

## 2012 Annual Wholesale Trade Survey

### Reporting Guide

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

**Help Line: 1-800-858-7921**



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This guide is designed to provide additional information to assist you in completing the questionnaire. The Annual Wholesale Trade Survey is divided into nine sections identified with capital letters A to I. Each of the sections is further subdivided into headings and question numbers. Guideline items in this guide correspond to sections and questions numbers that are on the survey questionnaire.

## A - Introduction

The introduction includes information on 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 preprinted area (on page 9), please provide the information requested at the bottom of page 9. Should there be questions about the information provided, Statistics Canada will then be able to contact the appropriate person.

### Reporting instructions

1. Please print in ink.
2. Please report all dollar amounts in **Canadian dollars (CAN\$)**.
3. 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%).
4. Please **include** all electronic commerce transactions.
5. **When precise figures are not available, please provide your best estimates.**

### Main business activity

#### 1. Principal source of revenue

A **business unit** is defined as the lowest level of the firm for which separate records are kept for details such as revenue, expenses and employment.

Statistics Canada defines business units in the wholesale sector as follows:

**Wholesale merchants** are engaged in the buying and selling of goods on their own account (i.e., take title of the goods). In addition, they may provide, or arrange for the provision of logistics, marketing and support services, including packaging and labelling, breaking bulk, inventory management, shipping,

in-store or co-op promotions, handling of warranty claims and product training. Wholesale merchants are known by a variety of trade designations depending on their relationship with suppliers or customers or the distribution method they employ. Examples include wholesalers, wholesale distributors, drop shippers, (takes an order and be responsible for the transportation of a product from the manufacturer to the final customer), rack-jobbers (wholesaler who will place his display cases in client stores and usually consigns the merchandise they hold), import-export merchants, dealer-owned co-operatives and banner wholesalers.

**Wholesale agents or brokers** are engaged in the buying and/or selling, on a commission or fee basis, goods owned by others. Wholesale agents and brokers are known by a variety of trade designations including import-export agents, wholesale commission agents, wholesale brokers, and manufacturer's representatives and agents. **Buying groups** who combine the purchasing power of their members and guarantee supplier payment for which members pay a fee, annual dues, etc., to the buying group, are also included.

If your business unit does not meet either of these definitions, please call **1-800-858-7921** for further instructions.

Enclosed with the questionnaire is a **supplement that lists all identified wholesale operations**. Please update any new openings, closures, changes of address and changes of ownership for these wholesale operations occurring within the fiscal year being reported on your questionnaire.

#### 2. Main lines of merchandise and services

Please list up to three main lines of merchandise and services sold by this business unit and indicate the estimated percentage of the total operating revenue associated with each one.

### Reporting period information

Please report information for your fiscal year (normal business year) **ending between** April 1, 2012 and March 31, 2013. Indicate the start and end dates.

### Revenue, cost of goods sold and expenses

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

## B - Revenue

All revenue reported should **exclude sales taxes (GST/HST, PST and TVQ) and be net of returns, discounts, sales allowances, and charges for outward transportation by common or contract carriers. Do not deduct the value of trade-ins.**

### 1. Sales of all goods purchased for resale, net of returns and discounts or rebates provided to your clients

**Include:**

- excise taxes (such as those on gasoline, liquor, and tobacco) and other taxes that are levied on the manufacturer/importer and included in the cost of products purchased by this business unit;
- sales of all goods purchased for resale; please report gross sales of new and used goods less returns, discounts and rebates;
- parts used in generating repair and maintenance revenue; report the labour portion of repair and maintenance at question 4 below;
- any sales made to any member company of your enterprise.

**Do not** deduct the value of trade-ins.

**Exclude:**

- taxes collected **directly** from customers and paid **directly** by this operating unit to provincial and federal tax agencies.

### 2. a) Commission revenue and fees earned selling merchandise on behalf of others

Please report the gross amount of commission and fees earned by this business unit while acting as an agent or broker selling goods owned by other businesses.

### 2. b) Value of goods where commission and fees were earned by you acting as an agent or broker

As supplementary information to the reported commission revenue, please report the sale value of those goods upon which you have reported earning a commission or fee.

### 3. Sales of goods manufactured as a secondary activity by this wholesaling business unit

Please report revenue from sales of goods of own manufacture.

### 4. Labour revenue from repair and maintenance

**Include:**

- labour revenue from installation, repair and maintenance work.

Parts used in generating installation, repair and maintenance revenue are to be included at question 1 above.

### 5. Revenue from rental and leasing of office space, other real estate, goods and equipment

**Include:**

- rental and leasing of office space, other real estate, goods and equipment, whether or not they have been produced by your business unit.

### 6. All other operating revenue

Report all other operating revenue not reported above.

**Include:**

- revenue from warranties;
- revenue from shipping, and handling and storing goods for others that has not been included in the price of the goods.

**Exclude:**

- interest and dividend income.

Please report these amounts at question 8 below.

### 7. Total operating revenue

The sum of questions 1 to 6 above, **excluding 2b.**

### 8. Non-operating revenue

Non-production-related revenue of this business unit.

**Include:**

- interest and dividend income.

### 9. Total revenue

The sum of questions 7 and 8 below.

## C - Cost of goods sold

### 1. Opening inventories and 3. Closing inventories

Report inventories at book value (i.e., the value maintained in your 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;
- goods purchased for resale;
- inventory **owned** by this business unit within or outside Canada (including inventory at any warehouse, selling outlet, in transit, or out on consignment).

Closing inventories should reflect all inventory adjustments.

**Exclude:**

- inventory held on consignment for others.

**2. Purchases of goods**

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

Please report the laid-down cost to this business unit (including shipping and handling, if applicable).

**Include:**

- shipping and handling charges, and the cost of insurance, if applicable;
- import duties and all taxes paid, except for the deductible GST/HST/TVQ;
- transfer of goods received from within your own company;

If your accounting records do not permit you to make the distinction between goods purchased from outside the firm and goods manufactured by business units of your own firm, please provide your best estimate.

**4. Cost of goods sold**

Sum of questions 1 and 2 **minus** question 3.

**D - Expenses**

**1. Salaries and wages of employees**

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

**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 and casual labour for whom a T4 – Statement of Remuneration Paid was not issued such as:

- a receptionist or filing clerk under direct contract to you;
- pay for temporary workers paid through an agency;
- charges for personnel search services under direct contract to you.

Please report these amounts at question 8, next page.

**2. Employer portion of employee benefits**

Please report the employer portion of employee benefits.

**Include:**

- employee life and extended health care insurance plans (e.g., medical, dental, drug and vision care plans);
- Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) contributions;
- employer pension contributions;
- workers' compensation (provincial or territorial plan applicable to this business unit);
- employment insurance premiums (EI);
- retiring allowances or lump sum payments to employees at time of termination or retirement;
- all other employee benefits and supplementary unemployment benefit (SUB) plans;
- contributions to provincial and territorial health and education payroll taxes.

**3. Total labour remuneration**

The sum of questions 1 and 2 or the total if you cannot provide the breakdown for Salaries and wages of employees and the Employer portion of employee benefits.

**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);
- rental or leasing services concerning other goods (videotapes, televisions, furniture, etc.).

**Exclude:**

- rental and leasing of vehicles, machinery and equipment with driver or operator; report those costs with the associated function (e.g., the rental of a transportation company truck and driver to deliver a product to a customer at your business unit's expense would be charged to other operating expenses).

Please report this amount at question 8 next page.

**5. Advertising and promotion****Include:**

- planning, creating and placement services of advertising;
- purchase of advertising space or time;
- other advertising services;
- trade fair and exhibition services (e.g., booth space, tables, temporary telephone, fax or computing services and equipment).

**6. Amortization and depreciation expenses**

**Include** the amortization and depreciation expenses on this business unit's:

- capital assets;
- intangible assets;
- capital lease obligations.

**7. Management fees and other service fees charged by head office and other business support units****Include:**

- any management or service fees paid to head office.

**8. All other operating expenses**

Report all other operating expenses not specified and reported above.

**Include**, for example:

- property and business taxes, licences and other permits, including building permits and development changes;
- legal and audit expenses;
- bad debt expenses;
- donations;
- office supplies;
- rental and leasing of vehicles, machinery and equipment with driver or operator.

**Exclude:**

- interest expenses.

Please report these amounts at question 10 below.

**9. Total operating expenses**

The sum of questions 3 to 8 in this section.

**10. Other expenses****Include:**

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

**11. Total expenses**

The sum of questions 9 and 10 above.

**E - Distribution of operating revenue by location and type of customer**

1. You are asked to indicate the percentage distribution of total operating revenue by the location of your customers within or outside Canada. For example, 70% of total operating revenue is from customers in Canada and 30% is from customers outside of Canada.
2. For your Canadian customers, you are asked to report the percentage distribution of total operating revenue by the type of customer.

**F - Events that may have affected your business unit**

In the space provided, please make note of any factors (e.g., strike, layoffs, weather) that affected your business unit 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.

**G - Key variables by province/territory of operation**

**Section G** applies only if you are reporting for more than one wholesale operation and the wholesale operations are located in more than one province/territory.

For example, if you are reporting for wholesale operations located in Nova Scotia and Ontario, you would report for the province/territory where your wholesale operations are located.

Please indicate whether you are reporting in either Canadian dollars (\$) or in percentages (%) by ticking the appropriate box.

If you report in Canadian dollars, the **Canada Totals** should equal the totals reported in **Sections B, C and D**, at the indicated questions. If you report in percentages, the **Canada Totals** should equal 100%.

## H - Province/country of origin and destination of goods sold

### Why is Section H so important?

- to apportion harmonized sales tax revenues and to distribute various other federal funds like equalization payments, for example. The information you provide us with has an impact on the sources of provincial/territorial government revenues which contribute to the financing of various provincial/territorial activities such as building roads and running schools and hospitals.
- to measure the provincial/territorial gross domestic product - an indicator of the performance of provincial/territorial economies. Businesses depend on such indicators to make a number of important decisions such as where to expand their operations and to identify new markets for their goods and services.
- to assess regional disparities, the resolution of which may result in various government programs such as providing business assistance and initiating investment such as construction of wharves or airports.
- to assess the movement of goods and services among provinces/territories and the impact of any trade barriers.

### How to complete this section...

In this section you are asked to provide – for your total goods and for each province/territory in which you have wholesale business operations – the province/territory/

country where your **supplier** is located (origin) and the province/territory/country where your **customer** is located (destination).

**Please note that your best estimates are acceptable.**

### For costs of goods sold and sales of goods:

In dollars or percentages, report for each product the proportion of total cost of goods sold and sales of goods in each province/territory.

### For origin:

Please provide the percentages that the cost of goods sold represented in each province/territory or foreign country where the goods were originally produced/ manufactured. An acceptable substitute would be the location of your supplier.

### For destination:

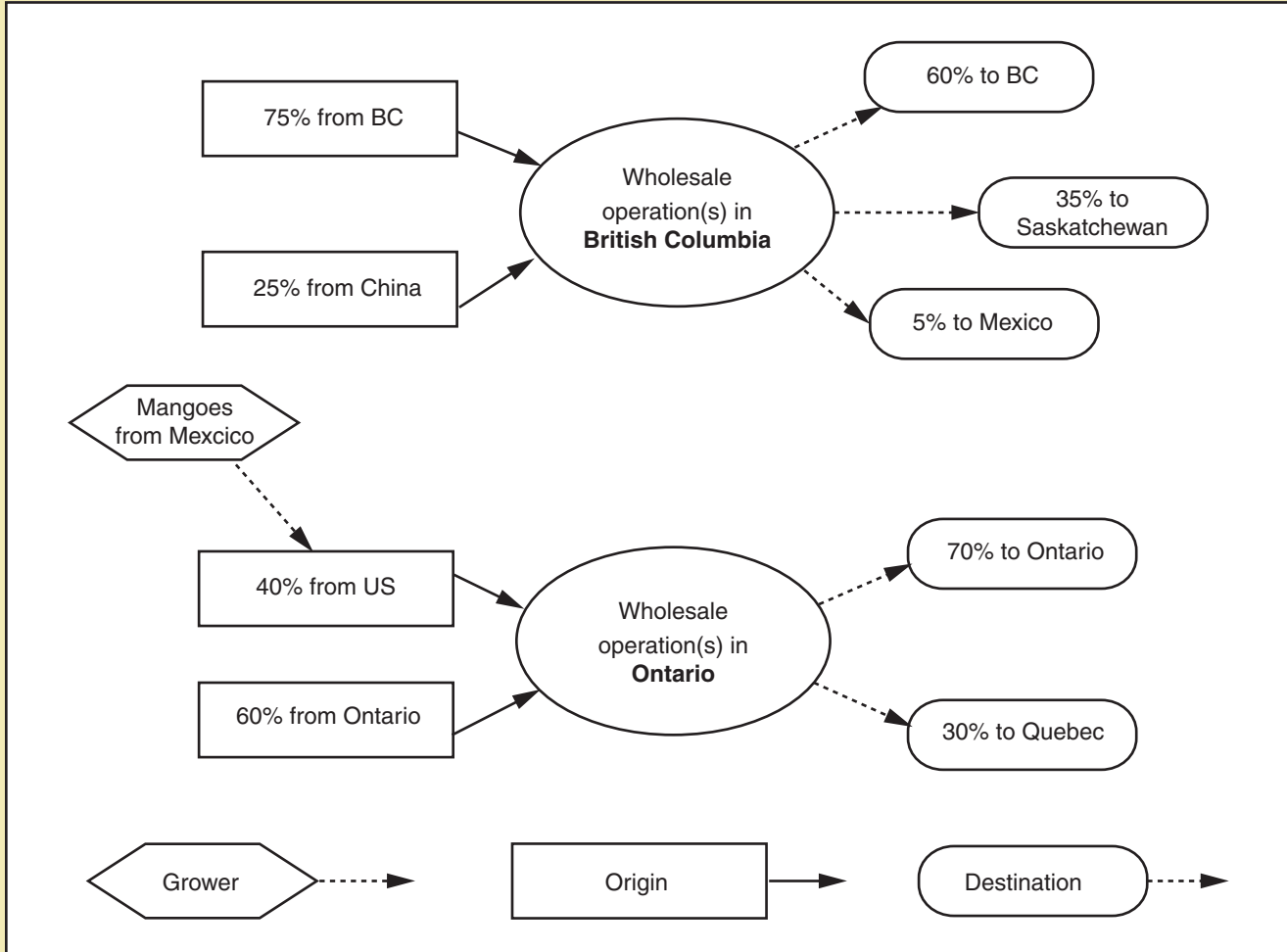
Please provide the percentages of total sales in each province/territory or foreign country where the goods will ultimately be used. Acceptable substitutions would be your shipping destinations, location of your retail customers or location of your warehouses.

### Please note:

- Intermediate** shipping points do not affect the origin and destination of a product.
- “Total sales” is equal to question 1 + question 3 in Section B - Revenue.

Origin	Destination
If your business operation(s) that is/are situated in Ontario <b>bought</b> goods from a supplier in the U.S.A. then the origin would be 100% U.S.A.	If your business operation(s) that is/are located in Ontario, <b>sold</b> goods to customers in Ontario and Nova Scotia, and of the total sales <b>by</b> the business operation(s) in Ontario, 15% were in Ontario, and 85% in Nova Scotia, these would be the <b>destination</b> percentages of your sales.
If your business operation(s) that is/are situated in Alberta <b>purchased</b> goods from both Saskatchewan and Ontario and this represented 10% and 90% respectively of the total purchases, the origin would be 10% for Saskatchewan and 90% for Ontario..	If your business operation(s) in Alberta shipped the goods directly to your customer in Alberta (the “ship to” address) then, the <b>destination</b> would be “Alberta”.
If your supplier for machinery is in California, but the machinery was shipped from a warehouse in Toronto, Ontario, to your address in Alberta, via Chicago, Illinois, U.S.A., the <b>origin</b> you would report would be “Ontario” - the “ship from” address of your supplier.	

**Example of a company that has business units with wholesale operations in two provinces:**



**You would complete Section H as follows:**

1		British Columbia																
103		Fresh fruit																
		N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T.	N.W.T.	Nvt.	USA.	China	Other	Total
Cost of goods sold:	% Purchased from (origin)									50	25					25		100%
	% Sold to (destination)								35		60						5	100%
2		Ontario																
103		Fresh fruit																
		N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T.	N.W.T.	Nvt.	USA.	China	Other	Total
Cost of goods sold:	% Purchased from (origin)						60								40			100%
	% Sold to (destination)					30	70											100%



- If the supplier(s) and/or customer(s) have/has a shipping address different from the invoicing address, use the **shipping address** to determine origin and destination.

## I - Comments

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

**Thank you!**