1.88	0.70	1.65	1.28	1.48	1.01	0.93	1.12	1.23
Repairs and maintenance	0.71	0.47	0.98	0.65	0.84	0.68	0.37	0.84	0.54	0.56
Depreciation allowances	4.43	3.22	2.66	3.38	2.29	1.28	1.02	0.87	1.11	1.60
Total occupancy expenses	10.93	8.77	6.03	8.65	11.03	7.43	6.80	6.10	7.02	7.36
Office and store supplies	0.22	1.41	0.26	0.85	0.20	0.23	0.72	0.26	0.50	0.58
Advertising	0.66	0.84	1.00	0.83	0.89	0.87	0.66	1.96	0.93	0.91
Net loss on bad debts	0.41	0.49	0.25	0.42	0.91	0.58	0.54	0.19	0.51	0.49
All other expenses	8.61	4.65	4.67	5.62	12.60	5.24	4.06	8.32	5.40	5.45
Total operating expenses	57.15	51.57	48.97	52.32	61.60	46.32	46.17	48.26	47.20	48.30
Net operating profit	1.39	12.69	5.71	8.28	2.59	15.40	6.56	5.73	8.41	8.38
Non-trading income	-	0.35	0.10	0.21	0.02	-	0.37	0.10	0.22	0.22
Non-trading expense	-	0.20	-	0.10	-	-	-	0.03	-	0.02
Net profit before allowances for income tax	1.39	12.84	5.81	8.39	2.61	15.40	6.93	5.80	8.63	8.58

OTHER SPECIALTY REPAIR SHOPS (INDEPENDENT)

To this business classification belong retail shops engaged in the repair of mufflers, radiators, ignition, etc. Parts and accessories, gas and oil may be sold, but the revenue from the major activity, e.g., muffler repair, should be greater than 75 per cent of total receipts.

Financial data of 63 unincorporated businesses and 30 incorporated companies are included in this report. The gross profit for independent, unincorporated businesses was 60.45 per cent of net sales in 1965. It is of some interest to note that the gross profit as a percentage of net sales for other specialty repair shops revealed by the 1961 Census of Merchandising was 51.1 per cent. Gross profit ranged from 41.4 per cent for New Brunswick to 57.2 per cent for Alberta. The Census statistics pertain to all shops of this kind, independent as well as chain, and incorporated companies as well as unincorporated businesses. Salaries and wages, in 1965, excluding the pay for delivery employees, were 19.57 per cent of net sales. Delivery expenses were 0.86 per cent, total occupancy expenses 9.98 per cent, office and store supplies 0.77 per cent and all other expenses 7.14 per cent, making total

operating expenses 38.32 per cent. Net operating profit, before adding net non-trading income and before deduction of proprietors' salaries, withdrawals and income tax was 22.13 per cent. Taking account of non-trading income and non-trading expense, the final net profit amounted to 22.72 per cent. In the detailed tables, there is a distinction made between other specialty repair shops with owned premises and shops with rented premises.

In the incorporated sector of the trade, employees' salaries and wages (except delivery) accounted for 31.07 per cent of net sales for 30 companies reporting. Delivery expenses were 1.13 per cent. Total occupancy expenses amounted to 8.97 per cent, office and store supplies to 0.53 per cent and total operating expenses to 51.05 per cent, leaving a net operating profit of 7.87 per cent. After taking account of non-trading income and non-trading expense, final net profit before allowances for income tax was 8.07 per cent. In the detailed tables, also in this section, there is a distinction made between other specialty repair shops with owned premises and shops with rented premises.

TABLE 21. Other Specialty Repairs Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965

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	
Number of businesses reporting	5	6	6	9	10	38
Average net sales per business	7,320	12,361	25,330	40,002	63,210	50,300
Average beginning inventory	170	1,255	4,276	2,711	5,372	3,651
Average inventory, end of year	170	1,502	4,251	2,901	5,215	3,738
Average cost of goods sold	2,784	4,760	11,054	14,959	29,147	21,219
Stock turnover (times per year)	16.38	3.45	2.59	5.33	5.51	5.90
Profit and loss data (Per cent of net sales)						
Gross profit	61.96	61.50	56.36	62.61	53.89	58.54
Operating expenses:						
Employees' salaries and wages (except delivery)	0.49	1.53	19.49	25.02	22.43	19.32
Delivery expenses (including salaries and wages)	1.13	0.81	0.70	0.33	0.84	0.59
Occupancy expenses:						
Taxes	2.91	2.22	3.12	1.33	1.38	1.76
Insurance	1.57	1.31	2.42	1.47	1.34	1.46
Rent	—	—	—	—	—	—
Heat, light and power	4.57	3.36	2.73	1.21	1.49	1.99
Repairs and maintenance	0.81	1.07	1.74	0.76	1.10	1.09
Depreciation allowances	2.62	3.47	4.14	2.21	2.52	3.03
Total occupancy expenses	12.48	11.43	14.15	6.98	7.83	9.33
Office and store supplies	0.57	0.44	0.03	0.53	0.73	0.52
Advertising	0.63	1.21	0.65	0.84	1.59	1.04
Net loss on bad debts	—	0.32	0.30	0.45	0.80	0.64
All other expenses	6.83	7.87	4.53	6.47	4.66	5.86
Total operating expenses	22.13	23.61	39.85	40.62	38.88	37.30
Net operating profit	39.83	37.89	16.51	21.99	15.01	21.24
Non-trading income	0.25	1.70	2.57	0.78	0.90	1.18
Non-trading expense	—	0.87	—	1.51	—	0.50
Net profit before deduction of proprietors' salaries, withdrawals and income tax	40.08	38.72	19.08	21.26	15.91	21.92

TABLE 21. Other Specialty Repair Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Unincorporated Businesses), 1965 - Concluded

Item	Rented premises with annual net sales of					Total owned and rented
	Under \$10,000	\$10,000-19,999	\$20,000-29,999	\$30,000-49,999	Total	
Number of businesses reporting	7	7	5	4	25	63
Average net sales per business	6,469	14,234	24,381	40,886	34,800	44,423
Average beginning inventory	196	2,054	316	2,980	1,994	3,023
Average inventory, end of year	174	2,389	603	5,269	2,621	3,314
Average cost of goods sold	1,504	6,572	8,098	13,938	12,440	17,891
Stock turnover (times per year)	8.13	2.96	17.60	3.38	7.53	6.52
Profit and loss data (Per cent of net sales)						
Gross profit	76.75	53.82	66.78	65.91	63.57	60.45
Operating expenses:						
Employees' salaries and wages (except delivery)	0.26	9.41	19.38	23.03	19.99	19.57
Delivery expenses (including salaries and wages)	0.83	2.42	2.50	0.73	1.30	0.86
Occupancy expenses:						
Taxes	0.69	0.70	0.78	1.18	0.78	1.39
Insurance	0.53	1.46	1.43	0.84	1.12	1.33
Rent	8.37	5.92	4.59	2.02	4.81	1.82
Heat, light and power	1.71	2.08	2.64	0.92	1.54	1.82
Repairs and maintenance	0.42	0.48	1.24	0.43	0.88	1.01
Depreciation allowances	0.52	2.09	3.25	2.23	1.93	2.61
Total occupancy expenses	12.24	12.73	13.93	7.62	11.06	9.98
Office and store supplies	1.00	1.36	0.42	1.99	1.17	0.77
Advertising	1.49	0.68	0.89	0.43	0.93	1.00
Net loss on bad debts	0.08	0.07	0.15	0.13	0.08	0.43
All other expenses	14.42	6.37	3.78	3.70	5.46	5.71
Total operating expenses	30.32	33.04	41.05	37.63	39.99	38.32
Net operating profit	46.43	20.78	25.73	28.28	23.58	22.13
Non-trading income	-	1.14	0.89	0.68	0.60	0.96
Non-trading expense	-	-	0.93	-	0.17	0.37
Net profit before deduction of proprietors' salaries, withdrawals and income tax	46.43	21.92	25.69	28.96	24.01	22.72

TABLE 22. Other Specialty Repair Shops, Independent, Operating Results by Annual Sales Volume and Type of Occupancy (Incorporated Companies), 1965

Item	Owned premises with annual net sales of under \$200,000	Rented premises with annual net sales of				Total	Total owned and rented
		\$10,000-19,999	\$30,000-49,999	\$50,000-99,999	\$100,000-199,999		
Number of businesses reporting	4	3	6	9	8	26	30
Average net sales per business	110,853	17,661	39,566	68,474	157,870	97,225	102,150
Average beginning inventory	9,508	1,670	3,429	9,816	21,396	13,155	11,837
Average inventory, end of year	11,990	2,041	3,697	9,176	20,641	12,620	12,392
Average cost of goods sold	45,291	4,993	13,865	25,912	76,494	42,993	43,824
Stock turnover (times per year)	4.21	2.65	3.89	2.73	3.64	3.22	3.58
Profit and loss data (Per cent of net sales)							
Gross profit	59.14	71.73	64.96	62.16	51.55	58.79	58.92
Operating expenses:							
Employees' salaries and wages (except delivery)	28.35	30.55	37.02	34.11	29.55	32.61	31.07
Delivery expenses (including salaries and wages)	1.77	-	0.46	0.81	0.88	0.76	1.13
Occupancy expenses:							
Taxes	0.76	0.35	0.56	1.10	0.88	0.92	0.86
Insurance	0.74	1.35	1.41	1.56	1.46	1.50	1.23
Rent	-	5.09	4.19	5.07	2.67	4.04	2.58
Heat, light and power	0.93	1.19	1.44	1.19	1.29	1.26	1.14
Repairs and maintenance	0.16	0.60	0.70	1.38	2.25	1.60	1.08
Depreciation allowances	2.09	1.21	1.29	2.41	2.02	2.08	2.08
Total occupancy expenses	4.68	9.79	9.59	12.71	10.57	11.40	8.97
Office and store supplies	0.26	1.78	0.62	0.76	0.51	0.68	0.53
Advertising	1.01	0.68	1.49	1.80	1.24	1.51	1.33
Net loss on bad debts	0.42	0.14	0.68	0.35	0.93	0.61	0.54
All other expenses	8.55	10.11	7.11	7.45	5.80	6.87	7.48
Total operating expenses	45.04	53.05	56.97	57.99	49.48	54.44	51.05
Net operating profit	14.10	18.68	7.99	4.17	2.07	4.35	7.87
Non-trading income	0.70	0.02	0.12	0.20	1.82	0.80	0.76
Non-trading expense	1.53	-	-	0.05	-	0.02	0.56
Net profit before allowances for income tax	13.27	18.70	8.11	4.32	3.89	5.13	8.07

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 licenses. 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.

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