



Unified Enterprise Survey – Annual

Reporting Guide: 2003 Annual Retail Chain Survey

*Si vous préférez recevoir
ce document en français,
veuillez téléphoner au
numéro sans frais suivant :
1 888 881-3666.*

This guide is designed to
provide additional information for
completing the questionnaire.

If further assistance is required,
please call us at **1 888 881-3666.**





You have been selected to participate in the *2003 Annual Retail Chain Survey*. Statistics Canada uses your survey responses to compile operating and financial statistics for the retail sector, by province/territory and for Canada as a whole. By accurately reporting your firm's activity, you contribute to measuring provincial/territorial and Canadian economic output - the gross domestic product (GDP). Data from the Annual Retail Chain Survey are combined with data from the Annual Retail Store Survey to provide an accurate portrait of the store retailing sector in Canada.

Retailers also make significant use of the data from these surveys to:

- track their performance against industry averages;
- evaluate expansion plans;
- prepare business plans for investors;
- determine payments with respect to performance based contracts; and
- plan marketing strategies.

The Annual Retail Chain Survey is a census of all identified retail chains operating in Canada. A "retail chain" is defined as an organization operating four or more retail locations in the same industry class under the same legal ownership at any time during the survey year.

This guide is designed to provide additional information and to assist you in completing the questionnaire. Part A of the Annual Retail Chain Survey questionnaire is divided into seven broad categories identified with capital letters A to G. Each of the seven categories is further subdivided by headings and numbers. There is also a Part B of the questionnaire, in which detail on individual locations is requested. Categories, headings and numbers that coincide with those appearing on the survey form identify guideline items.

The first step is to verify the business covered by this questionnaire. Statistics Canada requests that you report for either your entire business or that part that is described in the pre-printed area (hereafter referred to as the "coverage statement") at the top of the first page. Normally, each questionnaire covers all the stores within a chain. This may include one or more banners in the same industry class and under the same legal ownership. If any of the information in the coverage statement and address information is not correct, please provide corrections in the spaces provided.

The Retail Chain questionnaire is available in both a paper and an electronic format. The electronic version is particularly useful for companies with a large number of locations. The electronic version allows the location detail to be loaded from a variety of software formats. Should you wish to change either from the paper questionnaire to the electronic questionnaire, or the reverse, please call the number on the front page.

Part A

Section A – Introduction

The introduction includes: the survey purpose, coverage, data-sharing agreements, confidentiality of the data provided, information on the return of the questionnaire and a warning about fax or other electronic transmission disclosure. **Please read this information.**

If the name of the person completing the questionnaire is not the same as the one indicated in the pre-printed area (on page 1), please provide the information requested at the bottom of page 1. This will allow Statistics Canada to contact the right person should there be questions about the information provided.



Reporting Instructions

1. Please report all dollar amounts in CANADIAN DOLLARS (\$ CDN).
2. All dollar amounts reported should be rounded to the nearest whole dollar (e.g., \$55,417.40 should be rounded to \$55,417). All percentages reported should be rounded to the nearest whole percent (e.g., 37.3% to 37%, 75.8% to 76%).
3. Please print in ink.
4. **When precise figures are not available, please provide your best estimates.**

Main Business Activity

1. **Is this business unit primarily a store retailer? (yes - no)**

Definition of store retailers: store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. The latter include establishments such as office supply stores, computer and software stores, gasoline stations, building material dealers, plumbing supply stores and electrical stores.

Catalogue sales showrooms and mobile home dealers are treated as store retailers.

If you answer no, indicating that the business unit is not a store retailer as defined above, then **please call 1 888 881-3666** for further instructions.

2. **How many retail locations does this business unit cover?**

Please provide the number of stores included for this questionnaire.

3. **Main lines of merchandise and services**

Please list (up to three) the principal lines of merchandise and services sold by this business unit and indicate the estimated percentage of total operating revenue associated with each one. This information is used to determine whether you have been correctly classified into one of 65 retail store industries.

Your principal lines of merchandise should be broadly described. Examples include: men's clothing, clothing accessories, new cars and trucks, wide range of general merchandise, etc.

Reporting Period Information

Please report for your fiscal year ending between April 1, 2003 and March 31, 2004. Indicate the start and end dates.

Revenue, Cost of Good Sold and Expenses

Sections B, C and D are designed to gather information from your business financial records. Not all of the itemized details, in the three sections, are appropriate for every business. Please report for those items that are relevant to your business.

Note 1: If you are reporting for a Retail Gasoline Service Station chain, please see Appendix 1 to this guide for additional information specific to this industry.

Note 2: If you are reporting for a Beer, Wine and/or Liquor chain and your company also completes the monthly Survey on Sales and Inventory of Alcoholic Beverages, please see Appendix 2 to this guide for additional information on completing this questionnaire.



Section B – Revenue

All revenue reported should be **net of returns, discounts, sales allowances, sales taxes (GST/HST, PST and TVQ). Do not deduct the value of trade-ins.**

1. Sales of all goods purchased for resale, net of returns and discounts

Include sales of all goods purchased for resale; please report gross sales of new and used goods less returns and discounts. Also **include** parts used in generating repair and maintenance revenue. Report the labour portion of repair and maintenance at question 5, Labour revenue from repair and maintenance. **Do not** deduct the value of trade-ins.

2. Commission revenue and fees earned from selling merchandise on account of others

Examples include commission received for merchandise sold, such as used clothing, automobiles and gasoline. The value of the commissions received should be reported at question 2 and not the total value of sales.

3. Commission revenue and fees earned from selling services on account of others

Examples include commission revenue received from selling lottery tickets, bus tickets, phone cards, fax and/or photocopying services.

The value of the commission received should be reported at question 3 and not the total value of sales.

4. Sales of goods manufactured as a secondary activity by this retailing business unit

Revenue from sales of goods of own manufacture should be reported here.

5. Labour revenue from repair and maintenance

Include labour revenue for installations, warranty and repair work. Parts used in generating installation, repair and maintenance revenue are to be included at question 1, Sales of all goods purchased for resale, net of returns and discounts.

6. Revenue from rental and leasing of goods and equipment

Examples include video/computer game rental, rug shampoo equipment rental, and tool rental.

7. All other operating revenue

Report all other operating revenue not specified and reported above.

Include placement fees for displaying items on Web sites, store windows, catalogues; rental or leasing of office space and other real estate; revenue from shipping and handling charges which are not included in the price of the merchandise; fees and commissions from concessions; donations, subsidies and grants; etc.

Exclude interest and dividend income. Please report these amounts at question 9, Non-operating revenue.

8. Total operating revenue

As indicated on the questionnaire, this should equal the sum of questions 1 to 7 in this section.

9. Non-operating revenue

Defines the non-production-related revenue realized by this business unit.

Include, for example:

- interest and dividend income.

10. Total revenue

As indicated on the questionnaire, this should equal the sum of questions 8 and 9 in this section.



Section C – Cost of Goods Sold

1. and 5. Opening and Closing Inventories – Report inventories at book value (i.e., the value maintained in the accounting records). **Include** opening and closing inventories of all types, such as raw materials, goods in process, finished products, parts for use in generating repair and maintenance revenue and goods purchased for resale. Closing inventories should reflect all inventory adjustments.

Exclude inventory held on consignment for others.

2. Purchases – Please report the purchases of new and used goods purchased for resale and, if applicable, raw materials.

Include freight-in and the value of goods taken in trade, less returns and discounts.

3. and 4. Direct labour costs and Other direct costs – As part of Cost of Goods, some retail businesses have costs other than purchases of goods for resale. For example, there may be direct employee labour costs or other direct costs related to any manufacturing activity or installation services, etc. If you have these costs, they are to be reported at questions **3** and **4**, split between direct labour costs and other direct costs.

Include contracted direct labour at question **4**, Other direct costs.

If direct labour costs and other direct costs have been reported at questions **3** and **4**, they are to be **excluded** from Section D – Expenses.

6. Cost of goods sold

As indicated on the questionnaire, this should equal the sum of questions **1** to **4** **minus 5**.

Section D – Expenses

Labour Remuneration

Please report all salaries and wages (including taxable allowances and employment commission **as defined** on the **T4 - Statement of Remuneration Paid** form) **before deductions**. Please **exclude** any amounts already reported in Section C, at question **3**.

Please report the employer portion of employee benefits, as itemized below, at question **2**.

1. Salaries and wages of employees

Include:

- vacation pay;
- bonuses (including profit sharing);
- commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as air tickets for holidays);
- retroactive wage payments.

Exclude:

All payments and expenses associated with outside contract workers. Please report these amounts in this section at question **7**, All other operating expenses.

For example:

- the cost of a receptionist or filing clerk under direct contract to you;
- payments to employment agencies or personnel suppliers, e.g., pay for temporary workers paid through an agency and charges for personnel search services under direct contract to you.

Payments to casual labour, for which a **T4 - Statement of Remuneration Paid** form was not prepared, should be reported in this section at question **7**, All other operating expenses.



2. Employer portion of employee benefits

Include:

- employee life and extended health care insurance plans (e.g., medical, dental, drug and vision care plans);
- CPP/QPP contributions;
- employer pension contributions;
- workers' compensation (provincial plan applicable to this business unit);
- Employment Insurance Premiums (E.I.);
- retiring allowances or lump sum payments to employees at time of termination or retirement;
- all other employee benefits and supplementary unemployment benefit (SUB) plans.

Exclude:

- contributions to provincial health and education payroll taxes (applicable to this business unit) should be reported in this section at question 7, All other operating expenses.

3. Total labour remuneration

Report the sum of questions 1 and 2 or the total if you cannot provide the above breakdown.

4. Rental and leasing expenses

Include:

- rent of office space or other real estate;
- motor vehicles (without driver);
- computers and peripherals (without operator);
- other machinery and equipment (without operator);
- furniture and fixtures.

Exclude:

- rental and leasing of vehicles, machinery and equipment with driver or operator. These items

should be reported at question 7, All other operating expenses.

5. Advertising and promotion

Include:

- planning, creating and placement services of advertising;
- purchase of sale of advertising space or time;
- other advertising services;
- trade fair and exhibition organization services.

6. Depreciation and amortization expenses

Include the depreciation and amortization expenses on this business unit's capital assets, intangible assets and capital lease obligations.

Exclude depreciation and amortization expenses on vehicles owned by the business unit that are leased to others.

7. All other operating expenses

Report all other operating expenses not specified and reported above.

Include:

- provincial health and education payroll taxes (applicable to this business unit);
- all payments and expenses associated with outside contract workers;
- rental and leasing of vehicles, machinery and equipment with driver or operator;
- goods transportation, warehousing and storage expenses;
- bad debt;
- donations.

Exclude interest expenses. Please report these amounts at question 9, Other expenses.



8. Total operating expenses

As indicated on the questionnaire, this should equal the sum of questions 3 to 7 in this section.

9. Other expenses

Include:

- interest expenses on capital lease obligations, interest on loans and the interest portion of mortgage payments.

10. Total expenses

As indicated on the questionnaire, this should equal the sum of questions 8 and 9 in this section.

11. Head Office fees and expenses

The Head Office of some business enterprises may incur various expenses on behalf of, or charge fees to their business units and allocate these charges to the operating units of the business enterprise. For example: billed expenses or fees such as fees for services, energy, packaging and shipping materials or management fees. Please include any such charges in your expenses, if applicable.

Section E – Distribution of Operating Revenue by Type of Customer

In this section you are asked to indicate the percentage of Total operating revenue (reported in Section B - Revenue, at question 8) for individuals and households and for all other customers.

Data on your revenue by type of customer are used to determine the percentage of revenue in the Retail Trade Sector that originates from end use consumption by individuals and households and the percentage that is derived from purchases for other uses.

Statistics Canada recognizes that this may be a difficult question to answer.

If precise numbers are not available, please provide your best estimates.

Section F – Events That May Have Affected Your Business Unit

In this section, in the space provided, please make note of any factors (e.g., strike, layoffs, weather) that affected your business as compared to last year. Your response reduces the likelihood of further inquiries seeking to understand significant changes, from one year to the next, in reported values.

Section G – Comments

Statistics Canada invites you to comment on any aspect of the survey. All comments are appreciated and reviewed.

Part B – Location Details

This section serves two important purposes. First, if you operate in more than one province, the data you provide here are used to allocate your economic activity to the provinces in which it actually takes place. This is important for measuring the economic output (GDP) for each province. Second, by having data on individual stores, aggregate performance measures can be developed that allow you to make comparisons of the performance of your company against industry standards for similar types of operations.

You are asked to provide detail on each of your retail stores. The questions for each store are:

- North American Industrial Classification System (NAICS) code;
- name and address;
- total operating revenue;
- total labour remuneration;



- total operating expenses;
- cost of goods sold;
- gross leasable area (the portion of total floor area designed for tenants' occupancy and exclusive use, measured from the centreline of joint partitions and the centre of outside walls. This includes both owned and leased areas);
- whether the store is on a street, in a shopping centre or other; and
- whether the store operated for only part of the year, and if so, the dates of operation.

Some of the information that you provided on last year's questionnaire should be preprinted on this year's questionnaire. Please review this information and provide corrections, if necessary. Please add any new stores that you may have opened during the fiscal year covered by this questionnaire.

Please refer to Attachment 1 for the applicable NAICS codes for retail trade.

More information and detailed instructions are included on the Part B Survey.

Appendix 1 – Gasoline Service Station Guide

1. Independent Retail Dealer

An independent retail dealer purchases gasoline for resale from a supplier (e.g., an oil refinery or wholesaler), i.e., owns the inventories.

An independent dealership is a typical retail operation and should report all data as requested on the questionnaire.

A franchisee is usually an independent retail dealer.

Reporting instructions:

Revenue – Section B

Exclude provincial sales taxes (PST and TVQ), goods and services tax (GST) or harmonized sales tax (HST) and include excise taxes. Also include revenue from repairs, rentals, car washes and other services.

2. Retail Commissioned Agent

Sells petroleum products on consignment and does not own the inventory of gasoline; may also purchase and carry inventories of other merchandise for resale.

Receives a commission or flat fee from supplier of products sold on consignment.

Reporting instructions:

Revenue – Section B

Report only the commissions or fees received for consignment sales, plus excise taxes, and total sales of other merchandise not on consignment, as well as revenue from repairs, rentals, car washes and other services. Exclude provincial sales taxes (PST and TVQ), goods and services tax (GST), or harmonized sales tax (HST).

Inventories and Costs of Goods Sold – Section C – Questions 1, 2 and 5

Exclude inventories and purchases of goods held on consignment. Include all other merchandise, preferably valued at cost price.

Labour Remuneration – Section D – Questions 1, 2 and 3

Report as requested on questionnaire.

3. Lessee

For purposes of the survey, a lessee can be either an independent dealer or a retail commissioned agent.



If a lessee purchases gasoline for resale, i.e., he owns the inventories, he should report as an independent dealer.

If a lessee sells gasoline on consignment, i.e., he does not own the inventories, he should report as a retail commissioned agent.

4. Oil Refinery or Other Wholesale Supplier

An oil-producing company, refinery or other wholesale supplier which is involved in gasoline retailing through:

- (a) company owned-and-operated gasoline service stations;
and/or
- (b) retail commissioned agents or lessees who sell company-owned gasoline on consignment.

Reporting instructions:

Report for each location, depending upon its type, i.e., company-owned or retail commissioned agent or lessee.

Revenue – Section B

- (a) Company owned-and-operated stations: include total retail sales of petroleum products, sales of all other merchandise, receipts from repairs, rentals, car washes and other services. Include excise taxes, but exclude provincial sales taxes (PST and TVQ), goods and services tax (GST) or harmonized sales tax (HST).
- (b) Through retail commissioned agents or lessees who sell on consignment: include only the value of retail sales of petroleum products sold on consignment, including excise taxes, net of commissions or fees paid to agents or lessees. Exclude provincial sales taxes (PST and TVQ), goods and services tax (GST) or harmonized sales tax (HST).

Inventories and Cost of Goods Sold – Section C – Questions 1 to 5

Report total inventories of petroleum products held at retail locations (both company owned-and-operated and retail commissioned agents or lessees), as well as at any other locations where the inventories are segregated pending sale on consignment or through company owned-and-operated outlets.

Inventories should be reported at transfer or wholesale value.

For company owned-and-operated stations, inventories of other merchandise held for resale (e.g., food, auto parts, etc.) should also be reported.

Purchases – Section C – Question 2

Report the transfer or wholesale value of all petroleum products sold on consignment or through company owned-and-operated stations.

Purchases of other merchandise sold through company owned-and-operated outlets should also be included, at cost of goods sold.

Labour Remuneration – Section D – Questions 1, 2 and 3

Report for all employees of company owned-and-operated stations, plus a portion of the administrative salaries (overhead) applicable to both the company owned-and-operated outlets as well as to the stations operated by retail commissioned agent or lessees who sell on consignment.

IMPORTANT

If none of the above categories applies to your service station business, please enclose a note with your questionnaire.



Appendix 2 – Beer, Wine and Liquor Chains

The information in this appendix applies, if and only if, your company is requested to complete the *Monthly Survey on Sales and Inventory of Alcoholic Beverages*.

If you are not sure whether your company receives the *Monthly Survey on Sales and Inventory of Alcoholic Beverages*, please call us at 1 888 881-3666 for clarification.

If you are primarily a retailer of beer, wine and/or liquor and your company also receives the *Monthly Survey on Sales and Inventory of Alcoholic Beverages*, you are requested to complete the entire questionnaire for both your retail and wholesale trade operations.

The definition of store retailers is included in Section A of this Guide under “Main Business Activity”. Your retail stores should be reported in Part B of the questionnaire with NAICS code 445310 - Beer, Wine and Liquor Stores.

Your wholesale distribution centres (i.e., distribution outlets that are not retail stores and that sell directly to commercial accounts) should be reported in Part B of the questionnaire with NAICS code 413220 - Alcoholic Beverage Wholesaler-Distributors.

If your company has transfer pricing between its wholesale and retail operations, these values should neither be included as revenue for the wholesale component nor as an expense for the retail component.

It is expected that the Total Operating Revenue that you report on this questionnaire will be similar to the total sales, excluding taxes, that have been reported for the relevant months on the *Survey on Sales and Inventory of Alcoholic Beverages*. If there is a substantial difference and you have not provided an explanation in the Comments section, it is likely that Statistics Canada will telephone you in an attempt to understand the reasons for the differences.

It is hoped that, by combining the wholesale trade and retail trade components of your company into one questionnaire, we have reduced your response burden to Statistics Canada surveys.

Attachment 1 – Industrial Classifications for Retail Trade

The North American Industrial Classification System (NAICS) code is requested for each of the locations reported in Part B of the questionnaire. Please refer to the NAICS codes, for the store component of Retail Trade, that is included in the package.