

40 years of exports

Livres Canada Books Annual Report

2011 2012

Livres Canada Books

Annual Report 2011–2012

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Chair's Message

I have had the pleasure of chairing Livres Canada Books' Board of Directors since January 2012, when my predecessor Guy Frenette left the industry.

This is my second time as Chair, having previously served from 2002 to 2004. I can't help but notice that the world of publishing, in both the national and international arenas, seems a somewhat harsher, more challenging environment today than it did in 2004. Nevertheless, the Canadian publishing industry continues to succeed.

Of course, Canadian publishers are used to challenges. We've all grown up fighting for a relatively small piece of market share within our own borders. That fight continues unabated. However, as our industry has matured, we've come to understand the importance of taking our books, our authors, our intellectual properties to the rest of the world. We could never have done this on our own as individual publishing houses. We have been fortunate to have the support of the Department of Canadian Heritage, through the Canada Book Fund, and especially through this organization, Livres Canada Books, to help us develop collective programs that have so successfully taken Canadian cultural content to an international audience.

Livres Canada Books continues to successfully present Canada to readers around the world, and this year celebrates its fortieth anniversary – no small accomplishment. This success is a testament to the dedication and service of all involved, past and present.

I have always felt honoured to sit on the Board of Directors of Livres Canada Books because I believe so strongly that the strength of the organization is tied to the fact that it is run "by publishers for publishers." In an industry that is changing at what sometimes feels like warp-speed, Livres Canada Books' ability to change to reflect the current needs of its clientele is absolutely crucial to its success. These decisions can only be effectively made by those with front-line experience. This past year has amply demonstrated the truth of this.

Due to the economic crisis in Europe, the struggling economies both here and in the US, the incredibly rapid changes in digital technology, and, yes, even the strength of the Canadian dollar, we have been forced to re-examine almost everything that we do. It comes as no surprise that export sales are down, that fewer publishers can afford to attend some of the major international book fairs, and that participation in a number of our long-established programs is down. To counteract these difficulties Livres Canada Books is constantly looking at ways to make existing programs more affordable and develop new initiatives to help publishers reach export markets. The decision to hold webinars rather than in-person symposia is but one



Bob Tyrrell

example of the organization's ability to react quickly to changing market conditions.

The challenges for Livres Canada Books will not lessen over the coming years. We must continually look for new ways to help Canadian publishers grow their export sales. We all agree that new digital technologies are rapidly changing the publishing universe and that this change will be an ongoing process. But with these changes come new opportunities and access to new markets. The challenge for Livres Canada Books will be to continue to assist the industry in finding these opportunities and markets in the most efficient and cost-effective ways.

I know that I speak for the entire Board and the Secretariat when I express my appreciation for the support of the Department of Canadian Heritage. This support, along with occasional support from the Ontario Media Development Corporation and various Canadian embassies abroad, is absolutely key to the organization's success.

I would like to thank the other members of the Board of Directors for their efforts on behalf of Livres Canada Books and especially for helping to make my role as Interim Chair a remarkably comfortable one. The fact that this organization is Canada's only truly national publishing organization, bringing together both the Francophone and Anglophone sectors in common purpose, is in itself a quite remarkable achievement, one that I, as a largely unilingual Canadian from the far West Coast, am proud to be a part of.

I am also extremely grateful for the ongoing support of Executive Director François Charette and the rest of the Secretariat. Mr. Charette's commitment and leadership, and the dedication, expertise, and professionalism of the staff, account for a great deal of the ongoing success of Livres Canada Books.



Bob Tyrrell

Interim Chair, Board of Directors

Executive Director's Introduction

Livres Canada Books is celebrating its 40th anniversary and one of its greatest successes has been its continued ability to respond to the changing needs and priorities of Canadian exporting publishers.

Livres Canada Books continues to provide Canadian publishers with world-class services, be they funding programs, Canada Stand activities, training or support for expanding into new markets, or helping publishers take advantage of new export opportunities in the digital age.

In today's volatile world economy, publishers are becoming more and more cautious regarding their attendance at international events and the number of delegates they send.

The current situation calls for solid, reliable governance. Close monitoring of the five-year plan adopted in 2010 was a primary objective of the Board again this year. This approach has enabled Livres Canada Books to continue to support the export efforts of Canadian publishers and provide them with value-added services complementary to the work of national associations, as well as help publishers understand and take advantage of new opportunities in the digital age, a major challenge facing the publishing and exporting industry.

In anticipation of such developments, Livres Canada Books modified its bylaws to add two professional advisors to the Board of Directors, one Francophone and one Anglophone. These advisors will be chosen for their

expertise and experience to support and guide the Board as it plans our future strategic direction.

In terms of funding support for Canadian exporting publishers, we continue to administer the Foreign Rights Marketing Assistance Program (FRMAP), as well as our mentoring programs targeting novice exporters, with diligence and thoroughness in consultation with the Canada Book Fund.

We also staffed the Canada Stand at book fairs in London, Beijing, Frankfurt and Bologna. We distributed our Rights Canada catalogue and our Canadian Studies flyers to publishers, agents, distributors, bookstores, libraries and researchers worldwide.

We have continued our mission to inform publishers about existing, potential and emerging markets and to offer professional development opportunities on export issues. Our fourth annual symposium at the Frankfurt Book Fair, which this year focused on the United Kingdom, was an unqualified success. We also published a guide on the finer points of the development of territorial rights in the digital age and updated five market guides on China, Korea, the UK, children's books and French-language books in the US. On the heels of scouting missions to Japan, India and



François Charette

Brazil, Livres Canada Books embarked on a very productive mission to Norway, Sweden and Denmark. In addition, we also published a blog with postings on topical issues. Finally, we held a webinar on best practices in exporting digital books, taking advantage of technology to improve access to professional development for all publishers, no matter where they are in Canada.

I am extremely proud of all that we accomplished in 2011-2012 and I look ahead to 2012-2013 with optimism.

The services offered by Livres Canada Books would not have been possible without the support of the Department of Canadian Heritage through the Canada Book Fund, as well as the International Council of Canadian Studies, the Ontario Media Development Corporation, the Association of Canadian Publishers (ACP), the Association nationale des éditeurs de livres (ANEL), the Association of Canadian University Presses (APUC), the Canadian Publishers' Council (CPC), the Regroupement des éditeurs canadiens-français (RECF), the Literary Press Group of Canada (LPG) and the Canadian embassies in Germany, Norway, Sweden, Denmark and Korea. Their support has helped us improve our international marketing activities in order to continue to meet the changing needs of publishers.

I would also like to thank the members of the Board for their unconditional involvement in the efficient management of Livres Canada Books. Their vast experience in publishing has contributed to our achievements in supporting Canadian exporting publishers.

I am particularly grateful to the wonderful staff at Livres Canada Books who serve our clients in both official languages. These committed professionals carefully develop and administer all the programs offered by Livres Canada Books and maintain excellent relationships with publishers, publishing associations, government agencies and our other partners. I salute them all for the excellent work they have accomplished.



François Charette
Executive Director

Supporting Canadian Publishers' Exports for 40 Years

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 Canadian Heritage in 1985, 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 has played and continues to play a significant role in advancing international sales

and building export expertise among Canadian publishers. It provides a range of services to help publishers maximize their presence at key international book fairs, services like the Canada Stand, a turnkey collective exhibition stand. Livres Canada Books also develops cooperative initiatives to promote Canadian publishing. Rights Canada (a collective foreign rights catalogue) and its Canadian Studies flyers introduce Canadian books to publishers, literary agents, distributors, booksellers, librarians, and academics around the world. Book exhibits 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 to expand into export markets.

In recent years, Livres Canada Books has been active in raising awareness of Canadian book publishers' export-related priorities, needs and interests among industry and government stakeholders. Livres Canada Books publicizes export success stories, and 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' greatest strengths have been its capacity to serve the diverse needs and priorities of Canadian book exporters — in their publishing programs, in their targeted export markets, and in their international marketing strategies — and its ability to anticipate and adapt to economic and structural changes in the book publishing industry. With the advent of electronic publishing, Livres Canada Books has taken a lead role in keeping Canadian publishers abreast of continuously evolving technologies and business models as they affect export sales by leveraging digital communications to publish forward-looking research and offer webinars on the opportunities and challenges of publishing in the digital age.

Livres Canada Books continues to administer the Foreign Rights Marketing Assistance Program, which provides cost-shared funding for export sales trips and participation in international trade events.

In 2007 Livres Canada Books launched a Mentoring Program aimed at the specific needs of publishers taking their first steps in export sales. The program pairs small and emerging 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 export sales and become eligible for supplementary assistance through the Canada Book Fund.

In 2009, Livres Canada Books undertook steps to renew 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 image is also conscious of global digital interconnectedness. Its new name is rich in key words that enhance discoverability of Canadian books and publishers, increasing 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, who provide 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 good reputation of Canadian publishers and the quality of titles they publish around the world, especially as the digital age and new technologies take hold.

Periodic program reviews, long-range 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. It is today the envy of many countries for what it has done and for what it continues to do for Canadian publishers. 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

Annual Report 2011–2012

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.

Through 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 also prioritizes the collection and analysis of program data so that its activities remain relevant.

In 2011-12, 147 publishers and 2 national publishing associations were eligible for direct financial 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 2011-12. A complete list of funding recipients, including a breakdown by program, can be found at the end of this report.

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

The support we receive from Livres Canada Books has been invaluable in helping us become a successful exporter

Andrew Wooldridge,
Orca Book Publishers

APPLICATIONS RECEIVED AND FUNDS ALLOCATED, 2011-12

	Applications		Amount
	Submitted	Eligible	
Foreign Rights Marketing Assistance Program (FRMAP)	152	148	\$750,000
Mentoring–Funding Support	8	7	\$14,000

*Let me express my gratitude
for the opportunity given
to us to develop our export
activities*

Gilles Collicelli,
Médiaspaul

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 2011-12, 126 eligible publishers and 2 national publishers' associations sought 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.

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 the 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 exporters increase sales to these markets and become eligible for higher levels of funding through the Canada Book Fund.

Mentoring – Funding Support ensures 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.

In 2011-12, Mentoring – Funding Support enabled seven eligible publishers to each receive \$2,000 in assistance.

Promoting Canadian Publishing

The 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 275 square metres at some of the world's largest book fairs. Publishers can choose from an all-inclusive

FOREIGN RIGHTS MARKETING ASSISTANCE PROGRAM (FRMAP) CONTRIBUTIONS

	2011-12	2010-11
Total claims	410	428
Individual trips	591	650
International trade events	82	94
Export sales trips	83	89

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. 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 2011

The London Book Fair is the major trade book fair for the spring season. The 2011 LBF, which took place from April 11 to 13, 2011 in the historic Earls Court Exhibition Centre, a favourable location for its proximity to other areas of the city, hosted 1,692 exhibitors from 57 countries and welcomed 24,082 visitors.

The 80-square metre Canada Stand at the 2011 LBF continued to hold an excellent central location on the exhibition floor. Following the rebranding of the Canada Stand at the Frankfurt Book Fair in 2010, stand material and furnishings in London were revamped this year. The result is a more modern, inviting and accessible space that better showcases Canadian publishers and their titles to the world. Eight publishers reserved display and meeting space on the stand; an additional four chose the *pied-à-terre* option. In total, some 25 Canadian publishers attended the London Book Fair.

BEIJING INTERNATIONAL BOOK FAIR 2011

The Beijing International Book Fair represents an important annual event for publishers targeting the Chinese market. The 2011 BIBF was held between August 31 and September 4, 2011. The fair welcomed over 2,155 exhibitors from more than 60 countries as well as an exceptional 200,000 visitors.

Three publishers exhibited their titles on the Canada Stand. The stand, which measured 27 square metres, featured a collective meeting area and was located on the same floor as American and UK publishers.

Livres Canada Books retained the services of Xiaoyan Huang, 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. Ms. Huang contacted potential Chinese partners and scheduled meetings with Canadian publishers during the fair.

Livres Canada Books also offered Canadian publishers the opportunity to test the market for some of their specific titles through a pay-per-title option.

FRANKFURT BOOK FAIR 2011

The Frankfurt Book Fair 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. Between October 12 and 16, 2011, Frankfurt hosted 7,384 exhibitors from more than 106 countries as well as an astounding 280,194 visitors.

Livres Canada Books works hard 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 276-square metre Canada Stand ensured international exposure for Canadian titles. Forty-one publishers were



The booth at the Frankfurt Book Fair looked great, and we had a successful fair. Thank you for your continued support of our export program

Brian Lam,
Arsenal Pulp Press



I was contacted by a Korean publisher interested in two of our books following the Canadian Book Seminar in Seoul

*Florence Bisch,
Groupe Homme*

represented on the stand this year; an additional four publishers chose the pied-à-terre package.

In addition to organizing the Canada Stand, Livres Canada Books promotes the Canadian publishing industry by strengthening its network of contacts worldwide and fostering relationships between international publishers, national associations, and other trade partners. 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 partners and representatives from nearby stands.

BOLOGNA CHILDREN'S BOOK FAIR 2012

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 2012 fair, which ran from March 19 to 22, 2012, played host to over 1,200 exhibitors from more than 66 countries, as well as some 5,000 visitors.

The Canada Stand measured 32 square metres, accommodating a total of seven publishers, including 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.

Rights Canada

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.

Rights Canada is Livres Canada Books collective rights catalogue, promoting the sale of foreign rights to award-winning and selected Canadian books. Published twice yearly, *Rights Canada* is marketed electronically to an extensive list of nearly 12,500 foreign publishers, distributors and rights agents prior to the major international books fairs, where it is also available in print on the Canada Stand.

The fall 2011 edition featured 63 titles by 27 publishers, while the spring 2012 edition included 62 titles from 23 publishers. In addition to being advertised to international publishing contacts, the catalogues are available for download on the Livres Canada Books website. These electronic catalogues include live links to participating publishers' websites and email addresses for more information on listed titles. Print copies of the fall and spring editions were distributed at the Beijing, Frankfurt, Bologna, and London book fairs.

Canadian Studies

Livres Canada Books promoted titles and authors of interest to Canadianists, librarians, academics, and buyers around the globe through a series of flyers, produced in partnership with the Ottawa-based International Council for Canadian Studies (ICCS).

In 2011-12, Livres Canada Books produced a set of four flyers highlighting a total of 100 titles from 25 publishers in history, political science, sociology and anthropology, health and medicine, native studies, women's and gender studies, literature, arts and architecture, and the environment.

The ICCS distributed the flyers at a number of Canadian Studies association meetings and events around the world,

and promoted the flyers in its electronic newsletter, sent to 1,535 Canadian studies specialists and ICSS members worldwide, and in social media. The flyers were also made available for download on the Livres Canada Books website.

Book Collections

Livres Canada Books occasionally arranges collections of books for specific events. One such event is the annual Canadian Book Seminar in Seoul, organized by the Embassy of Canada to Korea. The eighth annual seminar, held at the Embassy on September 8, 2011, was a resounding success. Sixteen publishers contributed more than 280 books, including titles for pre-schoolers, young readers — a fast growing segment of the Korean market —, English as a Second Language (ESL) materials, and some titles for adults. Twenty-five Korean contacts attended, representing 13 different publishing companies, two copyright agencies and one buyer.

Building Export Expertise

Canada-UK Symposium

Livres Canada Books organized its fourth annual symposium at the Frankfurt Book Fair on the afternoon of October 11, 2011, focusing this year on export sales and marketing, rights, and digital sales between Canada and the UK. Sixty-two participants from Canada, the UK, Australia, Germany, India and New Zealand took in the half-day professional development and networking event, designed to facilitate the exchange of information between international publishers.

Organized in collaboration with the Publishers Association (UK), the symposium featured 14 speakers representing some of the biggest names in publishing on

both sides of the Atlantic (see inset). Following an overview of Canada's and the UK's respective markets, a panel on sales and marketing prompted a lively comparison of the major differences between the two markets. The panel on rights sales highlighted the vibrancy and adaptability of both markets. Rounding out the afternoon, the digital publishing panel impressed participants with statistics, sales figures and marketing anecdotes.

The symposium was followed by a networking reception, which provided Canadian publishers with an opportunity to meet and mingle with the panelists as well as with foreign publishers and book trade professionals in attendance. The reception was sponsored by the Canadian Embassy in Berlin, the Ontario Media Development Corporation and Meadows Wye & Co., a shipping company specializing in international logistics for the print and publishing industry. Participants also received a USB key, courtesy of Toronto-based book printer Webcom, containing a directory of publishers on the Canada Stand and the fall edition of the Rights Canada catalogue. Global e-book retailer Kobo donated a new Kobo eReader Touch to be drawn among the attendees.

For the benefit of those unable to attend the symposium, Livres Canada Books once again taped the proceedings and posted the recording on its website.

Webinars

In an effort to reach a greater number of publishers by eliminating travel costs, Livres Canada Books began offering professional development webinars in 2010-11. Designed for both veteran and emerging exporters, this year's online presentations focused on digital publishing and were targeted at Canadian publishers interested in

CANADA-UK SYMPOSIUM 2011 SPEAKERS

Moderator

Guy Frenette, Livres Canada Books

Market Overview

Richard Mollet, The Publishers Association

Margie Wolfe, Association of Canadian Publishers

Richard Prieur, Association nationale des éditeurs de livres

Sales & Marketing

Will Atkinson, Faber and Faber

Clare Somerville, Harlequin Mills & Boon

Scott McIntyre, Douglas & McIntyre

Beth Bruder, Dundurn Group

Rights

Rosalind Ramsay, Rosalind Ramsay Ltd

Philip Cercone, McGill-Queen's University Press

Nicole Saint-Jean, Guy Saint-Jean Éditeur

Digital Sales

Evan Schnittman, Bloomsbury Publishing

Dan Franklin, Random House Group

Marc Boutet, De Marque

Noah Genner, BookNet Canada



developing or strengthening their export strategies in this rapidly evolving area.

Brian O'Leary and Clément Laberge, authors of *Exporting Digital Books: A Guide to Best Practices for Canadian Publishers* (published by Livres Canada Books in 2011), presented webinars on February 21 and 29, 2012, respectively. The two-hour online seminars covered highlights of a survey of Canadian publishers' current practices in digital publishing, traditional export markets for Canadian publishers, markets that may be of interest in the near term, and options that Canadian publishers should consider to maintain, sell or license digital rights abroad. O'Leary is the founder and principal of Magellan Media, a consulting firm that works with publishers; he writes extensively about issues affecting the publishing industry, is currently editing a collection of forward-looking essays on publishing and is also the author of research reports on the use of metadata in the book industry supply chain, territorial rights in the digital age and best practices in digital exports. Laberge is vice-president at De Marque, a company providing digital distribution services to publishers and developer with the Association nationale des éditeurs de livres (ANEL) of a digital content aggregator that offers Internet promotion and marketing for books published in Quebec and Canada.

There were a total of 42 participants for both webinars and evaluations were overwhelmingly positive.

Mentoring – Coaching

Aimed at the specific needs of emerging exporters, 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 \$25,000 over the last three financial periods who

require additional support, beyond financial assistance, geared to their specific circumstances. Six publishers benefited from the program in 2011-12.

Alternating yearly between the US and Francophone Europe, the 2011-12 program focused on the US book market. Participating publishers attended a two-day session in Toronto offered by renowned consultant and author Tom Woll, whose experience spans all areas of trade and professional book publishing. The workshop included an overview of the US book market and covered avenues of entry, sales trends, timing of demand, and roadblocks and how to deal with them. Woll also held one-on-one meetings with each participant to discuss their unique export strategy and provide tailored recommendations based on their catalogue.

The Mentoring Program formula continues to show positive results. Participants appreciated the clear, concrete advice provided and presentations tailored to address the needs and concerns of small publishers.

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 US, UK, France, Spain, China, Japan, Korea and Australia, and market segments such as children's books, retail, wholesale, and libraries.

Newly revised and updated editions of five market guides were published electronically:

- *Selling Canadian Children's and Young Adult Books to US Trade and Specialty Markets*
- *Selling Canadian Books in the UK*
- *Selling Canadian Books and Translation Rights in China*

- *Selling Canadian Books and Translation Rights in Korea*
- *The Market for French-Language Books in the US* (in French)

The guides are offered for sale on the Livres Canada Books website, and are now available free of charge to eligible recipients of the 2012-13 FRMAP and Mentoring programs.

Scouting Missions

Livres Canada Books continues to explore emerging markets that hold potential for Canadian publishers' authors and titles through scouting missions. The missions help 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) and Brazil (2010). Publishers have reported deals with new partners as a direct result of these missions.

A scouting mission to the Nordic countries was conducted in June 2011. 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 Norway, Sweden, and Denmark to meet with key industry players, including representatives of national associations, publishers and booksellers. The delegation, composed of Jack David (ECW Press/Association of Canadian Publishers), Simon Payette (Éditions Chouette/Association nationale des éditeurs de livres), Linda Cameron (University of Alberta Press/Association of Canadian University Presses), and Livres Canada Books Executive Director François Charette, produced a detailed report making recommendations regarding how Canadian publishers can best connect with business partners there. The report is available as a free download on the Livres Canada Books website.

The mission was made possible in large part thanks to the contribution of the Canadian embassies in Oslo, Stockholm and Copenhagen and the Department of Foreign Affairs and International Trade in Ottawa.

Planning began for a scouting mission to Russia in 2012.

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 export. 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 rights sales in digital publishing entitled *Territorial Rights in the Digital Age*. Researched and written by industry expert Brian O'Leary, this guide builds on *Exporting Digital Books: A Guide to Best Practices for Canadian Publishers*, published in 2011, by examining the extent to which traditional territories and boundaries remain relevant to the acquisition and sale of rights to digital books. Filled with insightful and straightforward advice, this guide looks at the pros and cons of selling or retaining digital rights by territory, business models that may affect future export sales, new and emerging content delivery options, and steps to take to improve overall digital readiness. The guide also includes a number of key market profiles and a list of resources to help publishers stay current in this rapidly evolving area.

The guide is available for sale on the Livres Canada Books website. Like Livres Canada Books' other market guides, it is available free of charge to eligible recipients of the 2012-13 FRMAP and Mentoring programs.



*We gratefully acknowledge
Livres Canada Books'
continued support
for our ongoing
international export and
marketing activities*

*Valerie Nair,
UBC Press*

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. Overall visits to the site and the number of new visitors increased an average of 6.5% in 2011-12. Canadian publishers and their titles on the site saw significant increases in traffic: the Rights Canada catalogue and Canadian Studies flyers, individual title listings, and search results for titles and publishers on the site recorded a 65% increase in pageviews.

Work on improvements to the website continued in 2011-12 in order to optimize discoverability, increase usability and offer more useful tools and information to users, take advantage of online marketing technologies like social media, and streamline maintenance. A comprehensive SEO (Search Engine Optimization) analysis of the website was carried out to improve rankings in search results for key terms. Changes to the layout and navigation of the site were made to ensure visitors quickly find the information they are seeking. Work was also done to update the site's infrastructure.

Banner advertisements were added to the website in 2011-12, allowing Livres Canada Books to provide additional visibility for Canadian books through partner websites such as The 49th Shelf (49thshelf.com) and the Entrepôt numérique (vitrine.entrepotnumerique.com), as well as generate revenue through commercial advertising.

Social Media

Work continued on developing a comprehensive social media strategy to make more and better use of social

media 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, and offers a home on the web to read, comment on and share coverage of export related news for Canadian publishers. 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 (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.

Livres Canada Books is governed by a volunteer 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, chief 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).

The term of appointment to the Board is two years, with the possibility of renewal for a further 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

Interim Chair and Vice-Chair

Bob Tyrrell	Publisher, Orca Books Publishers	ACP
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Past Chair

Guy Frenette	Administrator, Éditions Caractère / Les 400 coups	ANEL
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Vice-Chair

Antoine Del Busso	Executive Director, Presses de l'Université de Montréal	APUC
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Secretary Treasurer

Linda Cameron	Director, University of Alberta Press	ACP
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Executive Director

François Charette		
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Members

Louise Alain	Marketing and Rights Manager, Éditions Alire	ANEL
Olivier Gougeon	Director, Marketing and Sales, Guides de voyage Ulysse	ANEL
Sarah MacLachlan	President, House of Anansi Press	ACP
Peter Milroy	Director, University of British Columbia Press	ACUP
Ingrid Remazeilles	Publisher, Éditions Goélette	ANEL
Vacant		CPC

EXECUTIVE AND FINANCE COMMITTEE	EXPORT EXPERTISE COMMITTEE	NOMINATING AND GOVERNANCE COMMITTEE
Interim Chair	Chair	Chair
Bob Tyrrell	Louise Alain	Sarah MacLachlan
Past Chair	Members	Members
Guy Frenette	Antoine Del Busso	Linda Cameron
Members	Olivier Gougeon	Peter Milroy
Linda Cameron	Peter Milroy	Ingrid Remazeilles
Antoine Del Busso	Bob Tyrrell	Past Member
		Guy Frenette

SECRETARIAT

François Charette	Executive Director
Francine Bélec	Manager, Finance and Operations
Christy Doucet	Manager, Programs
Priya Ramjuttun	Programs Assistant; Acting Manager, Programs (Maternity replacement)
Nouhed Chabani	Programs Assistant (Maternity replacement)
Tricia McCraney	Coordinator, Communications and Marketing
Nicolas Levesque	Officer, Communications and Marketing (Maternity replacement)
Danielle Fauteux	Administrative Assistant



François Charette



Francine Bélec



Priya Ramjuttun



Nicolas Levesque



Nouhed Chabani



Danielle Fauteux

Absent: Christy Doucet, Tricia McCraney

Independent Auditor's 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, 2012, 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 Canadian generally accepted accounting principles.

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, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants
Ottawa, June 12, 2012

Statement of Financial Position

As at March 31, 2012

	2012	2011
ASSETS		
Current assets		
Cash	\$711,263	\$373,384
Accounts receivable	89,242	102,270
Government grants receivable	—	241,593
Harmonized Sales Tax receivable	16,344	18,499
Prepaid expenses (Note 3)	136,649	163,179
	<u>\$953,498</u>	<u>\$898,925</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$327,760	\$263,545
Deferred revenue (Note 3)	32,416	22,577
	<u>360,176</u>	<u>286,122</u>
Net assets		
Unrestricted	268,322	287,803
Internally restricted for contingencies	325,000	325,000
	<u>593,322</u>	<u>612,803</u>
	<u>\$953,498</u>	<u>\$898,925</u>

Economic capacity (Note 1)

Commitments (Note 4)

Financial instruments (Note 5)

On behalf of the Board,



Bob Tyrell
Interim Chair



Linda Cameron
Secretary-Treasurer

Statement of Operations

Year ended March 31, 2012

	2012	2011
REVENUE		
Department of Canadian Heritage ("DCH") contribution (Note 2)	\$1,527,954	\$1,499,040
Department of Foreign Affairs and International Trade ("DFAIT")	—	5,900
Publishers		
Canada Stand	256,211	314,787
Marketing	30,770	38,864
Seminars	2,000	3,400
Symposium	6,615	7,005
Other	52,093	58,184
TOTAL REVENUE	1,875,643	1,927,180
EXPENDITURES		
Operating (Schedule)		
Rent (Note 4)	75,840	75,627
Board	32,400	47,730
Annual report	3,272	4,063
Employee related costs	3,323	1,046
Salaries and benefits	340,481	350,642
Professional fees	33,914	46,899
Office and general	34,704	37,573
Bad debts	6,586	435
Interest recovery on prior year's DCH funding	—	1,359
Foreign exchange losses	—	622
Property and equipment (Note 1)	1,471	13,855
Total operating expenses	531,991	579,851

Programs (Schedule)

Export Marketing Assistance Program ("EMAP")

Recovery	—	(7,947)
Logistics and support	—	5,963
	—	(1,984)

Foreign Rights Marketing Assistance Program ("FRMAP")

Fairs contributions	750,000	751,104
Logistics and support	16,226	18,405
	766,226	769,509
Total programs	766,226	767,525

Projects (Schedule)

Canada Stand	401,613	434,258
Publications	29,239	36,980
Mentoring	28,117	31,094
International symposium	23,133	12,689
Webinars	8,590	10,715
Market guides	32,533	42,181
Exploratory missions	24,947	745
Report	32,285	11,142
Website	11,220	—
Total projects	591,677	579,804

TOTAL EXPENDITURES	1,889,894	1,927,180
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EXCESS OF EXPENDITURES OVER REVENUE, before other item	(14,251)	—
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Other item

Reversal of prior years' contributions receivable	(5,230)	(42,339)
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EXCESS OF EXPENDITURES OVER REVENUE	\$(19,481)	\$(42,339)
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Statement of Changes in Net Assets

Year ended March 31, 2012

	2012	2011
UNRESTRICTED		
Balance at beginning of year	\$287,803	\$330,142
Excess of expenditures over revenue	(19,481)	(42,339)
Internal restriction for contingencies	—	—
	(19,481)	(42,339)
Balance at end of year	<u>\$268,322</u>	<u>\$287,803</u>
INTERNALLY RESTRICTED FOR CONTINGENCIES		
Balance at beginning of year	\$325,000	\$325,000
Internal restriction from unrestricted net assets	—	—
Balance at end of year	<u>\$325,000</u>	<u>\$325,000</u>

Statement of Cash Flows

Year ended March 31, 2012

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenditures over revenue	\$(19,481)	\$(42,339)
Changes in non-cash operating working capital balances		
Accounts receivable	13,028	(32,118)
Government grants receivable	241,593	(45,432)
Harmonized Sales Tax receivable	2,155	(8,824)
Prepaid expenses	26,530	(6,877)
Accounts payable and accrued liabilities	64,215	(745,606)
Deferred revenue	9,839	(16,709)
Increase (Decrease) in cash	337,879	(897,905)
Cash at beginning of year	373,384	1,271,289
Cash at end of year	\$711,263	\$373,384

Notes to Financial Statements

Year ended March 31, 2012

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").

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; planning of symposium in Frankfurt; 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

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 not yet indicated whether it intends to renew the agreement beyond 2013.

Property and Equipment

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

Financial Instruments

The Organization classifies all financial instruments in one of the following categories: held-for-trading, held-to-maturity, loans and receivables and other financial liabilities, or available-for-sale. Upon initial recognition, financial assets or financial liabilities are measured at their fair value. The related accounting treatment for financial instruments subsequent to initial recognition depends on the classification. Held-for-trading financial assets are financial assets typically acquired for resale prior to maturity or they are designated as held for trading. They are measured at fair value at the statement of financial position date and gains and losses are recognized in the statement of operations. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost using the effective interest method. Available-for-sale financial assets are measured at fair value with changes in fair value initially recorded directly in the statement of changes in net assets until the financial asset is sold or impaired, at which time the amounts are recognized in the statement of operations. In addition, the derivatives

embedded in financial instruments or other contracts may be required to be accounted for separately.

The Organization does not enter into any derivative financial instrument arrangements for hedging or speculative purposes.

The Organization classifies financial instruments as follows:

- Cash is designated as available-for-sale.
- Accounts and other receivables are designated as loans and receivables.
- Accounts payable and accrued liabilities have been classified as other financial liabilities.

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 liabilities. Transaction costs related to other liabilities and loans and receivables 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.

The Organization has elected to use the exemption provided by The Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations to not apply the following sections of the CICA Handbook: Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation. These sections would otherwise have applied to the financial statements of the Organization for the year ended March 31, 2012. The Organization applies the requirements of

Section 3861, Financial Instruments – Disclosure and Presentation of the CICA Handbook.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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, promotion and information, and market intelligence and professional development.

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.

Future Accounting Pronouncement

In September 2010, the CICA's Accounting Standards Board approved the accounting standards substantially as proposed in the March 2010 Exposure Draft, "Accounting Standards for Not-for-Profit Organizations". The standards will be effective for fiscal years beginning on or after January 1, 2012 and were available as of December 1, 2010 in a new Part III of the CICA Handbook – Accounting, that will apply to not-for-profit organizations in the private sector. Early adoption is permitted.

Not-for-profit organizations in the private sector will also have the option of adopting International Financial Reporting Standards. Government not-for-profit organizations that currently use accounting standards for not-for-profit organizations will follow the CICA Public Sector Accounting Handbook rather than the CICA Handbook – Accounting. The current accounting standards are included in the Section 4400 series in Part V of the restructured CICA Handbook and remain available to private and government not-for-profit organizations until January 1, 2012.

The Organization is defined as a private not-for-profit organization and will apply the new not-for-profit organization standards in Part III of the CICA Handbook, with no early adoption. The application of the new standards is not expected to have significant implications on the Organization's financial statements.

2. 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.

3. PREPAID EXPENSES AND DEFERRED REVENUE

These represent funds paid out or received prior to the year end, which pertain to fiscal year 2013 activities and programs.

4. 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
2013	\$64,267	\$4,086
2014	64,267	4,086
2015	64,267	4,086
2016	64,267	4,086
2017	42,845	3,127

5. FINANCIAL INSTRUMENTS

Fair Value

The Organization's financial instruments consist of cash, accounts receivable, government grants receivable, Harmonized Sales Tax receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit or interest risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, due to the short

term nature of these instruments, as well as the capacity for prompt liquidation.

Credit Facility

The Organization has an operating credit line facility of \$350,000 which bears interest at a chartered bank prime rate plus 0.25% per annum. The credit line remained unused as at March 31, 2012, 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, 2012 amounting to \$2,169 is shown as part of accounts payable and accrued liabilities.

Interest Rate Risk

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

Currency Risk

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

6. CAPITAL DISCLOSURES

The Organization's objective when managing capital is to maintain its ability to continue as a going concern in order to deliver the services to its members under its by-laws. The Organization includes net assets in the definition of capital. The Organization's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to continue to fulfill its mandate and to broaden the spectrum under which its mandate is delivered. To secure the additional capital necessary to pursue such plans, the Organization continuously attempts to identify potential new services and/or sources of revenue. The Organization is not subject to externally imposed capital requirements other than the conditions outlined in

the various contribution agreements and there has been no change with respect to the overall capital risk management strategy during the current year.

7. COMPARATIVE FIGURES

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

Schedule

Summary of Canada Book Fund Expenditures

Year ended March 31, 2012

	2012			
	Direct project costs	Salaries	CBF administration	Total
THIRD PARTY DIRECT FUNDING				
Foreign Rights Marketing Assistance Program ("FRMAP")	\$766,226	\$54,143	\$120,822	\$941,191
	766,226	54,143	120,822	941,191
MARKETING				
Canada Stand	401,613	85,158	46,508	533,279
Publications	29,239	29,350	7,236	65,825
	430,852	114,508	53,744	599,104
PROFESSIONAL DEVELOPMENT				
Mentoring	28,117	11,326	4,224	43,667
International symposium	23,133	8,936	2,968	35,037
Webinars	8,590	12,609	2,601	23,800
Market guides	32,533	14,118	4,144	50,795
Exploratory missions	24,947	18,995	4,455	48,397
	117,320	65,984	18,392	201,696
TECHNOLOGY INFRASTRUCTURE				
Report	32,285	26,873	4,844	64,002
Website	11,220	16,346	2,654	30,220
	43,505	43,219	7,498	94,222
OTHER COSTS				
Livres Canada Books	—	62,627	(8,946)	53,681
	—	62,627	(8,946)	53,681
TOTAL EXPENDITURES	\$1,357,903	\$340,481	\$191,510	\$1,889,894

Funding by Recipient

Year ended March 31, 2012

Recipient	FRMAP	Mentoring - Funding	Mentoring - Coaching (USA)
400 Coups, Éditions	4,784.15		
AdA, Éditions	5,106.19		
Alliage Éditeur	2,322.91		
Allusifs, Éditions Les	7,899.24		
Alto, Éditions	7,079.51		
Annick Press	10,188.57		
Anvil Press	1,296.75		
Arsenal Pulp Press	9,728.46		
Artichaut, Éditions L'	17,454.95		
Association nationale des éditeurs de livres (ANEL)	20,429.69		
Association of Canadian Publishers (ACP)	5,284.58		
Bayard Canada Livres	2,724.69		
Bayeux Arts	9,570.53		
Beauchemin International, Éditions	11,022.20		
Between the Lines	1,775.33		
Blue Bike Books	3,425.39		
Boomerang éditeur jeunesse	5,378.44		
Boréal Express, Le	10,475.91		
Breakwater Books	3,359.23		669.48
Brick Books	1,112.20		
Broadview Press	8,876.51		
Broquet	3,226.60		
Caitlin Press			1,017.05
Caractère, Éditions	5,252.97		
CCI Learning Solutions	5,231.28		

Recipient	FRMAP	Mentoring - Funding	Mentoring - Coaching (USA)
Chenelière Éducation	11,413.13		
Chouette, Éditions	17,341.93		
Coach House Books	6,884.48		
Company's Coming Publishing	1,260.57		
Crabtree Publishing	11,197.51		
CRAM, Éditions du	2,181.96		
D&M Publishers	8,552.95		
David, Éditions	2,825.49	2,000.00	
DC Books	5,725.16	2,000.00	
DC Canada Education Publishing	1,497.00		
Drawn & Quarterly	9,823.83		
Dundurn Press	4,329.67		
Écosociété, Éditions	2,634.16		
Écrits des Forges, Éditions Les	3,903.41		
ECW Press	13,048.56		
EMC Notes	1,235.38		
Fernwood Publishing	921.16		
Fiddlehead Poetry Books & Goose Lane Editions	1,350.54		
Firefly Books	5,476.14		
Fitzhenry & Whiteside	10,262.39		
Folklore Publishing	3,333.11		
Formac Publishing / James Lorimer & Company	8,876.44		
FouLire, Éditions	5,090.18		
Groundwood Books	3,846.45		
Guides de voyage Ulysse	11,216.93		
Guy Saint-Jean Éditeur	9,907.95		
Hancock House Publishers	1,364.56		

Recipient	FRMAP	Mentoring - Funding	Mentoring - Coaching (USA)
Harbour Publishing	1,966.07		
Heritage House Publishing	1,349.81		
Héritage, Éditions	2,460.50		
House of Anansi Press	8,198.98		
Howard Aster & Associates / Mosaic Press	5,814.85		
Hurtubise, Éditions	7,985.95		
Intouchables, Éditions des	2,843.99		
J.C.L., Éditions	1,422.38		
Kids Can Press	14,100.49		
Leméac Éditeur	6,119.93		
Liber, Éditions	2,280.01		
Librex, Groupe	4,956.14		
Lingo Learning	11,568.18		
Lone Pine Media Productions	8,165.50		
Lux Éditeur	9,366.39		
MacIntyre Purcell Publishing	2,704.66		
Marcel Didier	2,743.91		
Master Point Press	2,852.36		
McArthur & Company Publishing	2,826.15		
McGill Queen's University Press	5,732.60		
Médiaspaul, Éditions	6,911.27		
Mémoire d'encrier	8,040.46		
Michel Quintin, Éditions	8,179.07		
Modus Vivendi, Publications	5,267.00		
Montagne Verte, Éditions de la	2,289.95		
Mortagne, Éditions de	11,865.48		
MultiMondes, Éditions	3,179.05		

Recipient	FRMAP	Mentoring - Funding	Mentoring - Coaching (USA)
New Society Publishers	7,766.23		
New Star Books	3,031.88		
NeWest Press			729.75
Noroît, Éditions du	1,473.48		
Novalis, Éditions	2,818.43		
Orca Book Publishers	12,619.37		
Owlkids Books	8,418.51		
Paix, Éditions de la	1,734.71	2,000.00	
PAPP International	9,551.27		
Passage, Éditions du	2,141.60	2,000.00	
Pembroke Publishers	6,264.72		
Perce-Neige, Éditions		2,000.00	
Phidal, Éditions	9,622.75		
Plaines, Éditions des	8,645.40		
Planète rebelle, Éditions	7,005.26		
Presses internationales Polytechnique	1,312.78		
Production Édition ASMS	986.14		
Québec Amérique, Éditions	12,741.13		
Rainbow Horizons Publishing	2,900.40		
Remue-ménage, Éditions du	1,488.91		
Robert Rose	7,264.45		
Ronsdale Press	3,264.66		821.90
Sabord, Éditions d'art Le	4,190.44		
Saint-Martin, Éditions	3,899.85		
Sara Jordan Publishing / Jordan Music Productions	5,156.69		
Second Story Press	8,203.31		
Self-Counsel Press	5,391.86		

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Septembre éditeur	1,620.18		
Septentrion, Éditions	6,844.63		
Simply Read Books	9,513.98		
Sogides, Groupe	6,512.23		
Solski Group, The	4,308.31		
Sylvain Harvey, Éditions	4,340.27	2,000.00	
Talon Books	2,870.30		
Thompson Educational Publishing	996.41		
TouchWood Editions	2,195.10		
Tradewind Books	2,961.06		
Tralco Educational Services	6,836.52		
Transcontinental, Éditions	3,294.91		
Triptyque, Éditions	5,449.00		
Turnstone Press	7,737.85		
Université de Montréal, Presses de l'	5,712.90		
Université Laval, Presses de l'	4,782.03		
University of Alberta Press	7,997.54		
University of British Columbia Press (UBC Press)	6,772.44		
University of Calgary Press	1,146.40		
University of Manitoba Press	2,257.50		626.17
University of Toronto Press	9,675.82		
Vermillon, Éditions du	2,627.66	2,000.00	
Ville-Marie Littérature, Groupe	3,233.45		
Weigl Educational Publishers	14,053.64		
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