



Summary Financial Statements

Restaurants Canada

September 30, 2020 (Note 1)

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, 2020, 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, 2020.

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 24, 2021.

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 24, 2021



Chartered Professional Accountants
Licensed Public Accountants

Restaurants Canada

Summary Statement of Revenue and Expenses

Year ended September 30

2020

2019

Revenue

RC Show	\$ 4,106,601	\$ 3,716,594
Membership	2,065,358	2,269,431
Advertising	609,887	847,861
Government assistance (Note 3)	466,315	-
Fees from equity investments	430,166	840,806
Other	380,942	92,724
Investment income	<u>145,291</u>	<u>72,254</u>
	<u>8,204,560</u>	<u>7,839,670</u>

Expenses

RC Show	2,740,051	2,816,012
Salaries and benefits	2,794,684	2,631,920
Membership	228,168	247,280
Advertising	373,042	586,706
Occupancy	578,637	547,182
Other	<u>1,160,178</u>	<u>1,367,278</u>
	<u>7,874,760</u>	<u>8,196,378</u>

Excess (deficiency) of revenue over expense	\$ <u>329,800</u>	\$ <u>(356,708)</u>
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See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Changes in Net Assets

September 30, 2020

	Invested in property and equipment and website	Internally restricted	Unrestricted	2020 Total	2019 Total
Balance, beginning of year	\$ 5,496,779	\$ 4,999,465	\$ (36,823)	\$ 10,459,421	\$ 10,816,129
Excess (deficiency) of revenue over expenses	(326,475)	-	656,275	329,800	(356,708)
Investment in property and equipment and website	47,558	-	(47,558)	-	-
Net transfers to the internally restricted funds	-	571,451	(571,451)	-	-
Balance, end of year	\$ 5,217,862	\$ 5,570,916	\$ 443	\$ 10,786,221	\$ 10,459,421

See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Financial Position

September 30

2020

2019

Assets

Current

Cash	\$ 12,842	\$ 4,749
Accounts receivable	680,899	742,101
Inventory	9,441	11,000
Prepaid expenses and deposits	<u>104,367</u>	<u>223,029</u>

807,549 980,879

Property, equipment and website	5,217,862	5,496,779
Investments in pooled funds	4,874,480	4,946,389
Investments – other (Note 2)	<u>2,146,953</u>	<u>2,091,174</u>

\$ 13,046,844 \$ 13,515,221

Liabilities

Current

Bank indebtedness	\$ 570,000	\$ 640,000
Accounts payable and accrued liabilities	390,609	627,654
Deferred revenue	<u>1,297,014</u>	<u>1,788,146</u>

2,257,623 3,055,800

Net assets

Invested in property, equipment and website	5,217,862	5,496,779
Internally restricted	5,570,916	4,999,465
Unrestricted	<u>443</u>	<u>(36,823)</u>

10,789,221 10,459,421

\$ 13,046,844 \$ 13,515,221

See accompanying notes to the summary financial statements.

Restaurants Canada

Notes to the Summary Financial Statements

September 30, 2020

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 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:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 2,091,174	\$ 2,257,625
Share of Groupex net income (loss)	<u>55,779</u>	<u>(166,451)</u>
Balance, end of year	\$ <u>2,146,953</u>	\$ <u>2,091,174</u>

3. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic (the "pandemic") as a result of the spread of COVID-19. Restaurants Canada has been active in monitoring and assessing the impact of the pandemic on operations and has taken necessary steps to reduce expenditures where appropriate, including the application for and receipt of federal government wage subsidies of \$466,315.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences as well as their potential impact on the financial position and results of Restaurants Canada for future periods.

Restaurants Canada has taken the necessary steps to ensure that it is able to continue its operations while complying with government regulations and ensuring the safety of its employees. Restaurants Canada is committed to adjusting operations as required to ensure the sustainability of Restaurants Canada in its pursuit of its mandate.