



Summary Financial Statements

Restaurants Canada

September 30, 2018 (Note 1)

DRAFT

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 September 30, 2018 (Note 1), and summary statements of revenue and expenses, changes in net assets and related notes for the nine month period then ended are derived from the audited financial statements of **Restaurants Canada** for the nine month period ended September 30, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated February XX, 2019. 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 nine month period ended September 30, 2018 are a fair summary of those financial statements, in accordance with the basis described in Note 1.



Toronto, Canada
February XX, 2019

Chartered Professional Accountants
Licensed Public Accountants

Restaurants Canada Summary Statement of Revenue and Expenses

	Nine months ended September 30, 2018	Twelve months ended December 31, 2017
	(Note 1)	
Revenue		
RC Show	\$ 3,697,360	\$ 3,411,344
Membership	1,806,057	2,278,908
Advertising	467,812	553,322
Fees from equity investments	614,576	809,460
Other	153,573	191,441
Investment income	<u>121,343</u>	<u>337,219</u>
	<u>6,860,721</u>	<u>7,581,694</u>
Expenses		
RC Show	2,342,476	2,332,164
Salaries and benefits	2,259,054	2,687,171
Membership	212,194	295,097
Advertising	388,791	386,733
Occupancy	508,341	657,114
Other	<u>732,254</u>	<u>940,969</u>
	<u>6,443,110</u>	<u>7,299,248</u>
Excess of revenue over expense	<u>\$ 417,611</u>	<u>\$ 282,446</u>

See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Changes in Net Assets

For the nine months ended September 30, 2018 and twelve months ended December 31, 2017

	Invested in property and equipment and website	Internally restricted	Unrestricted	Nine months ended September 30, 2018 <u>Total</u> (Note 1)	Twelve months ended December 31, 2017 <u>Total</u>
Balance, beginning of year	\$ 5,777,685	\$ 5,127,790	\$ (506,957)	\$ 10,398,518	\$ 10,116,072
Excess (deficiency) of revenue over expenses	(303,763)	-	721,374	417,611	282,446
Investment in property and equipment and website	107,084	-	(107,084)	-	-
Net transfers to the internally restricted funds	-	171,344	(171,344)	-	-
Balance, end of year	\$ <u>5,581,006</u>	\$ <u>5,299,134</u>	\$ <u>(64,011)</u>	\$ <u>10,816,129</u>	\$ <u>10,398,518</u>

See accompanying notes to the summary financial statements.

Restaurants Canada Summary Statement of Financial Position

	September 30, 2018	December 31, 2017
	(Note 1)	
Assets		
Current		
Cash	\$ -	\$ 45,692
Accounts receivable	795,531	1,957,851
Inventory	14,654	18,255
Prepaid expenses and deposits	<u>265,792</u>	<u>403,063</u>
	1,075,977	2,424,861
Property, equipment and website	5,581,006	5,777,685
Investments in pooled funds	5,299,135	5,127,792
Investments – other (Note 2)	<u>2,257,625</u>	<u>2,265,047</u>
	\$ 14,213,743	\$ 15,595,385
Liabilities		
Current		
Bank indebtedness	\$ 840,510	\$ 720,000
Accounts payable and accrued liabilities	861,539	792,823
Deferred revenue	<u>1,695,565</u>	<u>3,684,044</u>
	3,397,614	5,196,867
Net assets		
Invested in property, equipment and website	5,581,006	5,777,685
Internally restricted	5,299,134	5,127,790
Unrestricted	<u>(64,011)</u>	<u>(506,957)</u>
	10,816,129	10,398,518
	\$ 14,213,743	\$ 15,595,385

See accompanying notes to the summary financial statements.

Restaurants Canada

Note to the Summary Financial Statements

September 30, 2018

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.

Restaurants Canada adopted a fiscal year end of September 30. Accordingly, these summary financial statements reflect the results of operations for the 9 month period ended September 30, 2018. The comparative figures in the summary financial statements reflect the results of operations for the 12 month period ended December 31, 2017.

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.

Investments – other consists of the following:

	September 30, 2018	December 31, 2017
Balance, beginning of year	\$ 2,265,047	\$ 2,269,392
Share of Groupex net loss	<u>(7,422)</u>	<u>(4,345)</u>
Balance, end of year	<u>\$ 2,257,625</u>	<u>\$ 2,265,047</u>