



Summary Financial Statements

Restaurants Canada

December 31, 2017

Independent Auditor's Report

To the Members of
Restaurants Canada

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The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2017, and summary statements of revenue and expenses, changes in net assets and cash flows and related notes for the year then ended are derived from the audited financial statements of **Restaurants Canada** for the year ended December 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated June 4, 2018. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Restaurants Canada.

Management's responsibility for the financial statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the basis described in Note 1.

Auditor's responsibility

Our responsibility is to express an opinion of the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of **Restaurants Canada** for the year ended December 31, 2017 are a fair summary of those financial statements, in accordance with the basis described in Note 1.



Toronto, Ontario
June 4, 2018

Chartered Professional Accountants
Licensed Public Accountants

Restaurants Canada

Summary Statement of Revenue and Expenses

Year ended December 31

2017

2016

Revenue

RC Show	\$ 3,411,344	\$ 3,118,271
Membership	2,674,912	2,666,893
Advertising	553,322	278,167
Fees from equity investments	809,460	819,661
Other	191,441	92,520
Investment income	<u>337,219</u>	<u>247,368</u>
	<u>7,977,698</u>	<u>7,222,880</u>

Expenses

RC Show	2,332,164	2,275,555
Salaries and benefits	2,687,171	2,532,461
Membership	691,101	537,589
Advertising	386,733	225,208
Occupancy	657,114	689,517
Other	<u>940,969</u>	<u>1,173,527</u>
	<u>7,695,252</u>	<u>7,433,857</u>

Excess (deficiency) of revenue over expense	\$ <u>282,446</u>	\$ <u>(210,977)</u>
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See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Changes in Net Assets

Year ended December 31

	Invested in property and equipment and website	Internally restricted	Unrestricted	2017 Total	2016 Total
Balance, beginning of year	\$ 6,028,147	\$ 4,460,571	\$ (372,646)	\$ 10,116,072	\$ 10,327,049
Excess (deficiency) of revenue over expenses	(294,773)	-	577,219	282,446	(210,977)
Investment in property and equipment and website	44,311	-	(44,311)	-	-
Net transfers to the internally restricted funds	-	667,219	(667,219)	-	-
Balance, end of year	\$ 5,777,685	\$ 5,127,790	\$ (506,957)	\$ 10,398,518	\$ 10,116,072

See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Financial Position

December 31	2017	2016
Assets		
Current		
Cash	\$ 45,692	\$ 36,436
Accounts receivable	1,957,851	1,814,398
Inventory	18,255	14,868
Prepaid expenses and deposits	<u>403,063</u>	<u>317,845</u>
	2,424,861	2,183,547
Property, equipment and website	5,777,685	6,028,147
Investments in pooled funds	5,127,792	4,460,571
Investments – other (Note 2)	<u>2,265,047</u>	<u>2,269,392</u>
	\$ 15,595,385	\$ 14,941,657
Liabilities		
Current		
Bank indebtedness	\$ 720,000	\$ 1,150,000
Accounts payable and accrued liabilities	794,823	512,981
Deferred revenue	<u>3,682,044</u>	<u>3,162,604</u>
	<u>5,196,867</u>	<u>4,825,585</u>
Net assets		
Invested in property, equipment and website	5,777,685	6,028,147
Internally restricted	5,127,790	4,460,571
Unrestricted	<u>(506,957)</u>	<u>(372,646)</u>
	<u>10,398,518</u>	<u>10,116,072</u>
	\$ 15,595,385	\$ 14,941,657

See accompanying notes to the summary financial statements.

Restaurants Canada

Note to the Summary Financial Statements

December 31, 2017

1. Criteria for presentation of summary financial statements

The information selected by management for presentation in the summary financial statements has been identified as being the most pertinent and useful financial data for circulation to the members of Restaurants Canada.

2. Investments – other

Restaurants Canada accounts for investments over which it exercises significant influence or control using the equity method whereby the initial investment is recorded at cost and is subsequently adjusted to reflect Restaurants Canada's pro-rata share of post-acquisition earnings and capital transactions.

Restaurants Canada has a 100% ownership in Groupex, a company that establishes and operates buying groups in Western Canada and Ontario for the food services industry. Restaurants Canada's investment in Groupex is accounted for using the equity method.

Restaurants Canada had a 50% investment in 0961511 B.C. Ltd. (CONNECT). CONNECT was a for-profit organization and was jointly owned by Restaurants Canada and H.T.E. Hospitality Trade Expositions Inc. (HTE). HTE is jointly owned by British Columbia Hotel Association and Alliance of Beverage Licensees. CONNECT was accounted for using the equity method. CONNECT was formally dissolved on January 31, 2017.

Investments – other consists of the following:

	<u>Groupex</u>	<u>CONNECT</u>	<u>2017</u> <u>Total</u>	<u>2016</u> <u>Total</u>
Balance, beginning of year	\$ 2,269,392	\$ -	\$ 2,269,392	\$ 2,264,883
Share of net income (loss)	<u>(4,345)</u>	<u>-</u>	<u>(4,345)</u>	<u>4,509</u>
Balance, end of year	<u>\$ 2,265,047</u>	<u>\$ -</u>	<u>\$ 2,265,047</u>	<u>\$ 2,269,392</u>