



Summary Financial Statements

Restaurants Canada

September 30, 2021 (Note 1)

Report of the independent auditor on the summary financial statements

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 4949

To the Members of
Restaurants Canada

Opinion

The summary financial statements, which comprise the summary statement of financial position as at September 30, 2021, 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 Association”) for the year ended September 30, 2021.

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 March 2, 2022.

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
March 2, 2022



Chartered Professional Accountants
Licensed Public Accountants

Restaurants Canada

Summary Statement of Revenue and Expenses

Year ended September 30

2021

2020

Revenue

| | | |
|--------------------------------|------------------|------------------|
| Membership | \$ 1,611,983 | \$ 2,065,358 |
| RC Show | 901,612 | 4,106,601 |
| Other | 997,037 | 380,942 |
| Government assistance (Note 3) | 817,869 | 466,315 |
| Advertising | 747,616 | 609,887 |
| Fees from equity investments | 670,988 | 430,166 |
| Investment income | <u>505,148</u> | <u>145,291</u> |
| | <u>6,252,253</u> | <u>8,204,560</u> |

Expenses

| | | |
|-----------------------|------------------|------------------|
| Salaries and benefits | 2,538,398 | 2,794,684 |
| RC Show | 1,431,236 | 2,740,051 |
| Other | 888,904 | 1,160,178 |
| Occupancy | 538,228 | 578,637 |
| Advertising | 345,190 | 373,042 |
| Membership | <u>123,440</u> | <u>228,168</u> |
| | <u>5,865,396</u> | <u>7,874,760</u> |

| | | |
|--------------------------------|-------------------|-------------------|
| Excess of revenue over expense | \$ <u>386,857</u> | \$ <u>329,800</u> |
|--------------------------------|-------------------|-------------------|

See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Changes in Net Assets

Year ended September 30

| | Invested in property and equipment and website | Internally restricted | Unrestricted | 2021 Total | 2020 Total |
|--|---|--------------------------|--------------|---------------|---------------|
| Balance, beginning of year | \$ 5,217,862 | \$ 5,570,916 | \$ 443 | \$ 10,786,221 | \$ 10,459,421 |
| Excess (deficiency) of revenue over expenses | (305,491) | - | 692,348 | 386,857 | 329,800 |
| Investment in property and equipment and website | 18,257 | - | (18,257) | - | - |
| Net transfers to the internally restricted funds | - | 667,187 | (667,187) | - | - |
| Balance, end of year | \$ 4,930,628 | \$ 6,238,103 | \$ 7,347 | \$ 11,176,078 | \$ 10,786,221 |

See accompanying notes to the summary financial statements.

Restaurants Canada

Summary Statement of Financial Position

September 30

2021

2020

Assets

Current

| | | |
|-------------------------------|----------------|----------------|
| Cash | \$ 78,305 | \$ 12,842 |
| Accounts receivable | 814,055 | 680,899 |
| Inventory | 6,554 | 9,441 |
| Prepaid expenses and deposits | <u>187,994</u> | <u>104,367</u> |

1,086,908 807,549

| | | |
|---------------------------------|-------------------------|------------------|
| Property, equipment and website | 4,930,628 | 5,217,862 |
| Investments in pooled funds | 5,379,628 | 4,874,480 |
| Investments – other (Note 2) | <u>2,604,444</u> | <u>2,146,953</u> |

\$ 14,001,608 **\$ 13,046,844**

Liabilities

Current

| | | |
|--|------------------|------------------|
| Bank indebtedness | \$ 250,000 | \$ 570,000 |
| Accounts payable and accrued liabilities | 703,198 | 390,609 |
| Deferred revenue | <u>1,872,332</u> | <u>1,297,014</u> |

2,825,530 2,257,623

Net assets

| | | |
|---|------------------|------------|
| Invested in property, equipment and website | 4,930,628 | 5,217,862 |
| Internally restricted | 6,238,103 | 5,570,916 |
| Unrestricted | <u>7,347</u> | <u>443</u> |

11,176,078 10,789,221

\$ 14,001,608 **\$ 13,046,844**

See accompanying notes to the summary financial statements.

Restaurants Canada

Notes to the Summary Financial Statements

September 30, 2021

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 (the "Association").

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 Grouplex, a company that establishes and operates buying groups in Canada for the food services industry. Restaurants Canada's investment in Grouplex is accounted for using the equity method.

Investments – other consists of the following:

| | <u>2021</u> | <u>2020</u> |
|------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 2,146,953 | \$ 2,091,174 |
| Share of Grouplex net income | <u>457,491</u> | <u>55,779</u> |
| Balance, end of year | <u>\$ 2,604,444</u> | <u>\$ 2,146,953</u> |

3. COVID-19

During the year ended September 30, 2021, the spread of COVID-19 continues to severely impact many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As a result of the pandemic, the Association was eligible to apply for and receive federal wage and rent subsidies in order to minimize the impact of the pandemic on its employees. Government subsidies of \$817,869 (2020 - \$466,315) have been recognized as revenue in the statement of revenue and expenses.

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 impact on the financial position and results of the Association for future periods.