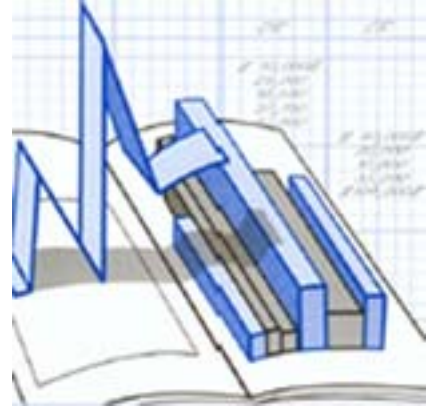




Catalogue no. 61-219-X

# Financial and Taxation Statistics for Enterprises

2006



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Enterprise Statistics and Analysis

# Financial and Taxation Statistics for Enterprises

2006

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February 2008

Catalogue no. 61-219-X

ISSN 1499-7525

Frequency: Annual

Ottawa

La version française de cette publication est disponible sur demande (n° 61-219-X au catalogue).

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- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- 0<sup>s</sup> value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- p preliminary
- r revised
- x suppressed to meet the confidentiality requirements of the *Statistics Act*
- E use with caution
- F too unreliable to be published

## Note

As figures are individually rounded in the tables of this document, totals do not necessarily equal the sum of their component parts.

## Acknowledgements

This publication was prepared under the direction of:

- **Jean Leduc**, Director, Industrial Organization and Finance Division
- **Haig McCarrell**, Assistant director, Industrial Organization and Finance Division

with the assistance of:

- **Danielle Lafontaine-Sorgo**\*, Project manager
- **Ed Holmes**\*, Senior analyst
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## ***Note to readers***

These financial and taxation statistics cover all incorporated businesses within the domestic economy, including government business enterprises, but exclude enterprises classified to Management of Companies and Enterprises, Funds and Other Financial Vehicles and Public Administration

A project to improve industrial classification resulted in the addition of almost 18,000 enterprises to the estimates. These enterprises were reclassified from Management of Companies and Enterprises to the Securities and Commodity Exchanges and Other Financial Investment Activities industry. This reclassification is reflected in the estimates from 2003 to 2006.

Detailed financial data for 67 industry groups based on the North American Classification System (NAICS) 2007 are available and have been released on CANSIM for the period 1999 to 2006. The North American Classification System (NAICS) 2007 supersedes NAICS 2002. Taxation statistics are available beginning with reference year 2000.

Other industry aggregations are available upon request on a cost recovery basis.

# Highlights

- Corporate operating profits, bolstered by soaring commodity prices, high employment levels and low interest rates, hit another all-time high in 2006. Operating profits reached \$285.6 billion, surpassing the previous record of \$256.0 billion set in 2005.
- The improvement was broadly based: profits in the non-financial industries advanced 9.9% to \$204.3 billion and those in the financial industries gained a solid 15.8% to \$81.3 billion.
- The top contributors to non-financial operating profits were energy-based industries, construction and real estate. Companies engaged in oil and gas extraction and support activities, utilities operators, construction, petroleum and coal product manufacturers and real estate earned combined profits of \$75.3 billion and accounted for more than one-third of the non-financial operating profits.
- Thriving demand for residential and non-residential space, especially in Western Canada, lifted the value of building permits to new highs. The construction industry recorded robust gains with operating profits increasing 36.1% to \$11.5 billion. Profits in the real estate industry grew at a more modest rate of 8.6%, reaching \$9.1 billion.
- Some manufacturing industries, faced with fierce global competition, an appreciating Canadian dollar relative to the US dollar and higher energy costs, had another difficult year. Despite primary metal manufacturers posting record profits of \$6.2 billion, up \$2.3 billion from 2005, overall manufacturing profits increased by only \$1.6 billion to \$45.4 billion.
- Low interest rates and high employment levels translated into solid consumer and business spending and profitability for banking, financial services and wealth management enterprises.
- Corporations involved in securities and commodity exchanges and other financial investment activities had an outstanding year. Operating profits increased for the fourth consecutive year, hitting \$20.2 billion in 2006, up 21.6% from 2005.
- Taxable income rose 18.4% to \$170.8 billion, generating \$55.0 billion in corporate taxes payable to government treasuries. The federal portion amounted to \$37.3 billion, while the provinces claimed \$17.7 billion.



# Section 1

## 2006 Overview

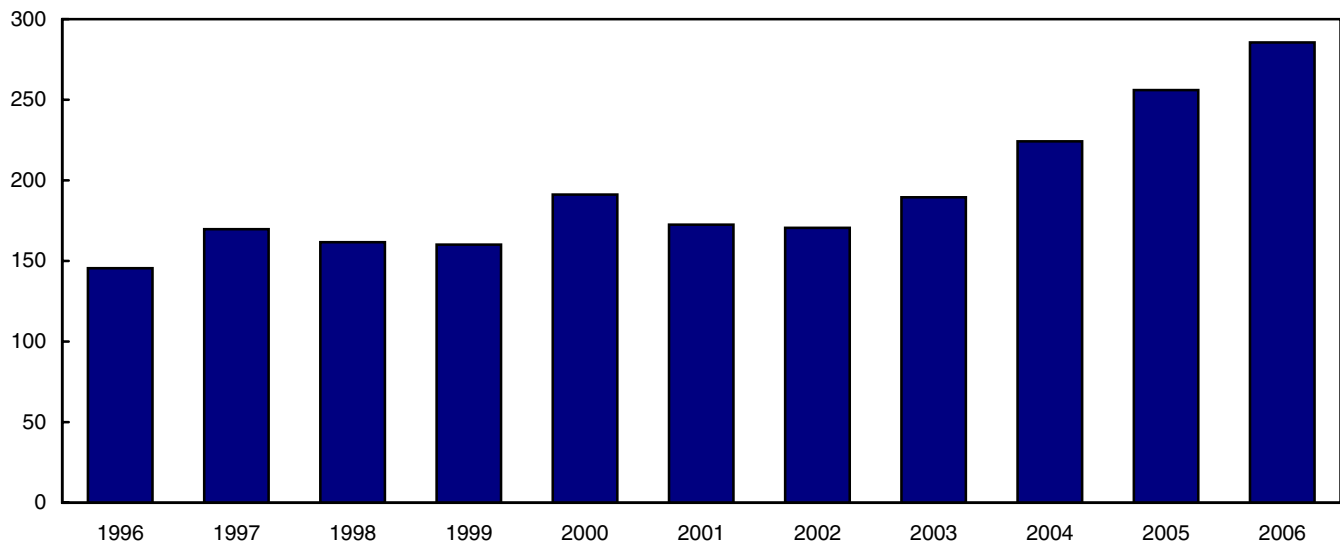
Corporate operating profits, bolstered by soaring commodity prices, high employment levels and low interest rates, hit another all-time high in 2006. Corporations earned profits of \$285.6 billion, surpassing the previous record of \$256.0 billion set in 2005. The improvement was broadly based: profits in the non-financial industries rose 9.9% to \$204.3 billion and those in the financial industries gained a solid 15.8% to \$81.3 billion.

The top five industries ranked by operating profits were: oil and gas extraction and support activities; banking and other depository credit intermediation; securities and commodity exchanges and other financial investment activities; utilities; and the non-depository credit intermediation industry. Combined, these five industries earned \$106.4 billion of operating profits representing 37.3% of total overall profits.

After adjusting for current and prior year tax losses, taxable income rose 18.4% to \$170.8 billion, generating \$55.0 billion in corporate taxes payable. The federal portion amounted to \$37.3 billion, while the provinces claimed \$17.7 billion.

**Chart 1.1**  
Operating profits hit another all-time in 2006

billions of dollars



## 1.1 Non-financial industries

### 1.1.1 Soaring commodity prices fuel record profits

Soaring commodity prices propelled operating profits of non-financial industries to another all-time high of \$204.3 billion. The previous record of \$185.8 billion set in 2005 was surpassed by \$18.5 billion or 9.9%.

The top contributors to non-financial operating profits were energy-based industries, construction and real estate. Companies engaged in oil and gas extraction and support activities, utilities operators, construction, petroleum and coal product manufacturers and real estate earned combined profits of \$75.3 billion and accounted for more than one-third of the non-financial operating profits.

Thriving demand for residential and non-residential space, especially in Western Canada, lifted the value of building permits to new highs. The construction industry, buoyed in part by energy related infrastructure projects, recorded robust gains with operating profits increasing 36.1% to \$11.5 billion. Profits in the real estate industry grew at a more modest rate of 8.6%, reaching \$9.1 billion.

Higher metal prices, driven by strong global demand (especially from China), boosted operating profits for primary metal manufacturers to \$6.2 billion, up 58.6% over 2005. Mining industry profits increased 28.8% to \$4.9 billion.

Robust economic activity also drove profits higher for companies involved in transportation, warehousing and pipeline operations. Transportation, warehousing and pipeline profits combined were up 15.8% to \$12.5 billion in 2006.

High employment levels and low interest rates spurred consumer spending, bolstering operating profits for the retail and wholesale industries. Operating profits for retailers rose 13.8% to \$18.8 billion while wholesalers posted a gain of 18.0% to \$17.4 billion.

Food and beverage stores and clothing, department and other general merchandise stores accounted for close to two-thirds of the retail profits. The operating profits of building material and supplies wholesaler-distributors continued at historic highs,

reflecting strength in the construction and home renovation markets.

Some manufacturing industries, faced with fierce global competition, an appreciating Canadian dollar relative to the US dollar and higher energy costs, had another difficult year. Despite primary metal manufacturers posting record profits of \$6.2 billion, up \$2.3 billion from 2005; overall manufacturing profits increased by only \$1.6 billion to \$45.4 billion.

Wood product manufacturers experienced the steepest decline. Wood product manufacturers' profits, impacted by lower prices, the strong Canadian dollar and a softening US housing market, dropped \$1.6 billion to \$1.0 billion.

## 1.2 Financial industries

### 1.2.1 Robust economy boosts financial sector

Low interest rates and high employment levels translated into solid consumer and business spending and profitability for banking, financial services and wealth management enterprises.

Operating profits for the financial industries climbed 15.8% to an all-time high of \$81.3 billion, surpassing the previous high set in 2005.

Banking and other depository credit intermediaries' profits increased from the record high levels set in 2005. They accounted for more one-third of the financial industries' total, posting operating profits of \$28.4 billion, up 11.0% from 2005. Profitability was supported by volume growth in retail banking, strong trading revenues and significant merger and acquisition fees.

Corporations involved in securities and commodity exchanges and other financial investment activities had an outstanding year. Operating profits increased for the fourth consecutive year, rising 21.6% to \$20.2 billion in 2006.

After retreating 4.9% in 2005, operating profits for the insurance industries surged 21.8% to \$14.3 billion surpassing the previous peak of \$12.3 billion established in 2004. Property and casualty insurance carriers led the way as profits jumped 26.9% to \$7.7 billion.

## 1.2.2 Financial ratios

Indicators of financial performance continued to improve in 2006, reflecting the ongoing buoyancy of the Canadian economy.

Profit margins rose for the fourth consecutive year reaching 9.5% in 2006, 0.5 percentage points higher than last year.

Return-on-equity and return-on-capital employed, supported by record high corporate profits, have improved since 2002. In 2006, return-on-equity rose 1.1 percentage points to 14.8%, and return-on-capital employed increased 0.8 percentage points to 9.5%.

The debt-to-equity ratio has declined steadily over the last few years and dropped to 1.0 from 1.04 in 2005.

**Text table 1.1**  
**Financial and taxation statistics for enterprises**

	2005		2006	
	billions of dollars	percentage change	billions of dollars	percentage change
<b>All industries</b>				
Operating revenue	2,856.0	6.2	3,015.2	5.6
Operating profit	256.0	14.2	285.6	11.5
Taxable income	144.2	2.8	170.8	18.4
Total tax payable	47.2	2.8	55.0	16.5
<b>Non-financial</b>				
Operating revenue	2,584.9	6.2	2,707.9	4.8
Operating profit	185.8	16.3	204.3	9.9
Taxable income	114.1	4.7	138.2	21.1
Total tax payable	35.5	3.4	42.8	20.7
<b>Financial</b>				
Operating revenue	271.1	7.0	307.3	13.4
Operating profit	70.2	9.1	81.3	15.8
Taxable income	30.2	-3.7	32.6	8.1
Total tax payable	11.7	1.2	12.2	3.7

## Section 2

### Corporate income taxes 2006

After adjusting for current and prior year tax losses, taxable income rose 18.4% to \$170.8 billion, generating \$55.0 billion in corporate taxes payable. The federal portion amounted to \$37.3 billion, while the provinces claimed \$17.7 billion.

Corporate taxes payable by the non-financial industries were up \$7.3 billion or 20.7% to \$42.8 billion. Taxes payable by companies engaged in oil and gas extraction and support activities were \$5.3 billion and accounted for 12.3% of the non-financial industries' total.

Taxes payable by the finance and insurance industries increased \$0.4 billion or 3.7% to \$12.2 billion. Taxes payable by the banking and other depository credit intermediation industries (primarily the chartered banks) were \$4.3 billion, accounting for more than one-third of the finance and insurance industries' total.

On the tax relief side, the federal government allows an abatement of taxable income in recognition of the fact

that provincial governments impose their own income taxes. The federal tax abatement totalled \$17.0 billion in 2006, an increase of 18.5%.

The small business deduction rose to \$6.0 billion from \$5.3 billion in 2005. The small business deduction threshold was increased by 20% to \$300,000 in 2005.

The manufacturing and processing profits deduction amounted to \$1.5 billion, up from the \$1.4 billion claimed in 2005.

Corporations can accumulate investment tax credits during their loss years and claim them when they are profitable. Investment tax credits (ITC) totalled \$1.7 billion in 2006, compared to the \$1.6 billion claimed last year.

All other federal tax credits combined increased by 15.7% to \$7.2 billion. The most significant of these credits is the general tax reduction which applies to qualifying income that does not benefit from preferential corporate tax treatment.

**Text table 2.1**  
**Taxation statistics for enterprises, 2006**

	All industries		Non-financial		Financial	
	billions of dollars	percentage	billions of dollars	percentage	billions of dollars	percentage
<b>Taxable income (tax base)</b>	170.8	100.0	138.2	100.0	32.6	100.0
Tax otherwise payable	66.6	39.0	53.8	38.9	12.8	39.4
Surtax	1.9	1.1	1.5	1.1	0.4	1.1
Total tax payable	68.5	40.1	55.3	40.0	13.2	40.5
<b>Tax credits</b>						
Federal tax abatement	17.0	9.9	13.9	10.1	3.1	9.4
Small business deduction	6.0	3.5	5.7	4.1	0.3	0.8
Manufacturing and processing profits deduction	1.5	0.9	1.5	1.1	0.0	0.0
Investment tax credit	1.7	1.0	1.6	1.2	0.0	0.1
Other credits	7.2	4.2	4.7	3.4	2.4	7.5
Total tax credits used	33.2	19.5	27.4	19.8	5.8	17.9
Net Part 1 tax payable	35.3	20.7	27.9	20.2	7.4	22.6
Other direct federal taxes	2.0	1.1	1.0	0.8	0.9	2.8
Federal tax payable	37.3	21.8	29.0	21.0	8.3	25.5
Provincial tax payable	17.7	10.4	13.8	10.0	3.9	11.9
<b>Total taxes</b>	55.0	32.2	42.8	31.0	12.2	37.3

# ***Related products***

## **Selected publications from Statistics Canada**

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61-008-X	Quarterly financial statistics for enterprises
61-220-X	Corporations Returns Act
61-224-X	Financial performance indicators for Canadian business
61-517-X	Inter-corporate ownership

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## **Selected CANSIM tables from Statistics Canada**

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180-0003	Financial and taxation statistics for enterprises, by North American Industry Classification System (NAICS)
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## **Selected surveys from Statistics Canada**

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2506	Corporation Financial Statistics
2507	Corporation Taxation Statistics
2510	Financial and Taxation Statistics for Enterprises

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# ***Statistical tables***

**Table 1-1**  
**Summary table — Operating revenue by industries**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Total all industries</b>	<b>2,435,923</b>	<b>2,517,501</b>	<b>2,688,160</b>	<b>2,855,998</b>	<b>3,015,229</b>
<b>Total finance and insurance industries</b>	<b>223,575</b>	<b>239,948</b>	<b>253,393</b>	<b>271,121</b>	<b>307,332</b>
Banking and other depository credit intermediation	73,768	76,874	77,969	85,485	99,821
Local credit unions	9,451	9,841	10,396	10,871	12,201
Non-depository credit intermediation	19,770	20,433	21,311	25,507	28,540
Central credit unions	982	1,030	1,022	1,076	1,405
Financial transactions processing, loan brokers and other activities related to credit intermediation	1,526	1,741	2,027	2,677	3,568
Securities and commodity contracts intermediation and brokerage	6,448	6,166	7,922	8,100	10,213
Securities and commodity exchanges and other financial investment activities	29,312	33,773	38,861	42,782	47,627
Life, health and medical insurance carriers	43,399	46,553	48,048	46,784	52,274
Property and casualty insurance carriers	32,291	36,094	38,010	39,854	42,786
Agencies, brokerages and other insurance related activities	6,630	7,442	7,826	7,984	8,897
<b>Total non-financial industries</b>	<b>2,212,347</b>	<b>2,277,553</b>	<b>2,434,767</b>	<b>2,584,877</b>	<b>2,707,896</b>
Agriculture, fishing, hunting, trapping and support activities	27,863	28,987	29,615	30,903	32,229
Forestry, logging and support activities	9,306	9,789	10,513	11,133	10,832
Oil and gas extraction and support activities	99,988	107,835	116,743	139,018	156,196
Mining and quarrying (except oil and gas)	19,547	18,136	21,910	22,024	26,391
Utilities	82,776	83,980	89,399	95,552	103,030
Construction	140,184	150,698	161,841	178,170	198,471
Food and soft drink manufacturing	76,361	80,328	84,689	83,295	81,602
Alcoholic beverage and tobacco manufacturing	9,160	9,662	9,527	9,347	8,010
Clothing, textile and leather manufacturing	17,247	16,352	15,152	13,688	12,406
Wood product manufacturing	31,450	31,629	44,451	42,177	40,582
Paper manufacturing	42,296	40,010	35,508	35,182	32,503
Printing and related support activities	13,621	12,917	13,352	12,947	12,752
Petroleum and coal products manufacturing	49,542	57,376	67,690	83,845	82,659
Basic chemical manufacturing	12,451	13,635	10,677	11,826	11,513
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	8,977	8,782	11,568	10,036	8,856
Pharmaceutical and medicine manufacturing	12,413	13,591	14,722	14,521	15,334
Soap, agriculture, paint and other chemical products manufacturing	17,789	18,128	18,692	20,280	19,490
Plastics and rubber products manufacturing	27,140	29,267	30,099	31,164	30,548
Non-metallic mineral product manufacturing	14,178	15,203	16,298	17,007	17,487
Primary metal manufacturing	30,317	31,480	38,487	40,593	45,187
Fabricated metal product and machinery manufacturing	58,229	57,965	59,215	64,551	66,995
Computer and electronic product manufacturing	32,534	31,827	32,322	35,164	29,271
Electrical equipment, appliance and component manufacturing	13,329	11,586	13,255	12,787	13,663
Motor vehicle and trailer manufacturing	112,322	103,669	107,156	104,022	103,512
Motor vehicle parts manufacturing	25,178	26,352	27,306	26,673	27,442
Air, rail and ship products and other transportation equipment manufacturing	20,376	18,993	20,640	22,262	23,138
Furniture and related product manufacturing	14,541	14,407	13,871	14,197	13,928
Miscellaneous manufacturing	9,210	9,946	9,534	9,789	10,313
Food, beverage, tobacco and farm product wholesaler-distributors	65,235	65,280	64,285	67,410	74,305
Petroleum product wholesaler-distributors	21,458	24,628	31,101	41,068	47,883
Motor vehicle and parts wholesaler-distributors	37,969	38,497	39,582	40,788	43,321
Building material and supplies wholesaler-distributors	48,789	49,944	57,130	61,020	64,336
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	33,467	33,528	36,065	40,459	42,778
Computer, communications and other machinery and equipment wholesaler-distributors	44,989	44,374	47,015	47,878	53,423
Miscellaneous wholesaler-distributors	110,199	115,553	120,997	127,539	130,118
Motor vehicle and parts dealers	92,197	90,587	89,235	92,786	95,063
Furniture, home furnishings, electronics and appliance stores	23,602	24,033	23,910	25,182	26,737
Building material and garden equipment and supplies dealers	19,034	21,294	23,548	25,453	27,515
Food and beverage stores	93,601	101,513	124,585	128,591	130,480
Gasoline stations	13,851	15,519	16,412	18,411	20,064
Clothing, department and other general merchandise stores	70,082	70,508	73,884	77,837	80,727

Table 1-1 – continued

## Summary table — Operating revenue by industries

	2002	2003	2004	2005	2006
	millions of dollars				
Miscellaneous retailers	34,946	37,107	38,905	43,447	45,305
Air transportation	14,834	13,900	15,621	16,843	17,921
Rail, truck, water and other transportation	56,233	57,775	62,107	65,807	74,180
Pipelines, warehousing and transportation support activities	27,884	29,145	36,944	39,985	36,399
Publishing industries (except Internet)	15,416	15,912	14,745	16,417	17,494
Broadcasting, motion pictures, sound recording and information services	15,098	14,074	14,654	16,505	16,184
Telecommunications	40,790	43,334	42,165	45,459	49,532
Real estate	36,067	37,618	39,603	40,733	45,419
Automotive, machinery and equipment and other rental and leasing	14,511	15,631	16,936	16,623	17,970
Professional, scientific and technical services	78,027	80,470	85,771	89,068	97,568
Administrative and support, waste management and remediation services	48,257	51,792	56,217	62,411	66,586
Educational, healthcare and social assistance services	24,483	27,656	29,368	32,049	34,940
Arts, entertainment and recreation	24,265	25,119	25,991	25,847	27,421
Accommodation services	11,169	10,905	11,636	12,155	12,756
Food services and drinking places	37,538	38,781	39,349	40,479	41,693
Repair, maintenance and personal services	30,029	30,543	32,769	34,471	35,436

Note(s): Figures may not add up due to rounding.



**Table 1-2**  
**Summary table — Operating expenses by industries**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Total all industries</b>	<b>2,265,435</b>	<b>2,327,952</b>	<b>2,463,975</b>	<b>2,599,956</b>	<b>2,729,652</b>
<b>Total finance and insurance industries</b>	<b>183,969</b>	<b>187,966</b>	<b>189,003</b>	<b>200,875</b>	<b>226,017</b>
Banking and other depository credit intermediation	58,865	55,351	53,653	59,853	71,377
Local credit unions	7,835	8,320	8,571	9,184	10,348
Non-depository credit intermediation	11,089	11,149	10,980	12,851	14,722
Central credit unions	835	883	892	938	1,212
Financial transactions processing, loan brokers and other activities related to credit intermediation	1,339	1,556	1,814	2,165	2,717
Securities and commodity contracts intermediation and brokerage	5,616	5,855	6,622	6,802	8,518
Securities and commodity exchanges and other financial investment activities	21,462	23,987	24,908	26,178	27,441
Life, health and medical insurance carriers	39,312	42,059	43,313	42,297	47,107
Property and casualty insurance carriers	31,757	32,386	31,492	33,794	35,095
Agencies, brokerages and other insurance related activities	5,860	6,419	6,756	6,812	7,481
<b>Total non-financial industries</b>	<b>2,081,466</b>	<b>2,139,986</b>	<b>2,274,972</b>	<b>2,399,082</b>	<b>2,503,635</b>
Agriculture, fishing, hunting, trapping and support activities	26,131	27,877	28,003	28,756	29,730
Forestry, logging and support activities	8,870	9,491	10,027	10,688	10,344
Oil and gas extraction and support activities	85,585	86,857	96,523	109,119	126,356
Mining and quarrying (except oil and gas)	18,273	16,124	18,771	18,198	21,464
Utilities	71,388	71,862	76,668	81,731	88,902
Construction	135,093	145,581	155,262	169,731	186,984
Food and soft drink manufacturing	72,763	76,766	80,186	79,106	77,344
Alcoholic beverage and tobacco manufacturing	6,769	7,312	7,382	7,037	6,400
Clothing, textile and leather manufacturing	16,424	15,824	14,710	13,291	12,027
Wood product manufacturing	29,528	30,303	39,483	39,644	39,622
Paper manufacturing	39,877	38,806	34,132	34,739	31,572
Printing and related support activities	12,861	12,316	12,654	12,219	12,042
Petroleum and coal products manufacturing	44,920	50,966	58,718	72,848	71,955
Basic chemical manufacturing	11,788	13,520	9,578	10,584	10,327
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	8,205	8,332	11,122	9,651	8,717
Pharmaceutical and medicine manufacturing	10,722	11,670	12,620	12,671	13,606
Soap, agriculture, paint and other chemical products manufacturing	16,763	17,079	17,441	18,575	17,812
Plastics and rubber products manufacturing	25,313	27,643	28,625	29,834	29,041
Non-metallic mineral product manufacturing	12,702	13,756	14,647	15,616	15,589
Primary metal manufacturing	28,179	30,424	34,383	36,695	39,006
Fabricated metal product and machinery manufacturing	54,874	55,549	56,333	61,244	63,503
Computer and electronic product manufacturing	33,898	30,836	30,748	32,528	26,657
Electrical equipment, appliance and component manufacturing	13,134	11,243	12,845	12,377	13,065
Motor vehicle and trailer manufacturing	107,935	102,295	106,415	103,251	102,300
Motor vehicle parts manufacturing	23,089	24,468	25,518	25,197	26,300
Air, rail and ship products and other transportation equipment manufacturing	18,611	17,837	19,976	21,428	21,900
Furniture and related product manufacturing	13,684	13,799	13,254	13,684	13,323
Miscellaneous manufacturing	8,726	9,412	9,060	9,337	9,707
Food, beverage, tobacco and farm product wholesaler-distributors	64,482	64,482	63,073	65,858	72,218
Petroleum product wholesaler-distributors	21,124	24,467	30,782	40,682	47,416
Motor vehicle and parts wholesaler-distributors	36,917	37,487	38,397	39,553	41,913
Building material and supplies wholesaler-distributors	47,468	48,347	54,502	58,329	61,094
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	32,437	32,423	34,631	38,562	40,504
Computer, communications and other machinery and equipment wholesaler-distributors	43,748	43,117	45,182	45,986	51,352
Miscellaneous wholesaler-distributors	106,329	111,030	115,780	122,462	124,281
Motor vehicle and parts dealers	91,025	89,453	88,293	91,586	93,600

Table 1-2 – continued

## Summary table — Operating expenses by industries

	2002	2003	2004	2005	2006
	millions of dollars				
Furniture, home furnishings, electronics and appliance stores	22,944	23,394	23,238	24,518	25,875
Building material and garden equipment and supplies dealers	18,230	20,158	22,249	23,912	25,847
Food and beverage stores	86,747	94,082	116,722	120,690	122,223
Gasoline stations	13,632	15,305	16,219	18,053	19,631
Clothing, department and other general merchandise stores	68,158	68,777	71,829	74,998	77,123
Miscellaneous retailers	33,926	35,628	37,449	41,384	42,744
Air transportation	14,612	14,435	15,640	15,795	16,843
Rail, truck, water and other transportation	52,778	54,332	58,009	60,761	67,930
Pipelines, warehousing and transportation support activities	24,486	25,559	32,612	35,284	31,227
Publishing industries (except Internet)	14,311	14,532	13,113	14,707	15,757
Broadcasting, motion pictures, sound recording and information services	14,821	13,767	13,688	14,977	14,704
Telecommunications	36,146	36,830	38,359	37,912	41,140
Real estate	27,625	29,385	31,570	32,324	36,288
Automotive, machinery and equipment and other rental and leasing	13,364	14,332	15,440	15,014	15,896
Professional, scientific and technical services	76,771	78,755	82,616	84,972	92,603
Administrative and support, waste management and remediation services	46,598	49,824	53,987	59,451	63,256
Educational, healthcare and social assistance services	22,272	24,575	25,702	27,909	29,980
Arts, entertainment and recreation	18,895	19,759	20,335	20,391	21,784
Accommodation services	10,134	10,180	10,642	10,905	11,217
Food services and drinking places	36,589	38,018	38,360	39,400	40,079
Repair, maintenance and personal services	28,795	29,605	31,468	32,925	33,512

**Note(s):** Figures may not add up due to rounding.

**Table 1-3**  
**Summary table — Operating profit by industries**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Total all industries</b>	<b>170,488</b>	<b>189,549</b>	<b>224,185</b>	<b>256,042</b>	<b>285,577</b>
<b>Total finance and insurance industries</b>	<b>39,607</b>	<b>51,982</b>	<b>64,390</b>	<b>70,246</b>	<b>81,316</b>
Banking and other depository credit intermediation	14,903	21,524	24,316	25,632	28,444
Local credit unions	1,616	1,521	1,825	1,686	1,853
Non-depository credit intermediation	8,681	9,284	10,330	12,656	13,818
Central credit unions	147	147	130	138	194
Financial transactions processing, loan brokers and other activities related to credit intermediation	187	185	212	512	851
Securities and commodity contracts intermediation and brokerage	832	311	1,300	1,297	1,695
Securities and commodity exchanges and other financial investment activities	7,849	9,786	13,953	16,605	20,186
Life, health and medical insurance carriers	4,087	4,495	4,734	4,487	5,167
Property and casualty insurance carriers	535	3,708	6,518	6,060	7,691
Agencies, brokerages and other insurance related activities	770	1,022	1,070	1,172	1,416
<b>Total non-financial industries</b>	<b>130,881</b>	<b>137,567</b>	<b>159,795</b>	<b>185,795</b>	<b>204,262</b>
Agriculture, fishing, hunting, trapping and support activities	1,732	1,109	1,613	2,147	2,498
Forestry, logging and support activities	436	298	486	446	488
Oil and gas extraction and support activities	14,402	20,978	20,220	29,899	29,840
Mining and quarrying (except oil and gas)	1,275	2,011	3,139	3,826	4,927
Utilities	11,387	12,118	12,731	13,821	14,128
Construction	5,091	5,117	6,579	8,440	11,487
Food and soft drink manufacturing	3,599	3,561	4,503	4,188	4,258
Alcoholic beverage and tobacco manufacturing	2,391	2,350	2,144	2,310	1,610
Clothing, textile and leather manufacturing	823	527	443	398	379
Wood product manufacturing	1,922	1,326	4,968	2,533	960
Paper manufacturing	2,419	1,204	1,376	443	931
Printing and related support activities	759	601	699	728	711
Petroleum and coal products manufacturing	4,622	6,410	8,973	10,997	10,704
Basic chemical manufacturing	663	115	1,099	1,242	1,186
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	773	451	446	384	139
Pharmaceutical and medicine manufacturing	1,691	1,921	2,102	1,850	1,728
Soap, agriculture, paint and other chemical products manufacturing	1,026	1,049	1,251	1,705	1,677
Plastics and rubber products manufacturing	1,826	1,624	1,474	1,330	1,507
Non-metallic mineral product manufacturing	1,477	1,448	1,650	1,391	1,898
Primary metal manufacturing	2,138	1,056	4,105	3,898	6,181
Fabricated metal product and machinery manufacturing	3,356	2,416	2,883	3,307	3,492
Computer and electronic product manufacturing	-1,364	991	1,574	2,636	2,613
Electrical equipment, appliance and component manufacturing	196	343	410	409	599
Motor vehicle and trailer manufacturing	4,387	1,374	741	771	1,212
Motor vehicle parts manufacturing	2,089	1,884	1,788	1,476	1,142
Air, rail and ship products and other transportation equipment manufacturing	1,764	1,156	664	834	1,239
Furniture and related product manufacturing	858	608	617	513	605
Miscellaneous manufacturing	485	534	474	452	607
Food, beverage, tobacco and farm product wholesaler-distributors	753	798	1,211	1,552	2,087
Petroleum product wholesaler-distributors	335	161	319	386	468
Motor vehicle and parts wholesaler-distributors	1,052	1,011	1,185	1,235	1,408
Building material and supplies wholesaler-distributors	1,321	1,597	2,628	2,691	3,242
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	1,030	1,106	1,433	1,897	2,274
Computer, communications and other machinery and equipment wholesaler-distributors	1,241	1,258	1,833	1,892	2,071
Miscellaneous wholesaler-distributors	3,871	4,522	5,217	5,076	5,836
Motor vehicle and parts dealers	1,172	1,134	942	1,200	1,464
Furniture, home furnishings, electronics and appliance stores	658	640	672	664	861
Building material and garden equipment and supplies dealers	804	1,136	1,299	1,541	1,667
Food and beverage stores	6,854	7,431	7,864	7,901	8,257

Table 1-3 – continued

## Summary table — Operating profit by industries

	2002	2003	2004	2005	2006
	millions of dollars				
Gasoline stations	219	214	193	358	433
Clothing, department and other general merchandise stores	1,924	1,731	2,055	2,839	3,604
Miscellaneous retailers	1,021	1,479	1,456	2,064	2,561
Air transportation	222	-535	-18	1,048	1,078
Rail, truck, water and other transportation	3,456	3,443	4,098	5,046	6,250
Pipelines, warehousing and transportation support activities	3,398	3,586	4,332	4,701	5,172
Publishing industries (except Internet)	1,105	1,380	1,632	1,710	1,737
Broadcasting, motion pictures, sound recording and information services	277	308	966	1,527	1,480
Telecommunications	4,644	6,504	3,806	7,547	8,392
Real estate	8,443	8,233	8,033	8,409	9,131
Automotive, machinery and equipment and other rental and leasing	1,147	1,299	1,497	1,609	2,074
Professional, scientific and technical services	1,257	1,715	3,154	4,097	4,965
Administrative and support, waste management and remediation services	1,659	1,968	2,230	2,961	3,330
Educational, healthcare and social assistance services	2,211	3,081	3,666	4,140	4,960
Arts, entertainment and recreation	5,370	5,360	5,656	5,456	5,637
Accommodation services	1,035	725	994	1,249	1,538
Food services and drinking places	949	763	989	1,079	1,614
Repair, maintenance and personal services	1,234	938	1,301	1,546	1,924

Note(s): Figures may not add up due to rounding.

**Table 1-4**  
**Summary table — Operating profit margin by industries**

	2002	2003	2004	2005	2006
	percent				
<b>Total all industries</b>	<b>7.0</b>	<b>7.5</b>	<b>8.3</b>	<b>9.0</b>	<b>9.5</b>
<b>Total finance and insurance industries</b>	<b>17.7</b>	<b>21.7</b>	<b>25.4</b>	<b>25.9</b>	<b>26.5</b>
Banking and other depository credit intermediation	20.2	28.0	31.2	30.0	28.5
Local credit unions	17.1	15.5	17.6	15.5	15.2
Non-depository credit intermediation	43.9	45.4	48.5	49.6	48.4
Central credit unions	14.9	14.3	12.8	12.8	13.8
Financial transactions processing, loan brokers and other activities related to credit intermediation	12.3	10.6	10.5	19.1	23.9
Securities and commodity contracts intermediation and brokerage	12.9	5.0	16.4	16.0	16.6
Securities and commodity exchanges and other financial investment activities	26.8	29.0	35.9	38.8	42.4
Life, health and medical insurance carriers	9.4	9.7	9.9	9.6	9.9
Property and casualty insurance carriers	1.7	10.3	17.1	15.2	18.0
Agencies, brokerages and other insurance related activities	11.6	13.7	13.7	14.7	15.9
<b>Total non-financial industries</b>	<b>5.9</b>	<b>6.0</b>	<b>6.6</b>	<b>7.2</b>	<b>7.5</b>
Agriculture, fishing, hunting, trapping and support activities	6.2	3.8	5.4	6.9	7.8
Forestry, logging and support activities	4.7	3.0	4.6	4.0	4.5
Oil and gas extraction and support activities	14.4	19.5	17.3	21.5	19.1
Mining and quarrying (except oil and gas)	6.5	11.1	14.3	17.4	18.7
Utilities	13.8	14.4	14.2	14.5	13.7
Construction	3.6	3.4	4.1	4.7	5.8
Food and soft drink manufacturing	4.7	4.4	5.3	5.0	5.2
Alcoholic beverage and tobacco manufacturing	26.1	24.3	22.5	24.7	20.1
Clothing, textile and leather manufacturing	4.8	3.2	2.9	2.9	3.1
Wood product manufacturing	6.1	4.2	11.2	6.0	2.4
Paper manufacturing	5.7	3.0	3.9	1.3	2.9
Printing and related support activities	5.6	4.7	5.2	5.6	5.6
Petroleum and coal products manufacturing	9.3	11.2	13.3	13.1	12.9
Basic chemical manufacturing	5.3	0.8	10.3	10.5	10.3
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	8.6	5.1	3.9	3.8	1.6
Pharmaceutical and medicine manufacturing	13.6	14.1	14.3	12.7	11.3
Soap, agriculture, paint and other chemical products manufacturing	5.8	5.8	6.7	8.4	8.6
Plastics and rubber products manufacturing	6.7	5.5	4.9	4.3	4.9
Non-metallic mineral product manufacturing	10.4	9.5	10.1	8.2	10.9
Primary metal manufacturing	7.1	3.4	10.7	9.6	13.7
Fabricated metal product and machinery manufacturing	5.8	4.2	4.9	5.1	5.2
Computer and electronic product manufacturing	-4.2	3.1	4.9	7.5	8.9
Electrical equipment, appliance and component manufacturing	1.5	3.0	3.1	3.2	4.4
Motor vehicle and trailer manufacturing	3.9	1.3	0.7	0.7	1.2
Motor vehicle parts manufacturing	8.3	7.1	6.5	5.5	4.2
Air, rail and ship products and other transportation equipment manufacturing	8.7	6.1	3.2	3.7	5.4
Furniture and related product manufacturing	5.9	4.2	4.4	3.6	4.3
Miscellaneous manufacturing	5.3	5.4	5.0	4.6	5.9
Food, beverage, tobacco and farm product wholesaler-distributors	1.2	1.2	1.9	2.3	2.8
Petroleum product wholesaler-distributors	1.6	0.7	1.0	0.9	1.0
Motor vehicle and parts wholesaler-distributors	2.8	2.6	3.0	3.0	3.3
Building material and supplies wholesaler-distributors	2.7	3.2	4.6	4.4	5.0
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	3.1	3.3	4.0	4.7	5.3
Computer, communications and other machinery and equipment wholesaler-distributors	2.8	2.8	3.9	4.0	3.9
Miscellaneous wholesaler-distributors	3.5	3.9	4.3	4.0	4.5
Motor vehicle and parts dealers	1.3	1.3	1.1	1.3	1.5
Furniture, home furnishings, electronics and appliance stores	2.8	2.7	2.8	2.6	3.2
Building material and garden equipment and supplies dealers	4.2	5.3	5.5	6.1	6.1
Food and beverage stores	7.3	7.3	6.3	6.1	6.3
Gasoline stations	1.6	1.4	1.2	1.9	2.2
Clothing, department and other general merchandise stores	2.7	2.5	2.8	3.6	4.5

Table 1-4 – continued

## Summary table — Operating profit margin by industries

	2002	2003	2004	2005	2006
	percent				
Miscellaneous retailers	2.9	4.0	3.7	4.7	5.7
Air transportation	1.5	-3.8	-0.1	6.2	6.0
Rail, truck, water and other transportation	6.1	6.0	6.6	7.7	8.4
Pipelines, warehousing and transportation support activities	12.2	12.3	11.7	11.8	14.2
Publishing industries (except Internet)	7.2	8.7	11.1	10.4	9.9
Broadcasting, motion pictures, sound recording and information services	1.8	2.2	6.6	9.3	9.1
Telecommunications	11.4	15.0	9.0	16.6	16.9
Real estate	23.4	21.9	20.3	20.6	20.1
Automotive, machinery and equipment and other rental and leasing	7.9	8.3	8.8	9.7	11.5
Professional, scientific and technical services	1.6	2.1	3.7	4.6	5.1
Administrative and support, waste management and remediation services	3.4	3.8	4.0	4.7	5.0
Educational, healthcare and social assistance services	9.0	11.1	12.5	12.9	14.2
Arts, entertainment and recreation	22.1	21.3	21.8	21.1	20.6
Accommodation services	9.3	6.6	8.5	10.3	12.1
Food services and drinking places	2.5	2.0	2.5	2.7	3.9
Repair, maintenance and personal services	4.1	3.1	4.0	4.5	5.4

**Note(s):** Operating profit margin = (operating profit) / (total operating revenue)

**Table 1-5**  
**Summary table — Return on capital employed (ROCE) by industries**

	2002	2003	2004	2005	2006
	percent				
<b>Total all industries</b>	<b>5.5</b>	<b>7.3</b>	<b>8.0</b>	<b>8.7</b>	<b>9.5</b>
<b>Total finance and insurance industries</b>	<b>5.8</b>	<b>7.3</b>	<b>8.3</b>	<b>8.7</b>	<b>9.3</b>
Banking and other depository credit intermediation	7.8	9.8	10.7	11.6	11.9
Local credit unions	12.9	9.3	9.5	8.2	8.1
Non-depository credit intermediation	4.5	4.3	4.8	4.8	5.1
Central credit unions	5.7	4.2	3.8	5.8	5.9
Financial transactions processing, loan brokers and other activities related to credit intermediation	9.8	14.2	5.3	6.4	9.1
Securities and commodity contracts intermediation and brokerage	5.0	1.4	7.2	6.8	9.0
Securities and commodity exchanges and other financial investment activities	5.2	6.7	8.0	9.1	10.5
Life, health and medical insurance carriers	5.1	7.2	7.7	7.9	7.8
Property and casualty insurance carriers	0.2	11.9	19.1	18.1	18.9
Agencies, brokerages and other insurance related activities	13.7	16.8	14.0	16.3	16.4
<b>Total non-financial industries</b>	<b>5.4</b>	<b>7.3</b>	<b>7.8</b>	<b>8.8</b>	<b>9.6</b>
Agriculture, fishing, hunting, trapping and support activities	6.2	4.6	5.5	6.5	6.7
Forestry, logging and support activities	6.6	5.2	7.8	6.9	6.9
Oil and gas extraction and support activities	4.5	10.3	8.5	9.9	10.8
Mining and quarrying (except oil and gas)	4.9	5.6	4.9	6.8	9.2
Utilities	8.4	8.4	8.5	8.8	8.9
Construction	7.2	7.3	8.1	10.0	11.0
Food and soft drink manufacturing	6.9	7.3	8.5	7.8	8.9
Alcoholic beverage and tobacco manufacturing	9.7	8.5	9.0	9.6	20.7
Clothing, textile and leather manufacturing	7.8	4.9	4.8	3.9	4.1
Wood product manufacturing	7.3	7.7	11.9	8.8	8.3
Paper manufacturing	6.4	5.1	3.9	-0.8	5.2
Printing and related support activities	5.2	3.7	3.2	-0.3	3.7
Petroleum and coal products manufacturing	11.7	17.3	17.7	20.2	18.0
Basic chemical manufacturing	3.0	3.0	6.0	5.7	0.3
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	9.3	4.4	5.4	5.1	3.5
Pharmaceutical and medicine manufacturing	13.7	12.7	13.7	10.0	8.0
Soap, agriculture, paint and other chemical products manufacturing	5.2	6.9	8.0	11.9	12.6
Plastics and rubber products manufacturing	8.1	7.2	6.9	4.0	4.7
Non-metallic mineral product manufacturing	10.0	9.0	9.3	8.3	11.1
Primary metal manufacturing	4.9	1.1	6.4	6.7	11.6
Fabricated metal product and machinery manufacturing	7.1	5.7	6.0	7.6	7.6
Computer and electronic product manufacturing	-3.9	1.6	2.0	3.0	8.2
Electrical equipment, appliance and component manufacturing	0.1	1.9	2.8	2.7	4.9
Motor vehicle and trailer manufacturing	-8.9	7.5	7.3	2.8	4.0
Motor vehicle parts manufacturing	8.3	10.0	9.0	7.1	3.8
Air, rail and ship products and other transportation equipment manufacturing	7.5	1.3	6.9	8.4	8.4
Furniture and related product manufacturing	8.7	6.2	7.4	6.2	6.9
Miscellaneous manufacturing	7.3	9.7	5.9	6.3	6.6
Food, beverage, tobacco and farm product wholesaler-distributors	2.7	2.9	4.8	6.0	6.4
Petroleum product wholesaler-distributors	11.6	5.9	12.0	11.5	10.7
Motor vehicle and parts wholesaler-distributors	9.1	8.7	9.9	9.1	9.9
Building material and supplies wholesaler-distributors	6.6	7.7	11.5	10.8	11.7
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	3.2	6.7	8.3	10.2	10.3
Computer, communications and other machinery and equipment wholesaler-distributors	4.4	5.6	7.8	10.2	8.0
Miscellaneous wholesaler-distributors	7.8	9.5	9.9	9.5	10.5
Motor vehicle and parts dealers	5.3	4.3	4.2	5.4	6.1
Furniture, home furnishings, electronics and appliance stores	7.8	6.9	7.5	7.5	9.1
Building material and garden equipment and supplies dealers	10.7	10.5	12.2	13.5	10.6
Food and beverage stores	31.1	30.4	30.4	29.7	27.9
Gasoline stations	7.1	7.6	6.5	11.0	12.9

Table 1-5 – continued

## Summary table — Return on capital employed (ROCE) by industries

	2002	2003	2004	2005	2006
	percent				
Clothing, department and other general merchandise stores	6.4	6.2	8.3	11.3	9.5
Miscellaneous retailers	7.7	11.5	12.5	12.5	13.3
Air transportation	2.4	-13.9	-3.4	8.1	14.5
Rail, truck, water and other transportation	7.0	9.6	9.1	10.0	12.0
Pipelines, warehousing and transportation support activities	6.0	5.7	7.0	8.0	7.9
Publishing industries (except Internet)	1.6	3.9	5.4	9.6	4.2
Broadcasting, motion pictures, sound recording and information services	-0.6	2.9	5.0	8.8	6.5
Telecommunications	-10.4	7.9	3.7	9.0	11.2
Real estate	7.1	6.9	7.4	7.9	8.0
Automotive, machinery and equipment and other rental and leasing	4.2	5.4	5.6	6.8	8.4
Professional, scientific and technical services	2.9	3.5	5.8	8.4	6.3
Administrative and support, waste management and remediation services	7.0	7.0	8.3	10.1	11.3
Educational, healthcare and social assistance services	10.4	11.3	13.3	13.4	14.4
Arts, entertainment and recreation	32.5	30.6	33.1	30.0	29.2
Accommodation services	5.1	3.7	4.8	5.5	7.4
Food services and drinking places	4.7	3.8	5.2	6.3	9.0
Repair, maintenance and personal services	7.5	4.8	6.6	7.7	9.6

**Note(s):** ROCE = (net profit + after-tax interest expense) / (short-term loans + long-term loans + debt + shareholders' equity)



**Table 1-6**  
**Summary table — Return on equity (ROE) by industries**

	2002	2003	2004	2005	2006
	percent				
<b>Total all industries</b>	<b>7.2</b>	<b>11.2</b>	<b>12.5</b>	<b>13.7</b>	<b>14.8</b>
<b>Total finance and insurance industries</b>	<b>8.1</b>	<b>10.8</b>	<b>13.0</b>	<b>13.2</b>	<b>13.7</b>
Banking and other depository credit intermediation	10.7	15.1	17.0	14.1	13.4
Local credit unions	14.4	12.6	13.5	11.2	10.5
Non-depository credit intermediation	12.0	8.0	12.2	15.6	13.1
Central credit unions	4.6	3.6	2.8	4.0	3.9
Financial transactions processing, loan brokers and other activities related to credit intermediation	14.5	21.1	5.4	7.3	10.9
Securities and commodity contracts intermediation and brokerage	6.3	-2.3	9.4	11.4	13.2
Securities and commodity exchanges and other financial investment activities	6.9	9.0	11.3	13.0	15.5
Life, health and medical insurance carriers	5.7	7.9	8.3	9.0	9.2
Property and casualty insurance carriers	0.1	12.2	19.6	18.5	19.1
Agencies, brokerages and other insurance related activities	21.8	25.7	20.7	25.4	24.8
<b>Total non-financial industries</b>	<b>6.9</b>	<b>11.3</b>	<b>12.4</b>	<b>13.9</b>	<b>15.2</b>
Agriculture, fishing, hunting, trapping and support activities	9.6	6.0	8.4	10.8	10.9
Forestry, logging and support activities	8.0	5.8	10.8	9.9	9.3
Oil and gas extraction and support activities	5.5	17.3	13.5	14.7	16.1
Mining and quarrying (except oil and gas)	5.8	6.4	5.2	8.8	11.9
Utilities	16.9	24.2	21.5	19.1	18.0
Construction	17.3	15.8	18.0	22.5	24.3
Food and soft drink manufacturing	10.5	10.4	12.6	11.0	12.6
Alcoholic beverage and tobacco manufacturing	14.9	13.6	13.9	14.5	32.4
Clothing, textile and leather manufacturing	11.0	4.8	5.4	3.5	3.8
Wood product manufacturing	8.9	9.5	16.3	11.4	10.9
Paper manufacturing	6.9	4.7	1.8	-6.4	5.4
Printing and related support activities	6.0	3.6	3.3	-2.1	3.8
Petroleum and coal products manufacturing	15.2	21.4	22.4	24.9	22.3
Basic chemical manufacturing	1.9	2.0	8.5	5.8	-11.9
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	11.3	7.2	7.2	6.1	-4.2
Pharmaceutical and medicine manufacturing	20.7	18.3	17.9	15.0	11.6
Soap, agriculture, paint and other chemical products manufacturing	6.5	9.8	11.8	18.8	19.8
Plastics and rubber products manufacturing	10.7	9.0	9.0	3.8	4.7
Non-metallic mineral product manufacturing	12.5	10.8	12.8	12.6	16.8
Primary metal manufacturing	5.0	0.0	8.1	8.1	14.5
Fabricated metal product and machinery manufacturing	9.9	6.9	7.7	10.3	10.3
Computer and electronic product manufacturing	-6.0	1.2	1.8	3.0	10.7
Electrical equipment, appliance and component manufacturing	-1.5	1.1	2.8	2.7	5.5
Motor vehicle and trailer manufacturing	-17.8	10.6	9.5	1.4	4.4
Motor vehicle parts manufacturing	10.1	12.9	12.4	8.6	3.7
Air, rail and ship products and other transportation equipment manufacturing	10.4	-2.4	9.5	10.3	10.5
Furniture and related product manufacturing	11.6	7.8	10.3	7.6	8.5
Miscellaneous manufacturing	9.8	14.4	8.3	8.9	9.6
Food, beverage, tobacco and farm product wholesaler-distributors	6.8	6.5	12.2	13.9	11.3
Petroleum product wholesaler-distributors	21.8	7.3	19.9	19.6	17.3
Motor vehicle and parts wholesaler-distributors	16.5	15.4	16.7	15.5	15.7
Building material and supplies wholesaler-distributors	9.8	11.8	18.9	17.5	18.2
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	2.4	9.3	11.8	16.3	16.0
Computer, communications and other machinery and equipment wholesaler-distributors	5.5	7.7	11.2	14.4	10.3
Miscellaneous wholesaler-distributors	12.3	14.5	16.4	14.6	15.8
Motor vehicle and parts dealers	14.2	10.5	9.8	12.8	13.8
Furniture, home furnishings, electronics and appliance stores	12.2	9.8	11.8	9.0	12.1
Building material and garden equipment and supplies dealers	19.1	16.6	17.9	22.6	17.0
Food and beverage stores	57.8	55.1	55.1	52.1	48.4
Gasoline stations	8.9	9.6	7.6	18.0	21.1
Clothing, department and other general merchandise stores	7.6	6.8	11.1	16.9	13.6
Miscellaneous retailers	11.6	18.6	23.6	20.3	20.5

Table 1-6 – continued

## Summary table — Return on equity (ROE) by industries

	2002	2003	2004	2005	2006
	percent				
Air transportation	0.0	0.0	-30.4	17.2	31.4
Rail, truck, water and other transportation	9.1	13.2	13.2	15.2	19.6
Pipelines, warehousing and transportation support activities	8.2	9.1	12.9	16.6	16.2
Publishing industries (except Internet)	-0.1	3.4	7.1	22.0	5.7
Broadcasting, motion pictures, sound recording and information services	-5.1	2.8	7.6	15.3	9.4
Telecommunications	-48.3	10.3	1.3	11.9	16.8
Real estate	12.7	13.2	14.7	16.7	16.6
Automotive, machinery and equipment and other rental and leasing	7.6	13.4	12.8	13.0	17.5
Professional, scientific and technical services	3.1	4.1	8.7	13.3	7.9
Administrative and support, waste management and remediation services	11.0	12.2	15.8	19.1	20.3
Educational, healthcare and social assistance services	16.5	18.1	21.3	20.4	21.9
Arts, entertainment and recreation	80.5	80.8	86.1	67.6	62.7
Accommodation services	6.5	2.1	6.6	9.0	14.1
Food services and drinking places	5.8	2.5	10.7	15.5	24.6
Repair, maintenance and personal services	10.0	5.4	8.8	10.3	12.9

**Note(s):** ROE = (net profit) / (shareholders' equity)

**Table 1-7**  
**Summary table — Debt to equity ratio by industries**

	2002	2003	2004	2005	2006
	ratio				
<b>Total all industries</b>	<b>1.169</b>	<b>1.127</b>	<b>1.094</b>	<b>1.038</b>	<b>1.002</b>
<b>Total finance and insurance industries</b>	<b>1.044</b>	<b>1.019</b>	<b>0.969</b>	<b>0.947</b>	<b>0.912</b>
Banking and other depository credit intermediation	0.933	1.054	1.025	0.704	0.673
Local credit unions	0.198	0.403	0.593	0.607	0.604
Non-depository credit intermediation	7.097	5.173	5.004	5.223	4.568
Central credit unions	0.559	0.733	0.668	0.564	0.767
Financial transactions processing, loan brokers and other activities related to credit intermediation	0.745	0.694	0.118	0.264	0.321
Securities and commodity contracts intermediation and brokerage	1.073	1.445	0.860	1.335	1.381
Securities and commodity exchanges and other financial investment activities	0.581	0.595	0.587	0.585	0.602
Life, health and medical insurance carriers	0.228	0.204	0.178	0.242	0.272
Property and casualty insurance carriers	0.035	0.028	0.027	0.021	0.013
Agencies, brokerages and other insurance related activities	0.873	0.746	0.674	0.743	0.688
<b>Total non-financial industries</b>	<b>1.210</b>	<b>1.164</b>	<b>1.140</b>	<b>1.073</b>	<b>1.037</b>
Agriculture, fishing, hunting, trapping and support activities	1.383	1.423	1.411	1.344	1.325
Forestry, logging and support activities	0.905	0.946	0.924	1.282	1.204
Oil and gas extraction and support activities	1.047	1.024	1.035	0.777	0.747
Mining and quarrying (except oil and gas)	0.542	0.491	0.510	0.508	0.533
Utilities	4.133	3.716	3.355	3.012	2.666
Construction	2.185	1.888	1.837	1.699	1.560
Food and soft drink manufacturing	1.203	0.930	0.953	0.940	0.895
Alcoholic beverage and tobacco manufacturing	0.981	1.058	0.931	0.816	0.729
Clothing, textile and leather manufacturing	1.042	0.994	1.099	1.043	0.962
Wood product manufacturing	0.886	0.759	0.622	0.715	0.674
Paper manufacturing	0.990	0.875	0.958	0.973	1.011
Printing and related support activities	0.522	0.452	0.496	0.486	0.533
Petroleum and coal products manufacturing	0.411	0.300	0.300	0.263	0.268
Basic chemical manufacturing	0.821	0.716	1.053	1.257	1.875
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	0.338	1.384	0.705	0.694	4.503
Pharmaceutical and medicine manufacturing	0.629	0.568	0.417	0.728	0.710
Soap, agriculture, paint and other chemical products manufacturing	0.904	0.848	0.774	0.816	0.781
Plastics and rubber products manufacturing	0.725	0.704	0.712	0.755	0.796
Non-metallic mineral product manufacturing	0.409	0.360	0.579	0.752	0.695
Primary metal manufacturing	0.532	0.651	0.578	0.540	0.457
Fabricated metal product and machinery manufacturing	0.802	0.757	0.750	0.765	0.748
Computer and electronic product manufacturing	0.277	0.263	0.272	0.255	0.597
Electrical equipment, appliance and component manufacturing	0.399	0.439	0.380	0.383	0.376
Motor vehicle and trailer manufacturing	0.685	0.726	0.774	0.897	0.927
Motor vehicle parts manufacturing	0.391	0.474	0.552	0.511	0.461
Air, rail and ship products and other transportation equipment manufacturing	1.138	0.936	0.930	0.772	0.817
Furniture and related product manufacturing	0.762	0.718	0.815	0.719	0.668
Miscellaneous manufacturing	0.828	0.828	1.058	1.036	1.107
Food, beverage, tobacco and farm product wholesaler-distributors	2.933	2.772	2.484	1.952	1.304
Petroleum product wholesaler-distributors	1.032	0.840	1.032	1.060	1.001
Motor vehicle and parts wholesaler-distributors	1.168	1.163	0.994	1.048	0.916
Building material and supplies wholesaler-distributors	0.982	0.936	0.877	0.890	0.798
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	0.931	0.893	0.799	0.884	0.873
Computer, communications and other machinery and equipment wholesaler-distributors	0.804	0.754	0.745	0.701	0.603
Miscellaneous wholesaler-distributors	1.009	0.851	0.932	0.874	0.849
Motor vehicle and parts dealers	2.852	3.034	2.842	2.656	2.516
Furniture, home furnishings, electronics and appliance stores	1.479	1.513	1.514	1.027	0.930
Building material and garden equipment and supplies dealers	1.132	0.974	0.987	0.977	1.010
Food and beverage stores	1.003	0.949	0.946	0.892	0.864
Gasoline stations	1.471	1.342	1.408	1.392	1.301
Clothing, department and other general merchandise stores	0.874	0.809	0.803	0.839	0.897
Miscellaneous retailers	1.114	1.002	1.402	0.961	0.852

Table 1-7 – continued

## Summary table — Debt to equity ratio by industries

	2002	2003	2004	2005	2006
	ratio				
Air transportation	0.000	0.000	3.159	2.239	1.810
Rail, truck, water and other transportation	1.087	0.918	0.937	0.973	1.023
Pipelines, warehousing and transportation support activities	1.697	2.212	2.444	2.543	2.304
Publishing industries (except Internet)	0.995	0.962	1.376	1.919	1.182
Broadcasting, motion pictures, sound recording and information services	1.108	1.041	1.272	1.379	1.095
Telecommunications	2.356	1.241	1.176	1.169	1.163
Real estate	1.981	2.140	2.146	2.134	1.968
Automotive, machinery and equipment and other rental and leasing	3.691	3.551	2.981	1.904	1.953
Professional, scientific and technical services	0.836	0.921	0.907	0.860	0.525
Administrative and support, waste management and remediation services	1.483	1.472	1.487	1.316	1.149
Educational, healthcare and social assistance services	1.020	0.994	0.901	0.810	0.799
Arts, entertainment and recreation	1.683	1.860	1.810	1.433	1.352
Accommodation services	2.077	2.129	2.094	2.291	2.037
Food services and drinking places	4.282	4.541	4.482	3.663	3.372
Repair, maintenance and personal services	0.734	0.756	0.767	0.730	0.722

**Note(s):** Debt to Equity = (short-term loans + long-term loans + debt) / (shareholders' equity)

**Table 1-8**  
**Summary table — Total assets by industries**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Total all industries</b>	<b>4,378,310</b>	<b>4,592,361</b>	<b>5,014,443</b>	<b>5,267,565</b>	<b>5,758,511</b>
<b>Total finance and insurance industries</b>	<b>2,103,687</b>	<b>2,251,360</b>	<b>2,499,269</b>	<b>2,639,158</b>	<b>2,914,226</b>
Banking and other depository credit intermediation	1,289,782	1,362,414	1,507,254	1,569,947	1,756,765
Local credit unions	140,694	155,078	168,866	181,408	196,110
Non-depository credit intermediation	173,379	175,672	192,587	228,580	244,711
Central credit unions	22,069	25,893	27,476	28,809	31,636
Financial transactions processing, loan brokers and other activities related to credit intermediation	1,693	1,567	5,113	6,729	8,850
Securities and commodity contracts intermediation and brokerage	36,087	35,553	51,929	49,771	59,493
Securities and commodity exchanges and other financial investment activities	127,201	158,511	189,121	200,075	209,601
Life, health and medical insurance carriers	221,073	236,657	247,274	258,279	278,341
Property and casualty insurance carriers	84,196	91,551	100,337	105,772	118,223
Agencies, brokerages and other insurance related activities	7,512	8,465	9,313	9,788	10,495
<b>Total non-financial industries</b>	<b>2,274,623</b>	<b>2,341,000</b>	<b>2,515,174</b>	<b>2,628,407</b>	<b>2,844,285</b>
Agriculture, fishing, hunting, trapping and support activities	45,780	49,290	52,905	56,330	60,973
Forestry, logging and support activities	8,114	8,324	8,650	10,184	10,288
Oil and gas extraction and support activities	233,628	254,162	288,190	331,180	385,649
Mining and quarrying (except oil and gas)	80,507	77,415	80,369	84,298	97,628
Utilities	185,873	190,545	200,551	199,621	207,951
Construction	98,725	110,871	119,070	130,660	148,491
Food and soft drink manufacturing	50,677	55,977	59,118	57,216	60,168
Alcoholic beverage and tobacco manufacturing	20,624	22,773	20,346	20,814	14,522
Clothing, textile and leather manufacturing	12,538	12,039	10,715	10,117	9,342
Wood product manufacturing	28,217	29,117	41,851	38,229	39,545
Paper manufacturing	52,702	52,304	45,896	46,372	45,180
Printing and related support activities	16,412	17,141	18,340	17,346	17,794
Petroleum and coal products manufacturing	41,664	44,826	50,349	58,633	65,075
Basic chemical manufacturing	22,969	21,144	16,151	16,358	13,987
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	7,839	6,378	11,645	9,742	10,232
Pharmaceutical and medicine manufacturing	13,221	14,771	16,584	17,948	19,883
Soap, agriculture, paint and other chemical products manufacturing	16,454	16,524	16,633	15,158	15,393
Plastics and rubber products manufacturing	20,072	23,198	24,291	24,934	24,800
Non-metallic mineral product manufacturing	14,140	14,727	16,479	15,826	16,980
Primary metal manufacturing	52,599	61,388	69,003	72,248	78,370
Fabricated metal product and machinery manufacturing	45,414	45,789	48,910	50,781	53,146
Computer and electronic product manufacturing	66,691	63,684	75,438	75,606	35,826
Electrical equipment, appliance and component manufacturing	13,149	11,506	12,424	12,230	13,461
Motor vehicle and trailer manufacturing	52,765	50,970	54,409	53,761	52,986
Motor vehicle parts manufacturing	25,387	22,585	24,557	26,058	26,100
Air, rail and ship products and other transportation equipment manufacturing	23,510	22,287	26,695	24,405	25,151
Furniture and related product manufacturing	9,765	9,642	11,025	11,081	10,657
Miscellaneous manufacturing	6,362	6,968	7,090	7,565	8,624
Food, beverage, tobacco and farm product wholesaler-distributors	27,081	26,491	26,640	27,538	35,919
Petroleum product wholesaler-distributors	6,507	5,959	5,141	6,639	7,353
Motor vehicle and parts wholesaler-distributors	13,700	13,956	14,210	15,981	17,189
Building material and supplies wholesaler-distributors	21,941	21,999	25,458	27,411	31,077
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	20,017	20,024	20,937	24,783	26,657
Computer, communications and other machinery and equipment wholesaler-distributors	21,216	21,747	25,280	25,426	29,258
Miscellaneous wholesaler-distributors	54,666	54,883	64,858	65,515	71,041

Table 1-8 – continued

## Summary table — Total assets by industries

	2002	2003	2004	2005	2006
	millions of dollars				
Motor vehicle and parts dealers	28,376	30,559	30,619	30,878	31,979
Furniture, home furnishings, electronics and appliance stores	10,328	10,909	12,166	12,606	13,353
Building material and garden equipment and supplies dealers	9,597	10,588	12,125	13,816	14,704
Food and beverage stores	29,043	31,256	33,695	34,680	35,686
Gasoline stations	3,255	3,649	3,808	4,108	4,461
Clothing, department and other general merchandise stores	34,879	35,835	37,742	40,676	42,613
Miscellaneous retailers	14,348	14,352	14,676	19,008	20,870
Air transportation	13,630	13,221	16,491	18,489	20,222
Rail, truck, water and other transportation	55,493	55,276	58,016	59,677	65,508
Pipelines, warehousing and transportation support activities	54,450	61,710	67,183	70,791	73,163
Publishing industries (except Internet)	42,408	38,884	40,590	41,713	43,288
Broadcasting, motion pictures, sound recording and information services	22,860	23,551	22,235	22,686	23,610
Telecommunications	98,895	82,006	81,617	79,679	83,680
Real estate	162,251	165,602	173,371	182,579	215,788
Automotive, machinery and equipment and other rental and leasing	35,677	37,765	41,946	31,405	33,108
Professional, scientific and technical services	83,602	85,819	90,941	97,412	139,595
Administrative and support, waste management and remediation services	35,864	39,536	43,218	48,498	53,279
Educational, healthcare and social assistance services	24,228	28,456	30,189	33,132	37,486
Arts, entertainment and recreation	21,225	22,706	21,614	23,614	25,525
Accommodation services	21,356	22,727	24,706	24,596	26,748
Food services and drinking places	18,013	19,522	19,687	20,138	21,083
Repair, maintenance and personal services	23,918	25,665	28,329	30,235	31,845

Note(s): Figures may not add up due to rounding.

**Table 1-9**  
**Summary table — Corporate income taxes paid by industries**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Total all industries</b>	<b>35,222</b>	<b>39,805</b>	<b>45,886</b>	<b>47,194</b>	<b>54,960</b>
<b>Total finance and insurance industries</b>	<b>6,733</b>	<b>12,858</b>	<b>11,601</b>	<b>11,739</b>	<b>12,172</b>
Banking and other depository credit intermediation	2,680	7,326	5,209	3,847	4,250
Local credit unions	257	325	257	228	246
Non-depository credit intermediation	717	1,012	1,150	1,918	1,566
Central credit unions	28	29	24	15	12
Financial transactions processing, loan brokers and other activities related to credit intermediation	61	62	65	78	210
Securities and commodity contracts intermediation and brokerage	145	152	195	247	327
Securities and commodity exchanges and other financial investment activities	2,019	2,343	2,761	3,080	3,532
Life, health and medical insurance carriers	395	663	595	631	563
Property and casualty insurance carriers	206	685	1,069	1,408	1,142
Agencies, brokerages and other insurance related activities	224	260	276	287	324
<b>Total non-financial industries</b>	<b>28,489</b>	<b>26,947</b>	<b>34,286</b>	<b>35,454</b>	<b>42,788</b>
Agriculture, fishing, hunting, trapping and support activities	408	399	458	490	504
Forestry, logging and support activities	118	75	93	92	107
Oil and gas extraction and support activities	1,575	1,625	3,538	3,811	5,271
Mining and quarrying (except oil and gas)	343	350	703	781	1,158
Utilities	810	758	681	539	526
Construction	1,392	1,595	1,886	2,367	2,954
Food and soft drink manufacturing	751	901	1,055	915	986
Alcoholic beverage and tobacco manufacturing	573	659	472	487	284
Clothing, textile and leather manufacturing	226	171	166	160	151
Wood product manufacturing	415	331	851	522	746
Paper manufacturing	358	359	413	295	279
Printing and related support activities	160	119	137	177	155
Petroleum and coal products manufacturing	1,772	1,053	1,642	2,322	2,827
Basic chemical manufacturing	162	192	226	247	231
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	205	48	269	248	222
Pharmaceutical and medicine manufacturing	462	579	662	348	299
Soap, agriculture, paint and other chemical products manufacturing	268	283	342	365	461
Plastics and rubber products manufacturing	395	446	473	408	444
Non-metallic mineral product manufacturing	383	393	398	443	495
Primary metal manufacturing	360	305	471	586	1,163
Fabricated metal product and machinery manufacturing	978	763	870	928	1,065
Computer and electronic product manufacturing	360	268	416	282	378
Electrical equipment, appliance and component manufacturing	185	166	174	205	539
Motor vehicle and trailer manufacturing	1,108	869	823	564	676
Motor vehicle parts manufacturing	675	541	474	471	448
Air, rail and ship products and other transportation equipment manufacturing	206	128	184	178	402
Furniture and related product manufacturing	273	203	186	165	176
Miscellaneous manufacturing	139	162	158	140	187
Food, beverage, tobacco and farm product wholesaler-distributors	331	333	404	389	544
Petroleum product wholesaler-distributors	51	46	74	80	106
Motor vehicle and parts wholesaler-distributors	263	328	294	348	414
Building material and supplies wholesaler-distributors	409	460	767	771	966
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	278	343	337	493	567
Computer, communications and other machinery and equipment wholesaler-distributors	489	519	600	552	647
Miscellaneous wholesaler-distributors	1,178	1,271	1,467	1,463	1,643
Motor vehicle and parts dealers	222	240	233	299	341
Furniture, home furnishings, electronics and appliance stores	153	178	178	176	193
Building material and garden equipment and supplies dealers	183	241	336	398	402
Food and beverage stores	561	673	737	729	605
Gasoline stations	47	56	53	58	57

Table 1-9 – continued

## Summary table — Corporate income taxes paid by industries

	2002	2003	2004	2005	2006
	millions of dollars				
Clothing, department and other general merchandise stores	564	399	814	872	1,043
Miscellaneous retailers	291	295	348	496	433
Air transportation	45	34	46	54	72
Rail, truck, water and other transportation	593	489	616	663	1,193
Pipelines, warehousing and transportation support activities	430	444	553	665	632
Publishing industries (except Internet)	253	245	289	335	243
Broadcasting, motion pictures, sound recording and information services	391	307	343	340	347
Telecommunications	1,100	582	802	464	314
Real estate	1,331	1,670	1,817	2,129	2,565
Automotive, machinery and equipment and other rental and leasing	234	303	764	395	482
Professional, scientific and technical services	1,915	1,590	1,743	2,014	2,483
Administrative and support, waste management and remediation services	602	643	735	864	1,036
Educational, healthcare and social assistance services	537	586	674	748	926
Arts, entertainment and recreation	189	173	194	177	159
Accommodation services	187	147	173	211	366
Food services and drinking places	291	315	328	358	420
Repair, maintenance and personal services	315	297	344	376	452

**Note(s):** Figures may not add up due to rounding.



**Table 2-1**  
**Total all industries — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>4,378,310</b>	<b>4,592,361</b>	<b>5,014,443</b>	<b>5,267,565</b>	<b>5,758,511</b>
Cash and deposits	191,808	213,672	238,949	251,954	284,328
Accounts receivable and accrued revenue	322,973	330,820	356,510	378,154	408,084
Inventories	212,808	213,303	224,991	236,942	254,143
Investments	1,311,650	1,353,653	1,498,616	1,567,136	1,693,557
Investments and accounts with affiliates	662,111	654,744	737,791	766,075	795,208
Portfolio investments	649,539	698,909	760,825	801,061	898,349
Loans	1,052,848	1,077,785	1,196,386	1,273,306	1,403,641
Mortgages	494,698	522,661	572,345	616,725	663,405
Non-mortgages	558,150	555,124	624,041	656,581	740,236
Bank customers' liabilities under acceptances	38,860	33,122	33,779	39,448	52,936
Capital assets, net	954,339	1,000,228	1,039,565	1,093,940	1,194,129
Other assets	293,024	369,777	425,648	426,685	467,691
<b>Liabilities</b>	<b>3,307,817</b>	<b>3,464,489</b>	<b>3,771,014</b>	<b>3,938,979</b>	<b>4,292,831</b>
Accounts payable and accrued liabilities	414,784	438,619	479,916	510,965	546,085
Loans and accounts with affiliates	501,746	530,836	576,152	556,422	580,378
Borrowings	749,762	739,856	784,063	823,210	888,342
Loans and overdrafts	256,039	265,770	300,700	330,379	352,494
From banks	174,836	174,020	183,162	193,181	204,992
From others	81,203	91,750	117,538	137,198	147,502
Bankers' acceptances and paper	69,145	49,166	44,923	44,419	55,936
Bonds and debentures	302,256	293,414	297,698	304,365	322,343
Mortgages	122,321	131,506	140,743	144,046	157,568
Deferred income tax	64,934	69,719	66,521	70,074	69,857
Bank customers' liabilities under acceptances	38,777	33,121	33,769	39,310	52,936
Other liabilities	1,537,815	1,652,338	1,830,594	1,938,997	2,155,232
<b>Equity</b>	<b>1,070,493</b>	<b>1,127,872</b>	<b>1,243,428</b>	<b>1,328,587</b>	<b>1,465,680</b>
Share capital	588,730	583,281	633,008	653,206	704,175
Contributed surplus and other	130,974	136,940	154,196	156,754	139,121
Retained earnings	350,790	407,651	456,224	518,627	622,384
<b>Income statement</b>					
<b>Operating revenue</b>	<b>2,435,923</b>	<b>2,517,501</b>	<b>2,688,160</b>	<b>2,855,998</b>	<b>3,015,229</b>
Sales of goods and services	2,268,538	2,335,180	2,495,049	2,643,776	2,774,413
Interest and dividend revenue (operating)	92,312	97,327	99,118	106,110	123,730
Other operating revenue	75,073	84,994	93,992	106,112	117,087
<b>Operating expenses</b>	<b>2,265,435</b>	<b>2,327,952</b>	<b>2,463,975</b>	<b>2,599,956</b>	<b>2,729,652</b>
Purchased goods, materials and service	1,719,566	1,749,168	1,871,192	1,963,862	2,069,439
Wages, salaries and employee benefits	377,244	403,656	417,352	453,206	461,513
Indirect taxes	17,791	17,004	16,825	16,638	16,961
Depreciation, depletion and amortization	95,559	99,855	103,736	108,185	113,931
Interest expense (operating)	22,327	22,934	22,740	26,496	36,272
Other operating expenses	32,948	35,335	32,129	31,569	31,535
<b>Operating profit/loss</b>	<b>170,488</b>	<b>189,549</b>	<b>224,185</b>	<b>256,042</b>	<b>285,577</b>
Interest and dividend revenue	18,963	17,183	19,988	22,667	23,475
Interest expense on borrowing	66,386	64,392	66,520	71,446	78,083
Gains/losses	-18,997	14,996	11,375	12,906	24,087
<b>Profit before income tax</b>	<b>104,068</b>	<b>157,336</b>	<b>189,028</b>	<b>220,169</b>	<b>255,057</b>
Income tax	36,326	41,117	46,979	53,219	53,646
Equity in affiliates' earnings	9,003	9,845	13,866	15,086	15,410
<b>Profit before extraordinary gains</b>	<b>76,745</b>	<b>126,065</b>	<b>155,914</b>	<b>182,036</b>	<b>216,821</b>
Extraordinary gains	-73	235	-90	143	126
<b>Net profit</b>	<b>76,672</b>	<b>126,299</b>	<b>155,825</b>	<b>182,179</b>	<b>216,947</b>

**Table 2-2**  
**Total all industries — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>76,672</b>	<b>126,299</b>	<b>155,825</b>	<b>182,179</b>	<b>216,947</b>
Plus: consolidation adjustments	-3,184	7,555	24,345	16,727	33,660
Plus: conceptual adjustments	1,858	-6,897	-20,930	-18,277	-24,929
Plus: current taxes, including mining	34,954	33,213	42,702	43,837	50,266
Plus: deferred income taxes	2,901	4,363	3,542	4,254	1,172
Less: profit of tax exempt corporations	19,951	23,936	26,543	24,874	33,869
Deductible dividends	39,140	50,755	54,241	61,280	73,761
<b>Adjusted profit before taxes</b>	<b>54,110</b>	<b>89,842</b>	<b>124,701</b>	<b>142,567</b>	<b>169,486</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	7,459	11,139	17,811	21,440	32,152
Less: taxable capital gains	6,329	7,181	10,629	12,723	16,990
Net difference, capital gains and losses	1,129	3,959	7,182	8,717	15,162
Resource allowance	7,422	6,440	8,529	7,293	6,571
Less: royalties	3,254	3,173	5,016	5,551	4,160
Net difference, resource allowance	4,168	3,267	3,514	1,742	2,411
Earned depletion allowance	109	66	78	150	132
Other exemptions and deductions	-7,259	-5,632	-11,328	-1,797	-15,608
<b>Total, exemptions and deductions</b>	<b>-1,853</b>	<b>1,661</b>	<b>-553</b>	<b>8,811</b>	<b>2,096</b>
<b>Timing differences:</b>					
Depreciation	73,726	71,309	75,774	76,354	76,180
Less: capital cost allowance	73,803	75,621	79,209	78,240	78,057
Net difference, depreciation	-77	-4,312	-3,436	-1,887	-1,877
Natural resources expenses, (books)	6,466	6,198	6,233	6,203	7,075
Less: natural resource expenses, (tax)	11,109	10,622	13,353	12,202	15,026
Net difference, natural resources expenses	-4,642	-4,424	-7,120	-5,999	-7,951
Charitable donations net difference, (books minus tax)	-53	34	13	-3	86
Other timing differences	24,053	12,026	6,052	7,738	2,142
<b>Total, timing differences</b>	<b>19,280</b>	<b>3,324</b>	<b>-4,491</b>	<b>-151</b>	<b>-7,600</b>
<b>Net taxable income</b>	<b>75,242</b>	<b>91,505</b>	<b>120,763</b>	<b>133,605</b>	<b>159,790</b>
Plus: current year tax losses	44,259	41,148	38,701	33,810	34,444
<b>Current year positive taxable income</b>	<b>119,501</b>	<b>132,653</b>	<b>159,464</b>	<b>167,416</b>	<b>194,233</b>
Less: prior year losses applied	16,762	15,487	19,207	23,190	23,457
<b>Taxable income (tax base)</b>	<b>102,739</b>	<b>117,167</b>	<b>140,257</b>	<b>144,226</b>	<b>170,777</b>
<b>Taxes:</b>					
Tax otherwise payable	40,887	46,120	54,877	56,598	66,602
Surtax	1,153	1,308	1,567	1,618	1,907
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	10,480	11,641	14,015	14,326	16,978
Small business deduction	4,271	4,140	4,681	5,328	5,967
Manufacturing and processing profits deduction	1,709	1,498	1,655	1,371	1,460
Investment tax credit	1,506	1,392	2,007	1,593	1,658
Other credits	1,489	3,426	5,464	6,187	7,156
<b>Net part 1 tax payable</b>	<b>22,586</b>	<b>25,331</b>	<b>28,622</b>	<b>29,411</b>	<b>35,291</b>
Other direct federal taxes	1,559	2,752	2,942	2,584	1,962
<b>Federal tax payable</b>	<b>24,146</b>	<b>28,083</b>	<b>31,565</b>	<b>31,995</b>	<b>37,253</b>
Provincial tax payable	11,077	11,721	14,321	15,199	17,707
<b>Total taxes</b>	<b>35,222</b>	<b>39,805</b>	<b>45,886</b>	<b>47,194</b>	<b>54,960</b>

**Table 2-3**  
**Total all industries — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.169	1.127	1.094	1.038	1.002
Profit margin (percent)	7.0	7.5	8.3	9.0	9.5
Return on equity (percent)	7.2	11.2	12.5	13.7	14.8
Return on capital employed (percent)	5.5	7.3	8.0	8.7	9.5
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	26.3	26.4	25.1	23.6	24.3
Income taxes to taxable income (percent)	32.8	31.6	30.6	30.9	31.0
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	1.4	3.3	6.8	6.2	5.6
Operating expenses, year-over-year change	1.5	2.8	5.8	5.5	5.0
Operating profit, year-over-year change	-1.2	11.2	18.3	14.2	11.5
Taxable income (tax base), year-over-year change	0.4	14.0	19.7	2.8	18.4
Taxes, year-over-year change	-2.6	13.0	15.3	2.8	16.5

**Table 3-1**  
**Total finance and insurance industries — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>2,103,687</b>	<b>2,251,360</b>	<b>2,499,269</b>	<b>2,639,158</b>	<b>2,914,226</b>
Cash and deposits	76,189	87,986	90,467	88,031	95,263
Accounts receivable and accrued revenue	45,895	47,758	58,832	67,492	75,127
Inventories	973	1,067	1,259	1,179	1,188
Investments	774,653	828,479	910,126	969,547	1,083,924
Investments and accounts with affiliates	204,319	209,854	240,830	255,734	280,728
Portfolio investments	570,334	618,625	669,296	713,813	803,196
Loans	1,022,001	1,044,739	1,162,986	1,246,618	1,375,128
Mortgages	485,001	511,700	560,782	604,313	650,255
Non-mortgages	537,000	533,039	602,205	642,305	724,873
Bank customers' liabilities under acceptances	38,860	33,122	33,770	39,436	52,936
Capital assets, net	42,261	51,337	54,737	60,168	64,345
Other assets	102,854	156,873	187,092	166,687	166,315
<b>Liabilities</b>	<b>1,839,711</b>	<b>1,959,652</b>	<b>2,162,872</b>	<b>2,275,443</b>	<b>2,504,949</b>
Accounts payable and accrued liabilities	91,099	99,163	112,265	112,277	125,970
Loans and accounts with affiliates	117,831	132,400	147,990	151,407	157,645
Borrowings	157,668	164,907	177,997	192,991	215,730
Loans and overdrafts	24,612	26,357	29,975	42,107	54,415
From banks	13,455	10,350	10,531	12,713	14,559
From others	11,158	16,007	19,444	29,394	39,856
Bankers' acceptances and paper	27,573	23,653	21,254	23,816	24,645
Bonds and debentures	99,197	103,666	113,119	112,112	120,259
Mortgages	6,285	11,231	13,648	14,956	16,411
Deferred income tax	4,262	3,600	3,374	3,889	3,305
Bank customers' liabilities under acceptances	38,777	33,121	33,769	39,310	52,936
Other liabilities	1,430,074	1,526,461	1,687,477	1,775,569	1,949,363
<b>Equity</b>	<b>263,976</b>	<b>291,709</b>	<b>336,397</b>	<b>363,716</b>	<b>409,278</b>
Share capital	106,477	115,048	132,848	136,174	143,646
Contributed surplus and other	27,008	27,879	36,488	40,867	45,565
Retained earnings	130,491	148,781	167,060	186,675	220,066
<b>Income statement</b>					
<b>Operating revenue</b>	<b>223,575</b>	<b>239,948</b>	<b>253,393</b>	<b>271,121</b>	<b>307,332</b>
Sales of goods and services	114,080	121,941	128,294	133,791	148,201
Interest and dividend revenue (operating)	92,312	97,327	99,118	106,109	123,729
Other operating revenue	17,184	20,680	25,981	31,221	35,402
<b>Operating expenses</b>	<b>183,969</b>	<b>187,966</b>	<b>189,003</b>	<b>200,875</b>	<b>226,017</b>
Purchased goods, materials and service	118,991	113,801	115,593	120,035	131,253
Wages, salaries and employee benefits	32,798	35,593	38,294	40,923	43,710
Indirect taxes	1,720	1,985	1,925	2,057	2,065
Depreciation, depletion and amortization	6,663	6,613	6,418	7,190	7,874
Interest expense (operating)	22,259	22,932	22,608	26,309	36,271
Other operating expenses	1,538	7,041	4,164	4,361	4,844
<b>Operating profit/loss</b>	<b>39,607</b>	<b>51,982</b>	<b>64,390</b>	<b>70,246</b>	<b>81,316</b>
Interest and dividend revenue	138	21	214	442	587
Interest expense on borrowing	13,355	15,044	14,816	17,444	21,014
Gains/losses	-1,861	465	-138	663	1,196
<b>Profit before income tax</b>	<b>24,529</b>	<b>37,425</b>	<b>49,650</b>	<b>53,908</b>	<b>62,085</b>
Income tax	5,118	8,435	10,138	10,873	11,490
Equity in affiliates' earnings	1,965	2,628	4,383	5,138	5,424
<b>Profit before extraordinary gains</b>	<b>21,376</b>	<b>31,619</b>	<b>43,896</b>	<b>48,173</b>	<b>56,018</b>
Extraordinary gains	7	-41	10	-24	6
<b>Net profit</b>	<b>21,382</b>	<b>31,577</b>	<b>43,906</b>	<b>48,149</b>	<b>56,024</b>

**Table 3-2**  
**Total finance and insurance industries — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>21,382</b>	<b>31,577</b>	<b>43,906</b>	<b>48,149</b>	<b>56,024</b>
Plus: consolidation adjustments	329	1,079	5,722	2,317	7,427
Plus: conceptual adjustments	6,114	856	-5,302	-3,749	-7,003
Plus: current taxes, including mining	6,452	8,451	9,562	10,565	10,685
Plus: deferred income taxes	1,176	319	222	-281	59
Less: profit of tax exempt corporations	5,469	5,757	7,796	6,115	11,740
Deductible dividends	15,232	22,144	18,325	17,940	22,491
<b>Adjusted profit before taxes</b>	<b>14,753</b>	<b>14,381</b>	<b>27,989</b>	<b>32,947</b>	<b>32,960</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	2,159	2,894	5,887	6,854	7,876
Less: taxable capital gains	1,694	2,152	3,273	3,845	3,987
Net difference, capital gains and losses	464	742	2,613	3,008	3,888
Resource allowance	62	39	45	37	32
Less: royalties	64	31	27	24	21
Net difference, resource allowance	-2	7	17	13	11
Earned depletion allowance	0	1	1	0	0
Other exemptions and deductions	-374	-691	-971	-44	-5,372
<b>Total, exemptions and deductions</b>	<b>89</b>	<b>59</b>	<b>1,660</b>	<b>2,978</b>	<b>-1,472</b>
<b>Timing differences:</b>					
Depreciation	5,771	5,900	6,350	6,941	6,407
Less: capital cost allowance	8,537	8,234	9,298	10,717	10,041
Net difference, depreciation	-2,765	-2,334	-2,948	-3,777	-3,634
Natural resources expenses, (books)	61	62	88	47	61
Less: natural resource expenses, (tax)	78	86	98	115	175
Net difference, natural resources expenses	-16	-24	-10	-68	-114
Charitable donations net difference, (books minus tax)	-95	0	106	105	105
Other timing differences	2,471	20,329	7,118	1,968	1,538
<b>Total, timing differences</b>	<b>-406</b>	<b>17,971</b>	<b>4,266</b>	<b>-1,772</b>	<b>-2,106</b>
<b>Net taxable income</b>	<b>14,259</b>	<b>32,293</b>	<b>30,594</b>	<b>28,197</b>	<b>32,327</b>
Plus: current year tax losses	3,930	3,691	2,969	4,136	2,994
<b>Current year positive taxable income</b>	<b>18,189</b>	<b>35,984</b>	<b>33,564</b>	<b>32,333</b>	<b>35,320</b>
Less: prior year losses applied	2,815	2,068	2,256	2,181	2,728
<b>Taxable income (tax base)</b>	<b>15,374</b>	<b>33,916</b>	<b>31,308</b>	<b>30,152</b>	<b>32,593</b>
<b>Taxes:</b>					
Tax otherwise payable	6,320	13,165	12,229	12,088	12,832
Surtax	179	376	349	348	372
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	1,556	3,104	2,975	2,849	3,069
Small business deduction	246	222	247	271	267
Manufacturing and processing profits deduction	8	10	6	4	5
Investment tax credit	15	11	11	24	42
Other credits	493	1,770	2,189	2,305	2,447
<b>Net part 1 tax payable</b>	<b>4,180</b>	<b>8,424</b>	<b>7,151</b>	<b>6,984</b>	<b>7,373</b>
Other direct federal taxes	670	834	884	1,137	922
<b>Federal tax payable</b>	<b>4,850</b>	<b>9,258</b>	<b>8,035</b>	<b>8,121</b>	<b>8,294</b>
Provincial tax payable	1,883	3,600	3,565	3,618	3,877
<b>Total taxes</b>	<b>6,733</b>	<b>12,858</b>	<b>11,601</b>	<b>11,739</b>	<b>12,172</b>

**Table 3-3**  
**Total finance and insurance industries — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.044	1.019	0.969	0.947	0.912
Profit margin (percent)	17.7	21.7	25.4	25.9	26.5
Return on equity (percent)	8.1	10.8	13.0	13.2	13.7
Return on capital employed (percent)	5.8	7.3	8.3	8.7	9.3
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	30.1	49.1	32.7	29.7	31.6
Income taxes to taxable income (percent)	39.4	35.5	34.2	35.2	34.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-5.2	7.3	5.6	7.0	13.4
Operating expenses, year-over-year change	-4.9	2.2	0.6	6.3	12.5
Operating profit, year-over-year change	-6.8	31.2	23.9	9.1	15.8
Taxable income (tax base), year-over-year change	-2.3	120.6	-7.7	-3.7	8.1
Taxes, year-over-year change	-7.2	91.0	-9.8	1.2	3.7

**Table 4-1**  
**Total non-financial industries — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>2,274,623</b>	<b>2,341,000</b>	<b>2,515,174</b>	<b>2,628,407</b>	<b>2,844,285</b>
Cash and deposits	115,618	125,686	148,482	163,923	189,066
Accounts receivable and accrued revenue	277,078	283,062	297,678	310,662	332,957
Inventories	211,835	212,237	223,732	235,763	252,956
Investments	536,997	525,174	588,490	597,589	609,633
Investments and accounts with affiliates	457,792	444,889	496,961	510,341	514,481
Portfolio investments	79,205	80,285	91,529	87,247	95,153
Loans	30,847	33,046	33,400	26,688	28,513
Mortgages	9,697	10,961	11,563	12,413	13,150
Non-mortgages	21,150	22,085	21,836	14,276	15,363
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	912,077	948,891	984,828	1,033,772	1,129,784
Other assets	190,170	212,904	238,556	259,998	301,376
<b>Liabilities</b>	<b>1,468,106</b>	<b>1,504,838</b>	<b>1,608,142</b>	<b>1,663,536</b>	<b>1,787,882</b>
Accounts payable and accrued liabilities	323,685	339,456	367,650	398,688	420,115
Loans and accounts with affiliates	383,914	398,436	428,162	405,015	422,733
Borrowings	592,094	574,949	606,066	630,219	672,612
Loans and overdrafts	231,427	239,412	270,725	288,272	298,079
From banks	161,382	163,670	172,632	180,468	190,434
From others	70,045	75,743	98,093	107,804	107,646
Bankers' acceptances and paper	41,572	25,513	23,668	20,603	31,291
Bonds and debentures	203,059	189,749	184,578	192,253	202,084
Mortgages	116,036	120,275	127,095	129,090	141,158
Deferred income tax	60,672	66,118	63,148	66,185	66,552
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	107,741	125,877	143,116	163,429	205,869
<b>Equity</b>	<b>806,517</b>	<b>836,163</b>	<b>907,032</b>	<b>964,871</b>	<b>1,056,403</b>
Share capital	482,253	468,233	500,159	517,032	560,530
Contributed surplus and other	103,965	109,060	117,708	115,888	93,555
Retained earnings	220,299	258,870	289,164	331,952	402,318
<b>Income statement</b>					
<b>Operating revenue</b>	<b>2,212,347</b>	<b>2,277,553</b>	<b>2,434,767</b>	<b>2,584,877</b>	<b>2,707,896</b>
Sales of goods and services	2,154,459	2,213,239	2,366,756	2,509,985	2,626,211
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	57,888	64,314	68,011	74,891	81,685
<b>Operating expenses</b>	<b>2,081,466</b>	<b>2,139,986</b>	<b>2,274,972</b>	<b>2,399,082</b>	<b>2,503,635</b>
Purchased goods, materials and service	1,600,576	1,635,367	1,755,599	1,843,827	1,938,186
Wages, salaries and employee benefits	344,446	368,062	379,058	412,283	417,803
Indirect taxes	16,071	15,020	14,899	14,582	14,896
Depreciation, depletion and amortization	88,896	93,242	97,317	100,995	106,058
Interest expense (operating)	68	2	132	187	2
Other operating expenses	31,410	28,294	27,966	27,208	26,691
<b>Operating profit/loss</b>	<b>130,881</b>	<b>137,567</b>	<b>159,795</b>	<b>185,795</b>	<b>204,262</b>
Interest and dividend revenue	18,825	17,161	19,774	22,225	22,888
Interest expense on borrowing	53,031	49,348	51,704	54,002	57,069
Gains/losses	-17,136	14,530	11,512	12,243	22,891
<b>Profit before income tax</b>	<b>79,539</b>	<b>119,911</b>	<b>139,377</b>	<b>166,261</b>	<b>192,972</b>
Income tax	31,208	32,682	36,841	42,346	42,156
Equity in affiliates' earnings	7,038	7,217	9,482	9,948	9,986
<b>Profit before extraordinary gains</b>	<b>55,369</b>	<b>94,446</b>	<b>112,019</b>	<b>133,863</b>	<b>160,803</b>
Extraordinary gains	-79	276	-100	168	120
<b>Net profit</b>	<b>55,290</b>	<b>94,722</b>	<b>111,918</b>	<b>134,031</b>	<b>160,923</b>

**Table 4-2**  
**Total non-financial industries — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>55,290</b>	<b>94,722</b>	<b>111,918</b>	<b>134,031</b>	<b>160,923</b>
Plus: consolidation adjustments	-3,514	6,477	18,623	14,409	26,233
Plus: conceptual adjustments	-4,256	-7,753	-15,628	-14,528	-17,925
Plus: current taxes, including mining	28,502	24,762	33,140	33,272	39,581
Plus: deferred income taxes	1,725	4,044	3,320	4,535	1,114
Less: profit of tax exempt corporations	14,482	18,179	18,746	18,759	22,129
Deductible dividends	23,909	28,611	35,916	43,340	51,270
<b>Adjusted profit before taxes</b>	<b>39,356</b>	<b>75,461</b>	<b>96,712</b>	<b>109,620</b>	<b>136,526</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	5,300	8,246	11,924	14,586	24,276
Less: taxable capital gains	4,635	5,029	7,355	8,878	13,003
Net difference, capital gains and losses	665	3,217	4,569	5,708	11,273
Resource allowance	7,360	6,401	8,485	7,255	6,539
Less: royalties	3,190	3,141	4,988	5,526	4,139
Net difference, resource allowance	4,170	3,260	3,496	1,729	2,400
Earned depletion allowance	108	65	78	149	131
Other exemptions and deductions	-6,885	-4,941	-10,357	-1,753	-10,236
<b>Total, exemptions and deductions</b>	<b>-1,942</b>	<b>1,601</b>	<b>-2,214</b>	<b>5,833</b>	<b>3,569</b>
<b>Timing differences:</b>					
Depreciation	67,954	65,409	69,424	69,413	69,773
Less: capital cost allowance	65,266	67,387	69,911	67,523	68,016
Net difference, depreciation	2,688	-1,978	-487	1,890	1,757
Natural resources expenses, (books)	6,405	6,136	6,145	6,156	7,014
Less: natural resource expenses, (tax)	11,031	10,536	13,255	12,088	14,851
Net difference, natural resources expenses	-4,626	-4,400	-7,110	-5,931	-7,837
Charitable donations net difference, (books minus tax)	42	33	-93	-108	-19
Other timing differences	21,581	-8,303	-1,066	5,770	604
<b>Total, timing differences</b>	<b>19,685</b>	<b>-14,648</b>	<b>-8,757</b>	<b>1,621</b>	<b>-5,495</b>
<b>Net taxable income</b>	<b>60,983</b>	<b>59,212</b>	<b>90,169</b>	<b>105,408</b>	<b>127,463</b>
Plus: current year tax losses	40,329	37,457	35,732	29,675	31,450
<b>Current year positive taxable income</b>	<b>101,312</b>	<b>96,669</b>	<b>125,901</b>	<b>135,083</b>	<b>158,913</b>
Less: prior year losses applied	13,947	13,418	16,951	21,009	20,729
<b>Taxable income (tax base)</b>	<b>87,365</b>	<b>83,251</b>	<b>108,949</b>	<b>114,074</b>	<b>138,184</b>
<b>Taxes:</b>					
Tax otherwise payable	34,567	32,955	42,648	44,510	53,771
Surtax	974	931	1,218	1,269	1,536
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	8,924	8,537	11,040	11,477	13,908
Small business deduction	4,025	3,918	4,434	5,057	5,699
Manufacturing and processing profits deduction	1,701	1,488	1,649	1,368	1,455
Investment tax credit	1,491	1,381	1,995	1,569	1,617
Other credits	995	1,656	3,276	3,882	4,709
<b>Net part 1 tax payable</b>	<b>18,406</b>	<b>16,907</b>	<b>21,471</b>	<b>22,427</b>	<b>27,918</b>
Other direct federal taxes	889	1,918	2,058	1,447	1,041
<b>Federal tax payable</b>	<b>19,295</b>	<b>18,825</b>	<b>23,530</b>	<b>23,874</b>	<b>28,958</b>
Provincial tax payable	9,194	8,121	10,756	11,580	13,830
<b>Total taxes</b>	<b>28,489</b>	<b>26,947</b>	<b>34,286</b>	<b>35,454</b>	<b>42,788</b>



**Table 4-3**  
**Total non-financial industries — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.210	1.164	1.140	1.073	1.037
Profit margin (percent)	5.9	6.0	6.6	7.2	7.5
Return on equity (percent)	6.9	11.3	12.4	13.9	15.2
Return on capital employed (percent)	5.4	7.3	7.8	8.8	9.6
Working capital (ratio)	1.153	1.190	1.189	1.203	1.241
Quick ratio (ratio)	0.799	0.827	0.829	0.844	0.877
Inventory turnover (ratio)	10.444	10.731	10.883	10.964	10.705
Receivables turnover (ratio)	7.985	8.046	8.179	8.321	8.133
Taxes to positive adjusted profit (percent)	25.6	21.6	23.3	22.1	22.8
Income taxes to taxable income (percent)	31.6	30.1	29.6	29.8	30.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	2.1	2.9	6.9	6.2	4.8
Operating expenses, year-over-year change	2.2	2.8	6.3	5.5	4.4
Operating profit, year-over-year change	0.7	5.1	16.2	16.3	9.9
Taxable income (tax base), year-over-year change	0.8	-4.7	30.9	4.7	21.1
Taxes, year-over-year change	-1.5	-5.4	27.2	3.4	20.7

**Table 5-1**  
**Agriculture, fishing, hunting, trapping and support activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>45,780</b>	<b>49,290</b>	<b>52,905</b>	<b>56,330</b>	<b>60,973</b>
Cash and deposits	2,253	2,405	2,738	3,051	3,295
Accounts receivable and accrued revenue	2,545	2,764	2,785	2,968	3,152
Inventories	7,982	7,991	8,182	8,960	9,868
Investments	5,015	5,647	6,163	6,455	7,030
Investments and accounts with affiliates	2,560	2,844	3,060	3,425	3,688
Portfolio investments	2,455	2,803	3,102	3,030	3,342
Loans	500	593	623	696	753
Mortgages	295	362	408	444	475
Non-mortgages	204	231	215	253	278
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	22,979	24,830	26,606	27,850	29,538
Other assets	4,506	5,061	5,809	6,349	7,338
<b>Liabilities</b>	<b>28,740</b>	<b>31,345</b>	<b>33,468</b>	<b>35,038</b>	<b>37,674</b>
Accounts payable and accrued liabilities	2,562	2,686	2,855	2,967	3,130
Loans and accounts with affiliates	8,064	8,820	9,622	9,914	10,695
Borrowings	15,509	16,723	17,814	18,698	20,184
Loans and overdrafts	9,900	10,579	11,257	11,652	12,539
From banks	6,378	6,776	7,024	7,250	7,873
From others	3,522	3,803	4,232	4,402	4,666
Bankers' acceptances and paper	114	120	61	55	59
Bonds and debentures	22	18	9	10	18
Mortgages	5,472	6,005	6,487	6,981	7,567
Deferred income tax	1,188	945	915	1,076	1,086
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,418	2,171	2,262	2,382	2,579
<b>Equity</b>	<b>17,040</b>	<b>17,945</b>	<b>19,437</b>	<b>21,292</b>	<b>23,299</b>
Share capital	5,249	5,520	5,905	6,329	6,620
Contributed surplus and other	1,796	1,970	2,130	2,166	2,338
Retained earnings	9,994	10,455	11,403	12,797	14,340
<b>Income statement</b>					
<b>Operating revenue</b>	<b>27,863</b>	<b>28,987</b>	<b>29,615</b>	<b>30,903</b>	<b>32,229</b>
Sales of goods and services	26,086	26,941	27,363	28,432	29,530
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,776	2,045	2,252	2,472	2,699
<b>Operating expenses</b>	<b>26,131</b>	<b>27,877</b>	<b>28,003</b>	<b>28,756</b>	<b>29,730</b>
Purchased goods, materials and service	19,923	21,444	21,330	21,774	22,622
Wages, salaries and employee benefits	3,835	3,878	4,028	4,230	4,226
Indirect taxes	339	385	402	411	438
Depreciation, depletion and amortization	2,027	2,100	2,163	2,248	2,369
Interest expense (operating)	..	..	..	4	..
Other operating expenses	7	70	76	89	75
<b>Operating profit/loss</b>	<b>1,732</b>	<b>1,109</b>	<b>1,613</b>	<b>2,147</b>	<b>2,498</b>
Interest and dividend revenue	292	295	315	354	451
Interest expense on borrowing	1,079	1,158	1,144	1,157	1,316
Gains/losses	957	1,049	1,154	1,375	1,301
<b>Profit before income tax</b>	<b>1,903</b>	<b>1,296</b>	<b>1,938</b>	<b>2,720</b>	<b>2,934</b>
Income tax	324	280	355	466	460
Equity in affiliates' earnings	62	55	40	47	75
<b>Profit before extraordinary gains</b>	<b>1,641</b>	<b>1,071</b>	<b>1,623</b>	<b>2,300</b>	<b>2,549</b>
Extraordinary gains	15	-1	9	3	1
<b>Net profit</b>	<b>1,656</b>	<b>1,070</b>	<b>1,632</b>	<b>2,304</b>	<b>2,550</b>

**Table 5-2**  
**Agriculture, fishing, hunting, trapping and support activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,656</b>	<b>1,070</b>	<b>1,632</b>	<b>2,304</b>	<b>2,550</b>
Plus: consolidation adjustments	0	0	2	2	-2
Plus: conceptual adjustments	-22	-29	-10	-27	-1
Plus: current taxes, including mining	367	351	374	403	417
Plus: deferred income taxes	-28	-77	-27	70	49
Less: profit of tax exempt corporations	17	16	4	6	-2
Deductible dividends	148	229	239	197	225
<b>Adjusted profit before taxes</b>	<b>1,807</b>	<b>1,070</b>	<b>1,727</b>	<b>2,548</b>	<b>2,790</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	739	888	956	1,229	1,188
Less: taxable capital gains	160	197	214	277	318
Net difference, capital gains and losses	579	692	742	953	870
Resource allowance	1	1	1	1	1
Less: royalties	0	1	0	0	0
Net difference, resource allowance	0	0	1	1	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-39	-48	-47	-49	-54
<b>Total, exemptions and deductions</b>	<b>540</b>	<b>643</b>	<b>696</b>	<b>904</b>	<b>816</b>
<b>Timing differences:</b>					
Depreciation	2,032	2,116	2,190	2,276	2,387
Less: capital cost allowance	1,769	1,872	2,028	2,120	2,235
Net difference, depreciation	263	244	162	156	152
Natural resources expenses, (books)	2	1	3	1	1
Less: natural resource expenses, (tax)	1	1	3	2	4
Net difference, natural resources expenses	0	0	1	-1	-4
Charitable donations net difference, (books minus tax)	1	2	1	4	3
Other timing differences	-61	653	386	-132	-283
<b>Total, timing differences</b>	<b>203</b>	<b>899</b>	<b>550</b>	<b>27</b>	<b>-132</b>
<b>Net taxable income</b>	<b>1,471</b>	<b>1,326</b>	<b>1,581</b>	<b>1,671</b>	<b>1,842</b>
Plus: current year tax losses	528	673	712	754	731
<b>Current year positive taxable income</b>	<b>1,999</b>	<b>1,998</b>	<b>2,293</b>	<b>2,425</b>	<b>2,573</b>
Less: prior year losses applied	215	214	260	300	386
<b>Taxable income (tax base)</b>	<b>1,784</b>	<b>1,784</b>	<b>2,032</b>	<b>2,124</b>	<b>2,187</b>
<b>Taxes:</b>					
Tax otherwise payable	687	688	783	821	847
Surtax	19	19	22	23	23
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	178	178	203	213	219
Small business deduction	229	226	254	261	267
Manufacturing and processing profits deduction	2	2	2	3	2
Investment tax credit	18	19	20	18	16
Other credits	9	11	18	18	19
<b>Net part 1 tax payable</b>	<b>271</b>	<b>270</b>	<b>309</b>	<b>332</b>	<b>347</b>
Other direct federal taxes	8	12	14	15	13
<b>Federal tax payable</b>	<b>279</b>	<b>283</b>	<b>322</b>	<b>347</b>	<b>360</b>
Provincial tax payable	129	117	135	143	144
<b>Total taxes</b>	<b>408</b>	<b>399</b>	<b>458</b>	<b>490</b>	<b>504</b>

**Table 5-3**  
**Agriculture, fishing, hunting, trapping and support activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.383	1.423	1.411	1.344	1.325
Profit margin (percent)	6.2	3.8	5.4	6.9	7.8
Return on equity (percent)	9.6	6.0	8.4	10.8	10.9
Return on capital employed (percent)	6.2	4.6	5.5	6.5	6.7
Working capital (ratio)	1.440	1.320	1.302	1.333	1.363
Quick ratio (ratio)	0.640	0.613	0.627	0.635	0.647
Inventory turnover (ratio)	3.491	3.627	3.620	3.449	3.266
Receivables turnover (ratio)	10.947	10.487	10.635	10.411	10.226
Taxes to positive adjusted profit (percent)	14.1	14.9	14.2	12.8	12.7
Income taxes to taxable income (percent)	22.4	21.7	21.8	22.4	22.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	3.7	4.0	2.2	4.3	4.3
Operating expenses, year-over-year change	5.7	6.7	0.4	2.7	3.4
Operating profit, year-over-year change	-19.8	-36.0	45.4	33.1	16.4
Taxable income (tax base), year-over-year change	8.5	0.0	13.9	4.5	2.9
Taxes, year-over-year change	3.2	-2.1	14.6	7.1	2.9

**Table 6-1**  
**Forestry, logging and support activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>8,114</b>	<b>8,324</b>	<b>8,650</b>	<b>10,184</b>	<b>10,288</b>
Cash and deposits	730	728	782	815	900
Accounts receivable and accrued revenue	932	843	783	877	840
Inventories	506	502	525	576	507
Investments	1,003	1,165	1,239	1,279	1,367
Investments and accounts with affiliates	619	739	767	818	835
Portfolio investments	385	426	472	462	532
Loans	68	77	99	95	113
Mortgages	40	46	68	65	57
Non-mortgages	28	30	31	30	55
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	4,578	4,708	4,905	6,188	6,250
Other assets	297	301	317	353	311
<b>Liabilities</b>	<b>4,801</b>	<b>5,032</b>	<b>5,179</b>	<b>6,615</b>	<b>6,536</b>
Accounts payable and accrued liabilities	1,041	1,047	1,101	1,128	1,153
Loans and accounts with affiliates	1,110	1,078	1,099	1,215	1,203
Borrowings	1,889	2,036	2,110	3,361	3,314
Loans and overdrafts	1,180	1,260	1,289	2,506	2,473
From banks	763	758	765	1,215	1,188
From others	417	501	524	1,291	1,285
Bankers' acceptances and paper	37	4	9	8	7
Bonds and debentures	128	199	198	196	198
Mortgages	544	574	615	650	637
Deferred income tax	309	289	287	248	217
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	452	583	581	663	649
<b>Equity</b>	<b>3,313</b>	<b>3,291</b>	<b>3,472</b>	<b>3,569</b>	<b>3,753</b>
Share capital	1,268	1,267	1,291	1,310	1,340
Contributed surplus and other	127	140	162	159	147
Retained earnings	1,918	1,884	2,019	2,100	2,266
<b>Income statement</b>					
<b>Operating revenue</b>	<b>9,306</b>	<b>9,789</b>	<b>10,513</b>	<b>11,133</b>	<b>10,832</b>
Sales of goods and services	9,228	9,707	10,419	11,034	10,761
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	78	81	94	99	70
<b>Operating expenses</b>	<b>8,870</b>	<b>9,491</b>	<b>10,027</b>	<b>10,688</b>	<b>10,344</b>
Purchased goods, materials and service	5,808	6,269	6,633	7,106	6,944
Wages, salaries and employee benefits	2,260	2,453	2,591	2,741	2,548
Indirect taxes	50	51	59	60	46
Depreciation, depletion and amortization	709	682	717	752	775
Interest expense (operating)	..	..	..	..	..
Other operating expenses	43	36	25	27	32
<b>Operating profit/loss</b>	<b>436</b>	<b>298</b>	<b>486</b>	<b>446</b>	<b>488</b>
Interest and dividend revenue	35	43	36	41	63
Interest expense on borrowing	190	178	179	285	299
Gains/losses	82	59	120	163	126
<b>Profit before income tax</b>	<b>363</b>	<b>222</b>	<b>463</b>	<b>365</b>	<b>377</b>
Income tax	107	76	107	37	45
Equity in affiliates' earnings	10	45	19	23	18
<b>Profit before extraordinary gains</b>	<b>266</b>	<b>191</b>	<b>376</b>	<b>352</b>	<b>350</b>
Extraordinary gains	1	0	-1	2	0
<b>Net profit</b>	<b>267</b>	<b>190</b>	<b>375</b>	<b>353</b>	<b>350</b>

**Table 6-2**  
**Forestry, logging and support activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>267</b>	<b>190</b>	<b>375</b>	<b>353</b>	<b>350</b>
Plus: consolidation adjustments	159	156	133	85	173
Plus: conceptual adjustments	-2	4	-12	-45	-4
Plus: current taxes, including mining	70	61	86	73	91
Plus: deferred income taxes	-2	-1	3	1	2
Less: profit of tax exempt corporations	6	1	0	11	19
Deductible dividends	142	145	140	124	120
<b>Adjusted profit before taxes</b>	<b>344</b>	<b>264</b>	<b>444</b>	<b>331</b>	<b>472</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	88	66	92	129	128
Less: taxable capital gains	35	18	25	61	41
Net difference, capital gains and losses	53	48	67	68	87
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	11	-5	-8	-27	26
<b>Total, exemptions and deductions</b>	<b>64</b>	<b>43</b>	<b>59</b>	<b>41</b>	<b>113</b>
<b>Timing differences:</b>					
Depreciation	698	681	703	728	733
Less: capital cost allowance	638	620	632	656	674
Net difference, depreciation	61	61	71	72	59
Natural resources expenses, (books)	7	4	7	8	7
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	7	4	7	8	7
Charitable donations net difference, (books minus tax)	1	0	0	0	0
Other timing differences	22	-73	-129	-28	-139
<b>Total, timing differences</b>	<b>90</b>	<b>-8</b>	<b>-51</b>	<b>52</b>	<b>-73</b>
<b>Net taxable income</b>	<b>370</b>	<b>213</b>	<b>334</b>	<b>341</b>	<b>286</b>
Plus: current year tax losses	180	213	196	220	283
<b>Current year positive taxable income</b>	<b>550</b>	<b>425</b>	<b>530</b>	<b>562</b>	<b>569</b>
Less: prior year losses applied	62	70	102	138	80
<b>Taxable income (tax base)</b>	<b>488</b>	<b>355</b>	<b>428</b>	<b>424</b>	<b>490</b>
<b>Taxes:</b>					
Tax otherwise payable	188	137	164	162	188
Surtax	5	4	4	4	5
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	49	36	43	42	49
Small business deduction	44	46	51	54	53
Manufacturing and processing profits deduction	2	1	2	0	0
Investment tax credit	3	3	4	3	3
Other credits	6	5	8	8	15
<b>Net part 1 tax payable</b>	<b>88</b>	<b>50</b>	<b>60</b>	<b>59</b>	<b>73</b>
Other direct federal taxes	1	3	5	4	1
<b>Federal tax payable</b>	<b>89</b>	<b>53</b>	<b>64</b>	<b>64</b>	<b>74</b>
Provincial tax payable	29	23	29	28	33
<b>Total taxes</b>	<b>118</b>	<b>75</b>	<b>93</b>	<b>92</b>	<b>107</b>

**Table 6-3**  
**Forestry, logging and support activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.905	0.946	0.924	1.282	1.204
Profit margin (percent)	4.7	3.0	4.6	4.0	4.5
Return on equity (percent)	8.0	5.8	10.8	9.9	9.3
Return on capital employed (percent)	6.6	5.2	7.8	6.9	6.9
Working capital (ratio)	1.074	1.030	1.056	1.050	1.072
Quick ratio (ratio)	0.857	0.819	0.831	0.825	0.867
Inventory turnover (ratio)	18.390	19.483	20.008	19.322	21.349
Receivables turnover (ratio)	9.989	11.608	13.419	12.694	12.891
Taxes to positive adjusted profit (percent)	21.5	14.9	14.0	15.9	14.7
Income taxes to taxable income (percent)	24.0	20.4	20.8	20.6	21.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-1.5	5.2	7.4	5.9	-2.7
Operating expenses, year-over-year change	-1.5	7.0	5.6	6.6	-3.2
Operating profit, year-over-year change	-0.1	-31.7	63.2	-8.3	9.4
Taxable income (tax base), year-over-year change	31.0	-27.1	20.4	-0.9	15.5
Taxes, year-over-year change	34.9	-36.0	23.8	-1.9	17.0

**Table 7-1**  
**Oil and gas extraction and support activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>233,628</b>	<b>254,162</b>	<b>288,190</b>	<b>331,180</b>	<b>385,649</b>
Cash and deposits	4,565	6,297	10,385	13,328	15,204
Accounts receivable and accrued revenue	18,118	26,883	28,500	31,543	31,555
Inventories	3,033	3,360	3,817	4,973	4,948
Investments	62,826	51,098	57,182	59,501	62,571
Investments and accounts with affiliates	53,378	40,421	45,182	50,851	52,980
Portfolio investments	9,448	10,677	11,999	8,650	9,591
Loans	441	237	311	672	716
Mortgages	79	67	77	209	273
Non-mortgages	363	169	234	462	443
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	134,416	149,578	167,058	195,356	237,318
Other assets	10,229	16,709	20,937	25,808	33,336
<b>Liabilities</b>	<b>141,765</b>	<b>162,716</b>	<b>184,482</b>	<b>198,651</b>	<b>226,752</b>
Accounts payable and accrued liabilities	16,615	28,286	32,598	42,660	42,992
Loans and accounts with affiliates	49,440	49,602	57,366	47,417	47,831
Borrowings	46,723	44,037	49,926	55,608	70,875
Loans and overdrafts	23,047	22,830	23,113	27,245	32,415
From banks	18,198	20,890	21,150	23,805	26,708
From others	4,848	1,940	1,963	3,440	5,707
Bankers' acceptances and paper	7,922	2,411	4,033	3,230	12,529
Bonds and debentures	15,339	18,287	21,904	23,684	25,088
Mortgages	416	509	876	1,449	843
Deferred income tax	25,787	30,223	32,164	36,795	37,969
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	3,201	10,568	12,428	16,171	27,087
<b>Equity</b>	<b>91,862</b>	<b>91,447</b>	<b>103,709</b>	<b>132,529</b>	<b>158,896</b>
Share capital	68,502	63,167	71,534	87,969	106,941
Contributed surplus and other	10,594	3,428	5,143	2,099	-5,265
Retained earnings	12,766	24,851	27,032	42,461	57,220
<b>Income statement</b>					
<b>Operating revenue</b>	<b>99,988</b>	<b>107,835</b>	<b>116,743</b>	<b>139,018</b>	<b>156,196</b>
Sales of goods and services	99,149	106,186	115,038	137,271	152,923
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	839	1,649	1,705	1,746	3,273
<b>Operating expenses</b>	<b>85,585</b>	<b>86,857</b>	<b>96,523</b>	<b>109,119</b>	<b>126,356</b>
Purchased goods, materials and service	60,264	57,711	62,982	70,972	84,296
Wages, salaries and employee benefits	5,539	5,955	7,756	9,778	10,822
Indirect taxes	307	343	914	1,228	958
Depreciation, depletion and amortization	14,221	16,275	18,587	20,621	23,637
Interest expense (operating)	..	..	..	..	..
Other operating expenses	5,191	6,573	6,284	6,519	6,642
<b>Operating profit/loss</b>	<b>14,402</b>	<b>20,978</b>	<b>20,220</b>	<b>29,899</b>	<b>29,840</b>
Interest and dividend revenue	1,084	1,068	1,483	2,375	1,558
Interest expense on borrowing	4,652	4,328	5,446	5,413	5,482
Gains/losses	-3,125	1,106	900	-593	2,735
<b>Profit before income tax</b>	<b>7,709</b>	<b>18,823</b>	<b>17,157</b>	<b>26,268</b>	<b>28,650</b>
Income tax	3,834	4,325	4,787	8,088	5,369
Equity in affiliates' earnings	1,155	1,283	1,583	1,324	2,290
<b>Profit before extraordinary gains</b>	<b>5,029</b>	<b>15,781</b>	<b>13,954</b>	<b>19,503</b>	<b>25,571</b>
Extraordinary gains	-8	-10	-5	-2	-4
<b>Net profit</b>	<b>5,021</b>	<b>15,772</b>	<b>13,949</b>	<b>19,502</b>	<b>25,567</b>



**Table 7-2**  
**Oil and gas extraction and support activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>5,021</b>	<b>15,772</b>	<b>13,949</b>	<b>19,502</b>	<b>25,567</b>
Plus: consolidation adjustments	-3,893	89	8,362	5,211	8,353
Plus: conceptual adjustments	-2,588	303	-5,394	-5,355	-7,729
Plus: current taxes, including mining	2,013	1,699	3,091	3,717	5,025
Plus: deferred income taxes	1,527	2,678	2,615	2,325	114
Less: profit of tax exempt corporations	115	347	53	153	280
Deductible dividends	2,011	6,109	6,243	6,932	9,617
<b>Adjusted profit before taxes</b>	<b>-44</b>	<b>14,086</b>	<b>16,328</b>	<b>18,314</b>	<b>21,434</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	310	461	1,199	165	1,045
Less: taxable capital gains	336	495	988	885	2,097
Net difference, capital gains and losses	-25	-34	211	-720	-1,053
Resource allowance	5,177	4,895	6,394	5,075	4,852
Less: royalties	2,616	2,318	4,011	4,406	3,567
Net difference, resource allowance	2,561	2,577	2,383	669	1,285
Earned depletion allowance	71	20	26	67	54
Other exemptions and deductions	-5,451	-2,652	-6,309	-1,263	-5,648
<b>Total, exemptions and deductions</b>	<b>-2,846</b>	<b>-88</b>	<b>-3,689</b>	<b>-1,246</b>	<b>-5,362</b>
<b>Timing differences:</b>					
Depreciation	2,032	1,634	1,863	1,628	2,336
Less: capital cost allowance	3,124	4,623	5,143	5,422	6,308
Net difference, depreciation	-1,092	-2,989	-3,280	-3,794	-3,972
Natural resources expenses, (books)	5,040	4,525	4,442	5,037	5,835
Less: natural resource expenses, (tax)	9,020	8,833	11,089	10,267	12,323
Net difference, natural resources expenses	-3,980	-4,308	-6,647	-5,230	-6,488
Charitable donations net difference, (books minus tax)	-12	-7	-14	1	6
Other timing differences	6,570	-2,997	-866	-861	-2,690
<b>Total, timing differences</b>	<b>1,485</b>	<b>-10,301</b>	<b>-10,807</b>	<b>-9,883</b>	<b>-13,143</b>
<b>Net taxable income</b>	<b>4,287</b>	<b>3,873</b>	<b>9,210</b>	<b>9,678</b>	<b>13,652</b>
Plus: current year tax losses	1,437	2,218	1,753	1,933	2,459
<b>Current year positive taxable income</b>	<b>5,724</b>	<b>6,091</b>	<b>10,963</b>	<b>11,611</b>	<b>16,111</b>
Less: prior year losses applied	1,671	1,634	2,250	1,101	2,009
<b>Taxable income (tax base)</b>	<b>4,053</b>	<b>4,457</b>	<b>8,713</b>	<b>10,510</b>	<b>14,102</b>
<b>Taxes:</b>					
Tax otherwise payable	1,715	1,739	3,594	4,091	5,553
Surtax	50	51	105	120	163
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	427	430	900	981	1,415
Small business deduction	53	51	65	83	105
Manufacturing and processing profits deduction	15	27	45	40	45
Investment tax credit	119	154	97	82	137
Other credits	150	141	303	574	463
<b>Net part 1 tax payable</b>	<b>1,001</b>	<b>987</b>	<b>2,290</b>	<b>2,450</b>	<b>3,551</b>
Other direct federal taxes	77	194	214	194	148
<b>Federal tax payable</b>	<b>1,078</b>	<b>1,180</b>	<b>2,504</b>	<b>2,644</b>	<b>3,699</b>
Provincial tax payable	497	444	1,034	1,167	1,573
<b>Total taxes</b>	<b>1,575</b>	<b>1,625</b>	<b>3,538</b>	<b>3,811</b>	<b>5,271</b>

**Table 7-3**  
**Oil and gas extraction and support activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.047	1.024	1.035	0.777	0.747
Profit margin (percent)	14.4	19.5	17.3	21.5	19.1
Return on equity (percent)	5.5	17.3	13.5	14.7	16.1
Return on capital employed (percent)	4.5	10.3	8.5	9.9	10.8
Working capital (ratio)	0.681	0.901	0.862	0.907	0.875
Quick ratio (ratio)	0.615	0.826	0.793	0.827	0.804
Inventory turnover (ratio)	32.964	32.090	30.586	27.954	31.568
Receivables turnover (ratio)	5.519	4.011	4.096	4.407	4.950
Taxes to positive adjusted profit (percent)	19.5	9.6	17.7	16.7	19.6
Income taxes to taxable income (percent)	37.0	32.1	38.1	34.4	36.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	2.7	7.8	8.3	19.1	12.4
Operating expenses, year-over-year change	11.6	1.5	11.1	13.0	15.8
Operating profit, year-over-year change	-30.2	45.7	-3.6	47.9	-0.2
Taxable income (tax base), year-over-year change	15.8	10.0	95.5	20.6	34.2
Taxes, year-over-year change	11.8	3.1	117.8	7.7	38.3

**Table 8-1**  
**Mining and quarrying (except oil and gas) — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>80,507</b>	<b>77,415</b>	<b>80,369</b>	<b>84,298</b>	<b>97,628</b>
Cash and deposits	1,641	2,554	3,517	3,356	3,946
Accounts receivable and accrued revenue	3,970	3,219	3,138	3,546	11,167
Inventories	3,885	3,411	3,590	3,718	3,997
Investments	40,306	40,787	41,527	43,285	29,309
Investments and accounts with affiliates	39,406	39,952	41,245	42,403	28,333
Portfolio investments	900	835	282	882	976
Loans	21	30	15	240	266
Mortgages	9	10	8	7	223
Non-mortgages	12	20	7	233	43
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	28,598	24,567	25,220	26,980	30,018
Other assets	2,085	2,847	3,362	3,172	18,924
<b>Liabilities</b>	<b>37,653</b>	<b>35,738</b>	<b>37,881</b>	<b>37,956</b>	<b>57,344</b>
Accounts payable and accrued liabilities	4,415	5,051	5,668	5,178	4,170
Loans and accounts with affiliates	8,594	9,004	9,861	11,047	10,036
Borrowings	14,629	11,460	11,811	12,511	11,435
Loans and overdrafts	5,520	3,893	3,864	3,653	4,587
From banks	5,079	2,988	2,937	2,714	3,538
From others	440	905	926	938	1,049
Bankers' acceptances and paper	1,203	986	741	1,322	1,069
Bonds and debentures	7,755	6,379	6,910	7,264	5,511
Mortgages	152	202	296	272	268
Deferred income tax	6,280	5,549	5,708	5,299	5,629
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	3,736	4,674	4,833	3,921	26,074
<b>Equity</b>	<b>42,853</b>	<b>41,677</b>	<b>42,488</b>	<b>46,342</b>	<b>40,283</b>
Share capital	35,696	36,657	35,786	37,501	48,564
Contributed surplus and other	4,114	4,178	4,778	3,861	-18,741
Retained earnings	3,043	841	1,924	4,980	10,461
<b>Income statement</b>					
<b>Operating revenue</b>	<b>19,547</b>	<b>18,136</b>	<b>21,910</b>	<b>22,024</b>	<b>26,391</b>
Sales of goods and services	19,141	17,762	21,539	21,628	26,062
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	407	374	371	395	329
<b>Operating expenses</b>	<b>18,273</b>	<b>16,124</b>	<b>18,771</b>	<b>18,198</b>	<b>21,464</b>
Purchased goods, materials and service	12,846	11,386	13,714	13,489	15,785
Wages, salaries and employee benefits	2,574	2,268	2,589	2,252	3,016
Indirect taxes	150	255	271	132	211
Depreciation, depletion and amortization	1,990	1,659	1,751	1,740	1,779
Interest expense (operating)	..	..	..	..	..
Other operating expenses	713	557	446	585	672
<b>Operating profit/loss</b>	<b>1,275</b>	<b>2,011</b>	<b>3,139</b>	<b>3,826</b>	<b>4,927</b>
Interest and dividend revenue	2,108	1,653	756	1,326	925
Interest expense on borrowing	1,072	1,133	1,249	964	1,111
Gains/losses	319	522	-158	-18	113
<b>Profit before income tax</b>	<b>2,629</b>	<b>3,054</b>	<b>2,488</b>	<b>4,170</b>	<b>4,853</b>
Income tax	420	574	978	1,159	1,061
Equity in affiliates' earnings	276	197	695	1,056	1,004
<b>Profit before extraordinary gains</b>	<b>2,485</b>	<b>2,677</b>	<b>2,205</b>	<b>4,067</b>	<b>4,796</b>
Extraordinary gains	-1	-3	-4	12	0
<b>Net profit</b>	<b>2,484</b>	<b>2,674</b>	<b>2,201</b>	<b>4,079</b>	<b>4,795</b>

**Table 8-2**  
**Mining and quarrying (except oil and gas) — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>2,484</b>	<b>2,674</b>	<b>2,201</b>	<b>4,079</b>	<b>4,795</b>
Plus: consolidation adjustments	-707	-632	319	-771	-2,171
Plus: conceptual adjustments	-2,443	-714	-1,037	-421	-502
Plus: current taxes, including mining	708	394	709	852	1,043
Plus: deferred income taxes	-371	-94	95	-250	-447
Less: profit of tax exempt corporations	-76	0	25	-5	12
Deductible dividends	440	743	808	1,328	1,624
<b>Adjusted profit before taxes</b>	<b>-691</b>	<b>885</b>	<b>1,454</b>	<b>2,165</b>	<b>1,083</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-893	314	-38	-47	33
Less: taxable capital gains	99	169	169	106	314
Net difference, capital gains and losses	-992	145	-207	-153	-281
Resource allowance	695	595	790	739	561
Less: royalties	206	222	180	195	29
Net difference, resource allowance	489	373	610	544	532
Earned depletion allowance	34	20	26	56	72
Other exemptions and deductions	-56	-67	-306	-140	-461
<b>Total, exemptions and deductions</b>	<b>-524</b>	<b>471</b>	<b>124</b>	<b>306</b>	<b>-138</b>
<b>Timing differences:</b>					
Depreciation	1,256	1,235	1,200	1,301	1,429
Less: capital cost allowance	948	769	875	786	1,060
Net difference, depreciation	308	467	325	515	369
Natural resources expenses, (books)	789	814	1,007	554	566
Less: natural resource expenses, (tax)	614	749	872	552	642
Net difference, natural resources expenses	174	65	135	3	-76
Charitable donations net difference, (books minus tax)	1	7	-12	-2	4
Other timing differences	221	-852	-405	-934	339
<b>Total, timing differences</b>	<b>704</b>	<b>-313</b>	<b>43</b>	<b>-418</b>	<b>636</b>
<b>Net taxable income</b>	<b>537</b>	<b>100</b>	<b>1,374</b>	<b>1,441</b>	<b>1,856</b>
Plus: current year tax losses	543	773	643	557	1,578
<b>Current year positive taxable income</b>	<b>1,080</b>	<b>872</b>	<b>2,016</b>	<b>1,998</b>	<b>3,435</b>
Less: prior year losses applied	240	126	303	217	557
<b>Taxable income (tax base)</b>	<b>840</b>	<b>746</b>	<b>1,713</b>	<b>1,781</b>	<b>2,878</b>
<b>Taxes:</b>					
Tax otherwise payable	300	289	661	696	1,109
Surtax	9	8	19	20	33
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	79	77	173	183	282
Small business deduction	7	6	7	7	8
Manufacturing and processing profits deduction	4	5	21	9	10
Investment tax credit	10	4	35	27	15
Other credits	3	11	8	9	60
<b>Net part 1 tax payable</b>	<b>207</b>	<b>193</b>	<b>436</b>	<b>482</b>	<b>767</b>
Other direct federal taxes	39	75	58	53	39
<b>Federal tax payable</b>	<b>245</b>	<b>268</b>	<b>495</b>	<b>536</b>	<b>806</b>
Provincial tax payable	97	83	209	245	352
<b>Total taxes</b>	<b>343</b>	<b>350</b>	<b>703</b>	<b>781</b>	<b>1,158</b>

**Table 8-3**  
**Mining and quarrying (except oil and gas) — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.542	0.491	0.510	0.508	0.533
Profit margin (percent)	6.5	11.1	14.3	17.4	18.7
Return on equity (percent)	5.8	6.4	5.2	8.8	11.9
Return on capital employed (percent)	4.9	5.6	4.9	6.8	9.2
Working capital (ratio)	1.065	1.063	0.976	1.023	1.952
Quick ratio (ratio)	0.706	0.763	0.673	0.726	1.599
Inventory turnover (ratio)	5.032	5.318	6.103	5.924	6.603
Receivables turnover (ratio)	4.923	5.634	6.981	6.210	2.363
Taxes to positive adjusted profit (percent)	14.1	17.4	23.7	22.0	27.8
Income taxes to taxable income (percent)	36.2	37.0	37.7	40.9	38.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	4.2	-7.2	20.8	0.5	19.8
Operating expenses, year-over-year change	5.7	-11.8	16.4	-3.1	17.9
Operating profit, year-over-year change	-12.9	57.8	56.1	21.9	28.8
Taxable income (tax base), year-over-year change	30.4	-11.1	129.5	3.9	61.6
Taxes, year-over-year change	12.8	2.3	100.6	11.1	48.2

**Table 9-1**  
**Utilities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>185,873</b>	<b>190,545</b>	<b>200,551</b>	<b>199,621</b>	<b>207,951</b>
Cash and deposits	2,602	1,719	2,970	3,863	6,060
Accounts receivable and accrued revenue	12,065	14,716	14,445	13,285	13,621
Inventories	2,567	3,464	3,630	4,116	4,350
Investments	30,037	30,663	40,402	33,727	33,123
Investments and accounts with affiliates	25,353	23,672	33,449	27,263	27,060
Portfolio investments	4,685	6,992	6,953	6,464	6,063
Loans	416	481	216	205	432
Mortgages	17	114	12	12	20
Non-mortgages	399	367	204	192	411
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	123,912	128,118	126,629	129,815	134,617
Other assets	14,273	11,383	12,259	14,610	15,748
<b>Liabilities</b>	<b>157,418</b>	<b>157,997</b>	<b>163,741</b>	<b>160,693</b>	<b>164,011</b>
Accounts payable and accrued liabilities	14,443	13,893	15,806	18,258	19,712
Loans and accounts with affiliates	42,488	45,314	37,759	26,387	27,736
Borrowings	75,121	75,619	85,724	90,849	89,388
Loans and overdrafts	4,301	10,518	22,552	28,649	29,618
From banks	1,174	1,815	4,643	4,416	4,019
From others	3,127	8,703	17,909	24,233	25,600
Bankers' acceptances and paper	2,229	1,399	956	764	440
Bonds and debentures	67,605	62,559	59,125	59,941	58,187
Mortgages	985	1,144	3,092	1,495	1,143
Deferred income tax	878	1,438	1,137	1,179	1,165
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	24,488	21,733	23,315	24,020	26,009
<b>Equity</b>	<b>28,454</b>	<b>32,548</b>	<b>36,810</b>	<b>38,928</b>	<b>43,940</b>
Share capital	23,895	28,318	31,549	29,886	29,557
Contributed surplus and other	4,318	4,019	4,170	4,824	4,958
Retained earnings	242	211	1,091	4,218	9,425
<b>Income statement</b>					
<b>Operating revenue</b>	<b>82,776</b>	<b>83,980</b>	<b>89,399</b>	<b>95,552</b>	<b>103,030</b>
Sales of goods and services	81,367	81,517	86,911	93,344	100,865
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,408	2,464	2,489	2,208	2,165
<b>Operating expenses</b>	<b>71,388</b>	<b>71,862</b>	<b>76,668</b>	<b>81,731</b>	<b>88,902</b>
Purchased goods, materials and service	57,635	57,806	63,148	67,828	74,460
Wages, salaries and employee benefits	5,793	6,122	5,566	5,896	6,121
Indirect taxes	1,226	1,297	1,370	1,289	1,228
Depreciation, depletion and amortization	5,891	5,955	6,329	6,323	6,514
Interest expense (operating)	..	..	..	..	..
Other operating expenses	844	682	255	394	580
<b>Operating profit/loss</b>	<b>11,387</b>	<b>12,118</b>	<b>12,731</b>	<b>13,821</b>	<b>14,128</b>
Interest and dividend revenue	1,643	1,409	1,314	1,247	1,211
Interest expense on borrowing	8,756	5,799	6,678	7,309	7,473
Gains/losses	649	705	667	-399	-19
<b>Profit before income tax</b>	<b>4,923</b>	<b>8,433</b>	<b>8,034</b>	<b>7,360</b>	<b>7,847</b>
Income tax	1,046	774	615	415	381
Equity in affiliates' earnings	927	226	488	496	453
<b>Profit before extraordinary gains</b>	<b>4,803</b>	<b>7,885</b>	<b>7,907</b>	<b>7,441</b>	<b>7,919</b>
Extraordinary gains	3	2	0	0	0
<b>Net profit</b>	<b>4,806</b>	<b>7,887</b>	<b>7,907</b>	<b>7,441</b>	<b>7,919</b>

**Table 9-2**  
**Utilities — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>4,806</b>	<b>7,887</b>	<b>7,907</b>	<b>7,441</b>	<b>7,919</b>
Plus: consolidation adjustments	-459	895	964	1,064	1,572
Plus: conceptual adjustments	-448	-682	-3,372	-596	-1,458
Plus: current taxes, including mining	1,008	881	665	443	504
Plus: deferred income taxes	-238	-91	-147	51	-40
Less: profit of tax exempt corporations	3,564	6,678	6,536	5,900	6,899
Deductible dividends	916	1,074	1,233	1,096	1,657
<b>Adjusted profit before taxes</b>	<b>190</b>	<b>1,138</b>	<b>-1,752</b>	<b>1,406</b>	<b>-59</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	70	388	489	52	63
Less: taxable capital gains	56	31	105	61	31
Net difference, capital gains and losses	14	356	384	-8	33
Resource allowance	82	94	76	40	29
Less: royalties	39	12	11	7	4
Net difference, resource allowance	44	81	65	34	25
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-783	-755	-3,319	-254	-994
<b>Total, exemptions and deductions</b>	<b>-725</b>	<b>-317</b>	<b>-2,870</b>	<b>-228</b>	<b>-936</b>
<b>Timing differences:</b>					
Depreciation	1,375	1,550	1,366	1,585	1,632
Less: capital cost allowance	1,213	1,477	1,359	1,584	1,508
Net difference, depreciation	162	74	8	1	124
Natural resources expenses, (books)	15	15	47	70	64
Less: natural resource expenses, (tax)	80	91	82	64	93
Net difference, natural resources expenses	-65	-76	-35	6	-30
Charitable donations net difference, (books minus tax)	-3	-2	1	1	-4
Other timing differences	1,048	215	144	-424	226
<b>Total, timing differences</b>	<b>1,142</b>	<b>211</b>	<b>118</b>	<b>-416</b>	<b>316</b>
<b>Net taxable income</b>	<b>2,056</b>	<b>1,666</b>	<b>1,237</b>	<b>1,218</b>	<b>1,192</b>
Plus: current year tax losses	382	443	509	157	306
<b>Current year positive taxable income</b>	<b>2,438</b>	<b>2,109</b>	<b>1,746</b>	<b>1,376</b>	<b>1,498</b>
Less: prior year losses applied	684	526	190	166	263
<b>Taxable income (tax base)</b>	<b>1,755</b>	<b>1,582</b>	<b>1,556</b>	<b>1,210</b>	<b>1,235</b>
<b>Taxes:</b>					
Tax otherwise payable	717	677	588	442	504
Surtax	21	20	17	13	15
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	188	178	155	116	131
Small business deduction	3	2	3	4	4
Manufacturing and processing profits deduction	20	31	11	14	12
Investment tax credit	1	1	2	3	1
Other credits	32	39	84	62	80
<b>Net part 1 tax payable</b>	<b>494</b>	<b>445</b>	<b>350</b>	<b>256</b>	<b>291</b>
Other direct federal taxes	76	108	102	95	45
<b>Federal tax payable</b>	<b>571</b>	<b>553</b>	<b>451</b>	<b>351</b>	<b>336</b>
Provincial tax payable	239	204	229	189	190
<b>Total taxes</b>	<b>810</b>	<b>758</b>	<b>681</b>	<b>539</b>	<b>526</b>

**Table 9-3**  
**Utilities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	4.133	3.716	3.355	3.012	2.666
Profit margin (percent)	13.8	14.4	14.2	14.5	13.7
Return on equity (percent)	16.9	24.2	21.5	19.1	18.0
Return on capital employed (percent)	8.4	8.4	8.5	8.8	8.9
Working capital (ratio)	0.907	1.134	1.106	1.213	1.186
Quick ratio (ratio)	0.772	0.905	0.722	0.861	0.832
Inventory turnover (ratio)	32.242	24.241	24.630	23.215	23.686
Receivables turnover (ratio)	6.861	5.707	6.189	7.192	7.564
Taxes to positive adjusted profit (percent)	62.9	42.3	38.4	30.3	33.2
Income taxes to taxable income (percent)	41.8	41.0	37.2	36.7	39.0
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-12.1	1.5	6.5	6.9	7.8
Operating expenses, year-over-year change	-13.8	0.7	6.7	6.6	8.8
Operating profit, year-over-year change	-0.1	6.4	5.1	8.6	2.2
Taxable income (tax base), year-over-year change	283.0	-9.8	-1.7	-22.3	2.1
Taxes, year-over-year change	162.3	-6.4	-10.1	-20.8	-2.4



**Table 10-1**  
**Construction — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>98,725</b>	<b>110,871</b>	<b>119,070</b>	<b>130,660</b>	<b>148,491</b>
Cash and deposits	10,233	11,312	12,657	13,988	16,991
Accounts receivable and accrued revenue	22,017	24,526	26,824	30,033	33,684
Inventories	16,041	18,515	21,131	23,627	28,387
Investments	16,833	19,996	20,425	22,578	24,750
Investments and accounts with affiliates	12,342	15,189	15,125	17,419	19,015
Portfolio investments	4,490	4,807	5,300	5,159	5,735
Loans	2,847	2,846	3,599	4,175	4,214
Mortgages	1,989	2,032	2,401	2,558	2,661
Non-mortgages	858	814	1,198	1,617	1,553
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	27,346	29,612	30,472	31,651	34,828
Other assets	3,408	4,064	3,961	4,609	5,638
<b>Liabilities</b>	<b>76,762</b>	<b>83,487</b>	<b>89,288</b>	<b>96,450</b>	<b>107,344</b>
Accounts payable and accrued liabilities	22,333	24,574	27,234	30,042	33,542
Loans and accounts with affiliates	22,784	24,012	26,127	26,986	29,546
Borrowings	25,205	27,689	28,577	31,152	34,626
Loans and overdrafts	11,043	12,646	13,155	14,776	16,606
From banks	8,330	9,658	10,576	11,356	13,285
From others	2,712	2,987	2,578	3,420	3,321
Bankers' acceptances and paper	303	135	58	61	73
Bonds and debentures	783	535	287	387	632
Mortgages	13,076	14,374	15,077	15,928	17,316
Deferred income tax	1,821	1,623	1,452	1,558	1,679
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	4,619	5,589	5,899	6,711	7,950
<b>Equity</b>	<b>21,963</b>	<b>27,383</b>	<b>29,782</b>	<b>34,210</b>	<b>41,147</b>
Share capital	5,981	6,512	6,987	7,232	8,078
Contributed surplus and other	1,147	1,567	1,606	1,350	1,944
Retained earnings	14,835	19,304	21,189	25,628	31,126
<b>Income statement</b>					
<b>Operating revenue</b>	<b>140,184</b>	<b>150,698</b>	<b>161,841</b>	<b>178,170</b>	<b>198,471</b>
Sales of goods and services	137,570	148,128	159,341	175,474	196,263
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	2,614	2,570	2,500	2,696	2,208
<b>Operating expenses</b>	<b>135,093</b>	<b>145,581</b>	<b>155,262</b>	<b>169,731</b>	<b>186,984</b>
Purchased goods, materials and service	100,365	107,370	115,943	123,695	138,151
Wages, salaries and employee benefits	29,438	33,315	34,641	41,156	43,453
Indirect taxes	1,455	1,033	869	910	983
Depreciation, depletion and amortization	2,856	3,134	3,165	3,361	3,660
Interest expense (operating)	..	..	..	..	..
Other operating expenses	979	730	631	599	737
<b>Operating profit/loss</b>	<b>5,091</b>	<b>5,117</b>	<b>6,579</b>	<b>8,440</b>	<b>11,487</b>
Interest and dividend revenue	662	706	873	1,025	1,110
Interest expense on borrowing	1,560	1,818	1,856	1,903	2,027
Gains/losses	449	938	872	1,585	1,488
<b>Profit before income tax</b>	<b>4,642</b>	<b>4,943</b>	<b>6,468</b>	<b>9,146</b>	<b>12,058</b>
Income tax	1,390	1,404	1,740	2,179	2,931
Equity in affiliates' earnings	550	793	634	715	865
<b>Profit before extraordinary gains</b>	<b>3,802</b>	<b>4,332</b>	<b>5,361</b>	<b>7,682</b>	<b>9,993</b>
Extraordinary gains	-13	-1	-1	-9	-9
<b>Net profit</b>	<b>3,789</b>	<b>4,331</b>	<b>5,360</b>	<b>7,673</b>	<b>9,984</b>

**Table 10-2**  
**Construction — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>3,789</b>	<b>4,331</b>	<b>5,360</b>	<b>7,673</b>	<b>9,984</b>
Plus: consolidation adjustments	466	201	238	780	489
Plus: conceptual adjustments	-705	-324	-415	-770	-267
Plus: current taxes, including mining	1,344	1,341	1,602	1,948	2,562
Plus: deferred income taxes	52	-4	47	89	146
Less: profit of tax exempt corporations	30	25	71	23	84
Deductible dividends	793	431	617	1,335	1,431
<b>Adjusted profit before taxes</b>	<b>4,123</b>	<b>5,088</b>	<b>6,142</b>	<b>8,361</b>	<b>11,399</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	632	690	1,054	1,447	1,635
Less: taxable capital gains	354	343	430	558	717
Net difference, capital gains and losses	278	348	623	889	918
Resource allowance	3	2	2	2	2
Less: royalties	3	3	2	1	1
Net difference, resource allowance	0	-1	0	1	1
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	-129	-185	-266	-246	-215
<b>Total, exemptions and deductions</b>	<b>149</b>	<b>163</b>	<b>358</b>	<b>644</b>	<b>704</b>
<b>Timing differences:</b>					
Depreciation	2,787	3,024	3,143	3,319	3,515
Less: capital cost allowance	2,537	2,770	2,866	3,022	3,242
Net difference, depreciation	250	254	277	297	273
Natural resources expenses, (books)	8	19	15	9	10
Less: natural resource expenses, (tax)	9	11	13	15	17
Net difference, natural resources expenses	-1	8	2	-6	-7
Charitable donations net difference, (books minus tax)	1	8	-7	-2	0
Other timing differences	-136	-432	-305	-494	-949
<b>Total, timing differences</b>	<b>115</b>	<b>-162</b>	<b>-33</b>	<b>-205</b>	<b>-683</b>
<b>Net taxable income</b>	<b>4,089</b>	<b>4,763</b>	<b>5,752</b>	<b>7,513</b>	<b>10,012</b>
Plus: current year tax losses	1,911	2,161	2,329	2,156	1,990
<b>Current year positive taxable income</b>	<b>6,001</b>	<b>6,924</b>	<b>8,081</b>	<b>9,669</b>	<b>12,002</b>
Less: prior year losses applied	951	1,052	1,043	1,157	1,173
<b>Taxable income (tax base)</b>	<b>5,050</b>	<b>5,872</b>	<b>7,038</b>	<b>8,511</b>	<b>10,829</b>
<b>Taxes:</b>					
Tax otherwise payable	1,984	2,267	2,730	3,298	4,177
Surtax	53	62	76	91	117
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	514	589	709	855	1,085
Small business deduction	530	562	653	779	910
Manufacturing and processing profits deduction	4	4	4	3	4
Investment tax credit	4	7	8	10	20
Other credits	47	90	165	212	308
<b>Net part 1 tax payable</b>	<b>938</b>	<b>1,078</b>	<b>1,267</b>	<b>1,532</b>	<b>1,967</b>
Other direct federal taxes	23	55	41	136	97
<b>Federal tax payable</b>	<b>961</b>	<b>1,133</b>	<b>1,307</b>	<b>1,668</b>	<b>2,063</b>
Provincial tax payable	431	462	578	698	891
<b>Total taxes</b>	<b>1,392</b>	<b>1,595</b>	<b>1,886</b>	<b>2,367</b>	<b>2,954</b>

**Table 10-3**  
**Construction — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	2.185	1.888	1.837	1.699	1.560
Profit margin (percent)	3.6	3.4	4.1	4.7	5.8
Return on equity (percent)	17.3	15.8	18.0	22.5	24.3
Return on capital employed (percent)	7.2	7.3	8.1	10.0	11.0
Working capital (ratio)	1.281	1.351	1.357	1.397	1.421
Quick ratio (ratio)	0.862	0.904	0.899	0.930	0.930
Inventory turnover (ratio)	8.739	8.139	7.659	7.541	6.992
Receivables turnover (ratio)	6.367	6.144	6.033	5.932	5.892
Taxes to positive adjusted profit (percent)	20.1	20.8	20.9	21.7	20.9
Income taxes to taxable income (percent)	27.1	26.2	26.2	26.2	26.4
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	7.5	7.5	7.4	10.1	11.4
Operating expenses, year-over-year change	7.1	7.8	6.7	9.3	10.2
Operating profit, year-over-year change	17.5	0.5	28.6	28.3	36.1
Taxable income (tax base), year-over-year change	7.2	16.3	19.8	20.9	27.2
Taxes, year-over-year change	0.9	14.6	18.2	25.5	24.8

**Table 11-1**  
**Food and soft drink manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>50,677</b>	<b>55,977</b>	<b>59,118</b>	<b>57,216</b>	<b>60,168</b>
Cash and deposits	1,293	1,373	1,773	1,662	1,837
Accounts receivable and accrued revenue	7,094	7,955	8,344	9,010	9,095
Inventories	6,596	6,981	7,283	7,170	7,576
Investments	14,235	14,548	14,929	14,714	16,454
Investments and accounts with affiliates	13,011	13,363	13,380	13,494	15,094
Portfolio investments	1,224	1,185	1,549	1,221	1,361
Loans	224	216	171	180	332
Mortgages	111	125	79	88	99
Non-mortgages	113	91	92	93	233
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	14,070	14,970	15,422	15,501	15,561
Other assets	7,165	9,934	11,196	8,978	9,313
<b>Liabilities</b>	<b>32,453</b>	<b>33,880</b>	<b>35,786</b>	<b>35,191</b>	<b>36,187</b>
Accounts payable and accrued liabilities	8,506	9,681	10,180	11,766	11,659
Loans and accounts with affiliates	10,997	7,683	8,598	7,727	7,600
Borrowings	10,930	12,872	13,639	12,975	13,861
Loans and overdrafts	6,526	8,769	8,769	8,458	8,896
From banks	5,420	6,241	6,314	6,065	6,664
From others	1,106	2,528	2,454	2,393	2,232
Bankers' acceptances and paper	1,952	1,577	2,510	1,950	2,116
Bonds and debentures	1,495	1,491	1,310	1,561	1,719
Mortgages	957	1,036	1,049	1,005	1,129
Deferred income tax	1,231	1,649	1,810	1,001	1,055
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	790	1,995	1,560	1,722	2,012
<b>Equity</b>	<b>18,224</b>	<b>22,096</b>	<b>23,332</b>	<b>22,024</b>	<b>23,981</b>
Share capital	9,334	10,791	12,052	11,708	13,007
Contributed surplus and other	1,386	3,350	3,035	2,748	2,656
Retained earnings	7,503	7,955	8,245	7,568	8,318
<b>Income statement</b>					
<b>Operating revenue</b>	<b>76,361</b>	<b>80,328</b>	<b>84,689</b>	<b>83,295</b>	<b>81,602</b>
Sales of goods and services	76,215	80,166	84,556	83,169	81,437
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	146	161	133	125	166
<b>Operating expenses</b>	<b>72,763</b>	<b>76,766</b>	<b>80,186</b>	<b>79,106</b>	<b>77,344</b>
Purchased goods, materials and service	59,993	63,865	67,882	65,574	64,713
Wages, salaries and employee benefits	9,409	10,251	9,592	10,253	9,681
Indirect taxes	210	136	150	156	153
Depreciation, depletion and amortization	1,745	1,866	1,830	1,963	1,948
Interest expense (operating)	..	..	..	..	..
Other operating expenses	1,406	648	728	1,156	850
<b>Operating profit/loss</b>	<b>3,599</b>	<b>3,561</b>	<b>4,503</b>	<b>4,188</b>	<b>4,258</b>
Interest and dividend revenue	344	428	703	624	707
Interest expense on borrowing	1,177	1,167	1,292	1,266	1,396
Gains/losses	-92	400	68	-78	487
<b>Profit before income tax</b>	<b>2,674</b>	<b>3,224</b>	<b>3,982</b>	<b>3,468</b>	<b>4,057</b>
Income tax	898	1,073	1,211	1,115	1,046
Equity in affiliates' earnings	138	137	176	66	15
<b>Profit before extraordinary gains</b>	<b>1,913</b>	<b>2,288</b>	<b>2,948</b>	<b>2,419</b>	<b>3,025</b>
Extraordinary gains	-5	7	11	-8	1
<b>Net profit</b>	<b>1,908</b>	<b>2,295</b>	<b>2,959</b>	<b>2,411</b>	<b>3,026</b>

**Table 11-2**  
**Food and soft drink manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,908</b>	<b>2,295</b>	<b>2,959</b>	<b>2,411</b>	<b>3,026</b>
Plus: consolidation adjustments	236	299	808	855	106
Plus: conceptual adjustments	-112	-57	-280	-475	-434
Plus: current taxes, including mining	770	917	1,116	916	809
Plus: deferred income taxes	14	166	104	9	-58
Less: profit of tax exempt corporations	27	63	108	-2	43
Deductible dividends	714	952	1,542	1,631	806
<b>Adjusted profit before taxes</b>	<b>2,074</b>	<b>2,605</b>	<b>3,058</b>	<b>2,087</b>	<b>2,600</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	87	76	-34	8	302
Less: taxable capital gains	71	204	59	44	114
Net difference, capital gains and losses	16	-128	-93	-35	188
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-53	-39	-107	17	-138
<b>Total, exemptions and deductions</b>	<b>-37</b>	<b>-167</b>	<b>-200</b>	<b>-18</b>	<b>50</b>
<b>Timing differences:</b>					
Depreciation	1,684	1,814	1,870	1,970	1,868
Less: capital cost allowance	1,662	1,798	1,881	1,768	1,786
Net difference, depreciation	22	15	-10	202	81
Natural resources expenses, (books)	0	2	1	0	2
Less: natural resource expenses, (tax)	0	0	1	1	1
Net difference, natural resources expenses	0	2	0	0	1
Charitable donations net difference, (books minus tax)	1	1	5	4	2
Other timing differences	-191	-409	-296	206	19
<b>Total, timing differences</b>	<b>-168</b>	<b>-391</b>	<b>-301</b>	<b>412</b>	<b>103</b>
<b>Net taxable income</b>	<b>1,942</b>	<b>2,381</b>	<b>2,957</b>	<b>2,517</b>	<b>2,652</b>
Plus: current year tax losses	407	444	470	461	637
<b>Current year positive taxable income</b>	<b>2,349</b>	<b>2,825</b>	<b>3,427</b>	<b>2,978</b>	<b>3,290</b>
Less: prior year losses applied	206	280	270	266	342
<b>Taxable income (tax base)</b>	<b>2,143</b>	<b>2,546</b>	<b>3,157</b>	<b>2,713</b>	<b>2,948</b>
<b>Taxes:</b>					
Tax otherwise payable	879	1,042	1,247	1,093	1,184
Surtax	26	30	37	32	35
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	230	273	327	285	308
Small business deduction	45	30	33	35	35
Manufacturing and processing profits deduction	107	117	152	123	126
Investment tax credit	25	26	31	31	25
Other credits	14	41	60	68	79
<b>Net part 1 tax payable</b>	<b>483</b>	<b>585</b>	<b>680</b>	<b>583</b>	<b>645</b>
Other direct federal taxes	17	32	42	23	11
<b>Federal tax payable</b>	<b>500</b>	<b>617</b>	<b>722</b>	<b>606</b>	<b>657</b>
Provincial tax payable	251	285	333	309	329
<b>Total taxes</b>	<b>751</b>	<b>901</b>	<b>1,055</b>	<b>915</b>	<b>986</b>

**Table 11-3**  
**Food and soft drink manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.203	0.930	0.953	0.940	0.895
Profit margin (percent)	4.7	4.4	5.3	5.0	5.2
Return on equity (percent)	10.5	10.4	12.6	11.0	12.6
Return on capital employed (percent)	6.9	7.3	8.5	7.8	8.9
Working capital (ratio)	1.094	1.085	1.046	1.057	1.081
Quick ratio (ratio)	0.649	0.670	0.640	0.662	0.680
Inventory turnover (ratio)	11.577	11.507	11.629	11.617	10.771
Receivables turnover (ratio)	10.765	10.097	10.150	9.245	8.972
Taxes to positive adjusted profit (percent)	27.4	26.4	27.1	30.9	26.5
Income taxes to taxable income (percent)	34.3	34.2	32.1	32.9	33.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	4.4	5.2	5.4	-1.6	-2.0
Operating expenses, year-over-year change	4.2	5.5	4.5	-1.3	-2.2
Operating profit, year-over-year change	8.0	-1.0	26.5	-7.0	1.7
Taxable income (tax base), year-over-year change	16.8	18.8	24.0	-14.1	8.7
Taxes, year-over-year change	11.0	20.0	17.0	-13.2	7.7

**Table 12-1**  
**Alcoholic beverage and tobacco manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>20,624</b>	<b>22,773</b>	<b>20,346</b>	<b>20,814</b>	<b>14,522</b>
Cash and deposits	130	187	181	316	156
Accounts receivable and accrued revenue	860	729	713	876	962
Inventories	1,876	1,936	2,044	2,076	1,633
Investments	5,947	8,207	6,943	6,672	5,887
Investments and accounts with affiliates	5,524	7,956	6,708	6,357	5,532
Portfolio investments	423	251	235	315	355
Loans	64	25	11	12	18
Mortgages	4	1	0	0	4
Non-mortgages	60	24	11	12	14
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,609	2,646	2,755	2,717	2,464
Other assets	9,140	9,043	7,698	8,146	3,402
<b>Liabilities</b>	<b>11,374</b>	<b>12,989</b>	<b>11,030</b>	<b>10,610</b>	<b>7,315</b>
Accounts payable and accrued liabilities	1,808	2,048	2,133	2,095	1,478
Loans and accounts with affiliates	5,209	6,821	4,267	4,375	2,851
Borrowings	3,870	3,530	4,404	3,946	2,401
Loans and overdrafts	1,059	1,234	2,059	1,761	1,487
From banks	1,010	989	1,699	1,418	1,146
From others	49	246	360	342	341
Bankers' acceptances and paper	234	191	194	28	52
Bonds and debentures	2,359	2,039	2,096	2,112	809
Mortgages	218	66	56	46	53
Deferred income tax	-104	-99	-75	-104	99
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	590	689	301	298	486
<b>Equity</b>	<b>9,251</b>	<b>9,783</b>	<b>9,316</b>	<b>10,204</b>	<b>7,207</b>
Share capital	3,609	2,598	993	1,047	1,027
Contributed surplus and other	45	1,325	1,370	1,383	103
Retained earnings	5,597	5,860	6,953	7,774	6,077
<b>Income statement</b>					
<b>Operating revenue</b>	<b>9,160</b>	<b>9,662</b>	<b>9,527</b>	<b>9,347</b>	<b>8,010</b>
Sales of goods and services	9,138	9,647	9,514	9,334	7,996
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	22	15	12	13	14
<b>Operating expenses</b>	<b>6,769</b>	<b>7,312</b>	<b>7,382</b>	<b>7,037</b>	<b>6,400</b>
Purchased goods, materials and service	4,667	4,968	5,075	4,807	4,548
Wages, salaries and employee benefits	1,374	1,765	1,596	1,634	1,397
Indirect taxes	93	85	135	101	102
Depreciation, depletion and amortization	323	298	345	355	296
Interest expense (operating)	..	..	..	..	..
Other operating expenses	312	195	231	140	57
<b>Operating profit/loss</b>	<b>2,391</b>	<b>2,350</b>	<b>2,144</b>	<b>2,310</b>	<b>1,610</b>
Interest and dividend revenue	92	133	131	182	493
Interest expense on borrowing	613	593	487	429	296
Gains/losses	-15	-81	49	-65	1,018
<b>Profit before income tax</b>	<b>1,855</b>	<b>1,810</b>	<b>1,837</b>	<b>1,998</b>	<b>2,825</b>
Income tax	586	528	536	521	492
Equity in affiliates' earnings	109	48	-2	5	3
<b>Profit before extraordinary gains</b>	<b>1,377</b>	<b>1,330</b>	<b>1,300</b>	<b>1,483</b>	<b>2,336</b>
Extraordinary gains	0	0	0	0	0
<b>Net profit</b>	<b>1,377</b>	<b>1,330</b>	<b>1,299</b>	<b>1,482</b>	<b>2,335</b>

**Table 12-2**  
**Alcoholic beverage and tobacco manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,377</b>	<b>1,330</b>	<b>1,299</b>	<b>1,482</b>	<b>2,335</b>
Plus: consolidation adjustments	169	17	98	137	-446
Plus: conceptual adjustments	-9	-190	-359	-431	-1,076
Plus: current taxes, including mining	623	538	454	542	316
Plus: deferred income taxes	-37	-29	101	-4	51
Less: profit of tax exempt corporations	..	0	0	0	0
Deductible dividends	237	220	214	282	42
<b>Adjusted profit before taxes</b>	<b>1,886</b>	<b>1,447</b>	<b>1,380</b>	<b>1,445</b>	<b>1,139</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-17	66	-2	26	229
Less: taxable capital gains	9	-93	3	4	73
Net difference, capital gains and losses	-26	159	-5	22	156
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-26	70	37	-28	-20
<b>Total, exemptions and deductions</b>	<b>-51</b>	<b>229</b>	<b>32</b>	<b>-6</b>	<b>136</b>
<b>Timing differences:</b>					
Depreciation	174	374	258	316	228
Less: capital cost allowance	199	279	292	288	234
Net difference, depreciation	-25	94	-33	28	-6
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	..	..	..	..	..
Charitable donations net difference, (books minus tax)	1	-1	0	0	0
Other timing differences	-538	196	-46	-218	-247
<b>Total, timing differences</b>	<b>-563</b>	<b>289</b>	<b>-79</b>	<b>-190</b>	<b>-253</b>
<b>Net taxable income</b>	<b>1,375</b>	<b>1,507</b>	<b>1,269</b>	<b>1,261</b>	<b>749</b>
Plus: current year tax losses	32	32	39	65	93
<b>Current year positive taxable income</b>	<b>1,407</b>	<b>1,539</b>	<b>1,309</b>	<b>1,326</b>	<b>842</b>
Less: prior year losses applied	28	12	12	13	37
<b>Taxable income (tax base)</b>	<b>1,380</b>	<b>1,527</b>	<b>1,296</b>	<b>1,313</b>	<b>805</b>
<b>Taxes:</b>					
Tax otherwise payable	544	670	501	507	309
Surtax	16	20	15	15	9
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	143	176	132	133	81
Small business deduction	1	1	1	2	2
Manufacturing and processing profits deduction	64	81	61	65	35
Investment tax credit	5	7	7	2	2
Other credits	14	29	31	27	21
<b>Net part 1 tax payable</b>	<b>333</b>	<b>396</b>	<b>284</b>	<b>292</b>	<b>177</b>
Other direct federal taxes	81	79	61	52	18
<b>Federal tax payable</b>	<b>415</b>	<b>475</b>	<b>344</b>	<b>344</b>	<b>194</b>
Provincial tax payable	158	184	128	143	90
<b>Total taxes</b>	<b>573</b>	<b>659</b>	<b>472</b>	<b>487</b>	<b>284</b>



**Table 12-3**  
**Alcoholic beverage and tobacco manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.981	1.058	0.931	0.816	0.729
Profit margin (percent)	26.1	24.3	22.5	24.7	20.1
Return on equity (percent)	14.9	13.6	13.9	14.5	32.4
Return on capital employed (percent)	9.7	8.5	9.0	9.6	20.7
Working capital (ratio)	1.401	1.145	0.939	1.015	1.604
Quick ratio (ratio)	0.715	0.593	0.458	0.440	0.792
Inventory turnover (ratio)	4.884	4.990	4.660	4.503	4.904
Receivables turnover (ratio)	10.657	13.252	13.357	10.670	8.324
Taxes to positive adjusted profit (percent)	28.8	44.7	33.4	32.3	22.9
Income taxes to taxable income (percent)	35.6	38.0	31.7	33.1	33.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	2.5	5.5	-1.4	-1.9	-14.3
Operating expenses, year-over-year change	4.1	8.0	1.0	-4.7	-9.1
Operating profit, year-over-year change	-1.8	-1.7	-8.8	7.7	-30.3
Taxable income (tax base), year-over-year change	4.8	10.7	-15.1	1.3	-38.7
Taxes, year-over-year change	19.5	15.0	-28.4	3.2	-41.7

**Table 13-1**  
**Clothing, textile and leather manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>12,538</b>	<b>12,039</b>	<b>10,715</b>	<b>10,117</b>	<b>9,342</b>
Cash and deposits	670	696	603	712	624
Accounts receivable and accrued revenue	2,910	2,967	2,646	2,212	2,040
Inventories	2,612	2,705	2,369	2,163	1,991
Investments	2,786	2,360	2,320	2,229	2,132
Investments and accounts with affiliates	2,576	2,117	2,106	2,076	1,979
Portfolio investments	210	243	214	153	152
Loans	71	69	67	75	118
Mortgages	24	23	24	29	32
Non-mortgages	47	46	43	46	86
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,854	2,725	2,208	2,134	1,896
Other assets	635	518	502	591	543
<b>Liabilities</b>	<b>7,723</b>	<b>7,369</b>	<b>6,767</b>	<b>6,170</b>	<b>5,609</b>
Accounts payable and accrued liabilities	2,249	2,286	2,093	1,740	1,614
Loans and accounts with affiliates	2,305	1,988	2,133	2,120	1,786
Borrowings	2,710	2,654	2,206	1,998	1,807
Loans and overdrafts	2,052	2,161	1,811	1,614	1,453
From banks	1,735	1,776	1,504	1,368	1,202
From others	317	385	307	246	250
Bankers' acceptances and paper	60	82	28	48	57
Bonds and debentures	202	121	112	78	47
Mortgages	396	290	255	258	250
Deferred income tax	173	155	101	22	8
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	285	286	235	289	395
<b>Equity</b>	<b>4,814</b>	<b>4,670</b>	<b>3,948</b>	<b>3,947</b>	<b>3,733</b>
Share capital	2,495	2,241	2,124	2,219	2,225
Contributed surplus and other	170	220	-85	-297	-218
Retained earnings	2,149	2,209	1,909	2,026	1,726
<b>Income statement</b>					
<b>Operating revenue</b>	<b>17,247</b>	<b>16,352</b>	<b>15,152</b>	<b>13,688</b>	<b>12,406</b>
Sales of goods and services	17,191	16,310	15,115	13,649	12,360
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	56	41	37	39	46
<b>Operating expenses</b>	<b>16,424</b>	<b>15,824</b>	<b>14,710</b>	<b>13,291</b>	<b>12,027</b>
Purchased goods, materials and service	11,654	11,142	10,532	9,190	8,587
Wages, salaries and employee benefits	4,075	3,960	3,586	3,547	2,944
Indirect taxes	105	76	47	50	38
Depreciation, depletion and amortization	401	397	344	309	336
Interest expense (operating)	..	..	..	..	..
Other operating expenses	189	249	199	194	123
<b>Operating profit/loss</b>	<b>823</b>	<b>527</b>	<b>443</b>	<b>398</b>	<b>379</b>
Interest and dividend revenue	165	161	96	56	51
Interest expense on borrowing	314	291	240	215	202
Gains/losses	46	-73	17	-7	-24
<b>Profit before income tax</b>	<b>721</b>	<b>324</b>	<b>315</b>	<b>231</b>	<b>203</b>
Income tax	213	109	110	96	97
Equity in affiliates' earnings	23	8	7	4	37
<b>Profit before extraordinary gains</b>	<b>531</b>	<b>223</b>	<b>213</b>	<b>139</b>	<b>142</b>
Extraordinary gains	0	-2	-5	-6	0
<b>Net profit</b>	<b>531</b>	<b>220</b>	<b>208</b>	<b>133</b>	<b>142</b>

**Table 13-2**  
**Clothing, textile and leather manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>531</b>	<b>220</b>	<b>208</b>	<b>133</b>	<b>142</b>
Plus: consolidation adjustments	0	-216	-183	-59	-30
Plus: conceptual adjustments	-10	-43	11	-18	3
Plus: current taxes, including mining	225	147	153	122	134
Plus: deferred income taxes	-27	-1	-43	-26	-22
Less: profit of tax exempt corporations	117	0	0	0	-1
Deductible dividends	84	107	63	43	42
<b>Adjusted profit before taxes</b>	<b>518</b>	<b>2</b>	<b>83</b>	<b>110</b>	<b>185</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	5	5	-11	0	45
Less: taxable capital gains	11	19	27	11	10
Net difference, capital gains and losses	-6	-14	-38	-11	35
Resource allowance	..	..	..	..	..
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-159	-42	-38	-38	-10
<b>Total, exemptions and deductions</b>	<b>-165</b>	<b>-56</b>	<b>-76</b>	<b>-49</b>	<b>25</b>
<b>Timing differences:</b>					
Depreciation	421	472	372	327	305
Less: capital cost allowance	415	365	316	326	218
Net difference, depreciation	5	107	56	1	88
Natural resources expenses, (books)	1	1	1	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	1	1	1	0	0
Charitable donations net difference, (books minus tax)	1	2	-14	-3	0
Other timing differences	-234	152	64	68	105
<b>Total, timing differences</b>	<b>-228</b>	<b>262</b>	<b>107</b>	<b>66</b>	<b>193</b>
<b>Net taxable income</b>	<b>456</b>	<b>319</b>	<b>267</b>	<b>226</b>	<b>353</b>
Plus: current year tax losses	379	356	406	416	258
<b>Current year positive taxable income</b>	<b>835</b>	<b>675</b>	<b>673</b>	<b>643</b>	<b>611</b>
Less: prior year losses applied	64	61	65	54	61
<b>Taxable income (tax base)</b>	<b>771</b>	<b>614</b>	<b>608</b>	<b>589</b>	<b>550</b>
<b>Taxes:</b>					
Tax otherwise payable	295	234	232	225	211
Surtax	8	7	7	6	6
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	77	61	59	59	55
Small business deduction	32	24	24	24	24
Manufacturing and processing profits deduction	33	24	18	14	9
Investment tax credit	8	10	9	10	10
Other credits	6	8	18	18	20
<b>Net part 1 tax payable</b>	<b>148</b>	<b>115</b>	<b>110</b>	<b>107</b>	<b>99</b>
Other direct federal taxes	2	4	2	2	1
<b>Federal tax payable</b>	<b>150</b>	<b>118</b>	<b>112</b>	<b>108</b>	<b>100</b>
Provincial tax payable	76	53	55	52	50
<b>Total taxes</b>	<b>226</b>	<b>171</b>	<b>166</b>	<b>160</b>	<b>151</b>

**Table 13-3**  
**Clothing, textile and leather manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.042	0.994	1.099	1.043	0.962
Profit margin (percent)	4.8	3.2	2.9	2.9	3.1
Return on equity (percent)	11.0	4.8	5.4	3.5	3.8
Return on capital employed (percent)	7.8	4.9	4.8	3.9	4.1
Working capital (ratio)	1.610	1.706	1.596	1.598	1.675
Quick ratio (ratio)	0.964	1.034	0.976	0.975	1.028
Inventory turnover (ratio)	6.602	6.045	6.395	6.327	6.232
Receivables turnover (ratio)	5.928	5.511	5.727	6.188	6.082
Taxes to positive adjusted profit (percent)	25.4	24.9	23.2	26.4	25.6
Income taxes to taxable income (percent)	29.0	27.2	27.0	26.9	27.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-1.4	-5.2	-7.3	-9.7	-9.4
Operating expenses, year-over-year change	-2.1	-3.7	-7.0	-9.6	-9.5
Operating profit, year-over-year change	16.4	-35.9	-16.1	-10.1	-4.8
Taxable income (tax base), year-over-year change	0.1	-20.4	-1.0	-3.1	-6.7
Taxes, year-over-year change	-4.1	-24.2	-2.8	-3.6	-6.0

**Table 14-1**  
**Wood product manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>28,217</b>	<b>29,117</b>	<b>41,851</b>	<b>38,229</b>	<b>39,545</b>
Cash and deposits	1,681	1,993	3,945	1,934	2,830
Accounts receivable and accrued revenue	3,204	3,536	4,369	4,040	4,143
Inventories	5,083	4,930	6,295	5,602	5,802
Investments	3,382	3,873	5,952	6,768	6,475
Investments and accounts with affiliates	2,861	3,402	5,131	5,970	5,670
Portfolio investments	521	471	821	798	805
Loans	75	147	170	190	262
Mortgages	42	83	58	62	74
Non-mortgages	33	64	112	128	188
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	13,131	12,893	18,455	16,947	17,271
Other assets	1,662	1,744	2,664	2,748	2,761
<b>Liabilities</b>	<b>16,446</b>	<b>16,300</b>	<b>21,443</b>	<b>20,856</b>	<b>20,839</b>
Accounts payable and accrued liabilities	3,775	3,928	5,454	4,916	5,161
Loans and accounts with affiliates	2,610	2,968	3,422	3,870	4,047
Borrowings	7,818	6,758	9,266	8,549	8,561
Loans and overdrafts	3,820	3,610	4,898	4,223	4,480
From banks	2,448	2,382	2,968	2,828	2,602
From others	1,372	1,228	1,930	1,395	1,878
Bankers' acceptances and paper	332	297	68	26	218
Bonds and debentures	2,940	2,228	3,249	3,287	3,183
Mortgages	727	624	1,051	1,013	680
Deferred income tax	1,481	1,631	2,287	2,198	1,785
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	762	1,014	1,013	1,323	1,285
<b>Equity</b>	<b>11,771</b>	<b>12,817</b>	<b>20,408</b>	<b>17,374</b>	<b>18,706</b>
Share capital	4,990	5,193	7,741	6,294	6,289
Contributed surplus and other	242	240	380	531	839
Retained earnings	6,540	7,384	12,287	10,549	11,577
<b>Income statement</b>					
<b>Operating revenue</b>	<b>31,450</b>	<b>31,629</b>	<b>44,451</b>	<b>42,177</b>	<b>40,582</b>
Sales of goods and services	31,270	31,467	43,835	41,829	40,413
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	180	163	616	348	169
<b>Operating expenses</b>	<b>29,528</b>	<b>30,303</b>	<b>39,483</b>	<b>39,644</b>	<b>39,622</b>
Purchased goods, materials and service	22,271	23,367	30,634	30,259	30,206
Wages, salaries and employee benefits	5,505	5,355	6,680	7,356	7,436
Indirect taxes	132	130	181	141	105
Depreciation, depletion and amortization	1,378	1,347	1,868	1,808	1,804
Interest expense (operating)	..	..	..	..	..
Other operating expenses	241	104	119	78	71
<b>Operating profit/loss</b>	<b>1,922</b>	<b>1,326</b>	<b>4,968</b>	<b>2,533</b>	<b>960</b>
Interest and dividend revenue	70	68	266	784	283
Interest expense on borrowing	727	685	785	827	781
Gains/losses	98	834	-135	-65	2,098
<b>Profit before income tax</b>	<b>1,363</b>	<b>1,544</b>	<b>4,315</b>	<b>2,425</b>	<b>2,560</b>
Income tax	503	464	1,226	636	757
Equity in affiliates' earnings	190	136	242	197	237
<b>Profit before extraordinary gains</b>	<b>1,050</b>	<b>1,216</b>	<b>3,330</b>	<b>1,987</b>	<b>2,040</b>
Extraordinary gains	0	27	0	9	5
<b>Net profit</b>	<b>1,050</b>	<b>1,243</b>	<b>3,330</b>	<b>1,996</b>	<b>2,044</b>

**Table 14-2**  
**Wood product manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,050</b>	<b>1,243</b>	<b>3,330</b>	<b>1,996</b>	<b>2,044</b>
Plus: consolidation adjustments	51	-10	35	-517	879
Plus: conceptual adjustments	-80	-173	-248	-75	-239
Plus: current taxes, including mining	415	232	931	730	791
Plus: deferred income taxes	21	13	7	-215	-38
Less: profit of tax exempt corporations	5	-1	-2	-5	1
Deductible dividends	303	193	446	1,128	1,396
<b>Adjusted profit before taxes</b>	<b>1,149</b>	<b>1,112</b>	<b>3,612</b>	<b>795</b>	<b>2,040</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	51	562	-98	171	309
Less: taxable capital gains	36	52	40	137	326
Net difference, capital gains and losses	15	510	-138	34	-17
Resource allowance	0	0	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	16	-107	-90	-86	-20
<b>Total, exemptions and deductions</b>	<b>30</b>	<b>403</b>	<b>-229</b>	<b>-52</b>	<b>-37</b>
<b>Timing differences:</b>					
Depreciation	1,169	1,305	1,536	2,287	1,737
Less: capital cost allowance	1,868	1,193	1,503	1,430	1,170
Net difference, depreciation	-699	112	33	857	567
Natural resources expenses, (books)	7	16	20	27	1
Less: natural resource expenses, (tax)	0	0	1	1	1
Net difference, natural resources expenses	7	16	19	25	1
Charitable donations net difference, (books minus tax)	1	2	0	-9	-10
Other timing differences	-130	-572	-1,883	80	-276
<b>Total, timing differences</b>	<b>-822</b>	<b>-442</b>	<b>-1,830</b>	<b>953</b>	<b>282</b>
<b>Net taxable income</b>	<b>297</b>	<b>266</b>	<b>2,010</b>	<b>1,801</b>	<b>2,359</b>
Plus: current year tax losses	1,260	841	663	748	761
<b>Current year positive taxable income</b>	<b>1,557</b>	<b>1,108</b>	<b>2,673</b>	<b>2,549</b>	<b>3,120</b>
Less: prior year losses applied	173	119	187	877	634
<b>Taxable income (tax base)</b>	<b>1,384</b>	<b>989</b>	<b>2,486</b>	<b>1,671</b>	<b>2,486</b>
<b>Taxes:</b>					
Tax otherwise payable	535	396	1,026	666	969
Surtax	15	11	29	19	26
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	140	104	269	175	254
Small business deduction	36	27	30	32	33
Manufacturing and processing profits deduction	76	53	152	61	78
Investment tax credit	22	18	15	45	20
Other credits	23	12	60	66	138
<b>Net part 1 tax payable</b>	<b>253</b>	<b>193</b>	<b>528</b>	<b>305</b>	<b>472</b>
Other direct federal taxes	11	26	33	32	19
<b>Federal tax payable</b>	<b>264</b>	<b>219</b>	<b>561</b>	<b>337</b>	<b>492</b>
Provincial tax payable	150	111	290	184	255
<b>Total taxes</b>	<b>415</b>	<b>331</b>	<b>851</b>	<b>522</b>	<b>746</b>

**Table 14-3**  
**Wood product manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.886	0.759	0.622	0.715	0.674
Profit margin (percent)	6.1	4.2	11.2	6.0	2.4
Return on equity (percent)	8.9	9.5	16.3	11.4	10.9
Return on capital employed (percent)	7.3	7.7	11.9	8.8	8.3
Working capital (ratio)	1.556	1.615	1.845	1.630	1.804
Quick ratio (ratio)	0.808	0.878	1.096	0.919	1.054
Inventory turnover (ratio)	6.187	6.415	7.061	7.529	6.994
Receivables turnover (ratio)	9.817	8.944	10.174	10.440	9.795
Taxes to positive adjusted profit (percent)	25.7	19.4	20.5	23.8	26.8
Income taxes to taxable income (percent)	29.2	30.8	32.9	29.3	29.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	2.8	0.6	40.5	-5.1	-3.8
Operating expenses, year-over-year change	1.3	2.6	30.3	0.4	-0.1
Operating profit, year-over-year change	31.6	-31.0	274.7	-49.0	-62.1
Taxable income (tax base), year-over-year change	-0.1	-28.6	151.5	-32.8	48.8
Taxes, year-over-year change	-9.2	-20.2	157.3	-38.7	43.1

**Table 15-1**  
**Paper manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>52,702</b>	<b>52,304</b>	<b>45,896</b>	<b>46,372</b>	<b>45,180</b>
Cash and deposits	1,141	1,009	1,008	820	1,791
Accounts receivable and accrued revenue	5,261	5,134	4,496	4,498	4,212
Inventories	5,259	5,127	4,378	4,317	3,961
Investments	6,543	7,449	8,220	9,742	9,182
Investments and accounts with affiliates	6,461	7,347	8,018	9,438	8,839
Portfolio investments	82	102	201	303	344
Loans	20	20	12	30	8
Mortgages	3	4	3	4	2
Non-mortgages	17	16	8	26	7
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	30,356	29,578	24,230	23,181	21,503
Other assets	4,122	3,986	3,554	3,784	4,522
<b>Liabilities</b>	<b>31,508</b>	<b>30,115</b>	<b>26,770</b>	<b>26,295</b>	<b>25,804</b>
Accounts payable and accrued liabilities	5,823	5,672	5,129	5,056	4,779
Loans and accounts with affiliates	5,410	6,400	4,728	5,041	4,758
Borrowings	15,575	13,026	13,597	14,486	14,825
Loans and overdrafts	7,320	5,817	5,690	6,621	7,238
From banks	5,266	4,860	4,920	5,261	5,777
From others	2,054	958	770	1,359	1,461
Bankers' acceptances and paper	240	209	227	259	206
Bonds and debentures	7,738	6,844	7,299	7,457	6,987
Mortgages	277	156	381	149	394
Deferred income tax	4,060	3,790	2,760	1,699	1,331
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	641	1,227	557	13	110
<b>Equity</b>	<b>21,194</b>	<b>22,189</b>	<b>19,126</b>	<b>20,077</b>	<b>19,376</b>
Share capital	16,036	14,778	15,008	16,915	17,479
Contributed surplus and other	1,102	1,414	1,460	1,630	1,619
Retained earnings	4,056	5,998	2,658	1,531	278
<b>Income statement</b>					
<b>Operating revenue</b>	<b>42,296</b>	<b>40,010</b>	<b>35,508</b>	<b>35,182</b>	<b>32,503</b>
Sales of goods and services	42,271	39,979	35,472	35,146	32,459
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	24	32	37	36	44
<b>Operating expenses</b>	<b>39,877</b>	<b>38,806</b>	<b>34,132</b>	<b>34,739</b>	<b>31,572</b>
Purchased goods, materials and service	30,949	31,105	27,440	28,193	26,008
Wages, salaries and employee benefits	5,693	4,573	3,941	4,043	3,368
Indirect taxes	261	196	98	84	56
Depreciation, depletion and amortization	2,857	2,854	2,601	2,339	2,047
Interest expense (operating)	..	..	..	..	..
Other operating expenses	117	80	53	80	94
<b>Operating profit/loss</b>	<b>2,419</b>	<b>1,204</b>	<b>1,376</b>	<b>443</b>	<b>931</b>
Interest and dividend revenue	267	192	136	158	229
Interest expense on borrowing	1,619	1,378	1,408	1,483	1,332
Gains/losses	575	1,130	238	-1,102	1,316
<b>Profit before income tax</b>	<b>1,642</b>	<b>1,148</b>	<b>342</b>	<b>-1,985</b>	<b>1,145</b>
Income tax	311	154	62	-682	140
Equity in affiliates' earnings	124	50	60	11	48
<b>Profit before extraordinary gains</b>	<b>1,455</b>	<b>1,044</b>	<b>340</b>	<b>-1,292</b>	<b>1,053</b>
Extraordinary gains	-1	1	5	-5	-1
<b>Net profit</b>	<b>1,454</b>	<b>1,044</b>	<b>345</b>	<b>-1,297</b>	<b>1,051</b>



**Table 15-2**  
**Paper manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,454</b>	<b>1,044</b>	<b>345</b>	<b>-1,297</b>	<b>1,051</b>
Plus: consolidation adjustments	-787	-4	45	91	-693
Plus: conceptual adjustments	-38	-56	32	118	-61
Plus: current taxes, including mining	480	442	284	261	212
Plus: deferred income taxes	-112	-311	-246	-788	-121
Less: profit of tax exempt corporations	-1	36	0	0	0
Deductible dividends	1,731	446	535	1,100	305
<b>Adjusted profit before taxes</b>	<b>-733</b>	<b>633</b>	<b>-76</b>	<b>-2,715</b>	<b>84</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-115	327	26	-171	307
Less: taxable capital gains	44	192	68	475	411
Net difference, capital gains and losses	-159	135	-41	-646	-103
Resource allowance	0	0	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	197	-73	-121	-231	-197
<b>Total, exemptions and deductions</b>	<b>38</b>	<b>62</b>	<b>-163</b>	<b>-877</b>	<b>-300</b>
<b>Timing differences:</b>					
Depreciation	2,079	2,554	2,233	2,799	2,026
Less: capital cost allowance	2,053	2,242	1,623	1,285	1,026
Net difference, depreciation	26	312	611	1,513	1,000
Natural resources expenses, (books)	6	2	0	0	1
Less: natural resource expenses, (tax)	2	2	1	0	2
Net difference, natural resources expenses	5	1	0	0	-1
Charitable donations net difference, (books minus tax)	3	6	8	1	-8
Other timing differences	1,124	-1,229	-1,478	571	-708
<b>Total, timing differences</b>	<b>1,157</b>	<b>-910</b>	<b>-860</b>	<b>2,086</b>	<b>282</b>
<b>Net taxable income</b>	<b>386</b>	<b>-340</b>	<b>-773</b>	<b>247</b>	<b>665</b>
Plus: current year tax losses	848	1,318	2,040	776	630
<b>Current year positive taxable income</b>	<b>1,235</b>	<b>979</b>	<b>1,268</b>	<b>1,023</b>	<b>1,296</b>
Less: prior year losses applied	359	203	178	109	410
<b>Taxable income (tax base)</b>	<b>876</b>	<b>775</b>	<b>1,089</b>	<b>914</b>	<b>886</b>
<b>Taxes:</b>					
Tax otherwise payable	450	394	493	374	349
Surtax	13	12	14	11	10
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	118	103	130	98	91
Small business deduction	17	5	6	6	6
Manufacturing and processing profits deduction	69	57	70	45	41
Investment tax credit	47	40	57	42	18
Other credits	6	9	21	23	23
<b>Net part 1 tax payable</b>	<b>206</b>	<b>190</b>	<b>223</b>	<b>171</b>	<b>179</b>
Other direct federal taxes	14	59	47	35	2
<b>Federal tax payable</b>	<b>220</b>	<b>249</b>	<b>271</b>	<b>206</b>	<b>181</b>
Provincial tax payable	138	110	142	89	97
<b>Total taxes</b>	<b>358</b>	<b>359</b>	<b>413</b>	<b>295</b>	<b>279</b>

**Table 15-3**  
**Paper manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.990	0.875	0.958	0.973	1.011
Profit margin (percent)	5.7	3.0	3.9	1.3	2.9
Return on equity (percent)	6.9	4.7	1.8	-6.4	5.4
Return on capital employed (percent)	6.4	5.1	3.9	-0.8	5.2
Working capital (ratio)	1.402	1.552	1.491	1.426	1.469
Quick ratio (ratio)	0.787	0.870	0.855	0.854	0.883
Inventory turnover (ratio)	8.043	7.803	8.111	8.150	8.206
Receivables turnover (ratio)	8.039	7.793	7.898	7.821	7.718
Taxes to positive adjusted profit (percent)	36.4	21.5	40.5	34.6	20.8
Income taxes to taxable income (percent)	39.3	38.7	33.6	28.4	31.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	1.0	-5.4	-11.3	-0.9	-7.6
Operating expenses, year-over-year change	4.6	-2.7	-12.0	1.8	-9.1
Operating profit, year-over-year change	-36.0	-50.2	14.3	-67.8	110.2
Taxable income (tax base), year-over-year change	-54.8	-11.5	40.5	-16.0	-3.1
Taxes, year-over-year change	-20.3	0.2	15.0	-28.6	-5.4

**Table 16-1**  
**Printing and related support activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>16,412</b>	<b>17,141</b>	<b>18,340</b>	<b>17,346</b>	<b>17,794</b>
Cash and deposits	532	594	593	750	624
Accounts receivable and accrued revenue	2,021	1,768	1,960	1,842	1,930
Inventories	856	752	867	815	807
Investments	8,086	9,222	9,564	8,745	8,416
Investments and accounts with affiliates	7,963	9,115	9,443	8,647	8,305
Portfolio investments	123	108	121	98	112
Loans	46	38	55	37	34
Mortgages	16	13	14	15	13
Non-mortgages	31	25	41	23	21
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	3,437	3,182	3,336	3,250	3,275
Other assets	1,434	1,585	1,965	1,906	2,707
<b>Liabilities</b>	<b>7,406</b>	<b>6,975</b>	<b>7,759</b>	<b>7,535</b>	<b>7,903</b>
Accounts payable and accrued liabilities	2,038	1,924	1,884	2,148	2,018
Loans and accounts with affiliates	2,213	2,159	2,277	2,267	2,349
Borrowings	2,490	2,435	2,969	2,499	2,919
Loans and overdrafts	1,641	1,635	2,058	1,693	2,113
From banks	1,177	1,350	1,722	1,432	1,834
From others	464	285	336	261	278
Bankers' acceptances and paper	3	0	0	2	11
Bonds and debentures	550	488	574	497	512
Mortgages	297	312	336	307	284
Deferred income tax	271	157	180	174	135
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	394	300	450	447	481
<b>Equity</b>	<b>9,007</b>	<b>10,166</b>	<b>10,581</b>	<b>9,811</b>	<b>9,891</b>
Share capital	4,306	5,517	5,689	5,590	5,695
Contributed surplus and other	273	251	262	218	218
Retained earnings	4,428	4,398	4,630	4,003	3,978
<b>Income statement</b>					
<b>Operating revenue</b>	<b>13,621</b>	<b>12,917</b>	<b>13,352</b>	<b>12,947</b>	<b>12,752</b>
Sales of goods and services	13,587	12,895	13,326	12,921	12,730
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	33	22	26	25	23
<b>Operating expenses</b>	<b>12,861</b>	<b>12,316</b>	<b>12,654</b>	<b>12,219</b>	<b>12,042</b>
Purchased goods, materials and service	8,650	8,007	8,336	7,931	7,986
Wages, salaries and employee benefits	3,298	3,507	3,509	3,552	3,239
Indirect taxes	110	96	87	48	39
Depreciation, depletion and amortization	597	556	596	561	643
Interest expense (operating)	..	..	..	..	..
Other operating expenses	206	151	124	126	134
<b>Operating profit/loss</b>	<b>759</b>	<b>601</b>	<b>699</b>	<b>728</b>	<b>711</b>
Interest and dividend revenue	31	88	46	65	63
Interest expense on borrowing	231	225	214	211	243
Gains/losses	188	44	-6	-616	-59
<b>Profit before income tax</b>	<b>747</b>	<b>508</b>	<b>526</b>	<b>-33</b>	<b>471</b>
Income tax	214	159	200	191	109
Equity in affiliates' earnings	8	22	23	15	10
<b>Profit before extraordinary gains</b>	<b>541</b>	<b>371</b>	<b>348</b>	<b>-209</b>	<b>372</b>
Extraordinary gains	2	-4	-13	5	-1
<b>Net profit</b>	<b>543</b>	<b>367</b>	<b>336</b>	<b>-204</b>	<b>372</b>

**Table 16-2**  
**Printing and related support activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>543</b>	<b>367</b>	<b>336</b>	<b>-204</b>	<b>372</b>
Plus: consolidation adjustments	3	-46	58	-85	145
Plus: conceptual adjustments	-52	-52	-6	-67	-12
Plus: current taxes, including mining	134	111	192	181	40
Plus: deferred income taxes	19	-4	-4	8	6
Less: profit of tax exempt corporations	-20	-20	0	1	1
Deductible dividends	192	117	307	163	310
<b>Adjusted profit before taxes</b>	<b>475</b>	<b>280</b>	<b>269</b>	<b>-332</b>	<b>240</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	57	11	23	1	-40
Less: taxable capital gains	14	35	9	50	12
Net difference, capital gains and losses	43	-24	14	-49	-52
Resource allowance	..	0	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-7	-6	133	-238	-148
<b>Total, exemptions and deductions</b>	<b>35</b>	<b>-31</b>	<b>146</b>	<b>-286</b>	<b>-200</b>
<b>Timing differences:</b>					
Depreciation	541	463	500	460	422
Less: capital cost allowance	501	446	470	420	397
Net difference, depreciation	39	16	30	39	25
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	-1	1	-5	1	3
Other timing differences	21	2	212	548	43
<b>Total, timing differences</b>	<b>59</b>	<b>20</b>	<b>237</b>	<b>588</b>	<b>71</b>
<b>Net taxable income</b>	<b>499</b>	<b>330</b>	<b>360</b>	<b>543</b>	<b>511</b>
Plus: current year tax losses	159	143	160	134	144
<b>Current year positive taxable income</b>	<b>658</b>	<b>474</b>	<b>520</b>	<b>677</b>	<b>655</b>
Less: prior year losses applied	141	65	79	146	128
<b>Taxable income (tax base)</b>	<b>518</b>	<b>408</b>	<b>441</b>	<b>531</b>	<b>527</b>
<b>Taxes:</b>					
Tax otherwise payable	204	163	189	212	209
Surtax	6	5	5	6	6
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	54	43	49	56	55
Small business deduction	25	23	25	27	28
Manufacturing and processing profits deduction	21	16	18	19	7
Investment tax credit	3	3	5	3	3
Other credits	2	2	8	8	20
<b>Net part 1 tax payable</b>	<b>105</b>	<b>81</b>	<b>90</b>	<b>106</b>	<b>103</b>
Other direct federal taxes	2	2	3	20	4
<b>Federal tax payable</b>	<b>106</b>	<b>83</b>	<b>93</b>	<b>126</b>	<b>107</b>
Provincial tax payable	54	36	44	51	48
<b>Total taxes</b>	<b>160</b>	<b>119</b>	<b>137</b>	<b>177</b>	<b>155</b>

**Table 16-3**  
**Printing and related support activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.522	0.452	0.496	0.486	0.533
Profit margin (percent)	5.6	4.7	5.2	5.6	5.6
Return on equity (percent)	6.0	3.6	3.3	-2.1	3.8
Return on capital employed (percent)	5.2	3.7	3.2	-0.3	3.7
Working capital (ratio)	1.276	1.213	1.243	1.149	1.174
Quick ratio (ratio)	0.991	0.962	0.972	0.896	0.913
Inventory turnover (ratio)	15.908	17.172	15.402	15.881	15.802
Receivables turnover (ratio)	6.739	7.304	6.811	7.029	6.606
Taxes to positive adjusted profit (percent)	24.7	23.7	18.6	38.0	28.3
Income taxes to taxable income (percent)	30.6	28.6	30.3	29.6	28.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	9.0	-5.2	3.4	-3.0	-1.5
Operating expenses, year-over-year change	7.9	-4.2	2.7	-3.4	-1.4
Operating profit, year-over-year change	31.4	-20.9	16.3	4.2	-2.4
Taxable income (tax base), year-over-year change	8.5	-21.1	8.0	20.3	-0.8
Taxes, year-over-year change	10.3	-26.0	15.6	29.3	-12.7

**Table 17-1**  
**Petroleum and coal products manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>41,664</b>	<b>44,826</b>	<b>50,349</b>	<b>58,633</b>	<b>65,075</b>
Cash and deposits	1,406	1,415	1,630	3,661	2,868
Accounts receivable and accrued revenue	5,056	4,238	4,997	7,223	6,992
Inventories	2,665	2,516	2,714	2,964	3,307
Investments	5,628	5,404	6,694	7,158	7,218
Investments and accounts with affiliates	4,733	5,044	6,238	6,376	6,045
Portfolio investments	895	360	456	782	1,173
Loans	251	75	112	101	71
Mortgages	58	10	12	9	6
Non-mortgages	193	65	99	92	64
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	25,756	30,231	33,226	36,389	42,694
Other assets	900	946	977	1,137	1,927
<b>Liabilities</b>	<b>21,690</b>	<b>20,810</b>	<b>22,946</b>	<b>26,780</b>	<b>28,999</b>
Accounts payable and accrued liabilities	7,582	8,050	8,981	11,616	11,929
Loans and accounts with affiliates	1,618	2,330	2,584	3,544	2,369
Borrowings	6,591	4,863	5,642	4,818	7,303
Loans and overdrafts	3,024	2,583	2,338	1,593	3,167
From banks	2,683	1,583	1,133	1,220	2,478
From others	341	999	1,205	373	689
Bankers' acceptances and paper	..	442	719	0	173
Bonds and debentures	3,347	1,633	2,350	2,968	3,696
Mortgages	220	206	234	257	267
Deferred income tax	3,486	3,843	3,614	3,765	4,862
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	2,412	1,723	2,125	3,037	2,537
<b>Equity</b>	<b>19,974</b>	<b>24,015</b>	<b>27,403</b>	<b>31,854</b>	<b>36,076</b>
Share capital	4,728	4,732	4,816	4,875	4,906
Contributed surplus and other	1,976	2,353	1,906	978	324
Retained earnings	13,270	16,930	20,681	26,001	30,846
<b>Income statement</b>					
<b>Operating revenue</b>	<b>49,542</b>	<b>57,376</b>	<b>67,690</b>	<b>83,845</b>	<b>82,659</b>
Sales of goods and services	49,162	56,447	66,676	82,699	81,391
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	379	929	1,014	1,146	1,267
<b>Operating expenses</b>	<b>44,920</b>	<b>50,966</b>	<b>58,718</b>	<b>72,848</b>	<b>71,955</b>
Purchased goods, materials and service	36,058	40,925	46,949	60,237	61,991
Wages, salaries and employee benefits	3,166	3,246	3,531	4,502	1,714
Indirect taxes	333	443	537	131	128
Depreciation, depletion and amortization	2,056	2,413	2,850	2,816	2,971
Interest expense (operating)	..	..	..	..	..
Other operating expenses	3,307	3,940	4,851	5,162	5,152
<b>Operating profit/loss</b>	<b>4,622</b>	<b>6,410</b>	<b>8,973</b>	<b>10,997</b>	<b>10,704</b>
Interest and dividend revenue	277	162	169	315	440
Interest expense on borrowing	387	370	289	264	283
Gains/losses	-5	516	111	417	150
<b>Profit before income tax</b>	<b>4,507</b>	<b>6,718</b>	<b>8,964</b>	<b>11,465</b>	<b>11,013</b>
Income tax	1,671	1,948	3,037	3,630	2,881
Equity in affiliates' earnings	201	367	207	102	-80
<b>Profit before extraordinary gains</b>	<b>3,037</b>	<b>5,138</b>	<b>6,134</b>	<b>7,937</b>	<b>8,052</b>
Extraordinary gains	0	0	0	0	0
<b>Net profit</b>	<b>3,037</b>	<b>5,137</b>	<b>6,134</b>	<b>7,937</b>	<b>8,052</b>

**Table 17-2**  
**Petroleum and coal products manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>3,037</b>	<b>5,137</b>	<b>6,134</b>	<b>7,937</b>	<b>8,052</b>
Plus: consolidation adjustments	1,871	86	2,561	2,544	3,031
Plus: conceptual adjustments	-277	58	-965	-1,153	-2,338
Plus: current taxes, including mining	1,785	962	1,680	2,607	2,448
Plus: deferred income taxes	171	192	154	368	-161
Less: profit of tax exempt corporations	0	0	0	4	2
Deductible dividends	1,097	1,853	2,878	2,895	3,273
<b>Adjusted profit before taxes</b>	<b>5,489</b>	<b>4,582</b>	<b>6,686</b>	<b>9,404</b>	<b>7,758</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	25	43	-40	-40	-56
Less: taxable capital gains	13	97	101	45	136
Net difference, capital gains and losses	12	-54	-140	-84	-191
Resource allowance	1,219	650	1,104	1,218	888
Less: royalties	211	485	721	808	548
Net difference, resource allowance	1,008	165	383	411	340
Earned depletion allowance	3	2	2	3	5
Other exemptions and deductions	900	-281	2,201	2,821	2,111
<b>Total, exemptions and deductions</b>	<b>1,922</b>	<b>-169</b>	<b>2,445</b>	<b>3,151</b>	<b>2,264</b>
<b>Timing differences:</b>					
Depreciation	909	906	1,479	1,393	1,256
Less: capital cost allowance	1,272	1,228	1,554	2,585	1,334
Net difference, depreciation	-363	-322	-75	-1,191	-78
Natural resources expenses, (books)	258	261	405	208	254
Less: natural resource expenses, (tax)	954	574	975	960	1,173
Net difference, natural resources expenses	-696	-312	-570	-753	-918
Charitable donations net difference, (books minus tax)	0	-1	-1	0	2
Other timing differences	1,959	-1,192	1,372	2,855	3,230
<b>Total, timing differences</b>	<b>901</b>	<b>-1,827</b>	<b>726</b>	<b>911</b>	<b>2,237</b>
<b>Net taxable income</b>	<b>4,468</b>	<b>2,923</b>	<b>4,967</b>	<b>7,165</b>	<b>7,731</b>
Plus: current year tax losses	114	13	10	9	26
<b>Current year positive taxable income</b>	<b>4,582</b>	<b>2,936</b>	<b>4,977</b>	<b>7,174</b>	<b>7,757</b>
Less: prior year losses applied	6	309	314	853	14
<b>Taxable income (tax base)</b>	<b>4,575</b>	<b>2,627</b>	<b>4,664</b>	<b>6,321</b>	<b>7,743</b>
<b>Taxes:</b>					
Tax otherwise payable	1,744	1,070	1,779	2,404	2,953
Surtax	51	31	52	71	87
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	459	281	468	633	777
Small business deduction	1	1	1	2	1
Manufacturing and processing profits deduction	76	55	72	100	95
Investment tax credit	21	35	63	79	66
Other credits	17	29	71	81	121
<b>Net part 1 tax payable</b>	<b>1,221</b>	<b>700</b>	<b>1,156</b>	<b>1,581</b>	<b>1,980</b>
Other direct federal taxes	21	24	24	16	3
<b>Federal tax payable</b>	<b>1,242</b>	<b>724</b>	<b>1,179</b>	<b>1,597</b>	<b>1,983</b>
Provincial tax payable	530	329	463	725	844
<b>Total taxes</b>	<b>1,772</b>	<b>1,053</b>	<b>1,642</b>	<b>2,322</b>	<b>2,827</b>

**Table 17-3**  
**Petroleum and coal products manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.411	0.300	0.300	0.263	0.268
Profit margin (percent)	9.3	11.2	13.3	13.1	12.9
Return on equity (percent)	15.2	21.4	22.4	24.9	22.3
Return on capital employed (percent)	11.7	17.3	17.7	20.2	18.0
Working capital (ratio)	1.210	0.823	0.833	1.033	1.015
Quick ratio (ratio)	0.900	0.585	0.605	0.824	0.785
Inventory turnover (ratio)	18.588	22.806	24.946	28.286	24.998
Receivables turnover (ratio)	9.798	13.537	13.547	11.607	11.823
Taxes to positive adjusted profit (percent)	32.2	22.9	24.5	24.6	35.9
Income taxes to taxable income (percent)	38.3	39.2	34.7	36.5	36.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	1.9	15.8	18.0	23.9	-1.4
Operating expenses, year-over-year change	4.3	13.5	15.2	24.1	-1.2
Operating profit, year-over-year change	-16.9	38.7	40.0	22.6	-2.7
Taxable income (tax base), year-over-year change	-11.3	-42.6	77.6	35.5	22.5
Taxes, year-over-year change	-12.4	-40.6	56.0	41.4	21.8



**Table 18-1**  
**Basic chemical manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>22,969</b>	<b>21,144</b>	<b>16,151</b>	<b>16,358</b>	<b>13,987</b>
Cash and deposits	388	662	704	413	349
Accounts receivable and accrued revenue	2,100	1,993	1,426	1,647	1,523
Inventories	1,081	1,112	1,047	1,044	1,149
Investments	8,176	7,551	5,890	5,452	3,520
Investments and accounts with affiliates	8,163	7,508	5,734	5,372	3,475
Portfolio investments	13	43	156	80	45
Loans	38	11	2	4	3
Mortgages	1	1	1	1	0
Non-mortgages	37	10	1	3	3
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	10,213	8,296	5,334	5,673	6,456
Other assets	974	1,520	1,748	2,124	987
<b>Liabilities</b>	<b>13,004</b>	<b>12,086</b>	<b>10,023</b>	<b>10,647</b>	<b>10,490</b>
Accounts payable and accrued liabilities	2,205	2,305	1,857	1,854	1,927
Loans and accounts with affiliates	3,520	2,999	2,193	2,427	2,213
Borrowings	4,664	3,490	4,260	4,749	4,344
Loans and overdrafts	2,632	1,929	2,765	3,069	3,383
From banks	2,000	1,503	1,449	1,565	1,613
From others	633	426	1,316	1,504	1,770
Bankers' acceptances and paper	109	75	84	75	76
Bonds and debentures	1,816	1,412	1,363	1,560	673
Mortgages	107	74	49	45	211
Deferred income tax	1,355	1,372	775	745	743
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,260	1,920	938	872	1,264
<b>Equity</b>	<b>9,965</b>	<b>9,058</b>	<b>6,127</b>	<b>5,710</b>	<b>3,497</b>
Share capital	4,639	4,667	3,107	2,878	2,189
Contributed surplus and other	1,989	484	1,249	1,532	935
Retained earnings	3,338	3,907	1,771	1,300	373
<b>Income statement</b>					
<b>Operating revenue</b>	<b>12,451</b>	<b>13,635</b>	<b>10,677</b>	<b>11,826</b>	<b>11,513</b>
Sales of goods and services	12,429	13,592	10,639	11,735	11,449
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	22	43	38	91	64
<b>Operating expenses</b>	<b>11,788</b>	<b>13,520</b>	<b>9,578</b>	<b>10,584</b>	<b>10,327</b>
Purchased goods, materials and service	9,297	10,716	7,612	8,461	8,433
Wages, salaries and employee benefits	1,353	1,709	1,153	1,221	1,148
Indirect taxes	83	71	38	42	36
Depreciation, depletion and amortization	918	916	696	757	656
Interest expense (operating)	..	..	..	..	..
Other operating expenses	137	109	79	102	55
<b>Operating profit/loss</b>	<b>663</b>	<b>115</b>	<b>1,099</b>	<b>1,242</b>	<b>1,186</b>
Interest and dividend revenue	138	80	51	46	62
Interest expense on borrowing	431	370	336	524	531
Gains/losses	-150	298	15	-16	-137
<b>Profit before income tax</b>	<b>220</b>	<b>123</b>	<b>828</b>	<b>748</b>	<b>581</b>
Income tax	95	-28	256	295	104
Equity in affiliates' earnings	69	32	-53	-120	-893
<b>Profit before extraordinary gains</b>	<b>194</b>	<b>183</b>	<b>519</b>	<b>333</b>	<b>-417</b>
Extraordinary gains	0	0	0	0	0
<b>Net profit</b>	<b>194</b>	<b>183</b>	<b>519</b>	<b>333</b>	<b>-417</b>

**Table 18-2**  
**Basic chemical manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>194</b>	<b>183</b>	<b>519</b>	<b>333</b>	<b>-417</b>
Plus: consolidation adjustments	-68	407	134	124	-1,410
Plus: conceptual adjustments	372	-262	-224	267	2,419
Plus: current taxes, including mining	156	154	234	212	188
Plus: deferred income taxes	-31	-33	44	-11	-80
Less: profit of tax exempt corporations	..	..	..	..	30
Deductible dividends	167	352	144	363	125
<b>Adjusted profit before taxes</b>	<b>456</b>	<b>97</b>	<b>564</b>	<b>562</b>	<b>545</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-5	164	101	8	10
Less: taxable capital gains	36	151	155	94	74
Net difference, capital gains and losses	-41	13	-54	-86	-63
Resource allowance	1	16	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	1	16	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-30	-59	-36	11	-29
<b>Total, exemptions and deductions</b>	<b>-70</b>	<b>-30</b>	<b>-90</b>	<b>-75</b>	<b>-92</b>
<b>Timing differences:</b>					
Depreciation	768	780	740	647	559
Less: capital cost allowance	870	1,165	757	454	468
Net difference, depreciation	-102	-385	-17	192	90
Natural resources expenses, (books)	6	181	0	0	0
Less: natural resource expenses, (tax)	1	0	0	0	1
Net difference, natural resources expenses	5	181	0	0	-1
Charitable donations net difference, (books minus tax)	1	-1	1	1	0
Other timing differences	-565	99	-298	-180	82
<b>Total, timing differences</b>	<b>-661</b>	<b>-106</b>	<b>-315</b>	<b>12</b>	<b>171</b>
<b>Net taxable income</b>	<b>-134</b>	<b>21</b>	<b>340</b>	<b>650</b>	<b>809</b>
Plus: current year tax losses	695	464	384	177	80
<b>Current year positive taxable income</b>	<b>561</b>	<b>485</b>	<b>724</b>	<b>827</b>	<b>888</b>
Less: prior year losses applied	130	43	65	104	152
<b>Taxable income (tax base)</b>	<b>431</b>	<b>443</b>	<b>658</b>	<b>723</b>	<b>736</b>
<b>Taxes:</b>					
Tax otherwise payable	181	218	254	285	282
Surtax	5	6	7	8	8
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	48	57	67	75	74
Small business deduction	1	1	1	1	1
Manufacturing and processing profits deduction	26	30	38	26	25
Investment tax credit	6	9	5	8	13
Other credits	4	7	8	26	29
<b>Net part 1 tax payable</b>	<b>102</b>	<b>120</b>	<b>143</b>	<b>157</b>	<b>149</b>
Other direct federal taxes	7	20	10	8	2
<b>Federal tax payable</b>	<b>109</b>	<b>140</b>	<b>153</b>	<b>165</b>	<b>151</b>
Provincial tax payable	53	52	73	82	80
<b>Total taxes</b>	<b>162</b>	<b>192</b>	<b>226</b>	<b>247</b>	<b>231</b>

**Table 18-3**  
**Basic chemical manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.821	0.716	1.053	1.257	1.875
Profit margin (percent)	5.3	0.8	10.3	10.5	10.3
Return on equity (percent)	1.9	2.0	8.5	5.8	-11.9
Return on capital employed (percent)	3.0	3.0	6.0	5.7	0.3
Working capital (ratio)	1.176	1.192	1.341	1.536	1.234
Quick ratio (ratio)	0.956	0.912	0.949	1.156	0.802
Inventory turnover (ratio)	11.519	12.258	10.199	11.323	10.022
Receivables turnover (ratio)	5.930	6.843	7.490	7.180	7.558
Taxes to positive adjusted profit (percent)	24.9	33.4	23.8	29.6	31.7
Income taxes to taxable income (percent)	35.9	38.8	32.8	33.1	31.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-5.6	9.5	-21.7	10.8	-2.6
Operating expenses, year-over-year change	-6.2	14.7	-29.2	10.5	-2.4
Operating profit, year-over-year change	7.2	-82.7	859.3	13.0	-4.5
Taxable income (tax base), year-over-year change	-50.2	2.6	48.8	9.8	1.9
Taxes, year-over-year change	-48.4	18.1	18.0	9.2	-6.3

**Table 19-1**  
**Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>7,839</b>	<b>6,378</b>	<b>11,645</b>	<b>9,742</b>	<b>10,232</b>
Cash and deposits	643	201	1,219	1,393	1,789
Accounts receivable and accrued revenue	1,478	1,497	1,925	1,700	1,473
Inventories	1,110	910	978	763	673
Investments	310	686	3,087	2,435	3,524
Investments and accounts with affiliates	305	669	3,075	2,404	3,499
Portfolio investments	5	17	12	32	25
Loans	22	5	2	1	0
Mortgages	0	1	1	1	0
Non-mortgages	22	3	1	0	0
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	4,045	2,207	3,559	2,299	1,915
Other assets	231	872	876	1,151	857
<b>Liabilities</b>	<b>3,442</b>	<b>4,467</b>	<b>6,654</b>	<b>5,656</b>	<b>8,847</b>
Accounts payable and accrued liabilities	1,332	1,291	1,785	1,366	1,291
Loans and accounts with affiliates	648	2,421	2,436	1,855	5,290
Borrowings	840	223	1,083	980	944
Loans and overdrafts	804	199	1,066	965	923
From banks	686	58	70	87	96
From others	118	142	996	877	827
Bankers' acceptances and paper	10	..	..	..	..
Bonds and debentures	..	..	..	..	..
Mortgages	26	24	17	15	21
Deferred income tax	274	137	734	737	529
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	348	395	616	718	794
<b>Equity</b>	<b>4,397</b>	<b>1,911</b>	<b>4,992</b>	<b>4,086</b>	<b>1,384</b>
Share capital	848	395	528	505	781
Contributed surplus and other	363	402	480	510	581
Retained earnings	3,185	1,114	3,983	3,071	23
<b>Income statement</b>					
<b>Operating revenue</b>	<b>8,977</b>	<b>8,782</b>	<b>11,568</b>	<b>10,036</b>	<b>8,856</b>
Sales of goods and services	8,969	8,773	11,549	10,016	8,832
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	9	9	19	20	24
<b>Operating expenses</b>	<b>8,205</b>	<b>8,332</b>	<b>11,122</b>	<b>9,651</b>	<b>8,717</b>
Purchased goods, materials and service	6,561	7,053	9,710	8,528	7,681
Wages, salaries and employee benefits	1,049	861	899	695	622
Indirect taxes	52	21	27	25	20
Depreciation, depletion and amortization	361	275	420	380	369
Interest expense (operating)	..	..	..	..	..
Other operating expenses	182	122	67	22	26
<b>Operating profit/loss</b>	<b>773</b>	<b>451</b>	<b>446</b>	<b>384</b>	<b>139</b>
Interest and dividend revenue	24	22	226	136	227
Interest expense on borrowing	77	96	142	167	365
Gains/losses	14	-93	-41	58	-87
<b>Profit before income tax</b>	<b>733</b>	<b>284</b>	<b>490</b>	<b>413</b>	<b>-86</b>
Income tax	238	146	136	156	-35
Equity in affiliates' earnings	1	-1	4	-7	-7
<b>Profit before extraordinary gains</b>	<b>496</b>	<b>137</b>	<b>358</b>	<b>249</b>	<b>-58</b>
Extraordinary gains	1	0	-1	0	0
<b>Net profit</b>	<b>497</b>	<b>137</b>	<b>357</b>	<b>249</b>	<b>-58</b>

Table 19-2

## Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing — Reconciliation of profit

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>497</b>	<b>137</b>	<b>357</b>	<b>249</b>	<b>-58</b>
Plus: consolidation adjustments	297	-153	-129	892	320
Plus: conceptual adjustments	-87	39	709	25	19
Plus: current taxes, including mining	219	-21	196	206	138
Plus: deferred income taxes	15	106	96	45	-184
Less: profit of tax exempt corporations	80	..	..	..	..
Deductible dividends	228	10	9	5	86
<b>Adjusted profit before taxes</b>	<b>632</b>	<b>99</b>	<b>1,220</b>	<b>1,413</b>	<b>149</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	51	2	215	-5	54
Less: taxable capital gains	30	4	261	255	89
Net difference, capital gains and losses	21	-2	-45	-260	-35
Resource allowance	..	..	..	8	9
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	8	9
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-87	-6	-11	-37	11
<b>Total, exemptions and deductions</b>	<b>-66</b>	<b>-8</b>	<b>-48</b>	<b>-289</b>	<b>-15</b>
<b>Timing differences:</b>					
Depreciation	239	191	435	364	342
Less: capital cost allowance	283	246	400	220	216
Net difference, depreciation	-44	-55	35	144	126
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	..	..	..	..	..
Charitable donations net difference, (books minus tax)	0	1	-1	0	0
Other timing differences	-65	-199	-429	-1,365	273
<b>Total, timing differences</b>	<b>-109</b>	<b>-253</b>	<b>-395</b>	<b>-1,221</b>	<b>400</b>
<b>Net taxable income</b>	<b>590</b>	<b>-146</b>	<b>874</b>	<b>481</b>	<b>564</b>
Plus: current year tax losses	28	306	105	225	149
<b>Current year positive taxable income</b>	<b>617</b>	<b>160</b>	<b>979</b>	<b>705</b>	<b>713</b>
Less: prior year losses applied	49	23	166	10	56
<b>Taxable income (tax base)</b>	<b>568</b>	<b>137</b>	<b>812</b>	<b>695</b>	<b>658</b>
<b>Taxes:</b>					
Tax otherwise payable	235	56	321	285	265
Surtax	7	2	9	8	8
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	61	15	84	75	70
Small business deduction	1	1	1	1	1
Manufacturing and processing profits deduction	36	8	32	26	28
Investment tax credit	11	3	18	9	1
Other credits	2	2	24	23	26
<b>Net part 1 tax payable</b>	<b>131</b>	<b>30</b>	<b>170</b>	<b>159</b>	<b>148</b>
Other direct federal taxes	6	2	3	5	0
<b>Federal tax payable</b>	<b>136</b>	<b>32</b>	<b>174</b>	<b>164</b>	<b>148</b>
Provincial tax payable	69	16	96	85	75
<b>Total taxes</b>	<b>205</b>	<b>48</b>	<b>269</b>	<b>248</b>	<b>222</b>

**Table 19-3**  
**Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.338	1.384	0.705	0.694	4.503
Profit margin (percent)	8.6	5.1	3.9	3.8	1.6
Return on equity (percent)	11.3	7.2	7.2	6.1	-4.2
Return on capital employed (percent)	9.3	4.4	5.4	5.1	3.5
Working capital (ratio)	1.889	0.888	1.704	2.109	1.006
Quick ratio (ratio)	1.264	0.598	1.390	1.770	0.886
Inventory turnover (ratio)	8.089	9.652	11.834	13.148	13.165
Receivables turnover (ratio)	6.073	5.868	6.010	5.902	6.010
Taxes to positive adjusted profit (percent)	27.3	17.8	18.2	15.7	70.3
Income taxes to taxable income (percent)	35.0	33.6	32.7	35.1	33.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	1.3	-2.2	31.7	-13.2	-11.8
Operating expenses, year-over-year change	-0.2	1.5	33.5	-13.2	-9.7
Operating profit, year-over-year change	22.0	-41.7	-1.0	-13.8	-63.9
Taxable income (tax base), year-over-year change	5.8	-75.9	492.5	-14.4	-5.4
Taxes, year-over-year change	6.6	-76.6	462.2	-7.8	-10.5

**Table 20-1**  
**Pharmaceutical and medicine manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>13,221</b>	<b>14,771</b>	<b>16,584</b>	<b>17,948</b>	<b>19,883</b>
Cash and deposits	351	299	315	376	775
Accounts receivable and accrued revenue	1,966	2,033	2,344	2,343	2,922
Inventories	2,409	2,981	3,147	3,171	3,558
Investments	4,228	5,203	6,344	8,077	8,553
Investments and accounts with affiliates	3,422	4,065	5,149	7,021	7,472
Portfolio investments	805	1,137	1,195	1,056	1,081
Loans	23	4	3	2	12
Mortgages	1	2	1	1	4
Non-mortgages	22	2	2	1	8
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,832	2,607	2,797	2,914	3,197
Other assets	1,413	1,644	1,634	1,066	866
<b>Liabilities</b>	<b>6,636</b>	<b>7,478</b>	<b>7,655</b>	<b>9,695</b>	<b>10,639</b>
Accounts payable and accrued liabilities	2,627	2,927	3,759	3,626	3,888
Loans and accounts with affiliates	2,658	2,632	2,497	4,831	5,388
Borrowings	1,486	1,509	1,223	1,177	1,176
Loans and overdrafts	1,436	1,365	1,047	1,015	991
From banks	388	1,121	456	456	469
From others	1,048	244	592	559	522
Bankers' acceptances and paper	4	..	..	..	..
Bonds and debentures	2	3	7	9	6
Mortgages	44	142	168	152	179
Deferred income tax	-207	-351	-251	-283	-319
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	72	761	427	345	506
<b>Equity</b>	<b>6,585</b>	<b>7,292</b>	<b>8,929</b>	<b>8,253</b>	<b>9,243</b>
Share capital	4,842	5,376	6,201	6,081	6,529
Contributed surplus and other	97	271	183	-105	43
Retained earnings	1,645	1,645	2,545	2,276	2,672
<b>Income statement</b>					
<b>Operating revenue</b>	<b>12,413</b>	<b>13,591</b>	<b>14,722</b>	<b>14,521</b>	<b>15,334</b>
Sales of goods and services	12,030	11,703	13,147	12,964	13,731
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	383	1,888	1,575	1,557	1,602
<b>Operating expenses</b>	<b>10,722</b>	<b>11,670</b>	<b>12,620</b>	<b>12,671</b>	<b>13,606</b>
Purchased goods, materials and service	7,567	8,332	9,164	9,224	9,707
Wages, salaries and employee benefits	1,746	1,787	1,916	2,047	2,474
Indirect taxes	55	44	37	37	39
Depreciation, depletion and amortization	287	293	313	350	344
Interest expense (operating)	..	..	..	..	..
Other operating expenses	1,067	1,214	1,191	1,013	1,042
<b>Operating profit/loss</b>	<b>1,691</b>	<b>1,921</b>	<b>2,102</b>	<b>1,850</b>	<b>1,728</b>
Interest and dividend revenue	169	89	216	98	124
Interest expense on borrowing	128	146	174	251	267
Gains/losses	43	-74	-6	14	115
<b>Profit before income tax</b>	<b>1,776</b>	<b>1,791</b>	<b>2,137</b>	<b>1,711</b>	<b>1,700</b>
Income tax	425	477	574	507	630
Equity in affiliates' earnings	12	24	33	33	3
<b>Profit before extraordinary gains</b>	<b>1,363</b>	<b>1,338</b>	<b>1,596</b>	<b>1,236</b>	<b>1,073</b>
Extraordinary gains	0	-1	3	0	11
<b>Net profit</b>	<b>1,363</b>	<b>1,336</b>	<b>1,600</b>	<b>1,236</b>	<b>1,084</b>

**Table 20-2**  
**Pharmaceutical and medicine manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,363</b>	<b>1,336</b>	<b>1,600</b>	<b>1,236</b>	<b>1,084</b>
Plus: consolidation adjustments	-148	388	-131	-463	-5
Plus: conceptual adjustments	78	179	507	85	-261
Plus: current taxes, including mining	669	609	710	408	327
Plus: deferred income taxes	224	60	22	-20	9
Less: profit of tax exempt corporations	..	..	..	..	..
Deductible dividends	147	332	237	91	274
<b>Adjusted profit before taxes</b>	<b>2,039</b>	<b>2,239</b>	<b>2,471</b>	<b>1,155</b>	<b>880</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	131	77	12	16	205
Less: taxable capital gains	55	54	47	16	55
Net difference, capital gains and losses	76	23	-35	0	150
Resource allowance	..	..	..	..	..
Less: royalties	..	0	0	0	0
Net difference, resource allowance	..	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-58	-58	-92	-83	-110
<b>Total, exemptions and deductions</b>	<b>19</b>	<b>-36</b>	<b>-127</b>	<b>-83</b>	<b>40</b>
<b>Timing differences:</b>					
Depreciation	293	368	304	290	356
Less: capital cost allowance	281	277	247	249	263
Net difference, depreciation	12	91	57	41	93
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	..	..	..	..	..
Charitable donations net difference, (books minus tax)	0	0	-2	-1	0
Other timing differences	-282	-361	-320	-1	516
<b>Total, timing differences</b>	<b>-271</b>	<b>-270</b>	<b>-265</b>	<b>39</b>	<b>610</b>
<b>Net taxable income</b>	<b>1,750</b>	<b>2,005</b>	<b>2,333</b>	<b>1,277</b>	<b>1,450</b>
Plus: current year tax losses	50	120	104	254	109
<b>Current year positive taxable income</b>	<b>1,800</b>	<b>2,126</b>	<b>2,437</b>	<b>1,530</b>	<b>1,559</b>
Less: prior year losses applied	19	63	63	45	112
<b>Taxable income (tax base)</b>	<b>1,781</b>	<b>2,063</b>	<b>2,373</b>	<b>1,486</b>	<b>1,447</b>
<b>Taxes:</b>					
Tax otherwise payable	680	798	904	574	554
Surtax	20	24	27	17	16
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	178	209	237	151	145
Small business deduction	3	2	2	2	2
Manufacturing and processing profits deduction	75	103	52	44	37
Investment tax credit	152	108	147	144	176
Other credits	23	28	90	61	62
<b>Net part 1 tax payable</b>	<b>269</b>	<b>372</b>	<b>403</b>	<b>189</b>	<b>147</b>
Other direct federal taxes	2	5	2	2	2
<b>Federal tax payable</b>	<b>271</b>	<b>377</b>	<b>405</b>	<b>192</b>	<b>149</b>
Provincial tax payable	191	201	257	157	150
<b>Total taxes</b>	<b>462</b>	<b>579</b>	<b>662</b>	<b>348</b>	<b>299</b>



**Table 20-3**  
**Pharmaceutical and medicine manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.629	0.568	0.417	0.728	0.710
Profit margin (percent)	13.6	14.1	14.3	12.7	11.3
Return on equity (percent)	20.7	18.3	17.9	15.0	11.6
Return on capital employed (percent)	13.7	12.7	13.7	10.0	8.0
Working capital (ratio)	1.148	1.119	1.150	0.927	1.297
Quick ratio (ratio)	0.625	0.552	0.594	0.459	0.679
Inventory turnover (ratio)	5.153	4.559	4.678	4.579	4.310
Receivables turnover (ratio)	6.315	6.685	6.280	6.199	5.248
Taxes to positive adjusted profit (percent)	21.6	24.1	24.5	23.3	24.9
Income taxes to taxable income (percent)	25.8	27.8	27.8	23.3	20.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	3.0	9.5	8.3	-1.4	5.6
Operating expenses, year-over-year change	1.1	8.8	8.1	0.4	7.4
Operating profit, year-over-year change	17.2	13.6	9.4	-12.0	-6.6
Taxable income (tax base), year-over-year change	28.2	15.8	15.1	-37.4	-2.6
Taxes, year-over-year change	19.6	25.1	14.3	-47.3	-14.1

**Table 21-1**  
**Soap, agriculture, paint and other chemical products manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>16,454</b>	<b>16,524</b>	<b>16,633</b>	<b>15,158</b>	<b>15,393</b>
Cash and deposits	501	608	627	761	652
Accounts receivable and accrued revenue	2,631	2,730	2,594	2,661	2,373
Inventories	1,818	1,809	1,998	1,918	1,853
Investments	5,756	5,561	5,504	4,335	5,182
Investments and accounts with affiliates	5,583	5,371	5,335	4,218	5,081
Portfolio investments	173	190	169	116	102
Loans	70	41	62	71	33
Mortgages	34	30	43	42	7
Non-mortgages	36	11	19	29	26
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	4,219	4,101	4,004	3,788	3,339
Other assets	1,460	1,673	1,845	1,624	1,962
<b>Liabilities</b>	<b>9,370</b>	<b>9,462</b>	<b>9,471</b>	<b>8,952</b>	<b>8,750</b>
Accounts payable and accrued liabilities	2,410	2,432	2,778	2,715	2,448
Loans and accounts with affiliates	3,441	3,571	3,300	3,285	2,964
Borrowings	2,964	2,416	2,244	1,781	2,224
Loans and overdrafts	830	770	816	800	673
From banks	701	583	624	656	577
From others	129	187	192	144	96
Bankers' acceptances and paper	186	162	121	130	127
Bonds and debentures	1,770	1,339	1,152	706	1,054
Mortgages	177	146	155	145	370
Deferred income tax	269	360	415	379	395
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	286	683	734	792	719
<b>Equity</b>	<b>7,083</b>	<b>7,062</b>	<b>7,162</b>	<b>6,205</b>	<b>6,643</b>
Share capital	2,887	3,392	3,415	2,711	2,634
Contributed surplus and other	688	723	666	624	523
Retained earnings	3,508	2,947	3,081	2,871	3,485
<b>Income statement</b>					
<b>Operating revenue</b>	<b>17,789</b>	<b>18,128</b>	<b>18,692</b>	<b>20,280</b>	<b>19,490</b>
Sales of goods and services	17,740	18,078	18,651	20,247	19,462
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	48	50	41	32	28
<b>Operating expenses</b>	<b>16,763</b>	<b>17,079</b>	<b>17,441</b>	<b>18,575</b>	<b>17,812</b>
Purchased goods, materials and service	13,655	13,803	14,208	15,217	14,775
Wages, salaries and employee benefits	2,138	2,284	2,379	2,436	2,133
Indirect taxes	73	67	61	58	53
Depreciation, depletion and amortization	540	542	532	547	491
Interest expense (operating)	..	..	..	..	..
Other operating expenses	357	384	261	316	360
<b>Operating profit/loss</b>	<b>1,026</b>	<b>1,049</b>	<b>1,251</b>	<b>1,705</b>	<b>1,677</b>
Interest and dividend revenue	84	48	35	54	51
Interest expense on borrowing	309	284	249	222	226
Gains/losses	-64	201	95	0	147
<b>Profit before income tax</b>	<b>736</b>	<b>1,014</b>	<b>1,132</b>	<b>1,536</b>	<b>1,649</b>
Income tax	333	382	342	392	372
Equity in affiliates' earnings	55	59	57	21	41
<b>Profit before extraordinary gains</b>	<b>457</b>	<b>691</b>	<b>846</b>	<b>1,165</b>	<b>1,318</b>
Extraordinary gains	-1	-2	3	-1	0
<b>Net profit</b>	<b>456</b>	<b>689</b>	<b>850</b>	<b>1,164</b>	<b>1,317</b>

**Table 21-2**  
**Soap, agriculture, paint and other chemical products manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>456</b>	<b>689</b>	<b>850</b>	<b>1,164</b>	<b>1,317</b>
Plus: consolidation adjustments	13	-250	118	73	-102
Plus: conceptual adjustments	-189	-56	-33	-117	-115
Plus: current taxes, including mining	267	266	301	342	466
Plus: deferred income taxes	-30	-1	54	57	-288
Less: profit of tax exempt corporations	0	27	0	0	0
Deductible dividends	242	108	83	389	270
<b>Adjusted profit before taxes</b>	<b>275</b>	<b>513</b>	<b>1,208</b>	<b>1,129</b>	<b>1,008</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	15	-32	23	10	55
Less: taxable capital gains	3	15	23	45	34
Net difference, capital gains and losses	12	-47	1	-35	21
Resource allowance	11	9	11	18	12
Less: royalties	5	5	7	10	10
Net difference, resource allowance	6	3	3	8	2
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-145	-46	117	29	-284
<b>Total, exemptions and deductions</b>	<b>-126</b>	<b>-90</b>	<b>122</b>	<b>3</b>	<b>-261</b>
<b>Timing differences:</b>					
Depreciation	424	522	462	462	400
Less: capital cost allowance	438	427	410	491	664
Net difference, depreciation	-14	96	53	-29	-264
Natural resources expenses, (books)	0	0	0	1	1
Less: natural resource expenses, (tax)	2	1	1	2	2
Net difference, natural resources expenses	-2	-1	-1	-1	-1
Charitable donations net difference, (books minus tax)	0	0	-2	0	0
Other timing differences	254	-91	-51	62	159
<b>Total, timing differences</b>	<b>238</b>	<b>3</b>	<b>-1</b>	<b>32</b>	<b>-106</b>
<b>Net taxable income</b>	<b>639</b>	<b>606</b>	<b>1,084</b>	<b>1,159</b>	<b>1,164</b>
Plus: current year tax losses	172	287	133	222	344
<b>Current year positive taxable income</b>	<b>811</b>	<b>893</b>	<b>1,217</b>	<b>1,381</b>	<b>1,508</b>
Less: prior year losses applied	44	53	157	230	65
<b>Taxable income (tax base)</b>	<b>767</b>	<b>840</b>	<b>1,061</b>	<b>1,151</b>	<b>1,443</b>
<b>Taxes:</b>					
Tax otherwise payable	317	335	417	442	551
Surtax	9	10	12	13	16
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	83	88	109	116	144
Small business deduction	11	9	10	10	11
Manufacturing and processing profits deduction	34	34	38	40	41
Investment tax credit	13	14	16	13	14
Other credits	10	18	34	38	53
<b>Net part 1 tax payable</b>	<b>176</b>	<b>183</b>	<b>222</b>	<b>238</b>	<b>304</b>
Other direct federal taxes	3	7	4	2	1
<b>Federal tax payable</b>	<b>178</b>	<b>191</b>	<b>226</b>	<b>240</b>	<b>305</b>
Provincial tax payable	90	92	116	126	156
<b>Total taxes</b>	<b>268</b>	<b>283</b>	<b>342</b>	<b>365</b>	<b>461</b>

**Table 21-3**  
**Soap, agriculture, paint and other chemical products manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.904	0.848	0.774	0.816	0.781
Profit margin (percent)	5.8	5.8	6.7	8.4	8.6
Return on equity (percent)	6.5	9.8	11.8	18.8	19.8
Return on capital employed (percent)	5.2	6.9	8.0	11.9	12.6
Working capital (ratio)	1.323	1.242	1.244	1.300	1.413
Quick ratio (ratio)	0.884	0.846	0.823	0.875	0.959
Inventory turnover (ratio)	9.786	10.022	9.356	10.571	10.518
Receivables turnover (ratio)	6.761	6.640	7.206	7.621	8.215
Taxes to positive adjusted profit (percent)	31.4	31.4	24.4	27.6	34.5
Income taxes to taxable income (percent)	34.6	32.7	31.8	31.6	31.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-9.4	1.9	3.1	8.5	-3.9
Operating expenses, year-over-year change	-9.7	1.9	2.1	6.5	-4.1
Operating profit, year-over-year change	-3.6	2.3	19.2	36.3	-1.6
Taxable income (tax base), year-over-year change	-22.4	9.6	26.2	8.5	25.4
Taxes, year-over-year change	-24.1	5.4	20.9	6.9	26.1

**Table 22-1**  
**Plastics and rubber products manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>20,072</b>	<b>23,198</b>	<b>24,291</b>	<b>24,934</b>	<b>24,800</b>
Cash and deposits	829	1,240	1,301	1,112	1,098
Accounts receivable and accrued revenue	4,211	4,646	4,932	5,163	5,060
Inventories	3,004	3,430	3,596	3,661	3,646
Investments	2,815	3,002	3,507	4,030	4,453
Investments and accounts with affiliates	2,572	2,762	3,153	3,857	4,308
Portfolio investments	243	240	354	173	145
Loans	66	77	73	73	100
Mortgages	23	23	23	18	41
Non-mortgages	43	54	50	56	59
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	6,569	7,645	7,445	6,911	6,786
Other assets	2,578	3,157	3,437	3,984	3,657
<b>Liabilities</b>	<b>11,308</b>	<b>12,961</b>	<b>13,681</b>	<b>14,246</b>	<b>14,263</b>
Accounts payable and accrued liabilities	4,030	4,221	4,286	4,489	4,275
Loans and accounts with affiliates	3,014	3,284	3,297	3,825	4,015
Borrowings	3,340	3,927	4,252	4,248	4,375
Loans and overdrafts	2,308	2,660	3,148	3,228	3,343
From banks	1,820	2,244	2,326	2,404	2,472
From others	488	416	822	824	872
Bankers' acceptances and paper	452	310	262	258	172
Bonds and debentures	119	538	381	336	323
Mortgages	460	419	461	426	537
Deferred income tax	445	606	576	514	460
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	480	923	1,269	1,170	1,138
<b>Equity</b>	<b>8,764</b>	<b>10,237</b>	<b>10,610</b>	<b>10,688</b>	<b>10,537</b>
Share capital	4,162	4,530	4,645	5,509	5,567
Contributed surplus and other	319	387	225	361	494
Retained earnings	4,282	5,321	5,741	4,817	4,475
<b>Income statement</b>					
<b>Operating revenue</b>	<b>27,140</b>	<b>29,267</b>	<b>30,099</b>	<b>31,164</b>	<b>30,548</b>
Sales of goods and services	27,038	29,138	29,858	30,987	30,367
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	101	129	241	177	181
<b>Operating expenses</b>	<b>25,313</b>	<b>27,643</b>	<b>28,625</b>	<b>29,834</b>	<b>29,041</b>
Purchased goods, materials and service	19,303	20,441	21,596	22,687	22,256
Wages, salaries and employee benefits	4,595	5,641	5,376	5,635	5,282
Indirect taxes	110	101	93	78	60
Depreciation, depletion and amortization	982	1,142	1,185	1,013	993
Interest expense (operating)	..	..	..	..	..
Other operating expenses	324	318	375	420	449
<b>Operating profit/loss</b>	<b>1,826</b>	<b>1,624</b>	<b>1,474</b>	<b>1,330</b>	<b>1,507</b>
Interest and dividend revenue	61	73	249	174	105
Interest expense on borrowing	405	451	399	478	505
Gains/losses	-66	91	46	-206	-191
<b>Profit before income tax</b>	<b>1,417</b>	<b>1,337</b>	<b>1,369</b>	<b>820</b>	<b>916</b>
Income tax	490	440	434	454	433
Equity in affiliates' earnings	12	26	24	39	11
<b>Profit before extraordinary gains</b>	<b>939</b>	<b>923</b>	<b>959</b>	<b>405</b>	<b>495</b>
Extraordinary gains	-2	-3	0	0	0
<b>Net profit</b>	<b>937</b>	<b>920</b>	<b>959</b>	<b>404</b>	<b>495</b>

**Table 22-2**  
**Plastics and rubber products manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>937</b>	<b>920</b>	<b>959</b>	<b>404</b>	<b>495</b>
Plus: consolidation adjustments	-118	46	-220	280	-95
Plus: conceptual adjustments	-2	-112	-104	-78	100
Plus: current taxes, including mining	416	491	496	361	457
Plus: deferred income taxes	34	39	3	-32	-166
Less: profit of tax exempt corporations	0	11	-2	0	0
Deductible dividends	51	44	332	378	146
<b>Adjusted profit before taxes</b>	<b>1,214</b>	<b>1,329</b>	<b>805</b>	<b>558</b>	<b>645</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	2	47	26	-60	9
Less: taxable capital gains	11	38	22	66	41
Net difference, capital gains and losses	-9	9	4	-126	-33
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-34	-61	-79	-79	-112
<b>Total, exemptions and deductions</b>	<b>-43</b>	<b>-52</b>	<b>-74</b>	<b>-206</b>	<b>-145</b>
<b>Timing differences:</b>					
Depreciation	986	1,067	1,167	1,072	1,070
Less: capital cost allowance	1,020	1,145	1,119	983	777
Net difference, depreciation	-34	-79	48	89	292
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	1	0
Other timing differences	-60	-22	427	193	154
<b>Total, timing differences</b>	<b>-93</b>	<b>-100</b>	<b>475</b>	<b>283</b>	<b>446</b>
<b>Net taxable income</b>	<b>1,164</b>	<b>1,281</b>	<b>1,354</b>	<b>1,047</b>	<b>1,236</b>
Plus: current year tax losses	204	263	286	373	336
<b>Current year positive taxable income</b>	<b>1,368</b>	<b>1,544</b>	<b>1,640</b>	<b>1,420</b>	<b>1,572</b>
Less: prior year losses applied	106	133	124	85	139
<b>Taxable income (tax base)</b>	<b>1,262</b>	<b>1,411</b>	<b>1,516</b>	<b>1,335</b>	<b>1,433</b>
<b>Taxes:</b>					
Tax otherwise payable	488	552	595	526	571
Surtax	14	16	17	15	17
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	128	144	155	138	149
Small business deduction	25	20	21	22	23
Manufacturing and processing profits deduction	73	80	78	57	59
Investment tax credit	21	25	34	26	33
Other credits	3	10	23	31	36
<b>Net part 1 tax payable</b>	<b>253</b>	<b>289</b>	<b>300</b>	<b>266</b>	<b>286</b>
Other direct federal taxes	5	12	9	6	3
<b>Federal tax payable</b>	<b>258</b>	<b>301</b>	<b>310</b>	<b>273</b>	<b>289</b>
Provincial tax payable	137	145	163	136	155
<b>Total taxes</b>	<b>395</b>	<b>446</b>	<b>473</b>	<b>408</b>	<b>444</b>

**Table 22-3**  
**Plastics and rubber products manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.725	0.704	0.712	0.755	0.796
Profit margin (percent)	6.7	5.5	4.9	4.3	4.9
Return on equity (percent)	10.7	9.0	9.0	3.8	4.7
Return on capital employed (percent)	8.1	7.2	6.9	4.0	4.7
Working capital (ratio)	1.420	1.480	1.447	1.422	1.445
Quick ratio (ratio)	0.929	0.969	0.957	0.945	0.949
Inventory turnover (ratio)	9.033	8.532	8.370	8.513	8.379
Receivables turnover (ratio)	6.445	6.299	6.102	6.036	6.037
Taxes to positive adjusted profit (percent)	25.1	26.8	33.9	29.6	31.7
Income taxes to taxable income (percent)	30.9	30.7	30.6	30.1	30.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-0.9	7.8	2.8	3.5	-2.0
Operating expenses, year-over-year change	-2.6	9.2	3.6	4.2	-2.7
Operating profit, year-over-year change	29.9	-11.1	-9.3	-9.8	13.3
Taxable income (tax base), year-over-year change	1.7	11.8	7.5	-12.0	7.4
Taxes, year-over-year change	-1.0	12.9	6.0	-13.6	8.8

**Table 23-1**  
**Non-metallic mineral product manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>14,140</b>	<b>14,727</b>	<b>16,479</b>	<b>15,826</b>	<b>16,980</b>
Cash and deposits	1,209	1,616	1,564	850	841
Accounts receivable and accrued revenue	2,614	2,357	2,778	2,845	3,151
Inventories	1,600	1,665	1,726	1,833	1,959
Investments	1,386	1,625	1,699	1,531	1,655
Investments and accounts with affiliates	1,203	1,043	1,340	1,361	1,536
Portfolio investments	183	582	359	171	120
Loans	29	38	30	36	42
Mortgages	16	15	11	19	18
Non-mortgages	13	23	19	17	23
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	5,901	6,077	6,374	6,207	6,748
Other assets	1,402	1,349	2,308	2,524	2,584
<b>Liabilities</b>	<b>6,477</b>	<b>6,304</b>	<b>8,402</b>	<b>9,063</b>	<b>9,314</b>
Accounts payable and accrued liabilities	2,056	1,915	2,232	2,297	2,611
Loans and accounts with affiliates	1,344	1,446	3,031	3,154	3,362
Borrowings	1,794	1,589	1,642	1,931	1,968
Loans and overdrafts	1,318	1,284	1,355	1,668	1,671
From banks	1,094	988	999	1,317	1,221
From others	224	297	356	351	451
Bankers' acceptances and paper	0	8	7	16	42
Bonds and debentures	250	35	6	3	29
Mortgages	225	261	274	244	226
Deferred income tax	746	746	705	662	510
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	538	609	792	1,019	863
<b>Equity</b>	<b>7,663</b>	<b>8,423</b>	<b>8,077</b>	<b>6,762</b>	<b>7,665</b>
Share capital	1,735	1,760	2,008	2,253	2,892
Contributed surplus and other	696	676	768	524	618
Retained earnings	5,232	5,988	5,301	3,985	4,155
<b>Income statement</b>					
<b>Operating revenue</b>	<b>14,178</b>	<b>15,203</b>	<b>16,298</b>	<b>17,007</b>	<b>17,487</b>
Sales of goods and services	14,152	15,166	16,256	16,977	17,444
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	27	37	42	30	43
<b>Operating expenses</b>	<b>12,702</b>	<b>13,756</b>	<b>14,647</b>	<b>15,616</b>	<b>15,589</b>
Purchased goods, materials and service	9,781	10,489	11,017	11,519	11,829
Wages, salaries and employee benefits	2,185	2,468	2,771	3,198	2,950
Indirect taxes	69	67	67	71	61
Depreciation, depletion and amortization	586	621	653	647	682
Interest expense (operating)	..	..	..	..	..
Other operating expenses	81	111	138	182	67
<b>Operating profit/loss</b>	<b>1,477</b>	<b>1,448</b>	<b>1,650</b>	<b>1,391</b>	<b>1,898</b>
Interest and dividend revenue	86	137	109	50	41
Interest expense on borrowing	166	166	215	193	221
Gains/losses	33	-27	-8	24	56
<b>Profit before income tax</b>	<b>1,429</b>	<b>1,391</b>	<b>1,538</b>	<b>1,271</b>	<b>1,773</b>
Income tax	487	494	520	428	508
Equity in affiliates' earnings	18	11	13	8	24
<b>Profit before extraordinary gains</b>	<b>960</b>	<b>908</b>	<b>1,030</b>	<b>851</b>	<b>1,289</b>
Extraordinary gains	0	0	4	-6	0
<b>Net profit</b>	<b>960</b>	<b>908</b>	<b>1,034</b>	<b>845</b>	<b>1,289</b>



**Table 23-2**  
**Non-metallic mineral product manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>960</b>	<b>908</b>	<b>1,034</b>	<b>845</b>	<b>1,289</b>
Plus: consolidation adjustments	-151	48	-42	170	14
Plus: conceptual adjustments	-25	-29	-27	-5	3
Plus: current taxes, including mining	322	445	377	429	380
Plus: deferred income taxes	80	-3	64	18	60
Less: profit of tax exempt corporations	0	6	0	0	0
Deductible dividends	276	176	92	76	134
<b>Adjusted profit before taxes</b>	<b>911</b>	<b>1,186</b>	<b>1,314</b>	<b>1,380</b>	<b>1,612</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	37	18	14	74	91
Less: taxable capital gains	22	12	34	26	31
Net difference, capital gains and losses	15	5	-21	48	59
Resource allowance	4	4	4	3	2
Less: royalties	0	0	0	0	0
Net difference, resource allowance	4	4	4	3	2
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	-29	-32	-23	-20	-21
<b>Total, exemptions and deductions</b>	<b>-10</b>	<b>-23</b>	<b>-40</b>	<b>31</b>	<b>40</b>
<b>Timing differences:</b>					
Depreciation	577	607	693	626	626
Less: capital cost allowance	638	678	968	607	625
Net difference, depreciation	-61	-71	-275	20	1
Natural resources expenses, (books)	1	0	1	1	1
Less: natural resource expenses, (tax)	0	9	3	2	1
Net difference, natural resources expenses	1	-8	-2	-2	0
Charitable donations net difference, (books minus tax)	0	-1	0	0	0
Other timing differences	242	-4	-211	-27	0
<b>Total, timing differences</b>	<b>182</b>	<b>-85</b>	<b>-489</b>	<b>-9</b>	<b>1</b>
<b>Net taxable income</b>	<b>1,103</b>	<b>1,125</b>	<b>866</b>	<b>1,340</b>	<b>1,572</b>
Plus: current year tax losses	82	135	443	92	78
<b>Current year positive taxable income</b>	<b>1,185</b>	<b>1,260</b>	<b>1,309</b>	<b>1,431</b>	<b>1,650</b>
Less: prior year losses applied	30	28	75	76	91
<b>Taxable income (tax base)</b>	<b>1,155</b>	<b>1,232</b>	<b>1,233</b>	<b>1,355</b>	<b>1,559</b>
<b>Taxes:</b>					
Tax otherwise payable	440	455	473	521	597
Surtax	13	13	14	15	18
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	115	119	124	137	157
Small business deduction	14	13	15	16	18
Manufacturing and processing profits deduction	58	61	56	44	47
Investment tax credit	6	6	9	11	15
Other credits	7	10	22	44	54
<b>Net part 1 tax payable</b>	<b>253</b>	<b>259</b>	<b>261</b>	<b>285</b>	<b>324</b>
Other direct federal taxes	5	9	8	7	3
<b>Federal tax payable</b>	<b>258</b>	<b>268</b>	<b>269</b>	<b>291</b>	<b>326</b>
Provincial tax payable	126	124	129	152	169
<b>Total taxes</b>	<b>383</b>	<b>393</b>	<b>398</b>	<b>443</b>	<b>495</b>

**Table 23-3**  
**Non-metallic mineral product manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.409	0.360	0.579	0.752	0.695
Profit margin (percent)	10.4	9.5	10.1	8.2	10.9
Return on equity (percent)	12.5	10.8	12.8	12.6	16.8
Return on capital employed (percent)	10.0	9.0	9.3	8.3	11.1
Working capital (ratio)	1.898	2.000	1.375	1.215	1.228
Quick ratio (ratio)	1.366	1.434	1.015	0.834	0.854
Inventory turnover (ratio)	8.864	9.129	9.440	9.281	8.928
Receivables turnover (ratio)	5.423	6.452	5.866	5.978	5.550
Taxes to positive adjusted profit (percent)	32.9	29.3	27.2	29.5	29.2
Income taxes to taxable income (percent)	32.8	31.1	31.7	32.2	31.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-3.1	7.2	7.2	4.4	2.8
Operating expenses, year-over-year change	-4.9	8.3	6.5	6.6	-0.2
Operating profit, year-over-year change	16.2	-2.0	14.0	-15.7	36.4
Taxable income (tax base), year-over-year change	5.2	6.7	0.1	9.9	15.1
Taxes, year-over-year change	0.7	2.4	1.5	11.2	11.8

**Table 24-1**  
**Primary metal manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>52,599</b>	<b>61,388</b>	<b>69,003</b>	<b>72,248</b>	<b>78,370</b>
Cash and deposits	820	1,147	2,217	4,308	6,366
Accounts receivable and accrued revenue	5,329	5,133	5,876	6,516	8,492
Inventories	5,243	5,142	6,196	6,477	6,957
Investments	19,347	25,255	27,163	27,000	27,546
Investments and accounts with affiliates	18,776	24,114	25,995	25,849	26,967
Portfolio investments	571	1,141	1,168	1,150	579
Loans	18	25	21	32	37
Mortgages	11	21	4	3	3
Non-mortgages	7	4	17	29	35
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	19,920	21,047	24,619	24,260	23,617
Other assets	1,922	3,638	2,912	3,656	5,354
<b>Liabilities</b>	<b>24,825</b>	<b>31,129</b>	<b>33,905</b>	<b>35,482</b>	<b>37,288</b>
Accounts payable and accrued liabilities	6,151	5,894	6,929	7,538	10,513
Loans and accounts with affiliates	4,679	6,059	5,922	4,973	5,876
Borrowings	10,098	13,651	14,375	14,894	12,889
Loans and overdrafts	2,000	3,374	3,557	5,284	5,017
From banks	1,280	2,613	2,565	3,686	4,064
From others	720	760	992	1,598	954
Bankers' acceptances and paper	852	248	180	472	281
Bonds and debentures	7,152	9,933	10,557	9,030	7,440
Mortgages	93	97	81	108	151
Deferred income tax	1,353	2,152	2,343	2,685	2,086
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	2,545	3,373	4,336	5,392	5,925
<b>Equity</b>	<b>27,774</b>	<b>30,258</b>	<b>35,098</b>	<b>36,766</b>	<b>41,082</b>
Share capital	17,674	19,262	19,333	20,553	20,194
Contributed surplus and other	2,582	4,433	4,793	3,141	3,284
Retained earnings	7,518	6,563	10,972	13,072	17,604
<b>Income statement</b>					
<b>Operating revenue</b>	<b>30,317</b>	<b>31,480</b>	<b>38,487</b>	<b>40,593</b>	<b>45,187</b>
Sales of goods and services	29,993	31,293	38,144	40,396	44,795
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	324	187	343	197	392
<b>Operating expenses</b>	<b>28,179</b>	<b>30,424</b>	<b>34,383</b>	<b>36,695</b>	<b>39,006</b>
Purchased goods, materials and service	21,499	23,713	27,169	29,998	32,157
Wages, salaries and employee benefits	4,062	4,110	4,655	4,356	4,020
Indirect taxes	332	157	90	74	345
Depreciation, depletion and amortization	1,708	1,711	1,737	1,720	1,696
Interest expense (operating)	..	..	..	..	..
Other operating expenses	579	734	731	545	788
<b>Operating profit/loss</b>	<b>2,138</b>	<b>1,056</b>	<b>4,105</b>	<b>3,898</b>	<b>6,181</b>
Interest and dividend revenue	861	514	461	471	1,876
Interest expense on borrowing	904	845	1,017	1,102	1,261
Gains/losses	-138	-192	76	429	-120
<b>Profit before income tax</b>	<b>1,956</b>	<b>533</b>	<b>3,624</b>	<b>3,696</b>	<b>6,676</b>
Income tax	642	597	1,088	1,078	1,363
Equity in affiliates' earnings	82	58	293	364	629
<b>Profit before extraordinary gains</b>	<b>1,396</b>	<b>-6</b>	<b>2,829</b>	<b>2,982</b>	<b>5,942</b>
Extraordinary gains	0	-2	-2	-2	12
<b>Net profit</b>	<b>1,396</b>	<b>-8</b>	<b>2,827</b>	<b>2,980</b>	<b>5,954</b>

**Table 24-2**  
**Primary metal manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,396</b>	<b>-8</b>	<b>2,827</b>	<b>2,980</b>	<b>5,954</b>
Plus: consolidation adjustments	469	1,594	591	-550	562
Plus: conceptual adjustments	-56	6	-857	-554	-137
Plus: current taxes, including mining	506	294	461	763	1,211
Plus: deferred income taxes	-23	204	345	280	-16
Less: profit of tax exempt corporations	0	-54	166	19	0
Deductible dividends	1,960	2,076	1,128	962	3,838
<b>Adjusted profit before taxes</b>	<b>333</b>	<b>68</b>	<b>2,073</b>	<b>1,939</b>	<b>3,736</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-12	-12	-58	6	920
Less: taxable capital gains	11	143	93	163	455
Net difference, capital gains and losses	-22	-155	-151	-157	465
Resource allowance	55	35	34	76	138
Less: royalties	0	0	0	31	-54
Net difference, resource allowance	55	35	34	45	193
Earned depletion allowance	0	22	22	22	0
Other exemptions and deductions	10	202	-188	-75	261
<b>Total, exemptions and deductions</b>	<b>43</b>	<b>104</b>	<b>-282</b>	<b>-165</b>	<b>919</b>
<b>Timing differences:</b>					
Depreciation	1,485	1,836	1,589	1,858	1,411
Less: capital cost allowance	1,887	1,772	1,893	1,778	1,307
Net difference, depreciation	-403	64	-304	79	105
Natural resources expenses, (books)	45	59	48	49	66
Less: natural resource expenses, (tax)	119	27	26	26	362
Net difference, natural resources expenses	-74	32	22	23	-296
Charitable donations net difference, (books minus tax)	2	4	3	6	-9
Other timing differences	367	197	-916	-296	1,402
<b>Total, timing differences</b>	<b>-107</b>	<b>297</b>	<b>-1,195</b>	<b>-188</b>	<b>1,202</b>
<b>Net taxable income</b>	<b>183</b>	<b>261</b>	<b>1,160</b>	<b>1,915</b>	<b>4,019</b>
Plus: current year tax losses	898	735	766	510	212
<b>Current year positive taxable income</b>	<b>1,081</b>	<b>996</b>	<b>1,926</b>	<b>2,425</b>	<b>4,231</b>
Less: prior year losses applied	43	147	606	804	848
<b>Taxable income (tax base)</b>	<b>1,038</b>	<b>850</b>	<b>1,320</b>	<b>1,622</b>	<b>3,382</b>
<b>Taxes:</b>					
Tax otherwise payable	415	334	520	677	1,330
Surtax	12	10	15	20	39
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	109	88	137	169	330
Small business deduction	5	4	5	6	7
Manufacturing and processing profits deduction	72	57	82	83	127
Investment tax credit	12	13	19	50	41
Other credits	2	2	11	24	108
<b>Net part 1 tax payable</b>	<b>227</b>	<b>180</b>	<b>281</b>	<b>364</b>	<b>757</b>
Other direct federal taxes	13	33	38	31	38
<b>Federal tax payable</b>	<b>241</b>	<b>213</b>	<b>318</b>	<b>395</b>	<b>795</b>
Provincial tax payable	119	92	153	191	369
<b>Total taxes</b>	<b>360</b>	<b>305</b>	<b>471</b>	<b>586</b>	<b>1,163</b>

**Table 24-3**  
**Primary metal manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.532	0.651	0.578	0.540	0.457
Profit margin (percent)	7.1	3.4	10.7	9.6	13.7
Return on equity (percent)	5.0	0.0	8.1	8.1	14.5
Return on capital employed (percent)	4.9	1.1	6.4	6.7	11.6
Working capital (ratio)	1.355	1.458	1.520	1.548	1.590
Quick ratio (ratio)	0.763	0.848	0.894	0.999	1.103
Inventory turnover (ratio)	5.783	6.122	6.212	6.267	6.495
Receivables turnover (ratio)	5.689	6.133	6.550	6.230	5.321
Taxes to positive adjusted profit (percent)	29.0	25.6	16.4	22.5	20.7
Income taxes to taxable income (percent)	33.4	32.0	32.9	34.2	33.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	7.8	3.8	22.3	5.5	11.3
Operating expenses, year-over-year change	2.6	8.0	13.0	6.7	6.3
Operating profit, year-over-year change	226.1	-50.6	288.8	-5.0	58.6
Taxable income (tax base), year-over-year change	23.3	-18.2	55.4	22.8	108.6
Taxes, year-over-year change	22.3	-15.2	54.6	24.2	98.6

**Table 25-1**  
**Fabricated metal product and machinery manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>45,414</b>	<b>45,789</b>	<b>48,910</b>	<b>50,781</b>	<b>53,146</b>
Cash and deposits	3,168	3,243	3,082	3,593	4,137
Accounts receivable and accrued revenue	11,635	11,284	11,256	12,171	12,587
Inventories	8,412	7,754	8,552	8,966	9,462
Investments	7,593	8,879	11,345	11,507	11,413
Investments and accounts with affiliates	6,626	7,735	9,897	10,259	10,283
Portfolio investments	967	1,144	1,448	1,247	1,130
Loans	301	421	315	308	363
Mortgages	163	170	155	146	187
Non-mortgages	138	252	160	162	176
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	11,079	10,952	11,102	10,760	11,332
Other assets	3,227	3,256	3,258	3,475	3,851
<b>Liabilities</b>	<b>26,644</b>	<b>26,283</b>	<b>27,856</b>	<b>29,695</b>	<b>30,607</b>
Accounts payable and accrued liabilities	8,991	8,865	9,405	10,306	10,551
Loans and accounts with affiliates	6,899	6,838	7,932	8,100	8,665
Borrowings	8,151	7,923	7,849	8,039	8,193
Loans and overdrafts	6,243	6,196	6,094	5,851	5,907
From banks	5,148	5,059	5,108	5,047	5,162
From others	1,095	1,137	986	805	745
Bankers' acceptances and paper	246	294	249	274	496
Bonds and debentures	452	196	211	650	545
Mortgages	1,210	1,237	1,295	1,264	1,245
Deferred income tax	590	535	443	313	233
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	2,013	2,122	2,227	2,937	2,964
<b>Equity</b>	<b>18,771</b>	<b>19,506</b>	<b>21,053</b>	<b>21,085</b>	<b>22,538</b>
Share capital	6,221	7,128	8,461	7,906	8,028
Contributed surplus and other	1,115	955	929	956	1,087
Retained earnings	11,435	11,423	11,664	12,223	13,423
<b>Income statement</b>					
<b>Operating revenue</b>	<b>58,229</b>	<b>57,965</b>	<b>59,215</b>	<b>64,551</b>	<b>66,995</b>
Sales of goods and services	57,905	57,707	58,922	64,211	66,338
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	325	258	293	340	657
<b>Operating expenses</b>	<b>54,874</b>	<b>55,549</b>	<b>56,333</b>	<b>61,244</b>	<b>63,503</b>
Purchased goods, materials and service	38,816	39,390	39,924	42,542	45,228
Wages, salaries and employee benefits	13,498	13,842	14,161	16,567	16,102
Indirect taxes	293	231	234	237	197
Depreciation, depletion and amortization	1,691	1,650	1,631	1,545	1,608
Interest expense (operating)	..	..	..	..	..
Other operating expenses	575	436	381	349	368
<b>Operating profit/loss</b>	<b>3,356</b>	<b>2,416</b>	<b>2,883</b>	<b>3,307</b>	<b>3,492</b>
Interest and dividend revenue	254	279	259	232	376
Interest expense on borrowing	729	777	724	837	851
Gains/losses	-87	121	-121	113	152
<b>Profit before income tax</b>	<b>2,794</b>	<b>2,040</b>	<b>2,298</b>	<b>2,815</b>	<b>3,169</b>
Income tax	1,027	761	794	903	932
Equity in affiliates' earnings	92	75	127	266	91
<b>Profit before extraordinary gains</b>	<b>1,859</b>	<b>1,353</b>	<b>1,631</b>	<b>2,178</b>	<b>2,329</b>
Extraordinary gains	0	-2	4	16	-1
<b>Net profit</b>	<b>1,858</b>	<b>1,352</b>	<b>1,635</b>	<b>2,195</b>	<b>2,328</b>

**Table 25-2**  
**Fabricated metal product and machinery manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,858</b>	<b>1,352</b>	<b>1,635</b>	<b>2,195</b>	<b>2,328</b>
Plus: consolidation adjustments	34	141	354	-106	75
Plus: conceptual adjustments	7	152	-89	31	-46
Plus: current taxes, including mining	1,031	739	797	936	918
Plus: deferred income taxes	15	-3	14	-11	-24
Less: profit of tax exempt corporations	5	4	0	-1	7
Deductible dividends	567	251	310	373	663
<b>Adjusted profit before taxes</b>	<b>2,374</b>	<b>2,125</b>	<b>2,401</b>	<b>2,672</b>	<b>2,581</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	91	45	208	338	191
Less: taxable capital gains	49	66	83	90	124
Net difference, capital gains and losses	42	-21	125	249	66
Resource allowance	0	0	0	1	1
Less: royalties	0	1	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-119	-132	-175	-78	-179
<b>Total, exemptions and deductions</b>	<b>-77</b>	<b>-154</b>	<b>-51</b>	<b>172</b>	<b>-112</b>
<b>Timing differences:</b>					
Depreciation	1,740	1,720	1,703	1,652	1,637
Less: capital cost allowance	1,749	1,674	1,575	1,537	1,500
Net difference, depreciation	-8	46	129	115	137
Natural resources expenses, (books)	3	2	4	1	1
Less: natural resource expenses, (tax)	1	1	1	2	32
Net difference, natural resources expenses	2	2	4	-1	-31
Charitable donations net difference, (books minus tax)	0	0	4	1	1
Other timing differences	401	-124	-1	285	447
<b>Total, timing differences</b>	<b>394</b>	<b>-77</b>	<b>135</b>	<b>400</b>	<b>555</b>
<b>Net taxable income</b>	<b>2,845</b>	<b>2,201</b>	<b>2,587</b>	<b>2,901</b>	<b>3,248</b>
Plus: current year tax losses	861	896	865	864	930
<b>Current year positive taxable income</b>	<b>3,706</b>	<b>3,097</b>	<b>3,452</b>	<b>3,765</b>	<b>4,178</b>
Less: prior year losses applied	298	225	294	319	305
<b>Taxable income (tax base)</b>	<b>3,408</b>	<b>2,873</b>	<b>3,158</b>	<b>3,446</b>	<b>3,873</b>
<b>Taxes:</b>					
Tax otherwise payable	1,306	1,108	1,220	1,320	1,483
Surtax	38	32	36	38	43
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	342	290	319	345	388
Small business deduction	120	108	123	145	155
Manufacturing and processing profits deduction	149	116	106	99	95
Investment tax credit	86	102	84	92	85
Other credits	26	33	65	83	112
<b>Net part 1 tax payable</b>	<b>621</b>	<b>491</b>	<b>558</b>	<b>593</b>	<b>692</b>
Other direct federal taxes	11	14	9	7	5
<b>Federal tax payable</b>	<b>632</b>	<b>504</b>	<b>567</b>	<b>601</b>	<b>696</b>
Provincial tax payable	347	259	303	328	369
<b>Total taxes</b>	<b>978</b>	<b>763</b>	<b>870</b>	<b>928</b>	<b>1,065</b>

**Table 25-3**  
**Fabricated metal product and machinery manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.802	0.757	0.750	0.765	0.748
Profit margin (percent)	5.8	4.2	4.9	5.1	5.2
Return on equity (percent)	9.9	6.9	7.7	10.3	10.3
Return on capital employed (percent)	7.1	5.7	6.0	7.6	7.6
Working capital (ratio)	1.613	1.593	1.551	1.523	1.550
Quick ratio (ratio)	1.076	1.087	1.030	1.013	1.040
Inventory turnover (ratio)	6.922	7.476	6.924	7.199	7.081
Receivables turnover (ratio)	5.005	5.137	5.261	5.303	5.323
Taxes to positive adjusted profit (percent)	26.4	23.0	24.8	23.4	26.2
Income taxes to taxable income (percent)	28.4	26.1	27.2	26.7	27.4
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	3.2	-0.5	2.2	9.0	3.8
Operating expenses, year-over-year change	3.4	1.2	1.4	8.7	3.7
Operating profit, year-over-year change	0.7	-28.0	19.3	14.7	5.6
Taxable income (tax base), year-over-year change	6.2	-15.7	9.9	9.1	12.4
Taxes, year-over-year change	-1.1	-22.0	14.0	6.8	14.7



**Table 26-1**  
**Computer and electronic product manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>66,691</b>	<b>63,684</b>	<b>75,438</b>	<b>75,606</b>	<b>35,826</b>
Cash and deposits	3,555	3,980	4,645	4,608	3,649
Accounts receivable and accrued revenue	8,653	6,025	6,042	6,334	4,820
Inventories	4,004	3,319	3,266	3,535	3,374
Investments	39,448	40,248	51,575	51,422	14,470
Investments and accounts with affiliates	38,187	39,298	49,994	49,456	13,417
Portfolio investments	1,262	950	1,581	1,966	1,053
Loans	1,547	1,216	900	930	967
Mortgages	18	23	12	22	23
Non-mortgages	1,529	1,193	888	908	944
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	5,524	5,088	4,576	4,337	3,359
Other assets	3,959	3,808	4,434	4,441	5,187
<b>Liabilities</b>	<b>20,443</b>	<b>16,817</b>	<b>19,506</b>	<b>20,039</b>	<b>16,423</b>
Accounts payable and accrued liabilities	9,430	5,322	5,068	6,227	4,889
Loans and accounts with affiliates	8,207	7,940	10,344	9,201	8,154
Borrowings	4,620	4,402	4,862	4,978	3,422
Loans and overdrafts	1,381	1,646	1,679	1,823	1,772
From banks	1,153	862	1,097	1,392	1,126
From others	228	784	582	431	646
Bankers' acceptances and paper	300	297	301	297	305
Bonds and debentures	2,774	2,285	2,610	2,578	1,079
Mortgages	165	174	273	280	265
Deferred income tax	-2,326	-2,352	-2,319	-2,489	-235
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	512	1,505	1,550	2,123	194
<b>Equity</b>	<b>46,248</b>	<b>46,867</b>	<b>55,932</b>	<b>55,566</b>	<b>19,403</b>
Share capital	14,582	15,288	23,043	23,302	15,745
Contributed surplus and other	32,150	32,317	33,689	33,659	1,371
Retained earnings	-484	-738	-800	-1,394	2,288
<b>Income statement</b>					
<b>Operating revenue</b>	<b>32,534</b>	<b>31,827</b>	<b>32,322</b>	<b>35,164</b>	<b>29,271</b>
Sales of goods and services	32,065	31,305	31,726	34,396	29,067
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	470	522	596	768	204
<b>Operating expenses</b>	<b>33,898</b>	<b>30,836</b>	<b>30,748</b>	<b>32,528</b>	<b>26,657</b>
Purchased goods, materials and service	25,239	22,680	23,169	24,344	19,906
Wages, salaries and employee benefits	6,689	6,250	5,931	6,767	5,558
Indirect taxes	335	231	178	164	156
Depreciation, depletion and amortization	1,242	1,452	1,262	1,057	852
Interest expense (operating)	..	..	..	..	..
Other operating expenses	393	223	208	195	186
<b>Operating profit/loss</b>	<b>-1,364</b>	<b>991</b>	<b>1,574</b>	<b>2,636</b>	<b>2,613</b>
Interest and dividend revenue	292	208	498	324	871
Interest expense on borrowing	568	494	513	525	587
Gains/losses	-919	650	-26	58	157
<b>Profit before income tax</b>	<b>-2,560</b>	<b>1,355</b>	<b>1,533</b>	<b>2,493</b>	<b>3,055</b>
Income tax	203	783	545	812	981
Equity in affiliates' earnings	-15	4	9	-6	-2
<b>Profit before extraordinary gains</b>	<b>-2,778</b>	<b>576</b>	<b>997</b>	<b>1,675</b>	<b>2,071</b>
Extraordinary gains	-8	-6	-1	12	1
<b>Net profit</b>	<b>-2,786</b>	<b>570</b>	<b>996</b>	<b>1,686</b>	<b>2,072</b>

**Table 26-2**  
**Computer and electronic product manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-2,786</b>	<b>570</b>	<b>996</b>	<b>1,686</b>	<b>2,072</b>
Plus: consolidation adjustments	213	-229	-814	212	-373
Plus: conceptual adjustments	344	-238	-456	194	-174
Plus: current taxes, including mining	139	75	549	289	403
Plus: deferred income taxes	-142	31	1	216	243
Less: profit of tax exempt corporations	0	0	0	0	385
Deductible dividends	310	156	503	1,234	647
<b>Adjusted profit before taxes</b>	<b>-2,541</b>	<b>53</b>	<b>-227</b>	<b>1,364</b>	<b>1,139</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-41	221	171	64	130
Less: taxable capital gains	32	108	33	140	157
Net difference, capital gains and losses	-73	113	137	-76	-26
Resource allowance	0	0	0	0	0
Less: royalties	1	1	0	0	0
Net difference, resource allowance	-1	-1	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-44	-53	-80	-25	-402
<b>Total, exemptions and deductions</b>	<b>-118</b>	<b>59</b>	<b>58</b>	<b>-101</b>	<b>-428</b>
<b>Timing differences:</b>					
Depreciation	1,759	1,646	1,266	1,164	936
Less: capital cost allowance	1,169	996	909	1,148	1,223
Net difference, depreciation	590	650	357	16	-287
Natural resources expenses, (books)	8	1	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	8	1	0	0	0
Charitable donations net difference, (books minus tax)	4	1	2	1	-1
Other timing differences	554	-1,286	753	-1,108	252
<b>Total, timing differences</b>	<b>1,156</b>	<b>-634</b>	<b>1,112</b>	<b>-1,091</b>	<b>-36</b>
<b>Net taxable income</b>	<b>-1,267</b>	<b>-640</b>	<b>828</b>	<b>374</b>	<b>1,532</b>
Plus: current year tax losses	2,765	1,915	1,039	1,167	734
<b>Current year positive taxable income</b>	<b>1,497</b>	<b>1,275</b>	<b>1,866</b>	<b>1,541</b>	<b>2,265</b>
Less: prior year losses applied	111	143	83	245	346
<b>Taxable income (tax base)</b>	<b>1,387</b>	<b>1,133</b>	<b>1,783</b>	<b>1,296</b>	<b>1,920</b>
<b>Taxes:</b>					
Tax otherwise payable	546	430	704	507	733
Surtax	16	13	21	15	22
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	143	113	185	133	193
Small business deduction	16	14	16	18	19
Manufacturing and processing profits deduction	51	46	60	35	51
Investment tax credit	134	128	216	168	244
Other credits	16	19	62	54	80
<b>Net part 1 tax payable</b>	<b>201</b>	<b>123</b>	<b>186</b>	<b>113</b>	<b>169</b>
Other direct federal taxes	4	37	29	29	1
<b>Federal tax payable</b>	<b>205</b>	<b>160</b>	<b>215</b>	<b>142</b>	<b>170</b>
Provincial tax payable	155	109	200	140	208
<b>Total taxes</b>	<b>360</b>	<b>268</b>	<b>416</b>	<b>282</b>	<b>378</b>

**Table 26-3**  
**Computer and electronic product manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.277	0.263	0.272	0.255	0.597
Profit margin (percent)	-4.2	3.1	4.9	7.5	8.9
Return on equity (percent)	-6.0	1.2	1.8	3.0	10.7
Return on capital employed (percent)	-3.9	1.6	2.0	3.0	8.2
Working capital (ratio)	1.484	1.430	1.636	1.404	1.913
Quick ratio (ratio)	1.158	1.117	1.327	1.114	1.447
Inventory turnover (ratio)	8.125	9.589	9.896	9.947	8.675
Receivables turnover (ratio)	3.760	5.282	5.350	5.552	6.072
Taxes to positive adjusted profit (percent)	24.5	15.6	22.5	12.5	16.8
Income taxes to taxable income (percent)	25.7	20.4	21.7	19.6	19.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-12.2	-2.2	1.6	8.8	-16.8
Operating expenses, year-over-year change	-13.8	-9.0	-0.3	5.8	-18.0
Operating profit, year-over-year change	40.0	172.6	58.8	67.5	-0.8
Taxable income (tax base), year-over-year change	-37.6	-18.3	57.5	-27.3	48.1
Taxes, year-over-year change	-41.4	-25.4	54.8	-32.1	33.8

**Table 27-1**  
**Electrical equipment, appliance and component manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>13,149</b>	<b>11,506</b>	<b>12,424</b>	<b>12,230</b>	<b>13,461</b>
Cash and deposits	1,430	1,225	1,150	997	1,069
Accounts receivable and accrued revenue	2,344	1,967	2,188	2,056	2,260
Inventories	1,889	1,404	1,572	1,643	1,701
Investments	4,082	3,801	4,391	4,586	5,584
Investments and accounts with affiliates	3,864	3,635	4,230	4,509	5,334
Portfolio investments	219	166	160	77	250
Loans	14	24	26	27	28
Mortgages	3	5	7	10	11
Non-mortgages	11	19	19	18	17
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	1,908	1,608	1,705	1,526	1,475
Other assets	1,482	1,477	1,393	1,394	1,343
<b>Liabilities</b>	<b>6,020</b>	<b>5,072</b>	<b>5,318</b>	<b>5,365</b>	<b>5,979</b>
Accounts payable and accrued liabilities	2,138	1,808	2,194	2,236	2,462
Loans and accounts with affiliates	1,288	1,651	1,799	2,076	2,035
Borrowings	1,559	1,173	900	553	775
Loans and overdrafts	765	503	564	438	636
From banks	458	437	393	361	567
From others	307	66	171	77	69
Bankers' acceptances and paper	618	445	161	0	0
Bonds and debentures	42	44	15	7	7
Mortgages	134	181	160	109	132
Deferred income tax	-249	-143	-147	-139	-120
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,284	583	571	639	826
<b>Equity</b>	<b>7,129</b>	<b>6,434</b>	<b>7,106</b>	<b>6,865</b>	<b>7,481</b>
Share capital	4,339	4,213	4,559	4,696	7,515
Contributed surplus and other	1,907	1,415	2,007	1,730	1,837
Retained earnings	883	806	540	438	-1,871
<b>Income statement</b>					
<b>Operating revenue</b>	<b>13,329</b>	<b>11,586</b>	<b>13,255</b>	<b>12,787</b>	<b>13,663</b>
Sales of goods and services	13,256	11,501	13,194	12,731	13,621
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	74	85	61	55	42
<b>Operating expenses</b>	<b>13,134</b>	<b>11,243</b>	<b>12,845</b>	<b>12,377</b>	<b>13,065</b>
Purchased goods, materials and service	10,019	8,511	9,789	9,275	10,085
Wages, salaries and employee benefits	2,478	2,306	2,510	2,637	2,468
Indirect taxes	88	61	45	59	65
Depreciation, depletion and amortization	428	282	353	286	314
Interest expense (operating)	..	..	..	..	..
Other operating expenses	122	83	149	120	132
<b>Operating profit/loss</b>	<b>196</b>	<b>343</b>	<b>410</b>	<b>409</b>	<b>599</b>
Interest and dividend revenue	184	65	202	121	88
Interest expense on borrowing	161	139	97	107	133
Gains/losses	-172	15	-79	-136	20
<b>Profit before income tax</b>	<b>47</b>	<b>284</b>	<b>437</b>	<b>288</b>	<b>574</b>
Income tax	200	211	212	168	218
Equity in affiliates' earnings	46	-1	-23	62	55
<b>Profit before extraordinary gains</b>	<b>-108</b>	<b>72</b>	<b>202</b>	<b>182</b>	<b>410</b>
Extraordinary gains	-13	0	-44	-1	-3
<b>Net profit</b>	<b>-120</b>	<b>72</b>	<b>158</b>	<b>181</b>	<b>407</b>

**Table 27-2**  
**Electrical equipment, appliance and component manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-120</b>	<b>72</b>	<b>158</b>	<b>181</b>	<b>407</b>
Plus: consolidation adjustments	85	57	-264	-276	503
Plus: conceptual adjustments	11	-40	-25	29	70
Plus: current taxes, including mining	107	218	181	205	611
Plus: deferred income taxes	69	-13	10	-7	17
Less: profit of tax exempt corporations	0	0	0	0	0
Deductible dividends	203	94	51	130	316
<b>Adjusted profit before taxes</b>	<b>-50</b>	<b>200</b>	<b>9</b>	<b>3</b>	<b>1,292</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	31	-451	-37	-157	-39
Less: taxable capital gains	14	6	11	16	233
Net difference, capital gains and losses	17	-457	-48	-173	-272
Resource allowance	..	..	..	..	..
Less: royalties	..	0	0	0	0
Net difference, resource allowance	..	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-35	-14	-44	-36	-201
<b>Total, exemptions and deductions</b>	<b>-18</b>	<b>-471</b>	<b>-92</b>	<b>-210</b>	<b>-473</b>
<b>Timing differences:</b>					
Depreciation	459	257	266	279	214
Less: capital cost allowance	484	239	264	421	249
Net difference, depreciation	-24	18	2	-142	-35
Natural resources expenses, (books)	0	1	3	1	0
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	0	1	3	1	0
Charitable donations net difference, (books minus tax)	1	2	1	0	0
Other timing differences	-258	-660	66	215	-110
<b>Total, timing differences</b>	<b>-280</b>	<b>-639</b>	<b>70</b>	<b>74</b>	<b>-146</b>
<b>Net taxable income</b>	<b>-312</b>	<b>31</b>	<b>171</b>	<b>286</b>	<b>1,619</b>
Plus: current year tax losses	851	496	447	485	226
<b>Current year positive taxable income</b>	<b>539</b>	<b>527</b>	<b>618</b>	<b>771</b>	<b>1,845</b>
Less: prior year losses applied	31	28	42	90	53
<b>Taxable income (tax base)</b>	<b>508</b>	<b>499</b>	<b>576</b>	<b>681</b>	<b>1,792</b>
<b>Taxes:</b>					
Tax otherwise payable	224	206	223	260	687
Surtax	6	6	7	8	20
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	58	54	58	66	181
Small business deduction	9	8	9	11	11
Manufacturing and processing profits deduction	28	24	19	19	20
Investment tax credit	11	7	13	11	8
Other credits	6	8	17	25	146
<b>Net part 1 tax payable</b>	<b>119</b>	<b>112</b>	<b>113</b>	<b>136</b>	<b>342</b>
Other direct federal taxes	3	3	2	1	5
<b>Federal tax payable</b>	<b>122</b>	<b>115</b>	<b>115</b>	<b>138</b>	<b>347</b>
Provincial tax payable	63	51	59	67	192
<b>Total taxes</b>	<b>185</b>	<b>166</b>	<b>174</b>	<b>205</b>	<b>539</b>

**Table 27-3**  
**Electrical equipment, appliance and component manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.399	0.439	0.380	0.383	0.376
Profit margin (percent)	1.5	3.0	3.1	3.2	4.4
Return on equity (percent)	-1.5	1.1	2.8	2.7	5.5
Return on capital employed (percent)	0.1	1.9	2.8	2.7	4.9
Working capital (ratio)	1.541	1.401	1.389	1.301	1.381
Quick ratio (ratio)	1.062	0.999	0.984	0.877	0.953
Inventory turnover (ratio)	7.057	8.252	8.432	7.782	8.035
Receivables turnover (ratio)	5.687	5.890	6.059	6.218	6.044
Taxes to positive adjusted profit (percent)	22.5	22.6	19.7	25.9	34.8
Income taxes to taxable income (percent)	35.9	32.6	29.9	29.8	29.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-5.2	-13.1	14.4	-3.5	6.9
Operating expenses, year-over-year change	-4.3	-14.4	14.2	-3.6	5.6
Operating profit, year-over-year change	-42.0	75.5	19.6	-0.2	46.2
Taxable income (tax base), year-over-year change	-53.4	-1.9	15.5	18.2	163.3
Taxes, year-over-year change	-44.1	-10.3	4.8	17.5	163.7

**Table 28-1**  
**Motor vehicle and trailer manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>52,765</b>	<b>50,970</b>	<b>54,409</b>	<b>53,761</b>	<b>52,986</b>
Cash and deposits	1,771	2,683	3,272	1,980	2,744
Accounts receivable and accrued revenue	6,461	5,361	6,701	6,754	6,981
Inventories	4,382	3,913	4,208	4,675	4,520
Investments	17,761	16,930	16,492	18,178	14,805
Investments and accounts with affiliates	15,897	16,598	16,129	17,886	14,428
Portfolio investments	1,863	332	362	292	377
Loans	9	9	8	13	16
Mortgages	3	4	3	5	6
Non-mortgages	5	5	5	8	10
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	14,381	14,551	15,022	14,280	13,748
Other assets	8,000	7,524	8,706	7,883	10,173
<b>Liabilities</b>	<b>37,595</b>	<b>36,198</b>	<b>39,137</b>	<b>40,425</b>	<b>39,545</b>
Accounts payable and accrued liabilities	19,522	18,832	21,537	22,123	20,850
Loans and accounts with affiliates	9,702	9,837	10,744	10,785	10,641
Borrowings	695	892	1,075	1,177	1,812
Loans and overdrafts	561	760	1,010	1,110	1,652
From banks	314	341	214	219	510
From others	247	419	796	890	1,143
Bankers' acceptances and paper	..	..	..	..	..
Bonds and debentures	78	77	3	1	1
Mortgages	56	55	62	67	160
Deferred income tax	643	260	-370	-974	-1,133
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	7,033	6,377	6,150	7,314	7,375
<b>Equity</b>	<b>15,169</b>	<b>14,772</b>	<b>15,272</b>	<b>13,336</b>	<b>13,440</b>
Share capital	3,106	3,161	3,267	3,365	3,909
Contributed surplus and other	424	666	914	736	708
Retained earnings	11,640	10,946	11,090	9,235	8,823
<b>Income statement</b>					
<b>Operating revenue</b>	<b>112,322</b>	<b>103,669</b>	<b>107,156</b>	<b>104,022</b>	<b>103,512</b>
Sales of goods and services	111,208	102,176	105,653	102,315	101,727
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,113	1,493	1,502	1,708	1,785
<b>Operating expenses</b>	<b>107,935</b>	<b>102,295</b>	<b>106,415</b>	<b>103,251</b>	<b>102,300</b>
Purchased goods, materials and service	97,940	91,608	96,303	93,145	92,231
Wages, salaries and employee benefits	6,688	7,341	6,917	6,635	6,626
Indirect taxes	161	155	122	130	103
Depreciation, depletion and amortization	3,037	3,109	2,996	3,280	3,269
Interest expense (operating)	..	..	..	..	..
Other operating expenses	109	82	77	61	71
<b>Operating profit/loss</b>	<b>4,387</b>	<b>1,374</b>	<b>741</b>	<b>771</b>	<b>1,212</b>
Interest and dividend revenue	157	486	673	968	410
Interest expense on borrowing	548	551	625	697	708
Gains/losses	-6,218	757	604	-905	662
<b>Profit before income tax</b>	<b>-2,222</b>	<b>2,065</b>	<b>1,392</b>	<b>137</b>	<b>1,575</b>
Income tax	711	781	282	269	1,082
Equity in affiliates' earnings	232	287	343	316	103
<b>Profit before extraordinary gains</b>	<b>-2,701</b>	<b>1,571</b>	<b>1,453</b>	<b>183</b>	<b>596</b>
Extraordinary gains	0	0	0	0	0
<b>Net profit</b>	<b>-2,701</b>	<b>1,571</b>	<b>1,453</b>	<b>183</b>	<b>596</b>

**Table 28-2**  
**Motor vehicle and trailer manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-2,701</b>	<b>1,571</b>	<b>1,453</b>	<b>183</b>	<b>596</b>
Plus: consolidation adjustments	14	-15	0	133	-100
Plus: conceptual adjustments	3,563	-400	-528	-383	128
Plus: current taxes, including mining	869	546	740	202	866
Plus: deferred income taxes	-109	86	-346	127	165
Less: profit of tax exempt corporations	0	0	0	0	0
Deductible dividends	212	1,308	1,310	3,857	651
<b>Adjusted profit before taxes</b>	<b>1,424</b>	<b>479</b>	<b>9</b>	<b>-3,595</b>	<b>1,005</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-240	-78	-4	-49	-58
Less: taxable capital gains	29	8	13	8	320
Net difference, capital gains and losses	-269	-86	-17	-57	-377
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	416	222	193	65	-107
<b>Total, exemptions and deductions</b>	<b>147</b>	<b>136</b>	<b>176</b>	<b>8</b>	<b>-484</b>
<b>Timing differences:</b>					
Depreciation	2,846	2,762	2,906	2,863	3,234
Less: capital cost allowance	2,970	3,198	3,497	2,880	3,215
Net difference, depreciation	-124	-436	-590	-17	19
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	-1	1	1	2	0
Other timing differences	1,957	199	1,869	4,668	86
<b>Total, timing differences</b>	<b>1,832</b>	<b>-236</b>	<b>1,280</b>	<b>4,653</b>	<b>105</b>
<b>Net taxable income</b>	<b>3,109</b>	<b>107</b>	<b>1,113</b>	<b>1,050</b>	<b>1,595</b>
Plus: current year tax losses	296	1,520	525	772	879
<b>Current year positive taxable income</b>	<b>3,405</b>	<b>1,627</b>	<b>1,638</b>	<b>1,822</b>	<b>2,473</b>
Less: prior year losses applied	49	38	47	83	333
<b>Taxable income (tax base)</b>	<b>3,356</b>	<b>1,588</b>	<b>1,591</b>	<b>1,739</b>	<b>2,141</b>
<b>Taxes:</b>					
Tax otherwise payable	1,286	609	615	662	817
Surtax	38	18	18	19	24
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	338	160	162	174	215
Small business deduction	5	4	5	6	6
Manufacturing and processing profits deduction	220	101	97	105	133
Investment tax credit	41	50	56	40	46
Other credits	7	6	13	14	14
<b>Net part 1 tax payable</b>	<b>712</b>	<b>305</b>	<b>301</b>	<b>342</b>	<b>426</b>
Other direct federal taxes	21	391	389	16	0
<b>Federal tax payable</b>	<b>733</b>	<b>696</b>	<b>690</b>	<b>359</b>	<b>426</b>
Provincial tax payable	374	173	133	205	251
<b>Total taxes</b>	<b>1,108</b>	<b>869</b>	<b>823</b>	<b>564</b>	<b>676</b>



**Table 28-3**  
**Motor vehicle and trailer manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.685	0.726	0.774	0.897	0.927
Profit margin (percent)	3.9	1.3	0.7	0.7	1.2
Return on equity (percent)	-17.8	10.6	9.5	1.4	4.4
Return on capital employed (percent)	-8.9	7.5	7.3	2.8	4.0
Working capital (ratio)	0.866	0.777	0.748	0.761	0.847
Quick ratio (ratio)	0.673	0.590	0.570	0.559	0.654
Inventory turnover (ratio)	25.634	26.492	25.464	22.252	22.903
Receivables turnover (ratio)	17.383	19.339	15.992	15.402	14.827
Taxes to positive adjusted profit (percent)	45.8	65.8	74.4	26.1	17.5
Income taxes to taxable income (percent)	32.4	30.1	27.2	31.5	31.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	6.7	-7.7	3.4	-2.9	-0.5
Operating expenses, year-over-year change	5.7	-5.2	4.0	-3.0	-0.9
Operating profit, year-over-year change	40.1	-68.7	-46.1	4.1	57.2
Taxable income (tax base), year-over-year change	-16.8	-52.7	0.2	9.3	23.1
Taxes, year-over-year change	-20.7	-21.6	-5.3	-31.5	20.0

**Table 29-1**  
**Motor vehicle parts manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>25,387</b>	<b>22,585</b>	<b>24,557</b>	<b>26,058</b>	<b>26,100</b>
Cash and deposits	1,215	1,505	1,396	1,043	1,160
Accounts receivable and accrued revenue	4,246	4,343	4,425	4,724	4,324
Inventories	1,752	1,733	1,874	1,864	1,906
Investments	10,949	8,394	9,505	10,889	11,623
Investments and accounts with affiliates	10,876	8,315	9,393	10,805	11,457
Portfolio investments	73	79	112	84	167
Loans	18	23	54	34	31
Mortgages	5	3	5	6	6
Non-mortgages	13	20	49	29	24
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	5,628	5,158	5,399	5,302	5,245
Other assets	1,579	1,428	1,904	2,201	1,811
<b>Liabilities</b>	<b>10,727</b>	<b>10,998</b>	<b>12,618</b>	<b>12,830</b>	<b>12,574</b>
Accounts payable and accrued liabilities	4,288	4,223	4,151	4,549	4,327
Loans and accounts with affiliates	3,307	3,100	3,737	4,338	3,471
Borrowings	2,423	2,395	2,854	2,424	2,758
Loans and overdrafts	2,167	2,035	2,645	2,027	2,238
From banks	1,479	1,562	2,027	1,811	1,794
From others	689	473	618	216	444
Bankers' acceptances and paper	16	30	21	15	0
Bonds and debentures	117	201	47	237	279
Mortgages	123	129	140	145	241
Deferred income tax	228	270	222	230	132
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	481	1,010	1,654	1,289	1,886
<b>Equity</b>	<b>14,661</b>	<b>11,587</b>	<b>11,939</b>	<b>13,228</b>	<b>13,526</b>
Share capital	6,141	4,314	4,700	5,558	6,223
Contributed surplus and other	1,612	786	429	424	385
Retained earnings	6,907	6,486	6,809	7,246	6,918
<b>Income statement</b>					
<b>Operating revenue</b>	<b>25,178</b>	<b>26,352</b>	<b>27,306</b>	<b>26,673</b>	<b>27,442</b>
Sales of goods and services	24,968	26,256	27,238	26,558	27,375
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	209	96	69	116	67
<b>Operating expenses</b>	<b>23,089</b>	<b>24,468</b>	<b>25,518</b>	<b>25,197</b>	<b>26,300</b>
Purchased goods, materials and service	16,875	18,253	19,350	18,945	19,699
Wages, salaries and employee benefits	4,826	5,168	5,187	5,256	5,486
Indirect taxes	86	54	50	50	49
Depreciation, depletion and amortization	889	849	875	856	980
Interest expense (operating)	..	..	..	..	..
Other operating expenses	412	143	55	89	86
<b>Operating profit/loss</b>	<b>2,089</b>	<b>1,884</b>	<b>1,788</b>	<b>1,476</b>	<b>1,142</b>
Interest and dividend revenue	55	298	224	136	93
Interest expense on borrowing	285	267	236	362	363
Gains/losses	35	47	-79	-33	-50
<b>Profit before income tax</b>	<b>1,894</b>	<b>1,961</b>	<b>1,697</b>	<b>1,218</b>	<b>822</b>
Income tax	696	599	561	440	465
Equity in affiliates' earnings	287	136	349	361	138
<b>Profit before extraordinary gains</b>	<b>1,486</b>	<b>1,498</b>	<b>1,485</b>	<b>1,138</b>	<b>494</b>
Extraordinary gains	6	-2	0	2	0
<b>Net profit</b>	<b>1,493</b>	<b>1,496</b>	<b>1,484</b>	<b>1,140</b>	<b>494</b>

**Table 29-2**  
**Motor vehicle parts manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,493</b>	<b>1,496</b>	<b>1,484</b>	<b>1,140</b>	<b>494</b>
Plus: consolidation adjustments	715	-67	0	114	257
Plus: conceptual adjustments	-1	-141	-17	66	-67
Plus: current taxes, including mining	733	572	580	444	477
Plus: deferred income taxes	4	39	9	13	-29
Less: profit of tax exempt corporations	..	..	..	..	12
Deductible dividends	1,312	28	348	622	378
<b>Adjusted profit before taxes</b>	<b>1,630</b>	<b>1,871</b>	<b>1,709</b>	<b>1,155</b>	<b>741</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	48	-11	-67	-11	-73
Less: taxable capital gains	48	7	27	19	24
Net difference, capital gains and losses	-1	-19	-93	-31	-98
Resource allowance	..	..	..	..	1
Less: royalties	..	..	..	..	1
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-13	-17	14	-13	-9
<b>Total, exemptions and deductions</b>	<b>-14</b>	<b>-36</b>	<b>-79</b>	<b>-44</b>	<b>-106</b>
<b>Timing differences:</b>					
Depreciation	1,021	897	992	1,030	999
Less: capital cost allowance	1,037	956	1,113	992	895
Net difference, depreciation	-16	-59	-121	37	104
Natural resources expenses, (books)	0	0	1	8	11
Less: natural resource expenses, (tax)	..	..	..	..	1
Net difference, natural resources expenses	0	0	1	8	10
Charitable donations net difference, (books minus tax)	0	0	0	0	1
Other timing differences	425	-112	-244	56	236
<b>Total, timing differences</b>	<b>410</b>	<b>-171</b>	<b>-363</b>	<b>102</b>	<b>350</b>
<b>Net taxable income</b>	<b>2,054</b>	<b>1,736</b>	<b>1,424</b>	<b>1,300</b>	<b>1,198</b>
Plus: current year tax losses	190	209	312	339	390
<b>Current year positive taxable income</b>	<b>2,244</b>	<b>1,945</b>	<b>1,737</b>	<b>1,640</b>	<b>1,588</b>
Less: prior year losses applied	75	82	103	69	96
<b>Taxable income (tax base)</b>	<b>2,169</b>	<b>1,863</b>	<b>1,633</b>	<b>1,570</b>	<b>1,492</b>
<b>Taxes:</b>					
Tax otherwise payable	848	713	626	603	572
Surtax	25	21	18	18	17
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	222	187	164	158	150
Small business deduction	6	4	5	6	6
Manufacturing and processing profits deduction	143	123	105	97	92
Investment tax credit	53	46	64	53	47
Other credits	22	21	28	28	26
<b>Net part 1 tax payable</b>	<b>428</b>	<b>352</b>	<b>278</b>	<b>278</b>	<b>268</b>
Other direct federal taxes	4	5	6	6	3
<b>Federal tax payable</b>	<b>432</b>	<b>357</b>	<b>284</b>	<b>284</b>	<b>272</b>
Provincial tax payable	242	184	190	187	177
<b>Total taxes</b>	<b>675</b>	<b>541</b>	<b>474</b>	<b>471</b>	<b>448</b>

**Table 29-3**  
**Motor vehicle parts manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.391	0.474	0.552	0.511	0.461
Profit margin (percent)	8.3	7.1	6.5	5.5	4.2
Return on equity (percent)	10.1	12.9	12.4	8.6	3.7
Return on capital employed (percent)	8.3	10.0	9.0	7.1	3.8
Working capital (ratio)	1.211	1.240	1.291	1.137	1.220
Quick ratio (ratio)	0.927	0.951	0.990	0.870	0.907
Inventory turnover (ratio)	14.374	15.206	14.569	14.307	14.399
Receivables turnover (ratio)	5.930	6.067	6.171	5.647	6.347
Taxes to positive adjusted profit (percent)	29.5	26.2	23.2	31.1	30.3
Income taxes to taxable income (percent)	30.9	28.8	28.6	29.6	29.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-0.3	4.7	3.6	-2.3	2.9
Operating expenses, year-over-year change	-0.9	6.0	4.3	-1.3	4.4
Operating profit, year-over-year change	7.3	-9.8	-5.1	-17.4	-22.7
Taxable income (tax base), year-over-year change	18.6	-14.1	-12.3	-3.9	-5.0
Taxes, year-over-year change	13.7	-19.8	-12.5	-0.5	-4.8

Table 30-1

## Air, rail and ship products and other transportation equipment manufacturing — Balance sheet and income statement

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>23,510</b>	<b>22,287</b>	<b>26,695</b>	<b>24,405</b>	<b>25,151</b>
Cash and deposits	391	759	775	770	1,165
Accounts receivable and accrued revenue	2,982	1,907	2,598	2,521	2,400
Inventories	8,409	5,266	4,712	4,746	5,179
Investments	6,896	7,433	9,866	7,621	7,604
Investments and accounts with affiliates	6,805	7,358	9,751	7,495	7,518
Portfolio investments	91	75	115	126	86
Loans	24	23	27	42	38
Mortgages	4	6	8	27	27
Non-mortgages	20	17	18	15	11
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	3,457	4,166	3,478	3,669	3,764
Other assets	1,351	2,733	5,239	5,035	5,000
<b>Liabilities</b>	<b>16,052</b>	<b>14,703</b>	<b>17,985</b>	<b>16,110</b>	<b>16,580</b>
Accounts payable and accrued liabilities	4,301	5,172	6,522	6,506	6,925
Loans and accounts with affiliates	1,904	1,958	2,728	1,555	1,724
Borrowings	6,583	5,144	5,373	4,845	5,279
Loans and overdrafts	2,210	1,791	1,874	1,787	1,296
From banks	1,891	1,428	1,182	1,097	978
From others	319	363	692	689	318
Bankers' acceptances and paper	202	72	0	0	0
Bonds and debentures	3,980	3,100	3,300	2,838	3,765
Mortgages	191	181	199	221	218
Deferred income tax	1,160	1,139	-62	-210	-544
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	2,103	1,291	3,423	3,413	3,197
<b>Equity</b>	<b>7,458</b>	<b>7,584</b>	<b>8,710</b>	<b>8,295</b>	<b>8,571</b>
Share capital	2,598	5,137	4,459	5,791	5,428
Contributed surplus and other	309	333	1,793	237	260
Retained earnings	4,551	2,114	2,458	2,266	2,883
<b>Income statement</b>					
<b>Operating revenue</b>	<b>20,376</b>	<b>18,993</b>	<b>20,640</b>	<b>22,262</b>	<b>23,138</b>
Sales of goods and services	20,350	18,972	20,576	22,242	22,983
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	26	21	64	20	156
<b>Operating expenses</b>	<b>18,611</b>	<b>17,837</b>	<b>19,976</b>	<b>21,428</b>	<b>21,900</b>
Purchased goods, materials and service	13,051	12,697	16,142	17,828	18,402
Wages, salaries and employee benefits	4,348	3,996	2,798	2,716	2,540
Indirect taxes	353	225	131	103	65
Depreciation, depletion and amortization	367	632	778	735	756
Interest expense (operating)	..	..	..	..	..
Other operating expenses	493	287	127	46	137
<b>Operating profit/loss</b>	<b>1,764</b>	<b>1,156</b>	<b>664</b>	<b>834</b>	<b>1,239</b>
Interest and dividend revenue	34	41	338	48	85
Interest expense on borrowing	610	438	389	453	508
Gains/losses	-18	-705	279	443	213
<b>Profit before income tax</b>	<b>1,171</b>	<b>53</b>	<b>891</b>	<b>873</b>	<b>1,029</b>
Income tax	396	232	67	38	135
Equity in affiliates' earnings	1	-4	3	19	4
<b>Profit before extraordinary gains</b>	<b>776</b>	<b>-182</b>	<b>828</b>	<b>854</b>	<b>898</b>
Extraordinary gains	0	27	3	4	1
<b>Net profit</b>	<b>776</b>	<b>-155</b>	<b>830</b>	<b>858</b>	<b>899</b>

Table 30-2

## Air, rail and ship products and other transportation equipment manufacturing — Reconciliation of profit

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>776</b>	<b>-155</b>	<b>830</b>	<b>858</b>	<b>899</b>
Plus: consolidation adjustments	570	66	0	-38	-493
Plus: conceptual adjustments	-78	-538	161	181	-45
Plus: current taxes, including mining	0	-265	59	27	516
Plus: deferred income taxes	374	-45	0	56	-221
Less: profit of tax exempt corporations	38	37	0	0	0
Deductible dividends	18	67	462	466	310
<b>Adjusted profit before taxes</b>	<b>1,587</b>	<b>-1,041</b>	<b>587</b>	<b>617</b>	<b>345</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	108	-127	441	473	-170
Less: taxable capital gains	67	15	87	69	51
Net difference, capital gains and losses	40	-141	353	405	-221
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-75	-4	-21	-32	-124
<b>Total, exemptions and deductions</b>	<b>-35</b>	<b>-146</b>	<b>333</b>	<b>372</b>	<b>-345</b>
<b>Timing differences:</b>					
Depreciation	879	906	878	863	872
Less: capital cost allowance	537	461	366	358	627
Net difference, depreciation	342	445	512	505	245
Natural resources expenses, (books)	0	1	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	1	0	0	0
Charitable donations net difference, (books minus tax)	40	14	-14	-41	0
Other timing differences	-1,307	901	248	27	319
<b>Total, timing differences</b>	<b>-925</b>	<b>1,360</b>	<b>746</b>	<b>491</b>	<b>564</b>
<b>Net taxable income</b>	<b>696</b>	<b>465</b>	<b>1,000</b>	<b>736</b>	<b>1,254</b>
Plus: current year tax losses	116	215	159	162	128
<b>Current year positive taxable income</b>	<b>812</b>	<b>680</b>	<b>1,158</b>	<b>898</b>	<b>1,382</b>
Less: prior year losses applied	68	171	91	191	103
<b>Taxable income (tax base)</b>	<b>744</b>	<b>509</b>	<b>1,067</b>	<b>707</b>	<b>1,279</b>
<b>Taxes:</b>					
Tax otherwise payable	302	206	420	277	490
Surtax	9	6	12	8	14
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	79	54	110	73	128
Small business deduction	6	4	5	5	5
Manufacturing and processing profits deduction	47	31	60	33	67
Investment tax credit	67	64	175	71	20
Other credits	6	5	20	20	23
<b>Net part 1 tax payable</b>	<b>105</b>	<b>54</b>	<b>63</b>	<b>84</b>	<b>261</b>
Other direct federal taxes	20	23	18	21	13
<b>Federal tax payable</b>	<b>125</b>	<b>77</b>	<b>80</b>	<b>105</b>	<b>275</b>
Provincial tax payable	81	51	104	73	128
<b>Total taxes</b>	<b>206</b>	<b>128</b>	<b>184</b>	<b>178</b>	<b>402</b>

**Table 30-3**  
**Air, rail and ship products and other transportation equipment manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.138	0.936	0.930	0.772	0.817
Profit margin (percent)	8.7	6.1	3.2	3.7	5.4
Return on equity (percent)	10.4	-2.4	9.5	10.3	10.5
Return on capital employed (percent)	7.5	1.3	6.9	8.4	8.4
Working capital (ratio)	2.000	1.557	1.178	1.112	1.113
Quick ratio (ratio)	0.652	0.737	0.556	0.473	0.483
Inventory turnover (ratio)	2.423	3.606	4.380	4.690	4.467
Receivables turnover (ratio)	6.833	9.961	7.946	8.832	9.640
Taxes to positive adjusted profit (percent)	11.5	18.3	23.6	17.9	38.1
Income taxes to taxable income (percent)	25.0	20.6	15.6	22.3	30.4
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-9.0	-6.8	8.7	7.9	3.9
Operating expenses, year-over-year change	-5.7	-4.2	12.0	7.3	2.2
Operating profit, year-over-year change	-33.4	-34.5	-42.6	25.7	48.5
Taxable income (tax base), year-over-year change	-20.5	-31.6	109.6	-33.8	81.0
Taxes, year-over-year change	-20.3	-37.9	44.4	-3.3	125.6

**Table 31-1**  
**Furniture and related product manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>9,765</b>	<b>9,642</b>	<b>11,025</b>	<b>11,081</b>	<b>10,657</b>
Cash and deposits	529	500	573	627	669
Accounts receivable and accrued revenue	2,251	2,256	2,129	2,179	2,214
Inventories	1,647	1,592	1,519	1,502	1,514
Investments	1,746	1,932	3,737	3,674	3,146
Investments and accounts with affiliates	1,544	1,792	3,616	3,557	3,009
Portfolio investments	202	140	121	117	137
Loans	45	48	68	84	97
Mortgages	20	21	29	42	61
Non-mortgages	25	27	38	42	36
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,504	2,445	2,208	2,118	2,058
Other assets	1,044	870	791	897	959
<b>Liabilities</b>	<b>5,769</b>	<b>5,381</b>	<b>6,345</b>	<b>6,088</b>	<b>5,459</b>
Accounts payable and accrued liabilities	2,274	2,119	2,164	2,262	1,748
Loans and accounts with affiliates	1,343	1,415	1,864	1,878	1,964
Borrowings	1,702	1,644	1,949	1,709	1,511
Loans and overdrafts	1,164	1,104	1,513	1,401	1,200
From banks	1,005	974	951	1,208	993
From others	159	130	561	193	207
Bankers' acceptances and paper	5	6	152	1	1
Bonds and debentures	10	3	0	0	1
Mortgages	523	531	284	308	309
Deferred income tax	125	79	90	79	64
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	325	124	277	161	172
<b>Equity</b>	<b>3,996</b>	<b>4,261</b>	<b>4,680</b>	<b>4,993</b>	<b>5,198</b>
Share capital	1,574	1,532	1,867	1,791	1,871
Contributed surplus and other	195	255	385	330	320
Retained earnings	2,228	2,473	2,428	2,872	3,007
<b>Income statement</b>					
<b>Operating revenue</b>	<b>14,541</b>	<b>14,407</b>	<b>13,871</b>	<b>14,197</b>	<b>13,928</b>
Sales of goods and services	14,516	14,382	13,845	14,171	13,901
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	26	25	26	25	27
<b>Operating expenses</b>	<b>13,684</b>	<b>13,799</b>	<b>13,254</b>	<b>13,684</b>	<b>13,323</b>
Purchased goods, materials and service	9,366	9,451	9,189	9,225	9,314
Wages, salaries and employee benefits	3,569	3,629	3,449	3,862	3,559
Indirect taxes	90	73	61	48	49
Depreciation, depletion and amortization	388	349	324	313	300
Interest expense (operating)	..	..	..	..	..
Other operating expenses	271	297	230	234	100
<b>Operating profit/loss</b>	<b>858</b>	<b>608</b>	<b>617</b>	<b>513</b>	<b>605</b>
Interest and dividend revenue	30	21	63	22	40
Interest expense on borrowing	205	166	185	188	199
Gains/losses	11	38	4	19	-9
<b>Profit before income tax</b>	<b>693</b>	<b>501</b>	<b>499</b>	<b>366</b>	<b>437</b>
Income tax	250	178	134	118	132
Equity in affiliates' earnings	20	11	115	134	137
<b>Profit before extraordinary gains</b>	<b>464</b>	<b>334</b>	<b>480</b>	<b>382</b>	<b>442</b>
Extraordinary gains	-2	-5	0	-2	-1
<b>Net profit</b>	<b>462</b>	<b>329</b>	<b>480</b>	<b>380</b>	<b>441</b>



**Table 31-2**  
**Furniture and related product manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>462</b>	<b>329</b>	<b>480</b>	<b>380</b>	<b>441</b>
Plus: consolidation adjustments	109	11	31	-3	77
Plus: conceptual adjustments	-24	-118	-118	-72	-136
Plus: current taxes, including mining	275	198	157	115	134
Plus: deferred income taxes	-14	-9	-14	-17	-6
Less: profit of tax exempt corporations	0	0	0	0	0
Deductible dividends	10	59	148	167	88
<b>Adjusted profit before taxes</b>	<b>798</b>	<b>352</b>	<b>388</b>	<b>235</b>	<b>422</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	8	15	32	24	39
Less: taxable capital gains	5	9	9	14	27
Net difference, capital gains and losses	3	6	23	10	12
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-1	-21	-25	1	-19
<b>Total, exemptions and deductions</b>	<b>1</b>	<b>-15</b>	<b>-2</b>	<b>11</b>	<b>-7</b>
<b>Timing differences:</b>					
Depreciation	439	331	326	327	299
Less: capital cost allowance	351	345	332	307	264
Net difference, depreciation	88	-15	-5	20	35
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	-1	1	0	0
Other timing differences	-124	133	38	87	0
<b>Total, timing differences</b>	<b>-35</b>	<b>117</b>	<b>34</b>	<b>108</b>	<b>35</b>
<b>Net taxable income</b>	<b>761</b>	<b>485</b>	<b>424</b>	<b>332</b>	<b>464</b>
Plus: current year tax losses	138	222	246	288	227
<b>Current year positive taxable income</b>	<b>899</b>	<b>707</b>	<b>669</b>	<b>620</b>	<b>691</b>
Less: prior year losses applied	26	30	35	41	74
<b>Taxable income (tax base)</b>	<b>873</b>	<b>678</b>	<b>635</b>	<b>580</b>	<b>617</b>
<b>Taxes:</b>					
Tax otherwise payable	348	262	246	223	238
Surtax	10	8	7	6	7
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	91	69	64	59	62
Small business deduction	36	25	27	30	31
Manufacturing and processing profits deduction	44	31	24	15	15
Investment tax credit	3	4	5	4	5
Other credits	3	4	8	13	15
<b>Net part 1 tax payable</b>	<b>180</b>	<b>137</b>	<b>124</b>	<b>109</b>	<b>117</b>
Other direct federal taxes	1	3	1	1	0
<b>Federal tax payable</b>	<b>181</b>	<b>140</b>	<b>125</b>	<b>110</b>	<b>118</b>
Provincial tax payable	92	64	60	55	59
<b>Total taxes</b>	<b>273</b>	<b>203</b>	<b>186</b>	<b>165</b>	<b>176</b>

**Table 31-3**  
**Furniture and related product manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.762	0.718	0.815	0.719	0.668
Profit margin (percent)	5.9	4.2	4.4	3.6	4.3
Return on equity (percent)	11.6	7.8	10.3	7.6	8.5
Return on capital employed (percent)	8.7	6.2	7.4	6.2	6.9
Working capital (ratio)	1.583	1.556	1.340	1.382	1.671
Quick ratio (ratio)	1.081	1.072	0.890	0.953	1.131
Inventory turnover (ratio)	8.831	9.051	9.132	9.453	9.198
Receivables turnover (ratio)	6.461	6.387	6.516	6.517	6.290
Taxes to positive adjusted profit (percent)	27.4	30.2	28.3	25.7	25.8
Income taxes to taxable income (percent)	31.2	29.5	29.1	28.3	28.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	4.7	-0.9	-3.7	2.3	-1.9
Operating expenses, year-over-year change	4.8	0.8	-3.9	3.2	-2.6
Operating profit, year-over-year change	3.1	-29.0	1.4	-16.8	18.0
Taxable income (tax base), year-over-year change	-8.1	-22.3	-6.4	-8.7	6.5
Taxes, year-over-year change	-11.1	-25.6	-8.7	-11.1	6.8

**Table 32-1**  
**Miscellaneous manufacturing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>6,362</b>	<b>6,968</b>	<b>7,090</b>	<b>7,565</b>	<b>8,624</b>
Cash and deposits	556	599	526	734	770
Accounts receivable and accrued revenue	1,600	1,871	1,588	1,652	1,778
Inventories	1,340	1,436	1,445	1,482	1,475
Investments	1,002	1,119	1,467	1,459	1,955
Investments and accounts with affiliates	778	959	1,284	1,310	1,464
Portfolio investments	224	160	183	149	491
Loans	38	63	53	48	63
Mortgages	12	21	21	20	24
Non-mortgages	25	42	33	28	39
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	1,355	1,263	1,312	1,434	1,644
Other assets	472	617	698	755	939
<b>Liabilities</b>	<b>3,697</b>	<b>4,075</b>	<b>4,428</b>	<b>4,703</b>	<b>5,443</b>
Accounts payable and accrued liabilities	1,348	1,526	1,373	1,416	1,563
Loans and accounts with affiliates	1,153	1,284	1,756	1,773	2,222
Borrowings	1,054	1,111	1,061	1,192	1,297
Loans and overdrafts	739	832	789	890	1,015
From banks	614	698	641	710	813
From others	124	134	147	180	201
Bankers' acceptances and paper	30	51	28	37	8
Bonds and debentures	11	3	3	19	2
Mortgages	274	226	242	247	273
Deferred income tax	11	32	64	47	43
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	131	121	174	275	318
<b>Equity</b>	<b>2,666</b>	<b>2,894</b>	<b>2,662</b>	<b>2,862</b>	<b>3,180</b>
Share capital	1,539	1,281	1,181	1,616	1,822
Contributed surplus and other	223	224	353	494	316
Retained earnings	904	1,388	1,128	752	1,042
<b>Income statement</b>					
<b>Operating revenue</b>	<b>9,210</b>	<b>9,946</b>	<b>9,534</b>	<b>9,789</b>	<b>10,313</b>
Sales of goods and services	9,173	9,901	9,435	9,757	10,271
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	38	45	99	32	43
<b>Operating expenses</b>	<b>8,726</b>	<b>9,412</b>	<b>9,060</b>	<b>9,337</b>	<b>9,707</b>
Purchased goods, materials and service	6,425	6,811	6,538	6,490	7,043
Wages, salaries and employee benefits	1,898	2,211	2,132	2,441	2,310
Indirect taxes	34	29	27	30	28
Depreciation, depletion and amortization	232	234	232	242	267
Interest expense (operating)	..	..	..	..	..
Other operating expenses	136	127	131	133	58
<b>Operating profit/loss</b>	<b>485</b>	<b>534</b>	<b>474</b>	<b>452</b>	<b>607</b>
Interest and dividend revenue	26	23	37	33	58
Interest expense on borrowing	126	128	135	146	173
Gains/losses	13	165	-64	45	-43
<b>Profit before income tax</b>	<b>397</b>	<b>594</b>	<b>312</b>	<b>384</b>	<b>448</b>
Income tax	142	212	127	133	148
Equity in affiliates' earnings	5	35	35	4	5
<b>Profit before extraordinary gains</b>	<b>261</b>	<b>417</b>	<b>220</b>	<b>255</b>	<b>305</b>
Extraordinary gains	0	0	-1	-1	-2
<b>Net profit</b>	<b>261</b>	<b>417</b>	<b>219</b>	<b>253</b>	<b>303</b>

**Table 32-2**  
**Miscellaneous manufacturing — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>261</b>	<b>417</b>	<b>219</b>	<b>253</b>	<b>303</b>
Plus: consolidation adjustments	0	9	-2	-79	-64
Plus: conceptual adjustments	29	-26	9	17	107
Plus: current taxes, including mining	150	189	124	140	169
Plus: deferred income taxes	-2	-3	-3	-1	-15
Less: profit of tax exempt corporations	-1	0	0	1	1
Deductible dividends	16	8	25	21	91
<b>Adjusted profit before taxes</b>	<b>422</b>	<b>578</b>	<b>322</b>	<b>307</b>	<b>408</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	27	136	11	30	38
Less: taxable capital gains	6	33	18	16	11
Net difference, capital gains and losses	21	103	-7	14	27
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-20	2	-33	-16	-28
<b>Total, exemptions and deductions</b>	<b>1</b>	<b>105</b>	<b>-40</b>	<b>-2</b>	<b>0</b>
<b>Timing differences:</b>					
Depreciation	245	239	237	248	266
Less: capital cost allowance	213	252	226	240	254
Net difference, depreciation	32	-13	11	8	12
Natural resources expenses, (books)	0	0	2	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	2	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	1
Other timing differences	-68	10	27	10	68
<b>Total, timing differences</b>	<b>-35</b>	<b>-3</b>	<b>40</b>	<b>19</b>	<b>81</b>
<b>Net taxable income</b>	<b>386</b>	<b>471</b>	<b>402</b>	<b>328</b>	<b>490</b>
Plus: current year tax losses	184	203	233	262	251
<b>Current year positive taxable income</b>	<b>570</b>	<b>674</b>	<b>635</b>	<b>590</b>	<b>741</b>
Less: prior year losses applied	55	89	48	54	53
<b>Taxable income (tax base)</b>	<b>516</b>	<b>585</b>	<b>587</b>	<b>536</b>	<b>688</b>
<b>Taxes:</b>					
Tax otherwise payable	197	224	222	207	270
Surtax	6	6	6	6	8
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	52	58	58	53	69
Small business deduction	29	28	31	35	38
Manufacturing and processing profits deduction	18	20	16	10	15
Investment tax credit	9	8	8	12	16
Other credits	3	5	11	12	18
<b>Net part 1 tax payable</b>	<b>92</b>	<b>110</b>	<b>104</b>	<b>91</b>	<b>122</b>
Other direct federal taxes	0	2	1	1	0
<b>Federal tax payable</b>	<b>92</b>	<b>112</b>	<b>105</b>	<b>92</b>	<b>122</b>
Provincial tax payable	47	50	53	48	65
<b>Total taxes</b>	<b>139</b>	<b>162</b>	<b>158</b>	<b>140</b>	<b>187</b>

**Table 32-3**  
**Miscellaneous manufacturing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.828	0.828	1.058	1.036	1.107
Profit margin (percent)	5.3	5.4	5.0	4.6	5.9
Return on equity (percent)	9.8	14.4	8.3	8.9	9.6
Return on capital employed (percent)	7.3	9.7	5.9	6.3	6.6
Working capital (ratio)	1.701	1.645	1.628	1.654	1.608
Quick ratio (ratio)	1.113	1.085	1.032	1.068	1.082
Inventory turnover (ratio)	6.871	6.925	6.595	6.606	6.994
Receivables turnover (ratio)	5.756	5.315	6.003	5.926	5.800
Taxes to positive adjusted profit (percent)	21.1	20.1	24.6	23.0	24.5
Income taxes to taxable income (percent)	26.9	27.4	26.8	26.0	27.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	16.2	8.0	-4.1	2.7	5.4
Operating expenses, year-over-year change	13.5	7.9	-3.7	3.1	4.0
Operating profit, year-over-year change	104.2	10.2	-11.3	-4.6	34.3
Taxable income (tax base), year-over-year change	10.2	13.5	0.2	-8.7	28.5
Taxes, year-over-year change	4.0	16.7	-2.4	-11.4	33.2

**Table 33-1**  
**Food, beverage, tobacco and farm product wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>27,081</b>	<b>26,491</b>	<b>26,640</b>	<b>27,538</b>	<b>35,919</b>
Cash and deposits	1,977	1,702	1,961	1,917	2,065
Accounts receivable and accrued revenue	11,619	10,820	10,846	8,878	9,183
Inventories	4,718	4,790	4,495	5,167	5,681
Investments	2,597	2,727	2,729	2,782	4,243
Investments and accounts with affiliates	1,806	1,910	1,921	2,004	3,373
Portfolio investments	791	817	808	779	871
Loans	479	463	460	524	569
Mortgages	63	63	68	68	73
Non-mortgages	416	399	392	456	496
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	4,383	4,564	4,727	5,437	6,025
Other assets	1,308	1,425	1,422	2,832	8,152
<b>Liabilities</b>	<b>21,674</b>	<b>21,115</b>	<b>20,641</b>	<b>20,384</b>	<b>23,560</b>
Accounts payable and accrued liabilities	5,132	5,322	5,298	5,799	6,852
Loans and accounts with affiliates	3,107	3,317	3,209	3,227	5,259
Borrowings	12,753	11,585	11,696	10,738	10,853
Loans and overdrafts	3,899	3,753	3,890	3,918	4,021
From banks	3,048	2,912	3,046	2,916	2,907
From others	851	841	844	1,002	1,114
Bankers' acceptances and paper	7,793	6,809	6,873	4,031	3,930
Bonds and debentures	560	510	497	2,357	2,411
Mortgages	501	514	436	433	490
Deferred income tax	131	114	46	138	38
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	552	776	393	481	557
<b>Equity</b>	<b>5,408</b>	<b>5,377</b>	<b>5,999</b>	<b>7,154</b>	<b>12,359</b>
Share capital	1,986	2,215	2,424	2,938	3,159
Contributed surplus and other	216	300	146	143	1,487
Retained earnings	3,206	2,861	3,429	4,073	7,713
<b>Income statement</b>					
<b>Operating revenue</b>	<b>65,235</b>	<b>65,280</b>	<b>64,285</b>	<b>67,410</b>	<b>74,305</b>
Sales of goods and services	64,793	64,775	63,760	66,913	73,690
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	442	505	525	497	615
<b>Operating expenses</b>	<b>64,482</b>	<b>64,482</b>	<b>63,073</b>	<b>65,858</b>	<b>72,218</b>
Purchased goods, materials and service	58,676	59,090	57,954	60,450	66,092
Wages, salaries and employee benefits	4,664	4,511	4,233	4,543	5,073
Indirect taxes	136	93	77	63	68
Depreciation, depletion and amortization	578	588	573	610	709
Interest expense (operating)	..	..	..	..	..
Other operating expenses	429	201	234	190	276
<b>Operating profit/loss</b>	<b>753</b>	<b>798</b>	<b>1,211</b>	<b>1,552</b>	<b>2,087</b>
Interest and dividend revenue	175	157	117	143	275
Interest expense on borrowing	301	323	362	386	602
Gains/losses	40	59	76	41	140
<b>Profit before income tax</b>	<b>667</b>	<b>691</b>	<b>1,042</b>	<b>1,349</b>	<b>1,900</b>
Income tax	368	366	362	430	568
Equity in affiliates' earnings	67	23	54	73	65
<b>Profit before extraordinary gains</b>	<b>366</b>	<b>348</b>	<b>734</b>	<b>993</b>	<b>1,396</b>
Extraordinary gains	-2	-19	3	0	-1
<b>Net profit</b>	<b>363</b>	<b>329</b>	<b>737</b>	<b>993</b>	<b>1,395</b>

**Table 33-2**  
**Food, beverage, tobacco and farm product wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>363</b>	<b>329</b>	<b>737</b>	<b>993</b>	<b>1,395</b>
Plus: consolidation adjustments	-3	332	957	115	204
Plus: conceptual adjustments	-67	27	-42	-158	-196
Plus: current taxes, including mining	354	322	412	373	594
Plus: deferred income taxes	-3	12	-38	14	-6
Less: profit of tax exempt corporations	-376	-376	-212	1	1
Deductible dividends	53	406	1,038	189	551
<b>Adjusted profit before taxes</b>	<b>969</b>	<b>992</b>	<b>1,199</b>	<b>1,147</b>	<b>1,440</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	30	25	56	35	69
Less: taxable capital gains	14	25	23	21	51
Net difference, capital gains and losses	17	0	33	15	18
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-61	-32	-15	-28	-93
<b>Total, exemptions and deductions</b>	<b>-45</b>	<b>-32</b>	<b>18</b>	<b>-13</b>	<b>-74</b>
<b>Timing differences:</b>					
Depreciation	465	530	577	563	673
Less: capital cost allowance	454	510	551	493	627
Net difference, depreciation	11	20	26	70	46
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	1	2	-1	0
Other timing differences	-210	-161	-146	-124	37
<b>Total, timing differences</b>	<b>-199</b>	<b>-140</b>	<b>-119</b>	<b>-55</b>	<b>83</b>
<b>Net taxable income</b>	<b>815</b>	<b>884</b>	<b>1,063</b>	<b>1,105</b>	<b>1,597</b>
Plus: current year tax losses	217	277	333	237	225
<b>Current year positive taxable income</b>	<b>1,032</b>	<b>1,161</b>	<b>1,396</b>	<b>1,342</b>	<b>1,822</b>
Less: prior year losses applied	84	123	93	82	87
<b>Taxable income (tax base)</b>	<b>948</b>	<b>1,038</b>	<b>1,303</b>	<b>1,261</b>	<b>1,735</b>
<b>Taxes:</b>					
Tax otherwise payable	370	405	505	490	667
Surtax	11	12	15	14	19
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	97	106	132	129	175
Small business deduction	45	43	47	50	54
Manufacturing and processing profits deduction	7	7	7	7	15
Investment tax credit	2	4	3	5	3
Other credits	13	31	61	62	89
<b>Net part 1 tax payable</b>	<b>217</b>	<b>225</b>	<b>270</b>	<b>253</b>	<b>350</b>
Other direct federal taxes	5	7	9	9	17
<b>Federal tax payable</b>	<b>223</b>	<b>231</b>	<b>279</b>	<b>261</b>	<b>368</b>
Provincial tax payable	108	102	125	128	176
<b>Total taxes</b>	<b>331</b>	<b>333</b>	<b>404</b>	<b>389</b>	<b>544</b>

**Table 33-3**  
**Food, beverage, tobacco and farm product wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	2.933	2.772	2.484	1.952	1.304
Profit margin (percent)	1.2	1.2	1.9	2.3	2.8
Return on equity (percent)	6.8	6.5	12.2	13.9	11.3
Return on capital employed (percent)	2.7	2.9	4.8	6.0	6.4
Working capital (ratio)	1.186	1.293	1.252	1.277	1.219
Quick ratio (ratio)	0.899	0.716	0.727	0.707	0.663
Inventory turnover (ratio)	13.826	13.628	14.300	13.046	13.079
Receivables turnover (ratio)	5.614	6.033	5.927	7.593	8.092
Taxes to positive adjusted profit (percent)	25.8	25.5	27.7	26.8	30.7
Income taxes to taxable income (percent)	34.3	31.5	30.3	30.2	30.4
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-7.9	0.1	-1.5	4.9	10.2
Operating expenses, year-over-year change	-7.7	0.0	-2.2	4.4	9.7
Operating profit, year-over-year change	-18.4	6.0	51.8	28.1	34.5
Taxable income (tax base), year-over-year change	15.0	9.4	25.5	-3.3	37.6
Taxes, year-over-year change	-4.6	0.8	21.2	-3.8	40.0



**Table 34-1**  
**Petroleum product wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>6,507</b>	<b>5,959</b>	<b>5,141</b>	<b>6,639</b>	<b>7,353</b>
Cash and deposits	239	286	320	437	468
Accounts receivable and accrued revenue	3,215	3,523	2,182	3,100	3,298
Inventories	515	494	601	868	972
Investments	1,303	480	432	555	745
Investments and accounts with affiliates	1,201	382	331	466	657
Portfolio investments	102	98	101	90	88
Loans	17	33	30	37	34
Mortgages	10	17	11	18	14
Non-mortgages	7	16	19	19	21
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	915	957	1,328	1,396	1,547
Other assets	303	185	248	245	289
<b>Liabilities</b>	<b>4,334</b>	<b>4,636</b>	<b>3,789</b>	<b>4,998</b>	<b>5,496</b>
Accounts payable and accrued liabilities	1,925	3,409	2,181	3,069	3,384
Loans and accounts with affiliates	1,786	624	809	994	971
Borrowings	457	489	586	745	889
Loans and overdrafts	362	378	497	643	779
From banks	272	306	385	507	608
From others	90	71	112	136	171
Bankers' acceptances and paper	10	1	0	0	0
Bonds and debentures	4	3	0	0	0
Mortgages	83	107	89	102	110
Deferred income tax	98	36	69	62	102
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	68	78	144	129	150
<b>Equity</b>	<b>2,173</b>	<b>1,324</b>	<b>1,352</b>	<b>1,641</b>	<b>1,858</b>
Share capital	792	259	284	314	347
Contributed surplus and other	138	539	180	187	137
Retained earnings	1,243	526	888	1,140	1,373
<b>Income statement</b>					
<b>Operating revenue</b>	<b>21,458</b>	<b>24,628</b>	<b>31,101</b>	<b>41,068</b>	<b>47,883</b>
Sales of goods and services	21,427	24,603	31,067	40,991	47,784
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	31	26	34	77	99
<b>Operating expenses</b>	<b>21,124</b>	<b>24,467</b>	<b>30,782</b>	<b>40,682</b>	<b>47,416</b>
Purchased goods, materials and service	18,526	23,810	30,101	39,937	46,597
Wages, salaries and employee benefits	2,015	500	497	555	609
Indirect taxes	197	12	10	12	11
Depreciation, depletion and amortization	123	124	149	147	167
Interest expense (operating)	..	..	..	..	..
Other operating expenses	262	21	23	30	31
<b>Operating profit/loss</b>	<b>335</b>	<b>161</b>	<b>319</b>	<b>386</b>	<b>468</b>
Interest and dividend revenue	220	25	20	19	35
Interest expense on borrowing	54	68	77	83	95
Gains/losses	12	13	57	68	-18
<b>Profit before income tax</b>	<b>512</b>	<b>131</b>	<b>319</b>	<b>390</b>	<b>389</b>
Income tax	53	40	56	78	84
Equity in affiliates' earnings	14	5	6	11	17
<b>Profit before extraordinary gains</b>	<b>473</b>	<b>96</b>	<b>268</b>	<b>322</b>	<b>322</b>
Extraordinary gains	-1	6	0	0	0
<b>Net profit</b>	<b>472</b>	<b>103</b>	<b>268</b>	<b>322</b>	<b>322</b>

**Table 34-2**  
**Petroleum product wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>472</b>	<b>103</b>	<b>268</b>	<b>322</b>	<b>322</b>
Plus: consolidation adjustments	-197	40	26	31	15
Plus: conceptual adjustments	-9	35	-35	-110	-105
Plus: current taxes, including mining	49	4	71	61	76
Plus: deferred income taxes	2	27	3	8	10
Less: profit of tax exempt corporations	0	-42	0	19	1
Deductible dividends	159	165	32	30	23
<b>Adjusted profit before taxes</b>	<b>158</b>	<b>85</b>	<b>301</b>	<b>263</b>	<b>294</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	20	11	97	53	28
Less: taxable capital gains	2	2	27	19	8
Net difference, capital gains and losses	18	9	70	34	20
Resource allowance	1	1	1	0	0
Less: royalties	0	1	1	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	0	45	43	28	49
<b>Total, exemptions and deductions</b>	<b>18</b>	<b>55</b>	<b>113</b>	<b>62</b>	<b>69</b>
<b>Timing differences:</b>					
Depreciation	104	112	120	124	130
Less: capital cost allowance	104	106	106	111	116
Net difference, depreciation	1	6	14	13	13
Natural resources expenses, (books)	0	0	1	0	0
Less: natural resource expenses, (tax)	1	1	2	0	1
Net difference, natural resources expenses	0	0	-1	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	12	6	-22	20	78
<b>Total, timing differences</b>	<b>13</b>	<b>12</b>	<b>-9</b>	<b>33</b>	<b>92</b>
<b>Net taxable income</b>	<b>152</b>	<b>42</b>	<b>179</b>	<b>234</b>	<b>317</b>
Plus: current year tax losses	22	119	50	28	41
<b>Current year positive taxable income</b>	<b>175</b>	<b>162</b>	<b>229</b>	<b>262</b>	<b>358</b>
Less: prior year losses applied	13	20	19	12	14
<b>Taxable income (tax base)</b>	<b>161</b>	<b>141</b>	<b>210</b>	<b>250</b>	<b>344</b>
<b>Taxes:</b>					
Tax otherwise payable	62	55	87	99	133
Surtax	2	2	3	3	4
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	16	14	23	26	35
Small business deduction	10	9	9	10	10
Manufacturing and processing profits deduction	2	1	0	0	1
Investment tax credit	0	0	0	0	0
Other credits	2	3	10	13	19
<b>Net part 1 tax payable</b>	<b>33</b>	<b>29</b>	<b>47</b>	<b>52</b>	<b>72</b>
Other direct federal taxes	1	4	2	1	1
<b>Federal tax payable</b>	<b>34</b>	<b>33</b>	<b>49</b>	<b>54</b>	<b>73</b>
Provincial tax payable	16	13	25	26	33
<b>Total taxes</b>	<b>51</b>	<b>46</b>	<b>74</b>	<b>80</b>	<b>106</b>

**Table 34-3**  
**Petroleum product wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.032	0.840	1.032	1.060	1.001
Profit margin (percent)	1.6	0.7	1.0	0.9	1.0
Return on equity (percent)	21.8	7.3	19.9	19.6	17.3
Return on capital employed (percent)	11.6	5.9	12.0	11.5	10.7
Working capital (ratio)	1.132	1.133	1.178	1.248	1.149
Quick ratio (ratio)	0.989	1.008	0.967	1.023	0.923
Inventory turnover (ratio)	41.688	49.854	51.733	47.318	49.262
Receivables turnover (ratio)	6.675	6.990	14.253	13.246	14.518
Taxes to positive adjusted profit (percent)	27.4	20.6	22.1	25.5	28.8
Income taxes to taxable income (percent)	30.6	29.4	34.2	31.4	30.7
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-5.1	14.8	26.3	32.0	16.6
Operating expenses, year-over-year change	-5.5	15.8	25.8	32.2	16.6
Operating profit, year-over-year change	27.4	-51.9	98.4	20.8	21.3
Taxable income (tax base), year-over-year change	-17.5	-12.5	48.9	18.8	37.7
Taxes, year-over-year change	-22.5	-10.2	61.6	7.8	33.7

**Table 35-1**  
**Motor vehicle and parts wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>13,700</b>	<b>13,956</b>	<b>14,210</b>	<b>15,981</b>	<b>17,189</b>
Cash and deposits	983	910	1,004	1,254	1,463
Accounts receivable and accrued revenue	3,378	3,571	3,471	3,786	3,691
Inventories	4,554	4,866	4,994	5,222	6,031
Investments	1,971	1,364	2,070	1,402	2,119
Investments and accounts with affiliates	1,638	1,194	1,398	1,210	1,885
Portfolio investments	333	171	672	193	234
Loans	145	367	352	771	404
Mortgages	51	267	58	393	37
Non-mortgages	94	99	294	377	367
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,431	2,589	1,861	2,698	2,326
Other assets	238	289	457	848	1,156
<b>Liabilities</b>	<b>9,442</b>	<b>9,726</b>	<b>9,813</b>	<b>10,830</b>	<b>11,480</b>
Accounts payable and accrued liabilities	4,092	4,325	4,496	4,683	4,887
Loans and accounts with affiliates	2,001	2,275	1,694	2,824	2,663
Borrowings	2,971	2,644	2,677	2,573	2,565
Loans and overdrafts	2,378	2,163	2,281	2,169	2,226
From banks	1,499	1,292	1,468	1,574	1,607
From others	878	870	813	595	619
Bankers' acceptances and paper	328	191	90	99	39
Bonds and debentures	53	47	25	49	32
Mortgages	212	244	282	256	267
Deferred income tax	60	95	156	159	117
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	318	387	790	590	1,248
<b>Equity</b>	<b>4,258</b>	<b>4,231</b>	<b>4,397</b>	<b>5,151</b>	<b>5,710</b>
Share capital	1,505	1,431	1,291	1,449	1,597
Contributed surplus and other	165	128	128	142	266
Retained earnings	2,588	2,672	2,978	3,560	3,847
<b>Income statement</b>					
<b>Operating revenue</b>	<b>37,969</b>	<b>38,497</b>	<b>39,582</b>	<b>40,788</b>	<b>43,321</b>
Sales of goods and services	37,719	38,160	39,051	40,321	42,872
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	250	337	531	467	450
<b>Operating expenses</b>	<b>36,917</b>	<b>37,487</b>	<b>38,397</b>	<b>39,553</b>	<b>41,913</b>
Purchased goods, materials and service	33,273	32,992	34,505	35,368	38,134
Wages, salaries and employee benefits	2,796	3,707	3,245	3,451	3,129
Indirect taxes	191	207	124	138	110
Depreciation, depletion and amortization	321	362	386	453	459
Interest expense (operating)	..	..	..	..	..
Other operating expenses	336	219	135	143	82
<b>Operating profit/loss</b>	<b>1,052</b>	<b>1,011</b>	<b>1,185</b>	<b>1,235</b>	<b>1,408</b>
Interest and dividend revenue	97	76	62	86	132
Interest expense on borrowing	202	199	190	218	259
Gains/losses	23	45	40	68	73
<b>Profit before income tax</b>	<b>969</b>	<b>933</b>	<b>1,097</b>	<b>1,171</b>	<b>1,354</b>
Income tax	292	315	361	385	456
Equity in affiliates' earnings	23	34	-2	13	1
<b>Profit before extraordinary gains</b>	<b>701</b>	<b>651</b>	<b>733</b>	<b>800</b>	<b>899</b>
Extraordinary gains	-9	1	0	1	0
<b>Net profit</b>	<b>692</b>	<b>652</b>	<b>733</b>	<b>801</b>	<b>900</b>

**Table 35-2**  
**Motor vehicle and parts wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>692</b>	<b>652</b>	<b>733</b>	<b>801</b>	<b>900</b>
Plus: consolidation adjustments	25	34	14	20	180
Plus: conceptual adjustments	-83	-95	-17	14	-155
Plus: current taxes, including mining	271	298	271	346	437
Plus: deferred income taxes	39	72	54	78	-1
Less: profit of tax exempt corporations	0	0	0	-2	7
Deductible dividends	94	35	67	39	55
<b>Adjusted profit before taxes</b>	<b>850</b>	<b>925</b>	<b>989</b>	<b>1,222</b>	<b>1,299</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	20	4	14	37	58
Less: taxable capital gains	10	6	14	14	22
Net difference, capital gains and losses	11	-3	0	23	36
Resource allowance	0	0	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-24	-10	-17	-2	-7
<b>Total, exemptions and deductions</b>	<b>-13</b>	<b>-13</b>	<b>-16</b>	<b>21</b>	<b>30</b>
<b>Timing differences:</b>					
Depreciation	361	296	360	379	372
Less: capital cost allowance	406	429	910	1,062	1,271
Net difference, depreciation	-45	-132	-550	-683	-899
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	-51	218	516	597	842
<b>Total, timing differences</b>	<b>-95</b>	<b>85</b>	<b>-34</b>	<b>-86</b>	<b>-57</b>
<b>Net taxable income</b>	<b>767</b>	<b>1,023</b>	<b>971</b>	<b>1,115</b>	<b>1,212</b>
Plus: current year tax losses	109	97	138	130	127
<b>Current year positive taxable income</b>	<b>876</b>	<b>1,121</b>	<b>1,109</b>	<b>1,244</b>	<b>1,339</b>
Less: prior year losses applied	119	113	177	144	47
<b>Taxable income (tax base)</b>	<b>756</b>	<b>1,007</b>	<b>932</b>	<b>1,100</b>	<b>1,293</b>
<b>Taxes:</b>					
Tax otherwise payable	292	386	362	422	497
Surtax	8	11	11	12	14
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	77	101	95	110	130
Small business deduction	31	29	30	33	35
Manufacturing and processing profits deduction	2	8	7	4	4
Investment tax credit	0	1	1	1	1
Other credits	11	32	44	60	71
<b>Net part 1 tax payable</b>	<b>179</b>	<b>226</b>	<b>196</b>	<b>226</b>	<b>270</b>
Other direct federal taxes	3	4	5	3	1
<b>Federal tax payable</b>	<b>182</b>	<b>230</b>	<b>201</b>	<b>229</b>	<b>272</b>
Provincial tax payable	81	98	93	119	142
<b>Total taxes</b>	<b>263</b>	<b>328</b>	<b>294</b>	<b>348</b>	<b>414</b>

**Table 35-3**  
**Motor vehicle and parts wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.168	1.163	0.994	1.048	0.916
Profit margin (percent)	2.8	2.6	3.0	3.0	3.3
Return on equity (percent)	16.5	15.4	16.7	15.5	15.7
Return on capital employed (percent)	9.1	8.7	9.9	9.1	9.9
Working capital (ratio)	1.298	1.315	1.451	1.323	1.476
Quick ratio (ratio)	0.678	0.672	0.734	0.692	0.737
Inventory turnover (ratio)	8.337	7.912	7.925	7.811	7.184
Receivables turnover (ratio)	11.241	10.781	11.403	10.774	11.736
Taxes to positive adjusted profit (percent)	26.6	30.8	25.8	25.8	28.2
Income taxes to taxable income (percent)	34.4	32.2	31.0	31.4	31.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	8.3	1.4	2.8	3.0	6.2
Operating expenses, year-over-year change	7.7	1.5	2.4	3.0	6.0
Operating profit, year-over-year change	35.9	-3.9	17.2	4.2	14.0
Taxable income (tax base), year-over-year change	9.3	33.2	-7.5	18.0	17.5
Taxes, year-over-year change	4.8	24.6	-10.4	18.5	18.7

**Table 36-1**  
**Building material and supplies wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>21,941</b>	<b>21,999</b>	<b>25,458</b>	<b>27,411</b>	<b>31,077</b>
Cash and deposits	1,379	1,467	1,748	1,746	2,217
Accounts receivable and accrued revenue	6,930	7,079	8,102	8,632	9,096
Inventories	6,788	6,572	7,897	8,088	9,217
Investments	2,605	2,762	3,176	4,147	5,172
Investments and accounts with affiliates	2,241	2,339	2,723	3,757	4,755
Portfolio investments	363	423	453	390	417
Loans	119	129	211	164	150
Mortgages	49	52	57	70	52
Non-mortgages	70	77	154	93	98
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,841	2,743	3,026	3,084	3,120
Other assets	1,279	1,246	1,298	1,551	2,104
<b>Liabilities</b>	<b>14,215</b>	<b>14,052</b>	<b>16,068</b>	<b>17,121</b>	<b>18,631</b>
Accounts payable and accrued liabilities	5,981	6,054	7,359	7,448	8,109
Loans and accounts with affiliates	3,357	3,661	4,065	4,339	5,400
Borrowings	4,233	3,780	4,174	4,817	4,527
Loans and overdrafts	3,469	3,222	3,637	3,884	3,574
From banks	3,098	2,928	3,136	3,129	3,146
From others	371	294	501	754	428
Bankers' acceptances and paper	189	112	15	429	447
Bonds and debentures	104	10	10	9	7
Mortgages	471	436	512	495	499
Deferred income tax	65	40	3	-16	35
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	579	517	467	532	560
<b>Equity</b>	<b>7,726</b>	<b>7,946</b>	<b>9,390</b>	<b>10,291</b>	<b>12,446</b>
Share capital	2,155	2,177	2,472	2,232	2,439
Contributed surplus and other	526	353	458	782	1,114
Retained earnings	5,045	5,416	6,460	7,276	8,893
<b>Income statement</b>					
<b>Operating revenue</b>	<b>48,789</b>	<b>49,944</b>	<b>57,130</b>	<b>61,020</b>	<b>64,336</b>
Sales of goods and services	48,692	49,841	56,998	60,871	64,161
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	97	103	132	149	175
<b>Operating expenses</b>	<b>47,468</b>	<b>48,347</b>	<b>54,502</b>	<b>58,329</b>	<b>61,094</b>
Purchased goods, materials and service	41,084	41,781	47,665	50,961	53,410
Wages, salaries and employee benefits	5,384	5,712	5,942	6,474	6,563
Indirect taxes	146	112	97	94	108
Depreciation, depletion and amortization	439	443	402	416	424
Interest expense (operating)	..	..	..	..	..
Other operating expenses	415	299	394	382	589
<b>Operating profit/loss</b>	<b>1,321</b>	<b>1,597</b>	<b>2,628</b>	<b>2,691</b>	<b>3,242</b>
Interest and dividend revenue	85	74	88	110	109
Interest expense on borrowing	353	348	339	410	491
Gains/losses	9	47	81	94	249
<b>Profit before income tax</b>	<b>1,062</b>	<b>1,370</b>	<b>2,457</b>	<b>2,486</b>	<b>3,109</b>
Income tax	381	475	764	739	910
Equity in affiliates' earnings	73	39	83	54	70
<b>Profit before extraordinary gains</b>	<b>754</b>	<b>935</b>	<b>1,776</b>	<b>1,801</b>	<b>2,269</b>
Extraordinary gains	5	-3	-2	4	1
<b>Net profit</b>	<b>758</b>	<b>932</b>	<b>1,774</b>	<b>1,806</b>	<b>2,270</b>

**Table 36-2**  
**Building material and supplies wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>758</b>	<b>932</b>	<b>1,774</b>	<b>1,806</b>	<b>2,270</b>
Plus: consolidation adjustments	79	21	1	-12	187
Plus: conceptual adjustments	-78	-48	-6	8	-41
Plus: current taxes, including mining	395	455	753	765	943
Plus: deferred income taxes	13	-4	5	1	6
Less: profit of tax exempt corporations	-7	0	0	0	0
Deductible dividends	86	70	127	158	337
<b>Adjusted profit before taxes</b>	<b>1,088</b>	<b>1,286</b>	<b>2,400</b>	<b>2,409</b>	<b>3,028</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	50	43	88	123	123
Less: taxable capital gains	23	17	26	39	39
Net difference, capital gains and losses	27	26	62	84	83
Resource allowance	0	1	1	1	1
Less: royalties	0	1	1	1	1
Net difference, resource allowance	0	0	0	0	-1
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	-66	-90	-84	-88	-150
<b>Total, exemptions and deductions</b>	<b>-40</b>	<b>-65</b>	<b>-23</b>	<b>-4</b>	<b>-67</b>
<b>Timing differences:</b>					
Depreciation	441	421	419	401	433
Less: capital cost allowance	397	380	439	406	442
Net difference, depreciation	44	41	-20	-5	-9
Natural resources expenses, (books)	1	2	2	3	3
Less: natural resource expenses, (tax)	1	1	1	3	5
Net difference, natural resources expenses	0	1	1	0	-2
Charitable donations net difference, (books minus tax)	0	0	0	3	-2
Other timing differences	-96	-20	-70	-47	-96
<b>Total, timing differences</b>	<b>-51</b>	<b>22</b>	<b>-89</b>	<b>-49</b>	<b>-110</b>
<b>Net taxable income</b>	<b>1,077</b>	<b>1,373</b>	<b>2,334</b>	<b>2,364</b>	<b>2,986</b>
Plus: current year tax losses	284	200	192	184	193
<b>Current year positive taxable income</b>	<b>1,361</b>	<b>1,573</b>	<b>2,526</b>	<b>2,548</b>	<b>3,178</b>
Less: prior year losses applied	119	113	104	83	93
<b>Taxable income (tax base)</b>	<b>1,242</b>	<b>1,460</b>	<b>2,422</b>	<b>2,464</b>	<b>3,085</b>
<b>Taxes:</b>					
Tax otherwise payable	481	561	929	944	1,176
Surtax	14	16	27	27	34
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	126	147	244	248	309
Small business deduction	64	62	72	78	82
Manufacturing and processing profits deduction	13	11	26	17	17
Investment tax credit	1	2	2	3	4
Other credits	16	43	108	121	162
<b>Net part 1 tax payable</b>	<b>274</b>	<b>313</b>	<b>505</b>	<b>505</b>	<b>636</b>
Other direct federal taxes	8	7	5	6	2
<b>Federal tax payable</b>	<b>282</b>	<b>320</b>	<b>509</b>	<b>511</b>	<b>638</b>
Provincial tax payable	127	140	257	260	327
<b>Total taxes</b>	<b>409</b>	<b>460</b>	<b>767</b>	<b>771</b>	<b>966</b>



**Table 36-3**  
**Building material and supplies wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.982	0.936	0.877	0.890	0.798
Profit margin (percent)	2.7	3.2	4.6	4.4	5.0
Return on equity (percent)	9.8	11.8	18.9	17.5	18.2
Return on capital employed (percent)	6.6	7.7	11.5	10.8	11.7
Working capital (ratio)	1.588	1.597	1.605	1.594	1.684
Quick ratio (ratio)	0.908	0.938	0.926	0.931	0.966
Inventory turnover (ratio)	7.187	7.600	7.234	7.544	6.980
Receivables turnover (ratio)	7.040	7.055	7.052	7.069	7.073
Taxes to positive adjusted profit (percent)	29.1	29.7	29.5	29.3	29.6
Income taxes to taxable income (percent)	32.3	31.0	31.5	31.0	31.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	2.4	2.4	14.4	6.8	5.4
Operating expenses, year-over-year change	2.2	1.9	12.7	7.0	4.7
Operating profit, year-over-year change	9.2	20.9	64.6	2.4	20.5
Taxable income (tax base), year-over-year change	7.3	17.6	65.8	1.8	25.2
Taxes, year-over-year change	2.2	12.2	66.8	0.5	25.3

Table 37-1

**Farm, construction, forestry, mining and other industrial machinery and equipment and supplies  
wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>20,017</b>	<b>20,024</b>	<b>20,937</b>	<b>24,783</b>	<b>26,657</b>
Cash and deposits	1,006	1,122	1,232	1,295	1,513
Accounts receivable and accrued revenue	4,731	4,801	5,116	5,965	6,348
Inventories	7,069	6,848	7,032	7,679	8,600
Investments	2,740	2,598	2,792	4,391	4,115
Investments and accounts with affiliates	2,196	2,216	2,365	4,004	3,717
Portfolio investments	544	382	426	387	398
Loans	119	141	197	187	244
Mortgages	35	51	69	85	103
Non-mortgages	83	89	129	101	141
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	3,265	3,306	3,234	3,883	3,945
Other assets	1,087	1,208	1,335	1,383	1,892
<b>Liabilities</b>	<b>12,881</b>	<b>12,718</b>	<b>12,972</b>	<b>16,213</b>	<b>17,184</b>
Accounts payable and accrued liabilities	5,526	5,580	5,835	7,362	7,794
Loans and accounts with affiliates	2,637	2,826	2,633	2,935	3,295
Borrowings	4,008	3,695	3,733	4,641	4,979
Loans and overdrafts	3,089	2,721	2,808	3,401	3,666
From banks	2,380	2,184	2,302	2,547	2,804
From others	709	537	507	854	862
Bankers' acceptances and paper	378	478	444	460	487
Bonds and debentures	97	99	93	434	484
Mortgages	444	397	387	347	342
Deferred income tax	-2	60	92	106	204
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	713	556	679	1,170	912
<b>Equity</b>	<b>7,136</b>	<b>7,307</b>	<b>7,965</b>	<b>8,570</b>	<b>9,474</b>
Share capital	2,689	2,207	2,204	2,362	2,315
Contributed surplus and other	386	464	550	425	525
Retained earnings	4,060	4,636	5,211	5,782	6,633
<b>Income statement</b>					
<b>Operating revenue</b>	<b>33,467</b>	<b>33,528</b>	<b>36,065</b>	<b>40,459</b>	<b>42,778</b>
Sales of goods and services	32,751	32,841	35,428	39,679	41,888
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	716	687	637	781	891
<b>Operating expenses</b>	<b>32,437</b>	<b>32,423</b>	<b>34,631</b>	<b>38,562</b>	<b>40,504</b>
Purchased goods, materials and service	27,698	27,091	29,296	32,238	34,292
Wages, salaries and employee benefits	3,941	4,610	4,673	5,643	5,510
Indirect taxes	100	83	74	100	107
Depreciation, depletion and amortization	510	496	485	436	439
Interest expense (operating)	..	..	..	..	..
Other operating expenses	189	142	101	144	157
<b>Operating profit/loss</b>	<b>1,030</b>	<b>1,106</b>	<b>1,433</b>	<b>1,897</b>	<b>2,274</b>
Interest and dividend revenue	92	94	86	96	135
Interest expense on borrowing	360	350	343	348	441
Gains/losses	-313	75	111	173	165
<b>Profit before income tax</b>	<b>450</b>	<b>925</b>	<b>1,287</b>	<b>1,818</b>	<b>2,133</b>
Income tax	298	334	388	457	662
Equity in affiliates' earnings	18	85	43	35	45
<b>Profit before extraordinary gains</b>	<b>169</b>	<b>676</b>	<b>943</b>	<b>1,396</b>	<b>1,516</b>
Extraordinary gains	4	-1	0	3	0
<b>Net profit</b>	<b>173</b>	<b>675</b>	<b>942</b>	<b>1,400</b>	<b>1,516</b>

Table 37-2

**Farm, construction, forestry, mining and other industrial machinery and equipment and supplies  
wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>173</b>	<b>675</b>	<b>942</b>	<b>1,400</b>	<b>1,516</b>
Plus: consolidation adjustments	-25	-64	-74	93	86
Plus: conceptual adjustments	-7	-16	-4	-106	-226
Plus: current taxes, including mining	272	295	342	441	629
Plus: deferred income taxes	24	2	18	-24	-13
Less: profit of tax exempt corporations	0	0	0	0	0
Deductible dividends	98	163	108	257	201
<b>Adjusted profit before taxes</b>	<b>341</b>	<b>729</b>	<b>1,116</b>	<b>1,547</b>	<b>1,791</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-273	78	154	178	251
Less: taxable capital gains	24	46	21	50	39
Net difference, capital gains and losses	-298	31	133	128	212
Resource allowance	0	1	0	0	0
Less: royalties	1	1	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-51	-45	-67	-79	-28
<b>Total, exemptions and deductions</b>	<b>-350</b>	<b>-14</b>	<b>66</b>	<b>50</b>	<b>184</b>
<b>Timing differences:</b>					
Depreciation	511	528	552	615	759
Less: capital cost allowance	572	508	624	538	653
Net difference, depreciation	-61	20	-72	77	107
Natural resources expenses, (books)	1	1	11	8	10
Less: natural resource expenses, (tax)	10	12	10	1	1
Net difference, natural resources expenses	-9	-11	1	7	9
Charitable donations net difference, (books minus tax)	1	-1	1	-1	0
Other timing differences	38	204	63	-24	111
<b>Total, timing differences</b>	<b>-32</b>	<b>212</b>	<b>-7</b>	<b>60</b>	<b>226</b>
<b>Net taxable income</b>	<b>659</b>	<b>955</b>	<b>1,043</b>	<b>1,557</b>	<b>1,833</b>
Plus: current year tax losses	269	216	190	175	141
<b>Current year positive taxable income</b>	<b>927</b>	<b>1,171</b>	<b>1,233</b>	<b>1,732</b>	<b>1,974</b>
Less: prior year losses applied	48	88	102	112	84
<b>Taxable income (tax base)</b>	<b>879</b>	<b>1,083</b>	<b>1,130</b>	<b>1,620</b>	<b>1,890</b>
<b>Taxes:</b>					
Tax otherwise payable	342	419	436	626	721
Surtax	10	12	13	18	21
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	89	109	114	164	189
Small business deduction	52	51	57	67	72
Manufacturing and processing profits deduction	7	10	5	9	11
Investment tax credit	8	7	6	7	8
Other credits	11	29	47	76	89
<b>Net part 1 tax payable</b>	<b>185</b>	<b>225</b>	<b>219</b>	<b>322</b>	<b>373</b>
Other direct federal taxes	4	11	8	3	1
<b>Federal tax payable</b>	<b>189</b>	<b>236</b>	<b>227</b>	<b>324</b>	<b>374</b>
Provincial tax payable	90	108	110	169	193
<b>Total taxes</b>	<b>278</b>	<b>343</b>	<b>337</b>	<b>493</b>	<b>567</b>

**Table 37-3**  
**Farm, construction, forestry, mining and other industrial machinery and equipment and supplies**  
**wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.931	0.893	0.799	0.884	0.873
Profit margin (percent)	3.1	3.3	4.0	4.7	5.3
Return on equity (percent)	2.4	9.3	11.8	16.3	16.0
Return on capital employed (percent)	3.2	6.7	8.3	10.2	10.3
Working capital (ratio)	1.501	1.448	1.476	1.391	1.400
Quick ratio (ratio)	0.755	0.723	0.740	0.729	0.718
Inventory turnover (ratio)	4.734	4.896	5.129	5.269	4.974
Receivables turnover (ratio)	7.075	6.983	7.050	6.783	6.739
Taxes to positive adjusted profit (percent)	28.7	32.8	25.1	27.9	28.3
Income taxes to taxable income (percent)	31.2	30.7	29.1	30.2	29.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	1.0	0.2	7.6	12.2	5.7
Operating expenses, year-over-year change	1.2	0.0	6.8	11.4	5.0
Operating profit, year-over-year change	-5.8	7.4	29.6	32.4	19.8
Taxable income (tax base), year-over-year change	1.3	23.2	4.4	43.3	16.7
Taxes, year-over-year change	-5.5	23.3	-1.7	46.1	15.0

**Table 38-1**  
**Computer, communications and other machinery and equipment wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>21,216</b>	<b>21,747</b>	<b>25,280</b>	<b>25,426</b>	<b>29,258</b>
Cash and deposits	2,161	3,008	3,304	2,384	3,116
Accounts receivable and accrued revenue	6,809	6,568	7,002	7,099	8,105
Inventories	4,060	3,762	3,991	4,218	4,416
Investments	4,140	4,616	5,748	6,036	7,703
Investments and accounts with affiliates	3,411	4,024	5,193	5,400	7,067
Portfolio investments	729	593	555	636	636
Loans	674	703	1,673	1,727	1,815
Mortgages	57	43	60	75	62
Non-mortgages	617	659	1,613	1,652	1,753
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,209	1,881	2,143	2,058	2,198
Other assets	1,163	1,209	1,419	1,905	1,905
<b>Liabilities</b>	<b>13,576</b>	<b>13,565</b>	<b>15,119</b>	<b>15,619</b>	<b>16,885</b>
Accounts payable and accrued liabilities	6,203	6,178	6,376	7,129	7,019
Loans and accounts with affiliates	4,217	4,152	4,957	4,593	5,196
Borrowings	1,925	2,016	2,616	2,286	2,269
Loans and overdrafts	1,551	1,627	1,768	1,704	1,850
From banks	1,210	1,278	1,275	1,364	1,437
From others	340	349	493	339	413
Bankers' acceptances and paper	81	46	23	16	17
Bonds and debentures	64	27	562	218	111
Mortgages	229	316	263	348	291
Deferred income tax	30	0	31	176	128
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,201	1,219	1,139	1,435	2,272
<b>Equity</b>	<b>7,640</b>	<b>8,182</b>	<b>10,161</b>	<b>9,808</b>	<b>12,373</b>
Share capital	3,493	4,188	4,549	4,462	5,147
Contributed surplus and other	911	740	873	719	775
Retained earnings	3,236	3,253	4,739	4,627	6,452
<b>Income statement</b>					
<b>Operating revenue</b>	<b>44,989</b>	<b>44,374</b>	<b>47,015</b>	<b>47,878</b>	<b>53,423</b>
Sales of goods and services	44,609	44,053	46,304	47,470	52,437
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	380	322	711	409	986
<b>Operating expenses</b>	<b>43,748</b>	<b>43,117</b>	<b>45,182</b>	<b>45,986</b>	<b>51,352</b>
Purchased goods, materials and service	36,743	35,651	37,576	38,306	42,882
Wages, salaries and employee benefits	5,838	6,500	6,596	6,812	7,387
Indirect taxes	172	132	106	119	118
Depreciation, depletion and amortization	536	440	458	519	505
Interest expense (operating)	..	..	..	..	..
Other operating expenses	458	394	445	229	460
<b>Operating profit/loss</b>	<b>1,241</b>	<b>1,258</b>	<b>1,833</b>	<b>1,892</b>	<b>2,071</b>
Interest and dividend revenue	173	177	197	263	186
Interest expense on borrowing	248	236	337	372	418
Gains/losses	-228	-50	-14	213	15
<b>Profit before income tax</b>	<b>938</b>	<b>1,149</b>	<b>1,678</b>	<b>1,996</b>	<b>1,854</b>
Income tax	549	536	571	579	648
Equity in affiliates' earnings	34	20	27	-4	69
<b>Profit before extraordinary gains</b>	<b>423</b>	<b>633</b>	<b>1,135</b>	<b>1,413</b>	<b>1,275</b>
Extraordinary gains	11	-34	-64	0	-2
<b>Net profit</b>	<b>434</b>	<b>599</b>	<b>1,071</b>	<b>1,414</b>	<b>1,273</b>

**Table 38-2**  
**Computer, communications and other machinery and equipment wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>434</b>	<b>599</b>	<b>1,071</b>	<b>1,414</b>	<b>1,273</b>
Plus: consolidation adjustments	-30	3	-2	-15	-137
Plus: conceptual adjustments	-82	126	-27	-46	-61
Plus: current taxes, including mining	427	499	528	615	594
Plus: deferred income taxes	-15	13	-11	45	38
Less: profit of tax exempt corporations	0	-1	-1	0	-1
Deductible dividends	159	132	54	52	102
<b>Adjusted profit before taxes</b>	<b>575</b>	<b>1,109</b>	<b>1,505</b>	<b>1,962</b>	<b>1,606</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	6	59	119	233	253
Less: taxable capital gains	21	19	29	101	97
Net difference, capital gains and losses	-14	40	90	132	155
Resource allowance	0	0	0	1	2
Less: royalties	0	0	0	1	2
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-73	-74	-64	-63	-71
<b>Total, exemptions and deductions</b>	<b>-88</b>	<b>-34</b>	<b>25</b>	<b>69</b>	<b>83</b>
<b>Timing differences:</b>					
Depreciation	563	457	559	466	533
Less: capital cost allowance	578	483	709	586	588
Net difference, depreciation	-15	-25	-150	-120	-56
Natural resources expenses, (books)	0	7	1	6	10
Less: natural resource expenses, (tax)	1	1	1	3	2
Net difference, natural resources expenses	0	7	0	3	8
Charitable donations net difference, (books minus tax)	2	2	0	0	0
Other timing differences	388	179	161	-113	560
<b>Total, timing differences</b>	<b>375</b>	<b>162</b>	<b>11</b>	<b>-230</b>	<b>513</b>
<b>Net taxable income</b>	<b>1,038</b>	<b>1,305</b>	<b>1,490</b>	<b>1,663</b>	<b>2,035</b>
Plus: current year tax losses	547	446	422	404	299
<b>Current year positive taxable income</b>	<b>1,585</b>	<b>1,751</b>	<b>1,912</b>	<b>2,067</b>	<b>2,334</b>
Less: prior year losses applied	146	184	184	233	177
<b>Taxable income (tax base)</b>	<b>1,439</b>	<b>1,567</b>	<b>1,728</b>	<b>1,834</b>	<b>2,157</b>
<b>Taxes:</b>					
Tax otherwise payable	560	604	728	705	845
Surtax	16	17	21	20	25
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	147	159	191	185	222
Small business deduction	50	48	54	59	66
Manufacturing and processing profits deduction	4	4	8	10	10
Investment tax credit	25	12	22	32	55
Other credits	22	50	87	93	117
<b>Net part 1 tax payable</b>	<b>328</b>	<b>348</b>	<b>387</b>	<b>346</b>	<b>401</b>
Other direct federal taxes	3	7	7	7	3
<b>Federal tax payable</b>	<b>331</b>	<b>355</b>	<b>394</b>	<b>354</b>	<b>404</b>
Provincial tax payable	158	164	206	198	243
<b>Total taxes</b>	<b>489</b>	<b>519</b>	<b>600</b>	<b>552</b>	<b>647</b>

**Table 38-3**  
**Computer, communications and other machinery and equipment wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.804	0.754	0.745	0.701	0.603
Profit margin (percent)	2.8	2.8	3.9	4.0	3.9
Return on equity (percent)	5.5	7.7	11.2	14.4	10.3
Return on capital employed (percent)	4.4	5.6	7.8	10.2	8.0
Working capital (ratio)	1.499	1.637	1.792	1.544	1.654
Quick ratio (ratio)	1.074	1.225	1.357	1.125	1.235
Inventory turnover (ratio)	11.081	11.794	11.780	11.350	12.098
Receivables turnover (ratio)	6.607	6.757	6.714	6.745	6.591
Taxes to positive adjusted profit (percent)	34.5	30.2	29.5	22.6	26.3
Income taxes to taxable income (percent)	33.8	32.7	34.3	29.7	29.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-9.0	-1.4	6.0	1.8	11.6
Operating expenses, year-over-year change	-9.1	-1.4	4.8	1.8	11.7
Operating profit, year-over-year change	-8.8	1.3	45.7	3.2	9.5
Taxable income (tax base), year-over-year change	-19.4	8.9	10.3	6.1	17.6
Taxes, year-over-year change	-22.8	6.1	15.6	-8.0	17.1

**Table 39-1**  
**Miscellaneous wholesaler-distributors — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>54,666</b>	<b>54,883</b>	<b>64,858</b>	<b>65,515</b>	<b>71,041</b>
Cash and deposits	4,377	4,614	5,788	5,692	6,204
Accounts receivable and accrued revenue	16,107	15,777	16,640	17,031	17,618
Inventories	12,413	12,353	13,134	13,600	14,265
Investments	8,064	7,729	13,985	15,611	17,824
Investments and accounts with affiliates	6,677	6,244	12,008	13,400	15,907
Portfolio investments	1,387	1,486	1,977	2,211	1,917
Loans	626	784	779	560	638
Mortgages	201	232	216	256	272
Non-mortgages	425	552	563	304	366
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	8,390	8,752	9,256	9,237	9,716
Other assets	4,689	4,874	5,277	3,784	4,776
<b>Liabilities</b>	<b>36,086</b>	<b>34,944</b>	<b>41,119</b>	<b>41,076</b>	<b>44,178</b>
Accounts payable and accrued liabilities	16,578	16,880	17,870	18,069	19,239
Loans and accounts with affiliates	9,748	8,505	10,817	10,247	12,082
Borrowings	9,000	8,458	11,317	11,120	10,736
Loans and overdrafts	6,144	5,280	8,369	8,522	8,231
From banks	4,508	4,355	7,328	7,374	7,243
From others	1,636	925	1,041	1,147	988
Bankers' acceptances and paper	597	885	737	154	163
Bonds and debentures	1,360	1,208	1,164	1,406	1,218
Mortgages	900	1,085	1,047	1,038	1,123
Deferred income tax	65	-77	-167	-202	-167
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	695	1,178	1,282	1,842	2,287
<b>Equity</b>	<b>18,580</b>	<b>19,939</b>	<b>23,739</b>	<b>24,439</b>	<b>26,863</b>
Share capital	7,439	7,504	8,671	7,602	8,038
Contributed surplus and other	1,213	1,632	2,113	2,501	1,740
Retained earnings	9,928	10,803	12,955	14,335	17,085
<b>Income statement</b>					
<b>Operating revenue</b>	<b>110,199</b>	<b>115,553</b>	<b>120,997</b>	<b>127,539</b>	<b>130,118</b>
Sales of goods and services	109,360	114,653	119,819	126,530	129,132
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	840	899	1,178	1,008	986
<b>Operating expenses</b>	<b>106,329</b>	<b>111,030</b>	<b>115,780</b>	<b>122,462</b>	<b>124,281</b>
Purchased goods, materials and service	92,232	96,946	101,557	107,093	108,752
Wages, salaries and employee benefits	10,934	11,387	11,627	12,970	12,961
Indirect taxes	381	299	242	268	275
Depreciation, depletion and amortization	1,169	1,171	1,195	1,189	1,204
Interest expense (operating)	..	..	..	..	..
Other operating expenses	1,613	1,227	1,155	938	1,090
<b>Operating profit/loss</b>	<b>3,871</b>	<b>4,522</b>	<b>5,217</b>	<b>5,076</b>	<b>5,836</b>
Interest and dividend revenue	387	324	770	901	869
Interest expense on borrowing	845	827	869	1,012	1,256
Gains/losses	84	175	169	-43	455
<b>Profit before income tax</b>	<b>3,496</b>	<b>4,195</b>	<b>5,287</b>	<b>4,923</b>	<b>5,905</b>
Income tax	1,281	1,291	1,451	1,468	1,705
Equity in affiliates' earnings	73	-19	48	119	38
<b>Profit before extraordinary gains</b>	<b>2,287</b>	<b>2,885</b>	<b>3,885</b>	<b>3,574</b>	<b>4,238</b>
Extraordinary gains	-4	-11	-30	-29	-2
<b>Net profit</b>	<b>2,284</b>	<b>2,874</b>	<b>3,855</b>	<b>3,545</b>	<b>4,236</b>



**Table 39-2**  
**Miscellaneous wholesaler-distributors — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>2,284</b>	<b>2,874</b>	<b>3,855</b>	<b>3,545</b>	<b>4,236</b>
Plus: consolidation adjustments	47	-189	-235	151	12
Plus: conceptual adjustments	-309	290	-99	-41	-6
Plus: current taxes, including mining	1,154	1,394	1,476	1,484	1,683
Plus: deferred income taxes	27	31	-24	5	-18
Less: profit of tax exempt corporations	4	1	15	19	13
Deductible dividends	334	656	643	1,565	694
<b>Adjusted profit before taxes</b>	<b>2,864</b>	<b>3,744</b>	<b>4,315</b>	<b>3,560</b>	<b>5,200</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	395	481	119	163	272
Less: taxable capital gains	51	111	109	92	448
Net difference, capital gains and losses	344	370	9	72	-176
Resource allowance	0	0	0	1	2
Less: royalties	0	0	0	1	1
Net difference, resource allowance	0	0	0	1	1
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-143	-179	-243	-171	-168
<b>Total, exemptions and deductions</b>	<b>201</b>	<b>191</b>	<b>-234</b>	<b>-98</b>	<b>-343</b>
<b>Timing differences:</b>					
Depreciation	1,353	1,179	1,220	1,221	1,221
Less: capital cost allowance	1,088	1,062	1,162	1,149	1,142
Net difference, depreciation	265	117	58	72	79
Natural resources expenses, (books)	1	1	1	2	5
Less: natural resource expenses, (tax)	1	4	3	4	4
Net difference, natural resources expenses	0	-3	-2	-2	0
Charitable donations net difference, (books minus tax)	3	2	-64	-64	2
Other timing differences	131	185	321	1,023	-537
<b>Total, timing differences</b>	<b>399</b>	<b>301</b>	<b>313</b>	<b>1,029</b>	<b>-455</b>
<b>Net taxable income</b>	<b>3,062</b>	<b>3,854</b>	<b>4,862</b>	<b>4,687</b>	<b>5,087</b>
Plus: current year tax losses	908	791	789	883	845
<b>Current year positive taxable income</b>	<b>3,970</b>	<b>4,645</b>	<b>5,651</b>	<b>5,570</b>	<b>5,932</b>
Less: prior year losses applied	268	316	415	421	339
<b>Taxable income (tax base)</b>	<b>3,703</b>	<b>4,329</b>	<b>5,236</b>	<b>5,149</b>	<b>5,592</b>
<b>Taxes:</b>					
Tax otherwise payable	1,462	1,671	2,011	1,975	2,137
Surtax	42	48	58	57	62
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	375	425	513	511	560
Small business deduction	156	152	167	179	190
Manufacturing and processing profits deduction	27	23	27	22	20
Investment tax credit	76	100	94	103	99
Other credits	93	192	313	306	290
<b>Net part 1 tax payable</b>	<b>777</b>	<b>827</b>	<b>955</b>	<b>911</b>	<b>1,039</b>
Other direct federal taxes	13	17	14	9	7
<b>Federal tax payable</b>	<b>790</b>	<b>844</b>	<b>970</b>	<b>921</b>	<b>1,046</b>
Provincial tax payable	388	428	497	542	597
<b>Total taxes</b>	<b>1,178</b>	<b>1,271</b>	<b>1,467</b>	<b>1,463</b>	<b>1,643</b>

**Table 39-3**  
**Miscellaneous wholesaler-distributors — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.009	0.851	0.932	0.874	0.849
Profit margin (percent)	3.5	3.9	4.3	4.0	4.5
Return on equity (percent)	12.3	14.5	16.4	14.6	15.8
Return on capital employed (percent)	7.8	9.5	9.9	9.5	10.5
Working capital (ratio)	1.400	1.433	1.451	1.537	1.492
Quick ratio (ratio)	0.918	0.937	0.964	1.020	0.986
Inventory turnover (ratio)	8.878	9.354	9.213	9.378	9.121
Receivables turnover (ratio)	6.842	7.324	7.271	7.489	7.386
Taxes to positive adjusted profit (percent)	28.1	25.0	27.4	27.2	26.2
Income taxes to taxable income (percent)	31.5	29.0	27.7	28.2	29.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	5.6	4.9	4.7	5.4	2.0
Operating expenses, year-over-year change	5.7	4.4	4.3	5.8	1.5
Operating profit, year-over-year change	2.0	16.8	15.4	-2.7	15.0
Taxable income (tax base), year-over-year change	4.4	16.9	21.0	-1.7	8.6
Taxes, year-over-year change	1.9	7.9	15.4	-0.3	12.4

**Table 40-1**  
**Motor vehicle and parts dealers — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>28,376</b>	<b>30,559</b>	<b>30,619</b>	<b>30,878</b>	<b>31,979</b>
Cash and deposits	1,349	1,566	1,646	1,804	2,055
Accounts receivable and accrued revenue	3,080	3,018	3,109	3,236	3,368
Inventories	15,986	17,374	17,174	17,215	17,830
Investments	1,564	1,831	1,832	1,881	2,135
Investments and accounts with affiliates	1,146	1,368	1,372	1,450	1,585
Portfolio investments	417	464	460	431	551
Loans	187	239	227	230	211
Mortgages	80	114	105	101	105
Non-mortgages	106	125	122	129	107
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	5,510	5,882	5,859	5,740	5,600
Other assets	701	648	771	771	779
<b>Liabilities</b>	<b>22,981</b>	<b>24,934</b>	<b>24,745</b>	<b>24,657</b>	<b>25,186</b>
Accounts payable and accrued liabilities	5,497	5,637	6,229	5,789	6,565
Loans and accounts with affiliates	2,876	3,660	3,748	3,580	3,664
Borrowings	12,512	13,409	12,945	12,942	13,429
Loans and overdrafts	11,501	12,357	11,929	11,877	12,294
From banks	4,861	4,957	4,603	4,742	5,011
From others	6,641	7,400	7,326	7,135	7,283
Bankers' acceptances and paper	81	128	115	144	185
Bonds and debentures	14	34	14	19	20
Mortgages	916	890	888	902	930
Deferred income tax	689	885	514	838	332
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,407	1,343	1,309	1,508	1,196
<b>Equity</b>	<b>5,396</b>	<b>5,625</b>	<b>5,874</b>	<b>6,221</b>	<b>6,792</b>
Share capital	933	922	996	1,060	1,115
Contributed surplus and other	238	187	183	204	203
Retained earnings	4,225	4,516	4,694	4,957	5,474
<b>Income statement</b>					
<b>Operating revenue</b>	<b>92,197</b>	<b>90,587</b>	<b>89,235</b>	<b>92,786</b>	<b>95,063</b>
Sales of goods and services	91,476	89,798	88,553	92,223	94,589
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	721	790	682	563	475
<b>Operating expenses</b>	<b>91,025</b>	<b>89,453</b>	<b>88,293</b>	<b>91,586</b>	<b>93,600</b>
Purchased goods, materials and service	83,708	81,630	80,677	82,289	85,144
Wages, salaries and employee benefits	6,101	6,596	6,481	8,154	7,403
Indirect taxes	185	170	164	201	220
Depreciation, depletion and amortization	778	897	804	803	794
Interest expense (operating)	..	..	..	..	..
Other operating expenses	252	162	160	133	39
<b>Operating profit/loss</b>	<b>1,172</b>	<b>1,134</b>	<b>942</b>	<b>1,200</b>	<b>1,464</b>
Interest and dividend revenue	117	99	98	102	98
Interest expense on borrowing	439	491	485	554	669
Gains/losses	73	71	54	107	217
<b>Profit before income tax</b>	<b>923</b>	<b>813</b>	<b>608</b>	<b>856</b>	<b>1,110</b>
Income tax	239	235	205	238	259
Equity in affiliates' earnings	80	11	170	179	84
<b>Profit before extraordinary gains</b>	<b>765</b>	<b>588</b>	<b>573</b>	<b>797</b>	<b>935</b>
Extraordinary gains	4	7	-1	2	3
<b>Net profit</b>	<b>769</b>	<b>595</b>	<b>572</b>	<b>799</b>	<b>937</b>

**Table 40-2**  
**Motor vehicle and parts dealers — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>769</b>	<b>595</b>	<b>572</b>	<b>799</b>	<b>937</b>
Plus: consolidation adjustments	-1	-1	0	-3	-12
Plus: conceptual adjustments	-39	-56	-19	-103	-90
Plus: current taxes, including mining	228	223	211	266	320
Plus: deferred income taxes	-6	14	-4	-28	-62
Less: profit of tax exempt corporations	0	1	0	0	2
Deductible dividends	23	35	27	25	31
<b>Adjusted profit before taxes</b>	<b>926</b>	<b>738</b>	<b>733</b>	<b>905</b>	<b>1,060</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	99	123	96	130	201
Less: taxable capital gains	31	34	23	45	35
Net difference, capital gains and losses	68	89	73	85	165
Resource allowance	0	0	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-38	-42	-44	-49	-60
<b>Total, exemptions and deductions</b>	<b>30</b>	<b>47</b>	<b>28</b>	<b>36</b>	<b>105</b>
<b>Timing differences:</b>					
Depreciation	919	950	1,011	972	870
Less: capital cost allowance	1,186	1,308	1,239	1,101	935
Net difference, depreciation	-267	-357	-228	-130	-65
Natural resources expenses, (books)	0	0	0	0	1
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	138	330	226	266	256
<b>Total, timing differences</b>	<b>-128</b>	<b>-28</b>	<b>-2</b>	<b>136</b>	<b>192</b>
<b>Net taxable income</b>	<b>768</b>	<b>663</b>	<b>703</b>	<b>1,005</b>	<b>1,147</b>
Plus: current year tax losses	192	299	295	256	239
<b>Current year positive taxable income</b>	<b>960</b>	<b>962</b>	<b>998</b>	<b>1,261</b>	<b>1,385</b>
Less: prior year losses applied	97	82	84	107	77
<b>Taxable income (tax base)</b>	<b>863</b>	<b>880</b>	<b>913</b>	<b>1,154</b>	<b>1,308</b>
<b>Taxes:</b>					
Tax otherwise payable	330	338	350	443	500
Surtax	9	10	10	13	14
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	87	88	92	116	131
Small business deduction	95	87	92	107	112
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	0	0	0	0	2
Other credits	10	15	21	31	40
<b>Net part 1 tax payable</b>	<b>148</b>	<b>157</b>	<b>155</b>	<b>201</b>	<b>230</b>
Other direct federal taxes	5	15	6	4	2
<b>Federal tax payable</b>	<b>154</b>	<b>172</b>	<b>161</b>	<b>205</b>	<b>232</b>
Provincial tax payable	68	68	72	94	109
<b>Total taxes</b>	<b>222</b>	<b>240</b>	<b>233</b>	<b>299</b>	<b>341</b>

**Table 40-3**  
**Motor vehicle and parts dealers — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	2.852	3.034	2.842	2.656	2.516
Profit margin (percent)	1.3	1.3	1.1	1.3	1.5
Return on equity (percent)	14.2	10.5	9.8	12.8	13.8
Return on capital employed (percent)	5.3	4.3	4.2	5.4	6.1
Working capital (ratio)	1.244	1.223	1.246	1.268	1.266
Quick ratio (ratio)	0.300	0.293	0.308	0.322	0.331
Inventory turnover (ratio)	5.768	5.214	5.196	5.390	5.332
Receivables turnover (ratio)	29.933	30.013	28.699	28.676	28.222
Taxes to positive adjusted profit (percent)	19.2	22.8	21.8	24.8	25.1
Income taxes to taxable income (percent)	25.1	25.5	24.8	25.6	25.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	10.6	-1.7	-1.5	4.0	2.5
Operating expenses, year-over-year change	10.6	-1.7	-1.3	3.7	2.2
Operating profit, year-over-year change	16.4	-3.3	-16.9	27.4	21.9
Taxable income (tax base), year-over-year change	27.4	2.0	3.7	26.4	13.3
Taxes, year-over-year change	24.7	8.2	-3.0	28.6	14.0

**Table 41-1**  
**Furniture, home furnishings, electronics and appliance stores — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>10,328</b>	<b>10,909</b>	<b>12,166</b>	<b>12,606</b>	<b>13,353</b>
Cash and deposits	912	1,051	1,152	1,675	1,865
Accounts receivable and accrued revenue	1,640	1,593	1,629	1,447	1,524
Inventories	3,448	3,763	3,721	4,209	4,353
Investments	1,100	1,115	1,055	1,117	1,256
Investments and accounts with affiliates	658	762	658	701	795
Portfolio investments	442	352	398	416	461
Loans	74	88	83	87	93
Mortgages	34	44	47	43	47
Non-mortgages	40	43	37	44	45
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	1,924	2,068	2,554	2,399	2,413
Other assets	1,229	1,232	1,971	1,671	1,850
<b>Liabilities</b>	<b>7,722</b>	<b>8,250</b>	<b>8,996</b>	<b>8,645</b>	<b>8,947</b>
Accounts payable and accrued liabilities	3,470	3,756	3,711	3,799	3,935
Loans and accounts with affiliates	2,389	2,698	3,191	2,632	2,670
Borrowings	1,465	1,324	1,608	1,436	1,428
Loans and overdrafts	1,059	967	1,147	1,075	1,046
From banks	796	755	795	842	798
From others	263	212	352	232	247
Bankers' acceptances and paper	11	17	17	17	38
Bonds and debentures	3	8	3	0	0
Mortgages	392	331	441	344	343
Deferred income tax	-24	-61	-73	-92	-64
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	422	534	560	871	979
<b>Equity</b>	<b>2,606</b>	<b>2,659</b>	<b>3,170</b>	<b>3,961</b>	<b>4,406</b>
Share capital	687	817	1,339	1,212	1,276
Contributed surplus and other	173	148	147	814	842
Retained earnings	1,745	1,693	1,684	1,936	2,287
<b>Income statement</b>					
<b>Operating revenue</b>	<b>23,602</b>	<b>24,033</b>	<b>23,910</b>	<b>25,182</b>	<b>26,737</b>
Sales of goods and services	23,466	23,910	23,822	25,077	26,611
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	136	123	88	105	126
<b>Operating expenses</b>	<b>22,944</b>	<b>23,394</b>	<b>23,238</b>	<b>24,518</b>	<b>25,875</b>
Purchased goods, materials and service	18,807	18,799	18,809	19,754	21,057
Wages, salaries and employee benefits	3,529	3,857	3,751	4,109	4,184
Indirect taxes	112	88	92	107	114
Depreciation, depletion and amortization	303	339	330	390	376
Interest expense (operating)	..	..	..	..	..
Other operating expenses	192	310	254	157	144
<b>Operating profit/loss</b>	<b>658</b>	<b>640</b>	<b>672</b>	<b>664</b>	<b>861</b>
Interest and dividend revenue	34	35	35	49	84
Interest expense on borrowing	242	261	273	310	325
Gains/losses	24	-16	72	83	104
<b>Profit before income tax</b>	<b>474</b>	<b>398</b>	<b>507</b>	<b>486</b>	<b>724</b>
Income tax	169	149	154	156	218
Equity in affiliates' earnings	14	11	22	25	26
<b>Profit before extraordinary gains</b>	<b>319</b>	<b>261</b>	<b>374</b>	<b>355</b>	<b>533</b>
Extraordinary gains	-1	6	0	0	0
<b>Net profit</b>	<b>318</b>	<b>267</b>	<b>374</b>	<b>356</b>	<b>533</b>

**Table 41-2**  
**Furniture, home furnishings, electronics and appliance stores — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>318</b>	<b>267</b>	<b>374</b>	<b>356</b>	<b>533</b>
Plus: consolidation adjustments	5	54	-23	50	22
Plus: conceptual adjustments	-70	-83	-60	-50	-62
Plus: current taxes, including mining	142	160	168	149	177
Plus: deferred income taxes	29	-28	-11	-10	-10
Less: profit of tax exempt corporations	1	0	21	0	1
Deductible dividends	36	91	56	75	86
<b>Adjusted profit before taxes</b>	<b>387</b>	<b>279</b>	<b>370</b>	<b>420</b>	<b>574</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	11	20	33	44	-145
Less: taxable capital gains	12	18	15	25	20
Net difference, capital gains and losses	-1	2	18	19	-165
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-9	-26	-20	-26	-25
<b>Total, exemptions and deductions</b>	<b>-10</b>	<b>-24</b>	<b>-2</b>	<b>-6</b>	<b>-191</b>
<b>Timing differences:</b>					
Depreciation	263	309	304	306	300
Less: capital cost allowance	256	298	290	299	293
Net difference, depreciation	7	11	14	7	8
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	-3	-2	0	1	1
Other timing differences	33	139	69	75	-206
<b>Total, timing differences</b>	<b>37</b>	<b>147</b>	<b>83</b>	<b>82</b>	<b>-198</b>
<b>Net taxable income</b>	<b>435</b>	<b>450</b>	<b>456</b>	<b>509</b>	<b>567</b>
Plus: current year tax losses	228	263	276	230	238
<b>Current year positive taxable income</b>	<b>663</b>	<b>713</b>	<b>731</b>	<b>739</b>	<b>805</b>
Less: prior year losses applied	102	64	65	58	57
<b>Taxable income (tax base)</b>	<b>562</b>	<b>649</b>	<b>666</b>	<b>681</b>	<b>748</b>
<b>Taxes:</b>					
Tax otherwise payable	215	248	256	261	288
Surtax	6	7	7	7	8
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	56	65	67	68	75
Small business deduction	56	52	55	62	66
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	1	1	1	1	1
Other credits	5	14	19	19	22
<b>Net part 1 tax payable</b>	<b>103</b>	<b>123</b>	<b>121</b>	<b>118</b>	<b>132</b>
Other direct federal taxes	1	2	3	3	2
<b>Federal tax payable</b>	<b>104</b>	<b>125</b>	<b>124</b>	<b>121</b>	<b>134</b>
Provincial tax payable	49	53	54	55	59
<b>Total taxes</b>	<b>153</b>	<b>178</b>	<b>178</b>	<b>176</b>	<b>193</b>

**Table 41-3**  
**Furniture, home furnishings, electronics and appliance stores — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.479	1.513	1.514	1.027	0.930
Profit margin (percent)	2.8	2.7	2.8	2.6	3.2
Return on equity (percent)	12.2	9.8	11.8	9.0	12.1
Return on capital employed (percent)	7.8	6.9	7.5	7.5	9.1
Working capital (ratio)	1.266	1.295	1.341	1.454	1.461
Quick ratio (ratio)	0.597	0.589	0.625	0.685	0.702
Inventory turnover (ratio)	6.844	6.387	6.425	5.983	6.143
Receivables turnover (ratio)	14.392	15.084	14.680	17.398	17.546
Taxes to positive adjusted profit (percent)	22.4	26.6	24.5	23.2	23.0
Income taxes to taxable income (percent)	27.0	27.1	26.4	25.5	25.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	6.7	1.8	-0.5	5.3	6.2
Operating expenses, year-over-year change	6.6	2.0	-0.7	5.5	5.5
Operating profit, year-over-year change	10.5	-2.8	5.1	-1.3	29.8
Taxable income (tax base), year-over-year change	-5.7	15.6	2.5	2.2	9.9
Taxes, year-over-year change	-14.8	16.9	-0.3	-1.1	9.7



**Table 42-1**  
**Building material and garden equipment and supplies dealers — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>9,597</b>	<b>10,588</b>	<b>12,125</b>	<b>13,816</b>	<b>14,704</b>
Cash and deposits	732	845	665	662	805
Accounts receivable and accrued revenue	1,418	1,515	1,796	1,968	2,054
Inventories	3,166	3,452	3,835	4,210	4,622
Investments	699	837	1,568	2,083	1,608
Investments and accounts with affiliates	360	460	1,155	1,571	1,008
Portfolio investments	339	377	413	511	599
Loans	80	84	79	92	85
Mortgages	61	62	40	56	54
Non-mortgages	19	22	39	36	31
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	2,974	3,268	3,520	4,007	4,745
Other assets	529	588	662	795	785
<b>Liabilities</b>	<b>6,306</b>	<b>6,688</b>	<b>7,912</b>	<b>8,766</b>	<b>9,294</b>
Accounts payable and accrued liabilities	2,237	2,570	2,996	3,076	3,384
Loans and accounts with affiliates	2,012	1,968	2,299	2,949	3,110
Borrowings	1,713	1,832	1,859	1,983	2,355
Loans and overdrafts	1,278	1,447	1,497	1,595	1,930
From banks	1,006	960	1,098	1,033	1,084
From others	272	486	398	563	846
Bankers' acceptances and paper	22	27	14	13	17
Bonds and debentures	1	0	0	1	1
Mortgages	413	357	348	374	407
Deferred income tax	-1	-19	-21	-38	-26
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	344	338	779	796	471
<b>Equity</b>	<b>3,291</b>	<b>3,900</b>	<b>4,213</b>	<b>5,049</b>	<b>5,410</b>
Share capital	781	868	889	854	1,467
Contributed surplus and other	573	599	591	605	106
Retained earnings	1,937	2,433	2,733	3,590	3,836
<b>Income statement</b>					
<b>Operating revenue</b>	<b>19,034</b>	<b>21,294</b>	<b>23,548</b>	<b>25,453</b>	<b>27,515</b>
Sales of goods and services	18,950	21,205	23,467	25,367	27,431
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	84	89	81	86	84
<b>Operating expenses</b>	<b>18,230</b>	<b>20,158</b>	<b>22,249</b>	<b>23,912</b>	<b>25,847</b>
Purchased goods, materials and service	14,903	16,616	18,413	19,566	21,212
Wages, salaries and employee benefits	2,827	3,052	3,308	3,708	3,834
Indirect taxes	159	104	113	120	136
Depreciation, depletion and amortization	264	313	307	341	403
Interest expense (operating)	..	..	..	..	..
Other operating expenses	77	72	108	175	262
<b>Operating profit/loss</b>	<b>804</b>	<b>1,136</b>	<b>1,299</b>	<b>1,541</b>	<b>1,667</b>
Interest and dividend revenue	31	41	55	43	52
Interest expense on borrowing	167	232	372	266	339
Gains/losses	146	37	54	118	117
<b>Profit before income tax</b>	<b>814</b>	<b>982</b>	<b>1,036</b>	<b>1,437</b>	<b>1,497</b>
Income tax	193	353	305	319	606
Equity in affiliates' earnings	7	18	24	24	31
<b>Profit before extraordinary gains</b>	<b>629</b>	<b>647</b>	<b>755</b>	<b>1,142</b>	<b>921</b>
Extraordinary gains	2	2	-1	1	0
<b>Net profit</b>	<b>630</b>	<b>649</b>	<b>754</b>	<b>1,143</b>	<b>921</b>

**Table 42-2**  
**Building material and garden equipment and supplies dealers — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>630</b>	<b>649</b>	<b>754</b>	<b>1,143</b>	<b>921</b>
Plus: consolidation adjustments	-220	-68	-8	-8	98
Plus: conceptual adjustments	-35	-32	-59	-16	-23
Plus: current taxes, including mining	189	264	330	365	383
Plus: deferred income taxes	-5	2	1	-13	-3
Less: profit of tax exempt corporations	0	0	0	0	0
Deductible dividends	11	126	63	160	168
<b>Adjusted profit before taxes</b>	<b>548</b>	<b>690</b>	<b>956</b>	<b>1,312</b>	<b>1,209</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	40	50	79	126	129
Less: taxable capital gains	15	19	36	55	44
Net difference, capital gains and losses	25	32	43	71	85
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-8	73	-26	-31	-35
<b>Total, exemptions and deductions</b>	<b>16</b>	<b>105</b>	<b>18</b>	<b>40</b>	<b>50</b>
<b>Timing differences:</b>					
Depreciation	274	276	299	341	391
Less: capital cost allowance	248	239	272	308	350
Net difference, depreciation	26	37	27	32	41
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	-36	81	142	-79	77
<b>Total, timing differences</b>	<b>-10</b>	<b>118</b>	<b>169</b>	<b>-47</b>	<b>119</b>
<b>Net taxable income</b>	<b>521</b>	<b>703</b>	<b>1,107</b>	<b>1,225</b>	<b>1,278</b>
Plus: current year tax losses	86	80	82	87	86
<b>Current year positive taxable income</b>	<b>608</b>	<b>783</b>	<b>1,190</b>	<b>1,312</b>	<b>1,364</b>
Less: prior year losses applied	27	38	45	42	43
<b>Taxable income (tax base)</b>	<b>580</b>	<b>745</b>	<b>1,145</b>	<b>1,270</b>	<b>1,322</b>
<b>Taxes:</b>					
Tax otherwise payable	225	291	443	500	512
Surtax	6	8	13	14	15
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	59	76	116	131	134
Small business deduction	44	43	48	55	58
Manufacturing and processing profits deduction	0	1	1	0	1
Investment tax credit	0	0	0	1	1
Other credits	6	18	57	63	65
<b>Net part 1 tax payable</b>	<b>122</b>	<b>161</b>	<b>234</b>	<b>265</b>	<b>269</b>
Other direct federal taxes	4	3	4	2	2
<b>Federal tax payable</b>	<b>126</b>	<b>164</b>	<b>238</b>	<b>267</b>	<b>272</b>
Provincial tax payable	57	77	97	130	131
<b>Total taxes</b>	<b>183</b>	<b>241</b>	<b>336</b>	<b>398</b>	<b>402</b>

**Table 42-3**  
**Building material and garden equipment and supplies dealers — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.132	0.974	0.987	0.977	1.010
Profit margin (percent)	4.2	5.3	5.5	6.1	6.1
Return on equity (percent)	19.1	16.6	17.9	22.6	17.0
Return on capital employed (percent)	10.7	10.5	12.2	13.5	10.6
Working capital (ratio)	1.619	1.536	1.476	1.520	1.521
Quick ratio (ratio)	0.689	0.658	0.608	0.675	0.662
Inventory turnover (ratio)	6.012	6.169	6.141	6.047	5.953
Receivables turnover (ratio)	13.421	14.058	13.110	12.935	13.398
Taxes to positive adjusted profit (percent)	27.8	29.7	31.2	28.1	30.7
Income taxes to taxable income (percent)	30.9	31.9	28.9	31.1	30.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	11.8	11.9	10.6	8.1	8.1
Operating expenses, year-over-year change	11.3	10.6	10.4	7.5	8.1
Operating profit, year-over-year change	25.2	41.3	14.3	18.7	8.2
Taxable income (tax base), year-over-year change	23.8	28.3	53.7	10.9	4.1
Taxes, year-over-year change	18.4	31.7	39.4	18.5	1.2

**Table 43-1**  
**Food and beverage stores — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>29,043</b>	<b>31,256</b>	<b>33,695</b>	<b>34,680</b>	<b>35,686</b>
Cash and deposits	2,310	2,329	2,508	2,817	2,713
Accounts receivable and accrued revenue	1,947	1,905	2,022	2,038	2,243
Inventories	5,794	6,095	6,370	6,604	6,891
Investments	2,143	2,290	3,037	3,026	3,504
Investments and accounts with affiliates	1,505	1,602	2,445	2,391	2,498
Portfolio investments	638	688	592	635	1,006
Loans	223	245	296	200	230
Mortgages	55	60	88	80	94
Non-mortgages	167	185	208	120	135
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	13,040	14,286	15,076	15,649	16,368
Other assets	3,586	4,106	4,386	4,346	3,737
<b>Liabilities</b>	<b>19,918</b>	<b>19,997</b>	<b>21,505</b>	<b>21,630</b>	<b>22,213</b>
Accounts payable and accrued liabilities	8,020	8,191	8,768	8,811	9,372
Loans and accounts with affiliates	2,462	2,519	2,759	2,155	2,090
Borrowings	7,589	8,163	8,769	9,486	9,555
Loans and overdrafts	2,642	2,641	3,111	3,260	3,251
From banks	1,788	1,711	2,228	2,343	2,282
From others	854	930	883	918	969
Bankers' acceptances and paper	536	604	476	791	1,008
Bonds and debentures	3,632	4,142	4,232	4,426	4,303
Mortgages	779	775	950	1,009	992
Deferred income tax	81	273	252	262	243
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	866	851	957	915	952
<b>Equity</b>	<b>10,025</b>	<b>11,259</b>	<b>12,190</b>	<b>13,051</b>	<b>13,473</b>
Share capital	3,631	3,672	3,894	3,928	3,997
Contributed surplus and other	286	312	324	493	531
Retained earnings	6,108	7,275	7,971	8,630	8,946
<b>Income statement</b>					
<b>Operating revenue</b>	<b>93,601</b>	<b>101,513</b>	<b>124,585</b>	<b>128,591</b>	<b>130,480</b>
Sales of goods and services	93,231	101,137	124,241	128,207	130,048
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	370	376	345	385	432
<b>Operating expenses</b>	<b>86,747</b>	<b>94,082</b>	<b>116,722</b>	<b>120,690</b>	<b>122,223</b>
Purchased goods, materials and service	75,395	81,331	103,349	106,505	108,286
Wages, salaries and employee benefits	8,116	10,673	11,084	11,698	11,503
Indirect taxes	305	354	378	346	345
Depreciation, depletion and amortization	1,244	1,322	1,520	1,729	1,676
Interest expense (operating)	..	..	..	..	..
Other operating expenses	1,687	402	388	409	414
<b>Operating profit/loss</b>	<b>6,854</b>	<b>7,431</b>	<b>7,864</b>	<b>7,901</b>	<b>8,257</b>
Interest and dividend revenue	133	65	105	171	151
Interest expense on borrowing	613	625	681	743	727
Gains/losses	155	110	133	101	-674
<b>Profit before income tax</b>	<b>6,529</b>	<b>6,982</b>	<b>7,421</b>	<b>7,431</b>	<b>7,007</b>
Income tax	767	799	757	662	582
Equity in affiliates' earnings	35	23	52	26	91
<b>Profit before extraordinary gains</b>	<b>5,797</b>	<b>6,206</b>	<b>6,716</b>	<b>6,795</b>	<b>6,515</b>
Extraordinary gains	5	2	6	2	0
<b>Net profit</b>	<b>5,802</b>	<b>6,209</b>	<b>6,721</b>	<b>6,797</b>	<b>6,516</b>

**Table 43-2**  
**Food and beverage stores — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>5,802</b>	<b>6,209</b>	<b>6,721</b>	<b>6,797</b>	<b>6,516</b>
Plus: consolidation adjustments	390	953	2,568	1,599	3,363
Plus: conceptual adjustments	-321	-410	-478	-310	-339
Plus: current taxes, including mining	600	746	749	743	529
Plus: deferred income taxes	53	21	35	51	-29
Less: profit of tax exempt corporations	4,247	4,546	4,918	5,193	5,618
Deductible dividends	621	976	2,394	1,320	2,588
<b>Adjusted profit before taxes</b>	<b>1,656</b>	<b>1,996</b>	<b>2,283</b>	<b>2,366</b>	<b>1,833</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	47	43	99	151	120
Less: taxable capital gains	26	26	51	54	38
Net difference, capital gains and losses	22	17	49	97	82
Resource allowance	..	..	..	..	..
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	45	40	192	95	-20
<b>Total, exemptions and deductions</b>	<b>66</b>	<b>57</b>	<b>241</b>	<b>192</b>	<b>62</b>
<b>Timing differences:</b>					
Depreciation	1,005	1,104	1,261	1,260	1,256
Less: capital cost allowance	1,078	1,166	1,329	1,342	1,329
Net difference, depreciation	-72	-61	-68	-82	-73
Natural resources expenses, (books)	1	0	1	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	1	0	1	0	0
Charitable donations net difference, (books minus tax)	-10	0	2	1	-47
Other timing differences	-52	-131	106	-113	36
<b>Total, timing differences</b>	<b>-135</b>	<b>-193</b>	<b>41</b>	<b>-194</b>	<b>-84</b>
<b>Net taxable income</b>	<b>1,455</b>	<b>1,746</b>	<b>2,083</b>	<b>1,981</b>	<b>1,687</b>
Plus: current year tax losses	257	254	284	271	235
<b>Current year positive taxable income</b>	<b>1,713</b>	<b>2,000</b>	<b>2,367</b>	<b>2,252</b>	<b>1,922</b>
Less: prior year losses applied	208	162	132	98	113
<b>Taxable income (tax base)</b>	<b>1,505</b>	<b>1,838</b>	<b>2,236</b>	<b>2,154</b>	<b>1,808</b>
<b>Taxes:</b>					
Tax otherwise payable	584	713	858	837	708
Surtax	17	20	25	24	20
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	153	187	225	219	186
Small business deduction	55	55	58	63	65
Manufacturing and processing profits deduction	4	5	5	5	0
Investment tax credit	0	0	5	1	0
Other credits	19	48	121	118	99
<b>Net part 1 tax payable</b>	<b>368</b>	<b>438</b>	<b>469</b>	<b>454</b>	<b>379</b>
Other direct federal taxes	11	29	33	37	39
<b>Federal tax payable</b>	<b>379</b>	<b>468</b>	<b>502</b>	<b>492</b>	<b>418</b>
Provincial tax payable	182	205	235	237	187
<b>Total taxes</b>	<b>561</b>	<b>673</b>	<b>737</b>	<b>729</b>	<b>605</b>

**Table 43-3**  
**Food and beverage stores — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.003	0.949	0.946	0.892	0.864
Profit margin (percent)	7.3	7.3	6.3	6.1	6.3
Return on equity (percent)	57.8	55.1	55.1	52.1	48.4
Return on capital employed (percent)	31.1	30.4	30.4	29.7	27.9
Working capital (ratio)	1.056	1.080	1.052	1.119	1.133
Quick ratio (ratio)	0.483	0.483	0.382	0.421	0.432
Inventory turnover (ratio)	16.155	16.654	19.559	19.470	18.935
Receivables turnover (ratio)	48.081	53.297	61.616	63.092	58.171
Taxes to positive adjusted profit (percent)	27.2	29.1	27.8	27.1	28.1
Income taxes to taxable income (percent)	36.5	35.0	31.5	32.1	31.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	15.7	8.5	22.7	3.2	1.5
Operating expenses, year-over-year change	16.4	8.5	24.1	3.4	1.3
Operating profit, year-over-year change	7.1	8.4	5.8	0.5	4.5
Taxable income (tax base), year-over-year change	45.4	22.1	21.6	-3.6	-16.1
Taxes, year-over-year change	33.9	20.0	9.5	-1.1	-17.0

**Table 44-1**  
**Gasoline stations — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>3,255</b>	<b>3,649</b>	<b>3,808</b>	<b>4,108</b>	<b>4,461</b>
Cash and deposits	331	392	409	458	537
Accounts receivable and accrued revenue	277	337	342	402	447
Inventories	491	515	558	578	604
Investments	373	440	441	463	491
Investments and accounts with affiliates	230	249	236	282	284
Portfolio investments	142	192	205	182	206
Loans	47	65	74	59	74
Mortgages	30	48	55	40	51
Non-mortgages	17	17	19	19	22
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	1,586	1,741	1,797	1,943	2,051
Other assets	150	159	186	204	257
<b>Liabilities</b>	<b>2,212</b>	<b>2,426</b>	<b>2,556</b>	<b>2,745</b>	<b>2,945</b>
Accounts payable and accrued liabilities	591	669	709	764	838
Loans and accounts with affiliates	726	821	892	1,006	990
Borrowings	809	822	871	892	982
Loans and overdrafts	412	433	476	494	567
From banks	265	293	319	330	369
From others	147	140	157	164	198
Bankers' acceptances and paper	0	0	1	0	0
Bonds and debentures	2	6	2	2	0
Mortgages	395	383	392	397	414
Deferred income tax	8	20	-16	-14	-5
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	78	94	101	96	141
<b>Equity</b>	<b>1,044</b>	<b>1,224</b>	<b>1,251</b>	<b>1,364</b>	<b>1,515</b>
Share capital	232	299	272	286	412
Contributed surplus and other	66	76	104	97	106
Retained earnings	746	849	876	981	998
<b>Income statement</b>					
<b>Operating revenue</b>	<b>13,851</b>	<b>15,519</b>	<b>16,412</b>	<b>18,411</b>	<b>20,064</b>
Sales of goods and services	13,778	15,433	16,329	18,327	19,974
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	74	86	83	84	90
<b>Operating expenses</b>	<b>13,632</b>	<b>15,305</b>	<b>16,219</b>	<b>18,053</b>	<b>19,631</b>
Purchased goods, materials and service	12,071	13,555	14,330	16,154	17,727
Wages, salaries and employee benefits	1,306	1,417	1,505	1,605	1,594
Indirect taxes	55	114	122	63	67
Depreciation, depletion and amortization	149	174	191	180	186
Interest expense (operating)	..	..	..	..	..
Other operating expenses	51	45	71	49	57
<b>Operating profit/loss</b>	<b>219</b>	<b>214</b>	<b>193</b>	<b>358</b>	<b>433</b>
Interest and dividend revenue	24	33	30	33	47
Interest expense on borrowing	111	123	125	135	157
Gains/losses	-1	35	37	45	65
<b>Profit before income tax</b>	<b>132</b>	<b>159</b>	<b>135</b>	<b>301</b>	<b>387</b>
Income tax	40	47	42	60	71
Equity in affiliates' earnings	2	5	2	5	4
<b>Profit before extraordinary gains</b>	<b>93</b>	<b>117</b>	<b>95</b>	<b>246</b>	<b>320</b>
Extraordinary gains	2	-5	3	0	0
<b>Net profit</b>	<b>95</b>	<b>112</b>	<b>99</b>	<b>246</b>	<b>320</b>

**Table 44-2**  
**Gasoline stations — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>95</b>	<b>112</b>	<b>99</b>	<b>246</b>	<b>320</b>
Plus: consolidation adjustments	0	0	0	1	-21
Plus: conceptual adjustments	4	-18	1	-6	0
Plus: current taxes, including mining	41	57	43	50	50
Plus: deferred income taxes	1	1	-10	2	0
Less: profit of tax exempt corporations	0	-1	-1	-2	0
Deductible dividends	3	4	6	4	6
<b>Adjusted profit before taxes</b>	<b>139</b>	<b>149</b>	<b>128</b>	<b>291</b>	<b>342</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	42	46	45	50	67
Less: taxable capital gains	9	15	15	19	20
Net difference, capital gains and losses	33	31	30	31	48
Resource allowance	1	2	1	2	2
Less: royalties	1	3	1	3	2
Net difference, resource allowance	0	-1	0	0	0
Earned depletion allowance	..	0	0	0	0
Other exemptions and deductions	11	19	23	27	38
<b>Total, exemptions and deductions</b>	<b>43</b>	<b>49</b>	<b>53</b>	<b>58</b>	<b>85</b>
<b>Timing differences:</b>					
Depreciation	141	165	176	179	169
Less: capital cost allowance	128	152	155	162	143
Net difference, depreciation	13	13	21	17	26
Natural resources expenses, (books)	3	4	4	6	6
Less: natural resource expenses, (tax)	1	4	4	9	10
Net difference, natural resources expenses	1	-1	0	-3	-4
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	31	59	66	-64	-87
<b>Total, timing differences</b>	<b>46</b>	<b>72</b>	<b>88</b>	<b>-51</b>	<b>-65</b>
<b>Net taxable income</b>	<b>141</b>	<b>172</b>	<b>163</b>	<b>182</b>	<b>192</b>
Plus: current year tax losses	68	67	72	72	68
<b>Current year positive taxable income</b>	<b>209</b>	<b>240</b>	<b>235</b>	<b>254</b>	<b>260</b>
Less: prior year losses applied	23	24	25	23	24
<b>Taxable income (tax base)</b>	<b>187</b>	<b>216</b>	<b>210</b>	<b>230</b>	<b>236</b>
<b>Taxes:</b>					
Tax otherwise payable	72	84	81	89	91
Surtax	2	2	2	2	2
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	19	22	21	23	24
Small business deduction	22	23	24	25	27
Manufacturing and processing profits deduction	1	0	0	0	0
Investment tax credit	0	0	0	0	0
Other credits	1	2	2	3	3
<b>Net part 1 tax payable</b>	<b>31</b>	<b>39</b>	<b>36</b>	<b>40</b>	<b>39</b>
Other direct federal taxes	1	1	1	1	1
<b>Federal tax payable</b>	<b>32</b>	<b>40</b>	<b>37</b>	<b>41</b>	<b>40</b>
Provincial tax payable	15	16	16	18	17
<b>Total taxes</b>	<b>47</b>	<b>56</b>	<b>53</b>	<b>58</b>	<b>57</b>



**Table 44-3**  
**Gasoline stations — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.471	1.342	1.408	1.392	1.301
Profit margin (percent)	1.6	1.4	1.2	1.9	2.2
Return on equity (percent)	8.9	9.6	7.6	18.0	21.1
Return on capital employed (percent)	7.1	7.6	6.5	11.0	12.9
Working capital (ratio)	1.272	1.245	1.219	1.263	1.260
Quick ratio (ratio)	0.779	0.801	0.769	0.819	0.839
Inventory turnover (ratio)	28.183	30.105	29.411	31.839	33.219
Receivables turnover (ratio)	49.928	46.073	47.929	45.766	44.855
Taxes to positive adjusted profit (percent)	20.0	17.7	16.8	15.6	13.5
Income taxes to taxable income (percent)	24.6	25.5	24.9	25.0	23.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-4.5	12.0	5.8	12.2	9.0
Operating expenses, year-over-year change	-4.6	12.3	6.0	11.3	8.7
Operating profit, year-over-year change	3.1	-2.2	-9.9	85.2	21.0
Taxable income (tax base), year-over-year change	-1.2	15.8	-2.8	9.7	2.6
Taxes, year-over-year change	-15.5	20.5	-5.1	9.6	-2.5

**Table 45-1**  
**Clothing, department and other general merchandise stores — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>34,879</b>	<b>35,835</b>	<b>37,742</b>	<b>40,676</b>	<b>42,613</b>
Cash and deposits	1,810	2,604	2,482	4,525	4,211
Accounts receivable and accrued revenue	3,824	3,302	3,534	1,858	1,607
Inventories	13,607	13,723	13,812	14,786	14,828
Investments	3,371	3,675	4,528	4,699	6,942
Investments and accounts with affiliates	2,680	3,050	3,660	3,941	6,119
Portfolio investments	691	624	868	758	823
Loans	210	155	163	179	206
Mortgages	77	79	71	78	78
Non-mortgages	132	76	91	100	127
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	9,600	10,127	10,428	11,365	12,474
Other assets	2,457	2,250	2,796	3,265	2,346
<b>Liabilities</b>	<b>22,136</b>	<b>22,280</b>	<b>23,141</b>	<b>25,431</b>	<b>27,121</b>
Accounts payable and accrued liabilities	10,474	10,467	10,821	11,497	12,524
Loans and accounts with affiliates	4,182	4,538	5,523	5,937	6,566
Borrowings	6,959	6,425	6,196	6,849	7,332
Loans and overdrafts	3,869	3,714	3,675	4,228	4,801
From banks	2,343	2,266	2,148	2,228	2,690
From others	1,526	1,449	1,527	2,000	2,112
Bankers' acceptances and paper	466	191	166	212	832
Bonds and debentures	2,072	1,956	1,772	1,821	1,107
Mortgages	551	564	583	589	591
Deferred income tax	54	266	-23	-70	-140
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	467	584	624	1,218	839
<b>Equity</b>	<b>12,743</b>	<b>13,555</b>	<b>14,601</b>	<b>15,245</b>	<b>15,493</b>
Share capital	6,954	7,783	8,406	7,880	7,616
Contributed surplus and other	530	575	640	1,056	868
Retained earnings	5,258	5,198	5,554	6,310	7,009
<b>Income statement</b>					
<b>Operating revenue</b>	<b>70,082</b>	<b>70,508</b>	<b>73,884</b>	<b>77,837</b>	<b>80,727</b>
Sales of goods and services	68,854	69,342	72,657	76,985	80,076
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,229	1,166	1,227	852	651
<b>Operating expenses</b>	<b>68,158</b>	<b>68,777</b>	<b>71,829</b>	<b>74,998</b>	<b>77,123</b>
Purchased goods, materials and service	55,323	56,437	57,941	60,436	62,462
Wages, salaries and employee benefits	9,850	9,853	10,843	11,519	12,170
Indirect taxes	549	508	530	590	570
Depreciation, depletion and amortization	1,263	1,286	1,302	1,444	1,539
Interest expense (operating)	..	..	..	..	..
Other operating expenses	1,174	692	1,205	1,001	381
<b>Operating profit/loss</b>	<b>1,924</b>	<b>1,731</b>	<b>2,055</b>	<b>2,839</b>	<b>3,604</b>
Interest and dividend revenue	504	533	561	398	261
Interest expense on borrowing	707	779	760	787	905
Gains/losses	-202	31	205	914	130
<b>Profit before income tax</b>	<b>1,518</b>	<b>1,516</b>	<b>2,062</b>	<b>3,365</b>	<b>3,091</b>
Income tax	547	634	834	829	1,012
Equity in affiliates' earnings	1	44	391	36	24
<b>Profit before extraordinary gains</b>	<b>972</b>	<b>926</b>	<b>1,619</b>	<b>2,571</b>	<b>2,103</b>
Extraordinary gains	11	4	-1	66	2
<b>Net profit</b>	<b>983</b>	<b>930</b>	<b>1,618</b>	<b>2,637</b>	<b>2,105</b>

**Table 45-2**  
**Clothing, department and other general merchandise stores — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>983</b>	<b>930</b>	<b>1,618</b>	<b>2,637</b>	<b>2,105</b>
Plus: consolidation adjustments	-30	182	234	1,456	133
Plus: conceptual adjustments	7	51	-3	-228	-48
Plus: current taxes, including mining	545	305	888	959	1,195
Plus: deferred income taxes	75	291	-41	-54	-63
Less: profit of tax exempt corporations	2	-1	0	0	9
Deductible dividends	86	370	156	2,243	798
<b>Adjusted profit before taxes</b>	<b>1,491</b>	<b>1,389</b>	<b>2,540</b>	<b>2,528</b>	<b>2,515</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	34	-41	239	884	879
Less: taxable capital gains	51	33	17	458	450
Net difference, capital gains and losses	-17	-74	223	427	430
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-143	-6	14	-27	-27
<b>Total, exemptions and deductions</b>	<b>-160</b>	<b>-80</b>	<b>237</b>	<b>400</b>	<b>403</b>
<b>Timing differences:</b>					
Depreciation	1,175	1,240	1,342	1,418	1,493
Less: capital cost allowance	1,158	1,265	1,323	1,243	1,251
Net difference, depreciation	17	-25	19	175	242
Natural resources expenses, (books)	0	0	1	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	1	5	-2	0	0
Other timing differences	412	-539	16	251	806
<b>Total, timing differences</b>	<b>431</b>	<b>-558</b>	<b>33</b>	<b>426</b>	<b>1,048</b>
<b>Net taxable income</b>	<b>2,081</b>	<b>910</b>	<b>2,336</b>	<b>2,554</b>	<b>3,160</b>
Plus: current year tax losses	562	538	579	559	520
<b>Current year positive taxable income</b>	<b>2,643</b>	<b>1,448</b>	<b>2,915</b>	<b>3,113</b>	<b>3,680</b>
Less: prior year losses applied	990	216	333	444	478
<b>Taxable income (tax base)</b>	<b>1,653</b>	<b>1,232</b>	<b>2,583</b>	<b>2,669</b>	<b>3,202</b>
<b>Taxes:</b>					
Tax otherwise payable	623	469	980	1,036	1,238
Surtax	15	12	26	30	36
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	139	115	237	270	323
Small business deduction	72	68	73	82	90
Manufacturing and processing profits deduction	5	3	1	1	1
Investment tax credit	0	0	0	1	0
Other credits	14	27	125	151	185
<b>Net part 1 tax payable</b>	<b>409</b>	<b>268</b>	<b>570</b>	<b>560</b>	<b>674</b>
Other direct federal taxes	11	27	18	11	8
<b>Federal tax payable</b>	<b>420</b>	<b>295</b>	<b>588</b>	<b>571</b>	<b>682</b>
Provincial tax payable	144	104	226	301	361
<b>Total taxes</b>	<b>564</b>	<b>399</b>	<b>814</b>	<b>872</b>	<b>1,043</b>

**Table 45-3**  
**Clothing, department and other general merchandise stores — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.874	0.809	0.803	0.839	0.897
Profit margin (percent)	2.7	2.5	2.8	3.6	4.5
Return on equity (percent)	7.6	6.8	11.1	16.9	13.6
Return on capital employed (percent)	6.4	6.2	8.3	11.3	9.5
Working capital (ratio)	1.413	1.375	1.373	1.334	1.201
Quick ratio (ratio)	0.482	0.454	0.475	0.447	0.384
Inventory turnover (ratio)	5.150	5.138	5.349	5.264	5.444
Receivables turnover (ratio)	18.325	21.355	20.908	41.902	50.238
Taxes to positive adjusted profit (percent)	25.8	18.1	25.6	25.2	29.9
Income taxes to taxable income (percent)	33.4	30.2	30.8	32.3	32.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	3.6	0.6	4.8	5.4	3.7
Operating expenses, year-over-year change	3.3	0.9	4.4	4.4	2.8
Operating profit, year-over-year change	17.0	-10.0	18.7	38.2	26.9
Taxable income (tax base), year-over-year change	-5.5	-25.5	109.7	3.3	20.0
Taxes, year-over-year change	-9.4	-29.3	104.2	7.1	19.6

**Table 46-1**  
**Miscellaneous retailers — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>14,348</b>	<b>14,352</b>	<b>14,676</b>	<b>19,008</b>	<b>20,870</b>
Cash and deposits	1,582	1,585	1,836	2,036	2,255
Accounts receivable and accrued revenue	1,833	2,045	1,810	2,190	2,454
Inventories	4,817	4,711	4,891	5,587	5,930
Investments	2,128	1,911	1,712	1,805	2,176
Investments and accounts with affiliates	1,469	1,213	1,015	1,081	1,331
Portfolio investments	659	698	697	723	845
Loans	157	207	234	273	288
Mortgages	69	77	84	90	105
Non-mortgages	88	129	149	183	184
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	3,038	2,958	3,042	3,916	4,121
Other assets	793	934	1,152	3,200	3,645
<b>Liabilities</b>	<b>9,534</b>	<b>9,037</b>	<b>10,457</b>	<b>12,138</b>	<b>12,802</b>
Accounts payable and accrued liabilities	3,870	3,980	4,043	4,651	4,973
Loans and accounts with affiliates	2,999	2,809	3,002	3,380	3,611
Borrowings	2,364	2,515	2,911	3,223	3,262
Loans and overdrafts	1,621	1,827	2,250	1,804	2,040
From banks	1,229	1,432	1,810	1,321	1,497
From others	393	396	440	483	543
Bankers' acceptances and paper	116	70	5	494	556
Bonds and debentures	68	29	49	342	56
Mortgages	559	589	607	584	610
Deferred income tax	-39	-26	-14	-47	-18
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	341	-242	515	932	974
<b>Equity</b>	<b>4,813</b>	<b>5,315</b>	<b>4,219</b>	<b>6,870</b>	<b>8,068</b>
Share capital	1,726	1,352	1,109	2,458	2,609
Contributed surplus and other	236	248	309	478	415
Retained earnings	2,851	3,715	2,801	3,934	5,044
<b>Income statement</b>					
<b>Operating revenue</b>	<b>34,946</b>	<b>37,107</b>	<b>38,905</b>	<b>43,447</b>	<b>45,305</b>
Sales of goods and services	34,705	36,880	38,706	43,094	44,965
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	241	226	199	354	339
<b>Operating expenses</b>	<b>33,926</b>	<b>35,628</b>	<b>37,449</b>	<b>41,384</b>	<b>42,744</b>
Purchased goods, materials and service	27,944	28,721	30,158	32,984	34,588
Wages, salaries and employee benefits	5,076	5,925	6,291	7,201	6,967
Indirect taxes	153	208	213	254	232
Depreciation, depletion and amortization	493	458	474	596	643
Interest expense (operating)	..	..	..	..	..
Other operating expenses	259	316	311	346	314
<b>Operating profit/loss</b>	<b>1,021</b>	<b>1,479</b>	<b>1,456</b>	<b>2,064</b>	<b>2,561</b>
Interest and dividend revenue	73	73	77	83	121
Interest expense on borrowing	288	298	331	381	426
Gains/losses	34	77	104	126	153
<b>Profit before income tax</b>	<b>840</b>	<b>1,331</b>	<b>1,306</b>	<b>1,892</b>	<b>2,408</b>
Income tax	296	364	352	523	786
Equity in affiliates' earnings	16	20	43	25	35
<b>Profit before extraordinary gains</b>	<b>560</b>	<b>986</b>	<b>997</b>	<b>1,395</b>	<b>1,658</b>
Extraordinary gains	6	3	-2	3	2
<b>Net profit</b>	<b>566</b>	<b>990</b>	<b>995</b>	<b>1,397</b>	<b>1,659</b>

**Table 46-2**  
**Miscellaneous retailers — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>566</b>	<b>990</b>	<b>995</b>	<b>1,397</b>	<b>1,659</b>
Plus: consolidation adjustments	26	-323	-211	161	51
Plus: conceptual adjustments	46	-33	-6	-329	-4
Plus: current taxes, including mining	280	272	305	454	776
Plus: deferred income taxes	5	8	7	15	50
Less: profit of tax exempt corporations	2	4	1	365	420
Deductible dividends	136	44	59	47	56
<b>Adjusted profit before taxes</b>	<b>785</b>	<b>865</b>	<b>1,030</b>	<b>1,285</b>	<b>2,057</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	63	58	80	115	154
Less: taxable capital gains	25	22	24	39	36
Net difference, capital gains and losses	38	36	57	76	117
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	5	-7	16	-362	-410
<b>Total, exemptions and deductions</b>	<b>43</b>	<b>29</b>	<b>73</b>	<b>-286</b>	<b>-292</b>
<b>Timing differences:</b>					
Depreciation	480	453	469	575	645
Less: capital cost allowance	436	427	448	569	479
Net difference, depreciation	44	26	21	6	166
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	1	0
Other timing differences	163	-6	83	-25	-1,106
<b>Total, timing differences</b>	<b>208</b>	<b>20</b>	<b>104</b>	<b>-18</b>	<b>-941</b>
<b>Net taxable income</b>	<b>950</b>	<b>856</b>	<b>1,061</b>	<b>1,554</b>	<b>1,409</b>
Plus: current year tax losses	366	365	366	303	311
<b>Current year positive taxable income</b>	<b>1,316</b>	<b>1,221</b>	<b>1,427</b>	<b>1,857</b>	<b>1,720</b>
Less: prior year losses applied	229	101	105	107	93
<b>Taxable income (tax base)</b>	<b>1,087</b>	<b>1,120</b>	<b>1,322</b>	<b>1,750</b>	<b>1,627</b>
<b>Taxes:</b>					
Tax otherwise payable	417	429	517	674	623
Surtax	11	12	14	19	18
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	109	112	135	176	163
Small business deduction	117	111	121	129	140
Manufacturing and processing profits deduction	1	1	2	0	0
Investment tax credit	0	0	0	1	1
Other credits	7	15	34	64	50
<b>Net part 1 tax payable</b>	<b>196</b>	<b>202</b>	<b>239</b>	<b>324</b>	<b>287</b>
Other direct federal taxes	3	4	6	5	6
<b>Federal tax payable</b>	<b>199</b>	<b>206</b>	<b>245</b>	<b>328</b>	<b>292</b>
Provincial tax payable	93	89	103	167	140
<b>Total taxes</b>	<b>291</b>	<b>295</b>	<b>348</b>	<b>496</b>	<b>433</b>

**Table 46-3**  
**Miscellaneous retailers — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.114	1.002	1.402	0.961	0.852
Profit margin (percent)	2.9	4.0	3.7	4.7	5.7
Return on equity (percent)	11.6	18.6	23.6	20.3	20.5
Return on capital employed (percent)	7.7	11.5	12.5	12.5	13.3
Working capital (ratio)	1.516	1.450	1.456	1.443	1.449
Quick ratio (ratio)	0.720	0.705	0.701	0.699	0.722
Inventory turnover (ratio)	7.255	7.877	7.955	7.776	7.640
Receivables turnover (ratio)	19.066	18.141	21.495	19.838	18.463
Taxes to positive adjusted profit (percent)	23.6	22.2	23.8	29.8	17.9
Income taxes to taxable income (percent)	26.5	26.0	25.9	28.0	26.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	5.0	6.2	4.8	11.7	4.3
Operating expenses, year-over-year change	4.7	5.0	5.1	10.5	3.3
Operating profit, year-over-year change	16.4	44.9	-1.5	41.7	24.1
Taxable income (tax base), year-over-year change	-1.1	3.1	18.0	32.4	-7.0
Taxes, year-over-year change	1.1	1.2	18.2	42.3	-12.7

**Table 47-1**  
**Air transportation — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>13,630</b>	<b>13,221</b>	<b>16,491</b>	<b>18,489</b>	<b>20,222</b>
Cash and deposits	1,135	1,345	2,234	2,880	4,013
Accounts receivable and accrued revenue	1,291	1,106	1,166	1,247	1,423
Inventories	618	459	536	605	649
Investments	1,196	1,111	1,280	623	607
Investments and accounts with affiliates	991	562	508	551	535
Portfolio investments	205	549	773	72	72
Loans	1,594	1,544	42	31	37
Mortgages	8	8	15	15	13
Non-mortgages	1,587	1,536	26	15	24
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	5,232	5,210	7,715	9,214	10,794
Other assets	2,564	2,446	3,517	3,890	2,700
<b>Liabilities</b>	<b>14,001</b>	<b>15,550</b>	<b>14,515</b>	<b>15,372</b>	<b>15,864</b>
Accounts payable and accrued liabilities	2,381	2,352	2,133	2,259	2,920
Loans and accounts with affiliates	1,452	1,351	1,336	820	990
Borrowings	6,301	6,965	4,904	6,160	6,897
Loans and overdrafts	1,859	1,974	4,709	5,735	6,439
From banks	1,032	1,140	1,606	1,777	2,143
From others	827	834	3,103	3,958	4,296
Bankers' acceptances and paper	0	14	15	16	1
Bonds and debentures	4,191	4,828	23	268	288
Mortgages	251	149	156	141	170
Deferred income tax	271	291	517	570	-377
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	3,595	4,591	5,626	5,563	5,433
<b>Equity</b>	<b>-371</b>	<b>-2,328</b>	<b>1,975</b>	<b>3,117</b>	<b>4,358</b>
Share capital	1,925	1,924	3,089	1,919	1,955
Contributed surplus and other	89	75	163	321	938
Retained earnings	-2,385	-4,327	-1,276	877	1,466
<b>Income statement</b>					
<b>Operating revenue</b>	<b>14,834</b>	<b>13,900</b>	<b>15,621</b>	<b>16,843</b>	<b>17,921</b>
Sales of goods and services	14,705	13,758	15,564	16,706	17,807
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	129	142	58	137	114
<b>Operating expenses</b>	<b>14,612</b>	<b>14,435</b>	<b>15,640</b>	<b>15,795</b>	<b>16,843</b>
Purchased goods, materials and service	10,147	9,695	11,060	11,237	11,979
Wages, salaries and employee benefits	3,729	3,678	3,774	3,693	3,882
Indirect taxes	76	82	48	42	38
Depreciation, depletion and amortization	641	646	739	802	910
Interest expense (operating)	..	..	..	..	..
Other operating expenses	19	335	17	20	34
<b>Operating profit/loss</b>	<b>222</b>	<b>-535</b>	<b>-18</b>	<b>1,048</b>	<b>1,078</b>
Interest and dividend revenue	81	85	91	114	169
Interest expense on borrowing	370	421	377	476	494
Gains/losses	-37	-259	-265	435	422
<b>Profit before income tax</b>	<b>-104</b>	<b>-1,130</b>	<b>-570</b>	<b>1,121</b>	<b>1,175</b>
Income tax	43	69	50	605	-178
Equity in affiliates' earnings	13	15	20	21	14
<b>Profit before extraordinary gains</b>	<b>-133</b>	<b>-1,184</b>	<b>-600</b>	<b>537</b>	<b>1,367</b>
Extraordinary gains	-31	0	2	1	0
<b>Net profit</b>	<b>-164</b>	<b>-1,184</b>	<b>-598</b>	<b>539</b>	<b>1,367</b>



**Table 47-2**  
**Air transportation — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-164</b>	<b>-1,184</b>	<b>-598</b>	<b>539</b>	<b>1,367</b>
Plus: consolidation adjustments	-1,156	11	21	238	-547
Plus: conceptual adjustments	69	2	-75	-181	-588
Plus: current taxes, including mining	26	55	59	51	67
Plus: deferred income taxes	186	393	-19	141	-49
Less: profit of tax exempt corporations	-1	0	-1	0	36
Deductible dividends	158	64	61	266	61
<b>Adjusted profit before taxes</b>	<b>-1,197</b>	<b>-788</b>	<b>-671</b>	<b>523</b>	<b>152</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	81	55	41	41	68
Less: taxable capital gains	196	21	19	47	62
Net difference, capital gains and losses	-115	34	22	-6	5
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-154	-220	-212	-466	-426
<b>Total, exemptions and deductions</b>	<b>-269</b>	<b>-186</b>	<b>-190</b>	<b>-472</b>	<b>-421</b>
<b>Timing differences:</b>					
Depreciation	666	597	650	476	630
Less: capital cost allowance	348	301	195	210	879
Net difference, depreciation	318	297	455	265	-249
Natural resources expenses, (books)	2	3	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	2	3	0	0	0
Charitable donations net difference, (books minus tax)	0	2	1	-2	0
Other timing differences	-556	461	-1,573	-558	-308
<b>Total, timing differences</b>	<b>-237</b>	<b>761</b>	<b>-1,116</b>	<b>-294</b>	<b>-556</b>
<b>Net taxable income</b>	<b>-1,164</b>	<b>159</b>	<b>-1,598</b>	<b>700</b>	<b>17</b>
Plus: current year tax losses	1,338	231	1,777	159	1,207
<b>Current year positive taxable income</b>	<b>173</b>	<b>390</b>	<b>180</b>	<b>859</b>	<b>1,224</b>
Less: prior year losses applied	70	304	58	713	997
<b>Taxable income (tax base)</b>	<b>103</b>	<b>87</b>	<b>122</b>	<b>145</b>	<b>226</b>
<b>Taxes:</b>					
Tax otherwise payable	48	34	47	57	88
Surtax	1	1	1	2	3
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	13	9	12	15	23
Small business deduction	5	4	5	5	7
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	1	0	3	0	1
Other credits	1	3	7	8	13
<b>Net part 1 tax payable</b>	<b>30</b>	<b>18</b>	<b>21</b>	<b>30</b>	<b>47</b>
Other direct federal taxes	2	8	11	8	1
<b>Federal tax payable</b>	<b>31</b>	<b>26</b>	<b>33</b>	<b>38</b>	<b>48</b>
Provincial tax payable	14	8	13	16	24
<b>Total taxes</b>	<b>45</b>	<b>34</b>	<b>46</b>	<b>54</b>	<b>72</b>

**Table 47-3**  
**Air transportation — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.000	0.000	3.159	2.239	1.810
Profit margin (percent)	1.5	-3.8	-0.1	6.2	6.0
Return on equity (percent)	0.0	0.0	-30.4	17.2	31.4
Return on capital employed (percent)	2.4	-13.9	-3.4	8.1	14.5
Working capital (ratio)	0.973	1.001	1.264	1.453	1.430
Quick ratio (ratio)	0.801	0.863	1.103	1.275	1.285
Inventory turnover (ratio)	23.997	30.257	29.151	27.834	27.616
Receivables turnover (ratio)	11.489	12.570	13.394	13.512	12.595
Taxes to positive adjusted profit (percent)	12.3	6.3	9.5	7.7	16.0
Income taxes to taxable income (percent)	42.3	30.8	28.4	31.7	31.3
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	4.2	-6.3	12.4	7.8	6.4
Operating expenses, year-over-year change	-1.3	-1.2	8.3	1.0	6.6
Operating profit, year-over-year change	139.0	-340.9	96.6	5,807.4	2.8
Taxable income (tax base), year-over-year change	-5.0	-16.2	40.8	19.2	55.9
Taxes, year-over-year change	-12.4	-23.8	32.9	17.5	33.9

**Table 48-1**  
**Rail, truck, water and other transportation — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>55,493</b>	<b>55,276</b>	<b>58,016</b>	<b>59,677</b>	<b>65,508</b>
Cash and deposits	1,863	1,960	2,583	3,338	3,125
Accounts receivable and accrued revenue	6,859	6,912	8,168	7,679	8,519
Inventories	650	662	678	713	825
Investments	9,445	8,436	9,053	8,547	9,565
Investments and accounts with affiliates	8,115	7,127	7,761	7,351	7,802
Portfolio investments	1,330	1,308	1,292	1,196	1,763
Loans	231	255	271	290	343
Mortgages	86	108	80	97	116
Non-mortgages	145	147	191	193	227
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	29,726	29,858	30,527	31,703	35,074
Other assets	6,719	7,193	6,735	7,407	8,058
<b>Liabilities</b>	<b>36,110</b>	<b>34,642</b>	<b>36,358</b>	<b>37,548</b>	<b>42,354</b>
Accounts payable and accrued liabilities	7,999	7,567	8,272	8,330	9,562
Loans and accounts with affiliates	5,374	4,599	4,835	5,461	5,785
Borrowings	15,695	14,337	15,451	16,060	17,892
Loans and overdrafts	8,862	7,578	8,663	8,640	9,047
From banks	3,497	3,086	3,484	3,388	3,974
From others	5,365	4,492	5,179	5,252	5,073
Bankers' acceptances and paper	170	94	96	82	198
Bonds and debentures	5,319	5,451	5,373	5,892	7,002
Mortgages	1,343	1,214	1,319	1,446	1,645
Deferred income tax	1,308	1,685	1,469	2,069	2,337
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	5,734	6,455	6,331	5,628	6,777
<b>Equity</b>	<b>19,383</b>	<b>20,634</b>	<b>21,657</b>	<b>22,129</b>	<b>23,154</b>
Share capital	7,754	7,051	7,163	7,255	6,894
Contributed surplus and other	4,064	4,504	4,069	3,620	3,981
Retained earnings	7,566	9,079	10,426	11,254	12,279
<b>Income statement</b>					
<b>Operating revenue</b>	<b>56,233</b>	<b>57,775</b>	<b>62,107</b>	<b>65,807</b>	<b>74,180</b>
Sales of goods and services	55,024	56,640	60,986	64,697	72,383
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,209	1,135	1,121	1,110	1,797
<b>Operating expenses</b>	<b>52,778</b>	<b>54,332</b>	<b>58,009</b>	<b>60,761</b>	<b>67,930</b>
Purchased goods, materials and service	32,003	32,691	35,192	37,091	41,747
Wages, salaries and employee benefits	16,772	17,461	18,769	19,472	21,547
Indirect taxes	497	477	471	505	517
Depreciation, depletion and amortization	3,297	3,508	3,429	3,534	3,858
Interest expense (operating)	..	..	..	..	..
Other operating expenses	209	195	148	157	261
<b>Operating profit/loss</b>	<b>3,456</b>	<b>3,443</b>	<b>4,098</b>	<b>5,046</b>	<b>6,250</b>
Interest and dividend revenue	159	314	383	371	478
Interest expense on borrowing	1,417	1,397	1,239	1,313	1,376
Gains/losses	190	1,010	671	483	254
<b>Profit before income tax</b>	<b>2,388</b>	<b>3,370</b>	<b>3,913</b>	<b>4,587</b>	<b>5,607</b>
Income tax	696	804	1,097	1,257	1,175
Equity in affiliates' earnings	66	159	51	45	102
<b>Profit before extraordinary gains</b>	<b>1,758</b>	<b>2,725</b>	<b>2,866</b>	<b>3,375</b>	<b>4,534</b>
Extraordinary gains	-1	-4	-2	-4	123
<b>Net profit</b>	<b>1,757</b>	<b>2,721</b>	<b>2,864</b>	<b>3,371</b>	<b>4,657</b>

**Table 48-2**  
**Rail, truck, water and other transportation — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,757</b>	<b>2,721</b>	<b>2,864</b>	<b>3,371</b>	<b>4,657</b>
Plus: consolidation adjustments	209	242	14	384	79
Plus: conceptual adjustments	-34	-86	-37	-78	-685
Plus: current taxes, including mining	668	686	1,286	625	1,075
Plus: deferred income taxes	37	45	-148	578	307
Less: profit of tax exempt corporations	34	107	-4	-76	590
Deductible dividends	400	855	239	629	655
<b>Adjusted profit before taxes</b>	<b>2,202</b>	<b>2,646</b>	<b>3,743</b>	<b>4,327</b>	<b>4,188</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	206	240	251	354	330
Less: taxable capital gains	125	114	458	107	134
Net difference, capital gains and losses	80	126	-207	247	195
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	-12	-190	-121	-104	-543
<b>Total, exemptions and deductions</b>	<b>69</b>	<b>-64</b>	<b>-327</b>	<b>143</b>	<b>-347</b>
<b>Timing differences:</b>					
Depreciation	2,898	3,003	3,130	3,210	3,364
Less: capital cost allowance	3,166	2,939	3,242	3,779	3,980
Net difference, depreciation	-267	65	-113	-568	-616
Natural resources expenses, (books)	2	1	1	2	3
Less: natural resource expenses, (tax)	4	0	0	2	1
Net difference, natural resources expenses	-2	1	1	0	3
Charitable donations net difference, (books minus tax)	2	-33	1	-11	14
Other timing differences	-376	-1,343	-2,023	-809	-276
<b>Total, timing differences</b>	<b>-643</b>	<b>-1,310</b>	<b>-2,134</b>	<b>-1,388</b>	<b>-875</b>
<b>Net taxable income</b>	<b>1,490</b>	<b>1,400</b>	<b>1,937</b>	<b>2,796</b>	<b>3,661</b>
Plus: current year tax losses	563	533	556	605	539
<b>Current year positive taxable income</b>	<b>2,053</b>	<b>1,933</b>	<b>2,493</b>	<b>3,401</b>	<b>4,199</b>
Less: prior year losses applied	273	298	440	1,043	341
<b>Taxable income (tax base)</b>	<b>1,780</b>	<b>1,634</b>	<b>2,053</b>	<b>2,357</b>	<b>3,858</b>
<b>Taxes:</b>					
Tax otherwise payable	692	621	792	867	1,492
Surtax	19	16	22	24	42
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	153	162	207	227	372
Small business deduction	121	115	137	157	181
Manufacturing and processing profits deduction	0	1	0	0	0
Investment tax credit	15	17	7	6	7
Other credits	28	40	77	87	192
<b>Net part 1 tax payable</b>	<b>393</b>	<b>302</b>	<b>384</b>	<b>413</b>	<b>782</b>
Other direct federal taxes	20	36	31	26	20
<b>Federal tax payable</b>	<b>413</b>	<b>338</b>	<b>416</b>	<b>439</b>	<b>802</b>
Provincial tax payable	180	151	201	224	391
<b>Total taxes</b>	<b>593</b>	<b>489</b>	<b>616</b>	<b>663</b>	<b>1,193</b>

**Table 48-3**  
**Rail, truck, water and other transportation — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.087	0.918	0.937	0.973	1.023
Profit margin (percent)	6.1	6.0	6.6	7.7	8.4
Return on equity (percent)	9.1	13.2	13.2	15.2	19.6
Return on capital employed (percent)	7.0	9.6	9.1	10.0	12.0
Working capital (ratio)	0.847	0.885	0.957	0.970	0.981
Quick ratio (ratio)	0.792	0.826	0.902	0.918	0.921
Inventory turnover (ratio)	86.544	87.286	91.604	92.352	89.962
Receivables turnover (ratio)	8.198	8.359	7.603	8.570	8.708
Taxes to positive adjusted profit (percent)	20.7	13.8	13.6	13.5	22.4
Income taxes to taxable income (percent)	32.2	27.7	28.5	27.0	30.4
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	1.1	2.7	7.5	6.0	12.7
Operating expenses, year-over-year change	0.5	2.9	6.8	4.7	11.8
Operating profit, year-over-year change	11.3	-0.4	19.0	23.1	23.9
Taxable income (tax base), year-over-year change	29.5	-8.2	25.6	14.8	63.7
Taxes, year-over-year change	36.3	-17.5	26.0	7.5	79.9

**Table 49-1**  
**Pipelines, warehousing and transportation support activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>54,450</b>	<b>61,710</b>	<b>67,183</b>	<b>70,791</b>	<b>73,163</b>
Cash and deposits	2,087	1,722	1,931	2,266	2,809
Accounts receivable and accrued revenue	4,880	5,287	5,926	6,104	5,931
Inventories	947	852	913	894	892
Investments	9,009	7,829	9,936	9,495	9,634
Investments and accounts with affiliates	7,350	6,054	7,655	6,992	7,342
Portfolio investments	1,659	1,775	2,281	2,503	2,291
Loans	165	150	171	150	238
Mortgages	50	40	54	46	44
Non-mortgages	115	110	117	104	194
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	32,257	39,630	40,857	42,547	44,424
Other assets	5,106	6,240	7,449	9,336	9,235
<b>Liabilities</b>	<b>36,858</b>	<b>44,999</b>	<b>50,761</b>	<b>53,916</b>	<b>54,434</b>
Accounts payable and accrued liabilities	5,311	5,911	6,645	6,943	6,705
Loans and accounts with affiliates	6,138	5,668	6,385	5,345	5,285
Borrowings	23,715	31,292	33,747	37,574	37,871
Loans and overdrafts	14,982	21,704	23,925	25,414	15,225
From banks	9,812	14,808	15,332	16,226	12,834
From others	5,170	6,896	8,594	9,187	2,391
Bankers' acceptances and paper	1,807	1,746	981	1,386	922
Bonds and debentures	5,916	7,175	7,653	9,566	20,757
Mortgages	1,010	667	1,187	1,208	967
Deferred income tax	588	778	740	618	739
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,106	1,349	3,244	3,435	3,833
<b>Equity</b>	<b>17,592</b>	<b>16,711</b>	<b>16,422</b>	<b>16,876</b>	<b>18,729</b>
Share capital	12,160	10,472	9,608	10,737	11,670
Contributed surplus and other	2,664	2,725	2,803	3,177	3,631
Retained earnings	2,768	3,513	4,010	2,961	3,428
<b>Income statement</b>					
<b>Operating revenue</b>	<b>27,884</b>	<b>29,145</b>	<b>36,944</b>	<b>39,985</b>	<b>36,399</b>
Sales of goods and services	26,943	28,011	35,483	38,371	35,887
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	941	1,134	1,461	1,614	511
<b>Operating expenses</b>	<b>24,486</b>	<b>25,559</b>	<b>32,612</b>	<b>35,284</b>	<b>31,227</b>
Purchased goods, materials and service	16,051	16,735	22,589	24,948	20,990
Wages, salaries and employee benefits	5,747	5,897	6,942	6,636	6,947
Indirect taxes	444	398	429	457	511
Depreciation, depletion and amortization	2,059	2,334	2,482	3,068	2,643
Interest expense (operating)	..	..	..	..	..
Other operating expenses	184	195	170	137	135
<b>Operating profit/loss</b>	<b>3,398</b>	<b>3,586</b>	<b>4,332</b>	<b>4,701</b>	<b>5,172</b>
Interest and dividend revenue	338	386	612	383	406
Interest expense on borrowing	1,928	2,099	2,375	2,748	2,424
Gains/losses	147	128	154	980	238
<b>Profit before income tax</b>	<b>1,956</b>	<b>2,001</b>	<b>2,723</b>	<b>3,316</b>	<b>3,392</b>
Income tax	586	699	792	971	752
Equity in affiliates' earnings	80	223	189	455	392
<b>Profit before extraordinary gains</b>	<b>1,451</b>	<b>1,525</b>	<b>2,120</b>	<b>2,800</b>	<b>3,033</b>
Extraordinary gains	-2	-8	2	1	-1
<b>Net profit</b>	<b>1,449</b>	<b>1,517</b>	<b>2,123</b>	<b>2,801</b>	<b>3,031</b>

**Table 49-2**  
**Pipelines, warehousing and transportation support activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,449</b>	<b>1,517</b>	<b>2,123</b>	<b>2,801</b>	<b>3,031</b>
Plus: consolidation adjustments	-476	-480	-405	530	362
Plus: conceptual adjustments	-132	-52	-89	-194	-102
Plus: current taxes, including mining	404	443	556	695	657
Plus: deferred income taxes	-45	95	61	8	-41
Less: profit of tax exempt corporations	177	146	14	9	233
Deductible dividends	274	319	352	1,257	850
<b>Adjusted profit before taxes</b>	<b>749</b>	<b>1,058</b>	<b>1,880</b>	<b>2,575</b>	<b>2,824</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	139	55	58	650	528
Less: taxable capital gains	63	29	96	284	231
Net difference, capital gains and losses	76	25	-38	366	297
Resource allowance	23	25	14	18	5
Less: royalties	31	31	20	20	0
Net difference, resource allowance	-7	-6	-6	-2	5
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	42	-23	165	29	98
<b>Total, exemptions and deductions</b>	<b>111</b>	<b>-4</b>	<b>121</b>	<b>394</b>	<b>400</b>
<b>Timing differences:</b>					
Depreciation	1,295	1,486	1,774	1,793	1,934
Less: capital cost allowance	999	1,000	1,907	1,127	1,060
Net difference, depreciation	296	486	-133	666	875
Natural resources expenses, (books)	64	63	36	35	1
Less: natural resource expenses, (tax)	40	47	56	43	24
Net difference, natural resources expenses	24	17	-20	-9	-23
Charitable donations net difference, (books minus tax)	0	-3	-1	1	1
Other timing differences	-183	-327	-1,127	-960	-1,257
<b>Total, timing differences</b>	<b>138</b>	<b>173</b>	<b>-1,281</b>	<b>-303</b>	<b>-405</b>
<b>Net taxable income</b>	<b>775</b>	<b>1,235</b>	<b>478</b>	<b>1,878</b>	<b>2,019</b>
Plus: current year tax losses	471	327	1,288	456	363
<b>Current year positive taxable income</b>	<b>1,245</b>	<b>1,561</b>	<b>1,766</b>	<b>2,334</b>	<b>2,383</b>
Less: prior year losses applied	155	363	213	345	464
<b>Taxable income (tax base)</b>	<b>1,090</b>	<b>1,198</b>	<b>1,553</b>	<b>1,989</b>	<b>1,919</b>
<b>Taxes:</b>					
Tax otherwise payable	428	459	576	736	740
Surtax	12	13	17	21	21
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	111	120	151	193	193
Small business deduction	36	33	38	43	50
Manufacturing and processing profits deduction	2	3	8	11	16
Investment tax credit	1	5	1	2	3
Other credits	14	36	69	102	93
<b>Net part 1 tax payable</b>	<b>277</b>	<b>276</b>	<b>325</b>	<b>406</b>	<b>407</b>
Other direct federal taxes	20	40	32	30	14
<b>Federal tax payable</b>	<b>297</b>	<b>316</b>	<b>356</b>	<b>436</b>	<b>421</b>
Provincial tax payable	133	127	196	229	211
<b>Total taxes</b>	<b>430</b>	<b>444</b>	<b>553</b>	<b>665</b>	<b>632</b>

**Table 49-3**  
**Pipelines, warehousing and transportation support activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.697	2.212	2.444	2.543	2.304
Profit margin (percent)	12.2	12.3	11.7	11.8	14.2
Return on equity (percent)	8.2	9.1	12.9	16.6	16.2
Return on capital employed (percent)	6.0	5.7	7.0	8.0	7.9
Working capital (ratio)	0.883	0.928	0.935	0.934	0.941
Quick ratio (ratio)	0.799	0.847	0.854	0.857	0.866
Inventory turnover (ratio)	29.444	34.212	40.485	44.712	40.792
Receivables turnover (ratio)	5.714	5.513	6.234	6.551	6.138
Taxes to positive adjusted profit (percent)	29.3	26.2	23.3	21.8	20.5
Income taxes to taxable income (percent)	37.6	33.7	33.5	32.0	32.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-2.6	4.5	26.8	8.2	-9.0
Operating expenses, year-over-year change	-7.8	4.4	27.6	8.2	-11.5
Operating profit, year-over-year change	65.7	5.5	20.8	8.5	10.0
Taxable income (tax base), year-over-year change	50.1	9.9	29.6	28.1	-3.5
Taxes, year-over-year change	56.9	3.1	24.6	20.4	-5.0



**Table 50-1**  
**Publishing industries (except Internet) — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>42,408</b>	<b>38,884</b>	<b>40,590</b>	<b>41,713</b>	<b>43,288</b>
Cash and deposits	1,902	1,305	1,920	1,840	1,919
Accounts receivable and accrued revenue	3,184	3,048	3,078	3,146	3,117
Inventories	725	679	620	663	601
Investments	22,217	19,491	15,420	15,079	14,634
Investments and accounts with affiliates	20,650	18,552	14,365	14,205	13,632
Portfolio investments	1,567	939	1,055	874	1,002
Loans	49	96	103	69	101
Mortgages	20	26	26	17	23
Non-mortgages	30	70	77	52	79
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	3,320	3,380	3,586	3,845	4,109
Other assets	11,010	10,885	15,864	17,071	18,806
<b>Liabilities</b>	<b>23,170</b>	<b>20,787</b>	<b>25,956</b>	<b>29,637</b>	<b>26,942</b>
Accounts payable and accrued liabilities	2,863	2,603	2,748	3,127	3,092
Loans and accounts with affiliates	10,517	9,678	11,562	14,643	10,489
Borrowings	8,631	7,735	8,570	8,529	8,833
Loans and overdrafts	8,197	6,885	8,116	8,160	8,064
From banks	8,060	6,114	5,136	4,923	4,622
From others	137	771	2,980	3,237	3,442
Bankers' acceptances and paper	18	310	58	103	278
Bonds and debentures	264	287	256	90	367
Mortgages	153	253	139	177	124
Deferred income tax	592	263	284	57	92
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	566	508	2,792	3,282	4,436
<b>Equity</b>	<b>19,238</b>	<b>18,098</b>	<b>14,634</b>	<b>12,076</b>	<b>16,346</b>
Share capital	25,753	25,144	27,404	25,351	25,290
Contributed surplus and other	2,716	3,073	4,468	5,266	9,301
Retained earnings	-9,231	-10,119	-17,238	-18,542	-18,245
<b>Income statement</b>					
<b>Operating revenue</b>	<b>15,416</b>	<b>15,912</b>	<b>14,745</b>	<b>16,417</b>	<b>17,494</b>
Sales of goods and services	14,906	15,253	13,950	15,499	16,398
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	510	659	795	917	1,096
<b>Operating expenses</b>	<b>14,311</b>	<b>14,532</b>	<b>13,113</b>	<b>14,707</b>	<b>15,757</b>
Purchased goods, materials and service	8,711	8,524	7,801	9,197	10,161
Wages, salaries and employee benefits	3,959	4,328	3,817	4,021	4,306
Indirect taxes	155	136	66	43	20
Depreciation, depletion and amortization	803	1,072	1,090	1,068	975
Interest expense (operating)	..	..	..	..	..
Other operating expenses	684	472	339	379	296
<b>Operating profit/loss</b>	<b>1,105</b>	<b>1,380</b>	<b>1,632</b>	<b>1,710</b>	<b>1,737</b>
Interest and dividend revenue	139	173	472	1,590	355
Interest expense on borrowing	719	978	1,011	1,030	705
Gains/losses	-90	221	8	319	-429
<b>Profit before income tax</b>	<b>436</b>	<b>795</b>	<b>1,101</b>	<b>2,588</b>	<b>957</b>
Income tax	295	249	190	138	136
Equity in affiliates' earnings	-155	63	125	205	118
<b>Profit before extraordinary gains</b>	<b>-13</b>	<b>610</b>	<b>1,036</b>	<b>2,654</b>	<b>938</b>
Extraordinary gains	-1	14	1	6	-2
<b>Net profit</b>	<b>-14</b>	<b>624</b>	<b>1,037</b>	<b>2,661</b>	<b>937</b>

**Table 50-2**  
**Publishing industries (except Internet) — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-14</b>	<b>624</b>	<b>1,037</b>	<b>2,661</b>	<b>937</b>
Plus: consolidation adjustments	-185	242	3,835	414	1,513
Plus: conceptual adjustments	234	-102	-127	-201	192
Plus: current taxes, including mining	284	303	334	394	340
Plus: deferred income taxes	-14	8	-27	-78	-192
Less: profit of tax exempt corporations	-38	-57	0	-1	6
Deductible dividends	440	969	3,645	2,180	2,704
<b>Adjusted profit before taxes</b>	<b>-97</b>	<b>163</b>	<b>1,408</b>	<b>1,011</b>	<b>79</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	102	84	117	413	-328
Less: taxable capital gains	36	38	80	88	128
Net difference, capital gains and losses	65	47	37	325	-456
Resource allowance	..	..	2	4	..
Less: royalties	..	..	2	3	..
Net difference, resource allowance	..	..	..	1	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	7	10	-47	-12	-10
<b>Total, exemptions and deductions</b>	<b>73</b>	<b>57</b>	<b>-10</b>	<b>314</b>	<b>-466</b>
<b>Timing differences:</b>					
Depreciation	658	615	684	686	809
Less: capital cost allowance	561	729	668	580	626
Net difference, depreciation	97	-113	16	105	183
Natural resources expenses, (books)	3	0	5	15	0
Less: natural resource expenses, (tax)	0	1	2	7	4
Net difference, natural resources expenses	3	0	3	8	-4
Charitable donations net difference, (books minus tax)	2	3	1	-3	3
Other timing differences	101	-170	-445	461	-478
<b>Total, timing differences</b>	<b>202</b>	<b>-280</b>	<b>-425</b>	<b>571</b>	<b>-295</b>
<b>Net taxable income</b>	<b>33</b>	<b>-175</b>	<b>993</b>	<b>1,267</b>	<b>250</b>
Plus: current year tax losses	925	1,073	656	419	1,361
<b>Current year positive taxable income</b>	<b>958</b>	<b>898</b>	<b>1,649</b>	<b>1,686</b>	<b>1,610</b>
Less: prior year losses applied	229	168	819	635	734
<b>Taxable income (tax base)</b>	<b>729</b>	<b>730</b>	<b>831</b>	<b>1,051</b>	<b>876</b>
<b>Taxes:</b>					
Tax otherwise payable	307	298	348	436	356
Surtax	9	9	10	13	10
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	81	78	91	114	94
Small business deduction	19	16	19	21	22
Manufacturing and processing profits deduction	16	20	20	18	11
Investment tax credit	29	28	43	62	66
Other credits	13	20	33	54	45
<b>Net part 1 tax payable</b>	<b>159</b>	<b>146</b>	<b>152</b>	<b>180</b>	<b>130</b>
Other direct federal taxes	2	17	32	21	7
<b>Federal tax payable</b>	<b>161</b>	<b>163</b>	<b>184</b>	<b>202</b>	<b>138</b>
Provincial tax payable	92	82	105	134	105
<b>Total taxes</b>	<b>253</b>	<b>245</b>	<b>289</b>	<b>335</b>	<b>243</b>

**Table 50-3**  
**Publishing industries (except Internet) — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.995	0.962	1.376	1.919	1.182
Profit margin (percent)	7.2	8.7	11.1	10.4	9.9
Return on equity (percent)	-0.1	3.4	7.1	22.0	5.7
Return on capital employed (percent)	1.6	3.9	5.4	9.6	4.2
Working capital (ratio)	0.725	0.719	0.591	0.507	0.561
Quick ratio (ratio)	0.665	0.653	0.546	0.470	0.518
Inventory turnover (ratio)	21.263	23.443	23.786	24.745	29.120
Receivables turnover (ratio)	4.841	5.220	4.790	5.218	5.612
Taxes to positive adjusted profit (percent)	24.8	19.4	13.6	17.4	23.5
Income taxes to taxable income (percent)	34.3	31.1	30.9	29.8	26.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-4.6	3.2	-7.3	11.3	6.6
Operating expenses, year-over-year change	0.3	1.5	-9.8	12.2	7.1
Operating profit, year-over-year change	-41.7	24.9	18.2	4.8	1.6
Taxable income (tax base), year-over-year change	-66.1	0.1	13.8	26.6	-16.7
Taxes, year-over-year change	-70.1	-3.3	18.3	15.8	-27.5

**Table 51-1**  
**Broadcasting, motion pictures, sound recording and information services — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>22,860</b>	<b>23,551</b>	<b>22,235</b>	<b>22,686</b>	<b>23,610</b>
Cash and deposits	1,266	1,515	1,580	1,960	1,967
Accounts receivable and accrued revenue	4,152	4,218	4,077	3,988	4,214
Inventories	893	851	826	1,144	1,152
Investments	6,172	5,732	5,282	5,267	5,177
Investments and accounts with affiliates	5,071	4,695	4,427	4,385	4,246
Portfolio investments	1,101	1,036	855	882	931
Loans	133	516	532	535	171
Mortgages	33	406	406	405	50
Non-mortgages	100	111	126	130	121
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	3,996	4,013	3,505	3,117	2,502
Other assets	6,247	6,706	6,432	6,675	8,427
<b>Liabilities</b>	<b>14,335</b>	<b>14,217</b>	<b>14,824</b>	<b>15,439</b>	<b>15,020</b>
Accounts payable and accrued liabilities	3,293	3,460	3,319	3,871	3,742
Loans and accounts with affiliates	4,577	4,627	4,480	4,992	4,647
Borrowings	4,866	5,089	4,947	5,003	4,760
Loans and overdrafts	2,957	3,474	3,163	3,133	3,224
From banks	2,554	2,134	2,067	2,107	2,368
From others	404	1,339	1,096	1,026	857
Bankers' acceptances and paper	182	102	51	40	25
Bonds and debentures	1,302	1,119	1,543	1,619	1,260
Mortgages	425	394	190	212	251
Deferred income tax	40	30	228	83	432
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,559	1,011	1,849	1,490	1,438
<b>Equity</b>	<b>8,525</b>	<b>9,334</b>	<b>7,411</b>	<b>7,246</b>	<b>8,590</b>
Share capital	8,747	9,972	9,222	7,995	8,678
Contributed surplus and other	610	853	572	639	567
Retained earnings	-831	-1,491	-2,383	-1,387	-656
<b>Income statement</b>					
<b>Operating revenue</b>	<b>15,098</b>	<b>14,074</b>	<b>14,654</b>	<b>16,505</b>	<b>16,184</b>
Sales of goods and services	14,127	13,272	14,053	15,395	15,559
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	970	802	602	1,110	625
<b>Operating expenses</b>	<b>14,821</b>	<b>13,767</b>	<b>13,688</b>	<b>14,977</b>	<b>14,704</b>
Purchased goods, materials and service	9,651	9,031	9,043	10,118	10,244
Wages, salaries and employee benefits	3,328	3,076	3,141	3,229	3,275
Indirect taxes	128	92	82	57	57
Depreciation, depletion and amortization	1,264	1,120	982	1,140	980
Interest expense (operating)	..	..	..	..	..
Other operating expenses	449	448	440	432	148
<b>Operating profit/loss</b>	<b>277</b>	<b>308</b>	<b>966</b>	<b>1,527</b>	<b>1,480</b>
Interest and dividend revenue	128	114	116	171	105
Interest expense on borrowing	436	393	432	543	456
Gains/losses	-192	233	259	181	-69
<b>Profit before income tax</b>	<b>-224</b>	<b>261</b>	<b>909</b>	<b>1,337</b>	<b>1,059</b>
Income tax	200	154	398	252	277
Equity in affiliates' earnings	-10	150	52	21	25
<b>Profit before extraordinary gains</b>	<b>-434</b>	<b>258</b>	<b>563</b>	<b>1,105</b>	<b>808</b>
Extraordinary gains	2	19	0	1	-12
<b>Net profit</b>	<b>-432</b>	<b>277</b>	<b>563</b>	<b>1,106</b>	<b>796</b>

**Table 51-2**  
**Broadcasting, motion pictures, sound recording and information services — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-432</b>	<b>277</b>	<b>563</b>	<b>1,106</b>	<b>796</b>
Plus: consolidation adjustments	-315	672	420	-189	311
Plus: conceptual adjustments	190	-97	-266	-463	-70
Plus: current taxes, including mining	404	241	348	305	312
Plus: deferred income taxes	-75	-19	115	112	-74
Less: profit of tax exempt corporations	81	2	23	1	2
Deductible dividends	427	393	369	434	482
<b>Adjusted profit before taxes</b>	<b>-737</b>	<b>679</b>	<b>789</b>	<b>437</b>	<b>791</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-23	391	139	-239	172
Less: taxable capital gains	62	49	52	66	97
Net difference, capital gains and losses	-85	343	88	-305	74
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-101	-54	-83	-43	-42
<b>Total, exemptions and deductions</b>	<b>-186</b>	<b>288</b>	<b>5</b>	<b>-348</b>	<b>33</b>
<b>Timing differences:</b>					
Depreciation	1,139	1,174	1,168	1,068	978
Less: capital cost allowance	1,530	1,736	1,370	1,401	1,442
Net difference, depreciation	-392	-562	-202	-333	-464
Natural resources expenses, (books)	0	0	2	2	1
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	2	2	0
Charitable donations net difference, (books minus tax)	0	-5	-7	-2	5
Other timing differences	1,076	382	224	267	320
<b>Total, timing differences</b>	<b>684</b>	<b>-185</b>	<b>17</b>	<b>-66</b>	<b>-139</b>
<b>Net taxable income</b>	<b>134</b>	<b>205</b>	<b>801</b>	<b>719</b>	<b>619</b>
Plus: current year tax losses	927	930	470	494	620
<b>Current year positive taxable income</b>	<b>1,061</b>	<b>1,136</b>	<b>1,271</b>	<b>1,213</b>	<b>1,239</b>
Less: prior year losses applied	212	367	351	252	302
<b>Taxable income (tax base)</b>	<b>849</b>	<b>768</b>	<b>920</b>	<b>961</b>	<b>937</b>
<b>Taxes:</b>					
Tax otherwise payable	401	333	399	405	423
Surtax	11	9	11	12	12
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	104	87	104	106	111
Small business deduction	35	32	33	38	41
Manufacturing and processing profits deduction	6	2	2	1	1
Investment tax credit	1	2	6	2	3
Other credits	14	27	52	57	60
<b>Net part 1 tax payable</b>	<b>252</b>	<b>193</b>	<b>213</b>	<b>213</b>	<b>219</b>
Other direct federal taxes	21	27	12	12	5
<b>Federal tax payable</b>	<b>272</b>	<b>220</b>	<b>225</b>	<b>225</b>	<b>224</b>
Provincial tax payable	118	87	118	115	123
<b>Total taxes</b>	<b>391</b>	<b>307</b>	<b>343</b>	<b>340</b>	<b>347</b>

**Table 51-3**  
**Broadcasting, motion pictures, sound recording and information services — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.108	1.041	1.272	1.379	1.095
Profit margin (percent)	1.8	2.2	6.6	9.3	9.1
Return on equity (percent)	-5.1	2.8	7.6	15.3	9.4
Return on capital employed (percent)	-0.6	2.9	5.0	8.8	6.5
Working capital (ratio)	1.083	1.159	1.177	1.033	1.113
Quick ratio (ratio)	0.958	1.035	1.050	0.893	0.964
Inventory turnover (ratio)	16.912	16.539	17.736	14.429	14.050
Receivables turnover (ratio)	3.636	3.336	3.594	4.138	3.840
Taxes to positive adjusted profit (percent)	39.3	21.9	18.9	23.9	25.6
Income taxes to taxable income (percent)	43.6	36.4	36.0	34.2	36.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	9.6	-6.8	4.1	12.6	-1.9
Operating expenses, year-over-year change	12.7	-7.1	-0.6	9.4	-1.8
Operating profit, year-over-year change	-55.0	11.1	214.2	58.1	-3.1
Taxable income (tax base), year-over-year change	-4.9	-9.5	19.7	4.5	-2.5
Taxes, year-over-year change	14.0	-21.3	11.7	-0.9	2.0

**Table 52-1**  
**Telecommunications — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>98,895</b>	<b>82,006</b>	<b>81,617</b>	<b>79,679</b>	<b>83,680</b>
Cash and deposits	2,677	1,721	1,119	1,143	1,162
Accounts receivable and accrued revenue	6,314	4,542	4,752	4,393	5,347
Inventories	513	703	774	948	978
Investments	21,676	5,774	7,533	2,640	3,536
Investments and accounts with affiliates	21,152	5,305	6,138	1,904	2,855
Portfolio investments	524	468	1,396	736	681
Loans	22	12	41	15	36
Mortgages	15	6	7	5	22
Non-mortgages	6	7	34	10	14
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	47,233	46,006	42,478	44,345	45,979
Other assets	20,459	23,248	24,919	26,196	26,641
<b>Liabilities</b>	<b>74,146</b>	<b>52,610</b>	<b>51,601</b>	<b>51,034</b>	<b>53,559</b>
Accounts payable and accrued liabilities	9,055	7,730	7,709	7,924	8,755
Loans and accounts with affiliates	10,433	3,956	4,278	2,721	3,536
Borrowings	47,869	32,538	31,013	30,779	31,494
Loans and overdrafts	6,528	2,809	2,207	2,987	3,461
From banks	4,830	957	658	1,214	1,635
From others	1,698	1,852	1,549	1,773	1,826
Bankers' acceptances and paper	3,556	2,164	808	1,264	918
Bonds and debentures	37,426	27,441	27,901	26,392	27,039
Mortgages	358	124	97	136	77
Deferred income tax	1,577	2,152	246	1,285	1,971
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	5,211	6,235	8,356	8,326	7,802
<b>Equity</b>	<b>24,749</b>	<b>29,396</b>	<b>30,015</b>	<b>28,645</b>	<b>30,121</b>
Share capital	43,129	26,038	26,461	21,712	21,539
Contributed surplus and other	-1,407	4,664	4,503	6,360	7,109
Retained earnings	-16,973	-1,306	-949	573	1,473
<b>Income statement</b>					
<b>Operating revenue</b>	<b>40,790</b>	<b>43,334</b>	<b>42,165</b>	<b>45,459</b>	<b>49,532</b>
Sales of goods and services	40,127	42,768	40,029	42,092	44,195
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	663	566	2,136	3,367	5,337
<b>Operating expenses</b>	<b>36,146</b>	<b>36,830</b>	<b>38,359</b>	<b>37,912</b>	<b>41,140</b>
Purchased goods, materials and service	18,398	18,651	20,181	20,472	22,026
Wages, salaries and employee benefits	8,540	9,064	9,527	8,700	9,749
Indirect taxes	616	636	487	518	590
Depreciation, depletion and amortization	7,575	7,850	7,370	7,808	8,209
Interest expense (operating)	..	..	..	..	..
Other operating expenses	1,018	628	793	414	566
<b>Operating profit/loss</b>	<b>4,644</b>	<b>6,504</b>	<b>3,806</b>	<b>7,547</b>	<b>8,392</b>
Interest and dividend revenue	626	323	309	130	174
Interest expense on borrowing	4,139	3,122	2,720	2,847	2,667
Gains/losses	-11,853	1,065	88	-44	59
<b>Profit before income tax</b>	<b>-10,722</b>	<b>4,770</b>	<b>1,482</b>	<b>4,786</b>	<b>5,959</b>
Income tax	1,099	1,670	1,021	1,393	901
Equity in affiliates' earnings	-142	-78	-76	6	-4
<b>Profit before extraordinary gains</b>	<b>-11,963</b>	<b>3,022</b>	<b>385</b>	<b>3,399</b>	<b>5,053</b>
Extraordinary gains	-1	21	7	0	-1
<b>Net profit</b>	<b>-11,964</b>	<b>3,043</b>	<b>393</b>	<b>3,399</b>	<b>5,052</b>

**Table 52-2**  
**Telecommunications — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>-11,964</b>	<b>3,043</b>	<b>393</b>	<b>3,399</b>	<b>5,052</b>
Plus: consolidation adjustments	-71	1,222	-2,575	-1,660	8,322
Plus: conceptual adjustments	101	-1,791	315	-738	-1,468
Plus: current taxes, including mining	1,367	670	1,271	51	-33
Plus: deferred income taxes	-72	36	539	1,360	2,531
Less: profit of tax exempt corporations	106	114	102	65	80
Deductible dividends	1,505	639	2,147	864	6,009
<b>Adjusted profit before taxes</b>	<b>-12,250</b>	<b>2,426</b>	<b>-2,305</b>	<b>1,482</b>	<b>8,315</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	403	-242	507	125	4,919
Less: taxable capital gains	282	153	152	264	218
Net difference, capital gains and losses	121	-395	355	-139	4,701
Resource allowance	..	0	0	1	4
Less: royalties	..	..	..	1	4
Net difference, resource allowance	..	0	0	-1	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	46	135	-343	-274	-821
<b>Total, exemptions and deductions</b>	<b>167</b>	<b>-260</b>	<b>12</b>	<b>-414</b>	<b>3,880</b>
<b>Timing differences:</b>					
Depreciation	8,528	4,751	6,510	5,765	5,433
Less: capital cost allowance	6,378	6,050	5,472	4,770	4,601
Net difference, depreciation	2,150	-1,299	1,037	995	831
Natural resources expenses, (books)	0	0	0	3	15
Less: natural resource expenses, (tax)	..	0	0	0	0
Net difference, natural resources expenses	0	0	0	3	15
Charitable donations net difference, (books minus tax)	1	1	-14	-13	-5
Other timing differences	7,892	-2,849	4,156	1,121	-2,582
<b>Total, timing differences</b>	<b>10,043</b>	<b>-4,146</b>	<b>5,180</b>	<b>2,106</b>	<b>-1,742</b>
<b>Net taxable income</b>	<b>-2,374</b>	<b>-1,460</b>	<b>2,862</b>	<b>4,003</b>	<b>2,693</b>
Plus: current year tax losses	6,570	3,485	2,008	943	984
<b>Current year positive taxable income</b>	<b>4,196</b>	<b>2,024</b>	<b>4,870</b>	<b>4,945</b>	<b>3,677</b>
Less: prior year losses applied	1,243	733	1,939	4,308	3,093
<b>Taxable income (tax base)</b>	<b>2,953</b>	<b>1,291</b>	<b>2,931</b>	<b>638</b>	<b>584</b>
<b>Taxes:</b>					
Tax otherwise payable	1,199	603	1,134	422	271
Surtax	35	18	33	12	8
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	315	158	298	111	71
Small business deduction	8	7	7	8	9
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	260	85	346	38	17
Other credits	38	75	115	76	49
<b>Net part 1 tax payable</b>	<b>613</b>	<b>296</b>	<b>401</b>	<b>201</b>	<b>133</b>
Other direct federal taxes	93	84	213	120	88
<b>Federal tax payable</b>	<b>705</b>	<b>379</b>	<b>614</b>	<b>322</b>	<b>221</b>
Provincial tax payable	395	203	188	143	93
<b>Total taxes</b>	<b>1,100</b>	<b>582</b>	<b>802</b>	<b>464</b>	<b>314</b>



**Table 52-3**  
**Telecommunications — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	2.356	1.241	1.176	1.169	1.163
Profit margin (percent)	11.4	15.0	9.0	16.6	16.9
Return on equity (percent)	-48.3	10.3	1.3	11.9	16.8
Return on capital employed (percent)	-10.4	7.9	3.7	9.0	11.2
Working capital (ratio)	0.427	0.688	0.813	0.641	0.600
Quick ratio (ratio)	0.408	0.633	0.745	0.556	0.540
Inventory turnover (ratio)	79.459	61.634	54.458	47.929	50.622
Receivables turnover (ratio)	6.460	9.540	8.873	10.348	9.264
Taxes to positive adjusted profit (percent)	29.2	11.8	74.0	22.8	3.4
Income taxes to taxable income (percent)	34.1	38.6	20.1	54.0	38.7
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-3.0	6.2	-2.7	7.8	9.0
Operating expenses, year-over-year change	-6.1	1.9	4.2	-1.2	8.5
Operating profit, year-over-year change	30.4	40.1	-41.5	98.3	11.2
Taxable income (tax base), year-over-year change	0.5	-56.3	127.0	-78.3	-8.3
Taxes, year-over-year change	1.9	-47.1	37.8	-42.1	-32.4

**Table 53-1**  
**Banking and other depository credit intermediation — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>1,289,782</b>	<b>1,362,414</b>	<b>1,507,254</b>	<b>1,569,947</b>	<b>1,756,765</b>
Cash and deposits	36,435	37,929	36,503	29,730	31,010
Accounts receivable and accrued revenue	5,439	5,024	4,553	5,949	5,676
Inventories	3	27	33	7	3
Investments	393,275	417,345	445,035	471,287	547,400
Investments and accounts with affiliates	94,831	107,697	116,768	112,084	125,090
Portfolio investments	298,445	309,648	328,267	359,204	422,310
Loans	740,077	751,231	846,170	904,781	1,003,313
Mortgages	340,765	354,551	390,457	417,767	448,871
Non-mortgages	399,312	396,680	455,713	487,014	554,442
Bank customers' liabilities under acceptances	38,860	33,122	33,769	39,434	52,936
Capital assets, net	7,294	7,254	7,203	7,506	7,855
Other assets	68,400	110,482	133,987	111,252	108,571
<b>Liabilities</b>	<b>1,208,528</b>	<b>1,279,335</b>	<b>1,419,372</b>	<b>1,468,906</b>	<b>1,639,586</b>
Accounts payable and accrued liabilities	11,191	12,647	11,654	11,111	13,326
Loans and accounts with affiliates	52,531	65,596	66,352	44,669	49,396
Borrowings	23,252	22,006	23,753	26,500	29,501
Loans and overdrafts	2,715	984	1,096	933	1,286
From banks	921	58	26	58	111
From others	1,794	927	1,070	876	1,175
Bankers' acceptances and paper	181	..	..	124	..
Bonds and debentures	20,128	20,787	22,575	25,291	27,958
Mortgages	227	234	82	151	257
Deferred income tax	679	567	628	321	356
Bank customers' liabilities under acceptances	38,777	33,121	33,769	39,310	52,936
Other liabilities	1,082,098	1,145,399	1,283,217	1,346,994	1,494,071
<b>Equity</b>	<b>81,255</b>	<b>83,079</b>	<b>87,882</b>	<b>101,041</b>	<b>117,180</b>
Share capital	36,074	35,130	34,398	39,624	41,784
Contributed surplus and other	4,631	5,735	6,523	9,447	10,165
Retained earnings	40,550	42,214	46,961	51,970	65,231
<b>Income statement</b>					
<b>Operating revenue</b>	<b>73,768</b>	<b>76,874</b>	<b>77,969</b>	<b>85,485</b>	<b>99,821</b>
Sales of goods and services	17,647	17,956	19,188	20,348	21,954
Interest and dividend revenue (operating)	51,223	52,724	51,474	56,425	67,875
Other operating revenue	4,898	6,195	7,308	8,712	9,992
<b>Operating expenses</b>	<b>58,865</b>	<b>55,351</b>	<b>53,653</b>	<b>59,853</b>	<b>71,377</b>
Purchased goods, materials and service	21,915	13,023	13,848	14,923	16,168
Wages, salaries and employee benefits	16,165	17,111	18,198	19,020	20,357
Indirect taxes	590	698	739	781	761
Depreciation, depletion and amortization	2,578	2,301	2,094	2,016	2,016
Interest expense (operating)	17,379	17,786	17,479	21,205	29,927
Other operating expenses	237	4,432	1,296	1,908	2,147
<b>Operating profit/loss</b>	<b>14,903</b>	<b>21,524</b>	<b>24,316</b>	<b>25,632</b>	<b>28,444</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	5,240	5,688	5,475	7,564	9,612
Gains/losses	7	22	5	2	149
<b>Profit before income tax</b>	<b>9,671</b>	<b>15,857</b>	<b>18,846</b>	<b>18,070</b>	<b>18,980</b>
Income tax	956	3,294	3,875	3,779	3,342
Equity in affiliates' earnings	0	-2	3	2	80
<b>Profit before extraordinary gains</b>	<b>8,715</b>	<b>12,561</b>	<b>14,974</b>	<b>14,293</b>	<b>15,719</b>
Extraordinary gains	..	..	..	0	0
<b>Net profit</b>	<b>8,715</b>	<b>12,559</b>	<b>14,974</b>	<b>14,293</b>	<b>15,719</b>

**Table 53-2**  
**Banking and other depository credit intermediation — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>8,715</b>	<b>12,559</b>	<b>14,974</b>	<b>14,293</b>	<b>15,719</b>
Plus: consolidation adjustments	-513	464	4,625	1,248	4,180
Plus: conceptual adjustments	5,729	6,732	21	-18	-237
Plus: current taxes, including mining	3,171	4,198	3,961	3,774	3,528
Plus: deferred income taxes	357	129	121	2	59
Less: profit of tax exempt corporations	4,671	4,724	4,733	3,722	3,821
Deductible dividends	7,743	11,713	7,398	6,683	10,967
<b>Adjusted profit before taxes</b>	<b>5,046</b>	<b>7,645</b>	<b>11,572</b>	<b>8,894</b>	<b>8,461</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	337	238	311	417	61
Less: taxable capital gains	208	303	249	108	88
Net difference, capital gains and losses	128	-65	62	310	-27
Resource allowance	0	0	0	0	0
Less: royalties	..	..	..	..	..
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-31	-244	-72	-139	-240
<b>Total, exemptions and deductions</b>	<b>97</b>	<b>-308</b>	<b>-10</b>	<b>170</b>	<b>-267</b>
<b>Timing differences:</b>					
Depreciation	930	994	1,427	2,142	1,178
Less: capital cost allowance	1,397	1,429	1,522	1,827	1,897
Net difference, depreciation	-467	-435	-95	315	-719
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	2	0	0
Net difference, natural resources expenses	0	0	-2	0	0
Charitable donations net difference, (books minus tax)	-138	1	0	20	-20
Other timing differences	2,400	12,948	3,651	252	5,075
<b>Total, timing differences</b>	<b>1,795</b>	<b>12,513</b>	<b>3,554</b>	<b>588</b>	<b>4,336</b>
<b>Net taxable income</b>	<b>6,744</b>	<b>20,467</b>	<b>15,136</b>	<b>9,312</b>	<b>13,064</b>
Plus: current year tax losses	479	33	27	1,567	47
<b>Current year positive taxable income</b>	<b>7,222</b>	<b>20,500</b>	<b>15,164</b>	<b>10,879</b>	<b>13,111</b>
Less: prior year losses applied	1,191	499	223	136	203
<b>Taxable income (tax base)</b>	<b>6,031</b>	<b>20,001</b>	<b>14,940</b>	<b>10,743</b>	<b>12,908</b>
<b>Taxes:</b>					
Tax otherwise payable	2,577	7,692	5,764	4,412	4,989
Surtax	76	226	170	130	147
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	613	1,715	1,324	1,057	1,219
Small business deduction	0	0	0	0	0
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	1	1	0	2	23
Other credits	336	1,184	1,301	1,188	1,329
<b>Net part 1 tax payable</b>	<b>1,702</b>	<b>5,017</b>	<b>3,309</b>	<b>2,294</b>	<b>2,566</b>
Other direct federal taxes	183	203	186	203	145
<b>Federal tax payable</b>	<b>1,885</b>	<b>5,220</b>	<b>3,495</b>	<b>2,498</b>	<b>2,711</b>
Provincial tax payable	795	2,106	1,714	1,350	1,540
<b>Total taxes</b>	<b>2,680</b>	<b>7,326</b>	<b>5,209</b>	<b>3,847</b>	<b>4,250</b>

**Table 53-3**  
**Banking and other depository credit intermediation — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.933	1.054	1.025	0.704	0.673
Profit margin (percent)	20.2	28.0	31.2	30.0	28.5
Return on equity (percent)	10.7	15.1	17.0	14.1	13.4
Return on capital employed (percent)	7.8	9.8	10.7	11.6	11.9
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	47.6	94.7	44.9	38.8	50.1
Income taxes to taxable income (percent)	41.4	35.6	33.6	33.9	31.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-13.9	4.2	1.4	9.6	16.8
Operating expenses, year-over-year change	-13.2	-6.0	-3.1	11.6	19.3
Operating profit, year-over-year change	-16.2	44.4	13.0	5.4	11.0
Taxable income (tax base), year-over-year change	-1.7	231.6	-25.3	-28.1	20.2
Taxes, year-over-year change	-6.2	173.4	-28.9	-26.1	10.5

**Table 54-1**  
**Local credit unions — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>140,694</b>	<b>155,078</b>	<b>168,866</b>	<b>181,408</b>	<b>196,110</b>
Cash and deposits	12,153	13,843	13,722	13,821	16,020
Accounts receivable and accrued revenue	739	872	762	770	969
Inventories	..	..	..	..	..
Investments	9,914	11,781	13,173	11,520	10,924
Investments and accounts with affiliates	2,881	2,897	3,352	3,503	3,959
Portfolio investments	7,033	8,883	9,820	8,017	6,965
Loans	115,018	126,236	138,124	151,950	165,114
Mortgages	76,339	84,988	93,470	104,447	114,580
Non-mortgages	38,679	41,248	44,654	47,503	50,534
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	1,787	1,847	1,853	1,976	2,071
Other assets	1,082	500	1,231	1,371	1,012
<b>Liabilities</b>	<b>130,801</b>	<b>143,961</b>	<b>156,456</b>	<b>167,882</b>	<b>181,078</b>
Accounts payable and accrued liabilities	2,715	2,933	2,784	2,950	3,753
Loans and accounts with affiliates	1,259	527	1,517	1,256	1,252
Borrowings	694	3,952	5,843	6,957	7,824
Loans and overdrafts	694	3,951	5,843	6,957	7,823
From banks	76	102	594	563	755
From others	618	3,849	5,249	6,393	7,068
Bankers' acceptances and paper	..	..	..	..	..
Bonds and debentures	..	..	..	..	..
Mortgages	0	0	0	0	0
Deferred income tax	43	38	75	13	-18
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	126,089	136,512	146,235	156,706	168,267
<b>Equity</b>	<b>9,892</b>	<b>11,117</b>	<b>12,410</b>	<b>13,526</b>	<b>15,032</b>
Share capital	2,019	2,200	2,307	2,427	2,391
Contributed surplus and other	814	..	6,528	7,215	8,810
Retained earnings	7,059	8,917	3,575	3,884	3,832
<b>Income statement</b>					
<b>Operating revenue</b>	<b>9,451</b>	<b>9,841</b>	<b>10,396</b>	<b>10,871</b>	<b>12,201</b>
Sales of goods and services	..	..	..	..	..
Interest and dividend revenue (operating)	8,008	8,355	8,198	8,760	10,122
Other operating revenue	1,442	1,486	2,198	2,111	2,079
<b>Operating expenses</b>	<b>7,835</b>	<b>8,320</b>	<b>8,571</b>	<b>9,184</b>	<b>10,348</b>
Purchased goods, materials and service	4,434	4,604	4,982	5,498	5,852
Wages, salaries and employee benefits	..	..	..	..	..
Indirect taxes	..	..	..	..	..
Depreciation, depletion and amortization	209	192	194	202	202
Interest expense (operating)	3,192	3,347	3,184	3,278	4,055
Other operating expenses	..	177	211	207	239
<b>Operating profit/loss</b>	<b>1,616</b>	<b>1,521</b>	<b>1,825</b>	<b>1,686</b>	<b>1,853</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	118	54	247	329	444
Gains/losses	5	4	29	26	18
<b>Profit before income tax</b>	<b>1,503</b>	<b>1,471</b>	<b>1,607</b>	<b>1,383</b>	<b>1,428</b>
Income tax	229	266	299	218	256
Equity in affiliates' earnings	152	196	371	349	405
<b>Profit before extraordinary gains</b>	<b>1,425</b>	<b>1,401</b>	<b>1,679</b>	<b>1,515</b>	<b>1,577</b>
Extraordinary gains	..	..	0	0	0
<b>Net profit</b>	<b>1,425</b>	<b>1,401</b>	<b>1,679</b>	<b>1,515</b>	<b>1,577</b>

**Table 54-2**  
**Local credit unions — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,425</b>	<b>1,401</b>	<b>1,679</b>	<b>1,515</b>	<b>1,577</b>
Plus: consolidation adjustments	..	..	..	..	..
Plus: conceptual adjustments	-248	-196	-362	-344	-431
Plus: current taxes, including mining	373	264	284	221	248
Plus: deferred income taxes	-30	-1	1	-2	1
Less: profit of tax exempt corporations	..	..	61	..	1,471
Deductible dividends	3	6	11	35	16
<b>Adjusted profit before taxes</b>	<b>1,517</b>	<b>1,462</b>	<b>1,530</b>	<b>1,355</b>	<b>-91</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	12	1	4	8	9
Less: taxable capital gains	4	0	4	32	19
Net difference, capital gains and losses	9	1	0	-23	-10
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	166	159	190	148	-1,320
<b>Total, exemptions and deductions</b>	<b>174</b>	<b>160</b>	<b>190</b>	<b>125</b>	<b>-1,330</b>
<b>Timing differences:</b>					
Depreciation	249	215	239	280	198
Less: capital cost allowance	233	185	245	275	270
Net difference, depreciation	16	30	-6	5	-72
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	..	..	..	..	..
Charitable donations net difference, (books minus tax)	..	..	..	..	..
Other timing differences	-407	-226	-405	-316	-221
<b>Total, timing differences</b>	<b>-391</b>	<b>-195</b>	<b>-410</b>	<b>-311</b>	<b>-293</b>
<b>Net taxable income</b>	<b>952</b>	<b>1,107</b>	<b>929</b>	<b>919</b>	<b>946</b>
Plus: current year tax losses	..	..	..	..	..
<b>Current year positive taxable income</b>	<b>952</b>	<b>1,107</b>	<b>929</b>	<b>919</b>	<b>946</b>
Less: prior year losses applied	20	5	4	7	4
<b>Taxable income (tax base)</b>	<b>931</b>	<b>1,102</b>	<b>925</b>	<b>911</b>	<b>942</b>
<b>Taxes:</b>					
Tax otherwise payable	368	419	369	366	363
Surtax	11	11	11	10	10
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	97	110	97	96	96
Small business deduction	77	31	30	28	4
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	..	..	..	..	..
Other credits	35	90	99	106	107
<b>Net part 1 tax payable</b>	<b>170</b>	<b>199</b>	<b>153</b>	<b>146</b>	<b>167</b>
Other direct federal taxes	3	8	4	3	3
<b>Federal tax payable</b>	<b>173</b>	<b>207</b>	<b>157</b>	<b>149</b>	<b>170</b>
Provincial tax payable	84	118	100	78	76
<b>Total taxes</b>	<b>257</b>	<b>325</b>	<b>257</b>	<b>228</b>	<b>246</b>

**Table 54-3**  
**Local credit unions — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.198	0.403	0.593	0.607	0.604
Profit margin (percent)	17.1	15.5	17.6	15.5	15.2
Return on equity (percent)	14.4	12.6	13.5	11.2	10.5
Return on capital employed (percent)	12.9	9.3	9.5	8.2	8.1
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	16.9	22.3	16.8	16.7	131.3
Income taxes to taxable income (percent)	27.2	28.8	27.4	24.6	25.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-1.4	4.1	5.6	4.6	12.2
Operating expenses, year-over-year change	-3.7	6.2	3.0	7.2	12.7
Operating profit, year-over-year change	12.0	-5.9	20.0	-7.6	9.9
Taxable income (tax base), year-over-year change	41.6	18.4	-16.1	-1.5	3.4
Taxes, year-over-year change	41.1	26.9	-20.9	-11.6	8.2

**Table 55-1**  
**Non-depository credit intermediation — Balance sheet and income statement**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>173,379</b>	<b>175,672</b>	<b>192,587</b>	<b>228,580</b>	<b>244,711</b>
Cash and deposits	7,365	10,270	9,484	13,576	14,348
Accounts receivable and accrued revenue	4,957	4,857	5,261	9,691	10,809
Inventories	198	138	157	177	176
Investments	31,385	34,591	42,315	56,880	56,517
Investments and accounts with affiliates	21,383	20,632	29,568	38,780	38,278
Portfolio investments	10,002	13,959	12,747	18,100	18,239
Loans	111,735	105,824	112,815	121,816	133,415
Mortgages	24,650	26,016	27,925	32,465	34,154
Non-mortgages	87,085	79,808	84,890	89,351	99,261
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	15,570	16,521	17,307	20,914	23,460
Other assets	2,169	3,470	5,246	5,526	5,986
<b>Liabilities</b>	<b>154,621</b>	<b>150,388</b>	<b>163,965</b>	<b>195,928</b>	<b>205,273</b>
Accounts payable and accrued liabilities	5,269	5,749	7,238	5,071	5,816
Loans and accounts with affiliates	29,153	25,994	32,636	50,356	46,232
Borrowings	103,965	104,794	110,574	120,196	133,915
Loans and overdrafts	5,284	6,413	5,547	15,935	24,062
From banks	3,030	2,618	2,233	4,453	5,231
From others	2,255	3,795	3,314	11,483	18,831
Bankers' acceptances and paper	26,242	23,199	20,966	23,530	24,453
Bonds and debentures	70,511	73,676	80,545	76,715	80,528
Mortgages	1,928	1,506	3,516	4,016	4,872
Deferred income tax	910	932	970	1,925	1,603
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	15,324	12,918	12,545	18,381	17,707
<b>Equity</b>	<b>18,758</b>	<b>25,284</b>	<b>28,622</b>	<b>32,652</b>	<b>39,438</b>
Share capital	12,825	12,342	13,184	11,733	14,391
Contributed surplus and other	3,120	3,057	2,599	2,329	2,600
Retained earnings	2,813	9,885	12,840	18,591	22,447
<b>Income statement</b>					
<b>Operating revenue</b>	<b>19,770</b>	<b>20,433</b>	<b>21,311</b>	<b>25,507</b>	<b>28,540</b>
Sales of goods and services	3,991	3,967	3,621	4,577	5,105
Interest and dividend revenue (operating)	12,988	13,478	13,986	15,135	17,120
Other operating revenue	2,792	2,988	3,703	5,795	6,315
<b>Operating expenses</b>	<b>11,089</b>	<b>11,149</b>	<b>10,980</b>	<b>12,851</b>	<b>14,722</b>
Purchased goods, materials and service	5,628	4,805	4,008	4,309	5,077
Wages, salaries and employee benefits	1,473	1,575	1,714	2,736	2,805
Indirect taxes	132	121	129	145	156
Depreciation, depletion and amortization	2,664	2,817	3,215	3,858	4,715
Interest expense (operating)	738	743	696	479	640
Other operating expenses	455	1,089	1,218	1,324	1,329
<b>Operating profit/loss</b>	<b>8,681</b>	<b>9,284</b>	<b>10,330</b>	<b>12,656</b>	<b>13,818</b>
Interest and dividend revenue	101	..	..	2	4
Interest expense on borrowing	5,700	6,276	6,050	6,343	7,298
Gains/losses	-7	57	171	161	-69
<b>Profit before income tax</b>	<b>3,074</b>	<b>3,066</b>	<b>4,451</b>	<b>6,476</b>	<b>6,454</b>
Income tax	921	1,112	1,117	1,459	1,384
Equity in affiliates' earnings	93	73	145	78	112
<b>Profit before extraordinary gains</b>	<b>2,246</b>	<b>2,026</b>	<b>3,480</b>	<b>5,095</b>	<b>5,182</b>
Extraordinary gains	-1	-2	0	2	1
<b>Net profit</b>	<b>2,245</b>	<b>2,024</b>	<b>3,479</b>	<b>5,097</b>	<b>5,184</b>



**Table 55-2**  
**Non-depository credit intermediation — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>2,245</b>	<b>2,024</b>	<b>3,479</b>	<b>5,097</b>	<b>5,184</b>
Plus: consolidation adjustments	85	-40	-55	-218	-259
Plus: conceptual adjustments	-161	76	196	-63	713
Plus: current taxes, including mining	796	836	1,012	1,562	1,212
Plus: deferred income taxes	162	150	-46	18	-41
Less: profit of tax exempt corporations	387	337	1,402	1,698	1,604
Deductible dividends	486	183	373	715	645
<b>Adjusted profit before taxes</b>	<b>2,254</b>	<b>2,526</b>	<b>2,810</b>	<b>3,982</b>	<b>4,560</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	326	23	80	236	342
Less: taxable capital gains	110	103	133	528	88
Net difference, capital gains and losses	216	-80	-53	-292	254
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-46	-38	-82	132	-75
<b>Total, exemptions and deductions</b>	<b>169</b>	<b>-117</b>	<b>-134</b>	<b>-160</b>	<b>179</b>
<b>Timing differences:</b>					
Depreciation	2,762	2,601	2,955	3,297	4,128
Less: capital cost allowance	5,642	5,210	6,257	7,147	6,539
Net difference, depreciation	-2,880	-2,610	-3,302	-3,850	-2,411
Natural resources expenses, (books)	4	0	0	1	1
Less: natural resource expenses, (tax)	2	5	5	3	3
Net difference, natural resources expenses	2	-4	-5	-2	-2
Charitable donations net difference, (books minus tax)	0	0	0	-5	3
Other timing differences	2,513	2,546	3,120	3,748	2,709
<b>Total, timing differences</b>	<b>-365</b>	<b>-67</b>	<b>-186</b>	<b>-110</b>	<b>298</b>
<b>Net taxable income</b>	<b>1,719</b>	<b>2,576</b>	<b>2,758</b>	<b>4,032</b>	<b>4,679</b>
Plus: current year tax losses	619	561	567	498	444
<b>Current year positive taxable income</b>	<b>2,338</b>	<b>3,137</b>	<b>3,325</b>	<b>4,530</b>	<b>5,123</b>
Less: prior year losses applied	652	567	461	453	1,364
<b>Taxable income (tax base)</b>	<b>1,686</b>	<b>2,570</b>	<b>2,865</b>	<b>4,077</b>	<b>3,759</b>
<b>Taxes:</b>					
Tax otherwise payable	663	993	1,135	1,627	1,485
Surtax	19	29	33	54	49
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	170	257	295	270	246
Small business deduction	11	12	13	13	15
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	0	0	0	0	0
Other credits	24	107	165	289	261
<b>Net part 1 tax payable</b>	<b>476</b>	<b>646</b>	<b>694</b>	<b>1,108</b>	<b>1,012</b>
Other direct federal taxes	34	81	75	239	40
<b>Federal tax payable</b>	<b>510</b>	<b>727</b>	<b>769</b>	<b>1,346</b>	<b>1,052</b>
Provincial tax payable	207	286	382	572	513
<b>Total taxes</b>	<b>717</b>	<b>1,012</b>	<b>1,150</b>	<b>1,918</b>	<b>1,566</b>

**Table 55-3**  
**Non-depository credit intermediation — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	7.097	5.173	5.004	5.223	4.568
Profit margin (percent)	43.9	45.4	48.5	49.6	48.4
Return on equity (percent)	12.0	8.0	12.2	15.6	13.1
Return on capital employed (percent)	4.5	4.3	4.8	4.8	5.1
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	23.6	32.8	35.1	42.7	30.4
Income taxes to taxable income (percent)	40.5	36.2	37.6	41.2	40.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	2.7	3.4	4.3	19.7	11.9
Operating expenses, year-over-year change	1.2	0.5	-1.5	17.0	14.6
Operating profit, year-over-year change	4.8	6.9	11.3	22.5	9.2
Taxable income (tax base), year-over-year change	26.6	52.5	11.4	42.3	-7.8
Taxes, year-over-year change	20.6	41.1	13.6	66.7	-18.4

**Table 56-1**  
**Central credit unions — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>22,069</b>	<b>25,893</b>	<b>27,476</b>	<b>28,809</b>	<b>31,636</b>
Cash and deposits	2,286	2,171	2,293	2,705	2,712
Accounts receivable and accrued revenue	221	182	233	209	244
Inventories	..	..	..	..	..
Investments	13,824	14,156	14,721	14,483	15,483
Investments and accounts with affiliates	1,870	1,618	2,959	2,255	2,249
Portfolio investments	11,954	12,538	11,761	12,229	13,235
Loans	4,236	7,898	8,682	9,496	10,606
Mortgages	510	727	576	617	730
Non-mortgages	3,726	7,171	8,106	8,879	9,876
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	73	59	58	55	63
Other assets	1,428	1,428	1,490	1,860	2,529
<b>Liabilities</b>	<b>20,586</b>	<b>24,158</b>	<b>25,666</b>	<b>27,008</b>	<b>29,543</b>
Accounts payable and accrued liabilities	340	325	331	404	498
Loans and accounts with affiliates	13	20	19	24	20
Borrowings	816	1,252	1,190	992	1,586
Loans and overdrafts	461	929	834	848	1,421
From banks	31	0	5	4	4
From others	429	929	830	844	1,416
Bankers' acceptances and paper	..	..	..	..	..
Bonds and debentures	355	323	356	144	165
Mortgages	..	..	0	0	0
Deferred income tax	1	..	..	..	1
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	19,416	22,561	24,126	25,588	27,438
<b>Equity</b>	<b>1,483</b>	<b>1,735</b>	<b>1,810</b>	<b>1,800</b>	<b>2,093</b>
Share capital	1,088	1,310	1,350	1,394	1,649
Contributed surplus and other	..	..	113	116	128
Retained earnings	394	425	347	290	316
<b>Income statement</b>					
<b>Operating revenue</b>	<b>982</b>	<b>1,030</b>	<b>1,022</b>	<b>1,076</b>	<b>1,405</b>
Sales of goods and services	..	..	..	..	..
Interest and dividend revenue (operating)	781	799	799	863	1,175
Other operating revenue	201	231	224	213	230
<b>Operating expenses</b>	<b>835</b>	<b>883</b>	<b>892</b>	<b>938</b>	<b>1,212</b>
Purchased goods, materials and service	196	274	293	263	289
Wages, salaries and employee benefits	228	..	..	..	..
Indirect taxes	..	..	..	..	..
Depreciation, depletion and amortization	16	13	14	13	13
Interest expense (operating)	394	580	570	647	891
Other operating expenses	..	16	15	15	19
<b>Operating profit/loss</b>	<b>147</b>	<b>147</b>	<b>130</b>	<b>138</b>	<b>194</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	92	96	100	102	156
Gains/losses	22	14	27	29	34
<b>Profit before income tax</b>	<b>76</b>	<b>64</b>	<b>58</b>	<b>64</b>	<b>72</b>
Income tax	9	9	11	8	14
Equity in affiliates' earnings	1	7	3	17	24
<b>Profit before extraordinary gains</b>	<b>69</b>	<b>62</b>	<b>50</b>	<b>73</b>	<b>82</b>
Extraordinary gains	..	..	0	0	0
<b>Net profit</b>	<b>69</b>	<b>62</b>	<b>50</b>	<b>73</b>	<b>82</b>

**Table 56-2**  
**Central credit unions — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>69</b>	<b>62</b>	<b>50</b>	<b>73</b>	<b>82</b>
Plus: consolidation adjustments	..	..	..	..	..
Plus: conceptual adjustments	205	233	475	472	536
Plus: current taxes, including mining	31	39	36	52	52
Plus: deferred income taxes	-8	-6	7	-3	-3
Less: profit of tax exempt corporations	..	..	..	..	..
Deductible dividends	7	94	5	3	1
<b>Adjusted profit before taxes</b>	<b>290</b>	<b>234</b>	<b>564</b>	<b>592</b>	<b>666</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	8	1	9	1	5
Less: taxable capital gains	7	2	3	4	4
Net difference, capital gains and losses	1	0	5	-3	1
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	5	2	4	0	-13
<b>Total, exemptions and deductions</b>	<b>7</b>	<b>2</b>	<b>10</b>	<b>-3</b>	<b>-12</b>
<b>Timing differences:</b>					
Depreciation	32	29	28	35	39
Less: capital cost allowance	54	61	67	74	60
Net difference, depreciation	-22	-32	-39	-38	-21
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	-183	-74	-398	-458	-577
<b>Total, timing differences</b>	<b>-205</b>	<b>-106</b>	<b>-436</b>	<b>-496</b>	<b>-598</b>
<b>Net taxable income</b>	<b>78</b>	<b>126</b>	<b>117</b>	<b>99</b>	<b>80</b>
Plus: current year tax losses	1	1	0	0	5
<b>Current year positive taxable income</b>	<b>79</b>	<b>127</b>	<b>118</b>	<b>99</b>	<b>85</b>
Less: prior year losses applied	0	1	0	5	5
<b>Taxable income (tax base)</b>	<b>79</b>	<b>126</b>	<b>117</b>	<b>95</b>	<b>80</b>
<b>Taxes:</b>					
Tax otherwise payable	30	48	44	35	30
Surtax	1	1	1	1	1
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	8	13	12	9	8
Small business deduction	0	0	0	0	0
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	3	..	3	6	6
Other credits	0	19	18	14	13
<b>Net part 1 tax payable</b>	<b>19</b>	<b>17</b>	<b>13</b>	<b>6</b>	<b>4</b>
Other direct federal taxes	2	2	1	1	1
<b>Federal tax payable</b>	<b>21</b>	<b>19</b>	<b>14</b>	<b>8</b>	<b>5</b>
Provincial tax payable	7	10	10	7	6
<b>Total taxes</b>	<b>28</b>	<b>29</b>	<b>24</b>	<b>15</b>	<b>12</b>

**Table 56-3**  
**Central credit unions — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.559	0.733	0.668	0.564	0.767
Profit margin (percent)	14.9	14.3	12.8	12.8	13.8
Return on equity (percent)	4.6	3.6	2.8	4.0	3.9
Return on capital employed (percent)	5.7	4.2	3.8	5.8	5.9
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	9.7	12.4	4.2	2.5	1.8
Income taxes to taxable income (percent)	32.9	21.6	19.0	14.4	13.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-44.9	4.9	-0.7	5.3	30.6
Operating expenses, year-over-year change	-45.3	5.8	1.0	5.2	29.1
Operating profit, year-over-year change	-42.7	0.2	-11.2	5.6	40.5
Taxable income (tax base), year-over-year change	81.4	59.2	-7.1	-19.5	-15.6
Taxes, year-over-year change	187.4	3.3	-18.8	-36.4	-21.0

Table 57-1

## Financial transactions processing, loan brokers and other activities related to credit intermediation — Balance sheet and income statement

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Balance sheet</b>					
<b>Assets</b>	<b>1,693</b>	<b>1,567</b>	<b>5,113</b>	<b>6,729</b>	<b>8,850</b>
Cash and deposits	419	415	448	634	966
Accounts receivable and accrued revenue	133	167	238	375	800
Inventories	9	8	8	7	10
Investments	331	237	1,926	2,231	2,138
Investments and accounts with affiliates	177	163	540	871	659
Portfolio investments	154	74	1,386	1,360	1,479
Loans	399	197	1,849	2,642	3,811
Mortgages	113	151	1,805	2,575	3,685
Non-mortgages	286	47	44	67	126
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	252	307	350	382	491
Other assets	151	236	293	459	633
<b>Liabilities</b>	<b>959</b>	<b>945</b>	<b>1,118</b>	<b>2,053</b>	<b>3,222</b>
Accounts payable and accrued liabilities	350	346	449	520	737
Loans and accounts with affiliates	274	286	315	491	517
Borrowings	273	146	157	742	1,287
Loans and overdrafts	235	85	109	180	511
From banks	57	62	74	82	125
From others	178	23	35	98	387
Bankers' acceptances and paper	..	..	..	51	54
Bonds and debentures	..	0	3	457	648
Mortgages	37	60	46	55	73
Deferred income tax	-2	-5	7	29	-24
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	65	172	189	270	706
<b>Equity</b>	<b>734</b>	<b>622</b>	<b>3,995</b>	<b>4,677</b>	<b>5,627</b>
Share capital	461	395	2,019	2,392	2,732
Contributed surplus and other	164	36	1,233	1,132	1,133
Retained earnings	109	191	742	1,152	1,762
<b>Income statement</b>					
<b>Operating revenue</b>	<b>1,526</b>	<b>1,741</b>	<b>2,027</b>	<b>2,677</b>	<b>3,568</b>
Sales of goods and services	1,363	1,602	1,763	2,036	2,857
Interest and dividend revenue (operating)	45	34	141	286	336
Other operating revenue	118	105	123	355	375
<b>Operating expenses</b>	<b>1,339</b>	<b>1,556</b>	<b>1,814</b>	<b>2,165</b>	<b>2,717</b>
Purchased goods, materials and service	925	888	1,006	1,242	1,487
Wages, salaries and employee benefits	319	565	672	765	1,003
Indirect taxes	3	3	4	4	15
Depreciation, depletion and amortization	55	59	77	93	150
Interest expense (operating)	0	0	0	0	0
Other operating expenses	35	41	56	61	61
<b>Operating profit/loss</b>	<b>187</b>	<b>185</b>	<b>212</b>	<b>512</b>	<b>851</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	25	23	31	46	77
Gains/losses	-10	19	47	-36	17
<b>Profit before income tax</b>	<b>153</b>	<b>181</b>	<b>230</b>	<b>431</b>	<b>791</b>
Income tax	77	71	73	114	200
Equity in affiliates' earnings	31	21	59	23	21
<b>Profit before extraordinary gains</b>	<b>107</b>	<b>131</b>	<b>216</b>	<b>339</b>	<b>613</b>
Extraordinary gains	0	0	0	0	0
<b>Net profit</b>	<b>107</b>	<b>131</b>	<b>216</b>	<b>340</b>	<b>612</b>

Table 57-2

## Financial transactions processing, loan brokers and other activities related to credit intermediation — Reconciliation of profit

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>107</b>	<b>131</b>	<b>216</b>	<b>340</b>	<b>612</b>
Plus: consolidation adjustments	..	..	14	54	-59
Plus: conceptual adjustments	19	-1	-14	-9	9
Plus: current taxes, including mining	63	66	61	89	209
Plus: deferred income taxes	-3	-2	7	10	-13
Less: profit of tax exempt corporations	0	0	85	106	142
Deductible dividends	1	2	8	81	12
<b>Adjusted profit before taxes</b>	<b>185</b>	<b>192</b>	<b>191</b>	<b>297</b>	<b>604</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	1	20	15	34	135
Less: taxable capital gains	1	1	3	11	9
Net difference, capital gains and losses	0	19	12	22	125
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-4	-4	-9	-5	-151
<b>Total, exemptions and deductions</b>	<b>-4</b>	<b>15</b>	<b>3</b>	<b>17</b>	<b>-26</b>
<b>Timing differences:</b>					
Depreciation	54	61	74	93	146
Less: capital cost allowance	55	66	81	87	140
Net difference, depreciation	-1	-5	-7	6	6
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	..	..	..	..	1
Net difference, natural resources expenses	..	..	..	..	..
Charitable donations net difference, (books minus tax)	0	0	0	1	7
Other timing differences	-31	-10	20	-68	-91
<b>Total, timing differences</b>	<b>-31</b>	<b>-15</b>	<b>13</b>	<b>-62</b>	<b>-78</b>
<b>Net taxable income</b>	<b>158</b>	<b>161</b>	<b>201</b>	<b>218</b>	<b>551</b>
Plus: current year tax losses	38	42	37	40	82
<b>Current year positive taxable income</b>	<b>195</b>	<b>204</b>	<b>238</b>	<b>259</b>	<b>633</b>
Less: prior year losses applied	20	11	31	19	12
<b>Taxable income (tax base)</b>	<b>176</b>	<b>193</b>	<b>207</b>	<b>240</b>	<b>621</b>
<b>Taxes:</b>					
Tax otherwise payable	67	74	77	98	239
Surtax	2	2	2	3	7
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	18	19	20	25	63
Small business deduction	5	6	7	9	11
Manufacturing and processing profits deduction	..	..	1	1	1
Investment tax credit	2	2	0	5	0
Other credits	4	7	9	12	37
<b>Net part 1 tax payable</b>	<b>41</b>	<b>42</b>	<b>42</b>	<b>49</b>	<b>134</b>
Other direct federal taxes	0	0	0	4	0
<b>Federal tax payable</b>	<b>41</b>	<b>43</b>	<b>42</b>	<b>53</b>	<b>135</b>
Provincial tax payable	20	20	23	25	76
<b>Total taxes</b>	<b>61</b>	<b>62</b>	<b>65</b>	<b>78</b>	<b>210</b>

**Table 57-3**  
**Financial transactions processing, loan brokers and other activities related to credit intermediation — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.745	0.694	0.118	0.264	0.321
Profit margin (percent)	12.3	10.6	10.5	19.1	23.9
Return on equity (percent)	14.5	21.1	5.4	7.3	10.9
Return on capital employed (percent)	9.8	14.2	5.3	6.4	9.1
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	26.5	27.1	26.1	22.5	29.2
Income taxes to taxable income (percent)	34.7	32.3	31.3	30.7	33.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	21.0	14.1	16.4	32.1	33.3
Operating expenses, year-over-year change	18.1	16.3	16.6	19.3	25.5
Operating profit, year-over-year change	46.7	-1.2	14.9	140.9	66.3
Taxable income (tax base), year-over-year change	-54.1	9.5	7.4	15.8	159.3
Taxes, year-over-year change	-60.5	1.9	3.9	20.4	169.4



**Table 58-1**  
**Securities and commodity contracts intermediation and brokerage — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>36,087</b>	<b>35,553</b>	<b>51,929</b>	<b>49,771</b>	<b>59,493</b>
Cash and deposits	1,890	2,054	2,607	2,619	3,206
Accounts receivable and accrued revenue	10,343	8,727	16,732	20,217	25,040
Inventories	30	24	24	33	54
Investments	22,253	22,995	31,143	25,060	29,646
Investments and accounts with affiliates	4,255	4,533	6,235	4,909	6,913
Portfolio investments	17,998	18,462	24,908	20,151	22,733
Loans	282	231	269	171	250
Mortgages	76	49	57	85	105
Non-mortgages	206	183	213	86	145
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	422	415	458	430	503
Other assets	865	1,107	695	1,241	793
<b>Liabilities</b>	<b>30,018</b>	<b>31,340</b>	<b>43,434</b>	<b>43,620</b>	<b>52,899</b>
Accounts payable and accrued liabilities	14,125	12,470	18,120	19,799	26,298
Loans and accounts with affiliates	4,243	4,380	5,347	6,709	7,192
Borrowings	2,268	1,708	1,960	1,505	1,912
Loans and overdrafts	1,896	1,529	1,783	1,141	1,573
From banks	711	420	630	497	1,121
From others	1,185	1,109	1,153	644	453
Bankers' acceptances and paper	56	1	0	0	0
Bonds and debentures	165	12	14	153	115
Mortgages	151	166	163	211	224
Deferred income tax	495	-28	28	-55	28
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	8,888	12,810	17,979	15,661	17,468
<b>Equity</b>	<b>6,069</b>	<b>4,214</b>	<b>8,494</b>	<b>6,152</b>	<b>6,594</b>
Share capital	3,432	2,310	5,667	3,131	3,107
Contributed surplus and other	556	559	693	629	629
Retained earnings	2,081	1,345	2,134	2,392	2,857
<b>Income statement</b>					
<b>Operating revenue</b>	<b>6,448</b>	<b>6,166</b>	<b>7,922</b>	<b>8,100</b>	<b>10,213</b>
Sales of goods and services	4,752	5,107	5,442	5,768	7,498
Interest and dividend revenue (operating)	1,000	1,018	1,743	1,325	1,677
Other operating revenue	695	40	737	1,006	1,038
<b>Operating expenses</b>	<b>5,616</b>	<b>5,855</b>	<b>6,622</b>	<b>6,802</b>	<b>8,518</b>
Purchased goods, materials and service	3,590	3,568	3,854	3,758	4,971
Wages, salaries and employee benefits	1,416	1,705	2,059	2,353	2,812
Indirect taxes	47	14	49	70	74
Depreciation, depletion and amortization	207	143	139	94	96
Interest expense (operating)	302	294	442	472	520
Other operating expenses	53	131	79	55	45
<b>Operating profit/loss</b>	<b>832</b>	<b>311</b>	<b>1,300</b>	<b>1,297</b>	<b>1,695</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	334	386	405	426	693
Gains/losses	14	3	-3	-15	100
<b>Profit before income tax</b>	<b>512</b>	<b>-72</b>	<b>892</b>	<b>856</b>	<b>1,101</b>
Income tax	138	116	169	237	377
Equity in affiliates' earnings	6	90	77	79	146
<b>Profit before extraordinary gains</b>	<b>380</b>	<b>-98</b>	<b>800</b>	<b>699</b>	<b>870</b>
Extraordinary gains	0	-17	0	0	-1
<b>Net profit</b>	<b>379</b>	<b>-115</b>	<b>800</b>	<b>698</b>	<b>869</b>

**Table 58-2**  
**Securities and commodity contracts intermediation and brokerage — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>379</b>	<b>-115</b>	<b>800</b>	<b>698</b>	<b>869</b>
Plus: consolidation adjustments	27	-28	-9	43	-76
Plus: conceptual adjustments	-29	-62	-38	-71	-95
Plus: current taxes, including mining	56	118	159	209	354
Plus: deferred income taxes	26	8	-2	11	5
Less: profit of tax exempt corporations	101	-515	-4	2	3
Deductible dividends	75	83	397	280	119
<b>Adjusted profit before taxes</b>	<b>283</b>	<b>352</b>	<b>517</b>	<b>607</b>	<b>935</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	45	95	53	134	136
Less: taxable capital gains	69	81	94	78	104
Net difference, capital gains and losses	-24	14	-41	56	32
Resource allowance	0	1	2	2	1
Less: royalties	0	0	1	2	0
Net difference, resource allowance	0	1	1	0	1
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	59	486	-23	-40	-29
<b>Total, exemptions and deductions</b>	<b>35</b>	<b>501</b>	<b>-64</b>	<b>17</b>	<b>4</b>
<b>Timing differences:</b>					
Depreciation	227	129	150	63	66
Less: capital cost allowance	111	63	70	49	54
Net difference, depreciation	116	66	80	14	12
Natural resources expenses, (books)	0	0	3	1	1
Less: natural resource expenses, (tax)	1	2	19	25	26
Net difference, natural resources expenses	-1	-2	-16	-24	-25
Charitable donations net difference, (books minus tax)	3	2	-5	2	-1
Other timing differences	-223	-95	-148	-44	-47
<b>Total, timing differences</b>	<b>-105</b>	<b>-30</b>	<b>-89</b>	<b>-53</b>	<b>-62</b>
<b>Net taxable income</b>	<b>144</b>	<b>-178</b>	<b>492</b>	<b>538</b>	<b>869</b>
Plus: current year tax losses	253	652	121	197	151
<b>Current year positive taxable income</b>	<b>397</b>	<b>475</b>	<b>612</b>	<b>736</b>	<b>1,019</b>
Less: prior year losses applied	50	57	95	81	101
<b>Taxable income (tax base)</b>	<b>347</b>	<b>418</b>	<b>517</b>	<b>655</b>	<b>919</b>
<b>Taxes:</b>					
Tax otherwise payable	138	162	229	252	356
Surtax	4	5	6	7	10
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	36	42	60	65	92
Small business deduction	12	8	10	11	13
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	..	..	..	..	..
Other credits	6	19	36	40	57
<b>Net part 1 tax payable</b>	<b>88</b>	<b>99</b>	<b>130</b>	<b>143</b>	<b>204</b>
Other direct federal taxes	17	6	11	31	14
<b>Federal tax payable</b>	<b>104</b>	<b>105</b>	<b>140</b>	<b>174</b>	<b>219</b>
Provincial tax payable	41	47	55	73	108
<b>Total taxes</b>	<b>145</b>	<b>152</b>	<b>195</b>	<b>247</b>	<b>327</b>

**Table 58-3**  
**Securities and commodity contracts intermediation and brokerage — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.073	1.445	0.860	1.335	1.381
Profit margin (percent)	12.9	5.0	16.4	16.0	16.6
Return on equity (percent)	6.3	-2.3	9.4	11.4	13.2
Return on capital employed (percent)	5.0	1.4	7.2	6.8	9.0
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	24.8	28.3	27.3	28.0	31.0
Income taxes to taxable income (percent)	37.1	34.7	35.7	32.9	34.0
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-13.0	-4.4	28.5	2.2	26.1
Operating expenses, year-over-year change	-17.8	4.3	13.1	2.7	25.2
Operating profit, year-over-year change	44.6	-62.6	318.4	-0.2	30.7
Taxable income (tax base), year-over-year change	-35.8	20.4	23.7	26.7	40.2
Taxes, year-over-year change	-38.7	4.3	28.6	26.5	32.7

**Table 59-1**  
**Securities and commodity exchanges and other financial investment activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>127,201</b>	<b>158,511</b>	<b>189,121</b>	<b>200,075</b>	<b>209,601</b>
Cash and deposits	10,311	15,651	18,404	19,004	20,656
Accounts receivable and accrued revenue	4,816	5,929	8,820	9,700	10,555
Inventories	689	848	1,013	925	903
Investments	88,330	98,553	118,520	126,431	130,959
Investments and accounts with affiliates	41,281	38,553	41,802	45,927	44,634
Portfolio investments	47,049	60,000	76,718	80,504	86,324
Loans	5,835	8,435	9,466	10,081	11,122
Mortgages	3,664	5,425	6,103	6,024	6,632
Non-mortgages	2,171	3,010	3,363	4,057	4,490
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	8,383	16,758	19,501	20,646	21,316
Other assets	8,837	12,337	13,397	13,287	14,091
<b>Liabilities</b>	<b>54,003</b>	<b>68,298</b>	<b>81,296</b>	<b>85,962</b>	<b>91,246</b>
Accounts payable and accrued liabilities	7,319	8,764	11,132	11,590	12,754
Loans and accounts with affiliates	26,462	31,327	37,055	39,601	41,399
Borrowings	16,056	22,308	26,287	27,206	29,815
Loans and overdrafts	8,688	9,036	11,963	12,770	14,611
From banks	5,094	5,467	5,786	5,645	5,851
From others	3,594	3,569	6,178	7,125	8,759
Bankers' acceptances and paper	1,094	453	289	112	138
Bonds and debentures	2,743	4,074	4,686	4,323	4,722
Mortgages	3,531	8,745	9,349	10,001	10,345
Deferred income tax	2,355	2,101	1,958	2,075	1,943
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,811	3,798	4,864	5,491	5,335
<b>Equity</b>	<b>73,198</b>	<b>90,213</b>	<b>107,825</b>	<b>114,113</b>	<b>118,356</b>
Share capital	33,060	39,641	47,434	49,032	48,975
Contributed surplus and other	15,506	16,108	16,964	17,904	19,708
Retained earnings	24,632	34,463	43,427	47,176	49,673
<b>Income statement</b>					
<b>Operating revenue</b>	<b>29,312</b>	<b>33,773</b>	<b>38,861</b>	<b>42,782</b>	<b>47,627</b>
Sales of goods and services	20,707	21,801	22,683	25,275	27,201
Interest and dividend revenue (operating)	5,008	7,013	8,692	9,505	10,776
Other operating revenue	3,597	4,959	7,486	8,003	9,649
<b>Operating expenses</b>	<b>21,462</b>	<b>23,987</b>	<b>24,908</b>	<b>26,178</b>	<b>27,441</b>
Purchased goods, materials and service	14,318	15,331	15,991	17,297	17,711
Wages, salaries and employee benefits	4,950	5,830	5,837	6,233	6,722
Indirect taxes	319	449	433	449	442
Depreciation, depletion and amortization	1,404	1,574	1,463	1,545	1,635
Interest expense (operating)	47	15	20	17	28
Other operating expenses	425	787	1,164	638	902
<b>Operating profit/loss</b>	<b>7,849</b>	<b>9,786</b>	<b>13,953</b>	<b>16,605</b>	<b>20,186</b>
Interest and dividend revenue	37	21	71	22	111
Interest expense on borrowing	1,315	1,869	1,825	1,889	1,964
Gains/losses	-1,423	440	-404	26	415
<b>Profit before income tax</b>	<b>5,148</b>	<b>8,377</b>	<b>11,794</b>	<b>14,764</b>	<b>18,748</b>
Income tax	1,415	1,487	1,751	2,069	2,357
Equity in affiliates' earnings	1,289	1,252	2,183	2,135	1,932
<b>Profit before extraordinary gains</b>	<b>5,023</b>	<b>8,143</b>	<b>12,226</b>	<b>14,830</b>	<b>18,323</b>
Extraordinary gains	9	-20	10	-26	5
<b>Net profit</b>	<b>5,032</b>	<b>8,122</b>	<b>12,236</b>	<b>14,804</b>	<b>18,328</b>

**Table 59-2**  
**Securities and commodity exchanges and other financial investment activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>5,032</b>	<b>8,122</b>	<b>12,236</b>	<b>14,804</b>	<b>18,328</b>
Plus: consolidation adjustments	732	684	1,153	1,298	2,124
Plus: conceptual adjustments	-444	-707	-1,064	-883	-985
Plus: current taxes, including mining	1,285	1,426	1,694	1,969	2,277
Plus: deferred income taxes	-115	49	49	2	-26
Less: profit of tax exempt corporations	10	225	-171	172	473
Deductible dividends	6,089	7,710	7,865	8,459	9,858
<b>Adjusted profit before taxes</b>	<b>391</b>	<b>1,641</b>	<b>6,373</b>	<b>8,559</b>	<b>11,387</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	1,326	1,990	4,634	4,821	6,121
Less: taxable capital gains	1,336	1,446	2,605	2,801	3,400
Net difference, capital gains and losses	-10	544	2,029	2,020	2,722
Resource allowance	62	37	43	35	30
Less: royalties	64	31	26	22	21
Net difference, resource allowance	-2	6	16	13	10
Earned depletion allowance	0	1	1	0	0
Other exemptions and deductions	66	-334	369	-35	118
<b>Total, exemptions and deductions</b>	<b>55</b>	<b>217</b>	<b>2,415</b>	<b>1,998</b>	<b>2,850</b>
<b>Timing differences:</b>					
Depreciation	1,065	1,432	1,297	1,278	1,315
Less: capital cost allowance	595	893	846	856	734
Net difference, depreciation	471	540	450	422	581
Natural resources expenses, (books)	58	62	85	45	59
Less: natural resource expenses, (tax)	74	79	72	86	145
Net difference, natural resources expenses	-17	-17	13	-41	-86
Charitable donations net difference, (books minus tax)	43	5	113	90	119
Other timing differences	2,594	1,764	287	-1,177	-2,143
<b>Total, timing differences</b>	<b>3,091</b>	<b>2,291</b>	<b>863</b>	<b>-705</b>	<b>-1,529</b>
<b>Net taxable income</b>	<b>3,426</b>	<b>3,715</b>	<b>4,822</b>	<b>5,855</b>	<b>7,009</b>
Plus: current year tax losses	1,366	1,757	1,708	1,450	1,203
<b>Current year positive taxable income</b>	<b>4,793</b>	<b>5,471</b>	<b>6,529</b>	<b>7,305</b>	<b>8,212</b>
Less: prior year losses applied	696	593	986	933	912
<b>Taxable income (tax base)</b>	<b>4,097</b>	<b>4,878</b>	<b>5,544</b>	<b>6,372</b>	<b>7,299</b>
<b>Taxes:</b>					
Tax otherwise payable	1,671	2,028	2,321	2,626	3,036
Surtax	44	54	61	69	80
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	408	496	566	641	739
Small business deduction	62	83	93	105	115
Manufacturing and processing profits deduction	8	10	5	3	4
Investment tax credit	9	5	6	4	5
Other credits	59	136	204	234	266
<b>Net part 1 tax payable</b>	<b>1,169</b>	<b>1,352</b>	<b>1,507</b>	<b>1,708</b>	<b>1,986</b>
Other direct federal taxes	343	466	571	613	680
<b>Federal tax payable</b>	<b>1,512</b>	<b>1,819</b>	<b>2,079</b>	<b>2,321</b>	<b>2,666</b>
Provincial tax payable	507	524	682	759	865
<b>Total taxes</b>	<b>2,019</b>	<b>2,343</b>	<b>2,761</b>	<b>3,080</b>	<b>3,532</b>

**Table 59-3**  
**Securities and commodity exchanges and other financial investment activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.581	0.595	0.587	0.585	0.602
Profit margin (percent)	26.8	29.0	35.9	38.8	42.4
Return on equity (percent)	6.9	9.0	11.3	13.0	15.5
Return on capital employed (percent)	5.2	6.7	8.0	9.1	10.5
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	38.2	34.2	28.5	27.4	25.6
Income taxes to taxable income (percent)	40.9	38.5	39.5	38.7	39.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-12.4	15.2	15.1	10.1	11.3
Operating expenses, year-over-year change	-11.3	11.8	3.8	5.1	4.8
Operating profit, year-over-year change	-15.3	24.7	42.6	19.0	21.6
Taxable income (tax base), year-over-year change	-16.6	19.1	13.6	14.9	14.6
Taxes, year-over-year change	-17.6	16.0	17.8	11.6	14.7

**Table 60-1**  
**Life, health and medical insurance carriers — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>221,073</b>	<b>236,657</b>	<b>247,274</b>	<b>258,279</b>	<b>278,341</b>
Cash and deposits	1,355	1,538	1,618	1,509	1,272
Accounts receivable and accrued revenue	6,664	8,298	8,228	6,916	6,400
Inventories	..	..	..	..	..
Investments	159,813	167,213	174,628	186,075	205,057
Investments and accounts with affiliates	34,126	30,156	32,262	39,962	50,644
Portfolio investments	125,687	137,057	142,366	146,113	154,413
Loans	43,441	43,469	44,367	44,418	46,035
Mortgages	37,958	38,648	39,211	39,133	40,103
Non-mortgages	5,483	4,820	5,156	5,285	5,932
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	6,722	6,495	6,352	6,496	6,908
Other assets	3,077	9,644	12,081	12,864	12,668
<b>Liabilities</b>	<b>170,562</b>	<b>186,085</b>	<b>191,468</b>	<b>200,199</b>	<b>211,166</b>
Accounts payable and accrued liabilities	8,175	10,529	11,611	8,749	8,339
Loans and accounts with affiliates	2,300	2,743	3,176	6,577	9,847
Borrowings	9,217	7,560	6,785	7,465	8,419
Loans and overdrafts	3,950	2,774	1,951	2,523	2,344
From banks	3,005	1,140	702	924	895
From others	945	1,635	1,249	1,599	1,449
Bankers' acceptances and paper	..	..	..	..	..
Bonds and debentures	5,146	4,665	4,693	4,781	5,838
Mortgages	121	120	141	161	238
Deferred income tax	401	635	501	681	344
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	150,468	164,619	169,396	176,727	184,216
<b>Equity</b>	<b>50,511</b>	<b>50,572</b>	<b>55,806</b>	<b>58,080</b>	<b>67,175</b>
Share capital	12,906	17,219	21,669	21,525	22,362
Contributed surplus and other	1,095	1,366	628	910	1,234
Retained earnings	36,510	31,986	33,508	35,644	43,579
<b>Income statement</b>					
<b>Operating revenue</b>	<b>43,399</b>	<b>46,553</b>	<b>48,048</b>	<b>46,784</b>	<b>52,274</b>
Sales of goods and services	30,047	32,144	33,865	32,571	37,220
Interest and dividend revenue (operating)	10,504	10,950	11,101	11,000	11,365
Other operating revenue	2,848	3,459	3,082	3,213	3,690
<b>Operating expenses</b>	<b>39,312</b>	<b>42,059</b>	<b>43,313</b>	<b>42,297</b>	<b>47,107</b>
Purchased goods, materials and service	36,404	39,017	40,204	39,417	44,286
Wages, salaries and employee benefits	2,879	2,986	3,529	3,140	3,207
Indirect taxes	429	479	466	494	505
Depreciation, depletion and amortization	-780	-803	-1,083	-1,027	-1,148
Interest expense (operating)	204	163	216	206	208
Other operating expenses	174	218	-19	67	48
<b>Operating profit/loss</b>	<b>4,087</b>	<b>4,495</b>	<b>4,734</b>	<b>4,487</b>	<b>5,167</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	390	504	537	581	591
Gains/losses	-250	84	100	187	338
<b>Profit before income tax</b>	<b>3,448</b>	<b>4,074</b>	<b>4,298</b>	<b>4,094</b>	<b>4,913</b>
Income tax	871	932	995	1,008	1,169
Equity in affiliates' earnings	299	832	1,350	2,157	2,463
<b>Profit before extraordinary gains</b>	<b>2,875</b>	<b>3,974</b>	<b>4,653</b>	<b>5,244</b>	<b>6,208</b>
Extraordinary gains	..	..	0	0	0
<b>Net profit</b>	<b>2,875</b>	<b>3,974</b>	<b>4,653</b>	<b>5,244</b>	<b>6,208</b>

**Table 60-2**  
**Life, health and medical insurance carriers — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>2,875</b>	<b>3,974</b>	<b>4,653</b>	<b>5,244</b>	<b>6,208</b>
Plus: consolidation adjustments	-3	-8	-8	-42	1,604
Plus: conceptual adjustments	41	-894	-2,051	-1,826	-5,746
Plus: current taxes, including mining	352	621	842	782	795
Plus: deferred income taxes	169	53	222	-91	29
Less: profit of tax exempt corporations	414	443	729	0	2,147
Deductible dividends	428	1,991	1,798	1,310	430
<b>Adjusted profit before taxes</b>	<b>2,594</b>	<b>1,313</b>	<b>1,132</b>	<b>2,757</b>	<b>313</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	39	253	337	386	165
Less: taxable capital gains	-50	199	141	175	201
Net difference, capital gains and losses	88	54	196	211	-36
Resource allowance	..	0	0	0	0
Less: royalties	..	0	0	0	0
Net difference, resource allowance	..	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-241	-368	-642	36	-2,150
<b>Total, exemptions and deductions</b>	<b>-153</b>	<b>-314</b>	<b>-446</b>	<b>247</b>	<b>-2,186</b>
<b>Timing differences:</b>					
Depreciation	164	139	-148	-557	-936
Less: capital cost allowance	218	74	-51	93	91
Net difference, depreciation	-54	65	-97	-649	-1,027
Natural resources expenses, (books)	..	..	..	..	..
Less: natural resource expenses, (tax)	..	0	0	0	0
Net difference, natural resources expenses	..	0	0	0	0
Charitable donations net difference, (books minus tax)	-6	-4	-1	-3	-2
Other timing differences	-2,127	-324	-152	-335	-417
<b>Total, timing differences</b>	<b>-2,187</b>	<b>-262</b>	<b>-249</b>	<b>-988</b>	<b>-1,446</b>
<b>Net taxable income</b>	<b>560</b>	<b>1,366</b>	<b>1,329</b>	<b>1,522</b>	<b>1,053</b>
Plus: current year tax losses	281	379	447	274	469
<b>Current year positive taxable income</b>	<b>841</b>	<b>1,745</b>	<b>1,776</b>	<b>1,796</b>	<b>1,522</b>
Less: prior year losses applied	34	28	48	71	25
<b>Taxable income (tax base)</b>	<b>807</b>	<b>1,717</b>	<b>1,728</b>	<b>1,725</b>	<b>1,497</b>
<b>Taxes:</b>					
Tax otherwise payable	302	646	629	655	584
Surtax	9	18	18	18	17
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	79	170	167	169	152
Small business deduction	2	0	1	1	1
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	0	2	0	3	2
Other credits	13	82	94	107	100
<b>Net part 1 tax payable</b>	<b>217</b>	<b>410</b>	<b>385</b>	<b>393</b>	<b>346</b>
Other direct federal taxes	78	46	22	31	30
<b>Federal tax payable</b>	<b>295</b>	<b>456</b>	<b>407</b>	<b>424</b>	<b>376</b>
Provincial tax payable	100	207	188	208	187
<b>Total taxes</b>	<b>395</b>	<b>663</b>	<b>595</b>	<b>631</b>	<b>563</b>



**Table 60-3**  
**Life, health and medical insurance carriers — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.228	0.204	0.178	0.242	0.272
Profit margin (percent)	9.4	9.7	9.9	9.6	9.9
Return on equity (percent)	5.7	7.9	8.3	9.0	9.2
Return on capital employed (percent)	5.1	7.2	7.7	7.9	7.8
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	14.7	23.4	27.1	21.2	32.5
Income taxes to taxable income (percent)	39.3	35.9	33.2	34.8	35.6
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	5.6	7.3	3.2	-2.6	11.7
Operating expenses, year-over-year change	5.2	7.0	3.0	-2.3	11.4
Operating profit, year-over-year change	10.2	10.0	5.3	-5.2	15.1
Taxable income (tax base), year-over-year change	41.2	112.7	0.7	-0.2	-13.2
Taxes, year-over-year change	25.2	67.7	-10.2	6.1	-10.9

**Table 61-1**  
**Property and casualty insurance carriers — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>84,196</b>	<b>91,551</b>	<b>100,337</b>	<b>105,772</b>	<b>118,223</b>
Cash and deposits	2,636	2,513	3,611	2,431	3,061
Accounts receivable and accrued revenue	10,491	11,327	11,658	11,414	12,368
Inventories	3	..	..	5	5
Investments	53,572	59,524	66,049	72,647	82,455
Investments and accounts with affiliates	2,237	2,143	5,537	5,372	5,900
Portfolio investments	51,335	57,381	60,512	67,275	76,555
Loans	866	1,085	1,114	1,128	1,300
Mortgages	866	1,085	1,114	1,128	1,300
Non-mortgages	..	..	..	..	..
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	1,179	1,060	1,014	1,116	1,032
Other assets	15,449	16,041	16,890	17,031	18,004
<b>Liabilities</b>	<b>64,457</b>	<b>69,471</b>	<b>74,211</b>	<b>77,551</b>	<b>84,542</b>
Accounts payable and accrued liabilities	38,932	42,371	45,947	49,033	51,535
Loans and accounts with affiliates	498	425	528	338	204
Borrowings	183	198	180	248	234
Loans and overdrafts	168	159	162	223	208
From banks	136	129	76	110	125
From others	32	30	86	113	83
Bankers' acceptances and paper	..	..	..	..	..
Bonds and debentures	..	..	..	..	..
Mortgages	15	39	17	25	26
Deferred income tax	-667	-680	-823	-1,122	-935
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	25,511	27,156	28,379	29,055	33,505
<b>Equity</b>	<b>19,739</b>	<b>22,080</b>	<b>26,126</b>	<b>28,221</b>	<b>33,681</b>
Share capital	3,811	3,659	3,640	3,859	4,811
Contributed surplus and other	942	841	1,003	985	904
Retained earnings	14,987	17,581	21,482	23,377	27,967
<b>Income statement</b>					
<b>Operating revenue</b>	<b>32,291</b>	<b>36,094</b>	<b>38,010</b>	<b>39,854</b>	<b>42,786</b>
Sales of goods and services	29,121	32,138	34,142	35,498	37,853
Interest and dividend revenue (operating)	2,641	2,804	2,852	2,661	3,108
Other operating revenue	530	1,151	1,016	1,695	1,825
<b>Operating expenses</b>	<b>31,757</b>	<b>32,386</b>	<b>31,492</b>	<b>33,794</b>	<b>35,095</b>
Purchased goods, materials and service	29,238	29,869	28,922	30,840	32,268
Wages, salaries and employee benefits	2,214	2,158	2,333	2,642	2,707
Indirect taxes	125	160	71	81	73
Depreciation, depletion and amortization	127	144	124	222	17
Interest expense (operating)	..	..	..	..	..
Other operating expenses	53	55	42	4	30
<b>Operating profit/loss</b>	<b>535</b>	<b>3,708</b>	<b>6,518</b>	<b>6,060</b>	<b>7,691</b>
Interest and dividend revenue	..	..	143	418	472
Interest expense on borrowing	14	17	24	20	17
Gains/losses	-225	-204	-105	266	194
<b>Profit before income tax</b>	<b>295</b>	<b>3,487</b>	<b>6,533</b>	<b>6,725</b>	<b>8,340</b>
Income tax	278	876	1,562	1,702	2,076
Equity in affiliates' earnings	10	88	137	186	163
<b>Profit before extraordinary gains</b>	<b>28</b>	<b>2,699</b>	<b>5,108</b>	<b>5,210</b>	<b>6,428</b>
Extraordinary gains	..	0	0	0	0
<b>Net profit</b>	<b>28</b>	<b>2,699</b>	<b>5,108</b>	<b>5,210</b>	<b>6,428</b>

**Table 61-2**  
**Property and casualty insurance carriers — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>28</b>	<b>2,699</b>	<b>5,108</b>	<b>5,210</b>	<b>6,428</b>
Plus: consolidation adjustments	32	0	-17	-35	-91
Plus: conceptual adjustments	1,008	-4,311	-2,451	-994	-748
Plus: current taxes, including mining	102	625	1,245	1,627	1,709
Plus: deferred income taxes	618	-64	-137	-224	44
Less: profit of tax exempt corporations	-116	530	951	397	2,053
Deductible dividends	326	296	423	316	327
<b>Adjusted profit before taxes</b>	<b>1,578</b>	<b>-1,878</b>	<b>2,374</b>	<b>4,870</b>	<b>4,961</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	39	238	382	737	746
Less: taxable capital gains	-3	6	22	91	23
Net difference, capital gains and losses	42	232	359	646	723
Resource allowance	..	..	..	..	..
Less: royalties	..	..	..	..	..
Net difference, resource allowance	..	..	..	..	..
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-289	-287	-643	-75	-1,431
<b>Total, exemptions and deductions</b>	<b>-247</b>	<b>-55</b>	<b>-283</b>	<b>572</b>	<b>-709</b>
<b>Timing differences:</b>					
Depreciation	99	128	154	144	106
Less: capital cost allowance	94	104	118	168	113
Net difference, depreciation	5	24	36	-25	-7
Natural resources expenses, (books)	-1	..	..	..	..
Less: natural resource expenses, (tax)	..	..	..	..	..
Net difference, natural resources expenses	-1	..	..	..	..
Charitable donations net difference, (books minus tax)	2	-3	-1	-1	-1
Other timing differences	-2,103	3,840	1,101	336	-2,750
<b>Total, timing differences</b>	<b>-2,096</b>	<b>3,861</b>	<b>1,136</b>	<b>310</b>	<b>-2,758</b>
<b>Net taxable income</b>	<b>-272</b>	<b>2,038</b>	<b>3,793</b>	<b>4,609</b>	<b>2,912</b>
Plus: current year tax losses	823	192	0	52	498
<b>Current year positive taxable income</b>	<b>551</b>	<b>2,230</b>	<b>3,793</b>	<b>4,660</b>	<b>3,409</b>
Less: prior year losses applied	122	277	364	434	71
<b>Taxable income (tax base)</b>	<b>429</b>	<b>1,952</b>	<b>3,429</b>	<b>4,226</b>	<b>3,338</b>
<b>Taxes:</b>					
Tax otherwise payable	203	739	1,262	1,594	1,279
Surtax	5	20	35	44	37
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	49	186	330	404	331
Small business deduction	6	3	4	5	4
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	0	1	1	3	5
Other credits	8	109	230	280	240
<b>Net part 1 tax payable</b>	<b>144</b>	<b>460</b>	<b>734</b>	<b>946</b>	<b>737</b>
Other direct federal taxes	9	20	13	9	5
<b>Federal tax payable</b>	<b>153</b>	<b>480</b>	<b>747</b>	<b>955</b>	<b>742</b>
Provincial tax payable	53	205	322	453	400
<b>Total taxes</b>	<b>206</b>	<b>685</b>	<b>1,069</b>	<b>1,408</b>	<b>1,142</b>

**Table 61-3**  
**Property and casualty insurance carriers — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.035	0.028	0.027	0.021	0.013
Profit margin (percent)	1.7	10.3	17.1	15.2	18.0
Return on equity (percent)	0.1	12.2	19.6	18.5	19.1
Return on capital employed (percent)	0.2	11.9	19.1	18.1	18.9
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	8.7	31.3	23.0	21.5	21.1
Income taxes to taxable income (percent)	46.0	34.1	30.8	33.1	34.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	6.4	11.8	5.3	4.9	7.4
Operating expenses, year-over-year change	6.2	2.0	-2.8	7.3	3.9
Operating profit, year-over-year change	15.0	593.5	75.8	-7.0	26.9
Taxable income (tax base), year-over-year change	-9.5	354.7	75.6	23.3	-21.0
Taxes, year-over-year change	-19.5	231.9	56.0	31.7	-18.9

**Table 62-1**  
**Agencies, brokerages and other insurance related activities — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>7,512</b>	<b>8,465</b>	<b>9,313</b>	<b>9,788</b>	<b>10,495</b>
Cash and deposits	1,339	1,601	1,778	2,003	2,011
Accounts receivable and accrued revenue	2,092	2,375	2,345	2,250	2,267
Inventories	41	22	23	26	37
Investments	1,955	2,084	2,617	2,932	3,344
Investments and accounts with affiliates	1,277	1,463	1,807	2,071	2,401
Portfolio investments	678	621	810	861	943
Loans	112	133	129	135	161
Mortgages	60	61	64	70	95
Non-mortgages	52	72	66	65	66
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	579	621	639	647	645
Other assets	1,394	1,628	1,782	1,796	2,029
<b>Liabilities</b>	<b>5,175</b>	<b>5,671</b>	<b>5,886</b>	<b>6,334</b>	<b>6,394</b>
Accounts payable and accrued liabilities	2,683	3,028	3,000	3,051	2,914
Loans and accounts with affiliates	1,098	1,101	1,043	1,387	1,585
Borrowings	943	984	1,267	1,179	1,237
Loans and overdrafts	521	496	685	596	575
From banks	393	354	405	378	340
From others	128	142	280	219	235
Bankers' acceptances and paper	0	0	0	0	0
Bonds and debentures	149	128	249	247	285
Mortgages	273	360	333	335	377
Deferred income tax	47	41	29	21	6
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	405	515	547	696	651
<b>Equity</b>	<b>2,337</b>	<b>2,795</b>	<b>3,426</b>	<b>3,454</b>	<b>4,101</b>
Share capital	800	843	1,181	1,057	1,444
Contributed surplus and other	181	178	203	199	254
Retained earnings	1,355	1,774	2,043	2,199	2,404
<b>Income statement</b>					
<b>Operating revenue</b>	<b>6,630</b>	<b>7,442</b>	<b>7,826</b>	<b>7,984</b>	<b>8,897</b>
Sales of goods and services	6,453	7,225	7,588	7,719	8,513
Interest and dividend revenue (operating)	114	152	133	148	175
Other operating revenue	63	65	105	117	209
<b>Operating expenses</b>	<b>5,860</b>	<b>6,419</b>	<b>6,756</b>	<b>6,812</b>	<b>7,481</b>
Purchased goods, materials and service	2,343	2,423	2,485	2,488	3,144
Wages, salaries and employee benefits	3,152	3,663	3,952	4,034	4,096
Indirect taxes	75	61	36	33	38
Depreciation, depletion and amortization	181	175	181	175	178
Interest expense (operating)	3	2	0	0	1
Other operating expenses	106	95	102	83	23
<b>Operating profit/loss</b>	<b>770</b>	<b>1,022</b>	<b>1,070</b>	<b>1,172</b>	<b>1,416</b>
Interest and dividend revenue	..	..	..	..	..
Interest expense on borrowing	126	130	123	145	161
Gains/losses	5	27	-4	17	1
<b>Profit before income tax</b>	<b>649</b>	<b>919</b>	<b>943</b>	<b>1,045</b>	<b>1,257</b>
Income tax	225	272	287	279	316
Equity in affiliates' earnings	84	72	55	111	77
<b>Profit before extraordinary gains</b>	<b>508</b>	<b>720</b>	<b>710</b>	<b>877</b>	<b>1,017</b>
Extraordinary gains	-1	0	1	0	0
<b>Net profit</b>	<b>508</b>	<b>720</b>	<b>712</b>	<b>877</b>	<b>1,018</b>

**Table 62-2**  
**Agencies, brokerages and other insurance related activities — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>508</b>	<b>720</b>	<b>712</b>	<b>877</b>	<b>1,018</b>
Plus: consolidation adjustments	-31	7	19	-31	5
Plus: conceptual adjustments	-6	-13	-13	-12	-18
Plus: current taxes, including mining	221	258	269	280	299
Plus: deferred income taxes	1	2	-2	-4	2
Less: profit of tax exempt corporations	2	13	11	19	27
Deductible dividends	74	67	47	57	116
<b>Adjusted profit before taxes</b>	<b>616</b>	<b>894</b>	<b>926</b>	<b>1,033</b>	<b>1,163</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	25	34	62	79	155
Less: taxable capital gains	12	11	18	17	51
Net difference, capital gains and losses	13	23	44	61	104
Resource allowance	..	..	..	..	..
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-58	-63	-63	-66	-80
<b>Total, exemptions and deductions</b>	<b>-45</b>	<b>-39</b>	<b>-19</b>	<b>-5</b>	<b>24</b>
<b>Timing differences:</b>					
Depreciation	188	172	175	165	167
Less: capital cost allowance	139	149	144	141	143
Net difference, depreciation	49	24	30	24	24
Natural resources expenses, (books)	0	0	0	0	1
Less: natural resource expenses, (tax)	0	0	0	0	1
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	0
Other timing differences	39	-41	41	31	0
<b>Total, timing differences</b>	<b>88</b>	<b>-18</b>	<b>72</b>	<b>55</b>	<b>25</b>
<b>Net taxable income</b>	<b>749</b>	<b>915</b>	<b>1,017</b>	<b>1,093</b>	<b>1,164</b>
Plus: current year tax losses	70	73	63	57	97
<b>Current year positive taxable income</b>	<b>820</b>	<b>988</b>	<b>1,079</b>	<b>1,151</b>	<b>1,261</b>
Less: prior year losses applied	31	31	43	43	31
<b>Taxable income (tax base)</b>	<b>789</b>	<b>957</b>	<b>1,036</b>	<b>1,108</b>	<b>1,230</b>
<b>Taxes:</b>					
Tax otherwise payable	302	365	399	423	470
Surtax	9	10	12	12	13
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	79	96	105	111	123
Small business deduction	70	80	89	99	105
Manufacturing and processing profits deduction	..	..	..	..	..
Investment tax credit	0	0	0	0	0
Other credits	8	18	32	33	39
<b>Net part 1 tax payable</b>	<b>153</b>	<b>182</b>	<b>184</b>	<b>191</b>	<b>216</b>
Other direct federal taxes	1	1	2	2	2
<b>Federal tax payable</b>	<b>155</b>	<b>183</b>	<b>186</b>	<b>193</b>	<b>219</b>
Provincial tax payable	69	77	90	93	105
<b>Total taxes</b>	<b>224</b>	<b>260</b>	<b>276</b>	<b>287</b>	<b>324</b>

**Table 62-3**  
**Agencies, brokerages and other insurance related activities — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.873	0.746	0.674	0.743	0.688
Profit margin (percent)	11.6	13.7	13.7	14.7	15.9
Return on equity (percent)	21.8	25.7	20.7	25.4	24.8
Return on capital employed (percent)	13.7	16.8	14.0	16.3	16.4
Working capital (ratio)	..	..	..	..	..
Quick ratio (ratio)	..	..	..	..	..
Inventory turnover (ratio)	..	..	..	..	..
Receivables turnover (ratio)	..	..	..	..	..
Taxes to positive adjusted profit (percent)	30.5	26.2	27.0	25.6	25.5
Income taxes to taxable income (percent)	28.2	27.0	26.4	25.7	26.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	8.8	12.3	5.2	2.0	11.4
Operating expenses, year-over-year change	6.4	9.6	5.2	0.8	9.8
Operating profit, year-over-year change	31.2	32.8	4.7	9.6	20.8
Taxable income (tax base), year-over-year change	15.9	21.3	8.2	6.9	11.0
Taxes, year-over-year change	13.6	16.3	5.9	4.0	12.9

**Table 63-1**  
**Real estate — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>162,251</b>	<b>165,602</b>	<b>173,371</b>	<b>182,579</b>	<b>215,788</b>
Cash and deposits	7,812	8,423	9,600	10,999	13,100
Accounts receivable and accrued revenue	4,064	3,555	3,764	4,145	4,874
Inventories	3,719	3,502	4,084	4,093	5,831
Investments	27,089	29,034	31,577	33,830	42,453
Investments and accounts with affiliates	18,544	20,779	21,970	23,282	28,641
Portfolio investments	8,545	8,254	9,607	10,547	13,812
Loans	3,834	4,068	4,366	5,322	6,552
Mortgages	2,666	2,734	2,912	3,613	4,136
Non-mortgages	1,168	1,333	1,454	1,709	2,416
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	111,880	112,344	116,916	118,106	136,323
Other assets	3,854	4,676	3,066	6,081	6,655
<b>Liabilities</b>	<b>111,887</b>	<b>117,382</b>	<b>123,318</b>	<b>130,117</b>	<b>150,023</b>
Accounts payable and accrued liabilities	7,210	7,741	8,778	8,863	10,331
Loans and accounts with affiliates	29,782	31,708	36,832	38,916	44,056
Borrowings	69,984	71,491	70,574	73,057	85,389
Loans and overdrafts	9,888	8,821	7,686	7,630	9,845
From banks	5,923	5,776	4,750	5,043	6,458
From others	3,965	3,046	2,936	2,587	3,387
Bankers' acceptances and paper	204	139	160	142	1,221
Bonds and debentures	4,061	5,691	5,672	6,579	7,225
Mortgages	55,832	56,840	57,056	58,707	67,098
Deferred income tax	1,618	1,709	1,517	1,421	1,106
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	3,292	4,732	5,617	7,860	9,141
<b>Equity</b>	<b>50,364</b>	<b>48,221</b>	<b>50,053</b>	<b>52,462</b>	<b>65,765</b>
Share capital	28,558	26,895	26,446	26,022	32,543
Contributed surplus and other	8,361	7,496	6,915	7,333	7,674
Retained earnings	13,446	13,830	16,692	19,108	25,548
<b>Income statement</b>					
<b>Operating revenue</b>	<b>36,067</b>	<b>37,618</b>	<b>39,603</b>	<b>40,733</b>	<b>45,419</b>
Sales of goods and services	14,523	15,207	16,980	13,812	15,667
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	21,544	22,411	22,623	26,921	29,753
<b>Operating expenses</b>	<b>27,625</b>	<b>29,385</b>	<b>31,570</b>	<b>32,324</b>	<b>36,288</b>
Purchased goods, materials and service	15,460	16,238	16,874	16,628	19,386
Wages, salaries and employee benefits	6,531	7,154	7,995	8,895	9,624
Indirect taxes	2,414	2,592	2,756	2,686	2,833
Depreciation, depletion and amortization	2,961	3,125	3,620	3,726	4,291
Interest expense (operating)	1	..	..	..	..
Other operating expenses	258	277	301	366	154
<b>Operating profit/loss</b>	<b>8,443</b>	<b>8,233</b>	<b>8,033</b>	<b>8,409</b>	<b>9,131</b>
Interest and dividend revenue	1,750	1,434	1,645	2,131	2,767
Interest expense on borrowing	5,291	5,201	5,173	5,286	5,800
Gains/losses	1,844	2,250	3,190	4,359	5,473
<b>Profit before income tax</b>	<b>6,746</b>	<b>6,715</b>	<b>7,695</b>	<b>9,613</b>	<b>11,571</b>
Income tax	1,161	1,204	1,310	1,877	1,764
Equity in affiliates' earnings	825	849	986	1,012	1,137
<b>Profit before extraordinary gains</b>	<b>6,410</b>	<b>6,360</b>	<b>7,370</b>	<b>8,749</b>	<b>10,944</b>
Extraordinary gains	-4	280	16	30	1
<b>Net profit</b>	<b>6,406</b>	<b>6,640</b>	<b>7,387</b>	<b>8,779</b>	<b>10,944</b>



**Table 63-2**  
**Real estate — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>6,406</b>	<b>6,640</b>	<b>7,387</b>	<b>8,779</b>	<b>10,944</b>
Plus: consolidation adjustments	-70	188	644	870	259
Plus: conceptual adjustments	-939	-226	-439	-411	-322
Plus: current taxes, including mining	1,032	966	1,262	1,475	1,736
Plus: deferred income taxes	-64	175	-73	-1	-177
Less: profit of tax exempt corporations	1,090	1,040	1,034	1,501	1,609
Deductible dividends	1,892	2,191	1,180	1,630	2,457
<b>Adjusted profit before taxes</b>	<b>3,383</b>	<b>4,512</b>	<b>6,567</b>	<b>7,579</b>	<b>8,375</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	1,618	1,864	2,572	3,854	5,176
Less: taxable capital gains	1,046	992	1,361	1,658	2,317
Net difference, capital gains and losses	572	872	1,211	2,195	2,859
Resource allowance	1	5	7	5	2
Less: royalties	1	1	7	5	2
Net difference, resource allowance	0	4	0	0	0
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	95	650	704	637	319
<b>Total, exemptions and deductions</b>	<b>667</b>	<b>1,527</b>	<b>1,915</b>	<b>2,832</b>	<b>3,178</b>
<b>Timing differences:</b>					
Depreciation	2,768	2,872	3,267	3,081	3,368
Less: capital cost allowance	1,457	1,816	1,692	1,527	1,636
Net difference, depreciation	1,311	1,056	1,575	1,554	1,731
Natural resources expenses, (books)	6	5	3	5	16
Less: natural resource expenses, (tax)	14	11	19	24	24
Net difference, natural resources expenses	-8	-6	-16	-19	-7
Charitable donations net difference, (books minus tax)	-8	16	27	16	10
Other timing differences	-551	-413	-1,689	-1,262	-421
<b>Total, timing differences</b>	<b>744</b>	<b>652</b>	<b>-104</b>	<b>289</b>	<b>1,313</b>
<b>Net taxable income</b>	<b>3,461</b>	<b>3,638</b>	<b>4,548</b>	<b>5,036</b>	<b>6,510</b>
Plus: current year tax losses	1,165	1,116	1,026	1,019	1,029
<b>Current year positive taxable income</b>	<b>4,626</b>	<b>4,753</b>	<b>5,575</b>	<b>6,055</b>	<b>7,539</b>
Less: prior year losses applied	1,259	906	957	757	1,162
<b>Taxable income (tax base)</b>	<b>3,367</b>	<b>3,848</b>	<b>4,618</b>	<b>5,298</b>	<b>6,377</b>
<b>Taxes:</b>					
Tax otherwise payable	1,407	1,594	1,824	2,184	2,638
Surtax	36	41	48	57	69
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	339	385	441	526	634
Small business deduction	182	146	171	201	230
Manufacturing and processing profits deduction	1	0	0	0	0
Investment tax credit	-1	1	0	0	1
Other credits	41	75	107	137	148
<b>Net part 1 tax payable</b>	<b>880</b>	<b>1,029</b>	<b>1,152</b>	<b>1,377</b>	<b>1,694</b>
Other direct federal taxes	75	163	162	160	178
<b>Federal tax payable</b>	<b>955</b>	<b>1,192</b>	<b>1,314</b>	<b>1,537</b>	<b>1,872</b>
Provincial tax payable	376	478	503	592	693
<b>Total taxes</b>	<b>1,331</b>	<b>1,670</b>	<b>1,817</b>	<b>2,129</b>	<b>2,565</b>

**Table 63-3**  
**Real estate — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.981	2.140	2.146	2.134	1.968
Profit margin (percent)	23.4	21.9	20.3	20.6	20.1
Return on equity (percent)	12.7	13.2	14.7	16.7	16.6
Return on capital employed (percent)	7.1	6.9	7.4	7.9	8.0
Working capital (ratio)	1.035	1.018	1.049	1.040	1.107
Quick ratio (ratio)	0.854	0.857	0.881	0.890	0.918
Inventory turnover (ratio)	9.699	10.742	9.697	9.952	7.789
Receivables turnover (ratio)	8.874	10.580	10.522	9.827	9.319
Taxes to positive adjusted profit (percent)	24.2	25.3	22.9	23.6	25.2
Income taxes to taxable income (percent)	37.3	39.2	35.8	37.2	37.4
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	8.2	4.3	5.3	2.9	11.5
Operating expenses, year-over-year change	7.4	6.4	7.4	2.4	12.3
Operating profit, year-over-year change	11.2	-2.5	-2.4	4.7	8.6
Taxable income (tax base), year-over-year change	16.7	14.3	20.0	14.7	20.4
Taxes, year-over-year change	9.0	25.5	8.8	17.2	20.5

**Table 64-1**  
**Automotive, machinery and equipment and other rental and leasing — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>35,677</b>	<b>37,765</b>	<b>41,946</b>	<b>31,405</b>	<b>33,108</b>
Cash and deposits	1,194	1,201	1,447	1,773	2,221
Accounts receivable and accrued revenue	2,870	2,639	2,909	2,969	3,261
Inventories	1,182	1,200	1,268	1,155	1,308
Investments	6,399	7,048	7,609	6,391	6,218
Investments and accounts with affiliates	4,305	4,699	5,103	5,192	5,082
Portfolio investments	2,094	2,348	2,506	1,200	1,136
Loans	9,439	10,190	10,645	1,217	869
Mortgages	967	1,001	1,053	284	269
Non-mortgages	8,472	9,188	9,593	932	600
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	12,583	13,266	14,772	14,281	15,599
Other assets	2,011	2,221	3,295	3,619	3,633
<b>Liabilities</b>	<b>29,263</b>	<b>30,670</b>	<b>32,932</b>	<b>22,642</b>	<b>24,126</b>
Accounts payable and accrued liabilities	2,779	2,954	3,131	3,051	3,568
Loans and accounts with affiliates	5,878	13,098	17,996	7,815	8,398
Borrowings	17,797	12,093	8,876	8,869	9,140
Loans and overdrafts	4,674	4,630	4,581	4,973	5,137
From banks	2,248	2,784	2,952	3,365	3,421
From others	2,426	1,846	1,629	1,608	1,716
Bankers' acceptances and paper	6,355	547	478	143	137
Bonds and debentures	3,664	3,583	448	531	473
Mortgages	3,104	3,333	3,369	3,222	3,393
Deferred income tax	1,069	839	1,152	1,281	1,300
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,740	1,686	1,778	1,626	1,721
<b>Equity</b>	<b>6,414</b>	<b>7,094</b>	<b>9,014</b>	<b>8,763</b>	<b>8,982</b>
Share capital	2,267	2,176	3,296	3,428	3,653
Contributed surplus and other	468	784	1,035	1,188	838
Retained earnings	3,679	4,134	4,683	4,148	4,491
<b>Income statement</b>					
<b>Operating revenue</b>	<b>14,511</b>	<b>15,631</b>	<b>16,936</b>	<b>16,623</b>	<b>17,970</b>
Sales of goods and services	9,587	10,273	11,472	11,370	12,065
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	4,923	5,359	5,464	5,254	5,905
<b>Operating expenses</b>	<b>13,364</b>	<b>14,332</b>	<b>15,440</b>	<b>15,014</b>	<b>15,896</b>
Purchased goods, materials and service	7,458	7,850	8,398	8,758	9,471
Wages, salaries and employee benefits	3,083	3,571	3,813	3,404	3,597
Indirect taxes	102	103	112	98	98
Depreciation, depletion and amortization	2,573	2,635	2,938	2,571	2,628
Interest expense (operating)	..	..	..	..	..
Other operating expenses	148	173	176	181	103
<b>Operating profit/loss</b>	<b>1,147</b>	<b>1,299</b>	<b>1,497</b>	<b>1,609</b>	<b>2,074</b>
Interest and dividend revenue	1,026	1,136	1,175	301	307
Interest expense on borrowing	1,148	1,215	1,275	791	841
Gains/losses	-49	189	308	226	357
<b>Profit before income tax</b>	<b>975</b>	<b>1,409</b>	<b>1,705</b>	<b>1,346</b>	<b>1,896</b>
Income tax	496	492	584	371	423
Equity in affiliates' earnings	9	30	33	165	97
<b>Profit before extraordinary gains</b>	<b>489</b>	<b>948</b>	<b>1,153</b>	<b>1,140</b>	<b>1,570</b>
Extraordinary gains	1	6	3	1	0
<b>Net profit</b>	<b>490</b>	<b>954</b>	<b>1,156</b>	<b>1,141</b>	<b>1,570</b>

**Table 64-2**  
**Automotive, machinery and equipment and other rental and leasing — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>490</b>	<b>954</b>	<b>1,156</b>	<b>1,141</b>	<b>1,570</b>
Plus: consolidation adjustments	52	-41	272	55	97
Plus: conceptual adjustments	-32	-61	-73	-20	-183
Plus: current taxes, including mining	273	319	525	343	374
Plus: deferred income taxes	45	29	61	69	67
Less: profit of tax exempt corporations	15	45	16	-2	4
Deductible dividends	122	305	339	213	272
<b>Adjusted profit before taxes</b>	<b>691</b>	<b>850</b>	<b>1,586</b>	<b>1,377</b>	<b>1,650</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	210	195	354	320	337
Less: taxable capital gains	45	44	488	62	84
Net difference, capital gains and losses	165	151	-134	258	253
Resource allowance	11	9	7	13	8
Less: royalties	1	8	6	11	6
Net difference, resource allowance	10	1	2	3	2
Earned depletion allowance	..	0	1	0	0
Other exemptions and deductions	-49	-127	-318	-54	-82
<b>Total, exemptions and deductions</b>	<b>125</b>	<b>26</b>	<b>-449</b>	<b>206</b>	<b>173</b>
<b>Timing differences:</b>					
Depreciation	2,503	2,556	2,803	2,264	2,504
Less: capital cost allowance	3,388	3,735	4,008	3,210	3,226
Net difference, depreciation	-885	-1,179	-1,205	-946	-722
Natural resources expenses, (books)	9	5	2	1	1
Less: natural resource expenses, (tax)	2	2	3	3	3
Net difference, natural resources expenses	7	2	-1	-1	-2
Charitable donations net difference, (books minus tax)	0	0	0	0	1
Other timing differences	646	1,096	1,009	901	616
<b>Total, timing differences</b>	<b>-232</b>	<b>-81</b>	<b>-197</b>	<b>-46</b>	<b>-107</b>
<b>Net taxable income</b>	<b>334</b>	<b>744</b>	<b>1,838</b>	<b>1,125</b>	<b>1,369</b>
Plus: current year tax losses	567	452	488	423	411
<b>Current year positive taxable income</b>	<b>901</b>	<b>1,195</b>	<b>2,325</b>	<b>1,548</b>	<b>1,781</b>
Less: prior year losses applied	255	434	541	322	260
<b>Taxable income (tax base)</b>	<b>647</b>	<b>762</b>	<b>1,785</b>	<b>1,226</b>	<b>1,521</b>
<b>Taxes:</b>					
Tax otherwise payable	271	337	719	479	590
Surtax	8	10	21	14	17
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	70	87	187	123	152
Small business deduction	41	42	46	56	63
Manufacturing and processing profits deduction	0	1	1	0	0
Investment tax credit	0	1	1	1	0
Other credits	13	27	104	60	76
<b>Net part 1 tax payable</b>	<b>154</b>	<b>190</b>	<b>401</b>	<b>252</b>	<b>314</b>
Other direct federal taxes	10	27	144	20	15
<b>Federal tax payable</b>	<b>164</b>	<b>217</b>	<b>545</b>	<b>271</b>	<b>330</b>
Provincial tax payable	70	86	219	123	152
<b>Total taxes</b>	<b>234</b>	<b>303</b>	<b>764</b>	<b>395</b>	<b>482</b>

**Table 64-3**  
**Automotive, machinery and equipment and other rental and leasing — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	3.691	3.551	2.981	1.904	1.953
Profit margin (percent)	7.9	8.3	8.8	9.7	11.5
Return on equity (percent)	7.6	13.4	12.8	13.0	17.5
Return on capital employed (percent)	4.2	5.4	5.6	6.8	8.4
Working capital (ratio)	0.589	0.548	0.561	0.836	0.930
Quick ratio (ratio)	0.521	0.484	0.495	0.711	0.790
Inventory turnover (ratio)	12.278	13.027	13.352	14.398	13.743
Receivables turnover (ratio)	5.057	5.922	5.822	5.598	5.511
Taxes to positive adjusted profit (percent)	19.7	23.7	37.5	22.3	23.9
Income taxes to taxable income (percent)	34.6	36.3	34.7	30.6	30.7
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-20.8	7.7	8.3	-1.8	8.1
Operating expenses, year-over-year change	-13.3	7.2	7.7	-2.8	5.9
Operating profit, year-over-year change	-60.7	13.3	15.2	7.5	28.9
Taxable income (tax base), year-over-year change	2.4	17.7	134.3	-31.3	24.0
Taxes, year-over-year change	-4.4	29.5	152.0	-48.4	22.2

**Table 65-1**  
**Professional, scientific and technical services — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>83,602</b>	<b>85,819</b>	<b>90,941</b>	<b>97,412</b>	<b>139,595</b>
Cash and deposits	12,324	12,475	14,022	14,775	17,068
Accounts receivable and accrued revenue	16,186	16,724	17,483	18,718	20,605
Inventories	3,365	3,187	3,555	3,559	4,144
Investments	29,666	28,767	30,384	34,326	69,706
Investments and accounts with affiliates	17,571	18,309	18,729	21,550	56,613
Portfolio investments	12,095	10,459	11,656	12,776	13,092
Loans	1,658	1,972	2,144	2,299	2,539
Mortgages	770	849	866	1,025	1,269
Non-mortgages	888	1,123	1,278	1,275	1,270
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	12,196	12,404	12,230	12,995	14,271
Other assets	8,207	10,290	11,119	10,738	11,262
<b>Liabilities</b>	<b>50,027</b>	<b>52,856</b>	<b>55,813</b>	<b>60,461</b>	<b>68,281</b>
Accounts payable and accrued liabilities	17,120	17,233	18,065	19,377	22,669
Loans and accounts with affiliates	17,245	17,867	18,724	19,640	21,646
Borrowings	10,829	12,503	13,122	12,155	15,768
Loans and overdrafts	7,195	8,231	8,653	7,971	8,248
From banks	4,321	4,622	4,818	5,049	4,995
From others	2,874	3,609	3,835	2,921	3,253
Bankers' acceptances and paper	143	210	40	5	15
Bonds and debentures	853	1,138	1,212	890	3,959
Mortgages	2,637	2,924	3,216	3,290	3,546
Deferred income tax	428	72	105	-303	-2,368
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	4,406	5,181	5,798	9,593	10,568
<b>Equity</b>	<b>33,574</b>	<b>32,963</b>	<b>35,127</b>	<b>36,951</b>	<b>71,313</b>
Share capital	29,342	28,677	29,986	32,559	34,088
Contributed surplus and other	3,179	3,540	3,994	4,469	37,794
Retained earnings	1,053	745	1,147	-78	-569
<b>Income statement</b>					
<b>Operating revenue</b>	<b>78,027</b>	<b>80,470</b>	<b>85,771</b>	<b>89,068</b>	<b>97,568</b>
Sales of goods and services	75,824	78,500	83,626	86,823	95,211
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	2,204	1,970	2,145	2,246	2,357
<b>Operating expenses</b>	<b>76,771</b>	<b>78,755</b>	<b>82,616</b>	<b>84,972</b>	<b>92,603</b>
Purchased goods, materials and service	46,131	44,940	47,245	46,811	52,832
Wages, salaries and employee benefits	26,561	29,489	31,317	34,499	36,023
Indirect taxes	357	405	265	250	360
Depreciation, depletion and amortization	2,850	2,879	2,630	2,520	2,674
Interest expense (operating)	1	..	..	..	..
Other operating expenses	871	1,042	1,156	877	713
<b>Operating profit/loss</b>	<b>1,257</b>	<b>1,715</b>	<b>3,154</b>	<b>4,097</b>	<b>4,965</b>
Interest and dividend revenue	1,308	1,136	1,173	1,421	1,548
Interest expense on borrowing	939	1,048	1,061	1,053	1,476
Gains/losses	131	12	311	1,174	1,239
<b>Profit before income tax</b>	<b>1,756</b>	<b>1,815</b>	<b>3,577</b>	<b>5,639</b>	<b>6,276</b>
Income tax	1,448	1,326	1,474	1,823	2,039
Equity in affiliates' earnings	728	864	949	1,101	1,391
<b>Profit before extraordinary gains</b>	<b>1,036</b>	<b>1,353</b>	<b>3,051</b>	<b>4,917</b>	<b>5,628</b>
Extraordinary gains	-48	-12	15	8	-2
<b>Net profit</b>	<b>989</b>	<b>1,341</b>	<b>3,067</b>	<b>4,925</b>	<b>5,626</b>

**Table 65-2**  
**Professional, scientific and technical services — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>989</b>	<b>1,341</b>	<b>3,067</b>	<b>4,925</b>	<b>5,626</b>
Plus: consolidation adjustments	-56	134	-77	265	107
Plus: conceptual adjustments	-227	-928	-595	-574	-406
Plus: current taxes, including mining	1,440	1,295	1,494	1,972	2,165
Plus: deferred income taxes	10	-54	-69	-46	-85
Less: profit of tax exempt corporations	25	241	399	47	65
Deductible dividends	1,157	1,005	906	1,113	1,070
<b>Adjusted profit before taxes</b>	<b>973</b>	<b>544</b>	<b>2,514</b>	<b>5,383</b>	<b>6,271</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	202	288	579	1,214	1,347
Less: taxable capital gains	368	374	385	611	985
Net difference, capital gains and losses	-166	-86	194	603	363
Resource allowance	71	52	15	19	12
Less: royalties	70	45	12	16	9
Net difference, resource allowance	1	6	4	4	3
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	-322	-534	-747	-333	-351
<b>Total, exemptions and deductions</b>	<b>-487</b>	<b>-614</b>	<b>-550</b>	<b>274</b>	<b>15</b>
<b>Timing differences:</b>					
Depreciation	2,767	2,612	2,472	2,405	2,574
Less: capital cost allowance	2,250	2,197	2,148	2,147	2,089
Net difference, depreciation	517	415	324	258	485
Natural resources expenses, (books)	103	115	36	57	84
Less: natural resource expenses, (tax)	136	132	54	56	75
Net difference, natural resources expenses	-33	-17	-18	1	9
Charitable donations net difference, (books minus tax)	2	0	-4	-3	-2
Other timing differences	1,558	2,047	1,460	1,308	1,736
<b>Total, timing differences</b>	<b>2,044</b>	<b>2,446</b>	<b>1,761</b>	<b>1,564</b>	<b>2,228</b>
<b>Net taxable income</b>	<b>3,504</b>	<b>3,604</b>	<b>4,825</b>	<b>6,673</b>	<b>8,484</b>
Plus: current year tax losses	4,095	3,885	3,484	3,185	2,954
<b>Current year positive taxable income</b>	<b>7,599</b>	<b>7,489</b>	<b>8,310</b>	<b>9,857</b>	<b>11,438</b>
Less: prior year losses applied	672	964	985	1,315	1,174
<b>Taxable income (tax base)</b>	<b>6,928</b>	<b>6,525</b>	<b>7,325</b>	<b>8,542</b>	<b>10,264</b>
<b>Taxes:</b>					
Tax otherwise payable	2,685	2,525	2,840	3,297	3,946
Surtax	73	69	79	91	110
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	700	657	738	858	1,026
Small business deduction	591	598	683	802	929
Manufacturing and processing profits deduction	11	22	10	9	10
Investment tax credit	134	164	189	192	212
Other credits	66	121	190	233	279
<b>Net part 1 tax payable</b>	<b>1,257</b>	<b>1,032</b>	<b>1,108</b>	<b>1,294</b>	<b>1,600</b>
Other direct federal taxes	37	45	53	52	72
<b>Federal tax payable</b>	<b>1,294</b>	<b>1,078</b>	<b>1,161</b>	<b>1,346</b>	<b>1,672</b>
Provincial tax payable	621	512	582	668	811
<b>Total taxes</b>	<b>1,915</b>	<b>1,590</b>	<b>1,743</b>	<b>2,014</b>	<b>2,483</b>

**Table 65-3**  
**Professional, scientific and technical services — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.836	0.921	0.907	0.860	0.525
Profit margin (percent)	1.6	2.1	3.7	4.6	5.1
Return on equity (percent)	3.1	4.1	8.7	13.3	7.9
Return on capital employed (percent)	2.9	3.5	5.8	8.4	6.3
Working capital (ratio)	1.361	1.392	1.403	1.411	1.352
Quick ratio (ratio)	1.251	1.289	1.295	1.307	1.249
Inventory turnover (ratio)	23.189	25.252	24.128	25.028	23.545
Receivables turnover (ratio)	4.821	4.812	4.906	4.758	4.735
Taxes to positive adjusted profit (percent)	26.9	21.5	20.6	19.5	21.3
Income taxes to taxable income (percent)	27.1	23.7	23.1	23.0	23.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	0.3	3.1	6.6	3.8	9.5
Operating expenses, year-over-year change	-0.2	2.6	4.9	2.9	9.0
Operating profit, year-over-year change	37.5	36.5	83.9	29.9	21.2
Taxable income (tax base), year-over-year change	1.2	-5.8	12.3	16.6	20.2
Taxes, year-over-year change	-4.7	-17.0	9.6	15.5	23.3



**Table 66-1**  
**Administrative and support, waste management and remediation services — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>35,864</b>	<b>39,536</b>	<b>43,218</b>	<b>48,498</b>	<b>53,279</b>
Cash and deposits	4,540	4,943	5,511	6,617	7,710
Accounts receivable and accrued revenue	5,795	6,154	6,831	7,551	8,499
Inventories	769	898	847	970	1,140
Investments	10,317	11,416	13,243	15,885	16,021
Investments and accounts with affiliates	7,337	8,107	8,574	11,428	11,094
Portfolio investments	2,980	3,308	4,669	4,457	4,927
Loans	1,752	1,821	1,178	1,241	1,260
Mortgages	330	361	521	526	530
Non-mortgages	1,423	1,459	658	716	730
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	8,377	9,729	10,216	11,025	12,237
Other assets	4,313	4,576	5,390	5,208	6,413
<b>Liabilities</b>	<b>24,787</b>	<b>27,291</b>	<b>29,903</b>	<b>32,576</b>	<b>34,763</b>
Accounts payable and accrued liabilities	5,929	6,100	6,715	7,222	8,396
Loans and accounts with affiliates	10,185	11,116	11,974	12,623	12,739
Borrowings	6,243	6,908	7,825	8,337	8,540
Loans and overdrafts	3,378	3,386	4,679	4,411	5,175
From banks	2,317	2,208	2,308	3,034	3,444
From others	1,061	1,178	2,371	1,377	1,731
Bankers' acceptances and paper	104	1	39	427	481
Bonds and debentures	984	1,373	233	535	583
Mortgages	1,777	2,148	2,873	2,964	2,302
Deferred income tax	353	313	146	289	346
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	2,077	2,854	3,242	4,104	4,742
<b>Equity</b>	<b>11,077</b>	<b>12,245</b>	<b>13,315</b>	<b>15,922</b>	<b>18,515</b>
Share capital	6,161	6,190	6,509	6,221	7,531
Contributed surplus and other	1,043	1,097	1,699	2,479	2,537
Retained earnings	3,874	4,958	5,107	7,222	8,447
<b>Income statement</b>					
<b>Operating revenue</b>	<b>48,257</b>	<b>51,792</b>	<b>56,217</b>	<b>62,411</b>	<b>66,586</b>
Sales of goods and services	47,377	50,673	55,019	61,107	65,070
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	881	1,119	1,198	1,305	1,515
<b>Operating expenses</b>	<b>46,598</b>	<b>49,824</b>	<b>53,987</b>	<b>59,451</b>	<b>63,256</b>
Purchased goods, materials and service	29,678	30,346	33,484	36,734	39,310
Wages, salaries and employee benefits	14,759	17,361	18,491	20,665	21,683
Indirect taxes	219	199	188	164	186
Depreciation, depletion and amortization	1,589	1,548	1,600	1,648	1,777
Interest expense (operating)	1	..	..	..	..
Other operating expenses	352	370	217	233	300
<b>Operating profit/loss</b>	<b>1,659</b>	<b>1,968</b>	<b>2,230</b>	<b>2,961</b>	<b>3,330</b>
Interest and dividend revenue	845	714	789	892	1,013
Interest expense on borrowing	893	852	791	911	974
Gains/losses	59	137	168	480	766
<b>Profit before income tax</b>	<b>1,670</b>	<b>1,967</b>	<b>2,396</b>	<b>3,421</b>	<b>4,135</b>
Income tax	545	637	694	853	882
Equity in affiliates' earnings	89	168	400	472	499
<b>Profit before extraordinary gains</b>	<b>1,214</b>	<b>1,499</b>	<b>2,102</b>	<b>3,040</b>	<b>3,753</b>
Extraordinary gains	-1	-22	-5	46	-1
<b>Net profit</b>	<b>1,214</b>	<b>1,477</b>	<b>2,097</b>	<b>3,087</b>	<b>3,752</b>

**Table 66-2**  
**Administrative and support, waste management and remediation services — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,214</b>	<b>1,477</b>	<b>2,097</b>	<b>3,087</b>	<b>3,752</b>
Plus: consolidation adjustments	45	110	97	-1	320
Plus: conceptual adjustments	-191	-182	-156	-244	-355
Plus: current taxes, including mining	505	582	646	759	903
Plus: deferred income taxes	26	32	20	23	22
Less: profit of tax exempt corporations	8	-32	-4	131	130
Deductible dividends	579	580	723	662	1,018
<b>Adjusted profit before taxes</b>	<b>1,011</b>	<b>1,470</b>	<b>1,986</b>	<b>2,831</b>	<b>3,495</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	108	108	258	594	675
Less: taxable capital gains	84	94	174	312	246
Net difference, capital gains and losses	24	14	84	282	428
Resource allowance	2	3	11	5	5
Less: royalties	2	2	5	5	5
Net difference, resource allowance	0	1	6	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-62	-38	-109	-169	-117
<b>Total, exemptions and deductions</b>	<b>-37</b>	<b>-22</b>	<b>-19</b>	<b>113</b>	<b>311</b>
<b>Timing differences:</b>					
Depreciation	1,478	1,435	1,520	1,542	1,632
Less: capital cost allowance	1,379	1,424	1,312	1,421	1,543
Net difference, depreciation	99	11	207	121	88
Natural resources expenses, (books)	8	15	23	27	32
Less: natural resource expenses, (tax)	8	9	25	30	35
Net difference, natural resources expenses	1	6	-2	-4	-3
Charitable donations net difference, (books minus tax)	5	2	2	2	2
Other timing differences	184	158	-42	-356	-147
<b>Total, timing differences</b>	<b>289</b>	<b>176</b>	<b>165</b>	<b>-236</b>	<b>-59</b>
<b>Net taxable income</b>	<b>1,337</b>	<b>1,669</b>	<b>2,170</b>	<b>2,482</b>	<b>3,125</b>
Plus: current year tax losses	986	890	814	944	948
<b>Current year positive taxable income</b>	<b>2,323</b>	<b>2,558</b>	<b>2,984</b>	<b>3,425</b>	<b>4,073</b>
Less: prior year losses applied	298	359	424	473	497
<b>Taxable income (tax base)</b>	<b>2,025</b>	<b>2,200</b>	<b>2,560</b>	<b>2,952</b>	<b>3,576</b>
<b>Taxes:</b>					
Tax otherwise payable	787	849	992	1,151	1,390
Surtax	21	23	27	32	39
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	202	220	257	297	361
Small business deduction	162	164	190	217	249
Manufacturing and processing profits deduction	7	11	5	1	1
Investment tax credit	14	18	13	5	6
Other credits	33	46	83	103	134
<b>Net part 1 tax payable</b>	<b>390</b>	<b>413</b>	<b>471</b>	<b>559</b>	<b>679</b>
Other direct federal taxes	21	40	29	37	32
<b>Federal tax payable</b>	<b>411</b>	<b>453</b>	<b>500</b>	<b>596</b>	<b>710</b>
Provincial tax payable	191	191	235	268	326
<b>Total taxes</b>	<b>602</b>	<b>643</b>	<b>735</b>	<b>864</b>	<b>1,036</b>

**Table 66-3**  
**Administrative and support, waste management and remediation services — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.483	1.472	1.487	1.316	1.149
Profit margin (percent)	3.4	3.8	4.0	4.7	5.0
Return on equity (percent)	11.0	12.2	15.8	19.1	20.3
Return on capital employed (percent)	7.0	7.0	8.3	10.1	11.3
Working capital (ratio)	1.300	1.327	1.217	1.348	1.395
Quick ratio (ratio)	1.234	1.254	1.157	1.282	1.325
Inventory turnover (ratio)	62.724	57.701	66.335	64.356	58.412
Receivables turnover (ratio)	8.328	8.417	8.230	8.266	7.835
Taxes to positive adjusted profit (percent)	26.5	24.2	22.9	21.8	22.1
Income taxes to taxable income (percent)	28.7	27.5	27.6	28.0	28.1
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	-0.6	7.3	8.5	11.0	6.7
Operating expenses, year-over-year change	-0.4	6.9	8.4	10.1	6.4
Operating profit, year-over-year change	-5.8	18.6	13.3	32.8	12.5
Taxable income (tax base), year-over-year change	7.5	8.6	16.4	15.3	21.1
Taxes, year-over-year change	0.3	6.9	14.3	17.6	19.9

**Table 67-1**  
**Educational, healthcare and social assistance services — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>24,228</b>	<b>28,456</b>	<b>30,189</b>	<b>33,132</b>	<b>37,486</b>
Cash and deposits	2,914	3,957	4,439	4,816	5,699
Accounts receivable and accrued revenue	2,150	2,234	2,352	2,492	2,759
Inventories	438	480	496	532	591
Investments	6,559	8,155	8,751	9,825	11,520
Investments and accounts with affiliates	3,572	5,333	5,396	5,986	6,535
Portfolio investments	2,987	2,822	3,356	3,839	4,985
Loans	383	444	457	498	539
Mortgages	222	254	258	248	286
Non-mortgages	162	190	199	251	253
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	9,336	10,207	10,763	11,380	12,106
Other assets	2,447	2,979	2,929	3,588	4,271
<b>Liabilities</b>	<b>14,532</b>	<b>16,791</b>	<b>17,013</b>	<b>17,904</b>	<b>20,015</b>
Accounts payable and accrued liabilities	3,089	3,515	3,734	3,911	4,332
Loans and accounts with affiliates	2,749	3,511	3,408	3,647	4,167
Borrowings	7,138	8,089	8,468	8,690	9,798
Loans and overdrafts	1,701	1,691	1,935	2,166	2,380
From banks	989	1,160	1,139	1,191	1,420
From others	712	531	796	975	959
Bankers' acceptances and paper	465	485	479	494	511
Bonds and debentures	350	375	282	421	448
Mortgages	4,622	5,538	5,771	5,609	6,459
Deferred income tax	157	200	125	137	151
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,397	1,477	1,278	1,519	1,567
<b>Equity</b>	<b>9,696</b>	<b>11,665</b>	<b>13,176</b>	<b>15,228</b>	<b>17,471</b>
Share capital	4,549	5,826	5,848	6,432	7,012
Contributed surplus and other	606	1,055	912	985	1,138
Retained earnings	4,541	4,784	6,416	7,811	9,322
<b>Income statement</b>					
<b>Operating revenue</b>	<b>24,483</b>	<b>27,656</b>	<b>29,368</b>	<b>32,049</b>	<b>34,940</b>
Sales of goods and services	22,515	25,178	26,982	29,626	32,555
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,968	2,479	2,386	2,423	2,385
<b>Operating expenses</b>	<b>22,272</b>	<b>24,575</b>	<b>25,702</b>	<b>27,909</b>	<b>29,980</b>
Purchased goods, materials and service	11,124	11,791	12,384	12,885	14,017
Wages, salaries and employee benefits	10,089	11,714	12,160	13,745	14,609
Indirect taxes	159	164	163	171	218
Depreciation, depletion and amortization	766	781	851	944	1,017
Interest expense (operating)	..	..	..	..	..
Other operating expenses	133	124	138	158	118
<b>Operating profit/loss</b>	<b>2,211</b>	<b>3,081</b>	<b>3,666</b>	<b>4,140</b>	<b>4,960</b>
Interest and dividend revenue	197	193	195	245	301
Interest expense on borrowing	547	661	669	736	876
Gains/losses	74	60	305	261	366
<b>Profit before income tax</b>	<b>1,935</b>	<b>2,673</b>	<b>3,497</b>	<b>3,909</b>	<b>4,751</b>
Income tax	564	683	790	901	1,048
Equity in affiliates' earnings	226	122	103	102	125
<b>Profit before extraordinary gains</b>	<b>1,597</b>	<b>2,111</b>	<b>2,810</b>	<b>3,109</b>	<b>3,829</b>
Extraordinary gains	-3	0	-7	1	-1
<b>Net profit</b>	<b>1,594</b>	<b>2,111</b>	<b>2,802</b>	<b>3,110</b>	<b>3,828</b>

**Table 67-2**  
**Educational, healthcare and social assistance services — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,594</b>	<b>2,111</b>	<b>2,802</b>	<b>3,110</b>	<b>3,828</b>
Plus: consolidation adjustments	-47	-44	7	-141	321
Plus: conceptual adjustments	-25	-14	-46	-137	-156
Plus: current taxes, including mining	503	569	654	715	841
Plus: deferred income taxes	56	27	-9	6	1
Less: profit of tax exempt corporations	-5	44	72	65	93
Deductible dividends	134	131	217	214	724
<b>Adjusted profit before taxes</b>	<b>1,953</b>	<b>2,475</b>	<b>3,119</b>	<b>3,274</b>	<b>4,016</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	22	70	359	251	394
Less: taxable capital gains	92	52	153	130	159
Net difference, capital gains and losses	-70	19	206	121	236
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	95	93	-134	-66	-67
<b>Total, exemptions and deductions</b>	<b>25</b>	<b>112</b>	<b>71</b>	<b>56</b>	<b>168</b>
<b>Timing differences:</b>					
Depreciation	666	695	724	767	838
Less: capital cost allowance	578	588	616	644	694
Net difference, depreciation	88	107	108	123	145
Natural resources expenses, (books)	0	3	4	4	2
Less: natural resource expenses, (tax)	1	2	2	3	5
Net difference, natural resources expenses	-1	1	1	0	-2
Charitable donations net difference, (books minus tax)	1	1	1	-1	3
Other timing differences	5	-91	-163	27	124
<b>Total, timing differences</b>	<b>93</b>	<b>19</b>	<b>-52</b>	<b>149</b>	<b>269</b>
<b>Net taxable income</b>	<b>2,021</b>	<b>2,382</b>	<b>2,996</b>	<b>3,367</b>	<b>4,117</b>
Plus: current year tax losses	428	472	423	420	420
<b>Current year positive taxable income</b>	<b>2,449</b>	<b>2,854</b>	<b>3,419</b>	<b>3,786</b>	<b>4,537</b>
Less: prior year losses applied	152	198	299	238	176
<b>Taxable income (tax base)</b>	<b>2,297</b>	<b>2,656</b>	<b>3,120</b>	<b>3,549</b>	<b>4,361</b>
<b>Taxes:</b>					
Tax otherwise payable	899	1,031	1,201	1,365	1,674
Surtax	25	29	34	39	47
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	234	270	313	356	437
Small business deduction	300	348	404	465	565
Manufacturing and processing profits deduction	3	3	3	7	3
Investment tax credit	11	13	24	34	23
Other credits	11	19	27	29	42
<b>Net part 1 tax payable</b>	<b>365</b>	<b>408</b>	<b>464</b>	<b>512</b>	<b>652</b>
Other direct federal taxes	14	17	17	16	16
<b>Federal tax payable</b>	<b>379</b>	<b>424</b>	<b>480</b>	<b>528</b>	<b>668</b>
Provincial tax payable	158	162	194	220	258
<b>Total taxes</b>	<b>537</b>	<b>586</b>	<b>674</b>	<b>748</b>	<b>926</b>

**Table 67-3**  
**Educational, healthcare and social assistance services — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.020	0.994	0.901	0.810	0.799
Profit margin (percent)	9.0	11.1	12.5	12.9	14.2
Return on equity (percent)	16.5	18.1	21.3	20.4	21.9
Return on capital employed (percent)	10.4	11.3	13.3	13.4	14.4
Working capital (ratio)	1.362	1.291	1.429	1.471	1.618
Quick ratio (ratio)	1.285	1.222	1.357	1.399	1.543
Inventory turnover (ratio)	55.906	57.594	59.222	60.213	59.125
Receivables turnover (ratio)	11.388	12.379	12.485	12.862	12.666
Taxes to positive adjusted profit (percent)	20.8	19.0	18.3	19.3	19.9
Income taxes to taxable income (percent)	22.8	21.4	21.1	20.6	20.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	9.9	13.0	6.2	9.1	9.0
Operating expenses, year-over-year change	9.9	10.3	4.6	8.6	7.4
Operating profit, year-over-year change	9.6	39.4	19.0	12.9	19.8
Taxable income (tax base), year-over-year change	6.2	15.6	17.5	13.7	22.9
Taxes, year-over-year change	3.0	9.1	15.2	10.9	23.8

**Table 68-1**  
**Arts, entertainment and recreation — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>21,225</b>	<b>22,706</b>	<b>21,614</b>	<b>23,614</b>	<b>25,525</b>
Cash and deposits	2,087	2,071	2,252	2,586	2,725
Accounts receivable and accrued revenue	1,368	1,328	1,303	1,554	1,488
Inventories	425	522	522	494	479
Investments	4,952	5,104	3,795	3,558	4,346
Investments and accounts with affiliates	4,076	4,168	3,085	2,965	3,633
Portfolio investments	876	936	710	594	713
Loans	221	301	325	402	435
Mortgages	115	90	98	124	137
Non-mortgages	106	210	226	278	298
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	10,698	11,701	11,848	12,698	13,774
Other assets	1,474	1,680	1,568	2,321	2,277
<b>Liabilities</b>	<b>14,920</b>	<b>16,374</b>	<b>15,453</b>	<b>15,948</b>	<b>16,966</b>
Accounts payable and accrued liabilities	2,584	2,737	2,802	2,918	3,402
Loans and accounts with affiliates	3,960	4,610	4,871	3,582	4,136
Borrowings	6,647	7,164	6,277	7,401	7,439
Loans and overdrafts	3,652	4,229	4,402	4,353	3,975
From banks	2,537	3,303	3,369	2,676	2,554
From others	1,115	926	1,033	1,678	1,421
Bankers' acceptances and paper	35	43	74	61	40
Bonds and debentures	1,017	872	120	632	675
Mortgages	1,943	2,021	1,682	2,355	2,749
Deferred income tax	4	-101	11	72	38
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,724	1,963	1,492	1,976	1,950
<b>Equity</b>	<b>6,304</b>	<b>6,331</b>	<b>6,160</b>	<b>7,666</b>	<b>8,559</b>
Share capital	3,193	3,036	3,236	3,881	4,047
Contributed surplus and other	1,713	1,846	2,052	2,092	2,705
Retained earnings	1,398	1,450	873	1,693	1,807
<b>Income statement</b>					
<b>Operating revenue</b>	<b>24,265</b>	<b>25,119</b>	<b>25,991</b>	<b>25,847</b>	<b>27,421</b>
Sales of goods and services	23,376	24,127	25,179	24,864	26,382
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	889	992	812	983	1,039
<b>Operating expenses</b>	<b>18,895</b>	<b>19,759</b>	<b>20,335</b>	<b>20,391</b>	<b>21,784</b>
Purchased goods, materials and service	13,275	14,750	15,470	14,868	15,676
Wages, salaries and employee benefits	4,433	3,783	3,636	4,173	4,701
Indirect taxes	211	210	180	185	182
Depreciation, depletion and amortization	896	965	994	1,099	1,183
Interest expense (operating)	..	..	..	..	..
Other operating expenses	80	50	54	66	42
<b>Operating profit/loss</b>	<b>5,370</b>	<b>5,360</b>	<b>5,656</b>	<b>5,456</b>	<b>5,637</b>
Interest and dividend revenue	191	209	168	132	183
Interest expense on borrowing	491	555	529	509	648
Gains/losses	91	91	27	174	262
<b>Profit before income tax</b>	<b>5,160</b>	<b>5,106</b>	<b>5,322</b>	<b>5,253</b>	<b>5,434</b>
Income tax	136	94	111	107	110
Equity in affiliates' earnings	49	103	94	34	40
<b>Profit before extraordinary gains</b>	<b>5,074</b>	<b>5,115</b>	<b>5,304</b>	<b>5,180</b>	<b>5,364</b>
Extraordinary gains	1	1	2	1	0
<b>Net profit</b>	<b>5,074</b>	<b>5,116</b>	<b>5,306</b>	<b>5,181</b>	<b>5,363</b>

**Table 68-2**  
**Arts, entertainment and recreation — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>5,074</b>	<b>5,116</b>	<b>5,306</b>	<b>5,181</b>	<b>5,363</b>
Plus: consolidation adjustments	-284	397	100	143	162
Plus: conceptual adjustments	641	-397	-27	-114	-107
Plus: current taxes, including mining	187	155	157	148	107
Plus: deferred income taxes	-44	-25	-14	-23	-1
Less: profit of tax exempt corporations	5,057	5,107	5,195	5,092	5,121
Deductible dividends	74	43	57	39	54
<b>Adjusted profit before taxes</b>	<b>443</b>	<b>96</b>	<b>271</b>	<b>203</b>	<b>349</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	54	27	188	246	179
Less: taxable capital gains	54	39	128	118	76
Net difference, capital gains and losses	0	-12	60	128	103
Resource allowance	0	1	1	1	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	1	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-17	-62	-42	59	50
<b>Total, exemptions and deductions</b>	<b>-18</b>	<b>-73</b>	<b>18</b>	<b>188</b>	<b>153</b>
<b>Timing differences:</b>					
Depreciation	562	650	585	627	581
Less: capital cost allowance	486	429	457	444	460
Net difference, depreciation	75	221	128	183	121
Natural resources expenses, (books)	0	1	2	2	1
Less: natural resource expenses, (tax)	0	1	0	1	0
Net difference, natural resources expenses	0	0	1	1	0
Charitable donations net difference, (books minus tax)	0	2	4	0	-3
Other timing differences	-236	-159	-47	40	43
<b>Total, timing differences</b>	<b>-161</b>	<b>65</b>	<b>85</b>	<b>224</b>	<b>162</b>
<b>Net taxable income</b>	<b>300</b>	<b>234</b>	<b>338</b>	<b>240</b>	<b>358</b>
Plus: current year tax losses	460	482	453	484	406
<b>Current year positive taxable income</b>	<b>760</b>	<b>716</b>	<b>791</b>	<b>724</b>	<b>764</b>
Less: prior year losses applied	165	137	148	128	190
<b>Taxable income (tax base)</b>	<b>595</b>	<b>579</b>	<b>643</b>	<b>596</b>	<b>574</b>
<b>Taxes:</b>					
Tax otherwise payable	230	224	243	237	224
Surtax	6	6	6	6	6
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	60	58	62	60	58
Small business deduction	46	45	46	48	52
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	0	0	0	0	0
Other credits	7	16	19	20	17
<b>Net part 1 tax payable</b>	<b>123</b>	<b>111</b>	<b>123</b>	<b>115</b>	<b>104</b>
Other direct federal taxes	9	13	9	7	4
<b>Federal tax payable</b>	<b>132</b>	<b>124</b>	<b>132</b>	<b>121</b>	<b>108</b>
Provincial tax payable	57	49	62	56	51
<b>Total taxes</b>	<b>189</b>	<b>173</b>	<b>194</b>	<b>177</b>	<b>159</b>



**Table 68-3**  
**Arts, entertainment and recreation — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	1.683	1.860	1.810	1.433	1.352
Profit margin (percent)	22.1	21.3	21.8	21.1	20.6
Return on equity (percent)	80.5	80.8	86.1	67.6	62.7
Return on capital employed (percent)	32.5	30.6	33.1	30.0	29.2
Working capital (ratio)	0.907	0.790	0.849	1.045	0.990
Quick ratio (ratio)	0.811	0.682	0.730	0.931	0.888
Inventory turnover (ratio)	57.056	48.098	49.751	52.327	57.214
Receivables turnover (ratio)	17.738	18.919	19.948	16.631	18.429
Taxes to positive adjusted profit (percent)	19.4	22.4	23.6	20.8	18.8
Income taxes to taxable income (percent)	30.2	27.6	28.8	28.6	26.9
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	5.2	3.5	3.5	-0.6	6.1
Operating expenses, year-over-year change	5.5	4.6	2.9	0.3	6.8
Operating profit, year-over-year change	4.2	-0.2	5.5	-3.5	3.3
Taxable income (tax base), year-over-year change	11.1	-2.7	11.0	-7.4	-3.7
Taxes, year-over-year change	7.3	-8.4	12.3	-8.7	-10.2

**Table 69-1**  
**Accommodation services — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>21,356</b>	<b>22,727</b>	<b>24,706</b>	<b>24,596</b>	<b>26,748</b>
Cash and deposits	1,153	1,111	1,265	1,370	1,694
Accounts receivable and accrued revenue	982	1,001	1,036	1,109	1,222
Inventories	293	280	292	314	689
Investments	3,806	4,352	4,719	4,811	4,836
Investments and accounts with affiliates	3,284	3,919	4,178	4,370	4,236
Portfolio investments	523	433	542	442	600
Loans	284	331	412	360	384
Mortgages	202	239	333	279	313
Non-mortgages	82	92	79	81	70
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	13,630	14,548	15,586	15,530	16,504
Other assets	1,207	1,105	1,396	1,101	1,419
<b>Liabilities</b>	<b>15,335</b>	<b>16,529</b>	<b>17,857</b>	<b>18,352</b>	<b>19,189</b>
Accounts payable and accrued liabilities	1,443	1,465	1,577	1,717	1,895
Loans and accounts with affiliates	4,969	5,739	5,976	6,189	6,246
Borrowings	7,540	7,457	8,368	8,115	9,152
Loans and overdrafts	2,171	2,410	2,558	2,227	2,650
From banks	1,525	1,786	1,833	1,757	2,182
From others	646	623	725	470	469
Bankers' acceptances and paper	51	43	23	35	38
Bonds and debentures	826	339	349	326	454
Mortgages	4,492	4,665	5,439	5,527	6,010
Deferred income tax	302	408	433	396	396
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	1,082	1,460	1,503	1,936	1,500
<b>Equity</b>	<b>6,021</b>	<b>6,198</b>	<b>6,849</b>	<b>6,244</b>	<b>7,559</b>
Share capital	4,629	4,326	4,625	4,597	4,640
Contributed surplus and other	750	724	1,082	995	1,067
Retained earnings	642	1,148	1,142	653	1,852
<b>Income statement</b>					
<b>Operating revenue</b>	<b>11,169</b>	<b>10,905</b>	<b>11,636</b>	<b>12,155</b>	<b>12,756</b>
Sales of goods and services	9,771	9,543	10,383	10,468	11,228
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	1,398	1,362	1,252	1,687	1,528
<b>Operating expenses</b>	<b>10,134</b>	<b>10,180</b>	<b>10,642</b>	<b>10,905</b>	<b>11,217</b>
Purchased goods, materials and service	5,763	5,733	5,953	6,502	6,518
Wages, salaries and employee benefits	2,998	3,064	3,210	3,131	3,380
Indirect taxes	353	391	400	404	379
Depreciation, depletion and amortization	773	818	850	809	926
Interest expense (operating)	..	..	..	..	..
Other operating expenses	247	175	221	49	14
<b>Operating profit/loss</b>	<b>1,035</b>	<b>725</b>	<b>994</b>	<b>1,249</b>	<b>1,538</b>
Interest and dividend revenue	66	66	100	83	88
Interest expense on borrowing	733	744	756	744	812
Gains/losses	100	95	220	158	515
<b>Profit before income tax</b>	<b>469</b>	<b>142</b>	<b>557</b>	<b>747</b>	<b>1,329</b>
Income tax	134	61	151	246	307
Equity in affiliates' earnings	56	51	44	63	43
<b>Profit before extraordinary gains</b>	<b>390</b>	<b>132</b>	<b>450</b>	<b>564</b>	<b>1,065</b>
Extraordinary gains	1	2	0	0	4
<b>Net profit</b>	<b>391</b>	<b>134</b>	<b>450</b>	<b>563</b>	<b>1,069</b>

**Table 69-2**  
**Accommodation services — Reconciliation of profit**

	2002	2003	2004	2005	2006
	millions of dollars				
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>391</b>	<b>134</b>	<b>450</b>	<b>563</b>	<b>1,069</b>
Plus: consolidation adjustments	-144	-74	-133	-14	73
Plus: conceptual adjustments	-65	6	20	-13	10
Plus: current taxes, including mining	130	111	133	157	229
Plus: deferred income taxes	-1	-40	-19	9	-26
Less: profit of tax exempt corporations	4	5	1	-1	22
Deductible dividends	199	28	221	133	181
<b>Adjusted profit before taxes</b>	<b>110</b>	<b>104</b>	<b>229</b>	<b>570</b>	<b>1,153</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	118	107	223	294	838
Less: taxable capital gains	65	76	100	163	394
Net difference, capital gains and losses	53	31	124	132	444
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-31	-27	-37	-5	-49
<b>Total, exemptions and deductions</b>	<b>22</b>	<b>4</b>	<b>86</b>	<b>126</b>	<b>395</b>
<b>Timing differences:</b>					
Depreciation	763	785	765	730	721
Less: capital cost allowance	608	679	670	610	493
Net difference, depreciation	154	106	95	120	228
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	2	1	1	1
Net difference, natural resources expenses	0	-2	-1	-1	0
Charitable donations net difference, (books minus tax)	1	0	0	0	6
Other timing differences	-19	30	18	37	-30
<b>Total, timing differences</b>	<b>136</b>	<b>133</b>	<b>112</b>	<b>156</b>	<b>204</b>
<b>Net taxable income</b>	<b>224</b>	<b>234</b>	<b>254</b>	<b>600</b>	<b>963</b>
Plus: current year tax losses	517	409	517	309	362
<b>Current year positive taxable income</b>	<b>741</b>	<b>642</b>	<b>771</b>	<b>909</b>	<b>1,324</b>
Less: prior year losses applied	176	191	206	212	231
<b>Taxable income (tax base)</b>	<b>565</b>	<b>451</b>	<b>565</b>	<b>697</b>	<b>1,093</b>
<b>Taxes:</b>					
Tax otherwise payable	229	184	222	273	442
Surtax	6	5	6	8	12
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	59	47	57	70	112
Small business deduction	46	40	44	50	57
Manufacturing and processing profits deduction	0	0	1	2	1
Investment tax credit	0	0	0	0	0
Other credits	5	8	14	19	35
<b>Net part 1 tax payable</b>	<b>125</b>	<b>94</b>	<b>112</b>	<b>139</b>	<b>250</b>
Other direct federal taxes	8	13	9	9	7
<b>Federal tax payable</b>	<b>133</b>	<b>106</b>	<b>122</b>	<b>148</b>	<b>257</b>
Provincial tax payable	54	40	52	63	109
<b>Total taxes</b>	<b>187</b>	<b>147</b>	<b>173</b>	<b>211</b>	<b>366</b>

**Table 69-3**  
**Accommodation services — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	2.077	2.129	2.094	2.291	2.037
Profit margin (percent)	9.3	6.6	8.5	10.3	12.1
Return on equity (percent)	6.5	2.1	6.6	9.0	14.1
Return on capital employed (percent)	5.1	3.7	4.8	5.5	7.4
Working capital (ratio)	0.909	0.784	0.780	0.761	0.887
Quick ratio (ratio)	0.822	0.713	0.711	0.694	0.748
Inventory turnover (ratio)	38.108	38.957	39.882	38.734	18.503
Receivables turnover (ratio)	11.368	10.899	11.233	10.964	10.442
Taxes to positive adjusted profit (percent)	27.1	20.2	20.8	21.2	23.3
Income taxes to taxable income (percent)	31.6	29.7	29.0	29.0	32.8
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	0.6	-2.4	6.7	4.5	4.9
Operating expenses, year-over-year change	1.0	0.5	4.5	2.5	2.9
Operating profit, year-over-year change	-3.4	-30.0	37.1	25.7	23.1
Taxable income (tax base), year-over-year change	-3.9	-20.1	25.3	23.3	56.8
Taxes, year-over-year change	-8.8	-21.4	18.3	21.9	73.1

**Table 70-1**  
**Food services and drinking places — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>18,013</b>	<b>19,522</b>	<b>19,687</b>	<b>20,138</b>	<b>21,083</b>
Cash and deposits	1,779	2,056	2,127	2,240	2,446
Accounts receivable and accrued revenue	809	814	832	919	1,048
Inventories	738	783	825	801	859
Investments	2,972	3,761	4,160	4,105	4,253
Investments and accounts with affiliates	2,402	3,159	3,458	3,425	3,542
Portfolio investments	571	602	702	679	711
Loans	291	349	337	354	350
Mortgages	182	191	202	199	193
Non-mortgages	109	158	135	155	157
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	9,414	9,761	9,319	9,341	9,685
Other assets	2,010	1,997	2,089	2,377	2,442
<b>Liabilities</b>	<b>15,290</b>	<b>16,725</b>	<b>16,829</b>	<b>16,762</b>	<b>17,323</b>
Accounts payable and accrued liabilities	3,118	3,398	3,496	3,610	3,637
Loans and accounts with affiliates	6,828	7,774	8,049	7,448	7,626
Borrowings	4,834	4,927	4,759	4,917	5,051
Loans and overdrafts	2,659	2,847	2,725	3,307	3,379
From banks	1,711	1,862	1,950	2,122	2,230
From others	948	984	775	1,184	1,149
Bankers' acceptances and paper	206	204	220	217	218
Bonds and debentures	5	5	2	6	2
Mortgages	1,963	1,872	1,812	1,387	1,452
Deferred income tax	-170	-218	-255	-313	-318
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	681	844	780	1,100	1,327
<b>Equity</b>	<b>2,723</b>	<b>2,797</b>	<b>2,858</b>	<b>3,376</b>	<b>3,760</b>
Share capital	1,688	1,830	1,821	2,085	1,960
Contributed surplus and other	588	561	506	390	400
Retained earnings	447	406	531	900	1,399
<b>Income statement</b>					
<b>Operating revenue</b>	<b>37,538</b>	<b>38,781</b>	<b>39,349</b>	<b>40,479</b>	<b>41,693</b>
Sales of goods and services	36,823	38,063	38,713	39,767	40,980
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	715	717	636	712	713
<b>Operating expenses</b>	<b>36,589</b>	<b>38,018</b>	<b>38,360</b>	<b>39,400</b>	<b>40,079</b>
Purchased goods, materials and service	24,261	24,820	24,847	25,431	26,079
Wages, salaries and employee benefits	10,364	11,183	11,477	12,035	12,072
Indirect taxes	315	354	341	383	381
Depreciation, depletion and amortization	1,215	1,170	1,210	1,229	1,241
Interest expense (operating)	..	..	..	..	..
Other operating expenses	434	490	479	313	306
<b>Operating profit/loss</b>	<b>949</b>	<b>763</b>	<b>989</b>	<b>1,079</b>	<b>1,614</b>
Interest and dividend revenue	74	103	83	82	94
Interest expense on borrowing	637	657	627	576	694
Gains/losses	-9	71	89	165	207
<b>Profit before income tax</b>	<b>377</b>	<b>279</b>	<b>535</b>	<b>751</b>	<b>1,221</b>
Income tax	245	219	244	254	326
Equity in affiliates' earnings	26	11	16	28	31
<b>Profit before extraordinary gains</b>	<b>157</b>	<b>71</b>	<b>307</b>	<b>524</b>	<b>926</b>
Extraordinary gains	0	2	-8	1	3
<b>Net profit</b>	<b>157</b>	<b>73</b>	<b>298</b>	<b>525</b>	<b>929</b>

**Table 70-2**  
**Food services and drinking places — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>157</b>	<b>73</b>	<b>298</b>	<b>525</b>	<b>929</b>
Plus: consolidation adjustments	-65	42	43	-8	103
Plus: conceptual adjustments	-9	-2	-30	-32	-68
Plus: current taxes, including mining	279	230	269	304	372
Plus: deferred income taxes	-17	-12	-26	-67	-12
Less: profit of tax exempt corporations	1	-20	0	1	1
Deductible dividends	51	74	53	81	89
<b>Adjusted profit before taxes</b>	<b>293</b>	<b>277</b>	<b>502</b>	<b>640</b>	<b>1,234</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	-50	102	103	201	329
Less: taxable capital gains	102	89	80	102	119
Net difference, capital gains and losses	-151	14	23	99	209
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-53	-17	-38	-41	-49
<b>Total, exemptions and deductions</b>	<b>-204</b>	<b>-3</b>	<b>-15</b>	<b>58</b>	<b>160</b>
<b>Timing differences:</b>					
Depreciation	1,127	1,099	1,197	1,201	1,197
Less: capital cost allowance	1,211	1,105	1,141	1,109	1,115
Net difference, depreciation	-84	-6	55	91	82
Natural resources expenses, (books)	1	1	1	1	1
Less: natural resource expenses, (tax)	7	7	1	0	1
Net difference, natural resources expenses	-6	-5	0	1	1
Charitable donations net difference, (books minus tax)	1	0	0	1	0
Other timing differences	-21	108	18	113	-13
<b>Total, timing differences</b>	<b>-110</b>	<b>97</b>	<b>74</b>	<b>206</b>	<b>69</b>
<b>Net taxable income</b>	<b>387</b>	<b>378</b>	<b>590</b>	<b>788</b>	<b>1,143</b>
Plus: current year tax losses	936	887	919	848	760
<b>Current year positive taxable income</b>	<b>1,323</b>	<b>1,265</b>	<b>1,509</b>	<b>1,636</b>	<b>1,903</b>
Less: prior year losses applied	231	239	244	241	262
<b>Taxable income (tax base)</b>	<b>1,092</b>	<b>1,027</b>	<b>1,265</b>	<b>1,396</b>	<b>1,641</b>
<b>Taxes:</b>					
Tax otherwise payable	425	454	486	538	631
Surtax	11	12	13	15	17
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	110	117	127	140	165
Small business deduction	116	110	121	140	160
Manufacturing and processing profits deduction	9	10	11	7	10
Investment tax credit	0	1	1	1	1
Other credits	6	10	20	24	29
<b>Net part 1 tax payable</b>	<b>194</b>	<b>217</b>	<b>220</b>	<b>240</b>	<b>283</b>
Other direct federal taxes	3	8	4	4	6
<b>Federal tax payable</b>	<b>198</b>	<b>224</b>	<b>223</b>	<b>243</b>	<b>289</b>
Provincial tax payable	94	91	105	115	132
<b>Total taxes</b>	<b>291</b>	<b>315</b>	<b>328</b>	<b>358</b>	<b>420</b>

**Table 70-3**  
**Food services and drinking places — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	4.282	4.541	4.482	3.663	3.372
Profit margin (percent)	2.5	2.0	2.5	2.7	3.9
Return on equity (percent)	5.8	2.5	10.7	15.5	24.6
Return on capital employed (percent)	4.7	3.8	5.2	6.3	9.0
Working capital (ratio)	0.700	0.702	0.696	0.737	0.771
Quick ratio (ratio)	0.583	0.588	0.578	0.621	0.651
Inventory turnover (ratio)	50.855	49.523	47.711	50.526	48.552
Receivables turnover (ratio)	46.428	47.615	47.299	44.042	39.783
Taxes to positive adjusted profit (percent)	20.4	22.6	21.3	22.2	20.6
Income taxes to taxable income (percent)	26.4	30.0	25.6	25.4	25.2
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	5.4	3.3	1.5	2.9	3.0
Operating expenses, year-over-year change	4.8	3.9	0.9	2.7	1.7
Operating profit, year-over-year change	32.6	-19.6	29.7	9.1	49.6
Taxable income (tax base), year-over-year change	10.2	-6.0	23.2	10.3	17.6
Taxes, year-over-year change	7.8	8.3	4.1	9.1	17.3

**Table 71-1**  
**Repair, maintenance and personal services — Balance sheet and income statement**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Balance sheet</b>					
<b>Assets</b>	<b>23,918</b>	<b>25,665</b>	<b>28,329</b>	<b>30,235</b>	<b>31,845</b>
Cash and deposits	3,505	3,851	4,249	4,799	5,561
Accounts receivable and accrued revenue	2,813	2,962	3,597	3,801	3,863
Inventories	2,072	2,202	2,329	2,488	2,522
Investments	6,605	6,750	7,514	8,158	8,145
Investments and accounts with affiliates	4,769	4,722	5,209	5,201	5,089
Portfolio investments	1,836	2,028	2,305	2,957	3,057
Loans	328	417	414	400	451
Mortgages	156	199	214	208	241
Non-mortgages	173	217	199	192	210
Bank customers' liabilities under acceptances	..	..	..	..	..
Capital assets, net	6,514	6,864	7,204	7,399	7,840
Other assets	2,080	2,620	3,022	3,190	3,462
<b>Liabilities</b>	<b>13,579</b>	<b>14,880</b>	<b>16,650</b>	<b>17,739</b>	<b>18,580</b>
Accounts payable and accrued liabilities	3,624	3,698	4,681	4,538	4,630
Loans and accounts with affiliates	3,380	4,147	4,434	4,409	4,628
Borrowings	4,212	4,010	4,519	4,715	4,956
Loans and overdrafts	2,457	2,231	2,613	2,796	2,762
From banks	2,030	1,762	1,831	1,981	1,903
From others	428	469	782	815	859
Bankers' acceptances and paper	7	0	1	1	49
Bonds and debentures	12	6	7	8	9
Mortgages	1,736	1,772	1,898	1,910	2,135
Deferred income tax	41	57	20	56	63
Bank customers' liabilities under acceptances	..	..	..	..	..
Other liabilities	2,323	2,968	2,995	4,021	4,303
<b>Equity</b>	<b>10,339</b>	<b>10,786</b>	<b>11,679</b>	<b>12,497</b>	<b>13,265</b>
Share capital	4,417	4,253	4,396	4,413	4,440
Contributed surplus and other	907	980	1,007	1,125	1,076
Retained earnings	5,016	5,553	6,277	6,960	7,749
<b>Income statement</b>					
<b>Operating revenue</b>	<b>30,029</b>	<b>30,543</b>	<b>32,769</b>	<b>34,471</b>	<b>35,436</b>
Sales of goods and services	27,853	28,247	30,194	31,699	32,613
Interest and dividend revenue (operating)	..	..	..	..	..
Other operating revenue	2,177	2,296	2,575	2,773	2,823
<b>Operating expenses</b>	<b>28,795</b>	<b>29,605</b>	<b>31,468</b>	<b>32,925</b>	<b>33,512</b>
Purchased goods, materials and service	19,606	19,810	21,268	21,624	22,070
Wages, salaries and employee benefits	8,094	8,687	9,075	10,134	10,276
Indirect taxes	197	185	188	195	236
Depreciation, depletion and amortization	760	787	821	848	869
Interest expense (operating)	..	..	..	..	..
Other operating expenses	138	136	111	121	60
<b>Operating profit/loss</b>	<b>1,234</b>	<b>938</b>	<b>1,301</b>	<b>1,546</b>	<b>1,924</b>
Interest and dividend revenue	226	177	193	214	256
Interest expense on borrowing	388	404	418	458	576
Gains/losses	164	77	211	279	427
<b>Profit before income tax</b>	<b>1,236</b>	<b>789</b>	<b>1,287</b>	<b>1,581</b>	<b>2,031</b>
Income tax	236	253	297	334	390
Equity in affiliates' earnings	30	50	36	43	65
<b>Profit before extraordinary gains</b>	<b>1,031</b>	<b>586</b>	<b>1,026</b>	<b>1,289</b>	<b>1,706</b>
Extraordinary gains	3	-1	-2	0	-1
<b>Net profit</b>	<b>1,033</b>	<b>585</b>	<b>1,024</b>	<b>1,289</b>	<b>1,705</b>



**Table 71-2**  
**Repair, maintenance and personal services — Reconciliation of profit**

	2002	2003	2004	2005	2006
millions of dollars					
<b>Reconciliation of profit to taxable income and taxes payable</b>					
<b>Net profit</b>	<b>1,033</b>	<b>585</b>	<b>1,024</b>	<b>1,289</b>	<b>1,705</b>
Plus: consolidation adjustments	-160	-6	49	66	-3
Plus: conceptual adjustments	53	-19	-3	-18	-8
Plus: current taxes, including mining	249	256	297	334	398
Plus: deferred income taxes	6	2	-16	5	-2
Less: profit of tax exempt corporations	151	131	200	223	292
Deductible dividends	71	53	134	75	81
<b>Adjusted profit before taxes</b>	<b>960</b>	<b>633</b>	<b>1,017</b>	<b>1,379</b>	<b>1,716</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	237	-9	154	212	265
Less: taxable capital gains	44	44	48	87	79
Net difference, capital gains and losses	192	-53	106	125	186
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	31	64	19	12	-20
<b>Total, exemptions and deductions</b>	<b>224</b>	<b>11</b>	<b>125</b>	<b>138</b>	<b>166</b>
<b>Timing differences:</b>					
Depreciation	763	800	826	848	868
Less: capital cost allowance	713	815	839	815	811
Net difference, depreciation	50	-15	-12	32	57
Natural resources expenses, (books)	1	1	1	1	1
Less: natural resource expenses, (tax)	0	0	0	0	1
Net difference, natural resources expenses	1	1	0	1	0
Charitable donations net difference, (books minus tax)	0	1	1	0	0
Other timing differences	13	82	-101	-68	-49
<b>Total, timing differences</b>	<b>64</b>	<b>69</b>	<b>-112</b>	<b>-35</b>	<b>8</b>
<b>Net taxable income</b>	<b>800</b>	<b>691</b>	<b>780</b>	<b>1,207</b>	<b>1,558</b>
Plus: current year tax losses	552	659	808	568	547
<b>Current year positive taxable income</b>	<b>1,352</b>	<b>1,350</b>	<b>1,587</b>	<b>1,775</b>	<b>2,105</b>
Less: prior year losses applied	150	145	191	215	202
<b>Taxable income (tax base)</b>	<b>1,202</b>	<b>1,205</b>	<b>1,397</b>	<b>1,560</b>	<b>1,904</b>
<b>Taxes:</b>					
Tax otherwise payable	467	466	538	604	730
Surtax	11	12	14	16	19
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	122	121	140	157	191
Small business deduction	136	136	152	177	209
Manufacturing and processing profits deduction	4	5	6	6	6
Investment tax credit	1	2	2	2	4
Other credits	6	10	19	21	29
<b>Net part 1 tax payable</b>	<b>210</b>	<b>203</b>	<b>233</b>	<b>257</b>	<b>310</b>
Other direct federal taxes	4	5	6	4	4
<b>Federal tax payable</b>	<b>214</b>	<b>208</b>	<b>238</b>	<b>262</b>	<b>314</b>
Provincial tax payable	101	89	106	115	137
<b>Total taxes</b>	<b>315</b>	<b>297</b>	<b>344</b>	<b>376</b>	<b>452</b>

**Table 71-3**  
**Repair, maintenance and personal services — Selected ratios**

	2002	2003	2004	2005	2006
<b>Selected ratios</b>					
Debt to equity (ratio)	0.734	0.756	0.767	0.730	0.722
Profit margin (percent)	4.1	3.1	4.0	4.5	5.4
Return on equity (percent)	10.0	5.4	8.8	10.3	12.9
Return on capital employed (percent)	7.5	4.8	6.6	7.7	9.6
Working capital (ratio)	1.452	1.494	1.426	1.488	1.535
Quick ratio (ratio)	1.145	1.183	1.147	1.199	1.253
Inventory turnover (ratio)	14.492	13.871	14.067	13.856	14.053
Receivables turnover (ratio)	10.674	10.312	9.109	9.069	9.173
Taxes to positive adjusted profit (percent)	20.5	20.9	20.6	19.2	20.0
Income taxes to taxable income (percent)	25.9	24.2	24.2	23.8	23.5
	percentage change				
<b>Selected items</b>					
Operating revenue, year-over-year change	4.8	1.7	7.3	5.2	2.8
Operating expenses, year-over-year change	3.6	2.8	6.3	4.6	1.8
Operating profit, year-over-year change	48.1	-24.0	38.8	18.8	24.4
Taxable income (tax base), year-over-year change	5.8	0.3	15.9	11.7	22.0
Taxes, year-over-year change	2.9	-5.8	15.9	9.3	20.1

# Concepts

The following information should be used to ensure a clear understanding of the basic concepts that define the data provided in this product, of the underlying methodology of the survey, and of key aspects of the data quality. This information will provide you with a better understanding of the strengths and limitations of the data, and how they can be effectively used and analyzed. The information may be of particular importance to you when making comparisons with data from other surveys or sources of information, and in drawing conclusions regarding change over time.

## Description of the data concepts

### Introduction

Beginning with the 1999 reference year, the Financial and Taxation Statistics for Enterprises program has undergone numerous significant changes which affect both the comparability and the historical continuity of the published statistics. Changes in industrial classification, methodology, data sources as well as content have all been introduced.

Data are now collected and compiled on the basis of the North American Industrial Classification System (NAICS) 2007 for the entire incorporated business population as depicted on Statistics Canada's Business Register. Such a census is made possible by supplementing data collected through Statistics Canada's Quarterly Survey of Financial Statements (QFS) and the survey of provincial or federal level government business enterprises, with administrative data available from the Canada Revenue Agency (CRA). Consequently, the content of the financial and taxation statistics for enterprises has been affected in two ways. First, although the taxation statistics are not available for reference year 1999, they were re-introduced with the 2002 publication and are available beginning with reference year 2000. Second, although the financial data are still presented in the basic format of a balance sheet and income statement, certain detail items have changed.

### Description and use of the data

The financial data presented herein comprise financial statements typically prepared by incorporated businesses to record their financial position and performance. The data include: asset, liability and equity items encompassed in a balance sheet, revenue and expense items as reported on an income statement, along with several common financial performance ratios. The taxation data are derived from the T2 Corporate Income Tax Return and include a reconciliation of book profit to taxable income and taxes payable.

These statistics are used in two broad ways. First, they provide a measure of financial position and performance of incorporated businesses by industry aggregations. They are used by a wide variety of economists and industry analysts in both the private and government sectors. Second they are used as the benchmark for the quarterly estimates of corporate profits in the Canadian System of National Accounts.

### Coverage

The domestic economy consists of personal, business and government sectors. This publication covers incorporated enterprises of the financial and non-financial business sectors and business enterprises controlled by federal or provincial governments. In addition, non-profit enterprises considered to be part of the incorporated business sector are also included.

### **The statistical unit**

For statistical purposes, Statistics Canada defines a hierarchical structure of units for each firm. The four standard statistical units that are used are listed from largest to smallest below:

- Enterprise
- Company
- Establishment
- Location

The statistical unit for this publication is the enterprise. An enterprise is a family of businesses under common ownership and control for which a set of consolidated financial statements is produced on an annual basis.

# ***Accounting concepts, definitions and practices***

The concepts and definitions for most industries are based on the guidelines of the Canadian Institute of Chartered Accountants (CICA). Regulated industries may follow practices and definitions determined by the regulators. However, these practices are usually similar to the Generally Accepted Accounting Principles (GAAP) of the Canadian Institute of Chartered Accountants.

## **Financial classification and presentation**

Because there is no widely accepted standard classification for financial items, it was necessary to devise one in order to present information in a homogeneous way for all enterprises. The financial item presentation for this publication has been condensed somewhat to allow for a generic presentation across industries.

# ***Industrial classification***

Commencing with 1999, Financial and Taxation Statistics for Enterprises are based on the North American Industry Classification System (NAICS)<sup>1</sup>. From 1988 to 1998, the Standard Industrial Classification for Companies and Enterprises (SIC-C 1980) was used.

NAICS is an activity-oriented industry classification that was developed by the statistical agencies of Canada, Mexico and the United States to provide a consistent framework for the collection, analysis and dissemination of industrial statistics used by government policy analysts, academics and researchers, the business community and the public. NAICS was primarily designed to classify economic production performed at the establishment level; the activity that contributes the most value-added determines the NAICS code for the establishment.

To determine which NAICS code should be assigned to a statistical enterprise, the NAICS code is determined for each establishment belonging to the statistical enterprise. The NAICS code representing the largest value-added is then assigned to the statistical enterprise. The NAICS (unlike the 1980 SIC-C) does not provide classifications for integrated activities. For example, a petroleum enterprise may be involved in exploration, mining, refining, shipping and retailing of petroleum products. Whereas the 1980 SIC-C provided a classification code for integrated petroleum activities, under NAICS such an enterprise is classified to the individual NAICS code that relates to the activity that provides the most value-added. NAICS is a detailed, hierarchical classification with 928 individual 6-digit industries. These are aggregated into 20 sectors of activity, such as mining, manufacturing, wholesale trade, retail trade and construction.

The annual Financial and Taxation Statistics for Enterprises are available at three levels of industrial groupings of NAICS. The previous set of industrial aggregations consisting of 153, 57 and 23 groups has been replaced by a new set of 67, 48 and 22 industry groups which excludes NAICS 55 (Management of Companies and Enterprises). The NAICS 55 group consists primarily of holding companies whose most significant assets are investments in affiliated companies. The reason for the exclusion is to avoid the double counting of assets.

The industrial classification system is hierarchical in nature so that the more detailed levels of data easily aggregate to the higher levels. The most detailed level of aggregation, which is used in this publication, consists of 67 industry groups. Other levels of aggregation are available upon request on a cost recovery basis.

Text table 1 provides the composition of the industry groups included in this publication.

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1. Estimates on NAICS basis are provided for non-financial industries for 1998

**Text table 1**  
**Industry group composition**

NAICS 67 industry groupings	Table	Industry no.	NAICS Canada 2007 codes included
Agriculture, fishing, hunting, trapping and support activities	5-1	1	111, 112, 114, 1151, 1152
Forestry, logging and support activities	6-1	2	113, 1153
Oil and gas extraction and support activities	7-1	3	211, 213
Mining and quarrying (except oil and gas)	8-1	4	212
Utilities	9-1	5	22
Construction	10-1	6	23
Food and soft drink manufacturing	11-1	7	311, 31211
Alcoholic beverage and tobacco manufacturing	12-1	8	31212, 31213, 31214, 3122
Clothing, textile and leather manufacturing	13-1	9	313, 314, 315, 316
Wood product manufacturing	14-1	10	321
Paper manufacturing	15-1	11	322
Printing and related support activities	16-1	12	323
Petroleum and coal products manufacturing	17-1	13	324
Basic chemical manufacturing	18-1	14	3251
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	19-1	15	3252
Pharmaceutical and medicine manufacturing	20-1	16	3254
Soap, agriculture, paint and other chemical products manufacturing	21-1	17	3253, 3255, 3256, 3259
Plastics and rubber products manufacturing	22-1	18	326
Non-metallic mineral product manufacturing	23-1	19	327
Primary metal manufacturing	24-1	20	331
Fabricated metal product and machinery manufacturing	25-1	21	332, 333
Computer and electronic product manufacturing	26-1	22	334
Electrical equipment, appliance and component manufacturing	27-1	23	335
Motor vehicle and trailer manufacturing	28-1	24	3361, 3362
Motor vehicle parts manufacturing	29-1	25	3363
Air, rail and ship products and other transportation equipment manufacturing	30-1	26	3364, 3365, 3366, 3369
Furniture and related products manufacturing	31-1	27	337
Miscellaneous manufacturing	32-1	28	339
Food, beverage, tobacco and farm product wholesaler-distributors	33-1	29	411, 4131, 4132, 4133
Petroleum product wholesaler-distributors	34-1	30	412
Motor vehicle and parts wholesaler-distributors	35-1	31	415
Building material and supplies wholesaler-distributors	36-1	32	416
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	37-1	33	4171, 4172
Computer, communications and other machinery and equipment wholesaler-distributors	38-1	34	4173, 4179
Miscellaneous wholesaler-distributors	39-1	35	414, 418, 419
Motor vehicle and parts dealers	40-1	36	441
Furniture, home furnishings, electronics and appliance stores	41-1	37	442, 443
Building material and garden equipment and supplies dealers	42-1	38	444
Food and beverage stores	43-1	39	445
Gasoline stations	44-1	40	447
Clothing, department and other general merchandise stores	45-1	41	448, 451, 452
Miscellaneous retailers	46-1	42	446, 453, 454
Air transportation	47-1	43	481
Rail, truck, water and other transportation	48-1	44	482, 483, 484, 485, 487, 491, 492
Pipelines, warehousing and transportation support activities	49-1	45	486, 488, 493
Publishing industries (except internet)	50-1	46	511
Broadcasting, motion pictures, sound recording and information services	51-1	47	512, 515, 518, 519
Telecommunications	52-1	48	517
Banking and other depository credit intermediation	53-1	49	5211, 522111, 522112, 522190
Local credit unions	54-1	50	52213
Non-depository credit intermediation	55-1	51	5222
Central credit unions	56-1	52	522321
Financial transactions processing, loan brokers and other activities related to credit intermediation	57-1	53	52231, 522329, 52239

Text table 1 – continued

## Industry group composition

NAICS 67 industry groupings	Table	Industry no.	NAICS Canada 2007 codes included
Securities and commodity contracts intermediation and brokerage	58-1	54	5231
Securities and commodity exchanges and other financial investment activities	59-1	55	5232, 5239
Life, health and medical insurance carriers	60-1	56	52411, 524131, 524132
Property and casualty insurance carriers	61-1	57	52412, 524133, 524134, 524135, 524139
Agencies, brokerages and other insurance related activities	62-1	58	5242
Real estate	63-1	59	531
Automotive, machinery and equipment and other rental and leasing	64-1	60	532, 533
Professional, scientific and technical services	65-1	61	54
Administrative and support, waste management and remediation services	66-1	62	56
Educational, healthcare and social assistance services	67-1	63	61, 62
Arts, entertainment and recreation	68-1	64	71
Accommodation services	69-1	65	721
Food services and drinking places	70-1	66	722
Repair, maintenance and personal services	71-1	67	811, 812, 813



# Statistical methodology

## Survey design

Three sources of data were combined to form a census of all units in the population of interest. These consisted of:

- Annualized data from the Quarterly Survey of Financial Statements (QFS) obtained from the Industrial Organization and Finance Division at Statistics Canada.
- A survey of provincial or federal level government business enterprises (GBE) that operated in the business sector, with data obtained from the Public Institutions Division at Statistics Canada.
- Administrative corporate taxation data in the form of the T2 Corporate Income Tax Return and the General Index of Financial Information (GIFI) obtained from the Tax Data Division at Statistics Canada.

The frame contains 1,272,229 units included in our population of interest. The Quarterly Survey of Financial Statements (QFS) provided consolidated data for 3,484 of the larger enterprises. The survey of government business enterprises provided data for 119 enterprises. The remaining data was obtained through administrative corporate taxation data. Although the vast majority of data comes from the administrative source it is less significant in terms of their contribution to assets and operating revenues (see Text table1).

## Collection and processing

For reference years 1999 and 2000, data collected from the Quarterly Survey of Financial Statements were annualized and then combined with data from a supplementary annual questionnaire that was mailed to survey respondents. The supplementary annual questionnaire was designed to obtain additional detailed information on operating expenses not available from the QFS. Beginning for reference year 2001, the supplementary questions were added to the Quarterly Survey of Financial Statements and the supplementary annual questionnaire was eliminated.

Information from all three data sources was provided in different formats with different sets of variables. In order to merge the data it was necessary to transform all three data sources into a common set of variables that contained a complete set of financial statement information. Certain details were omitted in the process due to the unavailability of data from all sources.

While QFS and GBE data were collected at the enterprise level, GIFI data, on the other hand, were collected at the non-consolidated single legal entity level. Data for single legal entities belonging to a corporate family (multi-legals) are then rolled up to the enterprise level.

## Edit and imputation

Several checks are performed on the data to verify internal consistency and identify extreme values. Imputation for complete non-response is performed by 2 general methods. The preferred and most common method makes use of historical information about the non-responding unit and current trends in principal characteristics of similar units. When historical information is not available, such as in the case of births, a donor of similar size and industry is substituted for the missing unit.

Although imputation for total non-response was required for close to 31% of enterprises, the overall impact of imputation on operating revenues across all industries is about 14%. Text table 3 indicates the effect of imputation on operating revenues broken down by industry grouping.

**Text table 1**  
**Contribution of assets and operating revenue by data source, 2006**

	Enterprises	Portion of total assets	Portion of total operating revenues
	%		
Data source			
Quarterly survey of financial statements	3,484	71	51
Government business enterprises data	119	6	4
Administrative taxation data	1,268,626	23	45
<b>Total</b>	<b>1,272,229</b>	<b>100</b>	<b>100</b>

Although government business enterprises account for only 6% of total assets and 4% of total operating revenues, they have a significant presence in certain industries. For example, GBE's hold 71% of the assets in the utilities industry and generated 54% of the operating revenues in the arts, entertainment and recreation industry (see Text table 2).

**Text table 2**  
**Contribution of assets and operating revenues by government business enterprises, by industry, 2006**

	Table	Enterprises	Percentage of assets	Percentage of operating revenues
	%			
Industry				
Utilities	9-1	16	71.2	34.2
Food and beverage stores	43-1	13	7.4	26.7
Rail, truck, water and other transportation	48-1	10	14.0	12.5
Banking and other depository credit intermediation	53-1	3	6.3	5.2
Non-depository credit intermediation	55-1	5	30.0	21.6
Property and casualty insurance carriers	61-1	4	11.1	11.6
Arts, entertainment and recreation	68-1	12	22.6	53.8
Other industries		56	1.3	1.2
<b>Total</b>		<b>119</b>		

**Text table 3**  
**Imputation Impact, 2006**

NAICS 67 industry groupings	Table	Number of enterprise	Operating revenue (million \$)	Imputation impact on revenue
Agriculture, fishing, hunting, trapping and support activities	5-1	47,021	32,229	B
Forestry, logging and support activities	6-1	12,397	10,832	B
Oil and gas extraction and support activities	7-1	12,822	156,196	A
Mining and quarrying (except oil and gas)	8-1	988	26,391	B
Utilities	9-1	1,225	103,030	A
Construction	10-1	159,416	198,471	B
Food and soft drink manufacturing	11-1	6,579	81,602	A
Alcoholic beverage and tobacco manufacturing	12-1	558	8,010	B
Clothing, textile and leather manufacturing	13-1	5,677	12,406	B
Wood product manufacturing	14-1	4,370	40,582	B
Paper manufacturing	15-1	761	32,503	B
Printing and related support activities	16-1	6,045	12,752	B
Petroleum and coal products manufacturing	17-1	214	82,659	B
Basic chemical manufacturing	18-1	226	11,513	B
Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing	19-1	176	8,856	B
Pharmaceutical and medicine manufacturing	20-1	356	15,334	B
Soap, agriculture, paint and other chemical products manufacturing	21-1	1,685	19,490	B
Plastics and rubber products manufacturing	22-1	2,755	30,548	B
Non-metallic mineral product manufacturing	23-1	2,321	17,487	B
Primary metal manufacturing	24-1	742	45,187	B
Fabricated metal product and machinery manufacturing	25-1	16,993	66,995	B
Computer and electronic product manufacturing	26-1	2,977	29,271	C
Electrical equipment, appliance and component manufacturing	27-1	1,491	13,663	B
Motor vehicle and trailer manufacturing	28-1	644	103,512	A
Motor vehicle parts manufacturing	29-1	1,001	27,442	B
Air, rail and ship products and other transportation equipment manufacturing	30-1	1,278	23,138	B
Furniture and related product manufacturing	31-1	5,008	13,928	B
Miscellaneous manufacturing	32-1	7,552	10,313	B
Food, beverage, tobacco and farm product wholesaler-distributors	33-1	10,162	74,305	A
Petroleum product wholesaler-distributors	34-1	1,267	47,883	A
Motor vehicle and parts wholesaler-distributors	35-1	5,240	43,321	B
Building material and supplies wholesaler-distributors	36-1	9,866	64,336	B
Farm, construction, forestry, mining and other industrial machinery and equipment and supplies wholesaler-distributors	37-1	8,057	42,778	B
Computer, communications and other machinery and equipment wholesaler-distributors	38-1	10,997	53,423	B
Miscellaneous wholesaler-distributors	39-1	36,550	130,118	B
Motor vehicle and parts dealers	40-1	15,349	95,063	B
Furniture, home furnishings, electronics and appliance stores	41-1	15,959	26,737	B
Building material and garden equipment and supplies dealers	42-1	7,758	27,515	A
Food and beverage stores	43-1	20,530	130,480	A
Gasoline stations	44-1	10,055	20,064	B
Clothing, department and other general merchandise stores	45-1	25,610	80,727	A
Miscellaneous retailers	46-1	28,894	45,305	B
Air transportation	47-1	1,381	17,921	B
Rail, truck, water and other transportation	48-1	52,823	74,180	B
Pipelines, warehousing and transportation support activities	49-1	10,895	36,399	B
Publishing industries (except internet)	50-1	5,290	17,494	B
Broadcasting, motion pictures, sound recording and information services	51-1	15,756	16,184	B
Telecommunications	52-1	2,299	49,532	A
Banking and other depository credit intermediation	53-1	138	99,821	A
Local credit unions	54-1	12	12,201	A
Non-depository credit intermediation	55-1	7,356	28,540	A
Central credit unions	56-1	16	1,405	A
Financial transactions processing, loan brokers and other activities related to credit intermediation	57-1	1,572	3,568	B
Securities and commodity contracts intermediation and brokerage	58-1	2,560	10,213	B
Securities and commodity exchanges and other financial investment activities	59-1	70,318	47,627	B
Life, health and medical insurance carriers	60-1	45	52,274	B

Text table 3 – continued

## Imputation Impact, 2006

NAICS 67 industry groupings	Table	Number of enterprise	Operating revenue (million \$)	Imputation impact on revenue
Property and casualty insurance carriers	61-1	83	42,786	A
Agencies, brokerages and other insurance related activities	62-1	8,792	8,897	B
Real estate	63-1	93,393	45,419	B
Automotive, machinery and equipment and other rental and leasing	64-1	14,196	17,970	B
Professional, scientific and technical services	65-1	195,880	97,568	B
Administrative and support, waste management and remediation services	66-1	62,170	66,586	B
Educational, healthcare and social assistance services	67-1	53,183	34,940	B
Arts, entertainment and recreation	68-1	22,514	27,421	B
Accommodation services	69-1	11,617	12,756	B
Food services and drinking places	70-1	59,186	41,693	B
Repair, maintenance and personal services	71-1	71,182	35,436	B
<b>Total all industries:</b>		<b>1,272,229</b>	<b>3,015,229</b>	<b>B</b>
A. 0-10% = Excellent				
B. 10-33% = Very good				
C. 33-50% = Good				
D. 50-60% = Acceptable				
E. 60%+++ = Unreliable				

## Estimation

Since data is obtained from one of the three data sources for each enterprise in the population of interest, estimates are derived from the simple tabulation of data.

The combined survey results were analyzed before publication. Generally, this entails a detailed review of the individual responses (especially for the largest enterprises), a review of general economic conditions and trends, and comparisons with other relevant sub-annual surveys.

Due to certain financial reporting constraints, data for enterprises in the insurance industry could not be obtained through the administrative data source. Data for the industry are therefore derived using QFS weighted estimates rather than a census.

## Data accuracy

While considerable effort was made to ensure high standards throughout all collection and processing operations, the resulting estimates are inevitably subject to a certain degree of error. There are two categories of errors in statistical information - sampling errors and non-sampling errors. Non-sampling errors is the only type that applies to this program, given that there was no sampling process used to produce these estimates<sup>1</sup>.

Non-sampling errors can arise from a variety of sources and are difficult to measure and their importance can differ according to the purpose to which the data are being put. Among non-sampling errors are gaps in the information provided by corporations in their tax returns and errors in processing, such as data capture.

## Reference period

The objective of this annual series is to cover business activity within a calendar reference period. Data derived from the Quarterly Survey of Financial Statistics approximate the calendar period. The Government business enterprise data reflect fiscal periods which often are governed by the April to March fiscal year of governments. However, beginning with the 2002 reference year, the government business enterprise data has been adjusted to reflect the

1. with the exception of the insurance industry

calendar period. The administrative data used from Canada Revenue Agency (CRA) is based on financial statements filed along with annual income tax returns by corporations. Historically, data from fiscal periods ending at any time from January to December were included in the reference year. However, beginning with 2004 and 2003 revised, data from income tax returns for fiscal periods ending from April to March have been included in order to better represent business activity in the calendar period.

## Confidentiality

The confidentiality of the reported statistics is protected under the provisions of the Statistics Act. For this reason, statistics are released in aggregate form only, with no potential identification of individually reported information. The confidentiality provisions of the Statistics Act override the provisions of the Access to Information Act to guarantee with the confidentiality of reported data of individual respondents.

## Limitations of the data

To be valid for either time-series or cross-sectional analysis, the definitions of data must be consistent within time periods or across time periods. Put differently, the differences and similarities in data must reflect only real differences and not differences in the concepts or definitions used in preparing the data.

The ability to use the data for analysis depends on the conceptual framework in which the data is being used.

These data are consistent with the Generally Accepted Accounting Principles (GAAP) of the Canadian Institute of Chartered Accountants. As such they do not agree with the concepts of the CSNA for example. If the GAAP concepts are appropriate for the application of the data then there may still be some problems of consistency (between units or over time) for items where GAAP does not prescribe a particular treatment or allow some latitude.

One of the general problems with GAAP for some uses is that it prescribes a historical cost treatment of assets (i.e. their cost at the time of acquisition). This means that comparisons over time and across industries may not be valid for balance sheet data or for ratios derived from the Balance Sheet.

# Definitions of key financial variables

## Balance sheet

The Balance sheet is comprised of total assets, liabilities, and equity.

- **Total assets** are the sum total of economic resources in which the entity exercises a certain control. Included are cash and deposits; accounts receivable and accrued revenue; inventories; investments and accounts with parents, subsidiaries and affiliates; portfolio investments; loans given to other enterprises; and capital assets.
- **Liabilities** are the sum total of the entities obligations. Included are accounts payable and accrued liabilities; income taxes payable; borrowings; and deferred income taxes.
- **Equity** is the accumulated undistributed earnings derived from all sources, including capital or extraordinary gains and losses.

## Income statement

The Income statement includes revenues; expenses; gains and losses; income taxes; and various profit measures.

- **Operating revenue** includes revenues from the sales of goods and services; rental and operating lease revenue; and revenue from commissions, franchise fees, and royalties.
- **Operating expense** includes the cost of goods and services used as inputs into production; wages and salaries; employer portion of employee benefits; indirect taxes; and depreciation, amortization and depletion of buildings, machinery and natural resources.
- **Operating profit** is the difference between Operating revenues and Operating expenses.
- **Net profit** is obtained from Operating profit by subtracting expenses for interest payments and income tax; and adding revenues from interest and dividends received gains (losses) on the sales of assets, equity in affiliates' earnings, and extraordinary gains.

## Reconciliation of profit to taxable income and taxes payable

The Reconciliation of profit to taxable income and taxes payable illustrates the adjustments required to compute taxable income and taxes payable.

- **Taxable Income** (tax base) is the amount of income subject to tax in the current year after application of prior year losses.
- **Taxes** include federal and provincial taxes levied under the Income Tax Act.

## Operating profit margin

Operating profit is the net result of the principal business activities of a firm. This profit is before taking into account interest expense, investment income, non-recurring losses from the write-down of assets, gains or losses realized on the disposal of assets, and income tax expense. This ratio indicates management's ability to generate earnings from the principal business activities of a firm. The ratio is expressed as a percentage of operating revenue.

**Formula**

Operating profit margin:

$$\frac{\text{Operating profit}}{\text{Total operating revenue}}$$

**Return on capital employed**

This ratio measures profitability and how well management has employed the assets, by calculating the percentage return on total capital provided by the owners and lenders (creditors). The earnings figure is before taking into account after-tax interest expense (payments to lenders) and dividends (payments to owners). The ratio indicates how many cents are returned to every dollar of capital invested.

**Formula**

Return on capital employed:

$$\frac{\text{Net profit} + \text{after-tax interest expense}}{\text{Short-term loans} + \text{long-term loans and debt} + \text{shareholders' equity}}$$

**Return on equity**

This ratio measures the level of return to the owners (investors) and it represents their measure of profitability. The earnings figure is the after-tax profits, including a deduction for interest expense (payments to lenders). It is the net profit available to the owners (investors) before extraordinary gains. The ratio indicates how many cents are returned to every dollar invested by the owners.

**Formula**

Return on equity:

$$\frac{\text{Net profit}}{\text{Shareholders' equity}}$$

**Debt to equity**

This ratio examines the relationship of debt (loans, bonds, debentures) to shareholders' equity. It compares the relative size of debt to resources invested by the owners. It indicates the extent to which a firm relies on borrowed funds to finance its operations. Firms that rely heavily on borrowed funds are said to be highly leveraged.

**Formula**

Debt to equity:

$$\frac{\text{Short-term loans + long-term loans and debt}}{\text{Shareholders' equity}}$$

## Working capital

This ratio examines the relationship of current assets to current liabilities. It measures the ability to pay short-term debts easily when they become due.

### Formula

Working capital:

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

## Receivable turnover

This ratio provides a measure of the quality and relative size of accounts receivable. It indicates the effectiveness of a firm's credit policy by calculating how often accounts receivable are converted into cash during the year. The ratio divides the outstanding receivables figure at year-end into the year's sales.

### Formula

Receivable turnover:

$$\frac{\text{Sales of goods and services}}{\text{Accounts receivable}}$$

## Inventory turnover

This ratio is a measure of the adequacy of inventory for the volume of business and how efficiently management turns over the inventory in relation to other firms in the industry. The ratio divides the year-end inventory into the cost of sales for the year.

### Formula

Inventory turnover:

$$\frac{\text{Cost of sales}}{\text{Inventory}}$$

## Quick ratio

This ratio, a refinement of the working capital ratio, examines ability to pay short term debts when they become due. It relates current assets minus inventories to current liabilities.



**Formula**

Quick ratio:

$$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$$

**Taxes to positive adjusted profit**

This ratio is one measure of the tax rate. It calculates the rate of taxes to the profit before taxes of the industry after removing enterprises with losses and eliminating inter-corporate dividends.

**Formula**

Taxes to positive adjusted profit:

$$\frac{\text{Taxes}}{\text{Positive adjusted profit}}$$

**Income Taxes to Taxable Income**

This ratio, another measure of the tax rate, equals the rate of federal and provincial income taxes to the tax base.

**Formula**

Income taxes to taxable income:

$$\frac{\text{Federal part 1 tax payable} + \text{provincial income tax}}{\text{Tax base}}$$