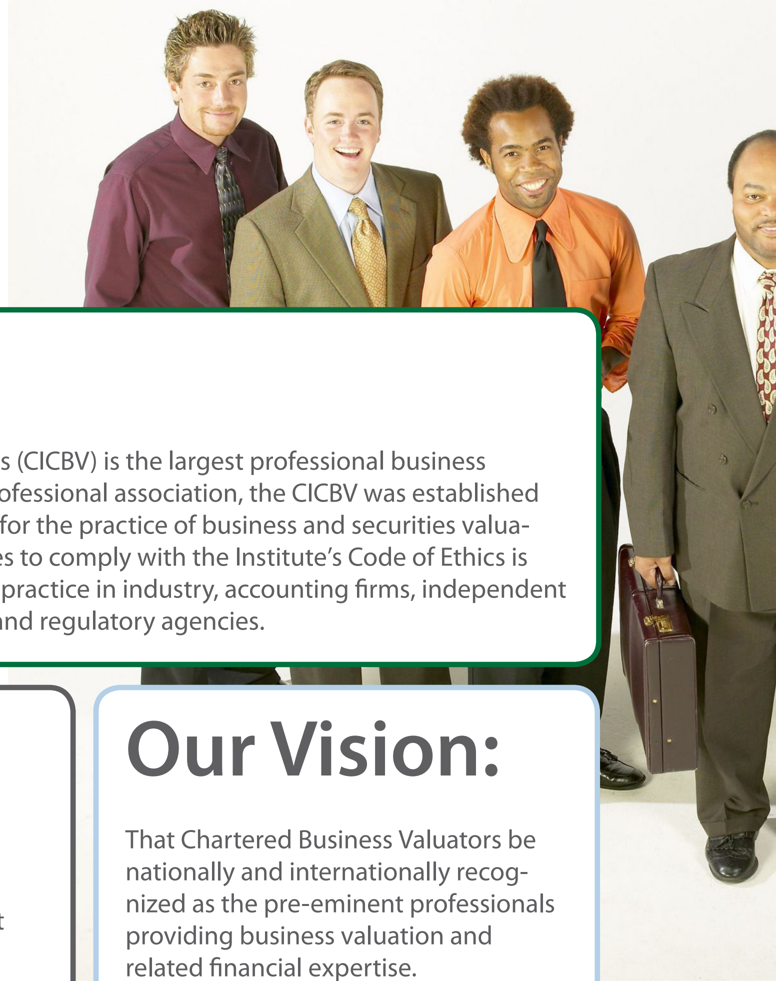
Annual Report 2008

CBV

Experts Worth Knowing

CBV

THE CANADIAN INSTITUTE OF
CHARTERED BUSINESS VALUATORS



About CICBV

The Canadian Institute of Chartered Business Valuators (CICBV) is the largest professional business valuation organization in Canada. A self-regulating professional association, the CICBV was established in 1971 to set educational and professional standards for the practice of business and securities valuation. A member that meets these standards and agrees to comply with the Institute's Code of Ethics is designated a Chartered Business Valuator (CBV). CBVs practice in industry, accounting firms, independent valuation firms, investment dealers and government and regulatory agencies.

Our Mission:

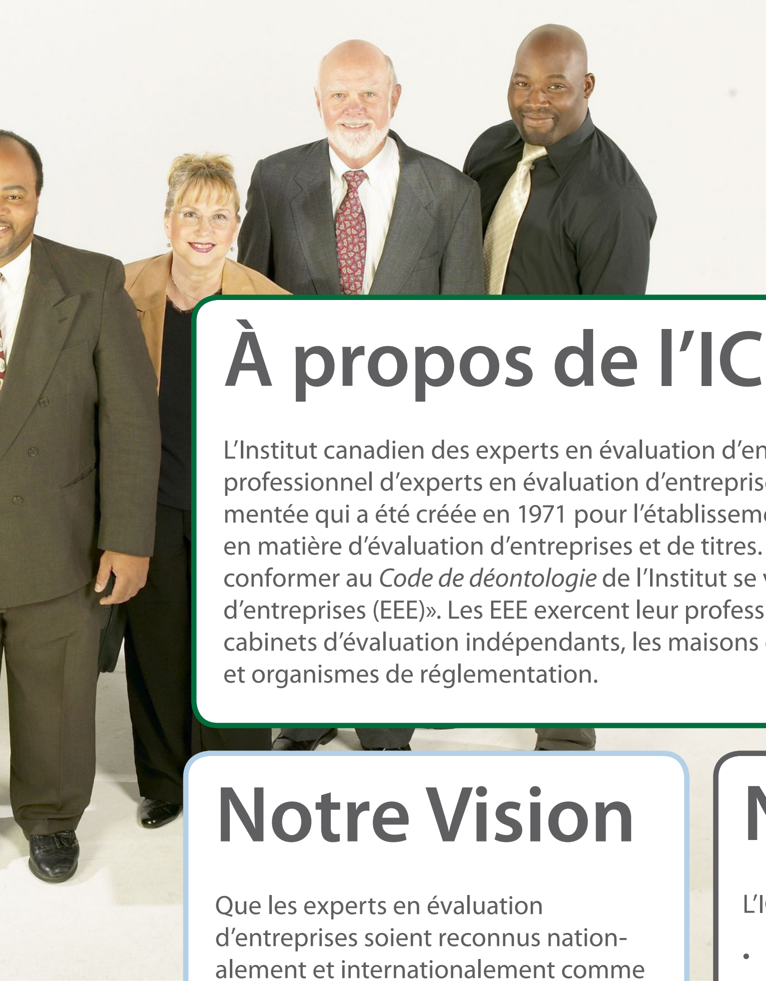
The CICBV preserves the long-term value of the CBV designation by:

- Preserving and enhancing the reputation, respect and credibility of the CBV designation;
- Ensuring that the valuation profession continues to be challenging and rewarding; and
- Enabling CBVs to access a wide range of career opportunities in industry, public practice, government, finance and education.

Our Vision:

That Chartered Business Valuators be nationally and internationally recognized as the pre-eminent professionals providing business valuation and related financial expertise.

Contents



À propos de l’ICEEE

L’Institut canadien des experts en évaluation d’entreprises (ICEEE) est le plus grand regroupement professionnel d’experts en évaluation d’entreprises au Canada. L’ICEEE est une association autoréglementée qui a été créée en 1971 pour l’établissement de normes de formation et d’exercice professionnel en matière d’évaluation d’entreprises et de titres. Le membre qui répond à ces normes et accepte de se conformer au *Code de déontologie* de l’Institut se voit conférer le titre d’«Expert en évaluation d’entreprises (EEE)». Les EEE exercent leur profession dans les entreprises, les cabinets comptables, les cabinets d’évaluation indépendants, les maisons de courtage de valeurs et les Administrations publiques et organismes de réglementation.

Notre Vision

Que les experts en évaluation d’entreprises soient reconnus nationalement et internationalement comme les professionnels prééminents qui fournissent des services d’expertise en évaluation d’entreprises et dans les domaines financiers connexes.

Notre Mission

L’ICEEE assure la pérennité de la valeur du titre d’EEE :

- en préservant et renforçant la réputation, le respect et la crédibilité dont jouit le titre d’EEE;
- en veillant à ce que la profession d’EEE demeure stimulante et enrichissante;
- en permettant aux EEE d’accéder à une riche variété de carrières, que ce soit en cabinet, dans les secteurs privé ou public, ou encore dans les domaines de la finance ou de l’éducation.

Table des matières

Officers and Directors 2008 – 2009

Iseo Pasquali, CBV, Toronto, ON	Chair
Carl Merton, CBV, Windsor, ON	Vice-chair
Farley Cohen, CBV, Toronto, ON	Secretary/Treasurer
Lorne Siebert, CBV, Calgary, AB	Past Chair
David Carefoot, CBV, Winnipeg, MB	Director
Rob Doran, CBV, Calgary, AB	Director
Drew Dorweiler, CBV, Montreal, QC	Director
Denys Goulet, CBV, Quebec City, QC	Director
Eleanor Joy, CBV, Vancouver, BC	Director
Brian Keough, CBV, Halifax, NS	Director
Mark Keuleman, CBV, Burlington, ON	Director
Vimal Kotecha, CBV, Toronto, ON	Director
Michelle Levac, CBV, Ottawa, ON	Director
Nora Murrant, FCBV, Toronto, ON	Director
Jay Patel, CBV, Toronto, ON	Director
John E. Walker, FCBV, Toronto, ON	Director

CICBV Staff

Jeannine M. Brooks, MBA, CAE, FCGA	President & CEO
Robert Boulton, CBV, CA	Director of Professional Affairs
Natasha Carr	Public Relations & Communications Coordinator
Le Anh Huynh	Member Services Coordinator
Deborah Pelle	Executive Assistant/ Conference Coordinator
Judith Roth	Member Services Coordinator
Jennifer Warlow	Program Coordinator

Chair's Message

Iseo Pasquali, CBV

As Chair of the Board of Directors, I have the honour to present The Canadian Institute of Chartered Business Valuators' annual report for the 2008 fiscal year. In the past year, the Institute has experienced high levels of activity stemming from policy and program changes that have taken place. It has been a great year for our Members and for our Institute, with significant achievements to celebrate.

Your Board and Institute management are committed to focus on Member needs and continue to move the Institute forward toward the attainment of the strategic vision – that Chartered Business Valuators be nationally and internationally recognized as the pre-eminent professionals providing business valuation and related financial expertise.

The Institute's drive to continue to grow our excellent reputation in business valuation, litigation support and corporate finance is based on our strategic plan. I encourage you to visit the Institute's website at **www.cicbv.ca** and review our strategic plan. All comments are welcome!

I am pleased with our performance this past year. Our strong financial and operating performance continues and the Institute continues to serve the interests of a growing and a dynamic professional membership.

Some of the noteworthy achievements include:

- We have 75 new Members. Congratulations!
- Our media presence continues to increase.
- We increased university visits to promote the CBV Programme of Studies.
- We updated the *Litigation Support I and Litigation Support II* course notes.
- We continue to monitor, develop and update our Practice Standards, Practice Bulletins and the Code of Ethics.
- We reviewed and amended our By-Laws to ensure that they are current and reflect best practices.

Message du président

Iseo Pasquali, EEE

À titre de président du Conseil d'administration, j'ai l'honneur de présenter le rapport annuel de l'Institut canadien des experts en évaluation d'entreprises pour l'exercice 2008. Au cours de la dernière année, l'Institut a connu un niveau d'activité élevé en raison de changements dans ses politiques et programmes. Les membres et l'Institut ont connu une excellente année et nous avons d'importantes réalisations à souligner.

Le Conseil et la direction de l'Institut demeurent focalisés sur les besoins des membres et sur la réalisation de notre vision stratégique, à savoir *que les experts en évaluation d'entreprises soient reconnus, nationalement et internationalement, comme les professionnels prééminents dans la prestation de services d'évaluation d'entreprises et d'expertise financière connexe.*

L'Institut s'inspire de notre plan stratégique pour continuer à cultiver l'excellente réputation dont nous jouissons dans nos domaines d'intervention : les évaluations d'entreprises, l'assistance en matière de litiges et la finance d'entreprise. Je vous engage d'ailleurs à visiter le site Web de l'Institut à www.cibc.ca et à prendre connaissance de notre plan stratégique. Tous les commentaires sont les bienvenus.

Je suis très heureux de notre performance au cours de l'année écoulée. Nos résultats tant financiers qu'opérationnels demeurent solides et l'Institut continue à servir les intérêts de son effectif croissant de professionnels dynamiques.

Voici certaines de nos réalisations les plus notables :

- Nous comptons 75 nouveaux membres. Félicitations!
- Notre visibilité médiatique continue d'augmenter.
- Nous avons augmenté nos visites dans les universités afin de promouvoir le programme de formation professionnelle de l'ICEEE.
- Nous avons procédé à la mise à jour des notes des cours *Assistance en matière de litiges I et Assistance en matière de litiges II*.
- Nous continuons à procéder au suivi, à l'amélioration et à la mise à jour de nos normes

Chair's Message *(cont'd)*

- We participated in the International Valuation Standards Council (IVSC).
- We sponsored the 4th Private Equity Symposium with Certified Financial Analysts-Toronto (CFA-Toronto), Financial Executives International Canada (FEI Canada) and Canada's Venture Capital and Private Equity Association (CVCA).
- We hosted a National Conference held in Quebec City in September 2008.
- In an effort to enhance our green strategy, the Institute is making more documents and information electronically available e.g. Handbook, Casebook are available on the website; the 2007 and 2008 AGM documents have been sent electronically and for the first time, the 2008 National Conference binders were available electronically, posted on the website and saved on a memory stick.
- In 2008, we moved into new offices to facilitate the need for more space due to the Institute's growth.

These achievements would not have been possible without the dedication and hard work of your Board, Institute staff, and the many volunteers, all of whom form the backbone of the CICBV.

Accreditation and Membership

A total of 75 new Members were successful in obtaining their designation by passing the Membership Entrance Examination, which was held in September 2008. Congratulations to all on your achievement! This number represents an increase of 6% in our membership. The total number of Members in the Institute is now 1,260 of whom 56 reside in foreign countries, including the United States, England, Jamaica, Bermuda, Australia, Cayman Islands, United Arab Emirates, Poland, Barbados, New Zealand, Egypt, South Korea, Netherlands, France and China.

Membership has been growing steadily and reflects the increasing demand for experts in the fields of business valuation, corporate finance and litigation support.

Message du président *(suite)*

d'exercice, de nos bulletins de pratique professionnelle et de notre *Code de déontologie*.

- Nous avons passé en revue et modifié nos statuts afin de s'assurer qu'ils soient toujours actuels et reflètent les meilleures pratiques.
- Nous avons participé aux travaux de l'International Valuation Standards Council (IVSC).
- Nous avons parrainé le quatrième symposium annuel sur le capital de risque (Private Equity Symposium) avec Certified Financial Analysts-Toronto (CFA-Toronto), les Dirigeants financiers internationaux du Canada (FEI Canada) et l'Association canadienne du capital de risque (ACCR/CVCA).
- Nous avons tenu un Congrès national dans la ville de Québec en septembre 2008.
- Dans un effort d'amélioration de sa stratégie de respect de l'environnement, l'Institut rend de plus en plus de documents et d'informations disponibles électroniquement, par exemple le Handbook et le Casebook se trouvent sur le site Web; les documents des assemblées générales annuelles 2007 et 2008 ont été expédiés électroniquement et, pour la première fois, la documentation pour le Congrès national 2008 a été offerte sur support électronique, soit sur le site Web ou sur clé USB.
- En 2008, nous avons déménagé dans de nouveaux bureaux pour répondre au besoin d'espace supplémentaire attribuable à la croissance de l'Institut.

Ces réalisations n'auraient pas été possibles sans le dévouement et l'ardeur au travail du Conseil et du personnel de l'Institut ainsi que des nombreux bénévoles, qui, ensemble, constituent l'épine dorsale de l'ICEEE.

Agrément et effectif

Un total de 75 nouveaux membres ont pu obtenir leur titre en réussissant à l'examen d'agrément qui a eu lieu en septembre 2008. Félicitations à tous pour ce beau succès! Ce nombre de nouveaux membres représente un accroissement de 6 % de notre effectif. Le total de l'effectif de l'Institut se situe maintenant à 1 260 membres, dont 56 sont établis à l'étranger, notamment aux États-Unis, en Angleterre, en Jamaïque, aux Bermudes, en Australie, aux

Education

We take great pride in our education program and the Institute regularly reviews and updates the course notes. The course notes for the *Litigation Support I and Litigation Support II* course notes were reviewed to ensure their relevance with emerging issues. The revised course notes were offered in the 2008 Spring/Summer semester and 2008-2009 Fall/Winter semester, respectively.

The *Private Company Finance* course notes are being rewritten and will be offered online starting Fall/Winter 2009/2010 semester.

The Advanced Open Market Transactions course was discontinued with the last offer of the course effective September 2008. The materials included in this course are already covered in other courses such as *Private Company Finance, Restructuring* and *Public Companies*. These changes resulted in the Institute offering ten courses in total, represented by four mandatory courses and six electives. All elective courses are offered in an online format.

Enrolment in the Programme of Studies increased to 873 registrations in the 2008 Spring/Summer semester compared to 797 in 2007 (an increase of 9.5 %) and 879 registrations in the 2008/2009 Fall/Winter semester compared to 872 from last year (an increase of 0.8%). The total number of registrations was 1,752 from 1,669 (5% increase). We continue to record a moderate growth in our introductory valuation course which could be an early indication of a substantial increase in our membership over the next 3 to 5 years.

York University continues to administer the CICBV Programme office providing advice and assistance with the contribution of the Academic Coordinator and the Course Leaders. York University is the web provider for the development of the online courses and will continue to be involved in the administration and delivery of the courses.

Continuing Education

As with many other professional organizations, continuing education is an important part of maintaining the “excellence” of our profession. sThe Institute continues to offer the courses in the Programme of Study as Continuing Education courses to the Members.

îles Caïmans, aux Émirats Arabes Unis, en Pologne, à la Barbade, en Nouvelle-Zélande, en Égypte, en Corée du Sud, aux Pays-Bas, en France et en Chine.

L’effectif croît régulièrement et reflète la demande de plus en plus grande pour des experts dans les domaines de l’évaluation d’entreprises, de la finance d’entreprise et de l’assistance en matière de litiges.

Formation professionnelle

Nous sommes très fiers de notre programme de formation professionnelle et l’Institut passe en revue ses notes de cours et les met à jour périodiquement. Les notes des cours *Assistance en matière de litiges I et Assistance en matière de litiges II* ont fait l’objet d’une révision destinée à assurer qu’elles sont toujours pertinentes au regard des nouvelles situations qui se présentent. Les notes de cours révisées étaient disponibles pour la session printemps-été 2008 et la session automne-hiver 2008-2009 respectivement.

Les notes du cours *Finance des sociétés fermées* ont été réécrites et seront disponibles pour la session automne-hiver 2009-2010.

Le cours *Opérations sur le marché libre* a été offert pour la dernière fois en septembre 2008. La matière de ce cours est déjà couverte dans d’autres cours dont *Finance des sociétés fermées*, *Restructuration* et *Sociétés cotées*. Par suite de ces changements, l’Institut se trouve à offrir dix cours en tout, quatre obligatoires et six à option. Tous les cours à option sont offerts en ligne.

Les inscriptions au programme de formation professionnelle ont augmenté et se sont chiffrées à 873 pour la session printemps-été 2008, comparativement à 797 en 2007 (soit une progression de 9,5 %), et à 879 pour la session automne-hiver 2008-2009, par rapport à 872 l’an dernier (une hausse de 0,8 %). Le nombre total d’inscriptions est passé de 1 669 à 1 752, ce qui représente un accroissement de 5 %. Notre cours d’introduction en évaluation continue de connaître une croissance modérée, ce qui pourrait bien augurer d’une augmentation importante de notre effectif au cours des prochains trois à cinq ans.

L’Université York continue d’administrer le secrétariat du programme de formation de l’ICEEE et fournit des conseils et une assistance avec la collaboration du coordonnateur de la formation et les animateurs de cours. L’Université York agit comme fournisseur Web pour l’élaboration des

The Institute also offers the American Society of Appraisers' (ASA) Advanced Business Valuation Seminars in Canada as a co-sponsor. These advanced technical seminars are offered to Members, students and the public on a yearly basis in different Canadian cities.

In 2008, four ASA advanced technical seminars were presented:

1. *Cost of Capital,* in Quebec City.
2. *Valuation of Intangible Assets,* in Toronto, Montreal and Vancouver.

All seminars were well attended and received.

The *Valuation Reports and Opinions* seminar was presented in Toronto in April and was well received.

A new seminar on *Derivatives* was developed and presented in Toronto in November. From the results of surveying our members, we started to develop a 2nd *Derivatives* seminar to be offered in 2009.

In 2009, the Institute started developing and offering Webinars to our Members who cannot or do not have the time to travel for continuing education.

Mandatory Continuing Education

As part of the process of keeping ourselves up to date and encouraging all Members to continue with their professional development, mandatory continuing education was introduced in 2004. The Mandatory Continuing Education Policy states that all Members, unless exempted, are required to complete no less than 20 hours of Continuing Education (CE) activities per year, averaged over a consecutive three-year period.

Our website was developed to assist our Members in planning their CE activities for the year by having all the information in one section of the website and providing ways for Members to keep track of their CE hours. If a Member registers and attends any event organized by the Institute, the number of CE hours is automatically entered in the Member's profile.

Workshops and Conferences

Workshops continue to be offered in major cities in Canada organized by our local Members. Starting in 2009, some of the Workshops presentations will be audio recorded and posted on the CICBV website

cours en ligne et continuera de participer à l'administration et à la prestation des cours.

Formation continue

Comme c'est le cas dans beaucoup d'autres organisations professionnelles, la formation continue contribue de manière importante au maintient de l'«excellence» de notre profession. L'Institut continue d'offrir les cours du programme de formation professionnelle à titre de cours de formation continue à l'intention des membres.

L'Institut offre également au Canada, en co-parrainage avec l'American Society of Appraisers (ASA), des séminaires avancés en évaluation d'entreprises. Ces séminaires techniques de pointe sont offerts annuellement aux membres, aux étudiants et au public dans diverses villes canadiennes.

En 2008, quatre séminaires techniques de pointe de l'ASA ont été tenus :

1. *Coût du capital,* dans la ville de Québec ;
2. *Évaluation des actifs incorporels,* à Toronto, à Montreal et à Vancouver.

Tous les séminaires ont réuni un nombre important de participants et ont été bien accueillis.

Le séminaire Rapports et opinions d'évluation a été présenté à Toronto en avril et a également été fort apprécié.

Un nouveau séminaire sur les *Dérivés* a été élaboré et tenu à Toronto en novembre. Par suite des résultats d'un sondage auprès de nos membres, nous avons commencé à organiser un deuxième séminaire sur les *Dérivés* qui sera offert en 2009.

En 2009, l'Institut a commencé à créer et à offrir des Webinars à ses membres qui se trouvent dans l'impossibilité ou n'ont pas le temps de se déplacer pour nos activités de formation continue.

Formation obligatoire

Dans le cadre du processus d'actualisation de nos connaissances et d'encouragement des membres à poursuivre leur développement professionnel, la formation continue obligatoire a été introduite en 2004. La Politique sur la formation continue obligatoire prévoit que tous les membres, sauf dispense, sont tenus d'effectuer un minimum de 20 heures de formation continue (FC) par an, déterminé d'après une moyenne calculée sur une durée de trois années consécutives.

for future viewing.

In September 2008, the National Conference was held in Quebec City during the celebrations of the City's 400th anniversary. The attendance was 416.

I want to extend a hearty word of thanks to the conference committee and the Members, students and sponsors for your continued support.

The 4th Private Equity Symposium was held in Toronto on March 3rd, 2009. This yearly event brings together the CICBV, FEI Canada, the Toronto CFA Society, and the CVCA. This multi-disciplinary symposium provided a forum to discuss critical economic and business issues impacting today's private equity practitioners. The event was well attended with 288 delegates in Toronto and across Canada — with live video-broadcast — in Montreal, Ottawa, Halifax, Regina, Winnipeg, Edmonton, Calgary and Vancouver.

Conferences and workshops continue to be important vehicles for education, continuing education and networking, for our Members and students.

In 2009, the Regional Conferences will be held in Niagara Falls on June 18 and 19, 2009; and Kelowna on October 1 and 2, 2009, respectively. Reserve these dates and I hope to see you either in Niagara Falls, Kelowna or both places.

Publications

The Institute continues with an active program of publications. In the past year, regular editions of *The Business Valuator, the Valuation Law Review* and *the Business Valuation Digest* were published and sent to all Members, students and subscribers, a distribution of over 2,200 copies of each edition. *The Business Valuator (the newsletter)* is distributed on a quarterly basis and continues to be sent electronically. The newsletter is also posted on the CICBV website for public access.

Starting February 2009, the *Journal of Business Valuation* and *the Business Valuation Digest* will be combined into one publication *"The Journal of Business Valuation"* and will be published twice per year (February and August) and will include the proceedings of the National Conference as well as Research Papers, Discussion Papers, articles and presentations from regional conferences.

Notre site Web a été développé dans le but d'aider les membres et les étudiants à planifier leurs activités annuelles de FC, toute l'information étant réunie dans une section du site Web qui permet également aux membres de comptabiliser leurs heures de FC. Chaque fois qu'un membre s'inscrit et est présent à un événement organisé par l'Institut, le nombre d'heures de FC reconnues est automatiquement inscrit à son actif.

Ateliers et colloques

Des ateliers continuent d'être offerts dans les principales villes du Canada sous l'égide locale de nos membres. À compter de 2009, certains des ateliers feront l'objet d'enregistrements qui seront accessibles sur le site Web de l'ICEEE à ceux qui voudront les regarder par la suite.

En septembre 2008, le Congrès national a été tenu à Québec, dans le cadre du 400e anniversaire de la ville, et a réuni 416 participants.

Je remercie chaleureusement le comité organisateur ainsi que tous les membres, étudiants et commanditaires pour leur soutien indéfectible.

Le quatrième symposium sur le capital de risque (*Private Equity Symposium*) a été tenu à Toronto le 3 mars 2009. Cet événement réunit l'ICEEE, les Dirigeants financiers internationaux du Canada (FEI Canada), la Toronto CFA Society et l'Association canadienne du capital de risque (ACCR/CVCA). Le symposium multidisciplinaire a fourni un forum permettant de discuter de questions déterminantes en matière d'économie et d'affaires qui intéressent directement les praticiens du domaine du capital de risque. L'événement a été populaire, ayant attiré 288 participants à Toronto et à la grandeur du Canada – grâce à la transmission vidéo en direct – à Montréal, Ottawa, Halifax, Regina, Winnipeg, Edmonton, Calgary et Vancouver.

Les congrès, colloques et ateliers sont toujours des occasions importantes de formation professionnelle, de formation continue et de réseautage pour tous nos membres et étudiants.

En 2009, les colloques régionaux seront tenus à Niagara Falls les 18 et 19 juin 2009, et à Kelowna les 1er et 2 octobre 2009. Réservez ces dates, et j'espère vous voir soit à Niagara Falls, à Kelowna ou aux deux endroits.

Publications

L'Institut poursuit son programme actif de publications. Au cours de l'année écoulée, il a publié et diffusé auprès de tous ses membres, étudiants et abonnés les

Chair's Message *(cont'd)*

Practice Standards

Our standards are constantly updated to reflect the current economic, business and professional environments in which CBVs operate.

Appendix C to Standard #110 was developed and approved by the Board of Directors, to clarify, complement and expand the report disclosure standards that are appropriate to Valuation Reports that are prepared pursuant to financial accounting standards for purposes of Financial Reporting. *Appendix C* was sent to all Members in an Exposure Draft in December 2007. Comments were received by January 31, 2008. *Appendix C* to Standard #110 was adopted at the Annual General Meeting to be held in Toronto on June 19, 2008.

Minor amendments to Standards #110, #120, #130, #210, #220, #230, #310, #320 and #330 were approved by the Board of Directors and sent to all Members in an Exposure Draft. The amended standards will be presented for approval at the Annual General Meeting to be held in Niagara Falls on June 17, 2009.

Appendix A to Standards 110, was amended to ensure that it complies with Multilateral Instrument 61-101 and its related Companion Policy, which is relevant securities legislation in Ontario and Quebec as adopted in 2008. *Appendix A* was sent to all Members in an Exposure Draft in February 2009. Comments were received by April 15, 2009. *Appendix A* to Standard #110 will be presented for adoption at the Annual General Meeting to be held in Niagara Falls on June 17, 2009.

Changes to the CICBV By-laws are required to update and clarify their provisions so that they can continue to meet the Institute's current and future needs. The By-Laws Review Task Force comprising of Board members, former Board members, Past Chairs, Members and Institute management with the advice of legal counsel met extensively over the past year to review the By-Laws and to consider changes that would be appropriate. The amended By-Laws will be presented for approval at the Annual General Meeting to be held in Niagara Falls on June 17, 2009.

The Professional Practice Committee continues to comments on Exposure Drafts related to business valuation from different professional bodies.

Message du président *(suite)*

éditions périodiques de *The Business Valuator*, de *Valuation Law Review* et de *Business Valuation Digest*, ce qui représente une distribution de plus de 2 200 exemplaires pour chaque numéro. *The Business Valuator (the newsletter)* est publié trimestriellement et continue d'être transmis électroniquement. Ce bulletin est également posté sur le site Web de l'ICEEE afin que le public puisse y avoir accès.

Depuis février 2009, le *Journal of Business Valuation* et le *Business Valuation Digest* sont fondus en une seule publication, *The Journal of Business Valuation*, qui sera publié deux fois l'an (février et août) et comprendra les actes du Congrès national ainsi que des documents de recherche, des documents de réflexion, des articles et des communications des colloques régionaux.

Normes d'exercice

Nos normes sont constamment actualisées afin de refléter les environnements économique, commercial et professionnel actuels dans lesquels les EEE exercent leurs activités.

L'*Annexe C* de la norme 110 a été élaborée, puis approuvée par le Conseil d'administration, afin de clarifier, compléter et développer les normes sur les informations à fournir dans les rapports d'évaluation préparés en application des normes de comptabilité générale à des fins d'information financière. L'*Annexe C* a été transmise à tous les membres sous forme d'exposé-sondage en décembre 2007. Les commentaires ont été reçus jusqu'au 31 janvier 2008. Cette annexe a été adoptée lors de l'Assemblée générale annuelle tenue à Toronto le 19 juin 2008.

Des modifications mineures des normes 110, 120, 130, 210, 220, 230, 310, 320 et 330 ont été approuvées par le Conseil d'administration et communiquées à tous les membres sous forme d'exposé-sondage. Les normes modifiées seront soumises à l'approbation de l'Assemblée générale annuelle qui sera tenue à Niagara Falls le 17 juin 2009.

L'*Annexe A* de la norme 110 a été modifiée afin de faire en sorte qu'elle soit conforme au Règlement 61-101 et à l'Instruction générale relative au Règlement 61-101 qui font partie de la législation sur les valeurs mobilières du Québec et de l'Ontario depuis leur adoption en 2008. L'*Annexe A* a été communiquée à tous les membres sous forme d'exposé-sondage en février 2009. Les commentaires ont té reçus jusqu'au 15 avril 2009. Cette annexe sera soumise à l'approbation de l'Assemblée générale annuelle qui sera tenue à Niagara Falls le 17 juin 2009.

The Professional Practice Committee continues to monitor our chosen fields of practice, to develop practice standards to ensure all Members perform at the highest professional level.

Conduct & Discipline

The Institute has a well established discipline procedure to respond to allegations that a Member has not abided by the By-Laws, the Practice Standards or the Code of Ethics adopted by the Institute. The operation and conduct of the discipline procedure is within the authority of the Conduct & Discipline Committee (CDC). The CDC received two complaints in 2008 and for one of the cases, investigators are involved.

The two outstanding cases from 2007 were settled and closed.

International

The Institute continues to dialogue with its US counterparts: the American Society of Appraisers (ASA)-Business Valuation (BV) and the American Institute of Certified Public Accountants (AICPA-ABV). The CICBV and ASA-BV continues to discuss ways to work closer together to bring the profession of business valuation closer to an International level. The 2010 CIBV/ASA-BV Joint Conference is planned to be in Miami Beach, Florida.

In September 2006, the Institute joined the IVSC to participate in the development and harmonization of business valuation standards, globally. The Institute participated in the IVSC business valuation project on valuation of intangible assets to be presented to the International Accounting Standards Board. An Exposure Draft was distributed in February 2009 and the Institute sent comments of the Exposure Draft.

The IVSC has gone through a restructuring which allows the Institute to participate in the development and governance of the new IVSC. The IVSC Board of Trustees and the Standards Committee are independent of each other. It is hoped that this will result in a new organization which will be more recognized around the world as the international standard setters in valuation.

There are two CBVs who have been appointed to the IVSC Boards: Brad Dalgliesh, FCBV, serves on

Il est nécessaire d'apporter des modifications aux statuts de l'ICEEE afin d'actualiser et de clarifier leurs dispositions de sorte qu'elles puissent continuer à répondre aux besoins courants et futurs de l'Institut. Le Groupe de travail sur la révison des statuts, composé de membres et d'anciens membres du Conseil d'administration, d'anciens présidents, de membres et de la direction de l'Institut, qui bénéficient des conseils d'un avocat, s'est réuni à de nombreuses reprises au cours de l'année écoulée pour réfléchir aux modifications qu'il convenait d'adopter. Les statuts modifiés seront soumis à l'approbation de l'Assemblée générale annuelle qui sera tenue à Niagara Falls le 17 juin 2009.

Le Comité de la pratique professionnelle continue de commenter les exposés-sondages liés à l'évaluation d'entreprises que publient les divers organismes professionnels.

Par ailleurs, le Comité de la pratique professionnelle suit toujours l'évolution de nos domaines d'intervention choisis en vue de l'élaboration de normes permettant d'assurer que les prestations des membres se mesurent à l'aune de l'excellence professionnelle.

Déontologie et discipline

L'Institut dispose d'une procédure disciplinaire bien établie permettant de donner suite aux allégations avancées contre des membres qui sont soupçonnés d'avoir manqué aux statuts, aux normes d'exercice ou au *Code de déontologie* adoptés par l'Institut. La responsabilité de la mise en œuvre de la procédure disciplinaire incombe au Comité de discipline (CD). Le CD a été saisi de deux plaintes en 2008, et des enquêteurs ont été appelés à intervenir dans l'un de ces dossiers. Les deux affaires de 2007 toujours en instance ont été réglées et classées.

Sur la scène internationale

L'Institut poursuit son dialogue avec ses homologues américains : l'American Society of Appraisers (ASA)-Business Valuation (BV) et l'American Institute of Certified Public Accountants (AICPA- ABV). L'ICEEE et l'ASA-BV poursuivent leur dialogue en vue d'une collaboration accrue pour faire évoluer la profession d'évaluateur d'entreprises vers un niveau international. Il est prévu que le congrès conjoint ICEEE/ASA-BV de 2010 sera tenu à Miami Beach (Floride).

En septembre 2006, l'Institut est devenu membre de l'IVSC afin de participer à l'élaboration et à l'harmonisation des normes d'évaluation d'entreprises

Chair's Message *(cont'd)*

the IVSC Board of Trustees and Jeff Harder, FCBV, serves on the IVSC Standards Board.

The Institute will continue to dialogue with other business valuation groups in Australia, France, Germany and the United Kingdom.

Profile Raising

The communication plan was approved with new initiatives to increase media relations and promotional activities.

The Programme of Studies brochure was updated in collaboration with York University. The Brochure will be mailed to all Members and students to encourage them to promote the Programme to their colleagues, employees and friends. The Programme was advertised in the *CA Magazine* in April and September 2008.

The Board of Directors and new Members announcements were placed in *The Globe and Mail*.

Awards

One avenue used to promote the Institute is to promote key Members who have been active on our behalf. This year we hosted the 3rd Awards and Recognition Dinner the evening prior to the National Conference in Quebec City in September 2008.

The honourary designation of **"Fellow" (FCBV)** of the Institute was granted to **Laurent Despres, FCBV**. The FCBV designation was created in 1989 for the purpose of recognizing those Members of the Institute who have brought distinction of the business valuation profession and have achieved recognition in their professional lives and in their communities.

The designation is in recognition of Laurent's valued contribution and his overall leadership in the profession. **Congratulations Laurent!**

The 2008 CICBV Communicator Award was granted to Jim Horvath, FCBV.

This award is granted to a CBV whose activities have made a positive contribution to communicating about, and raising the profile of our profession. The CICBV Communicator Award is granted each year to a deserving Chartered Business Valuator. **Congratulations Jim!**

Message du président *(suite)*

à l'échelle mondiale. L'Institut a participé au projet de l'IVSC sur l'évaluation des actifs incorporels qui sera soumis à l'International Accounting Standards Board. Un exposé-sondage a été diffusé en février 2009, sur lequel l'Institut a soumis des commentaires.

L'IVSC a fait l'objet d'une restructuration qui permet à l'Institut de participer au développement et à la gouvernance du nouvel IVSC. Le Conseil d'administration de l'IVSC et le Conseil de normalisation sont maintenant indépendants l'un de l'autre. On espère que cette restructuration fera en sorte que le nouvel orgnisme sera davantage reconnu à travers le monde en tant que normalisateur international dans le domaine de l'évaluation.

Deux EEE ont été nommés pour siéger aux conseils de l'IVSC : Brad Dalgliesh, FEEE, est membre du Conseil d'administration de l'IVSC et Jeff Harder, FEEE, est membre de son Conseil de normalisation.

L'Institut va poursuivre son dialogue avec les groupes d'évaluateurs d'entreprises en Australie, en France, en Allemagne et au Royaume-Uni.

Visibilité

Le plan de communication a été approuvé et comprend de nouvelles initiatives en vue d'accroître les activités de relations avec les médias ainsi que les activités de promotion.

La brochure sur le Programme de formation professionnelle a été mise à jour en collaboration avec l'Université York. La brochure sera envoyée à tous les membres et aux étudiants pour les encourager à promouvoir le programme auprès de leurs collègues, employés et amis. Le programme a été annoncé dans *CAmagazine* en avril et en septembre 2008.

Nous avons annoncé la composition du nouveau Conseil d'administration ainsi que le nom des nouveaux membres dans *The Globe and Mail.*

Distinctions

L'une des façons de promouvoir l'Institut est de mettre en valeur des membres clés qui ont été actifs en notre nom. Nous avons tenu le troisième dîner Reconnaissance et distinctions, en septembre 2008, à la veille de l'ouverture du Congrès annuel à Québec.

Le titre honorifique de **"Fellow" (FEEE)** a été attribué à un de nos membres: **Laurent Després, FEEE.** Le titre de FEEE a été créé en 1989 pour honorer les membres de l'Institut qui ont contribué au prestige de

Research Institute

In 2008, the **Ian R. Campbell Research Competition** was launched with a "Call for Papers" sent to CBVs, CICBV students, Academics and students at Canadian universities.

The Research Institute is helping to fund research on key issues, while at the same time, promoting the profession across Canada.

The "Best Paper" prize was **shared by two research papers:** *Size Premia in the Canadian Equity Market,* by Klemens Wilhelm of Deloitte & Touche LLP (Toronto, Ontario) and *The Valuation of Canadian Income Trusts: Do Investors See Through Distributable Cash Management?,* by Denis Cormier, ESG UQAM (Montreal, Quebec); Pascale Lapointe-Antunes, Brock University (St. Catharines, Ontario); and Michel Magnan, Concordia University (Montreal, Quebec).

The Institute sponsored a "Best Paper" Award at the Northern Finance Association Conference held in Kananaskis, Alberta in September 2008. The paper chosen for the award was titled *Industry-Specific Human Capital, Idiosyncratic Risk and the Cross-Section of Expected Stock Returns,* by Esther King.

Communications

In the past years, the Institute communicated regularly with its Members and students using e-mails and posting all information on the CICBV website, in addition to some mailings. The Institute also used mini surveys to obtain feedback from the Members and students. The surveys and the e-mails enable us to consult Members on a wide variety of issues and help us improve and streamline existing products and services while we address today's challenges and prepare for tomorrow. Thank you for your participation in the various surveys. We appreciate your input and feedback.

Financial Condition

The Institute's financial position is strong with adequate resources to fund programs such as the development and update of course notes in our Programme of Studies; the review and update of the By-Laws, Practice Bulletins and Practice Standards; the advertising and public relations activities; the management of the mandatory CE; as well

la profession de l'évaluation d'entreprise et qui ont acquis une notoriété dans leur vie professionelle et au sein de leur collectivité.

Le titre est attribué à Laurent Desprès en reconnaissance de sa remarquable contibution et de son grand leadership au sein de la profession. **Félicitations Laurent!**

Le prix du communicateur de l'année de l'ICEEE pour 2008 a été décerné à Jim Horvath, FEEE. Ce prix est attribué à l'expert en évaluation d'entreprises dont les activités ont représenté une contribution positive aux communications concernant la profession et au renforcement de son image. Il est décerné chaque année à un membre méritant. **Félicitations Jim !**

Institut de recherche

En 2008, le **Concours de recherche Ian R. Campbell** a été lancé avec un «appel à communications» transmis aux membres et étudiants de l'ICEEE, aux professeurs et aux étudiants inscrits dans les universités canadiennes.

L'Institut de recherche aide à financer de la recherche sur des questions clés tout en participant à la promotion de la profession à la grandeur du Canada.

Le prix de la «Meilleure communication» a été **partagé entre deux documents de recherche** : *Size Premia in the Canadian Equity Market,* par Klemens Wilhelm de chez Deloitte & Touche LLP (Toronto, Ontario) et *The Valuation of Canadian Income Trusts: Do Investors See Through Distributable Cash Management?,* par Denis Cormier, ESG UQAM (Montréal, Québec); Pascale Lapointe-Antunes, Brock University (St. Catharines, Ontario); et Michel Magnan, Université Concordia (Montréal, Québec).

L'Institut a parrainé un prix de la meilleure communication dans le cadre du congrès de la Northern Finance Association tenu à Kananaskis (Alberta) en septembre 2008. La communication primée, intitulée *Industry-Specific Human Capital, Idiosyncratic Risk and the Cross-Section of Expected Stock Returns,* était l'oeuvre d'Esther King.

Communications

A cours des dernières années, l'Institut a communiqué régulièrement avec ses membres et les étudiants par courriel et en postant l'ensemble de ses informations sur son site Web, en plus de procéder à certains envois postaux. L'Institut a également utilisé des mini-sondages pour obtenir le point de vue des membres as the update of the website and the Institute's move into larger offices in 2008 to accommodate our growth.

Net assets at year-end were $1,328,053 compared to $1,342,010 at the end of 2007. Our cash flow continues to remain sound. Unrestricted surplus fund is $835,872 after setting up a separate fund of $263,984 for Conduct and Disciplinary Purposes.

The audited Financial Statements for the year ended December 31, 2008 are appended to this report.

Recognition

Having served on the CICBV Board for many years, I know the CICBV has an incredible pool of talent, both volunteers and support staff, who are genuinely committed to ensuring the CICBV's continued success.

The Board gives freely of their time to attend five Board meetings each year, with everyone also serving on at least two committees. In addition, a number of non-Board Members serve on committees, sub-committees and task forces, while others assist in the educational program as course leaders, academic coordinator, authors, developers and markers of the Membership Entrance Examination or participate in organizing workshop and conference presentations. We are very fortunate to have these Members who devote their time, talents and expertise to move the Institute forward. To all of these Members, who ensure the success of the CICBV, I would like to express my sincere thanks and gratitude on behalf of all our Members!

The Institute is also very fortunate to have an excellent and dedicated support staff. Jeannine Brooks, MBA, CAE, FCGA, President & CEO; Robert Boulton, CBV, CA, Director of Professional Affairs; Le Anh Huynh, Member Services Coordinator; Jennifer Warlow, Program Coordinator; Deborah Pelle, Executive Assistant/Conference Coordinator; Natasha Carr, Public Relations & Communications Coordinator and Judith Roth, Member Services Coordinator, have provided exemplary and dedicated service to the CICBV, its Members and students. The Board of Directors and I wish to express our sincere appreciation for their loyalty and hard work.

et des étudiants. Les sondages et les courriels nous permettent de consulter les membres sur une plus grande variété de sujets et nous aident à améliorer et à rationaliser nos produits et services afin de répondre aux défis actuels et de préparer l'avenir. Merci pour votre participation aux différents sondages. Nous apprécions vos commentaires et vos réactions.

Situation financière

L'Institut jouit d'une vigoureuse santé financière, disposant de suffisamment de ressources pour financer des programmes tels que l'élaboration et la mise à jour des notes de cours de notre programme de formation professionnelle, la révision et la mise à niveau des statuts, des bulletins de pratiques professionnelle et des normes d'exercice, la publicité et les activités de relations publiques, la gestion de la formation continue obligatoire, ainsi que la mise à jour du site Web et le déménagement de l'Institut dans des locaux plus grands en 2008 pour faire face à notre croissance.

Les actifs nets se chiffraient à 1 328 053 $ à la fin de l'exercice, contre 1 342 010 $ à la fin de 2007. Nos rentrées nettes de fonds continuent d'être satisfaisantes. Le surplus non affecté des membres est de 835 872 après affectation d'une somme totale de 263 984 $ aux fins du processus disciplinaire.

Les états financiers complets et vérifiés pour l'exercice terminé le 31 décembre 2008 sont annexés au présent rapport.

Remerciements

Ayant siégé au Conseil d'administration de l'ICEEE pendant de nombreuses années, je sais que l'Institut bénéficie d'un groupe de personnes incroyablement talentueuses – tant les bénévoles que les permanents – qui ont vraiment à cœur le succès constant de l'Institut.

Les membres du Conseil donnent généreusement de leur temps; ils participent à cinq réunions du Conseil par an, tout en siégeant à au moins un comité. En plus, de nombreux membres autres que les administrateurs siègent aux comités de l'Institut, alors que d'autres contribuent au programme de formation en tant qu'animateurs ou coordonnateur de formation, ou en tant qu'auteurs, préparateurs ou correcteurs de l'examen d'agrément, ou encore participent à l'organisation de nos ateliers et congrès. Nous avons beaucoup de chance de pouvoir compter sur ces membres qui consacrent leur temps, leur talent et leur expertise à l'avancement de l'ICEEE. J'exprime mes

Conclusion

While the Institute's principal responsibility is to protect the public interest through the maintenance and enforcement of high professional standards, it also exists to serve its Members. The Institute takes its mandate seriously and welcomes the many and diverse challenges and opportunities that have been addressed over the past year as well as those that lie ahead.

The many individuals who are actively involved in the CICBV are key to our strength as a profession and to our achievements as an organization, not only in Canada but globally as well. Their examples inspire us and their contributions are recognized.

In closing, it has been an honour to serve as Chair of the Board of Directors for 2008 — 2009. It has been a rewarding experience for me and I am proud to be a CBV! I would encourage all Members to get involved in helping the Institute meet the challenges of the future. Thank-you for the privilege of serving as Chair of your Board of Directors!

Iseo Pasquali, CBV
Chair of the Board of Directors

remerciements et ma profonde gratitude, au nom de l'ensemble de notre effectif, à tous ces membres qui contribuent au succès de l'Institut.

L'Institut a également la chance de pouvoir compter sur un personnel excellent et dévoué. Jeannine Brooks, MBA, CAE, FCGA, présidente-directrice générale, Robert Boulton, EEE, CA, directeur des affaires professionnelles, Le Anh Huynh, coordonnatrice de programmes, Jennifer Warlow, coordonnatrice de programmes, Deborah Pelle, adjointe à la direction, Natasha Carr, coordonnatrice des relations publiques et des communications, et Judith Roth, coordonnatrice des services aux membres, ont servi l'Institut ainsi que ses membres et étudiants de façon exemplaire et avec dévouement. Je me joins au Conseil d'administration pour les remercier de leur loyauté et de leur travail soutenu.

Conclusion

Bien que la principale responsabilité de l'Institut soit de protéger le public par le maintien et la mise en application de normes professionnelles rigoureuses, l'ICEEE a aussi comme objectif de servir ses membres. L'Institut assume son mandat avec sérieux et n'a jamais reculé devant les défis et opportunités, nombreux et variés, qui se sont présentés à lui dans le passé, ni ne reculera devant ceux de l'avenir.

Les nombreuses personnes qui participent activement au fonctionnement de l'Institut sont essentielles pour la force de notre profession et les réalisations de notre organisation, non seulement au Canada, mais aussi mondialement. Leur exemple nous inspire et leur apport est apprécié. Pour conclure, ce fut pour moi un honneur d'exercer les fonctions de président du Conseil d'administration en 2008-2009. L'expérience a été des plus enrichissantes, et je suis fier d'être EEE. J'invite tous les membres à mettre leur talent au service de l'Institut pour l'aider à relever les défis de l'avenir. Je vous remercie de m'avoir accordé le privilège de servir à titre de président de votre Conseil d'administration.

Le président du Conseil d'administration,
Iseo Pasquali, EEE

Committee Terms of Reference

Accreditation/Membership

Terms of Reference:

1. Mandate:
   a) Inform and advise the Board in respect of policies related to Accreditation and Membership.
   b) Maintain appropriate membership qualifications standards in the areas of valuation experience and Membership Entrance Examination (MEE).
   c) Coach exam authors.
   d) Review and approve the applications to write the MEE.
   e) Review and approve the examination papers.
   f) Review the final results of the examination and the report of the Exam Coordinator.
   g) Recommend the Board admission of qualified Members.

2. Composition:
   Voting members:
   A minimum of three Board Members
   A minimum of three non-Board Members

   Support Staff
   Director of Professional Affairs
   Executive Assistant
   MEE Exam Coordinator

Audit Committee

Terms of Reference:

1. Mandate:
   a) Provide an annual review as to the performance of the auditor(s) and report thereon to the Board of Directors.
   b) At a minimum, every five years, consider the need to re-tender for the auditor, review submissions and recommend the auditing firm to the Board of Directors.
   c) Review and approve the Audited Financial Statements and other financial, investment, internal controls systems and reporting issues.

2. Composition:
   Voting members:
   Three Board Members, other than the Treasurer
   One non-Board member

Awards Committee

Terms of Reference:

1. Mandate:
   a) To review each Nomination for the **Fellowship (FCBV) designation,** in light of the criteria established and to make its recommendation to the CICBV Board of Directors;
   b) To review each Nomination for the **Life Member designation,** in light of the criteria established and to make its recommendation to the CICBV Board of Directors;
   c) To review each Nomination for the **Communicator Award,** in light of the criteria established and to make its recommendation to the CICBV Board of Directors.

.2. Composition:
   Voting members:
   A minimum of three Members:
   FCBV as chair, appointed by the Chair (usually a term of three years),

   The Awards chair is responsible for selecting a committee which consists of a least two Fellows (FCBV) and the Chair of the Communications Committee **for the Communicator Award only.**

Communications

Terms of Reference:

1. Mandate:
   a) Inform and advise the Board on policy matters related to communications with the CICBV Members, students and the general public.
   b) Be responsible for Communications, Public Relations, Advertising, Promotion and Publications.
   c) Have a sub-committee, using principally non-Board members and staff as follows:
      (i) Editorial Board for The Valuator, Valuation Law Review and the Journal.

2. Composition:
   Voting members:
   A minimum of three Board members
   A minimum of three non-Board Members

Support Staff:
President & CEO
PR & Communications Coordinator

Conferences/Workshops

Terms of Reference:

1. Mandate:
   a) Recommending locations for Conferences – Regional and National
   b) Forming Conference Committees to actually develop Programs and liaise with local Members for Conferences.
   c) Monitor and support local Workshops.
2. Composition:
   Voting member:
   One Board Member as Chair

   Support Staff:
   Executive Assistant
   Program Coordinator

Education/Continuing/Education Committee

Terms of Reference:

1. Mandate:
   a) Inform and advise the Board in respect of policies to maintain appropriate Programme of Studies standards in the area of Education.
   b) Further develop policies to enhance the Continuing Education Programme offered to Members.
   c) Identify matters needing policy direction or amendment.
   d) Inform and advise the Board in respect to policies to maintain appropriate Mandatory Continuing Education Standards.
2. Composition:
   Voting members:
   A minimum of five Board Members including the Chairs of Conferences/Workshops and Accreditation committees
   A minimum of four non-Board Members

   Support staff and other non-voting members:
   The President & CEO
   Director of Professional Affairs
   Executive Assistant

   York University representatives are invited to attend the part of the Education meeting which deals with the administration of the Programme of Studies or when invited to participate in the discussion, however, they are not voting members.

Executive Committee:

Terms of Reference:

1. Mandate:
   a) Ensure guidance and leadership in directing the affairs of the Institute as authorized by the Board of Directors.
   b) Help focus on key agenda items.
   c) Resolve complex issues.
   d) Bring alternatives to the Board of Directors for decision.
   e) Act if significant issues arise between Board Meetings and time is the essence.
2. Composition:
   Voting Members:
   The Chair
   The Vice- Chair
   The Past Chair
   The Secretary/Treasurer

   Support Staff
   The President & CEO (Ex-officio)

International

Term of Reference:

1. Mandate:
   a) To monitor international activities to ensure they are directed at advancing the Institute's goal to be recognized internationally;
   b) To investigate, monitor and assess foreign designations for mutual recognition consideration;
   c) To review and recommend the sale or export of Institute course materials;
   d) To monitor and oversee the support of international members;
   e) To recommend the appointment of delegates to international organizations, and establish measurable objectives for these appointments; and
   f) To monitor IVSC sponsorship.

2. Composition:
   Voting Members:
   The Committee Chair shall be a member of the CICBV Board of Directors or the immediate Past-Chair
   The immediate Past-Chair of the CICBV Board of Directors
   A minimum of two additional members (Board member or non-Board member)

   Support Staff
   President & CEO(ex-officio)

Nominating Committee

Term of Reference:

1. Mandate:
   a) Ensure there is an adequate slate of Candidates for election or appointment to the Board of Directors.
   b) Nominate Officers of the Board of Directors.
   c) Select and nominate Directors that are not elected by the Regions.
   d) Actively promote nominations.
   e) Set criteria of Director representation on the Board, e.g. Skills, Experience, Industry representation, Geographical representation.
2. Composition:
   Voting Members:
   The Past Chair, chair
   The Chair
   The Vice-Chair
   The Past Past Chair

   Support Staff:
   The President & CEO (Ex-officio)

Professional Practice

Terms of Reference:

1. Mandate:
   a) Code of Ethics and Practice Standards:
      - Inform and advise the Board on policy matters to the maintenance of ethical and professional standards.
      - Monitor the provisions of the Code of Ethics for currency, relevance and materiality.
      - Maintain a liaison with other professional valuation bodies and inform and advise the Board.

   b) Securities Liaison:
      - Maintain a liaison with Securities Regulators.
      - Maintain a liaison with other relevant professional valuation bodies.

   c) Research, Emerging Issues:
      - Identify professional practice matters that require research or policy direction.
      - Maintain a liaison with other relevant professional valuation bodies.

   d) Interdisciplinary bodies
   e) International Practice Standards
   f) Guidelines
2. Composition:
   Voting members:
   A minimum of four (4) Board Members
   A minimum of two (2) non-Board Members

   Support Staff:
   Director of Professional Affairs

Research Institute

Terms of Reference:

1. Mandate:
   a) To monitor and identify emerging topics affecting the business valuation profession.
   b) To analyze and prioritize the topics for research projects and recommend as appropriate to the Board of Directors.
   c) To develop and implement a program to generate original research on emerging topics of interest to CBVs.
   d) Recommend the Ian Campbell Research Award.
2. Composition:
   Voting members:
   Board member as Chair
   One Member from each of the regions across Canada (Atlantic, Quebec, Ontario, Toronto, Prairies and B.C.)

   Support Staff:
   The President & CEO (Ex-Officio)
   Member Services Coordinator

Strategic Planning

Terms of Reference:

1. Mandate:
   a) Monitor and report regularly to the Board

on the strategic planning programs and emerging issues.
   b) Conduct the yearly Planning Session.
   c) Develop and update the Strategic Plan.
2. Composition:
   Voting members:
   Vice-Chair, Committee Chair
   Chair of the Board of Directors
   Secretary/Treasurer
   Past Chair
   One Board Member

   Support Staff:
   President & CEO (Ex-Officio)

Technology Liaison

Terms of Reference:

1. Mandate:
   a) Liaise between Administration and the Board with respect to technology issues as they arise.
   b) There may also be the need for an ad hoc committee to consider specific technology projects, from time to time, which the Technology Liaison Director could then coordinate.
2. Composition:
   Board Member

SUB-COMMITTEES

Conduct & Discipline

Terms of Reference:

1. Mandate:
   a) To operate and conduct the discipline procedures.
2. Composition:
   Voting members:
   The Chair may be a Director of the Institute, but it is not required,
   A minimum of four non-Board Members

   Support Staff:
   Director of Professional Affairs.

Editorial

Terms of Reference:

1. Mandate:
   a) Responsible for articles in the CICBV Publication i.e. Journal of Business Valuation. This Committee reports to the Chair of Communications and Member Services Committee.

2, Composition:
   Voting members:
   Board Member as Chair
   A minimum of five non-Board Members

   Support Staff:
   PR and Communications Coordinator

Securities Liaison

Terms of Reference:

1. Mandate:
   a) Responsible for working with the Securities Commissions.
2. Composition:
   Voting members:
   The Chair is a Board Member
   One additional Board Member

TASK FORCES

By-Laws Task Force

Terms of Reference

1. Mandate:
   a) To review CICBV current Policies and By-Laws and recommend revisions where necessary. The Task Force will examine the key issues and considerations around By-Laws and Policies and compare them to best practices in other professional associations. Recommendations for amendments or revisions will be presented for approval to the Board of Directors.
2. Composition:
   Voting members:
   Chair - Chair of the Board
   Past Chair of the Board
   Vice-Chair of the Board
   Two FCBVs

   Support Staff:
   President & CEO

   Legal counsel, will be involved at the beginning and throughout the process on a consulting basis.

2008-2009 Volunteers

Mary Jane Andrews
Anita Auerback
Bryan Bailey
Anna Barrett
Mark Berenblut
Monty Bhardwaj
Guy Boutin
John Boyd
Daniel Cadoret
Jennifer Chasson
Anish Chopra
Pat Coady
Andrew Cochran
Michael Cockayne
Brad Dalgliesh
Laurent Despres
Eric Desrosiers
Anna DiCerbo
Viviane Dorval
Paschal D'Souza
Tim Dunham
Harry Figov
Paula Frederick
Kyla Gibson
Paul Gill
Chris Goodburn
Patricia Harris
Daniel Hinse
David Holmes
Trevor Hood
Jim Horvath
Francois Huvelin
John Jazwinski
Dan Jennings
Howard Johnson
Ari Kashton
Stephen Kertzman
Jason Kinnear
John Kinsgton
Peter Klein
Sean Koukal
Jason Kwiatkowski
Luc Lafontaine
Scott Lawritsen
Dennis Leung
Sue Loomer
Jeff Lyons
Ian MacGregor
Pierre Maille
Domenic Marino
Anders McKenzie
Don McKinnon
Derek Melo
Neal Mizrahi
Edward Nagel
Helen Norris
Jeff Pellarin
Steven Polisuk
Eveline Reid
Blair Roblin
Michael Rudanycz
Christine Sawchuk
Girish Sharma
Lorne Siebert
David Sieradzki
Marni Silver
Don Spence
Richard Taylor
Alison Thomas
Jos Vervaet
Matthew Wall
Peter Weinstein
Paula White
Ruby Williams
Ian Wintrip
Jodie Wolkoff
Norman Woo
Chris Wunder

Statement of Management Responsibility

The Institute's management is responsible for the fair presentation of the annual financial statements and all financial and other information contained in this *Annual Report*.

Management has prepared the financial statements in accordance with Canadian generally accepted accounting principles. Financial information contained in this *Annual Report* is consistent with that shown in the financial statements.

Management is responsible for the integrity and reliability of financial information, and has established systems of internal procedural and accounting controls designed to achieve this. These systems also reasonably ensure that assets are safeguarded from loss or unauthorized use.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through the Audit Committee. The Audit Committee meets with the auditors without management present, to review the activities of each, as well as to review the financial statements and reports to the Board thereafter.

Adams & Miles LLP has been appointed by the membership as the Institute's auditors to express their opinion on the fair presentation of the financial statements. They have full and unrestricted access to the Audit Committee and management to discuss matters pertaining to their audit. The Audit Committee annually undertakes a review of the auditors' performance and makes recommendations to the Board with respect to their reappointment for the coming year.

Jeannine Brooks, MBA, CAE, FCGA
President & CEO

Déclaration de responsabilité de la direction

La direction a préparé les états financiers selon les principes comptables généralement reconnus du Canada. Les informations financières contenues dans le Rapport annuel sont cohérentes avec celles présentées dans les états financiers.

La direction a la responsabilité de l'exhaustivité et de la fiabilité de l'information financière, et elle a établi des systèmes de contrôles internes des procédures et de la comptabilité conçus pour atteindre ces objectifs d'exhaustivité et de fiabilité. Ces systèmes contribuent aussi raisonnablement à ce que les actifs soient protégés contre les pertes ou les utilisations non autorisées.

Le Conseil d'administration a la responsabilité de s'assurer que la direction s'acquitte de ses responsabilités en matière d'information financière et de contrôle interne. Le Conseil exerce cette responsabilité principalement par le truchement du Comité de vérification. Ce dernier rencontre les vérificateurs en l'absence de membres de la direction, afin d'examiner les activités des uns et des autres et d'étudier les états financiers, puis fait ensuite rapport au Conseil.

Adams & Miles LLP ont été nommés à titre de vérificateurs de l'Institut par les membres afin qu'ils expriment leur opinion sur la fidélité de l'image donnée par les états financiers. Ils ont entièrement et librement accès au Comité de vérification et à la direction pour discuter des questions concernant leur vérification. Le Comité de vérification procède chaque année à une revue de la performance des vérificateurs et formule des recommandations au Conseil relativement à la reconduction de leur mandat pour l'exercice suivant.

La présidente et directrice générale,
Jeannine Brooks, MBA, CAE, FCGA

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Financial Statements

Year ended December 31, 2008

Adams & Miles LLP
Chartered Accountants

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Index to Financial Statements

December 31, 2008

Adams & Miles LLP
Chartered Accountants

ADAMS & MILES LLP
Chartered Accountants

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AUDITORS' REPORT

To the Members of
The Canadian Institute of Chartered Business Valuators

We have audited the statement of financial position of The Canadian Institute of Chartered Business Valuators as at December 31, 2008 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Adams & Miles LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
February 5, 2009

www.adamsmiles.com

An independent firm associated with AGN International Ltd.

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Statement of Financial Position

December 31, 2008

	2008	2007
Assets		
Current		
Cash	$ 35,043	$ 107,787
Accounts receivable	26,426	40,149
Investments (Note 3)	1,213,985	1,249,547
	1,275,454	1,397,483
Capital assets (Note 4)	257,544	76,044
Deposits	26,729	-
	1,559,727	1,473,527
Liabilities		
Current		
Accounts payable and accrued liabilities	191,133	86,062
Current portion of deferred inducement (Note 5)	4,914	4,914
	196,047	90,976
Deferred inducement (Note 5)	35,627	40,541
	231,674	131,517
Net Assets	$ 1,328,053	$ 1,342,010
Net Assets Represented by		
Capital fund	$ 257,544	$ 76,044
Conduct and disciplinary fund (Note 8)	263,984	303,887
Unrestricted surplus fund	835,872	979,025
Losses on investments	(29,347)	(16,946)
	$ 1,328,053	$ 1,342,010

Approved on behalf of the Board:

__________________________ Director

__________________________ Director

Adams & Miles LLP
Chartered Accountants

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Statement of Changes in Net Assets

Year ended December 31, 2008

	Capital Fund	Conduct and Disciplinary Fund	Unrestricted Surplus Fund	Losses on Investments	Total 2008	Total 2007
Balance, beginning of year	$ 76,044	$ -	$ 979,025	$ (16,946)	$ 1,038,123	$ 1,162,224
Retrospective effect of change in accounting policy (Note 8)	-	303,887	-	-	303,887	281,877
Balance, beginning of year as restated	76,044	303,887	979,025	(16,946)	1,342,010	1,444,101
Excess of revenue over expenditures (expenditures over revenue)	(120,898)	(39,903)	159,245	-	(1,556)	(85,145)
Purchase of capital assets	302,398	-	(302,398)	-	-	-
Unrealized losses on investments during the year	-	-	-	(22,759)	(22,759)	(41,380)
Realized losses on investments sold during the year	-	-	-	10,358	10,358	24,434
Net activity for the year	181,500	(39,903)	(143,153)	(12,401)	(13,957)	(102,091)
Balance, end of year	$ 257,544	$ 263,984	$ 835,872	$ (29,347)	$ 1,328,053	$ 1,342,010

Adams & Miles LLP
Chartered Accountants

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Statement of Operations

Year ended December 31, 2008

	Capital Fund	Conduct and Disciplinary Fund	Unrestricted Surplus Fund	Total 2008	Total 2007
Revenue					
Course and examination fees	$ -	$ -	$1,038,671	$1,038,671	$ 963,290
Membership fees	-	-	727,502	727,502	668,604
National conference	-	-	385,201	385,201	-
Continuing education	-	-	184,395	184,395	148,367
Membership entrance examination fees	-	-	103,750	103,750	84,700
Investment income, net (Note 6)	-	-	56,619	56,619	54,511
Publications	-	-	48,844	48,844	55,037
Conduct and disciplinary fees	-	22,900	-	22,900	22,000
Royalties	-	-	20,548	20,548	18,966
Regional conferences	-	-	-	-	163,557
	-	22,900	2,565,530	2,588,430	2,179,032
Expenditures					
Administrative and office	-	-	1,123,813	1,123,813	1,033,119
Course and examination costs	-	-	707,621	707,621	726,514
National conference	-	-	242,716	242,716	-
Continuing education	-	-	180,342	180,342	125,450
Amortization	120,898	-	-	120,898	61,835
Membership entrance examination costs	-	-	108,168	108,168	78,297
Conduct and disciplinary costs	-	62,803	-	62,803	-
Publications	-	-	43,625	43,625	86,231
Regional conferences	-	-	-	-	152,731
	120,898	62,803	2,406,285	2,589,986	2,264,177
Excess of revenue over expenditures (expenditures over revenue)	$ (120,898)	$ (39,903)	$ 159,245	$ (1,556)	$ (85,145)

Adams & Miles LLP
Chartered Accountants

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Statement of Cash Flows

Year ended December 31, 2008

	2008	2007
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures (expenditures over revenue) - Unrestricted surplus fund	$ 159,245	$ (45,309)
Excess of revenue over expenditures (expenditures over revenue) - Conduct and disciplinary fund	(39,903)	22,000
Excess of expenditures over revenue - Capital fund	(120,898)	(61,835)
Amortization	120,898	61,835
Losses on investments	(12,401)	(16,946)
	106,941	(40,255)
Changes in		
Accounts receivable	13,723	(9,223)
Investments	35,562	304,588
Accounts payable and accrued liabilities	105,071	(174,333)
	261,297	80,777
Financing activities		
Increase (decrease) in deferred inducement	(4,914)	45,455
Investing activities		
Purchase of capital assets	(302,398)	(135,189)
Deposits	(26,729)	-
	(329,127)	(135,189)
Change in cash position	(72,744)	(8,957)
Cash, beginning of year	107,787	116,744
Cash, end of year	$ 35,043	$ 107,787

Adams & Miles LLP
Chartered Accountants

1. Nature of operations

The Canadian Institute of Chartered Business Valuators ("Institute") was incorporated without share capital on January 6, 1971 under the Canada Corporations Act as a not-for-profit organization exempt from taxes under the Income Tax Act.

The mission of the Institute is to preserve the long-term value of the CBV designation by:

(i) Preserving and enhancing the reputation, respect and credibility of the CBV designation;

(ii) Ensuring that the valuation profession continues to be challenging and rewarding; and

(iii) Enabling CBV's to access a wide range of career opportunities in industry, public practice, government, finance and education.

2. Summary of significant accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Institute's management to make estimates and assumptions that affect the reporting amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expenditures in the Statement of Operations in the year in which they become known.

2. Summary of significant accounting policies - cont'd

Fund accounting
The accounts of the Institute are maintained in accordance with the principles of fund accounting and accordingly the resources are classified for accounting and reporting purposes into funds determined by the purpose for which those funds are held as follows:

Capital - This fund includes any additions or disposals of capital assets and amortization.

Conduct and Disciplinary Fund - This internally restricted fund includes the annual conduct and disciplinary fees received net of expenditures associated with the conduct and disciplinary activities.

Unrestricted Surplus Fund - This fund includes unrestricted revenue sources received from course and examination fees, membership fees, conference fees, continuing education fees, membership entrance examination fees and interest earned on investments, together with day-to-day operating expenditures.

Investments
Investments consist of bonds maturing within the next 10 years. They have been classified as current since it is not the objective of the Institute to hold these bonds to maturity.

The investments are classified as available for sale and are recorded at fair value as it is not the Institute's management's primary objective to generate trading profits from short-term fluctuations in price or to hold investments to maturity. Fair values are referenced to published price quotations in an active market at year-end.

Transactions costs associated with the acquisition of investments are either capitalized and included in the acquisition costs or applied to reduce proceeds on disposal, as appropriate. Investment fees are expensed when incurred.

Capital assets
Capital assets are stated at cost. Amortization is recorded at the following annual rates:

Furniture and equipment	5 yrs straight-line
Computer equipment	3 yrs straight-line
Website and computer software	2 yrs straight-line

Leasehold improvements are amortized over the term of the lease.

2. Summary of significant accounting policies - cont'd

Deferred inducements
The deferred inducements are being amortized into operations on a straight-line basis over the term of the lease.

Revenue recognition
The Institute follows the restricted funds method of accounting for contributions. Internally restricted contributions are recognized as revenue of the conduct and disciplinary fund in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the unrestricted surplus fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership:
Membership fees are set annually by the Board of Directors and are recognized in the fiscal year to which they relate.

Conference, course and examination:
Conference, course and examination fees are recognized when the related conference, course or examination is presented or held.

Publications:
Publication revenue is recognized at the time of shipment, net of estimated returns.

Royalties:
Royalties are recognized as revenue in the fiscal year that the course notes and materials are used by third parties.

Investment income:
Investment income consists of interest realized from cash and investments and realized gains and losses on sale of investments. Unrealized gains and losses on available for sale financial assets are included directly in net assets, until the assets are disposed of or a permanent decline in value has occurred.

2. Summary of significant accounting policies - cont'd

Financial instruments

The Accounting Standards Board issued new standards on financial instruments, Section 3855 and Section 3861 effective for year-ends beginning on or after October 1, 2006. The Institute as required adopted both these standards for the fiscal year ended December 31, 2007.

In accordance with these standards the prior year was not restated. As at December 31, 2006 the fair value of investments were less than cost plus accrued interest and the investments were written down to fair value. As a result no adjustment for remeasurement of investments was recognized at the beginning of the 2007 fiscal year.

The carrying amount of cash, accounts receivable and accounts payable and accrued approximates their fair value because of the short-term maturities of these items.

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Notes to Financial Statements

Year ended December 31, 2008

3. Investments

Description - Bonds	Effective Interest Rate	Maturity Date	2008 Fair Value	2007 Fair Value
Quebec	4.31%	June 2012	$ -	$ 155,304
Ontario	4.35%	June 2014	-	152,226
Quebec Hydro	4.56%	April 2015	-	153,644
Quebec	4.34%	September 2015	-	151,794
Quebec	4.62%	April 2016	-	102,075
Quebec	4.01%	June 2016	148,312	-
Ontario	4.49%	June 2017	-	102,770
Ontario Hydro	4.42%	August 2017	193,091	203,500
Quebec	4.51%	September 2017	158,327	150,949
Ontario	4.59%	December 2017	-	77,285
Ontario	4 34%	March 2018	202,369	-
Quebec	4.42%	June 2018	178,567	-
Ontario Hydro	4.51%	October 2018	151,301	-
British Columbia	4.43%	December 2018	182,018	-
			$ 1,213,985	$ 1,249,547

The cost of investments plus accrued interest as at year-end was $1,243,332 (2007 - $1,266,493).

Interest rate price risk:
The Institute manages the interest rate price risk by restricting the type of investments and varying the terms to maturity and issuer of investments. The varying terms to maturity reduces the sensitivity of the portfolio to the impact of interest rate fluctuations.

Credit and market risk:
The Institute mitigates this risk and volatility through its investment policy, which permits investments in Federal or Provincial government securities or bank institutions; specifically bankers acceptances, guaranteed investment certificates or term deposit receipts.

Adams & Miles LLP
Chartered Accountants

4. Capital assets

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	$ 124,665	$ 44,402	$ 80,263	$ 1,362
Computer equipment	44,721	32,927	11,794	9,488
Website and computer software	158,693	133,971	24,722	54,624
Leasehold improvements	153,799	13,034	140,765	10,570
	$ 481,878	$ 224,334	$ 257,544	$ 76,044

5. Deferred inducement

	2008	2007
Tenant inducement	$ 40,541	$ 45,455
Less current portion	4,914	4,914
Due beyond one year	$ 35,627	$ 40,541

The Institute entered into a 10 year lease (see Note 7) effective April 1, 2007. In consideration, the Institute received a total of $50,000 in a tenant inducement from the landlord. The inducement has been deferred and is being amortized to operations over the term of the lease.

6. Investment income

	2008	2007
Interest realized on cash balance	$ 2,965	$ 5,077
Interest realized on investments	77,053	73,868
Realized losses on sales of investments	(13,041)	(24,434)
Prior year's unrealized losses recognized in the current year	(10,358)	-
	$ 56,619	$ 54,511

Adams & Miles LLP
Chartered Accountants

7. Commitments

The Institute operates from leased premises under a lease expiring in 2017. The minimum lease payments for each of the next five years is approximately $30,000. The Institute is also responsible for maintenance and taxes, which are approximately $45,000 per year.

The Institute has entered into an agreement with York University for academic advisory services relating to the program of studies for $13,000 per year expiring in 2010.

The Institute has pledged to make an annual contribution to the International Valuation Standards Council for three years starting in 2008. Under this agreement the maximum payments are $50,000 US ($61,230 CDN) per year in 2009 and 2010

8. Change in accounting policy - restatement

The Institute voluntarily changed its accounting policy relating to contributions from members for conduct and disciplinary fees received from the deferral method to the restricted fund method as the Institute's Board and management has determined that this method better reflects the nature of these fees.

This change was adopted retrospectively and resulted in net assets of the conduct and disciplinary fund as at January 1, 2007 increasing by $281,887; the excess of expenditures over revenue for 2007 decreasing by $22,000 for conduct and disciplinary fees recognized in 2007 and deferred contributions on the statement of financial position as at December 31, 2007 decreasing by $303,887.

Adams & Miles LLP
Chartered Accountants