



LIVRES CANADA BOOKS®

Annual Report

2010 2011

ANNUAL REPORT 2010-11

© Association for the Export of Canadian Books 2011

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Canada 

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Chair's Foreword

This has been a fascinating first year for me as Chair of the Board of Directors of Livres Canada Books.



During the past 12 months, changes affecting the publishing industry have occurred at a dizzying pace. We have all felt the effects of the rapidly developing digital sector coupled with the slow economic recovery. Such major changes serve to underline the importance of developing programs and services that are responsive to the evolving needs of Canadian publishers while securing stable public funding for exports.

This year, I have had the pleasure of observing Livres Canada Books in action on the national as well as the international stage. I have been impressed not only by the relevance of our work but also by the extent of its influence. Livres Canada Books has worked tirelessly on behalf of the Canadian publishing industry worldwide for almost 40 years. The challenges have evolved

since 1972, as has the association's mandate, and today Livres Canada Books stands at an important moment in its history.

For the past few years, Livres Canada Books has been looking at the most effective ways to ensure its future stability. A strategic review of the Association in 2007-08 led to a five-year business plan that combined strategy with flexibility. Implemented with enthusiasm, discipline and skill, the plan will allow us to attain our objectives in a concerted, transparent and prudent manner. The continuity of program delivery will also improve through access to multiyear funding.

However, in order to properly fulfill our mission we must also make full use of new digital technologies to expand our outreach. We have made a good start but much more remains to be done. We

will need to find new partners to help fund and carry out our work. Finally, we must improve the efficiency of our organization and its processes. Our board of directors and the management team have made great strides this year by simplifying the administration of our programs.

The board of directors plays a pivotal role as it is up to us to develop and modify the programs and services offered by Livres Canada Books in a way that takes best advantage of present and future opportunities. This past year I have had the pleasure of working with a group of talented and experienced directors from within the Canadian publishing sector. I am particularly grateful to Philip Cercone for his many years of service at the helm of Livres Canada Books.

I have also been impressed by the passion, loyalty and professionalism of the talented members of staff, wherever and whenever I have met them. I would particularly like to thank François Charette, Executive Director, for his exemplary and invaluable collaboration.

The far-reaching scope and impact of the work done by Livres Canada Books is extraordinary and its national and international reputation is now firmly established. Today we are the envy of many countries for what we have accomplished and for what we continue to do for Canadian publishers.

Our history, our values and our standards have led to our success, but it will be our ability to adapt and react to an evolving world that will sustain us.



Guy Frenette,
Chair of the Board of Directors,
Livres Canada Books

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Director General's Introduction

During the past year, Livres Canada Books, like many other Canadian organizations, has had to respond to profound economic and technological changes in the publishing industry. We did so vigorously, continuing to increase both the scope and effectiveness of our work.



The global economic crisis has slowed books sales, of course, but digitization is now the main challenge confronting publishing and book exports. Publishers must now act on two fronts: print and digital. The methods of marketing and promoting books are changing, as are distribution channels. Traditional business models are giving way to complex, never-before-seen models.

Supporting publishers in the development of digital exports has become a top priority for Livres Canada Books. We have taken concrete steps in this respect to adapt to the changing needs of publishers. These measures were reflected in all our activities: from awarding financial assistance to publishers, promoting Canadian publishing abroad, increasing publishers' skills through intelligence on export markets and professional development workshops, to the strategic management of our operations.

The current situation requires solid, reliable governance. Close monitoring of the five-year

strategic plan adopted in 2010 was a primary objective of the Board this year. This approach enables Livres Canada Books to continue to support the export efforts of Canadian publishers and offer them value-added services complementary to the work of national publishers' associations, as well as help publishers to understand and grasp new export opportunities in the digital age.

As evidenced by this report, we delivered strongly on that mission.

In terms of financial support to Canadian exporting publishers, this year we closed the chapter on the Exporting Marketing Assistance Program (EMAP). We continue to manage the Foreign Rights Marketing Assistance Program (FRMAP), as well as our mentoring programs targeted at novice exporters, with diligence and thoroughness in consultation with the Department of Canadian Heritage and the Canada Book Fund.

As for promotion, we set up the Canada Stand at the publishing industry's key international events: the London, Beijing, Frankfurt, and Bologna book fairs. We distributed our Rights Canada catalogue and Canadian studies flyers to publishers, literary agents, distributors, booksellers, librarians and academics worldwide.

We continued our mission to inform publishers on existing, potential, and emerging markets, and provide professional development opportunities. Our third annual symposium in Frankfurt focused on the hot topic of international digital rights. We also published an important new guide to best practices in the export of digital books, and updated two of our most popular guides on the markets in France and the United States. We continued the work begun in Brazil and we started preparing an exploratory mission to the Nordic countries. We gave a voice to our partners through blog postings by members of the Association of Canadian Publishers, the Association nationale des éditeurs de livre, the Literary Press Group of Canada, BookNet Canada, and Library and Archives Canada. Finally, we held our very first webinars, taking advantage of technology to provide access to information and training to all publishers, wherever they are in Canada.

We also made great efforts to put forward our new brand and other initiatives touching our communications to ensure increased visibility for Canadian publishers and titles among book buyers from around the world, as well as a greater openness to international markets. Our new image is now integrated across all Livres Canada Books'

communication media, including the Canada Stand, key publications such as collective catalogues, book fair directories, and promotional literature, our main communication tools including our electronic newsletter and emails on fairs and events, and of course our website.

I am very proud of what we have been able to achieve in 2010-11 and I look forward to doing even more in 2011-12.

Our many achievements would not have been possible without the continued support of our partners, such as our close associates at the Department of Canadian Heritage, our partners in the Department of Foreign Affairs and International Trade, not to mention the Canadian embassies in Berlin, Rome and Seoul, and the Ontario Media Development Corporation. Their support has enabled us to improve our international marketing activities in order to better meet the changing needs of publishers.

I also want to express my gratitude to the members of the Board, who with such generosity, have been willing to take responsibility for managing Livres Canada Books. Through their dedication and valuable advice, these experienced publishing professionals contribute to our achievements. I am especially grateful to the wonderful staff of Livres Canada Books and their contributions to the success of our wonderful industry internationally. I congratulate them all and thank them warmly.



François Charette
Executive Director, Livres Canada Books

I am very proud of what we have been able to achieve in 2010-11 and I look forward to doing even more in 2011-12.

Livres Canada Books in Brief

Founded in 1972, Livres Canada Books is a not-for-profit organization 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). Over the past 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 seminars 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 workshops and webinars

on the opportunities and challenges of publishing in the digital age.

In 2009, the Department of Canadian Heritage streamlined the Book Publishing Industry Development Program, renamed the Canada Book Fund (CBF), and responsibility for administering the Export Marketing Assistance Program returned to Canadian Heritage. 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, two years before the reorganization of the Canada Book Fund, 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.

Last year, 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.

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 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.



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SUPPORTING CANADIAN PUBLISHERS

Livres Canada Books has played a key role in developing and delivering programs and services to Canadian publishers for more than 35 years.

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 2010-11, 151 publishers and 2 national publishing associations were eligible for direct financial support through two programs, the Foreign Rights Marketing Assistance Program (FRMAP) and the Mentoring-Funding Support program. Administration of the Export Marketing Assistance Program was successfully returned to the Department of Canadian Heritage and remaining hold-back payments were disbursed by November 15, 2010.

The table below summarizes the applications received and funds allocated in 2010-11. 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, 2010-11

	Applications		Amount (\$)
	Submitted	Eligible	
Foreign Rights Marketing Assistance Program (FRMAP)	153	151	751,104
Mentoring-Funding Support	7	6	12,000

The Mentoring-Funding Support program helps small and emerging exporters increase sales to foreign markets and become eligible for higher levels of funding through the Canada Book Fund.

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 2010–11, FRMAP assisted 149 eligible publishers and two national publishers' associations. A complete list of recipients, including the amount of funding received, can be found at the end of this report.

Some changes were implemented to the program guidelines for 2010–11. Affiliated groups are now subject to a policy directing that FRMAP contributions allocated to a company and its affiliates, individually or collectively, may not exceed the maximum number of events or trips allocated to a single publisher.

Additionally, in an effort to responsibly allocate all funds of the program each year, a new policy was implemented that would allow the redistribution of any surplus funds remaining at the end of the fiscal year on a pro-rated basis to all program recipients.

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 exporters increase sales to these markets and become eligible for supplementary assistance 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

Foreign Rights Marketing Assistance Program (FRMAP) Contributions

	2010–11	2009–10
Total claims	428	447
Individual trips	650	683
International trade events	94	82
Export sales trips	89	93

number of publishers who can benefit from a more targeted approach.

In 2010–11, Mentoring–Funding Support enabled six 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 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. Livres Canada Books also collects leads on publishers' behalf and visits other stands to track industry trends and uncover new opportunities for Canadian publishers.

Livres Canada Books extended the rebranding effort launched in 2009–10 to the Canada Stand, working with professional designers to remake the stand in a manner that would represent and promote the Canadian book industry to the international community. The goal was to create a modern, inviting and accessible space; reduce visual clutter; promote Canadian-ness; and, most importantly, showcase Canadian publishers and their titles to the world. Resplendent in its new red colour scheme, the Canada Stand features maple-coloured panels, digital flat screens displaying participating publishers' books, and the new Livres Canada Books image.

London Book Fair 2010

The London Book Fair is the major trade book fair for the spring season. The 2010 LBF, which took place from April 19 to 21, 2010 in the historic Earls

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Livres Canada Books produces catalogues and flyers to help Canadian publishers promote their titles internationally.

Court Exhibition Centre, a favourable location for its proximity to other areas of the city, hosted 1,672 exhibitors from 58 countries and welcomed a remarkable 23,096 visitors despite the volcanic eruptions in Iceland and subsequent disruptions to air travel across Europe.

The 80-square metre Canada Stand at the 2010 LBF continued to hold an excellent central location on the exhibition floor. Nine publishers reserved display and meeting space on the stand; an additional four chose the *pied-à-terre* option. In total, some 40 Canadian publishers attended the London Book Fair, confirming its place as the premier spring publishing event.

Beijing International Book Fair 2010

The Beijing International Book Fair represents an important annual event for publishers targeting the Chinese market. The 2010 BIBF was held between August 30 and September 3, 2010. The fair welcomed over 2,150 exhibitors from more than 60 countries as well as an exceptional 200,000 visitors.

Livres Canada Books returned to Beijing after an absence of two years. Six publishers exhibited their titles on the Canada Stand's display shelves. The stand, which measured 36 square metres, featured a collective meeting area and was located on the same floor as American and UK publishers.



Livres Canada Books engaged 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. Ms. Tan 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 2010

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 6 and 10, 2010, Frankfurt hosted 7,539 exhibitors from more than 111 countries as well as an astounding 279,325 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 296-square metre Canada Stand ensured international exposure for Canadian titles. Forty-six publishers were 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 cocktail reception on the Canada Stand was hosted jointly with the Embassy of Canada to Germany and 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.

Following a successful scouting mission in Brazil at the beginning of the year, Livres Canada Books also hosted a Canada-Brazil networking breakfast during the fair, at which Canadian publishers were able to mingle with key Brazilian publishing contacts.

Livres Canada Books is also pleased to report that books left at the fair enjoyed a second life at the American Book Center in Amsterdam, the largest English-language bookstore in Europe, which will also be trying a selection of French-language titles for the first time. A large number of books were sold to help defray some of the costs of the reception, while others were offered to libraries, charitable organizations and immersion schools in low-income areas.

Bologna's Children's Book Fair 2011

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, which ran from March 28 to 31, 2011, played host to over 1,200 exhibitors from more than 65 countries, as well as some 5,000 visitors.

The Canada Stand at the 2011 Bologna's Children's Book Fair measured 32 square metres, accommodating a total of six 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.

This year, Livres Canada Books distributed book bags bearing its new trademark to fair goers, a promotion made possible with the generous support of the Embassy of Canada to Italy in Rome.

RIGHTS CANADA

In addition to coordinating exhibits 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 distributed electronically to foreign publishers, distributors and rights agents prior to the major international books fairs, where it is also available in print on the Canada Stand. In an effort to secure ever-wider exposure for Canadian titles, Livres Canada Books expanded its distribution list fivefold, from 2,500 to over 12,500 contacts.

The newly rebranded fall 2010 edition featured 86 titles by 40 publishers, while the spring 2011 edition included 68 titles from 32 publishers. In addition to being emailed 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 and Frankfurt book fairs, and at the Bologna and London book fairs, respectively.

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CANADIAN STUDIES

Livres Canada Books has long promoted titles and authors of interest to Canadianists, librarians, academics, and buyers around the globe. The longstanding Books on Canada catalogue has given way to a sleek series of flyers, produced in partnership with the Department of Foreign Affairs and International Trade's International

Education and Youth Division and the Ottawa-based Inter-national Council for Canadian Studies.

In 2010–11, Livres Canada Books produced a set of four flyers highlighting a total of 119 titles from 28 publishers in social sciences, history and geography, fiction and literary criticism, nativestudies, women's studies, science, nature and environment, and business, economy and law.

The flyers were distributed in print at a variety of international Canadian studies conferences and electronically to members of the British Association for Canadian Studies (BACS), the Association for Canadian Studies in German-speaking countries (GKS), and the Association Française d'Études Canadiennes (AFEC), as well as 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 seventh annual seminar was a resounding success. Thirty-four publishers contributed more than 350 books, more than twice the number of titles sent in 2009. The seminar, which focused on children's books, literature for young readers — a fast growing segment of the Korean market —, and English as a Second Language (ESL) materials, attracted attention from thirty-six representatives of nineteen Korean publishing companies.

BUILDING EXPORT EXPERTISE

SYMPOSIUM

Livres Canada Books organized its third annual symposium at the Frankfurt Book Fair on the afternoon of October 5, 2010, focusing this year on international digital rights and export sales. Sixty-six participants took in the half-day professional development and networking event, designed to facilitate the exchange of information between international publishers.

Under the banner “Borderless eBooks,” an impressive array of publishing industry professionals from around the world discussed digitization and new ways of looking at rights and export sales. Panellists included OR Books’ John Oakes (United States), MVB Marekting’s Ronald Schild (Germany), Grup62’s Silvia Clemares (Spain), industry commentator Eoin Purcell (Ireland), ECW Press’s Erin Creasy (Canada), and Kobo’s Michael Tamblyn. Canadian and international publishers in the audience heard about new and different business models, including the no-return, no-discount model espoused by OR Books; how the German eBook platform — libreaka! — has taken an innovative approach to digital rights management and faced piracy issues head-on; how Catalan publisher Grup62 is promoting and selling eBooks through Libranda; the importance of finding your niche in small markets such as Ireland; and a practical (and generous) look at selling eBooks and digital rights in foreign markets from ECW

press. The symposium closed with a discussion of multi-market eBook sales by Michael Tamblyn, who brought together local, national and international perspectives.

The symposium was followed by a networking cocktail reception, which provided Canadian publishers with an opportunity to meet and mingle with the expert panel as well as with foreign publishers and book trade professionals in attendance.

WEBINARS

In an effort to reach a greater number of publishers by eliminating travel costs, Livres Canada Books held its first professional development webinars in 2010–11. Designed for both veteran and emerging exporters, the two online workshops focused on rights sales and were targeted at Canadian publishers interested in developing or strengthening their export strategies in the Asian markets and producing a sound right contract.

“Selling Canadian Books and Rights to Asia: China, Korea, and Japan,” a webinar on Asian market export strategies, was given by Xiaoyan Huang on March 1, 2011. Ms. Huang is an expert in

An impressive array of publishing industry professionals from around the world discussed digitization and new ways of looking at rights and export sales.



Symposium panelists (left to right) John Oakes, Silvia Clemares, Eoin Purcell, Erin Creasy, Michael Tamblyn

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.

the areas of acquisitions, import, marketing and children's publishing, having held positions at Amazon China, Harper Collins China, and the Shaanxi People's Publishing House. The webinar covered the best strategies to approach the Chinese market for the sale of rights and finished products, with comparisons to the Korean and Japanese markets, as well as how to build and maintain the different partnerships involved in selling books into Asia. The seminar was held in English, but presentation materials were available in both official languages.

A second webinar, titled "Export Barriers: The Importance of a Good Rights Contract," was delivered by Barbara Creary in French and English on March 7, 2011. Ms. Creary, a lawyer with over 20 years' experience in publishing and rights sales, negotiating translation contracts, distribution rights, and subsidiary rights, discussed how to develop practical skills in drafting robust contracts for rights negotiations. Attendees explored the standard terms and conditions of contract documents and how to leverage robust publishing relationships.

There were 25 participants in the webinar on the Asian market and 48 participants in the webinar discussing rights contracts.

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 most recent complete fiscal year. Six publishers benefitted from the program in 2010-11.

Alternating yearly between the US and Francophone Europe, the 2010-11 program focused on France, Belgium, and Switzerland. Participating publishers attended a two-day session in Montréal offered by Isabelle and Marie-Anne Lambert, publishing consultants from Paris. The workshop looked at promotion to bookstores, marketing and methods for entering the trade market, the state of digital sales, strategies for approaching this new market, and planning a visit to the Salon du livre de Paris, including how to obtain meetings with French publishers. The Lamberts also held one-on-one meetings with each participant to discuss their unique export strategy and provide tailored recommendations based on their catalogue.

The publishers then met the consultants jointly at the Salon du livre de Paris in March; the group meetings were followed by one-on-one meetings with potential distributors and publishers. All participants voiced their appreciation for the dynamic presentations and professional advice offered by the Lamberts. The Mentoring-Coaching Program formula continues to show positive results. Participants have been generous in providing feedback regarding improvements to better respond to their specific needs. Livres Canada Books will take these recommendations into account in revising the program for 2011-12.

MARKET INTELLIGENCE

Over the years, Livres Canada Books has produced and continues to update more than 20 market guides and market profiles aimed at Canadian book exporters. These guides provide intelligence about specific foreign markets including the US, UK, France, Spain, Australia, China, Japan, and Korea.

Newly revised and updated editions of our two most popular market guides — *Sales and Distribution Options for Canadian Publishers in the United States* and *Exporter le livre canadien en France* — were published electronically and offered for sale on the Livres Canada Books website.

In addition, Livres Canada Books continues to explore emerging markets that hold potential for Canadian publishers' authors and titles. Planning began this year on a scouting mission to the Nordic countries scheduled for the summer of 2011. A four-member delegation, selected to represent scholarly, trade, and children's publishers, and the Canadian publishing industry as a whole, will travel to Sweden, Norway, and Denmark to meet with key industry players. The delegation will produce a detailed report and make recommendations regarding how Canadian publishers can best connect with business partners there.

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, new technologies, business and distribution mod-

els, 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 best practices in digital publishing and export sales for Canadian publishers. Livres Canada Books commissioned industry experts Brian O'Leary and Clément Laberge to research digital content consumption in major and emerging markets and offer tips on how to capitalize on eBook growth and maximize income from digital rights, as well as practical guidance on eBook formats and workflows. The guide also includes a list of resources to help publishers stay current in this rapidly evolving market. It is available for sale on the Livres Canada Books website.

INFORMING AND INVOLVING PUBLISHERS

NEWSLETTER

A redesigned electronic newsletter was launched in May 2010. The newsletter's new look is consistent with Livres Canada Books' updated image, and is designed to make information, including event registration, title submission, program guidelines and activity reports easier to find. The new design also allows Livres Canada Books to feature selected titles and publishers' export success stories. The newsletter is sent to nearly 1,000 subscribers every month, keeping publishers up-to-date on Livres Canada Books' news and programs.

The Livres Canada Books website functions as a point of contact between the international community, Canadian publishers, and other partners.



WEBSITE

The Livres Canada Books website functions as a point of contact between the international community, Canadian publishers, and other partners. Work on improvements to the website continued in 2010-11. These include the addition of a Livres Canada Books blog and the development of an e-store to enable the purchase of market guides and online registration for events. Additional upgrades to the website planned for this second phase of development over five years include: refinements to submission forms for the Canada Stand and collective catalogues, improvements to online publications such as a dedicated section for catalogues, enhanced newsletter and blog content, added functionality to the members section, optimization for search engines, and the creation of a private section for Livres Canada Books directors and committee members.

SOCIAL MEDIA

Livres Canada Books plunged into social media this year, with the addition of a Facebook group and Twitter feed. Work continues on developing a comprehensive social media strategy to make more and better use of these tools to better promote Canadian publishers and their titles, and to keep publishers abreast of Livres Canada Books programs and services.

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). A representative of the Department of Canadian Heritage (DCH) sits on the Board as an observer.

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

Chair

Guy Frenette Administrator, Éditions Caractère / Les 400 coups ANEL

Vice-Chairs

Antoine Del Busso Executive Director, Presses de l'Université de Montréal APUC
 Bob Tyrrell Publisher, Orca Books Publishers ACP

Secretary Treasurer

Linda Cameron Director, University of Alberta Press ACP

Executive Director

François Charette

Members

Louise Alain Marketing and Rights Manager, Éditions Alire ANEL
 Jordan Fenn Publisher, H.B. Fenn and Company CPC
 Sarah MacLachlan President, House of Anansi Press ACP
 Peter Milroy Director, University of British Columbia Press ACUP
 Ingrid Remazeilles Publisher, Éditions Goélette ANEL
 Ginette Tremblay President and Executive Director, Éditions l'Artichaut ANEL

Observer

Ruth Bacon Deputy Director General, Cultural Industries Branch, Department of Canadian Heritage DCH

EXECUTIVE AND FINANCE COMMITTEE

Chair

Guy Frenette

Members

Linda Cameron
 Antoine Del Busso
 Bob Tyrrell

EXPORT EXPERTISE COMMITTEE

Chair

Louise Alain

Members

Antoine Del Busso
 Jordan Fenn
 Peter Milroy
 Ginette Tremblay
 Bob Tyrrell

NOMINATING AND GOVERNANCE COMMITTEE

Chair

Sarah MacLachlan

Members

Linda Cameron
 Guy Frenette
 Peter Milroy
 Ingrid Remazeilles

SECRETARIAT

Livres Canada Books' day-to-day operations are managed by a dedicated professional staff capable of delivering programs and services in both official languages. Though small given the range of activities for which it is responsible, the staff is widely regarded by publishers as efficient, knowledgeable, and responsive in its administration of funding programs, promotion of Canadian publishing, development of export expertise, and communications with publishers.

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



Left to right: Nouhed Chabani, Danielle Fauteux, Francine Bélec, Tricia McCraney, François Charette, Christy Doucet. Absent: Priya Ramjuttun.



LIVRES CANADA BOOKS®

Financial Statements

2010 2011

Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of the Association for the Export of Canadian Books:

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Association for the Export of Canadian Books (the "Association"), which comprise the statement of financial position as at March 31, 2011, 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 information, the capitalization policy of the Association with respect to the property and equipment is to expense items in the year purchased. In this respect, the financial information is not in accord-

ance with Canadian generally accepted accounting principles.

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 Association as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants
Ottawa, Canada
June 22, 2011

FINANCIAL POSITION

as at March 31, 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current assets			
Cash		373,384	1,271,289
Accounts receivable		102,270	70,152
Government grants receivable		241,593	196,161
Harmonized Sales Tax receivable		18,499	9,675
Prepaid expenses	3	163,179	156,302
		898,925	1,703,579
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities		263,545	1,009,151
Revenue received in advance	3	22,577	39,286
		286,122	1,048,437
Net assets			
Unrestricted		287,803	330,142
Internally restricted for contingencies		325,000	325,000
		612,803	655,142
		898,925	1,703,579

Economic capacity	1
Commitments	4
Financial instruments	6

On behalf of the Board,



Guy Frenette
Chair, Board of Directors



Linda Cameron
Secretary-Treasurer

OPERATIONS

for the year ended March 31, 2011

	Notes	2011 \$	2010 \$
REVENUE			
Department of Canadian Heritage (DCH)	2	1,499,040	4,701,775
Foreign Affairs Canada		5,900	7,453
Program for Export Market Development Publishers		—	7,710
Canada Stand		314,787	284,394
Marketing		38,864	39,321
Seminars		3,400	4,585
Symposium		7,005	—
Other		58,184	28,310
Total revenue		1,927,180	5,073,548
EXPENDITURES			
Operating expenses			
Rent	4	75,627	73,139
Board of Directors		47,730	81,424
Annual report		4,063	10,024
Business plan/strategic review	7	—	71,527
Travel		—	672
Salaries and professional development		351,688	284,998
Professional fees		46,899	58,067
Office and general expenses		37,573	41,050
Bad debts		435	7,317
Interest recovery on prior year's DCH funding	5	1,359	512
Foreign exchange losses (gains)		622	(2,467)
		565,996	626,263

Programs		
Export Marketing Assistance Program (EMAP)		
Contribution (recovery)	(7,947)	3,099,282
Logistics and support	5,963	11,177
	(1,984)	3,110,459
Foreign Rights Marketing Assistance Program (FRMAP)		
Contributions to fairs	751,104	694,953
Logistics and support	18,405	344
	769,509	695,297
Total programs	767,525	3,805,756
Canada Stand	434,258	393,738
Promotion/Information	36,980	97,859
Market intelligence / Professional development		
Publications and subscriptions	2,295	4,384
Digital research	11,142	40,689
Professional development and seminars	10,715	1,183
Mentoring	31,094	24,997
Market research and development	39,886	14
Scouting missions	745	30,041
Symposium	12,689	—
	108,566	101,308
Capital assets		
Property and equipment	1	13,855
		7,056
Total expenditures	1,927,180	5,031,980
Excess of revenue over expenditures, before other item	—	41,568
Other item		
Reversal of prior years' contributions receivable	(42,339)	—
Excess of (expenditures over revenue) revenue over expenditures	(42,339)	41,568

CHANGES IN NET ASSETS

for the year ended March 31, 2011

	2011 \$	2010 \$
UNRESTRICTED		
Balance at beginning of year	330,142	288,574
Excess of (expenditures over revenue) revenue over expenditures	(42,339)	41,568
Internal restriction for contingencies	—	—
	(42,339)	41,568
Balance at end of year	287,803	330,142
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

CASH FLOWS

for the year ended March 31, 2011

	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of (expenditures over revenue) revenue over expenditures	(42,339)	41,568
Changes in non cash operating working capital balances		
Accounts receivable	(32,118)	55,422
Government grants receivable	(45,432)	959,205
Harmonized Sales Tax receivable	(8,824)	124
Prepaid expenses	(6,877)	(58,939)
Accounts payable and accrued liabilities	(745,606)	(70,993)
Revenue received in advance	(16,709)	(47,919)
(Decrease) Increase in cash	(897,905)	878,468
Cash at beginning of year	1,271,289	392,821
Cash at end of year	373,384	1,271,289

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2011

General

The Association for the Export of Canadian Books (the “Association”) 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 1985, the Association 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.

Ad hoc contributions from the Program for Export Market Development (“PEMD”), Foreign Affairs Canada (“FAC”), and revenue received from publishers participating in the Association’s initiatives provide additional revenues for the Association to deliver enhanced support to the industry: coordination of the Canada Stand at international book fairs; promotion of Canadian titles through the Association’s catalogues, travelling book displays and website; preparation and distribution of

market reports to the industry; and, conducting seminars on foreign markets.

1. Summary of Significant Accounting Policies Economic Capacity

DCH allocates a contribution to the Association on an annual basis for the delivery of CBF funding assistance to individual publishing companies and to assist the Association in providing value added services to the industry. Should DCH terminate or not renew its contribution to the Association, the Association 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, 2011 and represents activities up to March 31, 2011.

DCH has indicated that it intends to renew the agreement for the fiscal year 2012.

Property and Equipment

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

Financial Instruments

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

The Association classifies financial instruments as follows:

- Cash is designated as available for sale.
- Accounts and other receivables are designated as loans and receivables.
- Investments are designated as held for trading.
- 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 Association has elected to use the exemption provided by The Canadian Institute of Chartered Accountants ("CICA") permitting not for profit organizations not to 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 Association for the year ended March 31, 2011. The Association applies the requirements of Section 3861, Financial Instruments – Disclosure and Presentation of the CICA Handbook.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Association 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 Association 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 Association 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 Association 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 Association 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 Association's financial statements.

2. Memorandum of Agreement

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

3. Prepaid Expenses and Revenue Received In Advance

These represent funds paid out or received prior to the year end, which pertain to fiscal year 2012 activities and programs.

4. Commitments

The Association has a lease commitment for office premises which expires November 30, 2011, as well as various equipment under operating leases. Future minimum payments to expiry are approximately as follows:

	Premises (\$)	Equipment (\$)
2012	49,523	3,885
2013	—	3,193
2014	—	532

5. Interest Reimbursement on DCH Funding

The Association must reimburse the estimated interest it earns on the cash flow generated from its funding from CBF. For the current year, the Association has accounted for the estimated interest it earned on its cash flows generated from its funding from CBF for the fiscal year 2011.

6. Financial Instruments

Fair Value

The Association'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 Association 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 Association 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, 2011, and is secured by a general security agreement.

The Association 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, 2011 amounting to \$440 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 Association holds activities in foreign countries and as such is exposed to the fluctuations of foreign and Canadian currencies.

7. Business Plan/Strategic Review

In fiscal year 2010, the Association incurred costs of \$71,527 for a five year Business Plan based on recommendations put forth in a Strategic Review of its activities made in 2009.

The Association has developed and approved a strategic and flexible five year Business Plan that will be implemented with renewed energy, professionalism and expertise to ensure that Canadian owned book publishers are well supported in their exports sales activities and well assisted in improving their overall results.

The undertaking of this Business Plan ensures the Association is well positioned to support the export efforts of Canadian publishers in a challenging international – and increasingly digital – marketplace, and to continue to develop and

strengthen its programs and services in support of Canadian owned book publishers' export efforts.

8. Capital Disclosures

The Association'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 bi laws. The Association includes net assets in the definition of capital. The Association'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 Association continuously attempts to identify potential new services and/or sources of revenue. The Association 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.

9. Comparative Figures

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

FUNDING BY RECIPIENT, 2010-11

Recipient	FRMAP \$	Mentoring \$	Mentoring - Europe \$
400 Coups, Éditions	8,304.96		
AdA, Éditions	1,344.89		
Alire, Éditions	6,899.66		
Alliage Éditeur	2,166.54		
Allusifs, Les	7,920.27		
Annick Press	9,960.13		
Arsenal Pulp Press	11,525.74		
Artichaut, Éditions L'	18,126.03		
Association nationale des éditeurs de livres (ANEL)	19,788.79		
Association of Canadian Publishers (ACP)	2,524.97		
Bayard Canada Livres	6,778.88		
Bayeux Arts	8,184.63		
Beauchemin International, Éditions	10,193.71		
Blue Bike Books	1,939.84		
Boomerang éditeur jeunesse	3,561.39		
Boréal Express, Le	6,370.66		
Bouton d'or Acadie	3,157.04		
Breakwater Books	2,841.11		
Brick Books	2,881.68		
Broadview Press	10,302.91		
Broquet	4,140.41		
Caractère, Éditions	6,192.26		
CCI Learning Solutions	7,994.27		
Chenelière, Éditions de la	12,106.05		
Chouette, Éditions	14,843.56		
Coach House Books	6,475.74		
Courte échelle, Éditions de la	4,749.54		
Crabtree Publishing	12,315.45		
CRAM, Éditions du	2,020.38		

Recipient	FRMAP \$	Mentoring \$	Mentoring - Europe \$
David, Éditions	1,218.60	2,000.00	275.00
DC Books	4,406.12		
DC Canada Education Publishing	1,404.64		
D&M Publishers	9,567.14		
Drawn & Quarterly	9,075.01		
Dundurn Group	5,549.07		
Écrits des Forges, Éditions	7,505.08		
ECW Press	9,771.47		
Édimag, Éditions	1,262.45		
EMC Notes	1,152.23		
Fernwood Publishing	1,397.66		
Fides, Éditions	3,885.42		
Firefly Books	2,828.40		
Fitzhenry & Whiteside	6,371.95		
Folklore Publishing	1,501.92		
Formac Publishing / James Lorimer & Company	4,734.13		
Frederick Harris Music	11,217.04		
Groundwood Books	6,845.07		
Guides de voyage Ulysse	7,031.38		
Guy Saint-Jean Éditeur	8,422.74		
Hancock House	3,977.84		
Harbour Publishing	1,476.89		
Heritage House Publishing	1,904.67		
Héritage, Éditions	5,514.23		
House of Anansi Press	5,869.91		
Hurtubise, Éditions	6,620.87		
Imagine, Éditions	3,166.46		
International Self-Counsel Press	3,693.22		
Intouchables, Éditions des	5,511.51		
J.C.L., Éditions	1,637.36		

Recipient	FRMAP \$	Mentoring \$	Mentoring - Europe \$
Key Porter Books	1,424.17		
Kids Can Press	12,342.19		
Leméac Éditeur	6,218.14		
Liber, Éditions	3,210.45		
Lingo Media	10,282.77		
Librex, Groupe	7,753.34		
Lobster Press	8,065.72		
Lone Pine Media Publishing	8,740.15		
Loze-Dion Éditeur	3,591.51		
Lux Éditeur	10,444.34		
Marcel Didier, Éditeur	2,610.10		
Master Point Press	7,346.11		
McArthur & Company Publishing	5,594.45		
McGill-Queen's University Press	7,024.98		
Médiaspaul, Éditions	6,718.27		
Mediscript Communications	8,859.87		
Mémoire d'encrier	5,998.23		
Michel Brûlé, Éditions	3,500.44		
Michel Quintin, Éditions	4,319.36		
Modus Vivendi, Publications	7,129.77		
Monde Différent, Éditions Un	3,055.16		
Montagne verte, Éditions de la	1,884.01		
Mortagne, Éditions de	8,064.27		
MultiMondes, Éditions	7,227.44		
New Society Publishers	1,665.80		
New Star Books	4,019.31		
Nimbus Publishing	1,381.64		
Noroît, Éditions du	2,690.41		
Nouvelles / ASMS, Éditions	1,565.13		
Novalis, Éditions	2,839.65		

Recipient	FRMAP \$	Mentoring \$	Mentoring - Europe \$
Orca Book Publishers	9,554.44		
Owlkids Books	7,856.48		
Paix, Éditions de la	5,296.44		
Passage, Éditions du	4,813.49	2,000.00	
Pembroke Publishers	5,234.40		
Perce-Neige, Éditions	1,135.72	2,000.00	1,631.39
Phidal, Éditions	4,487.40		
Phoenix, Éditions	974.42		903.57
Plaines, Éditions des	7,485.44		
Planète rebelle, Éditions	6,593.44		
Portage & Main Press	1,931.13		
Prise de parole, Éditions		2,000.00	
Presses de l'Université de Montréal	4,001.97		
Presses de l'Université du Québec	1,293.41		
Presses de l'Université Laval	5,419.49		
Québec Amérique, Éditions	9,783.54		
Red Deer Press	877.07		
Remue-Ménage, Éditions du	7,655.53		
Rocky Mountain Books	1,053.17		
Ronsdale Press	1,998.00		
Sara Jordan Publishing	6,409.54		
Second Story Press	6,710.78		
Septentrion, Éditions du	7,701.50		
Simply Read Books	11,889.91		
Sogides, Groupe	6,233.30		
Solski Group	924.35		
Sylvain Harvey, Éditions	1,661.30	2,000.00	1,600.28
Talon Books	1,852.13		
Thompson Educational Publishing	3,841.84		
TouchWood Editions	1,693.08		

Recipient	FRMAP \$	Mentoring \$	Mentoring - Europe \$
Tradewind Books	3,039.31		
Tralco Educational Services	6,712.49		
Transcontinental, Éditions	3,747.84		
Triptyque, Les Éditions	5,867.19		
Tundra	6,099.62		
Turnstone Press	4,974.15		
University of Alberta Press	3,121.15		
University of British Columbia Press (UBC Press)	11,530.84		
University of Calgary Press	1,160.92		
University of Manitoba Press	4,296.55		
University of Toronto Press	7,615.72		
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