



## Summary Financial Statements

Restaurants Canada

September 30, 2019 (Note 1)

DRAFT

# Report of the independent auditor on the summary financial statements

## To the Members of Restaurants Canada

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at September 30, 2019, the summary statements of revenue and expenses, summary statement of changes in net assets and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of **Restaurants Canada** (“the Company”) for the year ended September 30, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

### Summary financial Statements

The summary financial statements do not contain all the disclosures required by accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### The Audited financial Statements and Our Report Thereon

We expressed an unmodified opinion on the audited financial statements in our report dated February xx, 2020.

### Management's Responsibility for the Summary financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

### Auditor's Responsibility

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

Toronto, Canada  
February xx, 2020

Chartered Professional Accountants  
Licensed Public Accountants

## Restaurants Canada Summary Statement of Revenue and Expenses

	Twelve months ended September 30, 2019	Nine months ended September 30, 2018 (Note 1)
<b>Revenue</b>		
RC Show	\$ 3,716,594	\$ 3,697,360
Membership	2,269,431	1,806,057
Advertising	847,861	467,812
Fees from equity investments	840,806	614,576
Other	92,724	153,573
Investment income	<u>72,254</u>	<u>121,343</u>
	<u>7,839,670</u>	<u>6,860,721</u>
<b>Expenses</b>		
RC Show	2,816,012	2,342,476
Salaries and benefits	2,631,920	2,259,054
Membership	247,280	212,194
Advertising	586,706	388,791
Occupancy	547,182	508,341
Other	<u>1,367,278</u>	<u>732,254</u>
	<u>8,196,378</u>	<u>6,443,110</u>
Excess (deficiency) of revenue over expense	<u>\$ (356,708)</u>	<u>\$ 417,611</u>

See accompanying notes to the summary financial statements.

# Restaurants Canada

## Summary Statement of Changes in Net Assets

September 30, 2019

	Invested in property and equipment and website	Internally restricted	Unrestricted	Twelve months ended September 30, 2019 Total	Nine months ended September 30, 2018 Total (Note 1)
Balance, beginning of year	\$ 5,581,006	\$ 5,299,134	\$ (64,011)	\$ 10,816,129	\$ 10,398,518
Excess (deficiency) of revenue over expenses	(253,043)	-	(103,665)	(356,708)	417,611
Investment in property and equipment and website	168,816	-	(168,816)	-	-
Net transfers to the internally restricted funds	-	(299,669)	299,669	-	-
Balance, end of year	\$ 5,496,779	\$ 4,999,465	\$ (36,823)	\$ 10,459,421	\$ 10,816,129

See accompanying notes to the summary financial statements.

# Restaurants Canada

## Summary Statement of Financial Position

	September 30, 2019	September 30, 2018 (Note 1)
<b>Assets</b>		
Current		
Cash	\$ 4,749	\$ -
Accounts receivable	742,101	795,531
Inventory	11,000	14,654
Prepaid expenses and deposits	<u>223,029</u>	<u>265,792</u>
	<b>980,879</b>	1,075,977
Property, equipment and website	5,496,779	5,581,006
Investments in pooled funds	4,946,389	5,299,135
Investments – other (Note 2)	<u>2,091,174</u>	<u>2,257,625</u>
	<b>\$ 13,515,221</b>	<b>\$ 14,213,743</b>
<b>Liabilities</b>		
Current		
Bank indebtedness	\$ 640,000	\$ 840,510
Accounts payable and accrued liabilities	627,654	861,539
Deferred revenue	<u>1,788,146</u>	<u>1,695,565</u>
	<b>3,055,800</b>	3,397,614
<b>Net assets</b>		
Invested in property, equipment and website	5,496,779	5,581,006
Internally restricted	4,999,465	5,299,134
Unrestricted	<u>(36,823)</u>	<u>(64,011)</u>
	<b>10,459,421</b>	10,816,129
	<b>\$ 13,515,221</b>	<b>\$ 14,213,743</b>

See accompanying notes to the summary financial statements.

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# Restaurants Canada

## Note to the Summary Financial Statements

September 30, 2019

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### 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 year ended September 30, 2019. The comparative figures in the summary financial statements reflect the results of operations for the 9 month period ended September 30, 2018.

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### 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 Canada for the food services industry. Restaurants Canada's investment in Groupex is accounted for using the equity method.

Investments – other consists of the following:

	<b>Twelve months ended September 30, 2019</b>	Nine months ended September 30, 2018
Balance, beginning of year	\$ 2,257,625	\$ 2,265,047
Share of Groupex net loss	<u>(166,451)</u>	<u>(7,422)</u>
Balance, end of year	<u>\$ 2,091,174</u>	<u>\$ 2,257,625</u>