

aecb ANNUAL REPORT

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Funding Programs ■

Promotion ■

Trade Fairs ■

Market Intelligence ■

Professional Development ■

Partnerships ■



AECB

contents



CHAIR'S MESSAGE	2
EXECUTIVE DIRECTOR'S MESSAGE	3
THE AECB	4
Board of Directors	5
Staff	5
PARTNERSHIPS	6
PROGRAMS AND ACTIVITIES	8
Funding Programs	9
Promotion	10
Trade Fairs	11
Market Intelligence and Professional Development	14
Program Beneficiaries 2003-2004	15
2003-04 FINANCIAL STATEMENTS	20
Auditors' Report	20
Statement of Financial Position	21
Statement of Operations	22
Statement of Changes in Net Assets	23
Statement of Cash Flows	24
Notes to Financial Statements	24

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Canada

Acronyms

ACA	Arts and Cultural Industries Promotion Division (DFAIT)
ACE	International Academic Relations Division (DFAIT)
AECB	Association for the Export of Canadian Books
ACP	Association of Canadian Publishers
ACUP	Association of Canadian University Presses
ANEL	Association nationale des éditeurs de livres
BPIDP	Book Publishing Industry Development Program (DCH)
CIDA	Canadian International Development Agency
CPC	Canadian Publishers Council
DCH	Department of Canadian Heritage
DFAIT	Department of Foreign Affairs and International Trade
IBD	International Business Development
ICCS	International Council for Canadian Studies
IMA	International Marketing Assistance
LPG	Literary Press Group
OMDC	Ontario Media Development Corporation
PEMD	Program for Export Market Development (DFAIT)
REFC	Regroupement des éditeurs canadiens-français
TTC-CGS	Trade Team Canada - Cultural Goods and Services (DCH)

message

CHAIR'S MESSAGE

As the AECB enters the final year of its three-year Business Plan, the time seems right to reflect on successes and look ahead to new challenges.



Over the previous two years, the AECB has made substantial strides in its ongoing efforts to better serve the needs of its clientele. While maintaining the delivery of its core services, the AECB added staff and redistributed responsibilities, significantly

increased its production and distribution of market intelligence, launched two new funding programs, created a popular program of travelling trade book displays, redesigned its Web site from top to bottom, and re-branded its trade show booths, catalogues and stationery.

Canadian publishers face an extremely competitive environment, vying against each other in Canada and abroad for their share of a market saturated with book offerings and other cultural media. Funding support continues to have an impact on the viability of Canadian publishers, and by delivering significant funding for close to 320 projects this year, the AECB continued to contribute to maintaining an independent publishing industry. And while the AECB was successful in cementing new partnerships and diversifying revenues, some publishers were compelled to abandon projects which were dependent on funding support. This situation underscores the need for timely access to government funding for both the AECB and Canadian publishers.

The partnerships between the AECB and federal cultural agencies and departments remain critical to the Canadian publishing industry's international success. These partnerships provide better leverage to the Government of Canada and the AECB in attaining their dual objectives of promoting Canada's diversity, values and identity and ensuring the success of our book publishing industry. They also allow for new orientations, such as the development

of partnerships with publishers from developing countries, which are reflective of both the distinctive worldview of Canadians and the maturity of their book publishing industry.

Unique in its ability to represent the whole industry on export-related matters, the AECB is in an excellent position to provide strategic guidance to, and to work with the federal government and other stakeholders for the development of new export support initiatives. The AECB remains a cost-effective national administrative body for the delivery of export programs and, as such, is the most efficient contact point for all stakeholders for a concerted attempt to expand the presence of Canadian cultural products on the world stage.

I would like to thank the Book Publishing Industry Development Program of the Department of Canadian Heritage, the Department of Foreign Affairs and International Trade (and its Program for Export Market Development), the Ontario Media Development Corporation of the government of Ontario, the Canadian International Development Agency, the International Council for Canadian Studies as well as all the Canadian embassies and consulates for their ongoing support and collaboration.

In closing, I would also like to thank the members of the Board of Directors for their single-minded commitment and valued contributions, the Executive Director for her tireless dedication and leadership, and the staff for their support and expertise. Together, these individuals made an invaluable contribution to the industry's success.

A handwritten signature in blue ink, appearing to read 'Bob Tyrrell'.

Bob Tyrrell
Chair, AECB Board of Directors

message

EXECUTIVE DIRECTOR'S MESSAGE

One of AECB's greatest challenges is maintaining its ability to respond to the needs and priorities of all Canadian book exporters.



As Canada's publishing industry matures, it creates more diversity. New publishing houses spring up and begin to test the waters of international markets. Established houses gain more business expertise and expand the scope and range of

their export sales with ever-increasing sophistication. The AECB must continue to develop new services and enhance existing programs on a strategic basis in order to keep pace with the evolving needs of book exporters.

The AECB's current three-year business plan runs out in 2005. While all of its activities are widely endorsed by the publishing community, the AECB will continue to focus on maintaining the efficient delivery of its established programs and services, and on ensuring their continued effectiveness, practicality, flexibility, and ease of use. In doing so, the AECB will:

- build on its partnerships with the Department of Canadian Heritage, the Department of Foreign Affairs and International Trade, and other national and provincial organizations in order to ensure increased support for Canadian publishers for their international marketing activities;
- continue to consult individual publishers and national trade associations to identify needs and priorities on export-related matters.

The AECB's success is a remarkable testament to the ingenuity and ongoing cooperation of all its stakeholders. Stronger partnerships with the Government of Canada as well as the unrelenting enthusiasm and support of Canadian diplomatic and trade missions abroad were crucial in helping the AECB achieve its objectives in 2003-04 and assisting Canadian book publishers compete effectively on the international stage.

The unprecedented success of the AECB in providing increased support to Canadian book exporters and enhancing the visibility of their authors and titles on the world stage would not be possible without the time and effort invested by its devoted Board of Directors, which clearly enjoys its leadership role and shows trust in its Executive Director and secretariat. Thank you for your ongoing support and cooperation.

Finally, I could not agree more with Canadian publishers when they qualify the AECB staff as being "efficient, knowledgeable and responsive." Thank you for being such a great team.

A handwritten signature in blue ink that reads "Suzanne Bossé".

Suzanne Bossé
Executive Director, AECB

the aecb



The Association for the Export of Canadian Books is an independent, non-profit organization created in 1972 by publishing industry professionals. Its mission is to foster and facilitate the continued growth of export sales by Canadian book publishers. The AECB seeks to achieve this mission by raising Canadian book publishers' awareness of export opportunities and stimulating export initiatives, promoting Canadian publishers' books in international markets, serving as an efficient, central (international and domestic) contact point, offering export-related products and services to the Canadian book publishing industry and providing an efficient national administrative body for the delivery of federal and provincial government export programs for publishers.

Board of Directors

Staff



Board of Directors

The AECB relies heavily on the advice of publishers from all parts of Canada, who undertake meaningful export activities. Its 12-member board represents the Canadian publishing industry and federal government, who work hand in hand in policy and program development to expand the presence of Canadian cultural products and services on the world stage, and to build the Canadian

book publishing industry's viability and capacity. Ten members speak for the national trade associations: 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 balance of the Board represents the departments of Canadian Heritage (DCH) and Foreign Affairs and International Trade (DFAIT).

Chair	Bob Tyrrell	President & Publisher, Orca Book Publishers (ACP)
Vice-Chair	Hervé Foulon	President, Éditions Hurtubise HMH (ANEL)
Vice-Chair	Linda Cameron	Director, University of Alberta Press (ACUP)
Secretary-Treasurer	Nick Rundall	Vice-president, Whitecap Books (ACP)
Members	Pascal Assathiany	Director, Éditions du Boréal (ANEL)
	Antoine Del Busso	Director, Fides (ACUP)
	Aline Côté	President and Director, Éditions Berger (ANEL)
	Patrick G. Crean	Publisher, Thomas Allen Publishers (CPC)
	Gordon Platt	Director General, Publishing Policy and Programs, Canadian Heritage (DCH)
	Reneta Siemens	Director, Arts and Cultural Industries Promotion Division (DFAIT)
	Denis Vaugeois	President, Éditions du Septentrion (ANEL)
	Margie Wolfe	President, Second Story Press (ACP)

Staff

The AECB currently employs an efficient, knowledgeable and responsive staff of seven who administer programs, develop and

deliver market intelligence and professional development, and provide promotional and logistical support to publishers.

Executive Director	Suzanne Bossé
International Marketing Manager	Catherine Montgomery
International Programs Manager	François Charette
International Programs Officer	Sheila Cormier
Publications Officer	Adam Becker
Financial Officer and Office Manager	Daniel Bilodeau
Administrative Assistant	Danielle Fauteux

partnerships



Strengthening the partnership between federal and provincial cultural agencies and departments and the book publishing industry in order to assist Canadian publishers better position themselves and achieve their full export potential is one of the AECB's major objectives. Working in synergy to ensure a greater presence for Canadian books abroad fosters international recognition of Canadian culture and of Canada as a whole, the full development of the Canadian book publishing industry's potential on international markets and, finally, the long-term competitiveness and viability of the industry.

Department of Canadian Heritage (DCH)

At Canadian Heritage, the AECB partners with the Book Publishing Industry Development Program (BPIDP) in many ways. The AECB administers DCH \$4.8 million contribution by delivering BPIDP's International Marketing Assistance (IMA) component to eligible publishers, discusses possible revisions to funding programs, contributes to discussions to improve the collection of statistics for the industry and government, and provides DCH with data it compiles on Canadian publishers' export sales.

The AECB also works with the Trade Investment Branch of DCH in attaining the objectives of Canada's International Business Development (IBD) plan. The AECB's Executive Director has chaired the Magazine and Book Publishing working group of Trade Team Canada - Cultural Goods and Services

(TTC-CGS) since its creation in 2001, helping shape government priorities and actions on export preparedness and international business development issues.

Department of Foreign Affairs and International Trade (DFAIT)

The AECB also co-operates with DFAIT in its aim to increase Canadian prosperity and competitiveness in the international marketplace. It does so through support from the Program for Export Market Development (PEMD), which assists in increasing export sales of Canadian goods and services.

The AECB also works with the Arts and Cultural Industries Promotion Division (ACA) at DFAIT in attaining a common objective: helping Canadian exporters compete and succeed in international markets and presenting Canada's image abroad.

Finally, through its Canadian Studies Program, the AECB also partners with the International Academic Relations Division (ACE) at DFAIT to develop a greater knowledge and understanding of Canada, its values and its culture among scholars and other influential groups abroad.

Embassies and Consulates

The AECB increasingly serves as a link between Canadian embassies and consulates and Canadian publishers. Over the previous year, starting with the pilot project of the Travelling Trade Collections in 2001, our relationships with trade and cultural officers in embassies and consulates around the world have strengthened. These relationships have borne fruit in an increasing number of rights enquiries for Canadian titles and an infrastructure where officers working in Canadian missions are watching for possible business opportunities and international partnerships for Canadian publishers.

Canadian International Development Agency (CIDA)

In addition to pursuing its work on providing intelligence to Canadian publishers on International Financial Institutions, the AECB partnered with CIDA, which allocated \$25,000 over two years for the development and presentation in Tokyo of two papers on

the subject of educational quality. This initiative complemented the AECB's work towards establishing a pilot program to offer publishers in developing countries access to business partnerships with Canadian publishers. The AECB hopes to partner again with CIDA in establishing a Partnerships for Sustainable Development in Publishing program in the near future.

Ontario Media Development Corporation (OMDC)

OMDC plays an important role in building the capacity and competitiveness of Ontario's book publishing, music, interactive digital media, film, magazine publishing, and television industries. The AECB teamed up for a second consecutive year with the OMDC in 2003-04 to provide funding assistance for Ontario publishers to offset the costs of exhibiting at and attending major international book fairs. The AECB distributed \$90,000 to 30 Ontario publishers who participated in the 2003 Bologna, Frankfurt, BookExpo America and 2004 London book fairs.

programs and activities



Over the last 30 years, the Association for the Export of Canadian Books has been very successful in introducing publishers to foreign markets by providing them with financial, promotional and logistical support. With assistance from AECB programs, Canadian publishers have been able to promote their titles abroad by purchasing ad space, conducting direct mail campaigns and by attending international book fairs to sell translation rights and negotiate distribution agreements with foreign distributors and/or publishers. Small and/or

Funding Programs 

Promotion 

Trade Fairs 

Market Intelligence 

Professional Development 



emerging exporting publishers are particularly well served by the AECB's value-added services (collective stands, catalogues, book displays, market intelligence and professional development) until they develop in-house resources of their own. Larger and/or more experienced exporters continue to benefit from AECB programs and services, thus improving their capacity to compete on international markets.

FUNDING PROGRAMS

For an eighteenth consecutive year, the AECB partnered with DCH for the delivery of BPIDP's IMA component: \$4.8 million in 2003-04. In total, the AECB allocated \$3,819,007 of its BPIDP contribution in direct assistance to eligible Canadian publishers. While a portion of the contribution (\$381,890) was extended to 2004-05, the balance of BPIDP contribution was allocated to other AECB programs and services.

Funding programs operate on a cost-sharing basis between the AECB and eligible publishers. Contributions are generally based on publishers' expenses for export and international marketing activities and on net export sales of eligible titles.

Export Marketing Assistance Program (EMAP)

This formula-based program assists Canadian-owned publishers in developing and strengthening their sales on the international stage and in expanding foreign markets for their titles. The AECB received 140 applications, including four from national publishers' associations: the ACP, ANEL, Literary Press Group (LPG) and Regroupement des éditeurs canadiens-français (RECF). Out of these, 131 were eligible for the program. Contributions totalled over \$2.6 million. The maximum contribution allocated under the program was \$44,500.

Foreign Rights Marketing Assistance Program (FRMAP)

This program fosters Canadian-owned publishers' export sales by providing funding for export sales trips and travel to international trade events. These trips are for participating at international fairs where considerable business is done selling rights or finished products and negotiating distribution agreements, as well as for making trips outside of fairs to support international distributors' marketing and sales activities. The AECB received 145 applications of which 141 were eligible. A total of \$607,976 was distributed in aid of 524 delegate trips to 116 international trade events or meetings.

New Market Development Fund (NMDF)

The project-based NMDF assists Canadian-owned publishers in launching titles in new export markets (or export market segments) or in testing new initiatives within existing export markets. The AECB received 34 applications. Out of these, 33 were eligible for the program. Contributions totalled \$523,121.

Export Expertise Development Fund (EEDF)

This program aids Canadian-owned publishers in entering or expanding their activities in key export markets. Funds provided under EEDF are used to commission consultants



who conduct research tailored to publishers' specific export needs. The AECB received 14 applications in 2003-04, all of which were eligible for the program. Contributions totalled \$59,987.

PROMOTION

To promote Canadian publishers' books in the international marketplace, the AECB produces a number of specialized catalogues geared to export markets, which, combined, are sent to more than 15,000 international addresses each year. It continually promotes its Web site in international trade magazines, in all its publications, and on the Canada stand at major international fairs. Visibility afforded in online, fully searchable versions of the AECB's catalogues and fair directories is unequalled. Finally, the AECB works in partnership with trade and cultural officers at Canadian missions around the world to promote Canadian publishing through travelling book collections. This is a privileged relationship that responds to the needs and objectives of both the missions and the AECB.

Rights Canada catalogue

The fall 2003 edition of Rights Canada, a collective catalogue promoting the sale of foreign rights to award-winning and selected Canadian titles, listed 118 titles from 42 publishers. Following its mailing to 2,500 international publishers and agents, publishers received many direct requests for reading copies. Enquiries for 18 titles listed in the catalogue by 13 Canadian publishers were also received by the AECB directly from publishers/agents in the Netherlands, Japan, Spain and Israel, among others, for more information on. A significant number of visitors to the Frankfurt Book Fair arrived with a copy of the catalogue in hand, having identified a specific title of interest.

The spring 2004 edition listed 93 titles from 40 publishers - a substantial increase in numbers from the previous spring due to a repeat listing price point, and increased

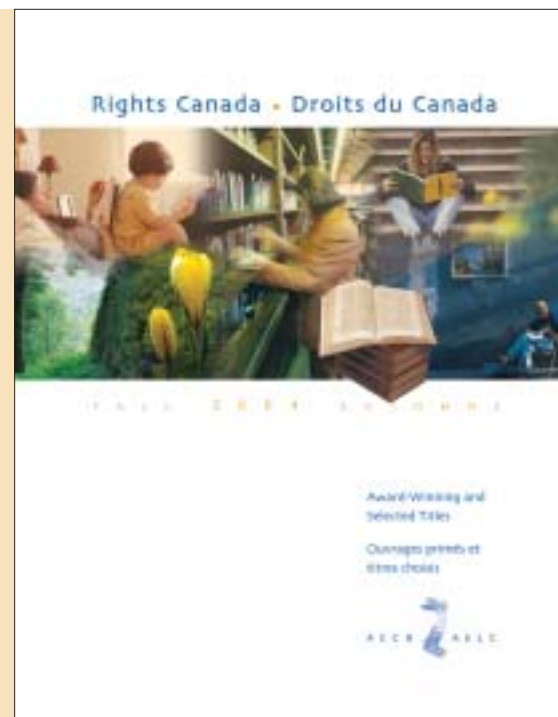
awareness of the catalogues' effectiveness. The catalogue was distributed at the London Book Fair, the Bologna Children's Book Fair in addition to BookExpo America 2004. The AECB received 10 requests for more information concerning 10 different publishers, all of which were forwarded to the relevant publishers. There enquiries were received from China, Belgium, Netherlands, and the United States.

Books on Canada catalogue

The annual Books on Canada catalogue allows Canadian publishers to promote Canadian Studies material to academics and institutions around the world. Each year, the catalogue is mailed to some 6,000 academics, librarians and researchers abroad, who use it as a source of title and ordering information for recent publications about Canada. The catalogue is also distributed on the Canada stands at major international book fairs.

The 2004 catalogue listed 256 titles from 50 publishers. Increased funding provided by DFAIT for international mailing costs allowed the catalogue to be mailed to more than 6,000 Canadianists around the world. The AECB also mailed the catalogue to librarians by partnering with a number of embassies and by purchasing a list of U.S. librarians.

In conjunction with the publication of Books on Canada, the AECB coordinates the Travelling Book Display. The 2004 collection of Canadian Studies titles is comprised of 160 frontlist titles listed in the catalogue. These titles are showcased in five travelling displays that tour to over 30 Canadian Studies conferences around the world throughout the year in every corner of the world including China, India, Argentina, and Germany.



Web site

The AECB continues to promote its Web site as an essential tool for publishers both in Canada and abroad. The site provides Canadian publishers with relevant and timely market intelligence and information about the AECB programs and services. Canadian publishers can also use the site as a promotional tool to reach foreign publishers, agents, libraries, institutions, booksellers and distributors interested in rights sales or distribution agreements. Visitors now have access to a database of over 2,300 Canadian titles with contact information, including email and Web site addresses, for some 280 Canadian publishers.

Monthly traffic has steadily increased since the Web site's launch in May 2003. Improved statistic reports allow the AECB to identify visitors from some 30 countries who have viewed the site during the three months ending March 2004. Users of Google and MSN search engines in France, Belgium, Australia, Switzerland, Morocco, Thailand,

India, Mexico and the UK seeking information on "Canadian exports," "Canadian publishers," the London and Bologna book fairs are finding the AECB site.

Several functions underwent a major update mid-year in order to increase publishers' visibility. Links to publishers' sites have been added to items in the "Success Stories" section. As in other sections of the site, visitors can now instantly call up publishers' sites for more information. Publishers listing books on the site now also have the option of listing two different language editions of the same title.

Trade book collections

The AECB tours three collections of Canadian books around the world: a general trade book collection of some 200 fiction and non-fiction titles

in English and French; a children's book

collection of some 100 titles in English and French for children and young adults; and a French-language book collection of some 70 titles for children and adults.

A partnership between DEAIT, the AECB and Canadian publishers, these collections are designed to showcase excellence in Canadian publishing and to promote the sale of Canadian titles (both foreign rights and finished books) around the world. Canadian embassies and consulates are invited to request the book collections for presentation at book fairs, schools, libraries and other venues.

TRADE FAIRS

International book fairs are meeting places for the entire publishing industry. The business of rights and licenses plays an important role at fairs such as the Frankfurt Book Fair and the London Book Fair. Publishers, agents, scouts and other rights professionals from around the world come to these events looking to buy and sell the rights to works of various genres. Fairs, such as BookExpo America and the Paris Book Fair, allow distributors, retail book buyers and members of the public a chance to see all the new titles across all categories and meet hundreds of authors. Other fairs, such as the shows held in Bologna and Guadalajara, concentrate on specific categories, such as children's books, or market segments such as Spanish-speaking Central and South America.

The AECB facilitates Canadian publishers' participation in international book fairs by taking care of all coordination with fair organizers including resolving errors in invoicing and mailings to exhibitors, organizing a consolidated shipment, and dealing with missing badges and catalogue vouchers before the fair's opening. This allows publishers to fully concentrate on what is usually an intense few days of meetings and negotiations.



Canadian publishers exhibiting on the collective Canada stands were very pleased with the AECB's logistical support and the smooth and efficient management of stands during fairs. Increasing the flexibility for publishers and responding to the level of service they require lead the AECB to implement a new *pied-à-terre* option. This allows publishers access to AECB support but frees them from having to staff a space on the stand.

While at the fairs, the AECB also compiles enquiries and business opportunities, which are passed onto publishers and included in the association's bulletin, and attends sessions and meetings when possible to keep its ear to ground for developments in various markets around the world.

Bologna Children's Book Fair 2003, April 2-5

The world's leading children's publishing event, the 2003 Bologna Children's Book Fair featured 1,119 exhibitors, including publishers, literary agents, TV/film production companies, packagers, printers, and international organizations from 66 countries. Nearly 4,000 foreign professional visitors attended.

Thirty-one Canadian publishers were present in Bologna. The exhibitors were particularly pleased by the way the fair accentuated its role as a world centre for the exchange of rights in children and young adult's publishing while at the same time opening up to new sectors and market segments through new initiatives such as the TV/Film Rights Centre.

BookExpo America 2003, Los Angeles, May 30-June 1

BookExpo America is the most important event serving the largest book market in the world. A total of 27,143 buyers and industry professionals from the U.S. and abroad attended BEA 2003 in Los Angeles.

A total of 28 Canadian publishers were present at BEA. Publishers attending this fair mainly concentrated on servicing U.S. accounts, developing distribution deals or

meeting with existing distributors and selling rights. All attending reported packed calendars during the fair.

ALA/CLA Annual Conference 2003, Toronto, June 20-24

The AECB took advantage of the Canadian location of the American Library Association convention by producing two catalogues promoting children's, and adult fiction and non fiction titles to U.S. librarians. The AECB also took an information booth in an effort to follow up on these catalogues and their mailing to 9,000 U.S. librarians before the convention. ALA officials reported that more than 17,500 librarians, exhibitors, educators, writers, publishers and special guests attended the world's largest library conference and exhibition.

Promotional items were given out at the conference and a draw for a selection of Canadian books was held as a means of collecting contact information for the AECB's database of U.S. librarians interested in Canadian books. As a result of these efforts, the AECB expects to see increased traffic on its Web site and, in turn, more orders for the titles listed in the catalogues.

Frankfurt Book Fair 2003, October 8-13

Each October, Frankfurt is home to the largest meeting of publishers, literary scouts, rights managers, writers, illustrators and book-sellers in the world. A total of 6,638 individual exhibitors from more than 102 countries



and more than 180,000 trade visitors from 108 countries attended the publishing world's premier event.

Some fifty-five publishers, including six newcomers, exhibited on the collective Canada stand, which continued to benefit from an excellent location and high visibility, attracting numerous visitors. Fair-goers inquiring at the stand's info desk were offered copies of the AECB's directory of Canadian publishers at Frankfurt (over 425 copies were distributed), the fall 2003 Rights Canada and Books on Canada catalogues as well as other promotional give-aways.

The AECB joined successful efforts by Canadian and other international trade associations to roll back a significant increase in stand reservation costs announced by fair officials, acting as an effective advocate for Canadian publishers on the international scene.

Guadalajara International Book Fair 2003, November 29-December 7

The Guadalajara International Book Fair (FIL) is the largest Spanish-language book event in the world. In total, 443,917 consumer visitors, 14,416 book publishing professionals and 1,498 publishers from 38 countries attended FIL 2003, the 17th.

Quebec was the guest of honour at the 2003 fair. In addition to 12 publishers on the Canada Stand, Quebec sent a delegation of over 50 publishers, some 50 authors, as well as dancers, musicians, filmmakers, academics and government officials. The AECB is grateful to the Canadian Embassy in Mexico and its staff who organized a series of cultural, literary and academic activities during the fair and contributed \$6,000 towards the collective Canada stand.

London Book Fair 2004, March 14-16

The AECB's promotion of Canadian publishers, titles and authors at the 2004 London Book Fair was a tremendous success, thanks to appealing titles from Canadian publishers, the support of DFAIT's Branding Canada program and ACA branch, the outstanding collaboration of the Canadian High Commission and Canada House in London, and to an effective publicity campaign carried out in cooperation with Colman Getty PR. The media campaign got underway before the fair with a February 28 article in The (Scottish) Herald reporting that "Canadian literature is becoming one of the most vibrant in the English-speaking world" and further "With one of the most ethnically diverse populations in the world, historically and now, Canada offers a wealth of voices that chime with broader international concerns." There were also two BBC interviews with Austin Clarke, Commonwealth Prize Winner for his novel "The Polished Hoe" published in Canada by Thomas Allen Publishers and in the UK by Tindal Street Press.

In all, some 50 Canadian publishers attended LBE, which has sealed its place as the premier spring publishing event, attracting not only UK publishers, booksellers and agents, but companies and journalists from around the world. After attending AECB seminars and meetings with UK publishers and buyers on the day preceding the fair's opening, Canadian publishers participated in the trade show, garnering attention for their titles in all categories, including fiction and poetry; children's books; history and politics; spirituality and religion; nature and the environment; biography and travel.

A well-attended reception on the second day of the fair was a true celebration of Canadian publishing and an ideal opportunity for Canadian publishing professionals to network with their UK counterparts. The reception, hosted by Canada's High



Commissioner in London, Mel Cappe, was held in a private room rather than on the stand as in past years, giving the event more of a sense of occasion.

Canadian delegates have indicated that the event had a very positive impact on their company and that AECB's promotional support also extensively increased their visibility as an international publisher.

MARKET INTELLIGENCE AND PROFESSIONAL DEVELOPMENT

Market intelligence collected, prepared and distributed by the AECB contributes to Canadian publishers successes in foreign markets. The AECB maintains an extensive library of export resources in its secretariat and offers a growing list of detailed and informative market reports, written exclusively for Canadian publishers, covering everything from non-traditional markets in the US, to co-publishing in France, to selling translation rights in Asia.

The AECB also continued to provide information and expertise to the industry through its mentorship program, which matches first-time participants in international trade fairs with more experienced Canadian colleagues, and through its bimonthly AECB News electronic bulletin for Canadian publishers, which currently has upwards of 450 subscribers.

Market guides

To complement guides published in the previous two years on markets segments in the U.S., France, U.K., and on International Financial Institutions, the AECB published three guides to targeted market segments in the U.S. (*Selling Canadian Children's and Young Adult Books to U.S. Trade and Specialty Markets*, *Case Studies on Marketing Books in the United States* and *Le Marché du*

livre de langue française aux États-Unis) and another on direct sales in France (*Les Ventes hors librairie en France*).

The AECB also prepared guides to help Canadian-owned publishers expand their sales of English-language books in Asia. These guides were designed to help publishers understand some of Asia's complex publishing environments. They profile consumers of English-language books, discuss marketing strategies and distribution channels for export sales and look at key players for rights sales.

A guide to the Chinese market (*Selling Canadian Books and Translation Rights in China*) was published. To build on the fact that publishers are selling increasingly more rights into Korea, that Korea is opening up to English-language books, and to build on increased cooperation with the Canadian embassies in the area, the AECB also published a guide to the Korean market (*Selling Canadian Books and Translation Rights in Korea*). Finally, in preparation of the 2005 Tokyo Book Fair at which the AECB will be coordinating a Canadian presence, it also published a market guide on Japan (*Selling Canadian Books in Japan*).

Seminars and workshops

In addition to providing expanded services related to market intelligence, the AECB assists Canadian publishers by organizing seminars on selected markets.

This year, for the first time, the AECB presented two half-day seminars abroad to coincide with the London Book Fair. Consultant Peter Kilborn of Book Industry Communication moderated both seminars on the UK market (*Trends in the UK Market and How to Work with UK Booksellers and Wholesalers*). Panellists included experts from retail monitoring service Nielsen BookScan, book information suppliers BookData and Book Marketing Ltd., publisher Allison & Busby, The



Guardian newspaper, distributor Gazelle Book Services, Bounce! Sales & Marketing, and PR firm Colman Getty. In total, 46 delegates from 19 Canadian publishing companies attended the sessions. Funding for these seminars was provided by DEAIT's Branding Canada program.

The AECB also conducted two half-day seminars in mid-February in Montreal. The first complemented the AECB's market guide to direct sales in France. Former Groupe Morin editorial director Isabelle Lambert chaired a panel featuring online sales expert Luigi Gropallo and bookseller and publisher François Paillocher, a direct mail specialist. Twenty-five delegates from 19 Canadian companies attended this seminar. Lambert later followed-up this seminar with a second, very practical, hands-on seminar on adapting sales material for the French market, which was attended by 16 delegates from 11 companies.

Program Beneficiaries 2003-2004

EMAP

Prov.	Publisher / Association	Contribution
QC	91439 Canada Ltée a/c Éditions de Mortagne	35,334
QC	Alliage Éditeur	2,668
AB	Altitude Publishing Group of Companies	25,584
ON	Annick Press Ltd.	44,500
BC	Arsenal Pulp Press Ltd.	17,433
QC	Association nationale des éditeurs de livres	16,531
ON	Association of Canadian Publishers	11,125
AB	Bayeux Arts Inc.	7,986
ON	Between the Lines Incorporated	4,908
QC	Brault et Bouthilier Inc.	9,362
NF	Breakwater Books Limited	9,323
AB	Broadview Press Inc.	44,500

EMAP cont'd

Prov.	Publisher / Association	Contribution
QC	Broquet Inc.	9,923
ON	Canadian Scholars' Press Inc.	15,153
ON	Captus Press Inc.	3,745
ON	Collector's Guide Publishing	41,829
SK	Coteau Books/Thunder Creek Co-Op	4,250
ON	Crabtree Publishing Company Limited	43,022
QC	Décarie, Éditeur Inc.	2,654
AB	Detselig Enterprises Ltd.	11,181
BC	Douglas and McIntyre Ltd.	44,500
ON	Dundurn Press Limited	8,243
ON	ECW Press Ltd.	40,050
QC	Édimag Inc.	3,771
ON	Firefly Books Ltd.	40,050
ON	Fitzhenry & Whiteside Limited	28,316
QC	Gaëtan Morin Éditeur Ltée	41,561
ON	Gage Learning Coporation	3,858
ON	Garamond Press Ltd.	2,718
NB	Goose Lane Editions Ltd.	3,382
QC	Groupe Beauchemin, éditeur Ltée	37,776
QC	Groupe Ville-Marie Littérature Inc.	2,259
QC	Guérin Éditeur Ltée	8,721
ON	Guernica Editions Inc.	7,181
QC	Guides de Voyage Ulysse Inc.	25,344
QC	Guy St-Jean Éditeur Inc.	26,340
BC	Hancock House Publishers Ltd.	38,187
BC	Harbour Publishing Co. Ltd.	11,517
BC	Heritage House Publishing Co. Ltd.	9,913
ON	House of Anansi Press Inc.	5,431
MB	Hyperion Press Limited	28,867
ON	Insomniac Press Ltd.	7,610
BC	International Self-Counsel Press Ltd.	37,130
NS	James Lorimer and Company Limited / Formac Publishing Co. Ltd.	16,140
ON	Jordan Music Productions Inc. / Sara Jordan Publishing	17,024
ON	Key Porter Books Limited	42,721
ON	Kids Can Press Ltd.	40,757
QC	Lancôt Éditeur Inc.	3,010
QC	Le Boréal Express Ltée	22,159



EMAP cont'd

Prov.	Publisher / Association	Contribution
QC	Le Loup de Gouttière Inc.	2,438
QC	Leméac Éditeur Inc.	12,190
QC	Les Écrits des Forges Inc.	10,852
QC	Les Éditions du Roseau	26,657
QC	Les Éditions Anne Sigier Inc.	26,139
QC	Les Éditions Chouette (1987) Inc.	44,500
QC	Les Éditions de la Chenelière Inc.	34,337
QC	Les Éditions de la courte échelle Inc.	16,638
QC	Les Éditions des Intouchables Inc.	8,273
QC	Les Éditions du Remue-Ménage Inc.	2,638
QC	Les Éditions du Septentrion Inc.	3,517
AB	Les Éditions Duval Inc.	13,579
QC	Les Éditions Fides Inc. (9097-1946 Québec inc.)	28,717
QC	Les Éditions Héritage Inc.	21,474
QC	Les Éditions Hurtubise HMH Ltée	17,176
QC	Les Éditions J.C.L. Inc.	18,137
QC	Les Éditions l'Artichaut Inc.	35,371
QC	Les Éditions Marie-France Ltée	3,373
QC	Les Éditions Médiaspaul	8,397
QC	Les Éditions Mille-îles Inc. / les 400 coups	3,962
QC	Les Éditions Multimedia Robert Davies Inc.	14,634
QC	Les Éditions Multimondes Inc.	4,934
QC	Les Éditions Novalis Inc.	29,536
QC	Les Éditions Phidal Inc.	44,500
QC	Les Éditions Québec Amérique Inc.	44,500
QC	Les Éditions Québecor Média Inc.	44,500
QC	Les Éditions Reynald Goulet Inc.	30,943
QC	Les Éditions Saint-Martin	2,988
QC	Les Éditions Sciences et Culture Inc.	15,250
QC	Les Éditions Septembre Inc.	1,758
QC	Les Éditions Tormont Inc.	40,050
QC	Les Éditions Un Monde Différent Ltée	19,554
QC	Les Presses de l'Université de Montréal	14,005
ON	Les Presses de l'Université d'Ottawa	739
QC	Les Presses de l'Université du Québec	9,410

EMAP cont'd

Prov.	Publisher / Association	Contribution
QC	Les Presses de l'Université Laval	23,912
QC	Les Publications Modus Vivendi Inc.	31,053
ON	Lingo Media	40,050
ON	Literary Press Group	11,125
AB	Lone Pine Media Productions Ltd.	44,500
QC	Louise Courteau Éditrice Inc.	32,337
ON	Maple Tree Press Inc.	19,652
ON	McArthur & Company Publishing Inc.	11,485
ON	McClelland & Stewart Ltd.	22,669
QC	McGill Queen's University Press	44,500
ON	Mediscript Communications Inc.	14,636
QC	Modulo Éditeur	7,505
BC	New Society Publishers Ltd.	44,500
NS	Nimbus Publishing Limited	8,901
BC	Orca Book Publishers Ltd.	40,050
ON	Pembroke Publishers Limited	22,050
ON	Pippin Publishing Corporation	12,534
MB	Portage & Main Press Limited	29,563
NS	Pottersfield Press Limited	7,401
QC	Productions Édition ASMS Inc. / Éditions Nouvelles	5,074
QC	Productions Jeux de Mots Inc. / Wordplay Productions Inc.	5,204
SK	Rainbow Horizons Publishing Inc.	2,555
BC	Raincoast Book Distribution Limited	33,841
AB	Red Deer Press Ltd.	9,469
ON	Regroupement des éditeurs canadiens-français	5,719
ON	Robert Rose Inc.	44,500
AB	Rocky Mountain Books Ltd.	13,210
ON	Second Story Feminist Press Inc.	16,927
QC	Sogides Ltée	42,241
BC	Talon Books Ltd.	8,056
ON	The Frederick Harris Music Co., Ltd.	37,974
ON	The Solski Group Ltd.	13,022
ON	Thompson Educational Publishing, Inc.	4,847
ON	Trifolium Books Inc.	1,758
ON	Tundra Inc.	21,831
BC	UBC Press	38,627

EMAP cont'd

Prov.	Publisher / Association	Contribution
AB	University of Alberta Press	5,894
AB	University of Calgary Press	9,937
ON	University of Toronto Press Incorporated	43,761
ON	Vanwell Publishing Limited	2,680
QC	Véhicule Press Reg'd	2,663
ON	Warwick Publishing Inc.	13,185
AB	Weigl Educational Publishers Limited	42,412
ON	Whitecap Books Ltd.	44,500
ON	Wilfrid Laurier University Press	16,680
QC	Wilson & Lafleur, Limitée	5,910
BC	Wood Lake Books Inc.	17,238

EEDF

Prov.	Publisher / Association	Contribution
ON	Annick Press Ltd.	875
ON	Bayeux Arts Inc.	2,500
BC	Douglas and McIntyre Ltd.	10,000
ON	Dundurn Press Limited	4,000
ON	Key Porter Books Limited	10,000
QC	Le Loup de Gouttière Inc.	1,250
AB	Lone Pine Media Productions Ltd.	6,037
ON	Mediscript Communications Inc.	10,000
QC	Productions Jeux de Mots Inc. / Wordplay Productions Inc.	5,000
SK	Rainbow Horizons Publishing Inc.	325
AB	Weigl Educational Publishers Limited	10,000

NMDF

Prov.	Publisher / Association	Contribution
QC	Alliage Éditeur	3,938
ON	Annick Press Ltd.	11,669
AB	Bayeux Arts Inc.	4,563
AB	Broadview Press Inc.	13,500
BC	Douglas and McIntyre Ltd.	40,000
ON	Dundurn Press Limited	5,000
ON	ECW Press Ltd.	40,000
ON	Fitzhenry & Whiteside Limited	19,550
QC	Guides de Voyage Ulysse Inc.	16,594
NS	James Lorimer and Company Limited / Formac Publishing Co. Ltd.	4,426
ON	Key Porter Books Limited	20,000
ON	Kids Can Press Ltd.	40,000
QC	Le Loup de Gouttière Inc.	5,000
QC	Les Éditions du Remue-Ménage Inc.	5,000
QC	Les Éditions du Roseau	20,000
QC	Les Éditions Hurtubise HMH Ltée	10,547
QC	Les Publications Modus Vivendi Inc.	40,000
AB	Lone Pine Media Productions Ltd.	35,930
QC	McGill Queen's University Press	22,772
ON	Mediscript Communications Inc.	20,000
BC	New Society Publishers Ltd.	5,763
BC	Orca Book Publishers Ltd.	21,057
QC	Productions Jeux de Mots Inc. / Wordplay Productions Inc.	5,000
SK	Rainbow Horizons Publishing Inc.	5,000
BC	Raincoast Book Distribution Limited	40,000
ON	Second Story Feminist Press Inc.	13,750
BC	UBC Press	14,063
AB	Weigl Educational Publishers Limited	40,000

FRMAP

Prov. Publisher / Association

QC 91439 Canada Ltée a/c Éditions de Mortagne
QC Alliage Éditeur
AB Altitude Publishing Group of Companies
ON Annick Press Ltd.
BC Arsenal Pulp Press Ltd.
AB Bayeux Arts Inc.
ON Between the Lines Incorporated
QC Bibliothèque Québécoise Inc.
QC Brault et Bouthilier inc.
NF Breakwater Books Limited
AB Broadview Press Inc.
QC Broquet Inc.
ON Canadian Scholars' Press Inc.
ON Collector's Guide Publishing
SK Coteau Books/Thunder Creek Co-Op
ON Crabtree Publishing Company Limited
QC Décarie, Éditeur Inc.
AB Detselig Enterprises Ltd.
BC Douglas and McIntyre Ltd.
ON Dundurn Press Limited
ON ECW Press Ltd.
QC Édimag Inc.
BC Ekstasis Editions
NS Fernwood Publishing Co. Limited
ON Firefly Books Ltd.
ON Fitzhenry & Whiteside Limited
QC Gaëtan Morin Éditeur Ltée
ON Gage Learning Coporation
ON Garamond Press Ltd.
NB Goose Lane Editions Ltd.
QC Griffon d'argile
ON Greenwood Books
QC Groupe Beauchemin, éditeur Ltée
QC Groupe Ville-Marie Littérature Inc.
QC Guérin Éditeur Ltée
ON Guernica Editions Inc.
QC Guides de Voyage Ulysse Inc.
QC Guy St-Jean Éditeur Inc.
BC Hancock House Publishers Ltd.
BC Harbour Publishing Co. Ltd.
BC Heritage House Publishing Co. Ltd.

FRMAP cont'd

Prov. Publisher / Association

ON House of Anansi Press Inc.
ON Insomniac Press Ltd.
BC International Self-Counsel Press Ltd.
NS James Lorimer and Company Limited / Formac Publishing Co. Ltd.
ON Jordan Music Productions Inc. / Sara Jordan Publishing
ON Key Porter Books Limited
ON Kids Can Press Ltd.
QC Lanctôt Éditeur Inc.
QC Le Boréal Express Ltée
QC Le Loup de Gouttière Inc.
QC Leméac Éditeur Inc.
QC Les Écrits des Forges Inc.
QC Les Éditions Alire Inc.
QC Les Éditions Anne Sigier Inc.
QC Les Éditions Chouette (1987) Inc.
QC Les Éditions de la Chenelière Inc.
QC Les Éditions de la courte échelle Inc.
QC Les Éditions de la Paix Enr.
QC Les Éditions des Intouchables Inc.
MB Les Éditions des Plaines
QC Les Éditions du Noroît
QC Les Éditions du Remue-Ménage Inc.
QC Les Éditions du Roseau
QC Les Éditions du Septentrion Inc.
ON Les Éditions du Vermillon Inc.
AB Les Éditions Duval Inc.
QC Les Éditions Écosociété Inc.
QC Les Éditions Fides Inc.
(9097-1946 Québec inc.)
QC Les Éditions Héritage Inc.
QC Les Éditions Hurtubise HMH Ltée
QC Les Éditions J.C.L. Inc.
QC Les Éditions l'Artichaut Inc.
QC Les Éditions Marie-France Ltée
QC Les Éditions Médiaspaul
QC Les Éditions Mille-îles Inc. / les 400 coups
QC Les Éditions Multimedia Robert Davies Inc.
QC Les Éditions Novalis Inc.
NB Les Éditions Perce-neige

FRMAP cont'd

Prov.	Publisher / Association
QC	Les Éditions Phidal Inc.
ON	Les Éditions Prise de parole
QC	Les Éditions Québec Amérique Inc.
QC	Les Éditions Québecor Média Inc.
QC	Les Éditions Reynald Goulet Inc.
QC	Les Éditions Saint-Martin
QC	Les Éditions Sciences et Culture Inc.
QC	Les Éditions Tormont Inc.
QC	Les Éditions Transcontinental Inc.
QC	Les Éditions Un Monde Différent Ltée
QC	Les Presses de l'Université de Montréal
ON	Les Presses de l'Université d'Ottawa
QC	Les Presses de l'Université du Québec
QC	Les Presses de l'Université Laval
QC	Les Publications Modus Vivendi Inc.
ON	Lingo Media
AB	Lone Pine Media Productions Ltd.
QC	Louise Courteau Éditrice Inc.
ON	Maple Tree Press Inc.
ON	McArthur & Company Publishing Inc.
ON	McClelland & Stewart Ltd.
QC	McGill Queen's University Press
ON	Mediscript Communications Inc.
QC	Modulo Éditeur
ON	Natural Heritage / Natural History Inc.
BC	New Society Publishers Ltd.
AB	NeWest Publishers Ltd.
NS	Nimbus Publishing Limited
BC	Orca Book Publishers Ltd.
ON	Pembroke Publishers Limited
ON	Pippin Publishing Corporation
MB	Portage & Main Press Limited
QC	Presses Inter Universitaires Inc.
QC	Productions Édition ASMS Inc. / Éditions Nouvelles
QC	Productions Jeux de Mots Inc. / Wordplay Productions Inc.
QC	Publications MNH
SK	Rainbow Horizons Publishing Inc.
BC	Raincoast Book Distribution Limited
AB	Red Deer Press Ltd.
ON	Robert Rose Inc.
AB	Rocky Mountain Books Ltd.

FRMAP cont'd

Prov.	Publisher / Association
ON	Second Story Feminist Press Inc.
QC	Sogides Ltée
ON	The Frederick Harris Music Co., Ltd.
ON	The Solski Group Ltd.
ON	The Toronto South Asian Review
ON	Thompson Educational Publishing, Inc.
ON	Trifolium Books Inc.
ON	Tundra Inc.
BC	UBC Press
AB	University of Alberta Press
AB	University of Calgary Press
ON	University of Toronto Press Incorporated
ON	Vanwell Publishing Limited
QC	Véhicule Press Reg'd
ON	Warwick Publishing Inc.
AB	Weigl Educational Publishers Limited
ON	Whitcap Books Ltd.
ON	Wilfrid Laurier University Press
QC	Wilson & Lafleur, Limitée
BC	Wood Lake Books Inc.



AUDITORS' REPORT

To the Directors of the
Association for the Export of Canadian Books

We have audited the statement of financial position of the Association for the Export of Canadian Books (the "Association") as at March 31, 2004 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Association expenses property and equipment. Canadian generally accepted accounting principles require that property and equipment be recorded at cost on the statement of financial position and amortized over their estimated useful lives. If the Association had recorded property and equipment as required, the statement of financial position, statement of operations and the statement of changes in net assets would be affected. We have not quantified the effects of this departure from Canadian generally accepted accounting principles as management does not want to change their previous accounting policy for property and equipment as disclosed in Note 1.

In our opinion, except for the effects of the failure to properly record property and equipment as described in the preceding paragraph, these financial statements present fairly, in all material aspects, the financial position of the Association as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

May 14, 2004

Logan Kady

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2004

ASSETS	<u>2004</u>	<u>2003</u>
CURRENT ASSETS		
Cash	\$ 457,777	\$ 1,656,575
Accounts receivable	245,419	140,342
Government grants receivable	1,746,376	774,364
Goods and Services Tax receivable	5,441	15,221
Prepaid expenses (Note 4)	106,053	77,354
	<u>\$ 2,561,066</u>	<u>\$ 2,663,856</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,681,901	\$ 2,223,963
Revenue received in advance (Note 4)	398,811	13,801
	<u>2,080,712</u>	<u>2,237,764</u>
 NET ASSETS		
Unrestricted	232,465	178,203
Internally restricted for contingencies	247,889	247,889
	<u>480,354</u>	<u>426,092</u>
	<u>\$ 2,561,066</u>	<u>\$ 2,663,856</u>

Economic capacity (Note 1)
 Commitments (Note 6)
 Contingent liability (Note 7)

ON BEHALF OF THE BOARD:



 Director



 Director

2003-04 financial statements

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2004

	<u>2004</u>	<u>2003</u>
REVENUE		
Department of Canadian Heritage ("DCH") grant (Note 3)	\$ 4,458,109	\$ 4,859,275
Department of Foreign Affairs and International Trade ("DFAIT")	165,990	77,552
DFAIT Program for Export Market Development ("PEMD")	35,274	67,589
Ontario Media Development Corporation ("OMDC")	98,000	44,000
Canadian International Development Agency ("CIDA")	17,523	-
Publishers		
• fairs	212,179	227,081
• publications	60,354	78,672
• workshops	6,219	7,413
In-kind revenue (Note 5)	59,570	57,850
Interest	16,526	14,315
Other	4,397	11,247
	<u>5,134,141</u>	<u>5,444,994</u>
EXPENDITURES		
Capital assets		
Property and equipment (Note 1)	10,378	23,945
Operations		
Rent (Note 6)	59,093	44,461
Board and annual report	38,944	56,434
Business plan	-	50,146
Travel	3,685	4,060
Office and general expenses	48,201	39,431
Professional fees and salaries	382,355	345,863
Interest recovery on prior years' DCH funding	100,386	-
Goods and Services Tax	10,444	10,507
	<u>643,108</u>	<u>550,902</u>

EXPENDITURES cont'd

	<u>2004</u>	<u>2003</u>
Programs		
Export marketing assistance (EMAP) (Note 2)	2,627,923	2,638,645
Foreign rights marketing assistance		
• Contributions to publishers (FRMAP) (Note 2)	607,976	559,288
• Canada Stand	386,071	408,271
New market development (NMDF) (Note 2)	523,121	567,054
Export expertise development (EEDF) (Note 2)	59,987	136,051
Developing countries initiative funds	17,523	-
Marketing support ("OMDC")	90,000	40,000
Publications and subscriptions (Note 5)	200,786	223,778
International market developments		
• Professional development and seminars	29,572	29,664
• Market research and development	91,096	67,647
Internet	18,323	31,338
	<u>4,652,378</u>	<u>4,701,736</u>
TOTAL EXPENDITURES	<u>5,305,864</u>	<u>5,276,583</u>
EXCESS OF (EXPENDITURES OVER REVENUE) REVENUE OVER EXPENDITURES	(171,723)	168,411
Other items		
Reduced program assistance payments relating to previous years (Note 2)	225,985	9,792
NET EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 54,262</u>	<u>\$ 178,203</u>

**STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2004**

	<u>2004</u>	<u>2003</u>
UNRESTRICTED		
BALANCE AT BEGINNING OF YEAR	\$ 178,203	\$ -
Net excess of revenue over expenditures for the year	54,262	178,203
BALANCE AT END OF YEAR	<u>\$ 232,465</u>	<u>\$ 178,203</u>
INTERNALLY RESTRICTED FOR CONTINGENCIES		
BALANCE AT BEGINNING OF YEAR	\$ 247,889	\$ 247,889
Appropriation to or from Unrestricted Net Assets	-	-
BALANCE AT END OF YEAR	<u>\$ 247,889</u>	<u>\$ 247,889</u>

2003-04 financial statements

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2004

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 54,262	\$ 178,203
Change in non-cash operating working capital		
Accounts receivable	(105,077)	(80,900)
Government grants receivable	(972,012)	(652,008)
Goods and Services Tax receivable	9,780	(8,888)
Prepaid expenses	(28,699)	5,721
Accounts payable and accrued liabilities	(542,062)	1,281,672
Net revenue received in advance (recognized as revenue)	385,010	(89,260)
	<u> </u>	<u> </u>
(DECREASE) INCREASE IN CASH	(1,198,798)	634,540
Cash at beginning of year	1,656,575	1,022,035
CASH AT END OF YEAR	<u>\$ 457,777</u>	<u>\$ 1,656,575</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

GENERAL

The Association for the Export of Canadian Books (the "Association") was incorporated under the Canada Corporations Act on November 15, 1972 as a nonprofit corporation without share capital to foster and facilitate the continued growth of export sales by Canadian publishers.

In 1985, the AECB agreed to administer the International Marketing Assistance component of the Department of Canadian Heritage's ("DCH") Book Publishing Industry Development Program (BPIDP). Funding is allocated by DCH for the delivery of financial assistance and value-added services to Canadian book publishers. The Export Marketing Assistance Program (EMAP), the Foreign Rights Marketing Assistance Program (FRMAP), the New Market Development Fund (NMDF), and the Export Expertise Development Fund (EEDF) are the four programs to which Canadian publishers can apply for funding of their international marketing activities.

Ad hoc contributions from the Department of Foreign Affairs and International Trade ("DFAIT"), 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 Web site; 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 BPIDP 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 reexamine 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 June 30, 2004 and represents activities up to March 31, 2004. DCH has indicated that it intends to renew the agreement for the 2005 fiscal year.

Property and Equipment

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

Use of Estimates

The preparation of these 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 as at March 31, 2004 and the revenues and expenses for the year then ended. Actual results may differ from these estimates.

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.

Gifts Inkind and Expenditures

Contribution amounts for gifts inkind are estimated at fair market value at time of contribution and an offsetting inkind expenditure is recorded in publications and subscriptions.

Financial Instruments

The Association's financial instruments consist of cash, accounts receivable, government grants receivable, Goods and Services Tax receivable, and accounts payable and accrued liabilities. The carrying amount of these financial instruments approximates their fair value due to their short term maturity or capacity of prompt liquidation. It is management's opinion that the Association is not exposed to significant interest or credit risks.

The Association has available a \$350,000 credit facility with a chartered bank.

2. REDUCED PROGRAM ASSISTANCE PAYMENTS RELATING TO PREVIOUS YEARS

Assistance to Canadian publishers is given on a cost-sharing basis in the form of various programs. Publishers are awarded varying amounts of assistance up to a specified maximum, as indicated hereafter. An initial advance is made and a portion is held back pending a final report. Upon approval of the report, all or part of the holdback is paid, or if the final project expenses are less than the initial advance, the difference is to be returned to the Association. The amount of reduced holdback payments and refunds become program assistance reclaimed and, is shown as reduced (additional) program assistance payments relating to previous years. This represents a change in financial statement presentation, as in previous years, such amounts with respect to EMAP, NMDF, and EEDF were offset against the related current year program assistance expenditures. The amount of reduced program assistance payments relating to previous years is as follows:

2003-04 financial statements

	MAXIMUM ASSISTANCE	REDUCED PROGRAM ASSISTANCE PAYMENTS RELATING TO PREVIOUS YEARS	
		<u>2004</u>	<u>2003</u>
Export Marketing Assistance (EMAP)	\$ 45,500	\$ 75,114	\$ -
New Market Development Fund (NMDF)	40,000	112,649	-
Export Expertise Development Fund (EEDF)	10,000	38,222	-
Foreign Rights Marketing Assistance (FRMAP)	no maximum	1-	9,792
		<u>\$ 225,985</u>	<u>\$ 9,792</u>

3. 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.

4. PREPAID EXPENSES AND REVENUE RECEIVED IN ADVANCE

These are funds paid out or received prior to the year end, which pertain to fiscal 2004-2005 activities and programs.

5. INKIND REVENUE

During the year, the Association received inkind contributions in the form of book display kits from various publishers with an aggregate estimated fair value of \$59,570 (2003 \$57,850). The offsetting expenditure is included in publications and subscriptions.

6. COMMITMENTS

The Association has a lease commitment for office premises which expires November 30, 2008, as well as various equipment under operating leases. Future payments over the course of the next five fiscal years are approximately as follows:

	<u>PREMISES</u>	<u>EQUIPMENT</u>
2005	\$ 65,685	\$ 4,336
2006	65,685	2,646
2007	65,685	1,985
2008	65,685	-
2009	43,790	-

7. CONTINGENT LIABILITY

Pursuant to the findings of a federal government audit of the Book Publishing Industry Development Program ("BPIDP") conducted in the current fiscal year, the Association must reimburse the estimated interest it earns on the cash flow generated from its funding from BPIDP. The amount of such interest pertaining to the fiscal years 1999-00 to 2002-03 has been determined, agreed to, and is accounted for in these financial statements.

However, the amount of interest owing to BPIDP relating to the cash flow generated from the current fiscal year funding is undeterminable, and will be accounted for in the subsequent reporting period.