



Unified Enterprise Survey – Annual

2003 Survey of Service Industries: Food Services and Drinking Places

Reporting Guide

This guide is designed to provide additional information
as you work through your questionnaire.

If further assistance is required, please call us.
A Statistics Canada agent will be happy to assist you.

Help Line: 1 888 881-3666



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Statistics Statistique
Canada Canada

Canada



Did you know?

There are more than 90,000 businesses listed in the Statistics Canada's Business Register as belonging to the food services and drinking places industry.

Canada owes the success of its statistical system to a long-standing co-operation involving Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.



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The *Statistics Act*

The *Statistics Act* requires businesses and individuals to provide information needed to produce official statistics. Mandatory response is required for this business survey because the results are used directly or indirectly for programs that are legally mandated by Parliament. You can consult a copy of the *Statistics Act* on the Statistics Canada Web site (go to www.statcan.ca and follow the links "About Statistics Canada", then "Protecting confidentiality and privacy").

Name and address

Please make sure the information pre-printed on the front page of the questionnaire is correct. If incorrect, please make the necessary changes in the corresponding boxes.

Section A - General Information

Survey Purpose

Statistics Canada requires information on this industry in order to measure its trends in areas such as employment, revenue and expenses as well as its contribution to the Canadian economy. In completing this questionnaire, you are helping to measure the country's economic production – the gross domestic product or GDP. Businesses and governments depend on such information to make vital economic decisions. For example, the Bank of Canada uses the GDP to make decisions that influence interest and exchange rates, which in turn affect the cost of doing business.

This survey is part of the Unified Enterprise Survey (UES) program that incorporates several annual business surveys into a single framework using questionnaires with a consistent look, structure and content. Through the unified approach, firms operating in different industries provide similar information for each branch operation.

Benefits to you and your industry

Survey results allow users of **food services and drinking places** data to:

- have current information about the size and characteristics of the industry
- compare themselves to the entire industry using survey information as a benchmark
- conduct market analysis
- determine the breakdown of industry costs, operating ratios, expenditures, revenues and sales
- better understand the importance of the industry to the Canadian economy



Data-sharing Agreements

To avoid duplicating surveys and to ensure more uniform statistics, Statistics Canada has entered into data-sharing agreements with provincial and territorial statistical agencies and with several government departments and agencies that also require your data. The objective is to share data from some surveys for those business establishments operating within their respective jurisdictions. **These agreements require that the shared data be used for statistical purposes and be kept confidential.** Survey participants are always informed at the time of collection if a data-sharing agreement applies to a particular survey.

There are two types of data-sharing agreements that exist under the *Statistics Act*:

Agreements under Section 11 of the *Statistics Act* allow sharing of information from the Unified Enterprise Survey program with the statistical agencies of *Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta* and *British Columbia*. These statistical agencies have been established under provincial legislation authorizing them to collect this information on their own or jointly with Statistics Canada. Their legislation also provides the same confidentiality protection and outlines similar penalties for disclosure of confidential information as the federal *Statistics Act*.

Agreements under Section 12 of the *Statistics Act* allow sharing of information from the Unified Enterprise Survey program with the statistical agencies of *Prince Edward Island, the Yukon, the Northwest Territories* and *Nunavut*. All these Section 12 agreements require that the information be kept strictly confidential.

Under Section 12, you may refuse to share your information with any of these agencies by writing a letter of objection to the Chief Statistician of Canada and returning it with your completed questionnaire. Please specify those agencies from which data shall be withheld.

Note regarding Section 12 agreements:

For business units in the manufacturing and forestry industries, Section 12 agreements also exist to share information with the following government departments and agencies:

Natural Resources Canada for all business units in the manufacturing industries.

The Newfoundland and Labrador Department of Natural Resources, the New Brunswick Department of Natural Resources and Energy, the Quebec Ministry of Natural Resources, the Ontario Ministry of Northern Development and Mines, the Manitoba Department of Energy and Mines and the British Columbia Ministry of Energy, Mines and Petroleum Resources for business units in Non-Ferrous Metal (except Aluminum), Smelting and Refining, Clay Building Material and Refractory Manufacturing, Cement Manufacturing and Lime Manufacturing. In addition to allowing the use of the information for statistical purposes, the



agreements with these agencies also allow them to use the information in accordance with the provisions of their governing legislation.

The Ontario Ministry of Natural Resources, for business units in Logging, Sawmills (except Shingle and Shake Mills), Hardwood Veneer and Plywood Mills, Softwood Veneer and Plywood Mills, Wood Preservation, Particle Board and Fibreboard Mills, Waferboard Mills, Mechanical Pulp Mills, Chemical Pulp Mills, Paper (except Newsprint) Mills, Newsprint Mills and Paperboard Mills.

In cases where the information is reported on an amalgamated basis and relates to operations in more than one province or territory, Statistics Canada may allocate a portion of the reported information to those other operations. The allocated information will be shared in accordance with the Section 11 or 12 agreements of the *Statistics Act*, as described above.

In cases where there is a separate head office, Statistics Canada may adjust the reported revenues of that head office so that those revenues more fully reflect the value of the services the head office provides. In such cases, there will be a corresponding adjustment to the reported expenses of the units served. The adjusted information will be shared in accordance with the Section 11 or 12 agreements of the *Statistics Act*, as described above.

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

For more information about these data-sharing agreements, please contact Statistics Canada directly at our toll-free number **1 888 881-3666**.

Confidentiality

Your answers are confidential. The *Statistics Act* ensures the confidentiality of information collected by Statistics Canada. All Statistics Canada employees take an oath of secrecy and face penalties for any breach of confidentiality. Information cannot be disclosed under the *Access to Information Act* or any other Act.

Statistics Canada only publishes data as statistical summaries, tables and graphs so no released information can identify any individual business.

Reporting Instructions

Note: Please provide information for **only** the business unit(s)¹ shown on the front page of the questionnaire. Some businesses may have divisions or units which operate in industries not covered by the survey (e.g., in construction, retail, manufacturing, etc.). If you cannot provide separate information for the specified business unit(s), please explain this in the Comments section at the end of the questionnaire.

A "business unit" is defined as the level of the firm for which there is a

¹ A business unit is sometimes referred to as a location or operation.



common set of activities and separate records are kept for such details as revenues, expenses and employment.

Section B - Main Business Activity

To ensure that you have received the appropriate questionnaire, you are asked to provide a brief description of the nature of your business activity for the business unit(s) specified on the front page of the questionnaire. The description should briefly state the main activities of your business unit(s).

Please select the **one** business activity which is the main source of your revenue.

North American Industry Classification System Description of the Food Services and Drinking Places

The categories to select from on the questionnaire use a coding system called the **North American Industry Classification System (NAICS)**. The NAICS system was developed by the statistical agencies of Canada, Mexico and the United States against the background of the North American Free Trade Agreement. It is designed to provide common definitions of the industrial structure of the three countries and a common statistical framework to facilitate the analysis of the three economies.

The food services and drinking places subsector comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption either on or off the premises. This industry **does not include** food service activities that occur within establishments such as hotels, civic and social associations, amusement and recreation parks, and theatres. However, leased food service locations in facilities such as hotels, shopping malls, airports and department stores are included.

In order to help you choose the category that best describes the activity of your business, here is a short of description of each category.

Under the NAICS, the food services and drinking places subsector is composed of six main industries. These industries are defined as follows:

722110 - Full-Service Restaurant

This industry comprises establishments where patrons order while seated and pay **after** eating. These establishments may sell alcoholic beverages, provide take-out services, operate a bar or present live entertainment in addition to serving food and beverages. These business units have waiter/waitress service.

Includes: fine-dining and family restaurants.

Excludes: business units primarily engaged in producing and presenting live theatrical productions and providing food and beverages for consumption on the premises.



722210 - Limited-Service Restaurant

This industry comprises establishments where patrons generally order or select food or beverages at a counter, food bar, and/or order by phone and pay **before** eating. Food and drinks are picked up for consumption on the premises or for take-out, or delivered to the customer's location. These establishments may offer a variety of food items or they may offer specialty snacks or non-alcoholic beverages.

Includes: the quick service restaurant, cafeterias, coffee shops, doughnut shops, food court and take-out and delivery establishments.

722310 - Food Service Contractor

This industry comprises establishments primarily engaged in supplying food services at locations of others under contract for a specific period of time. These establishments provide food services for the convenience of the contracting organization. Establishments providing food services to airlines, railways and institutions, as well as establishments that operate food concessions at sports and similar facilities are also included.

Includes: industrial caterers, school cafeterias.

Excludes: food vending machine operations.

722320 - Social Caterer

This industry comprises establishments primarily engaged in providing 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 to prepare food at the event site. Caterers who own or manage permanent facilities in which they provide event based food services are also included.

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

722330 - Mobile Food Service

This industry comprises establishments primarily engaged in preparing and serving food and beverages for immediate consumption from motorized vehicles or non-motorized carts.

Includes: mobile canteens, lunch wagons, street vendors selling prepared food such as french fries from mobile equipment.

Excludes: establishments primarily engaged in selling fruit, vegetables, other non-prepared food items from mobile equipment.

722410 - Drinking Places

This industry comprises establishments engaged in preparing and serving alcoholic beverages and limited food services for immediate consumption.

Includes: bars, taverns, pubs, nightclubs and cocktail lounges. Also includes bars operating video gaming or other gambling machines.

Excludes: civic or social organization that operate a bar for their members.



Section C - Reporting Period Information

The reporting period for this survey is the business unit's **fiscal year** that ended between April 1, 2003 and March 31, 2004.

If this business did not operate for the full reporting period indicated at question 1, please indicate the reason by checking the appropriate circle at question 2.

If the organization of this business has changed during the reporting period, please check the appropriate circle at question 3.

Section D - Business Unit Organization

Please indicate the type of your business unit by checking the appropriate circle. Check only one circle. Definitions of these organizations are given below:

Unincorporated sole proprietorship: Ownership of an unincorporated business by an individual.

Unincorporated partnership: Ownership of an unincorporated business by two or more individuals who combine resources and activities in a joint undertaking.

Incorporated company: A legal entity (corporation) operating under a grant of authority from the provincial or federal government. Basic attributes of a corporation are:

- it holds an exclusive name under which it can hold property, contract services, and sue or be sued and
- it has limited liability, and is not liable for its debts and obligations beyond the amount of its capital assets

Co-operative: A corporation incorporated under a federal or provincial law providing for the establishment of such a corporation. The main purpose of a cooperative corporation must be:

- Marketing (including processing) of natural products belonging to its members or customers or acquired from them
- The purchasing of supplies, equipment or household necessities for its members or customers
- The performance of services for its members or customers

Joint venture: A joint venture is a business undertaking entered into by two or more parties, which terminate upon completion of the project.

Government business entity: Entity that is regulated by government departments.



Government: Division of the government of Canada or of the government of a province or territory or municipality.

Non-profit organization: Organization usually formed for social, philanthropic or similar purpose in which there is normally no transferable ownership interest and that does not carry on business with a view to distribution or use of any profits or the pecuniary gains of the members.

Section E - Menu Theme

This section attempts to identify the changing tastes of the Canadian restaurant visitor. Please identify your restaurant's distinctive national or ethnic cuisine where applicable or featured menu item. For example, if you specialize in Szechuan cooking please select 9183 Chinese; if you feature steak only, please select 9194 Steak.

Section F - Revenue

Revenue data are used to calculate economic statistics that provide an indication of the industry's contribution to the overall Canadian economy.

Please report or estimate revenue for each of the services listed below. Please **exclude** federal or provincial sales tax collected for remittance to a government agency.

1. **Total alcoholic beverages** - Revenue generated from sales of beer, wine and liquor, including drinks served with meals.
2. **Full table food service** - Food and non-alcoholic beverages served to customers while seated at a table.
3. **Counter service** - Self-serve and/or food and beverages to be dispensed to customers and eaten on the premises.
4. **Take-out service** - Customers pick up their food and beverages to be eaten elsewhere.
5. **Drive-through service** - Customers drive up and place their order for food and non-alcoholic beverages. Their purchases are consumed away from the premises.
6. **Delivery service** - Food and beverages are ordered and delivered to customers by vehicle.
7. **Contract catering service** - Food is prepared on a contract basis for a specific period of time for institutions, government and/or industry.
8. **Social catering** - Food is prepared for social events such as parties, wedding receptions and business events.
9. **Mobile food service** - Food and beverages are prepared and sold from motorized vehicles and non-motorized carts.



- 10. Sales of merchandise** - Revenue generated from the sale or disposition of goods sold in the same condition in which they had been purchased, e.g., gifts, toys, newspapers, cigarettes.
- 11. Franchise fee and royalty revenue** - A franchise fee is the revenue derived from proceeds received based on a contractual privilege, granted by one person to another permitting the sale of a product, use of a trade name or provision of a service within a specified territory and/or in a specific manner. Royalty revenue is received from the granting of the rights or usage of patents, trademarks or copyrights.
- 12. Commission revenue** - The net value earned from video lottery terminals, slot machines, vending machines and the sale of lottery tickets, etc.
- 13. All other revenue** - Any other revenue which was not listed above. Please specify the major items.
- 14. Total operating revenue** - This is the sum of amounts reported at questions 1 to 13 inclusive.
- 15. Investment and other income** - Revenue which is not directly related to the operation of this business unit. This includes interest and dividend income and capital gains on sales of assets.
- 16. Total revenue** - This is the sum of amounts reported at questions 14 and 15.

Section G - Expenses

Please report expenses **excluding** the portion of federal or provincial sales tax refunded by government. *If your bookkeeping practices make this impossible, please indicate which refunds are included.*

Cost of goods sold - The cost of goods sold is divided into three (3) categories: merchandise purchased for resale, food and non-alcoholic beverages, and alcoholic beverages.

The cost of goods sold is obtained by calculating opening inventory plus (+) total purchases minus (-) closing inventory.

- 1. Cost of alcoholic beverages** - e.g., beer, wine and liquor, including drinks served with meals.
- 2. Cost of food and non-alcoholic beverages**
- 3. Cost of merchandise (for resale)** - e.g., gifts, toys, newspapers, cigarettes.
- 4. Total cost of goods sold - Include** the sum of questions 1 to 3. If no breakdown is available, report total cost of goods sold here.



5. Total salaries and wages of employees

Include all salaries and wages, before deductions, paid to employees issued a T4 - Statement of Remuneration Paid form **including** vacation pay, severance pay, directors' fees, administrators' fees, taxable allowances, retroactive wage payments, commissions, bonuses (including profit sharing) and gratuities.

Exclude all payments and expenses associated with outside contract workers and payments to casual labour without a T4 - Statement of Remuneration Paid form.

6. Employer portion of employee benefits

Include employers' contributions to health plans, insurance plans, employment insurance, pension contributions, workers' compensation, retirement allowances or lump sum payments to employees upon termination or retirement as well as contributions to any other employee benefits such as child care and supplementary unemployment (SUB) plans.

Exclude contributions to provincial health plans and education payroll taxes. Please report these payments at question 28, "All other expenses".

7. Total labour remuneration

Include the sum of questions 5 and 6. If no breakdown is available, report "Total labour remuneration" here.

8. Supplies and materials used in the business

Include plastic utensils, food containers, paper products, swizzle sticks, flowers, plants, centerpieces, etc.

Exclude the cost of alcoholic beverages, food and non-alcoholic beverages, and merchandise (purchased for resale). Report at questions 1 to 3, where applicable.

9. Office supplies

Include paper and supplies for photocopiers, printers and fax machines, diskettes, writing instruments and other office supplies. If **not capitalized, include** computers, printers, photocopiers, computer software and office furniture.

Exclude postage and courier expenses and report at question 28, "All other expenses".

10. Heat, light, power and water

Include all purchased energy such as electricity, gasoline, fuel oil, diesel fuel, propane and natural gas expenses.

Exclude energy and water expenses that are covered in your rental and leasing expenses and report at question 15, "Rent".

11. Purchased delivery service

Delivery of food and beverages to customers by private contractor.

12. Telephone and other telecommunication expenses

Include telephone, fax, cellular phone or pager services for transmission of voice, data or image. Also include Internet access



charges and purchased cable and satellite transmission of television, radio and music programs.

13. Rental of linens and uniforms

Include laundry service

14. Legal, accounting and other professional fees

Include legal fees, accounting and auditing fees, consulting fees, education and training fees, data processing fees, payroll preparation fees, research and development expenses and all other professional and business service fees.

15. Rent

Include expenses for rental or leasing of office space, warehouses or business locations.

16. Rental and/or lease of computer, motor vehicles, machinery and equipment

Include computers and peripherals, motor vehicles *without* driver, other machinery and equipment such as video equipment, televisions, furniture, etc.

17. Repair and maintenance to buildings, motor vehicles, machinery and equipment

Include materials/supplies, parts and labour, repair and maintenance service expenses for buildings (night cleaners, window washing, carpet cleaning, snow removal, etc.), structures, motor vehicles, other machinery and equipment, as well as for other goods (e.g., fabricated metal products or furniture repair services).

Exclude property management fees and report this item at question 28, "All other expenses".

18. Financial service fees and other banking charges

Include bank charges, credit and debit card commissions and charges and other financial service fees.

Exclude interest expenses and report at question 26, "Interest expenses".

19. Insurance premiums

Include insurance expenses such as liability insurance, bonding, business interruption insurance, fire insurance, motor vehicle insurance, property insurance, etc.

Exclude premiums paid directly to your head office (if applicable) and report at question 25, "Management fees paid to head office and other business support units".

20. Advertising and promotion expenses

Include advertising and promotional expenses such as newspaper advertising, media expenses, catalogues, business promotion, presentations, planning, creating and placement services of advertising, purchase or sale of advertising space or time, on commission, other advertising services, trade fair and exhibition organization services.



21. Travel, meal and entertainment expenses

Include passenger transportation, accommodation, meals while travelling, and other travel allowances, purchases for clients.

Exclude music and entertainment services provided to customers as part of your business and report at question 28, "All other expenses".

22. Property and business taxes, licences and permits

Include property taxes unless covered in your rental and leasing expenses, property transfer taxes, large corporation capital taxes, vehicle licence fees, lot levies, lease fees to governments (e.g., access to shoreline, stumpage fees), building permits and development charges.

23. Royalties and franchise fees

Include payment for continuing rights under a franchise agreement and for general or specific services provided by a franchisor.

24. Depreciation and amortization

Depreciation is the accounting process whereby the cost of capital assets is systematically allocated to current operations over the term of its useful life. This process recognizes the gradual exhaustion of the service capacity of the capital assets. Amortization is the gradual writing off of capitalized costs.

Include the amortization of franchise fees, and depreciation for buildings, furniture and fixtures, equipment and leasehold improvements.

25. Management fees paid to head office and other business support units

Include management fees or other service fees (e.g., legal, advertising, insurance) paid to head office and other business support units (e.g., warehouses, sales centres, trucking facilities).

26. Interest expenses

Interest expense represents the cost associated with all outstanding short-term and long-term loans (e.g., mortgages), operating lines of credit, and other cash loans.

27. Write-offs, valuations, adjustments, capital losses

28. All other expenses

Any other expenses which are not listed above. Please specify the major item(s).

29. Total expenses

Include the sum of questions 4, 7, and 8 to 28. Please note that Total expenses include the Cost of goods sold.



Section H - Personnel Characteristics

To fully measure the intellectual contribution of all human capital in this industry, we are asking for the statistics on the number of owners, partners and proprietors as well as the number and classification of employees.

Employees are defined as those workers for whom you completed a Canada Customs and Revenue Agency **T4-Statement of Remuneration Paid** form.

Full-time employees are employees who usually worked 30 hours or more per week.

Part-time employees are employees who usually worked fewer than 30 hours per week or who worked only for a given period during the year.

Working owners or partners of unincorporated businesses are non-salaried. Their earnings are the net income of the partnership or proprietorship.

Section I - Provincial Distribution

This section, which applies only if you are reporting for food service and drinking places operations located in more than one province, enables Statistics Canada to allocate your economic activity to the province(s) in which they actually take place. This is important for measuring the economic output (GDP) for each province.

You may report in either dollars (\$) or percentages (%), whichever is most convenient. Please indicate at question 2 which method you have chosen. If you have reported in dollars (\$), the Canada totals should correspond to the totals already reported in Sections F and G. If you have reported in percentages (%), the Canada totals should equal 100%.

Section J - Certification

If the person completing the questionnaire is not the same person listed on the pre-printed information on the front page of the questionnaire, please provide the information requested on this page. This will allow Statistics Canada to contact the right person, should there be any questions about the information provided by this firm.

Please indicate the approximate time (in hours and minutes) to assemble the information and complete this questionnaire. If you had any major difficulties in completing this question, please describe the nature of these difficulties in the **Comments** section. This information will be very useful to assess response burden and to improve the questionnaire.

Section K - Comments

Your comments on our business survey program are most welcomed. If necessary, please attach a separate page. Please be assured that all



comments are reviewed with the intent of improving the survey. Some of the topics to consider are listed below:

- events that may have caused significant changes in your reported values from the previous year
- questionnaire content
- new questions of interest to your industry
- questionnaire wording
- use of business terminology
- clarity of questions (e.g., definitions, examples of inclusions and exclusions, code sheets, instruction sheets, reporting guides)
- order and flow of questions
- timing of receipt of questionnaire and the period given for response
- other sources of data to further reduce response burden
- potential for electronic data reporting
- general (non-proprietary) business software packages in use

**Thank you for completing
this questionnaire. Please retain
a copy for your records.**

Should there be any questions about the information provided, a representative from Statistics Canada may call you. Retaining a copy of this completed questionnaire for your records will allow you to spend less time on the phone.

Thank you

We hope this guide was helpful to you in completing the survey as well as providing some information about Statistics Canada. If you have suggestions on ways to improve this guide, please write your ideas in the comment section of the questionnaire.

Visit the Statistics Canada's Web site at www.statcan.ca

Check out some of the most informative pages:

- **The Daily** (The latest Statistics Canada information available every day)
- **Canadian Statistics** (Over 350 statistical tables on a wide array of economic and social topics)
- **Information for survey participants** (Information on household and business surveys conducted by Statistics Canada)



- **Community Profiles** (Access the most recent 2001 Census results in the 2001 **Community Profiles** for cities, towns, villages, aboriginal communities, counties and metropolitan areas in Canada)
- **Census** (Results from the 2001 Census)
- **Learning Resources** (Programs and products for students and teachers)

Visit your public library

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