



LIVRES CANADA BOOKS®



LIVRES CANADA BOOKS

2012-13 ANNUAL REPORT

LIVRES CANADA BOOKS

2012–13 Annual Report

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Chair's Message

It was with a sense of pride and enthusiasm that I accepted the Chair of the Board of Directors of Livres Canada Books last September.



A handwritten signature in blue ink that reads "Caroline Fortin".

Caroline Fortin,
Chair, Board of Directors

For over forty years, this organization has brought together Francophone and Anglophone publishers on a national scale and has played a key role in opening up new markets for the book industry. At a time when profound market changes are challenging our usual habits and practices as publishers, the support and guidance provided by such an association become more important than ever.

The future of the book industry has always been at the heart of every activity Livres Canada Books has pursued. Since 1972, we have worked to provide Canadian publishers with the means to actively engage as economic players abroad. This year was no exception. As this report will demonstrate, Livres Canada Books has continued to pursue its usual activities – export assistance, promoting books abroad and skills development, while also addressing the new challenges inherent in exporting digital books and accessing emerging markets.

Faced with difficult economic conditions over the past few years and a rapidly changing book export market, Livres Canada Books has met the challenge of renewing its mission to reflect the current needs of its clientele.

Eligibility requirements for the Mentoring program were revised to allow more publishers to participate. Professional advisors were retained to bring fresh perspectives on familiar markets or to discover promising new ones. To this end, we explored new horizons through webinars on India and Turkey, and held a scouting mission to Russia. We also developed profiles of some twenty potential markets for the export of digital books and studied the future of territorial rights in an increasingly digital world that has challenged established practices even as it has opened up new possibilities.



Management at Livres Canada Books has also evolved with an eye to the future. Our bylaws and accounting practices were revised to comply with the new Canada Not-for-Profit Corporations Act. A second, multi-year funding application was submitted to the Canada Book Fund and a new, three-year business plan is in the works.

All this would not have been possible without the committed support and involvement of Canadian publishers. More than ever, they have assumed a leadership role, transforming the association from a simple funding organization to a full-fledged value-added provider of programs and services for experienced exporters as well as novices. Their practical experience and invaluable advice has allowed Livres Canada Books to continually improve the services we offer to publishers, complementing those provided by the Department of Canadian Heritage as well as by publishers associations, cultural agencies and other groups.

Thank you to my colleagues on the Board of Directors and of course to the team at Livres Canada Books for all your accomplishments. I would particularly like to thank the indefatigable François Charette. His extraordinary support throughout my first term is indicative of his professionalism and outstanding commitment to the association. Thank you also to all our partners, national and international, public and private, for their commitment to promoting the Canadian publishing industry; through your combined efforts we have ensured that Canadian culture is read around the world.

Executive Director's Introduction

Over the past year, Livres Canada Books has continued to provide Canadian publishers with quality services, be it through funding programs, Canada Stand activities, training and support for expanding into new markets, or by helping familiarize publishers with the export challenges of digital publishing.



François Charette
Executive Director

Livres Canada Books has continued to administer the Foreign Rights Marketing Assistance Program, as well as mentoring programs aimed at emerging exporters, with diligence and thoroughness, in consultation with the Canada Book Fund.

Again this year, we staffed Canada Stands at book fairs in London, Beijing, Frankfurt and Bologna. We revised and modified the Canada Stand design to meet the needs of Canadian publishers. By tightening the budget to reduce costs to participants, more publishers were able to attend international fairs. Livres Canada Books also distributed the *Rights Canada* catalogue and Canadian Studies flyers abroad, promoting Canadian titles to literary agents, distributors, booksellers, librarians and researchers around the world.

This year, in place of an annual symposium, we offered webinars on India and Turkey to prepare publishers for the Frankfurt and London book fairs. We also published a profile of the worldwide digital book market and updated our market guides on penetrating the US retail market, marketing to US libraries, selling children's books in the UK, selling books in Australia, and non-traditional book sales channels in France. After successful scouting missions to Japan, India, Brazil and Scandinavia, Livres Canada Books embarked on a very interesting mission to Russia and published a follow-up report. In addition, we continued to publish our blog with postings on topical issues. Finally, we held a webinar on the evolution of territorial rights in the digital age.

These achievements would not have been possible without our partnerships with the Department of Canadian Heritage through the Canada Book Fund, the International Council for Canadian Studies, the Ontario Media Development Corporation (OMDC), the Association of Canadian Publishers (ACP), the Association



nationale des éditeurs de livres (ANEL), the Association of Canadian University Presses (ACUP), the Canadian Publishers' Council (CPC), the Regroupement des éditeurs canadiens-français (RÉCF), the Literary Press Group of Canada (LPG) and Canadian embassies in Germany, South Korea and Russia. Their support has helped us develop and enhance our international marketing activities to meet the changing needs of publishers.

I would also like to acknowledge the unconditional support of the Board of Directors in the management of Livres Canada Books. These industry professionals have contributed greatly to our success in supporting Canadian exporting publishers.

Once again the Board's objective was to closely follow the five-year business plan. This approach enabled Livres Canada Books to continue to support the export efforts of Canadian publishers and to offer them value-added services complementary to those provided by national book industry associations.

I am particularly indebted to the incredible staff at Livres Canada Books who serve our clientele in both official languages. Like fine watchmakers, these committed professionals develop and administer our programs and services with meticulous care. I am proud of them!



Supporting Canadian Publishers' Exports for Over 40 Years

In addition to providing direct financial assistance to publishers, Livres Canada Books plays a significant role in advancing international sales and building export expertise among Canadian publishers

Founded in 1972, Livres Canada Books is a not-for-profit association based in Ottawa. Its mandate is to support Canadian-owned and -controlled book publishers' export sales activities in order to help publishers improve their overall export results.

As the only national industry association for English- and French-language book publishers, Livres Canada Books connects all publishers across Canada, providing services in both official languages.

In its first 13 years of operation, Livres Canada Books, then known as the Association for the Export of Canadian Books, provided expert advice on book export sales to a number of federal departments working with the Canadian book publishing industry. Through an agreement with the Department of Communications in 1985 (today Canadian Heritage), Livres Canada Books took on the administration of the Export Marketing Assistance (EMAP) and the Foreign Rights Marketing Assistance (FRMAP) programs, both part of the International Marketing Assistance component of the Book Publishing Industry Development Program (BPIDP). For over 25 years, Livres Canada Books has managed the programs in a transparent, accountable, and fiscally responsible manner, taking the lead in the development and implementation of policies and programs to assist exporting publishers in Canada.

In addition to providing direct financial assistance to publishers, Livres Canada Books continues to play a significant role in advancing international sales and building export expertise among Canadian publishers. It provides a range of services to maximize publishers' presence at key international book fairs, services like the Canada Stand, a turnkey collective exhibition stand. Livres Canada Books also offers cooperative initiatives to promote Canadian publishing. *Rights Canada* (a collective foreign rights catalogue) and the Canadian Studies flyers introduce Canadian books to publishers, literary agents, distributors, booksellers, librarians, and academics around the world. Book exhibits, jointly organized with trade and cultural officers at Canadian embassies and consulates around the



world, extend the reach of Canadian publishing beyond international book fairs. Livres Canada Books also publishes in-depth intelligence about foreign markets, offers professional development through webinars and workshops, and works closely with other publishing industry associations to ensure Canadian publishers are strongly positioned in international markets.

In recent years, Livres Canada Books has been active in raising awareness of Canadian book publishers' export priorities, needs and interests among industry and government stakeholders. Livres Canada Books advocates for support to the book publishing industry as a means of promoting Canada's diversity, values, and identity worldwide. Combining efforts and financial resources with other industry associations and partners has enabled Livres Canada Books to develop and deliver new and expanded services and programs.

Livres Canada Books' strength is its capacity to support the diverse needs and priorities of Canadian book exporters' publishing programs and international marketing strategies, and its ability to anticipate and adapt to economic and structural changes in the book publishing industry. Livres Canada Books has made a priority of keeping Canadian publishers abreast of evolving technologies and business models in digital publishing as they affect export sales by publishing forward-looking research and offering webinars on the opportunities and challenges of exporting digital content.

In addition to administering the Foreign Rights Marketing Assistance Program, which provides cost-shared funding for export sales trips and participation in international trade events, Livres Canada Books launched a Mentoring program in 2007 aimed at the specific needs of publishers taking their first steps in export sales. The program pairs small and emerging exporting publishers with seasoned consultants who share their knowledge and expertise and provides funding to help publishers gain first-hand experience. Its goal is to help eligible publishers evaluate the efforts needed to penetrate foreign markets, develop and implement targeted marketing strategies, and, in time, increase exports to become eligible for supplementary assistance based on export sales through the Canada Book Fund.



In 2009, Livres Canada Books renewed its image. The old name and logo of the Association for the Export of Canadian Books gave way to an updated and unified branding under a new trademark. Livres Canada Books' new brand takes advantage of global digital interconnectedness to enhance discoverability of Canadian books and publishers, and increase their visibility and exposure to international buyers. The new trademark became the official name of the association in early 2012.

Livres Canada Books is governed by an experienced and representative group of exporting publishers, knowledgeable in every aspect of book exporting. The Board of Directors provides essential advice and direction to ensure Livres Canada Books continues to meet the evolving needs of Canadian publishers. With the careful guidance and tireless commitment of its volunteer Board of Directors, Livres Canada Books works to foster the outstanding reputation of Canadian publishers and the titles they publish around the world.

Periodic program reviews, long-term business planning, and proactive management enable Livres Canada Books to secure multi-year funding and ensure the stability and continuity needed to develop new and strategic programs and services to support and serve publishers' book export initiatives into the future.

Livres Canada Books is highly regarded nationally and internationally for the work it does promoting the export of Canadian books. Many countries are envious of the programs and services Livres Canada Books provides. Canadian publishers have worked hard exporting their books and Livres Canada Books has been there every step of the way lending a helping and encouraging hand.

MANDATE

The mandate of Livres Canada Books is to support Canadian-owned and controlled book publishers in their export sales activities, and to assist them in improving their overall results.

STRATEGIC GOALS

- Maintain and increase Canadian book publishers' export sales
 - Sustain and expand Canadian book publishers' research and development, promotions, and ongoing sales activities in international markets
 - Ensure Canadian government policies and programs are better adapted to the needs of publishers
-

STRATEGIC OBJECTIVES

- Provide Canadian book publishers with the expertise and resources to address and benefit from ever-changing digital technologies and their impact on the industry and international markets
 - Deliver financial resources and targeted services that enable Canadian book publishers to compete effectively in the international marketplace
 - Offer Canadian book publishers in-depth and comprehensive information on international book publishing markets
 - Provide Canadian book exporters with opportunities to network and exchange information with each other, and effectively communicate their export-related priorities and needs nationally and internationally
 - Foster a better understanding of the needs of Canadian book exporters among policy-makers
-

STRATEGIC ACTIVITIES

- Provide direct funding to exporters
- Facilitate participation in international book fairs and other events
- Create collective promotional materials and activities
- Undertake market intelligence regarding existing, potential and new export markets
- Provide professional development regarding export
- Develop initiatives to support exporting books in a digital world
- Create opportunities for professional networking and information sharing
- Undertake organizational development, and develop and manage Livres Canada Books' resources

Canadian publishers have worked hard exporting their books and Livres Canada Books has been there every step of the way lending a helping and encouraging hand.



2012–13 Annual Report

150 publishers and two national publishing associations were eligible for direct funding through the Foreign Rights Marketing Assistance Program and the Mentoring – Funding Support program

SUPPORTING CANADIAN PUBLISHERS

Over the past 40 years, Livres Canada Books has played a key role in developing and delivering programs and services to Canadian publishers.

Throughout the years, Livres Canada Books has maintained its commitment to

- allocating funding support based on cost-sharing with participating publishers;
- respecting individual corporate objectives and international marketing strategies;
- managing funds in a manner that is fair, accessible and effective for all involved, and that respects sound stewardship and the highest level of integrity, transparency and accountability.

Programs are continually updated, ensuring an efficient and flexible response to the export needs and priorities of Canadian publishers, thus enabling them to succeed in a constantly evolving export environment. Livres Canada Books prioritizes the collection and analysis of program data so that its activities remain relevant.

In 2012–13, 150 publishers and 2 national publishing associations were eligible for direct funding through two programs, the Foreign Rights Marketing Assistance Program (FRMAP) and the Mentoring – Funding Support program.

The table below summarizes the applications received and funds allocated in 2012–13. A complete list of funding recipients, including a breakdown by program, can be found at the end of this report.

APPLICATIONS RECEIVED AND FUNDS ALLOCATED, 2012–13

Applications	Submitted	Eligible	Amount
Foreign Rights Marketing Assistance Program (FRMAP)	155	152	\$750,000
Mentoring – Funding Support	7	7	\$12,639

FOREIGN RIGHTS MARKETING ASSISTANCE PROGRAM

Livres Canada Books has administered the Foreign Rights Marketing Assistance Program (FRMAP) on behalf of Canadian Heritage since 1985. The objective of



this program is to develop and sustain export sales by Canadian publishers and expand their export markets by providing funding for export sales trips and participation in international trade events, such as book fairs. The program operates on a cost-sharing basis between Livres Canada Books and eligible publishers.

In 2012–13, of the 152 eligible publishers and national publishers' associations, 130 received funding for export-related expenses through FRMAP. A complete list of recipients, including the amount of funding received, can be found at the end of this report.

FOREIGN RIGHTS MARKETING ASSISTANCE PROGRAM (FRMAP) CONTRIBUTIONS

	2012–13	2011–12	2010–11
Total claims	428	410	428
International trade events	85	82	94
Export sales trips	109	83	89
Number of delegates	626	591	650

MENTORING – FUNDING SUPPORT

The Mentoring – Funding Support program was launched in 2007 as a means to give publishers an opportunity to benefit from knowledge and expertise gained through their participation in Livres Canada Books' Mentoring – Coaching program. Funding support allows publishers to implement marketing strategies targeted at the select export markets. The objective is to help small and emerging exporting publishers increase sales to these markets and become eligible for higher levels of funding through the Canada Book Fund.

Mentoring – Funding Support ensures the continuity of mentoring services while helping participating publishers develop their own networks of potential partners. Livres Canada Books has been working to provide support to a greater number of publishers who can benefit from a more targeted approach.

The Mentoring – Funding Support program helps small and emerging exporting publishers increase sales to become eligible for higher levels of funding through the Canada Book Fund



International book fairs remain a driving force for the development of Canadian book exports

In 2012–13, Mentoring – Funding Support allowed seven eligible publishers to each receive up to \$2,000 in assistance.

PROMOTING CANADIAN PUBLISHING

CANADA STAND

International book fairs are the meeting place for publishers, rights agents, literary agents, scouts and other publishing professionals from around the world to build relationships and exchange ideas. The network of major international book fairs remains the driving force for the development of Canadian book exports.

Livres Canada Books organizes collective stands at major international book fairs, providing a comprehensive range of services at the lowest possible cost to foster the participation of a growing number of publishers, including small and emerging exporters.

The Canada Stand ranges in size from 30 square metres to nearly 300 square metres at some of the world's largest book fairs. Publishers can choose from an all-inclusive package with fully equipped booths and support services, a pied-à-terre option to conduct meetings on the collective stand but not display books, or a cost-effective pay-per-title service that allows publishers to exhibit titles without attending the fair in person.

Livres Canada Books also provides the administrative, logistical, and marketing support that ensures publishers can concentrate on business, including correspondence with fair organizers, ordering exhibitor passes, customization of furnishings and electrical installations, shipment and delivery of materials to publishers' stands, customs clearance, set up and tear down, and inclusion in the show catalogue and in Livres Canada Books' own print and online directories of exhibitors on the Canada Stand.

In addition to organizing the Canada Stand, Livres Canada Books promotes the Canadian publishing industry at international book fairs by strengthening its network of worldwide contacts and fostering relationships between international publishers, national publishers associations, and other trade partners. Livres Canada Books also collects leads on publishers' behalf and visits other stands to track industry trends and uncover new opportunities for Canadian publishers.



London Book Fair (April 16–18, 2012)

The London Book Fair (LBF) is the major trade book fair for the spring season. The 2012 LBF, which was held in the historic Earls Court Exhibition Centre, a favourable location for its proximity to other areas of the city, hosted 1,700 exhibitors from 133 countries and welcomed 25,744 visitors.

The Canada Stand at the 2012 LBF continued to hold an excellent central location on the exhibition floor. Nine publishers were registered on the 60 m² stand; six reserved display and meeting space and an additional three chose the pied-à-terre option. Some 20 other Canadian publishers exhibited on their own stand, on their distributor's stand or at the Rights Centre. The Canada Stand was abuzz with productive meetings and was a central point of reference for all members of the Canadian publishing industry, both on stand and off.

This year, the generous sponsorship of the Ontario Media Development Corporation enabled Livres Canada Books to host a successful networking reception on the Canada Stand on the first day of the fair. This event was an opportunity for Canadian publishing professionals to mingle with their foreign counterparts and for Livres Canada Books staff to touch base with directors of other fairs in order to strengthen existing partnerships and look into future ones. Additionally, the High Commission of Canada in the United Kingdom hosted a reception at the High Commissioner's official residence on Grosvenor Square the day before the fair opened. Around 75 guests were present.

Beijing International Book Fair (August 29–September 3, 2012)

Since its inception in 1986, the Beijing International Book Fair (BIBF) has grown into a major international publishing event incorporating copyright trade, book trade, cultural events, displays, consultation services and professional networking. The 2012 BIBF hosted 2,010 exhibitors from more than 75 countries and welcomed some 200,000 visitors.

Busier than in previous years, the 27 m² Canada Stand hosted six Canadian publishers and attracted a number of potential Chinese trading partners, who were greeted by Mandarin-English and Mandarin-French interpreters hired to assist Canadian publishers present. Visitors to the stand eagerly grabbed and read the promotional tools put out by Livres Canada Books, including a Mandarin-English

The Canada Stand offers a comprehensive range of services that lets publishers maximize their presence at major international book fairs



directory and the fall 2012 *Rights Canada* catalogue. Even publishers who were not able to attend the fair in person benefited from a robust presence via the pay-per-title option and have received great post-fair feedback.

Livres Canada Books retained the services of Xinyi Tan, a consultant who is well-informed of the Chinese market, to assist Canadian publishers in advance of the fair by analyzing publishers' catalogues and identifying titles or series with potential on the Chinese market, as well as providing Mandarin translations of publishers' "sell sheets" for two titles. Ms. Tan contacted potential Chinese partners and scheduled meetings with Canadian publishers during the fair.

Frankfurt Book Fair (October 10–14, 2012)

The Frankfurt Book Fair (FBF) is the largest and most important international fair of the fall season. Participating in this highly anticipated event is a cornerstone of many Canadian publishers' export strategies. The 2012 FBF hosted 7,307 exhibitors from 97 countries and welcomed 281,753 visitors. Industry observers judged the mood among the participants as "more open and adventurous than it was a year ago."

Livres Canada Books works diligently to ensure an ideal position for the Canada Stand, ensuring maximum visibility for participating publishers. Located in the centre of Hall 8, the main international English-language publishers' hall, the 296 m² stand ensured international exposure for Canadian titles. The Canada Stand was overflowing with 56 publishers represented. In all, 51 publishers reserved display and meeting space on the stand this year; an additional five publishers chose the pied-à-terre package. All reported positive and productive meetings with their foreign counterparts.

This year, Livres Canada Books introduced two new initiatives to better serve publishers on the Canada Stand: high-speed Internet access via a password-protected wireless network on the stand and a consolidated shipping pilot project to offer low cost shipping for publishers unable to meet the minimum weight requirements established by the freight forwarder.

An opening night networking reception on the Canada Stand was hosted jointly with the Ontario Media Development Corporation. As in previous years, this highly anticipated professional and social event was a great success, with a large turnout of Canadian publishers as well as international partners.



Bologna Children's Book Fair (March 25–28, 2013)

The Bologna Children's Book Fair is the world's leading event for children's publishing professionals. This must-attend fair is complemented by a series of events that make it a truly unique cultural experience. The Fair's 50th anniversary was marked by record-breaking attendance: 1,200 exhibitors from 75 countries and 25,000 visitors.

The 32 m² Canada Stand hosted a total of seven publishers: six exhibitors and one who chose the pied-à-terre option. Some 20 more Canadian publishers exhibited on their own stands or on the stands of their distributors, which contributed to a strong Canadian presence.

Two Canadian publishers, Annick Press and Groundwood Books, were short-listed for the BOP Bologna Prize for Best Children's Publisher of the year. The prize was created by the Italian Publishers Association and organizers of the Bologna Children's Book Fair to celebrate the fair's 50th anniversary. Annick and Groundwood were among the five publishers shortlisted from North America, one of the six regions in which a prize was awarded.

COLLECTIVE MARKETING

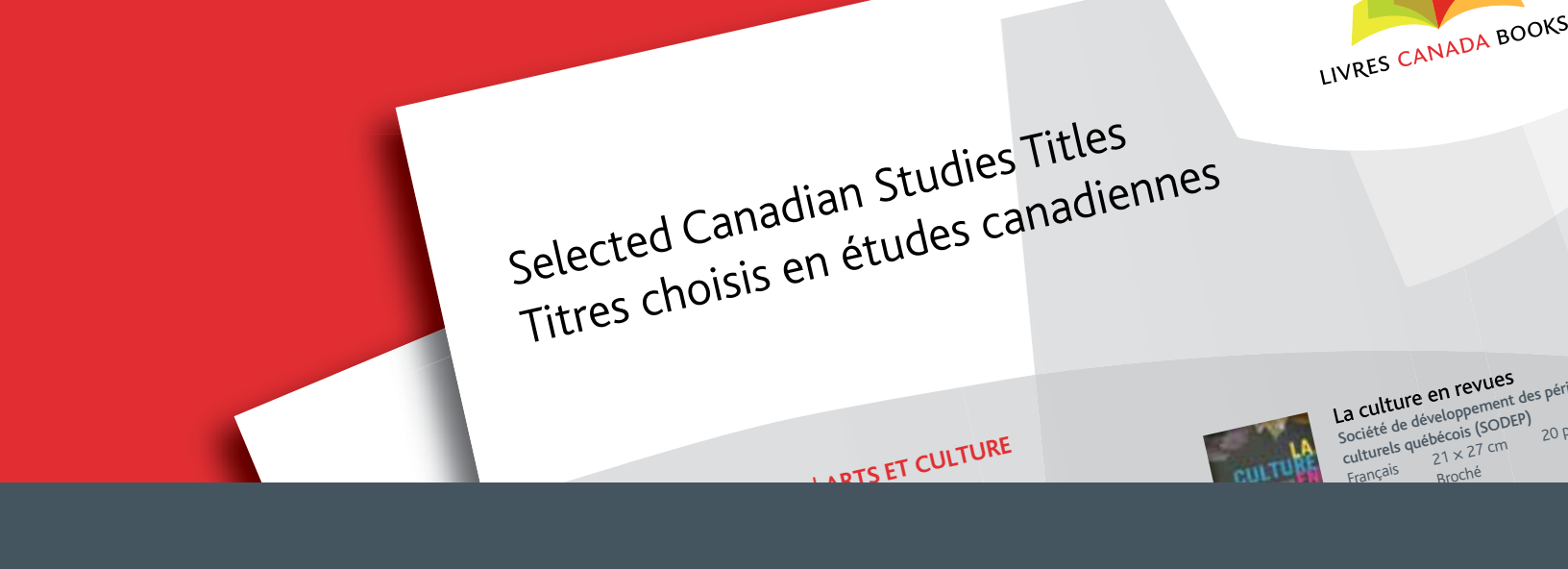
In addition to coordinating collective stands at international book fairs, Livres Canada Books produces catalogues and flyers to help Canadian publishers promote their titles internationally. Livres Canada Books also arranges collections of books for specific events.

Rights Canada

Rights Canada is Livres Canada Books' collective rights catalogue that promotes the sale of foreign rights to Canadian books. *Rights Canada* is marketed electronically to an extensive list of more than 10,000 foreign publishers, distributors and rights agents prior to the major international books fairs, where it is also available in print on the Canada Stand.

Published in the spring and fall, *Rights Canada* featured 99 titles by 36 publishers in 2012–13. In addition to being advertised to international publishing contacts, the catalogues are available for download from the Livres Canada Books website. These digital catalogues include live links to participating publishers' websites and email addresses for more information on listed titles. Print copies of

Livres Canada Books' catalogues and book collections help Canadian publishers promote their titles internationally



Selected Canadian Studies Titles Titres choisis en études canadiennes

LIVRES CANADA BOOKS

ARTS ET CULTURE

La culture en revues
Société de développement des périodiques
culturels québécois (SODEP)
Français 21 x 27 cm 20 p
Broché

the fall and spring editions were distributed at the Beijing, Frankfurt, Bologna, and London book fairs.

Canadian Studies

Livres Canada Books promotes titles and authors of interest to Canadianists, librarians, academics, and buyers around the globe through a flyer produced in partnership with the Ottawa-based International Council for Canadian Studies (ICCS). The flyer is distributed at a number of Canadian Studies association meetings and events around the world, and promoted by email to ICCS members and Canadian studies centres worldwide. The flyer is also available for download from the Livres Canada Books website.

In 2012–13, the Canadian Studies flyer highlighted a total of 99 titles from 26 publishers in arts and culture, geography and the environment, history, literature, social sciences, political science, and native studies.

BOOK COLLECTIONS

Working with cultural and trade officers in Canada's embassies in Seoul and Moscow, Livres Canada Books arranged two special book collections in 2012–13.

In the spring, the Embassy of Canada to Korea invited Canadian publishers to exhibit books on a stand it organized at the 18th Seoul International Book Fair (June 20–24, 2012). Twelve Canadian publishers donated more than 100 books, which were forwarded to the embassy by the Department of Foreign Affairs and International Trade. Exhibiting at the fair increased the visibility of Canadian publishers in Seoul. Representatives of over 40 local publishing companies displayed great interest in the books. More than half the representatives that visited the stand during the fair had never attended the Canadian Book Seminar, the annual in-house event for local publishing professionals the Embassy had been presenting since 2003.

The Canadian embassy in Moscow also asked Livres Canada Books for assistance collecting books from publishers for use in regional outreach events in museums, libraries and universities across Russia. Eight publishers responded generously, donating nearly 250 books, which again were shipped to the embassy by the Department of Foreign Affairs and International Trade.



BUILDING EXPORT EXPERTISE

MENTORING – COACHING

Aimed at the specific needs of emerging exporting publishers, Livres Canada Books' Mentoring – Coaching program helps eligible publishers become familiar with export sales, meet with stakeholders in target markets, and properly evaluate the efforts needed to penetrate these markets. The program is open to publishers with eligible export sales of less than \$50,000 who require additional support — beyond financial assistance — geared to their specific circumstances. Five publishers benefitted from the program in 2012–13.

Alternating yearly between the United States and France, the 2012–13 program focused on France. Participating publishers attended a two-day workshop in Montreal in January, which included an overview of the French book market and one-on-one meetings to review their export strategy and provide tailored recommendations based on their catalogue. In March, participants traveled to France to attend the Salon du livre de Paris, where consultants provided a guided tour of the fair and arranged for meetings with Jean-Guy Boin, Executive Director of the Bureau international de l'édition française (BIEF), and potential partners.

EXPERT PROFILES

NICKIE ATHANASSI

Chambéry, France

Following specialized studies in copyright law, as well as vocational training in publishing, Nickie Athanassi was head of rights sales at Denoël (Gallimard Group) for ten years. An active participant in cross-sectoral forums, she has continued teaching at universities and adult education institutions. She launched the Mon Agent et Compagnie agency in October 2010.

- Mentoring – Coaching program
- Market guide: *Non-traditional Book Sales Channels in France*

EMMANUEL BONNET

Bordeaux, France

Emmanuel Bonnet has always been interested in the book, this small object that opens a world of possibilities. Foreign-language studies and a love of travel led him to Eastern Europe, the Balkans, the Middle East and all major European countries. Following a Master's in publishing, he worked as an assistant in rights sales at Denoël (Gallimard Group). He then worked as a bookseller in Paris before joining Mon Agent et Compagnie in May 2011.

- Mentoring – Coaching program
- Market guide: *Non-traditional Book Sales Channels in France*



Aimed at Canadian book exporters, Livres Canada Books' market guides provide intelligence about key foreign markets and market segments

Livres Canada Books called on new consultants this year to bring new perspectives on the French market and how Canadian publishers can maximise its potential. Literary agents Nickie Athanassi and Emmanuel Bonnet of Mon Agent et Compagnie in Chambéry shared knowledge and advice acquired through extensive professional experience in rights sales at Denoël, an imprint of Gallimard, one of the leading French publishing houses.

The Mentoring program formula continues to show very positive results. Participants appreciated the clear, concrete advice and presentations tailored to address the needs and concerns of emerging exporters.

MARKET GUIDES

Over the years, Livres Canada Books has produced and continues to update more than 20 market guides and reports aimed at Canadian book exporters. These guides provide intelligence about specific foreign markets, including the United States, United Kingdom, France, Spain, China, Japan, Korea and Australia, as well as market segments such as children's books, retail, wholesale, and libraries.

Newly revised and updated editions of five market guides were published in 2012-13:

- *Penetrating the US Retail Market*
- *Marketing to US Libraries*
- *Selling Canadian Children's Books in the UK*
- *Selling Canadian Books in Australia*
- *Non-traditional Book Sales Channels in France* (in French)

Offered for sale on the Livres Canada Books website, the guides are available free of charge to eligible recipients of the FRMAP and Mentoring programs.



EXPERT PROFILES

THOMAS WOLL

Katonah, New York

Thomas Woll has 35 years of experience in trade, direct response, and professional publishing. He has held several senior management positions at John Wiley & Sons, Rodale Press, Storey Communications/Garden Way Publishing, Beaufort Books, and Vanguard Press. He has served on industry panels, lectured frequently at industry events, and taught publishing at New York University and Simon Fraser University in Vancouver. His book *Publishing for Profit: Successful Bottom Line Management for Book Publishers*, now in its fourth edition, is used extensively throughout publishing and has been translated into nine languages around the world.

- Market guide: *Penetrating the US Retail Market*
- Market guide: *Marketing to US Libraries*

PETER KILBORN

London

Until his retirement in March 2012, Peter Kilborn was Executive Director of Book Industry Communication, the UK book trade's supply chain and standards organization. He has been a production director and general manager with a number of well-known London publishing houses, a director of the Publishers Association, and a writer and consultant specializing in the supply chain and business improvement. He acted as an adviser to the Department of Canadian Heritage on its supply chain initiative, and has undertaken a number of writing and research projects for Livres Canada Books.

- Market guide: *Selling Canadian Children's Books in the UK*

MICHAEL WEBSTER

Melbourne

A practising publisher for almost 40 years, Michael Webster has served on a number of book industry bodies including the Literature Board of the Australia Council of the Arts, the Board of Copyright Agency Limited (CAL), Asialink and Meanjin, as well as committees for the Australian Booksellers Association, Australian Publishers Association, and government. He established and was Principal of Nielsen BookScan Australia, and ran a private consultancy that undertook book industry research for government and business both in Australia and overseas. He is responsible for RMIT University's postgraduate publishing studies programs and is Chair of the Melbourne Writers Festival.

- Market guide: *Selling Canadian Books in Australia*



EXPERT PROFILES

BRIAN O'LEARY

South Orange, New Jersey

A publishing veteran with 25 years of consulting, management and operational experience, Brian F. O'Leary is founder and principal of Magellan Media Consulting Partners, whose clients include major media firms as well as smaller and not-for-profit entities with significant publishing and media commitments. Prior to Magellan Media, O'Leary served as senior vice-president and associate publisher with Hammond, an internationally recognized geographic reference publisher. Before Hammond, O'Leary directed operations at several of Time Inc.'s weekly magazines and was part of the team that launched *Entertainment Weekly*. He joined Time in 1983, after earning an MBA from Harvard.

- Market guide: *Guide to Global Ebook Markets*
- Webinar: Territorial Rights in the Digital Age

DIGITAL PUBLISHING

Livres Canada Books continues to position itself as a leader in providing information to Canadian publishers on the subject of digital publishing as it relates to exports. As digital publishing evolves, technologies, business and distribution models, and export strategies will develop and change. Providing a context for this change allows Canadian publishers to be at the forefront of developments as they happen.

This year, Livres Canada Books published a new guide to export sales in digital publishing. Researched and compiled by industry expert Brian O'Leary, the *Guide to Global Ebook Markets* offers a comprehensive perspective on international outlets for digital books, profiling the book market in 20 countries across the Americas, Europe and Asia. Each profile includes economic and demographic indicators, literacy rate, Internet penetration, size of book market and book sales per capita, identifies major publishers, distributors and retailers, and discusses recent publishing trends. The guide also includes a list of resources consulted in preparing the profiles.

The guide is available for sale on the Livres Canada Books website. Like all market guides published by Livres Canada Books, it is available free of charge to eligible recipients of the FRMAP and Mentoring programs.



Mariusz Prusaczyk/iStockphoto/Thinkstock

WEBINARS

In an effort to reach a greater number of publishers by eliminating travel costs, Livres Canada Books began offering professional development webinars in 2011. Designed for both veteran and emerging exporters, the online training is delivered by industry experts who address topics of interest to exporters of print and digital titles. To better help publishers prepare for international book fairs, a new series of webinars focusing on export markets was launched this year, replacing the annual Livres Canada Books symposium in Frankfurt.

In September, international publishing consultant Jaya Bhattacharji Rose presented a webinar on the Indian publishing market, one of the most vibrant in the world. With a population of 550 million below the age of 30 and a burgeoning middle class, book sales in India are expected to skyrocket. India is the third largest publisher of English-language books after the US and UK, and as the Indian economy integrates with the world economy, more and more business opportunities will arise. Indian publishers are keen to explore new areas and many of them are regular participants in international book fairs.

In December, industry observers Brian O'Leary and Stéphane Labbé presented webinars, in English and French respectively, on the future of the territorial rights model in digital publishing. The acquisition and sale of territorial rights has a long history in traditional book publishing. For decades, publishers have divided the world into territories characterized almost entirely by geography and language. Now that digital books are gaining a foothold, many publishers are maintaining this approach to buying and selling rights. O'Leary and Labbé examined the relevance of this practice as digital content becomes available worldwide and offered recommendations for the future.

With Turkey the focus of the 2013 London Book Fair, the time was right to take a closer look at this growing market. In February, Istanbul-based literary agent Nermin Mollaoglu turned the spotlight on publishing trade links with Turkey, highlighting its publishing industry, and the opportunities for conducting business with the rest of the world. Turkey's large and diverse publishing industry is worth an estimated 2.2 billion dollars. Turkey has over 8,000 active publishers, who published over 42,000 titles in 2012. Retail sales of imported titles topped 110 million dollars in 2012. The webinar provided publishers with a better

Livres Canada Books' webinars feature industry experts who address topics of interest to both veteran and emerging exporters of print and digital titles

EXPERT PROFILES

JAYA BHATTACHARJI ROSE

New Delhi

Jaya Bhattacharji Rose is an independent international publishing consultant, columnist, and literary director with Siyahi, a literary agency, based in New Delhi. She has been associated with publishing since the early 1990s. Her responsibilities have included guest editing a special children's and YA literature issue of *The Book Review*, and producing the first comprehensive report on the Indian book market for the Publishers Association UK. Her extensive editorial experience includes stints with Zubaan, Routledge, and Puffin. Her articles, interviews and book reviews have appeared in numerous newspapers, magazines and trade publications.

- Webinar: Exporting to India for Canadian Publishers

STÉPHANE LABBÉ

Montreal

Stéphane Labbé has worked in publishing nationally and internationally for over ten years. He has held senior sales and executive positions at Québec-Livres, Trécaré, Total Publishing, Caractère, and Les 400 coups. He is currently a researcher at the Institut national de la recherche scientifique (INRS) in Montreal. He is the author of numerous articles and lectures on the field of publishing, and is currently conducting research on the impact of digital technologies on cultural industries, and export assistance programs for Canadian French-language books. He is a lecturer in the graduate program in publishing at the University of Sherbrooke, where he teaches a course on international book markets.

- Webinar: Territorial Rights in the Digital Age

NERMIN MOLLAOĞLU

Istanbul

Nermin Mollaoğlu is a literary agent and founder of Kalem Agency, one of the most important copyright agencies in Turkey. In 2009 Nermin won the British Council's "Young Publishing Entrepreneur of the Year, Turkey" award for her entrepreneurial ability in the development of the publishing sector in Turkey.

- Webinar: Exporting to Turkey for Canadian Publishers

understanding of the Turkish publishing industry and covered many aspects of working with Turkish publishers.

In total, 62 publishers registered for these webinars, which included interactive Q & A sessions with the hosts. Evaluations for all three were overwhelmingly positive. Video recordings of the webinars are available on the Livres Canada Books website, as are downloadable versions of the presentations, including French translations of the latter to aid comprehension of webinars offered in English only.

SCOUTING MISSIONS

Livres Canada Books continues to explore emerging markets that hold potential for Canadian publishers through scouting missions. Information gathered during the missions helps Canadian publishers diversify their export markets by improving their knowledge of these markets and how to access them. Past missions have included Japan (2005), India (2008), Brazil (2010), and Scandinavia (2011). Publishers have reported deals with new partners as a direct result of these missions.

A scouting mission to Russia was conducted in November. A four-member delegation, selected to represent trade, children's, scholarly and French-language publishers, and the Canadian publishing industry as a whole, travelled to Moscow and Saint Petersburg to meet with key industry players, including representatives of national associations, publishers and booksellers, and attend one of Moscow's two major book fairs, the Non/Fiction Book Fair. The delegation, composed of Andrew Wooldridge (Orca Book Publishers/Association of Canadian Publishers), Louise Alain (Éditions Alire/Association nationale des éditeurs de livres), Adrian Galwin (McGill-Queen's University Press/Association of Canadian University Presses), and Livres Canada Books Executive Director François Charette, produced a detailed report with recommendations regarding how Canadian publishers can best connect with potential partners in Russia. The report is available as a free download from the Livres Canada Books website.

Planning began for a scouting mission to South Korea in 2013.





FEATURED CANADIAN BOOKS

[» See more books](#)

LIVRES CANADA BOOKS supports the work of Canadian publishers for the development of exports, rights sales and

EXPERT PROFILES

OLGA BORODYANSKAYA

Saint Petersburg

Olga Borodyanskaya is an international book publishing professional with over 25 years of experience in project acquisition and management, agenting, rights, and sales. Her large range of experience covers illustrated and art books; commercial, literary fiction and non-fiction; and academic publications, as well as co-publishing and co-editions in the international publishing industry.

- Scouting mission to Russia

INFORMING AND INVOLVING PUBLISHERS

WEBSITE

The Livres Canada Books website functions as a point of contact between the international community, Canadian publishers, and other partners. The site attracts visitors from major markets for Canadian books, including the United States, France, India, the United Kingdom, Germany, Spain, Belgium, and Italy.

Work on improvements to the website continued throughout 2012–13 in order to optimize discoverability, increase usability, offer more useful tools and information to users, take advantage of online marketing technologies like social media, and streamline maintenance. Work was done to ensure electronic content is “SEO-friendly” (search engine optimized) to help improve the site’s ranking in major search engines. Changes to the layout and navigation were made to ensure visitors quickly find information on the site. The site’s infrastructure and e-commerce platform were also updated.

SOCIAL MEDIA

Livres Canada Books continued to develop a comprehensive social media strategy increasing the use of social media platforms such as Facebook and Twitter to promote Canadian publishers and their titles, and to keep publishers abreast of Livres Canada Books’ programs and services.

NEWSLETTER AND BLOG

Livres Canada Books continued publishing its electronic newsletter for Canadian publishers. The newsletter is sent to nearly 1,000 subscribers each month, keeping publishers up-to-date on news, export markets, fairs and events, promotional opportunities, programs and deadlines, and export success stories.

The Livres Canada Books blog complements the email newsletter, offering a place for publishers to learn more about export-related news. It also offers a searchable archive, a great, free research resource for anyone interested in book exports, digital publishing and publishers’ success stories.



GOVERNANCE

The Association for the Export of Canadian Books (AECB), now known as Livres Canada Books, was incorporated under the Canada Corporations Act on November 15, 1972 as a non-profit corporation without share capital to foster and facilitate the continued growth of export sales by Canadian publishers. In 2012, the AECB legally changed its name to Livres Canada Books. Livres Canada Books also revised its bylaws to comply with the new Canada Not-for-Profit Corporations Act.

Livres Canada Books is governed by a Board of Directors, chosen for their ability to contribute experience and expertise to the conduct of the policy and affairs of the organization. The Board is composed of seasoned business professionals (owners, executives, or senior staff) of organizations and enterprises representing all sectors of the Canadian publishing industry. Equally divided between English- and French-language publishers, members of the Board are affiliated with the Association of Canadian Publishers (ACP), the Association nationale des éditeurs de livres (ANEL), the Association of Canadian University Presses (ACUP) and the Canadian Publishers' Council (CPC). Two professional advisors who are not publishers but are familiar with the Canadian publishing industry also sit on the Board.

The term of appointment to the Board is two years, with the possibility of renewal for an additional two years.

Members of the Board serve without remuneration. Expenses incurred by members in the performance of their duties as directors are reimbursed. Bylaws require members to declare any interest that may conflict with their responsibilities as Board members.

The Board has three committees: Executive and Finance, Export Expertise, and Nominating and Governance, to which it delegates certain responsibilities. The Board also delegates certain authorities to the Chair and to the Executive Director.

BOARD OF DIRECTORS

OFFICERS

Chair

Caroline Fortin	Publisher and Vice-President, Québec Amérique	ANEL
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Vice-Chairs

Louise Alain	Marketing and Rights Manager, Éditions Alire	ANEL
Bob Tyrrell	President and Editorial Director, Orca Book Publishers	ACP

Secretary Treasurer

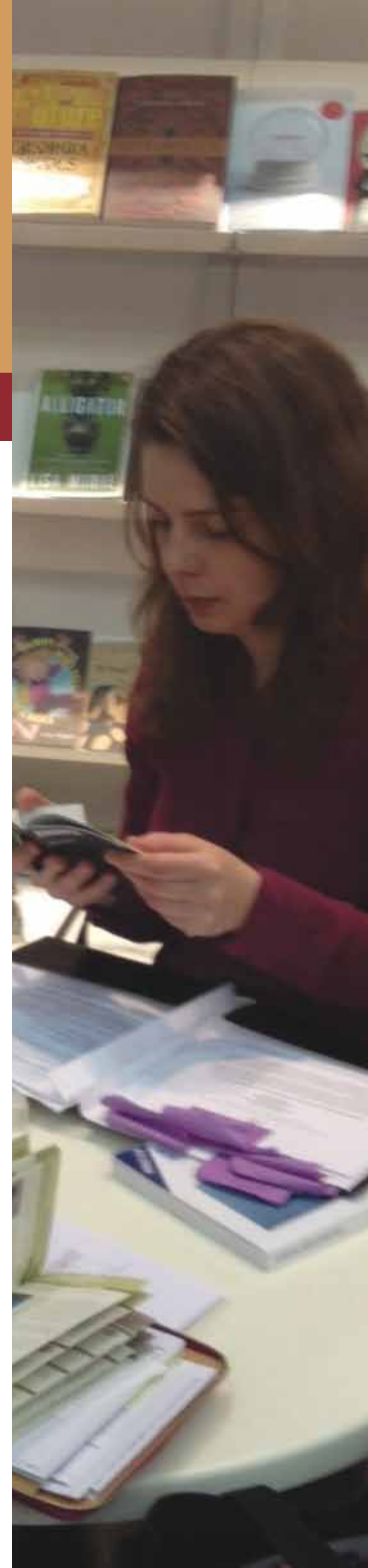
Linda Cameron	Director, University of Alberta Press	ACP
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Executive Director

François Charette

Members

Bianca Drapeau	Director, Digital Publishing and New Technologies, Presses de l'Université du Québec	ACUP
Lynn Fisher	Vice-President, University of Toronto Press	ACUP
David G. Friesen	Chairman, Friesens Corporation	Professional Advisor
Olivier Gougeon	Director, Marketing and Sales, Guides de voyage Ulysse	ANEL
Sarah MacLachlan	President, House of Anansi Press	ACP
Susan McIntosh	Marketing Director, McGill-Queen's University Press	ACP (for CPC)
Ingrid Remazeilles	Publisher, Éditions Goélette	ANEL
Vacant		Professional Advisor



EXECUTIVE AND FINANCE COMMITTEE	EXPORT EXPERTISE COMMITTEE	NOMINATING AND GOVERNANCE COMMITTEE
<i>The Executive and Finance Committee is responsible for providing guidance and decisions regarding all aspects of strategic direction and financial matters, including internal controls, independent audit, and financial analysis.</i>	<i>The Export Expertise Committee helps the Board fulfill its oversight function by monitoring trends and issues in the export of Canadian books to foreign markets.</i>	<i>The Nominating and Governance Committee recommends nominees for election to the Board at each annual general meeting or to fill vacancies on the Board and makes recommendations to the Board with respect to corporate governance practices.</i>
Chair Caroline Fortin	Chair Olivier Gougeon	Chair Bob Tyrell
Members Louise Alain Linda Cameron Bob Tyrell	Members Bianca Drapeau Lynn Fisher David Friesen Sarah MacLachlan Susan McIntosh	Members Linda Cameron Lynn Fisher Caroline Fortin Ingrid Remazeilles



Left to Right: Nicolas Levesque,
François Charette, Nouhed
Chabani, Priya Ramjuttun,
Christy Doucet

SECRETARIAT

François Charette
Francine Bélec
Christy Doucet
Priya Ramjuttun
Nouhed Chabani
Nicolas Levesque
Danielle Fauteux

Executive Director
Manager, Finance and Operations (consultant)
Manager, Programs
Acting Manager, Programs (maternity replacement); Programs Officer
Programs Assistant (maternity replacement)
Coordinator, Communications and Marketing
Administrative Assistant

Independent Auditors' Report

To the Members of Livres Canada Books:

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Livres Canada Books (the "Organization"), which comprise the statement of financial position as at March 31, 2013, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BASIS FOR QUALIFIED OPINION

As discussed in Note 1 to the financial statements, the capitalization policy of the Organization with respect to the property and equipment is to expense items in the year purchased. In this respect, the financial statements are not in accordance with ASNFPO.

QUALIFIED OPINION

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with ASNFPO.

ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

We draw attention to Note 2 of the financial statements, which describes that the Organization adopted ASNFPO on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets, and cash flows for the year ended March 31, 2012 and related disclosures.



Chartered Accountants
Licensed Public Accountants
Ottawa, June 26, 2013

STATEMENT OF FINANCIAL POSITION

as at March 31, 2013

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
Current Assets			
Cash	\$417,759	\$711,263	\$373,384
Accounts receivable	103,733	89,242	102,270
Government grants receivable	325,781	—	241,593
Harmonized Sales Tax receivable	20,278	16,344	18,499
Prepaid expenses (note 4)	75,044	136,649	163,179
	<u>\$942,595</u>	<u>\$953,498</u>	<u>\$898,925</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities (note 5)	\$226,627	\$327,760	\$263,545
Deferred revenue (note 4)	139,080	32,416	22,577
	<u>365,707</u>	<u>360,176</u>	<u>286,122</u>
Net Assets			
Unrestricted	251,888	268,322	287,803
Internally restricted for contingencies	325,000	325,000	325,000
	<u>576,888</u>	<u>593,322</u>	<u>612,803</u>
	<u>\$942,595</u>	<u>\$953,498</u>	<u>\$898,925</u>
Economic capacity (note 1)			
Commitments (note 6)			
Financial instruments (note 7)			

On behalf of the Board,



Caroline Fortin
Chair



Linda Cameron
Secretary-Treasurer

STATEMENT OF OPERATIONS

for the year ended March 31, 2013

	2013	2012
REVENUE		
Department of Canadian Heritage (DCH) contribution (note 3)	\$1,537,140	\$1,527,954
Department of Foreign Affairs and International Trade (DFAIT) (recovery)	(4,836)	4,836
Publishers		
Canada Stand	278,651	256,211
Marketing	25,685	30,770
Webinars	1,700	2,000
Export Market Webinar	1,050	6,615
Other	33,318	47,257
TOTAL REVENUE	1,872,708	1,875,643
EXPENDITURES		
Operating (Schedule)		
Rent (note 6)	68,966	75,840
Board	34,026	32,400
Annual report	7,152	3,272
Database	18,400	—
Employee related costs	1,096	3,323
Salaries and benefits	302,038	340,481
Professional fees	27,627	33,914
Office and general	38,245	34,704
Bad debts	35,461	6,586
Property and equipment (Note 1)	4,258	1,471
	537,269	531,991

	2013	2012
Programs (Schedule)		
Foreign Rights Marketing Assistance Program (FRMAP)		
Fairs contributions	750,000	750,000
Logistics and support	21,994	16,226
	771,994	766,226
Projects (Schedule)		
Canada Stand	363,224	401,613
Publications	40,544	29,239
Mentoring	37,388	28,117
Export Market Webinar	20,116	23,133
Webinars	9,910	8,590
Market guides	32,936	32,533
Exploratory missions	32,529	24,947
Report	27,559	32,285
Website	15,673	11,220
	579,879	591,677
TOTAL EXPENDITURES	1,889,142	1,889,894
EXCESS OF EXPENDITURES OVER REVENUE,		
before other item	(16,434)	(14,251)
Other item		
Reversal of prior years' contributions receivable	—	(5,230)
EXCESS OF EXPENDITURES OVER REVENUE	\$(16,434)	\$(19,481)

STATEMENT OF CHANGES IN NET ASSETS

for the year ended March 31, 2013

	2013	2012
UNRESTRICTED		
Balance at beginning of year	\$268,322	\$287,803
Excess of expenditures over revenue	(16,434)	(19,481)
Internal restriction for contingencies	—	—
	(16,434)	(19,481)
Balance at end of year	\$251,888	\$268,322
INTERNALLY RESTRICTED FOR CONTINGENCIES		
Balance at beginning of year	\$325,000	\$325,000
Internal restriction from unrestricted net assets	—	—
Balance at end of year	\$325,000	\$325,000

STATEMENT OF CASH FLOWS

for the year ended March 31, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenditures over revenue	\$(16,434)	\$(19,481)
Changes in non-cash operating working capital balances		
Accounts receivable	(14,491)	13,028
Government grants receivable	(325,781)	241,593
Harmonized Sales Tax receivable	(3,934)	2,155
Prepaid expenses	61,605	26,530
Accounts payable and accrued liabilities	(101,133)	64,215
Deferred revenue	106,664	9,839
(Decrease) Increase in cash	(293,504)	337,879
Cash at beginning of year	711,263	373,384
Cash at end of year	\$417,759	\$711,263

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

GENERAL

The Organization was incorporated under the Canada Corporations Act on November 15, 1972 as a non-profit corporation without share capital to foster and facilitate the continued growth of export sales by Canadian publishers. In 2012, the Organization legally changed its name to Livres Canada Books (the “Organization”). Livres Canada Books also changed to the new law Canada Not-for-Profit Corporations Act, SC 2009.

In 1985, the Organization agreed to administer the International Marketing Assistance component of the Department of Canadian Heritage’s (“DCH”) Canada Book Fund (“CBF”). Funding is allocated by DCH for the delivery of financial assistance and value-added services to Canadian book publishers. The Foreign Rights Marketing Assistance Program (“FRMAP”) is a program to which Canadian publishers can apply for funding of their international marketing activities. Value-added services include: coordination of the Canada Stand at international book fairs; promotion of Canadian titles through the Organization’s catalogues; website; preparation and distribution of market reports to the industry; and, conducting webinars on foreign markets.

Revenue received from publishers participating in the Organization’s initiatives provides additional revenues for the Organization to deliver enhanced support to the industry.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNFPO”) and include the following significant accounting policies:

Economic Capacity

DCH allocates a contribution to the Organization on an annual basis for the delivery of CBF funding assistance to individual publishing companies and to assist the Organization in providing value-added services to the industry. Should DCH terminate or not renew its contribution to the Organization, the Organization would need to re-examine its priorities, risk of financial viability, and to identify

new resource generation in order to pursue its delivery of value-added services currently provided to the industry. The current agreement expires March 31, 2013 and represents activities up to March 31, 2013.

DCH has indicated that it intends to renew the agreement for fiscal years 2014 and 2015.

Property and Equipment

The Organization expenses property and equipment in the year of acquisition.

Financial Instruments Measurement

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and government grants receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Transaction costs

Transaction costs are comprised primarily of legal, accounting, underwriters' fees and other costs directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability. Transaction costs related to other liabilities are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

Effective interest method

The effective interest method is used to recognize interest income or expense, which includes transaction costs or fees, premiums or discounts, earned or incurred for financial instruments.

Use of Estimates

The preparation of financial statements in accordance with ASNFPO requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from these estimates. The significant estimates in the financial statements include the allowance for uncollectable accounts receivable and certain accrued liabilities

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Foreign Currency Transactions

The Organization uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the rate of exchange in effect at year-end. Other assets and liabilities are translated at their historic rates. Items appearing in the statement of operations are translated at average year rates. Exchange gains and losses are included in the statement of operations.

Allocation of Expenditures

The Organization allocates certain expenditures to the applicable projects using the following functions: operating, programs, and projects.

Administrative and all other expenses are allocated specifically to the functions to which they relate. When not related to a specific function, costs are allocated to operating.

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2012 the Organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Accounting Handbook, electing to adopt the new accounting framework: ASNFPO. These are the Organization's first financial statements prepared in accordance with ASNFPO, which have been applied retrospectively. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in preparation of an opening ASNFPO balance sheet at April 1, 2011 (the Organization's date of transition).

The Organization issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by Part V of the CICA Accounting Handbook. The adoption of ASNFPO has no impact on the previously reported assets, liabilities, and net assets of the Organization, and accordingly no material adjustments have been recorded in the comparative statements of financial position, statement of operations, changes in net assets, and cash flows. Certain of the Organization's disclosures included in these financial statements reflect the new disclosure requirements of ASNFPO.

3. MEMORANDUM OF AGREEMENT

Under the terms of the Memorandum of Agreement between the DCH and the Organization, if, upon fulfillment of the terms and conditions of the agreement, the Organization has been paid an amount that, in the opinion of the Minister, exceeds the value of the activity performed, the Organization shall refund the excess upon demand by the Minister.

4. PREPAID EXPENSES AND DEFERRED REVENUE

These represent funds paid out or received prior to the year-end, which pertain to fiscal year 2014 activities and programs.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Organization does not have any government remittances owing at year-end.

6. COMMITMENTS

The Organization has a lease commitment for office premises which expires November 30, 2016, as well as various equipment under operating leases. Future minimum payments under these leases to expiry are approximately as follows:

	Premises	Equipment
2014	\$64,351	\$4,422
2015	64,351	4,422
2016	64,351	4,422
2017	42,901	3,922
2018	—	336

7. FINANCIAL INSTRUMENTS

Risks

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of credit risk. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The government grants receivable consists of a 10% holdback on contributions from the DCH, pending approval of a final report to be submitted by the Organization. As such, a credit risk exists if DCH were to deny the report submitted which would result in significant financial losses for the Organization.

It is management's representation that the final report will be submitted in a timely fashion and that its approval by the DCH is likely thereby resulting in the holdback being released to the Organization in fiscal 2014.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates.

The operating credit line facility bears interest at a variable interest rate and, accordingly, the Organization is exposed to fluctuating interest rates.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organization holds activities in foreign countries and as such is exposed to the fluctuations of foreign and Canadian currencies.

Credit Facility

The Organization has an operating credit line facility of \$250,000 which bears interest at a chartered bank prime rate plus 0.25% per annum. The credit line remained unused as at March 31, 2013, and is secured by a general security agreement.

The Organization has access to unsecured credit of \$16,000 on credit cards, bearing interest at 19.75% per annum. The credit used as at March 31, 2013 amounted to \$2,738 and is shown as part of accounts payable and accrued liabilities.

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the financial statement presentation adopted for the current year.

SCHEDULE

SUMMARY OF CANADA BOOK FUND (CBF) EXPENDITURES

for the year ended March 31, 2013

	2013			
	Direct project costs	Salaries	CBF Administration	Total
THIRD PARTY DIRECT FUNDING				
Foreign Rights Marketing Assistance Program (FRMAP)	\$771,994	\$48,961	\$120,911	\$941,866
	771,994	48,961	120,911	941,866
MARKETING				
Canada Stand	363,224	79,243	47,593	490,060
Publications	40,544	24,995	7,248	72,787
	403,768	104,238	54,841	562,847
PROFESSIONAL DEVELOPMENT				
Mentoring	37,388	10,297	4,216	51,901
Export market webinar	20,116	8,351	2,978	31,445
Webinars	9,910	12,079	2,611	24,600
Market guides	32,936	13,131	4,140	50,207
Exploratory missions	32,529	18,800	4,455	55,784
	132,879	62,658	18,400	213,937
TECHNOLOGY INFRASTRUCTURE				
Report	27,559	26,796	4,837	59,192
Website	15,673	16,351	2,660	34,684
	43,232	43,147	7,497	93,876
OTHER COSTS				
Livres Canada Books	—	43,034	33,582	76,616
	—	43,034	33,582	76,616
TOTAL EXPENDITURES	\$1,351,873	\$302,038	\$235,231	\$1,889,142



Funding by Recipient

for the year ended March 31, 2013

Recipient	FRMAP	Mentoring	
		Funding Support	Coaching (France)
AdA, Éditions	9,064.25		
AIM Language Learning	5,107.45		
Alire, Éditions	2,559.84		
Alto, Éditions	5,510.49		
Annick Press	8,725.93		
Arsenal Pulp Press	10,308.44		
Artichaut, Éditions L'	16,103.96		
Art Le Sabord, Éditions d'	1,474.56		
Association nationale des éditeurs de livres (ANEL)	20,935.12		
Association of Canadian Publishers (ACP)	5,214.87		
Athabasca University Press	7,554.32		
Bayeux Arts	13,871.63		
Beauchemin International, Éditions	14,255.01		
Béliveau Éditeur	2,241.87		
Biblioasis	2,893.92		
Blue Bike Books	5,145.37		
Boomerang éditeur jeunesse	3,677.53		
Boréal Express, Le	9,045.84		
Breakwater Books	1,786.11		
Bouton d'or Acadie			1,757.01
Brick Books	1,253.16		
Broadview Press	9,797.42		
Broquet	3,105.60		
Caitlin Press	2,249.95		
Caractère, Éditions	4,467.96		
CCI Learning Solutions	5,587.56		
Chenelière Éducation	9,561.82		

Canadian Publishers at the Frankfurt Book Fair 2012

Éditeurs canadiens à la Foire du livre de Francfort 2012

Recipient	FRMAP	Mentoring	
		Funding Support	Coaching (France)
Chouette, Éditions	14,041.89		
Coach House Books	6,280.97		
Company's Coming Publishing	2,739.84		
Courte échelle, Éditions de la	4,733.11		
Crabtree Publishing	5,797.21		
D&M Publishers	4,459.71		
David, Éditions	1,384.24	2,000.00	
DC Books	6,908.90	2,000.00	
DC Canada Education Publishing	4,236.40		
Drawn & Quarterly	10,417.52		
Dundurn Press	8,365.49		
Écosociété, Éditions	1,101.55		
Écrits des Forges, Les	3,546.58		
ECW Press	9,427.60		
Fernwood Publishing	4,870.73		
Fides, Groupe	4,436.35		
Fitzhenry & Whiteside	2,667.97		
Folklore Publishing	5,953.00		
Formac Publishing / James Lorimer & Company	7,169.16		
FouLire, Éditions	2,318.94		
Goélette, Éditions	6,672.33		
Groundwood Books	7,774.61		
Guides de voyage Ulysse	6,514.46		
Guy Saint-Jean Éditeur	11,871.84		
Hancock House Publishers	4,666.62		
Héritage, Éditions	3,898.35		
House of Anansi Press	5,784.43		



Recipient	FRMAP	Mentoring	
		Funding Support	Coaching (France)
Hurtubise, Éditions	7,522.42		
Intouchables, Éditions des	1,462.39		
Isatis, Éditions de l'	4,093.73		963.01
J.C.L., Éditions	5,465.18		
Kids Can Press	12,940.55		
Leméac Éditeur	6,137.53		
Liber, Éditions	4,590.34		
Librex, Groupe	6,493.85		
Lingo Learning	17,584.72		
Lone Pine Media Productions	5,205.69		
Louise Courteau Éditrice	2,965.38		
Lux Éditeur	13,441.67		
Malins, Éditions les	4,578.44		
Marcel Didier	3,191.02		
Master Point Press	2,674.76		
McArthur & Company Publishing	4,230.38		
McGill Queen's University Press	12,033.22		
Médiaspaul, Éditions	6,126.28		
Mémoire d'encrier	8,406.68		
Michel Brûlé, Éditions	1,202.97		
Michel Quintin, Éditions	7,626.85		
Modus Vivendi, Publications	7,359.29		
Montagne Verte, Éditions de la	1,293.14		
Mortagne, Éditions de	10,721.97		
MultiMondes, Éditions	2,275.01		
New Society Publishers	3,706.09		
New Star Books	3,072.75		
NeWest Press	5,004.41		
Nimbus Publishing	1,771.83		
Noroît, Éditions du	2,556.67		
Novalis, Éditions	2,425.52		
Orca Book Publishers	8,739.53		



Recipient	FRMAP	Mentoring	
		Funding Support	Coaching (France)
Owlkids Books	9,644.62		
Paix, Éditions de la		638.74	
PAPP International	9,192.87		
Passage, Éditions du	1,298.61	2,000.00	
Pembroke Publishers	5,819.33		
Phidal, Éditions	8,463.20		
Plaines, Éditions des	1,494.46	2,000.00	
Planète rebelle, Éditions	7,305.55		
Playwrights Canada Press	939.03		
Production Édition ASMS	1,178.54		
Quartanier, Le			1,041.57
Québec Amérique, Éditions	11,270.37		
Rainbow Horizons Publishing	9,414.16		
Reynald Goulet, Éditions	4,016.59		
Robert Rose	5,513.76		
Rocky Mountain Books	5,560.05		
Ronsdale Press	1,517.28		
Sara Jordan Publishing / Jordan Music Productions	5,297.97		
Second Story Press	5,073.32		
Self-Counsel Press	3,553.29		
Septentrion, Éditions du	4,907.74		1,452.39
Simply Read Books	2,916.54		
Sogides, Groupe	5,743.10		
Solski Group, The	5,107.03		
Soulières Éditeur	1,820.25		
Sylvain Harvey, Éditions	1,599.94	2,000.00	
Talon Books	5,351.81		
Thomas Allen & Son	1,399.31		
Thompson Educational Publishing	5,680.60		
Tormont Publishing International	863.99		
Tradewind Books	4,456.19		
Tralco Educational Services	6,668.01		



Recipient	FRMAP	Mentoring	
		Funding Support	Coaching (France)
Transcontinental, Éditions	1,286.54		
Triptyque, Éditions	4,007.17		1,174.07
Université de Montréal, Presses de l'	5,947.42		
Université du Québec, Presses de l'	1,274.09		
Université Laval, Presses de l'	5,262.57		
University of Alberta Press	9,055.79		
University of British Columbia Press (UBC Press)	10,623.52		
University of Manitoba Press	5,008.32		
University of Toronto Press	11,995.30		
Un monde différent, Éditions	5,017.71		
Vermillon, Éditions du	2,273.79	2,000.00	
Ville-Marie Littérature, Groupe	3,069.94		
Weigl Educational Publishers	7,687.28		
Whitecap Books	1,756.68		
Wilfrid Laurier University Press	6,577.45		

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