

2012 Survey of Service Industries: Food Services and Drinking Places

Reporting Guide

This guide is designed to assist you as you complete the 2012 Survey of Service Industries. If you need more information, please call the Statistics Canada Help Line at the number below.

Help Line: 1-800-972-9692

Your answers are confidential.

Statistics Canada is prohibited by law from releasing any information it collects which could identify any person, business, or organization, unless consent has been given by the respondent or as permitted by the *Statistics Act*.

Statistics Canada will use information from this survey for statistical purposes.

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B - Main business activity

1. Please describe the nature of your business.

To ensure that you have received the appropriate questionnaire, you are asked to describe the nature of your business. The description should briefly state the main activities of your business unit.

2. Please check the one main activity which most accurately represents your main source of revenue.

Below is a description of each main activity.

Full service restaurant

Patrons order while seated and pay **after** eating. These establishments may sell alcoholic beverages, provide takeout services, operate a bar or present live entertainment, in addition to serving food and beverages. Waiter/waitress service is available.

Include:

- fine-dining;
- family restaurants;
- buffet-style restaurants.

Exclude:

- establishments that produce and present live theatrical productions and provide food and beverages for consumption on the premises.

Limited-service restaurant

Patrons order or select food or beverages at a counter and/or order by phone. Food and beverages are picked up for consumption on the premises or for takeout, or delivered to the customer's location. A variety of food items such as specialty snacks or non-alcoholic beverages may be offered. Patrons pay **before** eating.

Include:

- fast food restaurants;
- coffee shops;
- doughnut shops;
- food court establishments;
- takeout and delivery establishments.

Food service contractor

Food services supplied under contract for a specific period of time, and for the convenience of the contracting organization.

Include:

- industrial caterers;
- school cafeterias;
- food services to airlines;
- food services to railways;

- food services to institutions;
- food concessions at sports and similar facilities.

Exclude:

- food vending machine operators.

Social caterer

Primarily provides single event-based food services for social events such as parties, wedding receptions and business events. These establishments generally have equipment and vehicles to transport meals and snacks to events and may prepare food at the event site.

Include:

- caterers who own or manage permanent facilities in which they provide event based food services.

Exclude:

- establishments engaged in preparing and/or delivering food for the needy.

Mobile food service

Prepares and serves food and beverages for immediate consumption from motorized vehicles or non-motorized carts.

Include:

- mobile canteens and lunch wagons;
- street vendors selling prepared food, such as french fries, from mobile equipment.

Exclude:

- street vendors selling non-prepared food items from mobile equipment;
- street vendors selling fruit and/or vegetables from mobile equipment.

Drinking places

Establishments that prepare and serve alcoholic beverages and offer **limited** food services for immediate consumption.

Include:

- bars;
- taverns;
- nightclubs;
- cocktail lounges;
- bar operating video gaming or other gambling machines.

Exclude:

- civic or social organizations that operate a bar for their members.

If none of the above activities describes the main activity of your business unit, please call **1-800-972-9692** for further information.

C - Reporting period information

Please report information for your **fiscal year** (normal business year) **ending between** April 1, 2012 and March 31, 2013. Please indicate the reporting period covered by this questionnaire.

D - Revenue

A detailed breakdown may be requested in other sections.

1. Sales of goods and services (e.g., rental and leasing income, commissions, fees, admissions, services revenue) Report net of returns and allowances.

Sales of goods and services are defined as amounts derived from the sale of goods and services (cash or credit), falling within a business's ordinary activities. Sales should be reported net of trade discount, value added tax and other taxes based on sales.

Include:

- sales from Canadian locations (domestic and export sales);
- transfers to other business units or a head office of your firm.

Exclude:

- transfers into inventory and consignment sales;
- federal, provincial and territorial sales taxes and excise duties and taxes;
- intercompany sales in consolidated financial statements.

2. Grants, subsidies, donations and fundraising

Please report contributions received during the reporting period.

Include:

- non-repayable grants, contributions and subsidies from all levels of government;
- revenue from private sector (corporate and individual) sponsorships, donations and fundraising.

3. Royalties, rights, licensing and franchise fees

A royalty is defined as a payment received by the holder of a copyright, trademark or patent.

Please **include** revenue received from the sale or use of all intellectual property rights of copyrighted musical, literary, artistic or dramatic works, sound recordings or the broadcasting of communication signals.

4. Investment income (dividends and interest)

Investment income is defined as the portion of a company's income derived from its investments, including dividends and interest on stocks and bonds.

Include interest from:

- foreign sources;
- bonds and debentures;
- mortgage loans;
- G.I.C. interest;
- loan interest;
- securities interest and deposits with bank interest.

Exclude:

- equity income from investments in subsidiaries or affiliates; these amounts should be reported in **section E**, at question 25.

5. Other revenue (please specify)

Include:

- amounts not included in questions 1 to 4 above.

6. Total revenue

The sum of questions 1 to 5.

E - Expenses

1. Salaries and wages of employees who have been issued a T4 statement

Please report all salaries and wages (including taxable allowances and employment commissions **as defined** on the T4 – Statement of Remuneration Paid) before deductions for this reporting period.

Include:

- vacation pay;
- bonuses (including profit sharing);
- employee commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays);
- severance pay.

Exclude:

- all payments and expenses associated with casual labour and outside contract workers; please report these amounts in this section, at question 5.

2. Employer portion of employee benefits

Include contributions to:

- health plans;
- insurance plans;

- employment insurance;
- pension plans;
- workers' compensation;
- contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans;
- contributions to provincial and territorial health and education payroll taxes.

3. Commissions paid to non-employees

Please report commission payments to outside workers without a T4 – Statement of Remuneration Paid.

Include:

- commission payments to independent real estate agents and brokers.

4. Professional and business services fees

Include:

- legal;
- accounting and auditing;
- consulting;
- education and training;
- architect;
- appraisal;
- management and administration.

5. Subcontract expenses (include contract labour, contract work and custom work)

Subcontract expense refers to the purchasing of services from outside of the company rather than providing them in-house.

Include:

- hired casual labour and outside contract workers.

6. Charges for services provided by your head office

Include:

- parent company reimbursement expenses and interdivisional expenses.

7. Cost of goods sold, if applicable (purchases plus opening inventory minus closing inventory)

Report cost of purchased goods that were resold during the reporting period. If applicable, report cost of goods and material used in manufacturing of sold products.

Include:

- goods purchased for resale: purchases during the period (including freight-in) **plus** opening inventory **less** closing inventory;

- materials used in manufacturing of products sold: report **only** the material component of cost of finished manufactured goods that were sold during the reporting period.

Exclude:

- direct and indirect labour costs (salaries, wages, benefits, and commissions);
- overhead and all other costs normally charged to cost of goods sold, such as depreciation, energy costs, utilities, sub-contracts, royalties, transportation, warehousing, insurance, rental and leasing; these expenses should be reported elsewhere in the detailed categories provided.

8. Office supplies

Include:

- office stationery and supplies, paper and other supplies for photocopiers, printers and fax machines;
- diskettes and computer upgrade expenses;
- data processing.

Exclude:

- postage and courier;
- telephone, Internet and other telecommunications expenses (please report this amount in this section, at question 14).

9. Rental and leasing (include rental of premises, equipment, motor vehicles, etc.)

Include:

- lease rental expenses, real estate rental expenses, condominium fees and equipment rental expenses;
- motor vehicle rental and leasing expenses;
- rental and leasing of computer and peripheral expenses;
- studio lighting and scaffolding, and other machinery and equipment expenses;
- fuel and other utility costs covered in your rental and leasing contracts.

10. Repair and maintenance (e.g., property, equipment, vehicles)

Include expenses for the repair and maintenance of:

- buildings and structures;
- vehicles (including vehicle fuel);
- machinery and equipment;
- security equipment;
- costs related to materials, parts and external labour associated with these expenses.

Also **include** janitorial and cleaning services and garbage removal.

11. Insurance (include professional liability, motor vehicles, etc.)

Include:

- professional and other liability insurance;
- motor vehicle and property insurance;
- executive life insurance;
- bonding, business interruption insurance and fire insurance.

Insurance recovery income should be deducted from insurance expenses.

12. Advertising, marketing and promotions (report charitable donations at question 22)

Include:

- newspaper advertising and media expenses;
- catalogues, presentations and displays;
- meeting and convention expenses;
- tickets for theatre, concerts and sporting events for business promotion;
- fundraising expenses.

13. Travel, meals and entertainment

Include:

- passenger transportation, accommodation and meals while travelling;
- other travel allowances as well as meal, entertainment and hospitality purchases for clients.

14. Utilities and telecommunications expenses (include gas, heating, hydro, water, telephone and Internet expenses)

Include:

- diesel, fuel wood, natural gas, oil and propane;
- sewage.

Exclude:

- energy expenses covered in your rental and leasing contracts;
- vehicle fuel.

15. Property and business taxes, licences and permits

Include:

- property taxes paid directly and property transfer taxes;
- vehicle licence fees;
- beverage taxes and business taxes;
- trade licence fees;
- membership fees and professional licence fees.

16. Royalties, rights, licensing and franchise fees

Include:

- amounts paid to holders of patents, copyrights, performing rights and trademarks;
- gross overriding royalty expenses and direct royalty costs;
- resident and non-resident royalty expenses;
- franchise fees.

17. Delivery, warehousing, postage and courier

Include:

- amounts paid for courier, custom fees, delivery and installation;
- distribution, ferry charges and cartage;
- freight and duty, shipping, warehousing and storage.

18. Financial service fees

Include:

- explicit service charges for financial services;
- credit and debit card commissions and charges;
- collection expenses and transfer fees;
- registrar and transfer agent fees;
- security and exchange commission fees;
- other financial service fees.

Exclude:

- interest expenses.

19. Interest expenses

Please report the cost of servicing your company's debt.

Include interest on:

- short-term and long-term debt;
- capital leases;
- bonds and debentures and mortgages.

20. Amortization and depreciation of tangible and intangible assets

Include:

- direct cost depreciation of tangible assets and amortization of leasehold improvements;
- amortization of intangible assets (e.g., amortization of goodwill, deferred charges, organizational costs, and research and development costs).

21. Bad debts

A bad debt is the portion of receivables deemed uncollectible, typically from accounts receivable or loans.

Include:

- allowance for bad debts.

Bad debt recoveries are to be netted from bad debt expenses.

22. All other expenses (please specify)

Include:

- amounts not included in questions 1 to 21;
- charitable and political expenses;
- research and development expenses;
- recruiting expenses.

23. Total expenses

The sum of questions 1 to 22.

24. Corporate taxes, if applicable

Include:

- federal, provincial and territorial current income taxes and federal, provincial and territorial provision for deferred income taxes.

25. Gains (losses) and other items

Include:

- realized gains/losses on disposal of assets and realized gains/losses on sale of investments;
- foreign exchange gains/losses, subsidiary/affiliate share of income/losses and other division income/losses;
- joint venture income/losses and partnership income/losses;
- unrealized gains/losses, extraordinary items, legal settlements, and other unusual items;
- write-offs.

26. Net profit/loss after tax and other items

Total revenue **less** Total expenses **minus** Corporate taxes **plus** Gains (losses) and other items.

F - Industry characteristics

4. Number of seats in this establishment

This question attempts to define the size of the establishment. If you are reporting for more than a single location, please indicate the number of seats in a typical location or an average of all locations for which you are reporting.

Should this establishment have only delivery or catering services, please indicate that there are "0" seats.

Where the seating arrangements are in a shared food court, please provide the total number of seats divided by the number of food court establishments or your best estimate.

6. Sales and other revenue

Please provide a breakdown of total revenue, including sales and other revenue.

a) Sales of alcoholic beverages for immediate consumption on the premises: revenue generated from sales of alcoholic beverages (beer, wine and liquor) prepared and served or dispensed for immediate consumption, including drinks served with meals.

Exclude:

- retailing of alcoholic beverages sold in unopened cans, bottles, cartons or other containers (please report under c) Sales of merchandise).

b) Sales of food and non-alcoholic beverages: revenue generated from the sales of meals, snacks, other food items and non-alcoholic beverages prepared and served or dispensed for immediate consumption.

c) Sales of merchandise: revenue generated from the sale or disposition of goods sold in the same condition in which they were purchased (e.g., toys, gifts, cigarettes, newspapers).

d) Fees and commissions from coin operated machines: the fees or commissions received from the owners or lessors of coin operated machines such as video lottery terminals, slot machines, video games, vending machines, children's mechanical rides, etc.

e) Other sales: sales from other sources (e.g., rentals, cover charge, coat check, delivery service fees).

g) Other revenue: all revenue other than sales (e.g., grants, subsidies, licenses and franchise fees, investment income, etc.).

The following descriptions apply to questions 7 and 8.

7. Sales of alcoholic beverages for immediate consumption by type of service

8. Sales of food and non-alcoholic beverages by type of service

Type of service:

- a) **Full-table service:** a server takes orders for food and beverages which are served to customers while seated at a table. The server provides the customer with a bill that is generally paid after eating.
- b) **Counter service (including bar service):** food and beverages are dispensed to customers to be eaten on the premises and are generally paid for prior to consumption.
- c) **Take-out:** customers pick up food and beverages to be consumed elsewhere.
- d) **Drive-through:** customers drive up and place their order for food and beverages; purchases are consumed away from the premises.
- e) **Home delivery:** food and beverages are ordered by phone and delivered to customers by vehicle.
- f) **Mobile service:** food and beverages are prepared and sold from motorized vehicles and non-motorized carts.
- g) **Contract catering:** food and beverages are prepared and served for immediate consumption, under contract for a specified period of time, to a business, government or institution, which pays the food prepared to provide the meals to a particular group of people.

Include:

- meals and beverages purchased by airlines, hospitals, prisons and schools to feed their passengers, patients, inmates, students, etc.

Exclude:

- all revenue that is not included in the catering contract, such as meals and beverages paid for directly by the consumer (**include** these sales in the appropriate type of service).

- h) **Social catering:** food and beverages are prepared and served for immediate consumption at unique events (such as weddings, business meetings, parties, etc.), where one person or entity contracts with the catering establishment and directly pays for the food and beverages.

Exclude:

- all revenue that is not included in the catering contract, such as meals and beverages paid for directly by the consumer (**include** these sales in the appropriate type of service).

9. Cost of goods sold

The cost of goods sold is divided into three categories: alcoholic beverages, food and non-alcoholic beverages, and merchandise purchased for resale. The cost of goods sold is obtained by calculating opening inventory plus total purchases minus closing inventory. Please **exclude** salary costs.

a) Alcoholic beverages

Include:

- beer;
- wine;
- liquor;
- alcoholic drinks served with meals.

- b) **Food and non-alcoholic beverages:** cost of materials required for meal preparation

c) Merchandise

Include:

- gifts;
- toys;
- newspapers;
- cigarettes;
- alcohol not sold with meals and for consumption away from the premises.

- d) **Total cost of goods sold:** the sum of questions 9a to 9c

G - Personnel

To fully measure the contribution of all human capital in this industry, we require information on the number of partners and proprietors as well as the number and classification of workers.

1. Number of partners and proprietors, non-salaried (if salaried, report at question 2 below)

For unincorporated businesses, please report the number of partners and proprietors for whom earnings will be the net income of the partnership or proprietorship.

2. Paid employees

a) Average number of paid employees during the reporting period

To calculate the average number employed, add the number of employees in the last pay period of each month of the reporting period and divide this sum by the number of months (usually 12).

Exclude:

- partners and proprietors, non-salaried reported at question 1 above.

b) Percentage of paid employees (from question 2a) who worked full time

Full-time employment consists of persons who usually work 30 hours or more per week. Please specify the percentage of paid employees who have been working full time by rounding the percentage to the nearest whole number.

3. Number of contract workers for whom you did not issue a T4, such as freelancers and casual workers (estimates are acceptable)

Contract workers are not employees, but workers contracted to perform a specific task or project in your organization for a specific duration, such as self-employed persons, freelancers and casual workers. These workers are not issued a T4 information slip. Please report the number of contract workers employed by your organization during the fiscal year.

H - Sales by type of client

This section is designed to measure which sector of the economy purchases your services.

Please provide a percentage breakdown of your sales by type of client.

Please ensure that the sum of percentages reported in this section equals 100%.

1. Clients in Canada

a) Businesses

Percentage of sales sold to the business sector should be reported here.

Include:

- sales to Crown corporations.

b) Individuals and households

Please report the percentage of sales to individuals and households who do not represent the business or government sector.

c) Governments, not-for-profit organizations and public institutions (e.g., hospitals, schools)

Percentage of sales to federal, provincial, territorial and municipal governments should be reported here.

Include:

- sales to hospitals, schools, universities and public utilities.

2. Clients outside Canada

Please report the share of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments.

Include:

- sales to foreign subsidiaries and affiliates.

I - Sales by client location

Please provide a percentage breakdown of your total sales by client location (first point of sale).

Please ensure that the sum of percentages reported in this section equals 100%.

The percentage in question 14 must equal question 2 in section H.

J - International transactions

This section is intended to measure the value of international transactions on goods, services, and royalties and licences fees. It covers **imported services and goods** purchased outside Canada as well as the value of **exported services and goods** to clients/customers outside Canada. Please report also royalties, rights, licensing and franchise fees paid to and/or received from outside Canada. Services cover a variety of industrial, professional, trade and business services.

K - Provincial/territorial distribution

This section is intended to collect information on the locations operated by your business during the reporting period.

Please report the number of business units or locations operating in Canada during the reporting period. Business unit is defined as the lowest level of the firm for which accounting records are maintained for such details as revenue, expenses and employment.

Please report data for the provinces or territories in which you have business units and indicate if you are reporting in Canadian dollars **or** percentages.

General information

Survey purpose

Statistics Canada conducts this survey to obtain detailed and accurate data on this industry, which is recognised as being an important contributor to the Canadian economy. Your responses are critically important to produce reliable statistics used by businesses, non-profit organizations and all levels of government to make informed decisions in many areas.

The information from this survey can be used by your business to benchmark your performance against an industry standard, to plan marketing strategies or to prepare business plans for investors. Governments use the data to develop national and regional economic policies and to develop programs to promote domestic and international competitiveness. The data are also used by trade associations, business analysts and investors to study the economic performance and characteristics of your industry.

Data-sharing agreements

To reduce respondent burden, Statistics Canada has entered into data-sharing agreements with provincial and territorial statistical agencies and other government organizations, which have agreed to keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

Section 11 of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are **Section 11** agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Yukon.

The shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Section 12 of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under **Section 12**, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician and returning it with the completed questionnaire. Please specify the organizations with which you do not want to share your data.

For this survey, there are **Section 12** agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut.

For agreements with provincial and territorial government organizations, the shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Record linkages

To enhance the data from this survey, Statistics Canada may combine it with information from other surveys or from administrative sources.

Please note that Statistics Canada does not share any individual survey information with the Canada Revenue Agency.

Please visit our website at www.statcan.gc.ca/survey-enquete/index-eng.htm or call us at **1-800-972-9692** for more information about these data-sharing agreements.

Thank you!