

2001

A N N U A L R E P O R T

The Association
for the Export of
Canadian Books



Chair's Message

Culture has become one of the key economic issues of the new millennium and all the major economic players take part in it. As the most active cultural sector on the international stage, the book publishing industry ranks as the biggest exporter among Canadian cultural industries. And despite the increasing cost of operating in international markets, Canadian book publishers continue to increase their presence on the world stage. In fact, the international recognition Canadian publishers and their titles enjoy and the tremendous increase in the industry's export sales are probably Canada's least heralded export success story.

The Canadian book publishing industry and the Association for the Export of Canadian Book's stakeholders are unanimous in stating that the AECB has significantly contributed to Canadian publishers' success by enhancing the presence on the world stage of Canadian publishers and their titles. The AECB has played a very active role in providing market intelligence as well as financial, promotional and logistical support towards Canadian book publishers' export initiatives. The AECB has pursued its assessment of existing programs and services; today, it enjoys the full support of the industry it serves.

However, the AECB and Canadian publishers appear to me to have reached a crossroads where they must continue to work together to better define the tools that will help them keep up with international markets. The AECB must now develop new services for Canadian publishers, to allow as many as possible to prosper on the international stage in the face of increasing competition.

To that end, the AECB consulted its stakeholders to prepare a three-year business plan that identifies the industry's needs and priorities and proposes new programs and activities to support Canadian publishers' international marketing activities. We hope to be in a position to execute, as early as 2002-2003, this business plan which will require a renewed and even stronger partnership between the AECB and the Government of Canada.

By building on these partnerships, the AECB and the Government of Canada will better assist Canadian publishers in positioning their firms in foreign markets in a concerted, cost-effective and diligent manner.

In closing, I would like to thank the members of the Board of Directors for their unfailing commitment and their valued contribution. I also thank our partners at Canadian Heritage and Foreign Affairs and International Trade for their constant support.

Finally, I wish to thank the Executive Director and the secretariat staff whose dedication and expertise contribute in no small measure to the AECB's and the industry's success.



Daniel Desjardins
Chair, Board of Directors



Daniel Desjardins

The Canadian book publishing industry and the Association for the Export of Canadian Book's stakeholders are unanimous in stating that the AECB has significantly contributed to Canadian publishers' success by enhancing the presence on the world stage of Canadian publishers and their titles.

The AECB has pursued its assessment of existing programs and services; today, it enjoys the full support of the industry it serves.

The AECB consulted its stakeholders to prepare a three-year business plan that identifies the industry's needs and priorities and proposes new programs and activities to support Canadian publishers' international marketing activities.

Programs Committee



Hervé Foulon

*B*eneficiaries' export sales results indicate that both the Export Marketing Assistance and the Foreign Rights Marketing Assistance programs remain very efficient.

*P*ublishers who listed titles in AECB catalogues relayed positive comments, describing the catalogues as valuable tools for publishers trying to reach foreign buyers.

Working within the context of the basic mandate of the AECB—to foster and facilitate the continued growth of export sales by Canadian book publishers—the Programs Committee pursued its work on a number of fronts over the last year.

The Committee pursued its assessment of existing AECB funding programs. Beneficiaries' export sales results indicate that both the Export Marketing Assistance and the Foreign Rights Marketing Assistance programs remain very efficient. Beneficiaries' needs continued to evolve and the Committee recommended measures to further improve FRMAP in order to allow for more flexibility in publishers' selection of international events. The AECB Board of Directors further determined that in 2002–2003, BookExpo America, the London Book Fair and the Salon du Livre de Paris would be considered component A or B events, which means that a publisher does not have to be an exhibitor to receive funding for these events. This modification was made on an experimental basis and is to be reviewed by the Board in 2003–2004.

The Committee was also very active in defining the AECB's new expanded role. Reports on priority markets identified by the Board of Directors were compiled and made available to publishers. The AECB also provided professional development through seminars and its mentorship program. Publishers' comments prove that the AECB seminars were well received and responded to a need. Participating publishers comments also assisted the Programs Committee in identifying future topics for AECB research and professional development.

Another focus of the AECB in the past year was to provide enhanced visibility for Canadian publishers and their titles on the international stage. The Programs Committee recommended the re-design of the AECB Web site and new measures to improve the efficiency of its rights and Canadian Studies catalogues. Canadian publishers who listed titles in AECB catalogues relayed positive comments, describing the catalogues as valuable tools for publishers trying to reach foreign buyers.

The Committee also ensured that the AECB pursued its role of facilitator by assisting Canadian publishers who participate in international book fairs. While doing so, the Committee continued to assess the impact of the Canadian collective stand at these fairs as well as its cost-effectiveness.

Finally, in preparing the AECB's three-year business plan, the Programs Committee played a major role in defining future directions for the AECB and developing new programs that will respond to the needs and priorities of small/emerging book exporters and of more experienced exporting publishers. We are hopeful that the AECB will be in a position to offer new programs and other value-added contributions to the industry as early as 2002–2003.

In closing, I would like to thank my colleagues on the Programs Committee, Linda Cameron, Allan Clarke and Bob Tyrrell. I would also like to thank Suzanne Bossé and the staff of the AECB without whom the various studies for the development of new programs and initiatives would not have been possible.

Hervé Foulon
Chair, Programs Committee

Finance Committee

Moving forward in 2001–2002, the Association for the Export of Canadian Books expanded its activities by re-allocating resources to provide enhanced market intelligence and professional development to the industry. The auditor's report illustrates this new focus. The report also shows that the AECB met its mandate by increasing its revenues from federal departments other than the Department of Canadian Heritage, and from Canadian publishers benefiting from AECB services and initiatives.

From the Auditor's report, I would also like to highlight the following points:

- The Book Publishing Industry Development Program contribution to the AECB remained stable at \$3.5 million, with no increase since 1997.
- The AECB recorded a deficit of \$55,820 as the result of an increased subscription to AECB programs, with an amount of \$27,783 in Foreign Rights Marketing Assistance to eligible publishers for the year 2000–2001 that the AECB had to defer to 2001–2002;
- The AECB distributed a large portion of the funds provided by Canadian Heritage as direct assistance to eligible Canadian publishers (over 86 per cent of the \$3,5 million BPIDP contribution through the Export Marketing Assistance and FRMAP programs);
- AECB operational expenses represented only 11 per cent of the BPIDP contribution (and 10 per cent of AECB total revenues).

These figures, as well as the results of two external audits of the AECB (one by the Canadian International Development Agency, the other by DCH), demonstrate that the AECB carried out its mandate in an efficient and responsible manner.

Over the past year, Canadian book publishers benefited from extra funding allocated to the AECB by the following government departments:

- The Program for Export Market Development (administered by Foreign Affairs and International Trade) contributed \$74,871 to enable the AECB to provide enhanced market intelligence and professional development to the industry;
- DFAIT contributed \$20,000 over two years for three Travelling Trade Book Displays as well as \$15,570 for the international distribution of the 2002 Books on Canada catalogue
- DCH contributed \$19,525 over two years for the Travelling Trade Book Displays as well as \$7,000 for travel subsidies to publishers attending AECB workshops.

In closing I would like to thank my colleagues on the Finance committee, Trudy L. Rising, Michael Brock and Daniel Desjardins. Finally, I would like to acknowledge the exceptional work of the AECB staff, under the direction of Suzanne Bossé, in managing the many programs with great diligence and responsibility.



Barbara Howson
Chair, Finance Committee



Barbara Howson

The AECB expanded its activities by re-allocating resources to provide enhanced market intelligence and professional development to the industry.

Canadian book publishers also benefited from extra funding allocated by the departments of Canadian Heritage and Foreign Affairs and International Trade.

Executive Director's Report



Suzanne Bossé

The AECB devoted much effort to ensuring that Canadian book publishers have access to increased financial resources and value-added services to enable them to effectively compete in the international marketplace.

The AECB continued to ensure that its funding programs remain flexible and respond to Canadian publishers' changing needs and strategies.

For the Association for the Export of Canadian Books, 2001–2002 has been highlighted by many new initiatives and great accomplishments designed to help Canadian publishers in their export activities. The AECB devoted much effort to ensuring that Canadian book publishers have access to increased financial resources and value-added services to enable them to strategically position their firms in order to effectively compete in the international marketplace.

The AECB first re-allocated its resources, enabling it to provide enhanced market intelligence and professional development to the industry. In addition to this new focus, the AECB continued to be active in its efforts to

- strengthen Canadian publishers' access to, and presence on, foreign markets;
- enhance the visibility of Canadian publishers and their titles on the world stage; and
- provide logistical and funding assistance to support Canadian publishers' international marketing strategies.

PROGRAMS FOR CANADIAN BOOK EXPORTERS

In addition to its focus on enhanced market intelligence and professional development, the AECB continued to provide direct financial assistance to eligible publishers through the administration, on behalf of the Department of Canadian Heritage, of the International Marketing Assistance component of the Book Publishing Industry Development Program. The AECB continued to ensure that its funding programs remain flexible and respond to Canadian publishers' changing needs and strategies.

Export Marketing Assistance Program

A total budget of \$2,500,000 was approved as contributions to 126 publishers and two national trade associations (the Association of Canadian Publishers and the Association nationale des éditeurs de livres) eligible for the program. The maximum contribution allocated under the program was \$45,500.

Foreign Rights Marketing Assistance Program

A total of \$532,546 was distributed to 160 eligible publishers for their participation in international book events. Canadian publishers continued to attend major international professional fairs (Bologna, BookExpo America, Frankfurt, Guadalajara and London); in fact, 57 per cent of FRMAP contributions were allocated to eligible publishers participating in these five fairs. This past year also saw an increasing number of publishers participating in more specialized events in the US and in Europe, such as the American Philosophical Association annual meeting and the Marché de la Poésie, for example. Over 43 per cent of the FRMAP contributions were allocated to publishers attending these fairs. (In 2000–2001, this figure was 41 per cent.)

In addition to these two regular programs, the AECB also provided funding support to publishers attending its seminars on the US market, which were held in Vancouver and Toronto. This assistance was made possible due to an ad hoc contribution from DCH.

GREATER ACCESS TO FOREIGN MARKETS

The AECB coordinated Canadian publishers' presence at six major international book fairs: the Bologna Children's Book Fair, BookExpo America, the Frankfurt Book Fair, the Guadalajara International Book Fair, the London Book Fair, and the Salon du Livre de Paris. While the AECB has been coordinating a Canadian collective stand at the first five fairs mentioned, participation in the Paris book fair was a first. In all, 16 publishers exhibited on

the stand, including eight members of the Regroupement des éditeurs canadiens-français. Coordinated jointly with the Canadian Cultural Centre in Paris, the collective stand offered display and meeting areas. The AECB's objectives in this first participation were to explore the potential of the fair for selling rights and negotiating distribution agreements.

The AECB was once again successful in introducing new publishers to foreign markets and in providing efficient and cost-effective logistical support to publishers exhibiting on the Canadian collective stand and on their own stand. The AECB also provided promotional support before, during and after the fair to all publishers participating in these fairs, whether on the collective stand, the Quebec stand, or on their foreign distributors' stands. And once again, the AECB gathered lists of business opportunities for distribution to the industry via its News Bulletin after the fairs.

ENHANCED VISIBILITY ON THE WORLD STAGE

The AECB was very active in developing materials to promote publishers' titles internationally. Canadian publishers continued to provide positive feedback on the effectiveness of the catalogues in reaching prospective buyers. The AECB also developed stronger partnerships with offices of the Department of Foreign Affairs and International Trade, with the Trade Development and International Promotion bureau of DCH, and with Canadian embassies and consulates.

The AECB pursued work on redesigning its Web site in order better to promote Canadian titles to foreign publishers, agents, and other potential buyers. The new site will provide foreign professionals with user-friendly and easy access to information on the industry through the ability to search books by publisher, title, author, etc. The redesigned site will also reach out to Canadian publishers and provide information about AECB programs and services, up-to-date information such as market reports, business opportunities, export resources, fair reports, etc. The AECB will unveil its new Web site in December 2002.

The coordination of three Travelling Trade Book Displays for Canadian embassies and consulates was another new initiative of this past year. Three exhibits were assembled for this initiative, carried out in partnership with DFAIT and DCH/BPIDP: a general trade exhibit including over 200 titles, a children's book exhibit consisting of more than 100 titles, and a French-language display featuring 70 titles. Over one hundred Canadian publishers participated in this initiative, donating books at a retail value of \$30,000. An attractive catalogue, with information on each title, contact information for participating publishers and details on how to order books, was produced to accompany each display. In addition to events in the US, France and other countries in Western Europe, the displays were presented in the Baltic States, the Middle East, Korea, and Argentina, among others. Already, Canadian publishers have indicated that visitors, agents and publishers who viewed their books at some of these events have contacted them to discuss potential business deals.

The AECB saw increased participation from Canadian publishers in its 2002 Books on Canada catalogue as well as in its two issues of the Rights Canada catalogue. The AECB continued to ensure that its mailing lists are well targeted. For example, about 175 foreign publishers who benefited from the Canada Council's International Translation Grants program were added to the Rights Canada mailing list. The directories of Canadian exhibitors produced for distribution at international book fairs continue to be well received by visitors to the Canada stand. As in the past, the catalogues and directories were posted on the AECB's Web site.

The coordination of three Travelling Trade Book Displays was another new initiative of this past year. Already, Canadian publishers have indicated that visitors, agents and publishers who viewed the displays have contacted them to discuss potential business deals.



Funding support from DFAIT through the Program for Export Market Development enabled the AECB to commission experts to write market reports for distribution to Canadian publishers.



As part of its effort to build and strengthen its network of potential partners, the AECB continued to publish and distribute Book News Canada, an electronic bulletin sent exclusively to Canadian embassies and consulates. This bulletin has been an excellent promotional tool for the travelling trade book displays. As indicated above, Canadian embassies and consulates' response has been very positive; requests, questions and contacts have been growing constantly since the first issue of the bulletin.

MARKET INTELLIGENCE AND PROFESSIONAL DEVELOPMENT

As indicated earlier, one of this year's major focuses was to provide enhanced market intelligence and professional development to the industry. Funding support from DFAIT through the Program for Export Market Development enabled the AECB to commission experts to write market reports for distribution to Canadian publishers. The AECB published five reports on the US market, covering sales and distribution, US libraries, the retail book market, wholesalers, and mass merchandisers and non-traditional accounts. Another two market reports on selling French-language books on the French market were also made available to the industry; these covered distribution and sales representation, and co-publishing and adaptations, respectively.

Pursuing its exploration of emerging markets, the AECB also commissioned a report on the market potential for Canadian books in Mexico. Following up on the consultant's recommendations, the AECB developed a series of initiatives targeting Mexican buyers, which will be implemented in 2002–2003.

The AECB also pursued its efforts to raise International Financial Institutions' awareness of Canadian publishers' expertise in publishing and education. The AECB presented a brief to the Minister for International Cooperation on new approaches to Canada's international assistance program. The brief, which underscored the Canadian book publishing industry's role as a partner in sustainable development in education and publishing, proposed a five-part plan to support local book publishing capacity in developing countries. The AECB also commissioned two publishing consultants to present various initiatives relating to Canadian support for development in the education sector, particularly those related to textbooks and reading materials, and evaluate the financial value of these initiatives. The consultants' report also outlined the various delivery channels for Canadian involvement in education projects and the principal agencies involved. These business opportunities were made available to the industry through the AECB's News Bulletin.

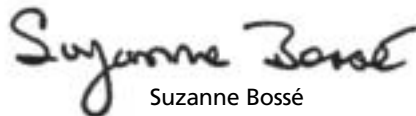
The AECB complemented its research and publication of market reports by providing enhanced professional development to Canadian publishers. In addition to offering assistance to Canadian publishers participating in international rights fairs for the first time through its mentorship program, the AECB conducted seminars on the US market in Toronto and Vancouver. In all, 131 delegates from 90 firms attended the seminars. Participating publishers received a copy of the market report on sales and distribution options for Canadian publishers in the United States mentioned above. Feedback from attendees was very positive and enabled the AECB to identify specific topics for future research and seminars.

A YEAR OF EXTRAORDINARY ACCOMPLISHMENTS

During the past year, the AECB was particularly active in raising DCH and DFAIT's awareness of Canadian book publishers' export-related priorities and needs. These constant efforts brought positive results to the AECB and the publishers it serves, enabling the development and implementation of new initiatives for the industry.

The AECB's many achievements would not have been possible without the unfailing confidence, support and devotion of the AECB Board of Directors. I would also like to thank the Department of Canadian Heritage and the Department of Foreign Affairs and International Trade for their significant and crucial role in enabling the AECB to provide support and value-added services to Canadian book publishers. I also thank the latter and their national trade associations for their valued contributions and ongoing co-operation, which enabled the AECB to identify issues and needs, priority and emerging markets, opportunities and barriers.

Finally, I wish to thank the staff of the AECB for their enthusiasm, commitment and efficiency. It is very gratifying to work with colleagues so keen on developing and implementing initiatives and programs in support of Canadian publishers' efforts to expand their presence on the world stage.



Suzanne Bossé
Executive Director



Association staff: (l.-r.) Nicolas Levesque, Catherine Montgomery, Vladimir Nguyen, Suzanne Bossé, Bill Polymenakos, Sheila Cormier



During the past year, the AECB was particularly active in raising DCH and DFAIT's awareness of Canadian book publishers' export-related priorities and needs. These constant efforts brought positive results, enabling the development and implementation of new initiatives for the industry.

Auditor's Report

LOGAN KATZ

Chartered Accountants

3 - 30 Concourse Gate Nepean, Ontario Canada K2E 7V7

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, 2002 and the statements of operations and 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 capital assets. Canadian generally accepted accounting principles require that capital assets be recorded at cost on the statement of financial position and amortized over their estimated useful lives. If the Association had recorded the capital assets 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 capital assets as disclosed in Note 1.

In our opinion, except for the effects of the failure to properly record capital assets 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, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Logan Katz
Chartered Accountants

Ottawa, Ontario

April 30, 2002

2001-2002 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2002

ASSETS	2002	2001
CURRENT ASSETS		
Cash	\$1,022,035	\$1,059,172
Accounts receivable	59,442	12,722
Government grants receivable	122,356	68,520
Goods and Services Tax receivable	6,333	8,332
Prepaid expenses (Note 4)	83,075	43,285
	\$1,293,241	\$1,192,031
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 942,291	\$ 807,060
Revenue received in advance (Note 4)	103,061	81,262
	1,045,352	888,322
NET ASSETS		
Unrestricted fund	-	-
Internally restricted fund for contingencies	247,889	303,709
	247,889	303,709
	\$1,293,241	\$1,192,031

Economic dependence (Note 1)
Commitments (Note 6)
See notes to financial statements

ON BEHALF OF THE BOARD



Director



Director

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2002

	2002	2001
REVENUE		
DCH (Note 3)	\$3,508,905	\$3,532,000
Publishers		
• Fairs	181,032	171,807
• Publications	67,741	63,682
• Workshops	8,836	—
DFAIT	24,350	20,000
PEMD	74,871	39,291
Interest	20,547	34,963
Other	20,087	20,157
	3,906,369	3,881,900
EXPENDITURES		
Capital assets		
Furniture and equipment (Note 1)	10,251	734
Operations		
Rent (Note 6)	39,167	36,605
Board and annual report	37,956	45,227
Travel	5,516	1,651
Office and general expenses	48,222	46,891
Professional fees and salaries	268,380	224,088
Good and Services Tax	11,471	6,157
	410,712	360,619
Programs		
Export marketing assistance (EMAP) (Note 2)	2,473,956	2,523,077
Foreign rights marketing assistance (FRMAP)		
• Contributions to publishers	532,546	518,802
• Canada Stand	229,351	258,620
• Professional development travel subsidies	7,008	—
Publications and subscriptions	111,590	108,124
International market development		
Professional development and seminars	25,949	7,630
Market research and development	113,498	59,409
	3,493,898	3,475,662
TOTAL EXPENDITURES	3,914,861	3,837,015
EXCESS OF EXPENDITURES OVER REVENUE	(8,492)	(44,885)
Other items		
International Publishing Partnership (Note 2)	(19,545)	—
Additional FRMAP payments relating to 2000-2001 programs	(27,783)	—
NET EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ (55,820)	\$ (44,885)

See notes to financial statements

2001-2002 FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2002		
	2002	2001
UNRESTRICTED FUND		
Balance at beginning of year	\$ —	\$ —
Net excess for the year	(55,820)	44,885
Transfer from (to) Internally Restricted Fund for Contingencies (Note 5)	55,820	(44,885)
BALANCE AT END OF YEAR	\$ —	\$ —
INTERNALLY RESTRICTED FUND FOR CONTINGENCIES		
Balance at beginning of the year	\$ 303,709	\$ 258,824
Appropriation from (to) Unrestricted Fund (Note 5)	(55,820)	44,885
BALANCE AT END OF THE YEAR	\$ 247,889	\$ 303,709

See notes to financial statements

STATEMENT OF CASH FLOW

YEAR ENDED MARCH 31, 2002		
	2002	2001
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue)	\$ (55,820)	\$ 44,885
Change in non-cash operating working capital		
Accounts receivable	(46,720)	750
Government grants receivable	(53,836)	(10,520)
Goods and Services Tax receivable	1,999	(2,403)
Prepaid expenses	(39,790)	13,189
Accounts payable and accrued liabilities	135,231	(50,036)
Revenue received in advance	21,799	5,030
INCREASE (DECREASE) IN CASH	(37,137)	895
Cash at beginning of the year	1,059,172	1,058,277
CASH AT END OF THE YEAR	\$1,022,035	\$ 1,059,172

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2002

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 help Canadian publishers develop foreign markets and promote export sales of their books. It is funded principally by Department of Canadian Heritage (DCH), by ad hoc contributions from the Department of Foreign Affairs and International Trade, and revenue received from publishers participating in activities and projects. Two principal programs, the Export Marketing Assistance Program (EMAP) and the Foreign Rights Marketing Assistance Program (FRMAP), are the backbone of the Association's contribution to the book industry. Other activities include the co-ordination of the Canada collective stand at international book fairs as well as publications, workshops, and market research.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Economic Dependence

The Association relies substantially on being funded by the DCH which can terminate or renew the funding agreement. Unless alternative sources of funds were found, such action by the DCH would preclude the existence of the Association, as it is presently constituted. The current agreement expired March 31, 2002. DCH has indicated that it intends to renew the agreement for the 2003 fiscal year on terms similar to previous years.

Capital Assets

The Association expenses capital assets 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, 2002 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.

Financial Instruments

The Association's financial instruments consist of cash, accounts receivable, government grants receivable, Good and Services Tax receivable, accounts payable and accrued liabilities and revenue received in advance. The carrying amount of these financial instruments approximate 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.

2. EXPORT MARKETING ASSISTANCE RECLAIMED

Assistance to Canadian publishers is given on a cost-sharing basis. Publishers are awarded varying amounts of assistance up to a maximum of \$45,500. 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 export marketing assistance reclaimed and is offset against current year assistance. The amount of export marketing assistance reclaimed is \$22,382 (2001: \$78,038).

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 2002-2003 programs.

5. APPROPRIATION

The Board approved an appropriation of \$55,820 from the Internally Restricted for Contingencies Fund to the Unrestricted Fund to meet the needs of the Association as required.

The Association has lease commitments for office premises and equipment under various operating leases. Future payments by fiscal year to maturity are approximately as follows:

	Premises	Equipment
2003	35,500	6,760
2004	35,500	6,760
2005	-	6,197

7. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.

8. INTERNATIONAL PUBLISHING PARTNERSHIP PROGRAM AUDIT

During 2001-2002, the Canadian International Development Agency (CIDA) requested a financial compliance audit of Phase II of the AECB's International Publishing Partnership Program (IPP) for the period from September 1, 1996 to April 1, 1998. As a result of the audit, the AECB must reimburse an amount of \$9,545 to CIDA for unsupported claims as well as \$5,000 to each of two publishers who submitted supporting documents at the end of the current fiscal year.

BOARD OF DIRECTORS

2001-2002

Board Members

President	Daniel Desjardins, President, Ulysses
Vice-President	Luc Roberge, President and General Manager, Québec Amérique
Chair of the Nominating Committee	Vicki Bennett, Director, University of Ottawa Press
Secretary-Treasurer	Barbara Howson, Vice-President, Rights and Permissions, Stoddart Publishing
Directors	Michael Brock, Director General, International Cultural Relations Bureau, Foreign Affairs and International Trade Linda Cameron, Director, University of Alberta Press Allan Clarke, Director General, Publishing Policy and Programs, Canadian Heritage Hervé Foulon, President and General Manager, Hurtubise HMH Linda Laporte, Editorial Director, Jeux de mots Trudy L. Rising, President and Publisher, Trifolium Books Robert Tyrrell, President and Publisher, Orca Book Publishers Margie Wolfe, President and Publisher, Second Story Press

Secretariat

Executive Director	Suzanne Bossé
International Marketing Manager	Catherine Montgomery
International Programs Manager	Wladimir Nguyen
Publications Manager	Nicolas Levesque
Office and Accounting Manager	Bill Polymenakos
Administrative Assistant	Sheila Cormier



The Association for the Export
of Canadian Books

1 Nicholas Street

Suite 504

Ottawa, Ontario

K1N 7B7

Tel.: (613) 562-2324

Fax: (613) 562-2329

E-mail: aecb@aecb.org

Web site: <http://aecb.org>