



Publishing Programs Book Publishing Industry Development Program (BPIDP)

Application for Financial Assistance
Book Publishers 2001-2002

Document confidential once completed. Use additional sheets, if necessary.

A. APPLICANT IDENTIFICATION

Organization name

Previous name (if applicable)

Address

Postal Code

President

Authorized officer

Title

Telephone

()

Fax

()

Email

Website

Language of communication: English French

Type of organization:

- Private, for profit Private, non-profit
- Publicly funded
- Affiliated with a public-sector institution or association
- University press

Incorporated: yes federal
 no provincial

Corporate registration No:

Registered with the CCRA as a charitable organization:

yes no

Registration No:

Date of establishment: _____ / _____ / _____
day month year

Date of incorporation: _____ / _____ / _____
day month year

This application covers the applicant's last completed financial year, from

_____ / _____ / _____ to _____ / _____ / _____
day month year day month year

B. GENERAL ELIGIBILITY CRITERIA

1. PRINCIPAL ACTIVITY OF THE COMPANY (BREAKDOWN OF REVENUES)

■ Sale of printed own titles	\$	%
OF WHICH \$		from vanity titles
■ Rights and per missions	\$	%
■ Sale of printed titles other than own titles (e.g. exclusive distribution, retail sale)	\$	%
■ Grants and contributions	\$	%
Subtotal	\$	%
■ Sale of non-print-materials	\$	%
■ Other revenues (e.g. interest)	\$	%
Total a	\$	100%

(must equal box 8n on page 5)

2. OWNERSHIP AND CONTROL OF THE COMPANY

■ Information on shares by class of share

Class of shares	Number of authorized shares	Number of issued shares	Par value of issued shares	Number of voting shares*

* Carrying voting rights exercisable under all circumstances.

■ Affiliated companies (see *Applicant's Guide*, page 16)

Also applying to BPIDP this year

	<input type="checkbox"/> yes	<input type="checkbox"/> no
	<input type="checkbox"/> yes	<input type="checkbox"/> no
	<input type="checkbox"/> yes	<input type="checkbox"/> no
	<input type="checkbox"/> yes	<input type="checkbox"/> no
	<input type="checkbox"/> yes	<input type="checkbox"/> no

4. PRINTING

- Percentage of eligible titles printed in Canada

_____ %

If less than 100%, please provide an appropriate justification.

5. SUPPLEMENTARY INFORMATION

- Are the sales of your own titles greater than \$15 million? yes no

- Did your company receive more than \$50,000 from the BPIDP (including the AECB) during the company's preceding financial year? yes no

- What was the company's average profit margin for the last three financial years (i.e. the profit before income tax and extraordinary items divided by total company revenues and multiplied by 100)? The total company revenues should not include financial assistance received from the BPIDP (including the AECB). In addition, this assistance should be subtracted from profit.

_____ - _____ : _____ % _____ - _____ : _____ % _____ - _____ : _____ %

6. INTERNATIONAL STANDARD BOOK NUMBER(S) (ISBN)

- Please identify all International Standard Book Number (ISBN) prefixes assigned to your company by the National Library of Canada or the *Bibliothèque nationale du Québec*.

7. CHECKLIST OF REQUIRED DOCUMENTATION AND INFORMATION

All required documents and information must be received before your application can be considered. For missing items, please indicate when they are expected to be available.

- | | |
|--|--|
| <p>■ Publisher's most recent catalogue or promotional material</p> <p>■ List of eligible titles, indicating the following:</p> <ul style="list-style-type: none">- Title- Author and citizenship- Publication date- Category (see <i>Guide</i>, page 8)- Whether the book is an adaptation- Whether the book is a translation- Whether the book is co-published- Number of pages (indicate whether the book is a children's book)- Country of printing <p>■ Distribution contracts and any other relevant agreements</p> <p>■ If applicable, letter from distributor(s) confirming the total amount of distribution fees (see <i>Guide</i>, page 17)</p> | <p>■ Independently prepared audited financial statements or, for companies that received less than \$50,000 from the BPIDP (including the AECB) during the preceding financial year, a review engagement report</p> <p>■ Certification of royalty payments by an independent licensed accountant</p> <p>■ For trade publishers, one copy of their four most recent titles from their most recent completed financial period</p> <p>OR</p> <p>- For educational or scholarly publishers, one copy of their two most recent titles from their most recent completed financial period</p> <p>■ First time applicants, one copy of their 10 most recent titles</p> |
|--|--|

C. FINANCIAL INFORMATION

For the purpose of this application, financial assistance from the BPIDP (including the AECB) should be recorded as revenue. Publishers who have applied such assistance to reduce cost of sales and/or expenses should make an upward adjustment on No. 9 and No. 11.

8. BREAKDOWN OF NET REVENUES

	COMMERCIAL CATEGORY			TOTAL (\$)	TOTAL (\$)
	EDUCATION (\$)	SCHOLARLY (\$)	TRADE (\$)		
■ NET SALES OF ELIGIBLE OWN TITLES					
Canadian-authored titles					
- Titles authored or edited by a Canadian					
- Titles translated by a Canadian from one official language to the other					
- Other titles translated by a Canadian					
Foreign-authored titles					
- Titles adapted by a Canadian					
- Titles translated by a Canadian					
- Titles originated in Canada					
Other titles					
- Rights or permissions of eligible titles					
- Eligible non-print material					
Subtotal of eligible titles	a	b	c		d
■ NET SALES OF NON-ELIGIBLE OWN TITLES					
- Non-eligible titles					
- Rights or permissions of non-eligible titles					
- Non-eligible titles in non-print form					
Subtotal of non-eligible titles	e	f	g		h
■ OTHER NET REVENUES					
- Book retailing				i	
- Periodical publishing				j	
- Marketing and distribution services (including agency titles)				k	
- Other revenues (e.g. interest) (_____)					
Subtotal of other net revenues					l
■ GRANTS AND CONTRIBUTIONS					
	BPIDP Aid to publishers	AECB (FRMAP)	AECB (EMAP)	TOTAL	
- Department of Canadian Heritage					
- Canada Council for the Arts					
- Provincial programs					
- Other sources (_____)					
Subtotal of grants and contributions					m
Total net revenue					n
	(must equal box 1a on page 2)				

9. COST OF SALES

■ COST OF TITLES SOLD

- Opening inventory (including work in progress)		\$	
- Plus direct costs (editorial, design, production, paper, printing, binding)	+	\$	
- Minus closing inventory (including work in progress)	-	\$	
- Plus royalty expenses following sale of titles	+	\$	
		Subtotal	\$
- Plus cost of other products sold			+
			\$
		Total costs of sales	a \$

10. GROSS PROFIT (No. 8n – No. 9a)

\$

11. OPERATING EXPENDITURES

- Marketing and promotion	\$	
- Distribution	\$	
- Other operating expenditures	\$	
		Total a
		\$

12. PROFIT (LOSS) (No. 10 – No. 11a)

\$

13. INCOME TAX

\$

14. EXTRAORDINARY ITEMS

\$

15. NET PROFIT (LOSS) (No. 12 – [No. 13 + No. 14])

\$

16. RETAINED EARNINGS OR OWNERS' EQUITY

- Retained earnings or owners' equity at beginning of year		\$	
- Plus or minus net profit (loss) (No. 15)	±	\$	
- Plus or minus prior years' adjustments	±	\$	
- Minus dividends declared / withdrawals	-	\$	
- Retained earnings or owners' equity at end of year			a \$

17. PROFIT MARGIN

Profit / Loss		Total Revenues		
\$	÷	\$	x 100 =	%
(No. 12)		(No. 8n)		

18. BALANCE SHEET

■ ASSETS

- Cash, securities, advances and deposits	\$	
- Accounts receivable (net)	\$	
- Grants and contributions receivable (net)	\$	
- Inventory (costs or market value, whichever is lower, excluding work in progress)	a	\$
- Deferred prepublication costs (including work in progress)	\$	
- Prepaid royalties and advances	\$	
- Fixed assets (net)	\$	
- Investments in and advances to affiliates	\$	
- Other assets (specify: _____)	\$	
Total assets		\$

■ SHORT-TERM LIABILITIES

- Bank indebtedness and other short-term loans payable	\$	
- Royalties payable	\$	
- Accounts and income taxes payable	\$	
- Current portion of long-term liabilities	\$	
- Deferred revenue from grants / contributions	\$	
- Other short-term liabilities (specify: _____)	\$	
Total short-term liabilities		\$

■ LONG-TERM LIABILITIES

- Due to shareholders or owners	b	\$	
- Mortgages and other long-term loans payable	\$		
- Other long-term liabilities (specify: _____)	\$		
Total long-term liabilities	c	\$	
Total liabilities		\$	

■ EQUITY

- Share capital issued and paid	\$		
- Contributed surplus	\$		
- Retained earnings or owners' equity (No. 16a)	\$		
Total equity	d	\$	
Total liabilities and equity		\$	

19. COMPANY'S INVENTORY (excluding work in progress)

■ **OWN TITLES**

- Educational titles	\$		%	
- Scholarly books	\$		%	
- Tradebooks and others	\$		%	
	Subtotal		100%	a \$

■ **OTHER TITLES**

\$

■ **OTHER PRODUCTS**

\$

Total (No. 18a) \$

20. AREA OF SPECIALIZATION

As per net sales of own titles

■ EDUCATIONAL TITLES (No. 8a + No. 8e)	\$		a	%
■ SCHOLARLY BOOKS (No. 8b + No. 8f)	\$		b	%
■ TRADEBOOKS AND OTHERS (No. 8c + No. 8g)	\$		c	%
	Total			100%

D. BPIDP SUPPLEMENTARY ELIGIBILITY CRITERIA

21. MINIMUM REVENUES AND REQUIRED FINANCIAL RATIOS

The required financial ratios are calculated individually for each company taking into account its specialization. To be eligible, the company must satisfy **one of the following criteria**.

■ **NET ELIGIBLE SALES**

- Minimum required: \$200,000 (or \$130,000 for companies in a minority-language situation or for aboriginal companies)

- Net eligible sales \$ (No. 8d)

MEETS CRITERIA yes no

■ **SALES OF OWN TITLES OVER INVENTORY OF OWN TITLES**

- Minimum ratio required:

$$(0.33 \times \frac{\text{Scholarly}}{\text{(No. 20b)}} \%) + (2 \times \frac{\text{Educational and trade}}{\text{(No. 20a + No. 20c)}} \%) =$$

- Company's ratio: \$ (No. 8d + No. 8h) ÷ \$ (No. 19a) =

MEETS CRITERIA yes no

E. BUSINESS PLAN

For instructions on preparing a business plan, please refer to the "Business Plan Preparation Guide" found at the BPIDP website at www.pch.gc.ca/culture/cult_ind/bpidp-padie/pubs/busplan2.htm.

Instead, you may attach a business plan that has already been prepared for your company, as long as it covers the main headings of section E.

22. DESCRIPTION OF THE COMPANY

■ HISTORY

■ PUBLISHING SPECIALIZATION

■ IN-HOUSE OPERATIONS (EXCLUDING SUBCONTRACTING)

<input type="checkbox"/> Writing / creation	<input type="checkbox"/> Direct sales (e.g. retail or mail order)
<input type="checkbox"/> Editing	<input type="checkbox"/> Distribution
<input type="checkbox"/> Layout and design	<input type="checkbox"/> Other (specify: _____)
<input type="checkbox"/> Printing and binding	_____)
<input type="checkbox"/> Marketing	

■ SUMMARY OF PAST ACTIVITY

(The stage of the business cycle that the company is presently in, e.g. introduction, growth, maturity, decline)

23. SHORT-TERM OPERATIONAL PLAN (for the next 12 months)

■ PUBLISHING STRATEGY

(i.e. expansion in co-publishing, translation, purchase of rights, etc.)

■ HUMAN RESOURCES ACTION PLAN

(i.e. hiring of administrative personnel, sales representatives, etc.)

■ GENERAL MARKETING STRATEGY

(i.e. setting-up of a website, development of new markets, etc.)

■ SPECIFIC MARKETING STRATEGIES

National marketing strategy for eligible titles and corresponding budget

H. WARRANTIES AND AGREEMENTS

Applicants to the Book Publishing Industry Development Program (BPIDP):

- 1) attest that they have read the BPIDP *Applicant's Guide* and that they agree to the terms and conditions set forth therein;
- 2) attest that all statements made in this questionnaire and any attached supplementary information are true;
- 3) will provide any information requested concerning the use and purposes for which any funds received under the BPIDP are expended, in particular any financial reports and statements necessary for an evaluation of the undertakings financed by the Department;
- 4) will provide copies of all relevant agreements and arrangements, and such additional information and documentation that may be useful to the Department of Canadian Heritage in determining the ownership and control of the applicant's business;
- 5) agree that the Department, its agents or contractors, may audit any books and records that may be relevant to the verification of any statement or representation made in the application questionnaire or in accounting for the use of received funds, and shall promptly pay any sum that any audit reveals has been received by them as overpayment or to which they are not entitled under the terms of the BPIDP;
- 6) recognize that no member of the House of Commons shall be admitted to any share or any benefit arising from any funds received under the BPIDP;
- 7) will reimburse the whole, or a portion of any contribution as the Minister may consider appropriate, of any amount received by them under the BPIDP, if, prior to or within twelve (12) months from the date of receipt of such amount:
 - they become bankrupt, are placed in receivership, make an assignment for the benefit of creditors, cease to carry on business in the regular course, or are the subject of an application for winding up or dissolution; or
 - they cease to carry on book publishing as their principal activity;
- 8) will reimburse the total contribution received from the program if, in the twenty-four (24) months following disbursement of funds, the firm ceases to satisfy the terms and conditions of the BPIDP in accordance with its definition of a Canadian-owned and -controlled firm;
- 9) attest that they are not in arrears or in default of any royalty payments due to authors, or their representatives, under the terms of agreement between the applicant and authors or their representatives; and will inform the BPIDP about any litigation, either recently resolved or not yet resolved, in which they are directly or indirectly implicated, and in which the decision could have an impact on their admissibility into the Program, their acceptance for funding, or the amount of their funding;
- 10) will submit two copies of each new title to the National Library of Canada;
- 11) authorize the Department of Canadian Heritage to provide to, and exchange with, the Association for the Export of Canadian Books (AECB) any and all information, including this application form and inter-firm comparison study, for the purposes of this application and the administration of the BPIDP; and understand that this authorization shall extend to any and all information which is communicated to the Department of Canadian Heritage under any other programs administered by the Department, whether prior to or after this application;
- 12) attest that all shareholders or members have been informed of the intention to submit this application and have agreed to the submission of the information concerning them;
- 13) attest that all authors or organization personnel have been informed of the intention to submit this application and have agreed to the submission of the information concerning them;
- 14) agree that, after financing has been provided, any change to the terms of the subsequent agreement must first be approved by the Department;
- 15) understand that the information presented in this application may be disclosed under the provisions of the *Access to Information Act*;
- 16) agree, moreover, to respect the intent of any laws concerning the activities of the Department of Canadian Heritage;
- 17) will acknowledge the financial support of the Government of Canada in all eligible titles published in the year in which a BPIDP contribution is received as prescribed in the section entitled "Obligations" in the BPIDP *Applicant's Guide*.

Made this _____ day of _____ 20____, as witnessed, under the signature of the duly authorized officer.

Signature of authorized officer

Witness

Name

Name

Title

CERTIFICATION BY INDEPENDENT LICENSED ACCOUNTANT

As a note to the financial statements or in a separate letter, the independent accountant must certify that the royalty liabilities were verified on a sample basis and that:

- the calculation of royalties earned by authors is consistent with the contract between the company and the authors; and
- payments have been issued on time.

APPLICATIONS AND INQUIRIES

This request for financial assistance must be sent to the following mailing address on or before May 1, 2001:

The Book Publishing Industry Development Program (BPIDP)
Department of Canadian Heritage
15 Eddy Street, 4th floor
Hull, Quebec
K1A0M5

Telephone: (819) 997-4944
Fax: (819) 997-4169

E-mail: bpidp_padie@pch.gc.ca
Internet: www.pch.gc.ca/bpidp

