Chartered Business Valuators | L'Institut des experts en évaluation

Accelerating Progress

YEAR IN REVIEW 2023

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JOINT LEADERSHIP MESSAGE

On behalf of CBV Institute's Leadership, we are proud to present this review of shared accomplishments in 2023. The following pages point to numerous successes achieved throughout the year.

The CBV profession continues to grow and achieve impact, and the Institute has continued to deliver on its 2022-2025 Strategic Plan, including the following initiatives:

- The completion of a comprehensive multi-year update to CBV Institute's Program of Studies, to ensure that it remains best in class;
- A refocused marketing team and strategy, which led to increased capacity and further brand development and awareness via exciting new initiatives such as two comprehensive, nation-wide marketing campaigns, the launch of several ED&I initiatives, and increased outreach to Canadian universities;
- The launch of a formal thought leadership function for CBV Institute, which has allowed the Institute to significantly increase the quantity and quality of publications to the market and the CBV profession;
- Enhancements to our practice standards and processes to further elevate the stature of the CBV profession around the world;
- Increased solicitation of Member/Registered Student feedback on Institute activities and the building of a stronger CBV community through regular Member/Registered Student Roundtables, Working Groups, and Task Forces; and
- Continued collaboration with valued external organizations, associations, and regulators in Canada and around the world to ensure that the Institute remains at the forefront of business valuation-related developments.

The strength of CBV Institute is in our people, and we could not accomplish all that we do without our passionate network of professionals. We wish to express our appreciation to our Board of Directors for their dedicated service, and to the many CBVs and Registered Students who contribute their time to help us on an array of Institute functions. Last but certainly not least, thank you to Institute staff for their leadership and diligence. We remain motivated and excited as we work together to shape a brighter future for the CBV community.

DR. CHRISTINE SAWCHUK
EdD, MEd, CPA, CA, CBV
President & CEO

Christine Sawchuk

PATRICK COADY
FCPA, FCA, FCBV
Chair, Board of Directors

Patrick Coady

WHO WE ARE

When the stakes are high, a CHARTERED BUSINESS VALUATOR delivers.

CBVs are indispensable in the world of business and finance.

When parties need to determine the value of their business, they turn to a CBV for answers. CBVs combine technical knowledge with real-life practical experience to develop globally respected valuations of businesses, business interests, and intangible assets.

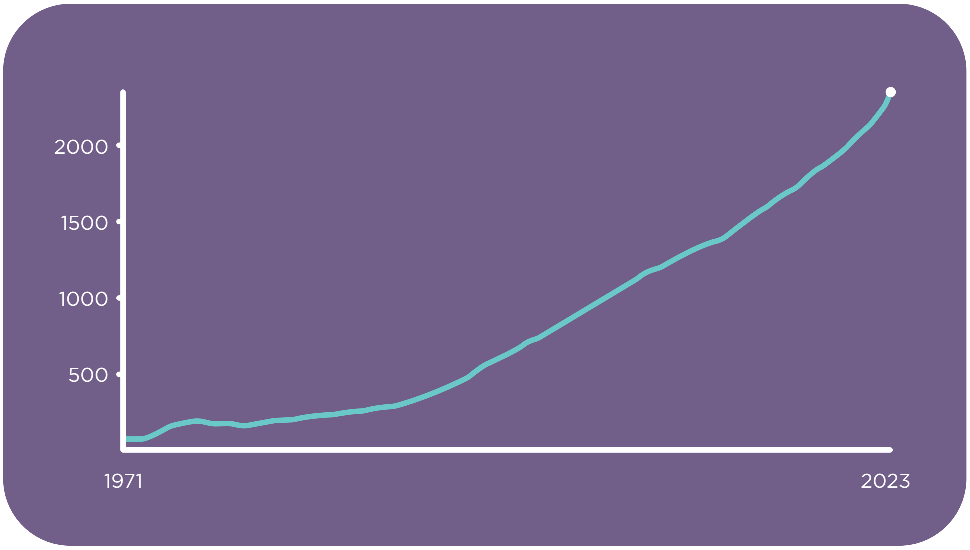
Holders of the prestigious CBV designation have the skills and expertise to meet the challenging dynamics of business valuation, litigation support, corporate finance, and private investments.

CBV Institute's membership grew **4.8%** in 2023.

From January to December 2023, the profession grew as we welcomed 140 new CBVs into membership.

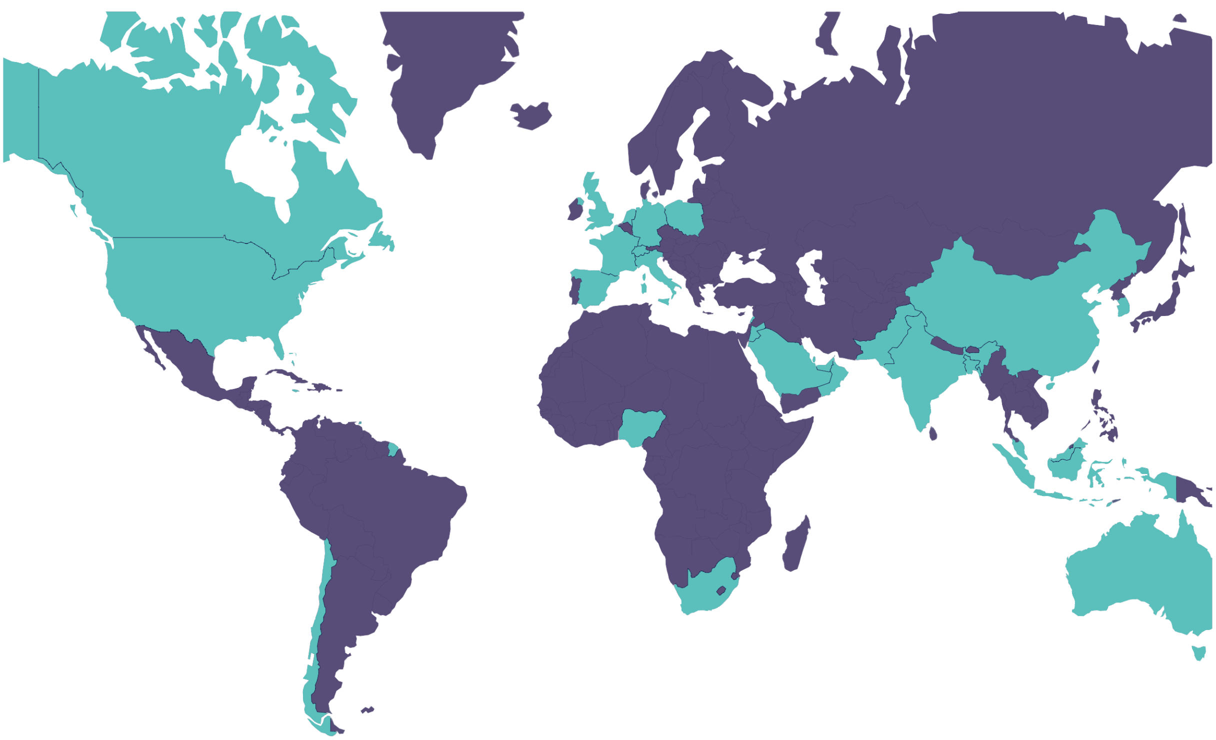
Congratulations to all individuals who were welcomed in 2023.

MEMBERSHIP GROWTH FROM 1971 TO 2023



GLOBAL MAP OF MEMBERSHIP

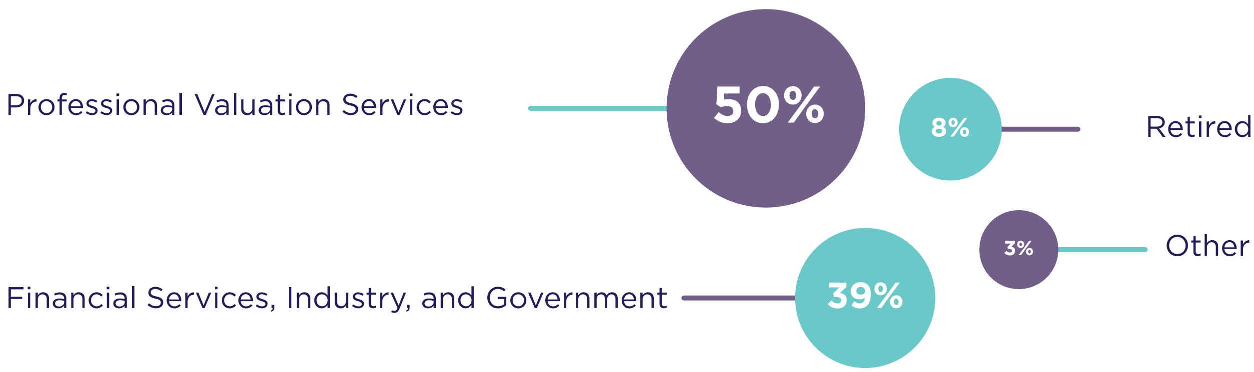
CBV Institute educates, accredits, and governs Chartered Business Valuators across Canada and across the globe, representing the CBV profession internationally.



Countries where CBV Members and Registered Students are based.

WHAT WE DO

CBVs BY SECTOR



OUR PURPOSE, MISSION, VISION, AND VALUES

CBV Institute's purpose, mission, vision, and values direct the conduct of CBV Institute and inform the actions CBV Institute undertakes for the benefit of the public interest.

PURPOSE

To lead, build, and evolve the valuation profession.

MISSION

Elevate the power and stature of the CBV designation.

VISION

Inspire an unwavering commitment to valuation excellence.

VALUES

COLLABORATION

Work ethically with stakeholders to continuously improve the profession in the public interest.

BOLDNESS

Be courageously inquisitive to advance the future of the profession.

VITALITY

Operate with agility, and embrace change with integrity.

INCLUSIVENESS

Enhance and celebrate the diversity of the profession geographically, demographically, and culturally.

AWARDS & HONOURS 2023

On June 1, 2023, CBV Institute was pleased to host its annual Awards & Honours Ceremony. Dr. Christine Sawchuk, President and CEO, CBV Institute, was joined by Patrick Coady, Board Chair, CBV Institute Board of Directors, to recognize the following CBVs and Registered Students and their achievements. Their remarks were broadcast on YouTube via livestream and are **available here.**

Awards for Academic Excellence

GEORGE OVENS AWARD & MQE MEDALISTS

In Recognition of Achievement on the 2022 MQE.

In honour of George Ovens, CBV, one of the founding Members of CBV Institute, this award is presented to the Membership Qualification Examination (MQE) candidate who achieves the highest mark in a particular year. Special recognition also goes to the second and third highest marks on the MQE.

1st Place MQE, George Ovens Recipient
Brandon Giles, CPA, CBV

2nd Place MQE
Jarred Cohen, CPA, CBV

2nd Place MQE
Ashley James, CPA, CBV

3rd Place MQE
Jordan McCallum, CPA, CBV

SCHOLASTIC ACHIEVEMENT AWARD

This award, in honour of Ronald W. Scott, is granted annually to the Registered Student who achieved the highest average mark in the core valuation courses in the CBV Program of Studies in 2022.

Ashley James, CPA, CBV

CBV Institute Awards of Excellence

TOP CBV UNDER 40

This award, in memory of David Cornfield, CA, CBV, is presented to a CBV under 40 who has demonstrated success in a broad diversity of interests, brought distinction to the profession, and has given outstanding service.

Neil de Gray, CPA, CA, CBV, CFF

CBV INSTITUTE AMBASSADOR OF THE YEAR

This award is granted annually to a CBV or Registered Student who, through their volunteer contributions, has had a significant impact on the advancement of CBV Institute programs, services, and objectives. This award includes a donation to the charity of the recipient's choice.

Lucas Terpkosh, CPA, CA, CBV

CBV Institute Hall of Honours

FCBV

Granting of the Fellow designation is the highest honour CBV Institute confers. The FCBV recognizes those Members who have brought distinction to the business valuation profession and have achieved recognition in their professional lives and communities.

Thomas Lee, CPA, CA, FRM, ASA, FCBV

LIFE MEMBER

Life Member standing is granted to CBVs and FCBVs of eminence in their valuation careers who are retired from active practice.

Jim Horvath, ASA, CVA, CPA, MBA, FCBV

CBV INSTITUTE STRATEGIC PLAN 2022 – 2025

Members and Registered Students can read CBV Institute's 2022 – 2025 Strategic Plan **here.**

STRATEGIC PRIORITIES AND GOALS

CBV Institute's Strategic Plan is centred around four categories of strategic pillars, which are summarized below and expanded on in this section of the *Year in Review.*

Strategic Priority:
Advance Valuation Knowledge

Advance Valuation Knowledge by providing best-in-class business valuation education, continuing professional development, and thought leadership.

Strategic Priority:
Advance Professional Excellence

Advance Professional Excellence by supporting CBVs with best-in-class professional standards and services, for the benefit of the public interest.

Strategic Priority:
Advance Brand Strength

Advance Brand Strength by promoting CBV Institute, its Members, and Registered Students as leaders in business valuation and valuation professionals of choice.

Strategic Priority:
Advance Stakeholder Value

Advance Stakeholder Value by enhancing the value proposition of the CBV designation and building a more diverse and stronger CBV community.

STRATEGIC PRIORITY – ADVANCE VALUATION KNOWLEDGE by providing best-in-class business valuation education, continuing professional development, and thought leadership.

A COMMITMENT TO LIFELONG LEARNING

CBV PROGRAM OF STUDIES: THE FIRST STEP

CBV Institute's globally recognized Program of Studies provides the essential education and training required to develop advanced business valuation skills and expertise. Completing our Program of Studies provides credibility, setting individuals apart, and opening diverse opportunities within the business world. Acquiring these skills not only ensures job security and significant growth potential, but also leads to heightened levels of job satisfaction. The CBV Program of Studies is the first step to a career full of fulfilling, diverse, challenging, and purpose-driven work.

In 2023, the CBV Program of Studies completed a comprehensive, multi-year update of course content, ensuring that the most up-to-date and pertinent business valuation topics were incorporated into our widely recognized, globally leading business valuation curriculum.

With 1,465 registrations in the CBV Program of Studies in 2023, enrolment increased from that in 2022.

In early 2023, the Institute announced a new partnership with Financial Modeling Institute (FMI), the global organization that promotes awareness, excellence, and discipline in Financial Modeling through world-class accreditation programs. Registered Students receive free access to the FMI Foundations Program through the CBV Program of Studies (available to Members at a discount), and Members and Registered Students receive a significant discount in FMI's Advanced Financial Modeling (AFM) courses and accreditation. In addition, in late 2023 the Institute released its own modelling course, which was designed as an advanced follow-up to the FMI course. This advanced modelling course is available to CBVs and Registered Students free of charge.

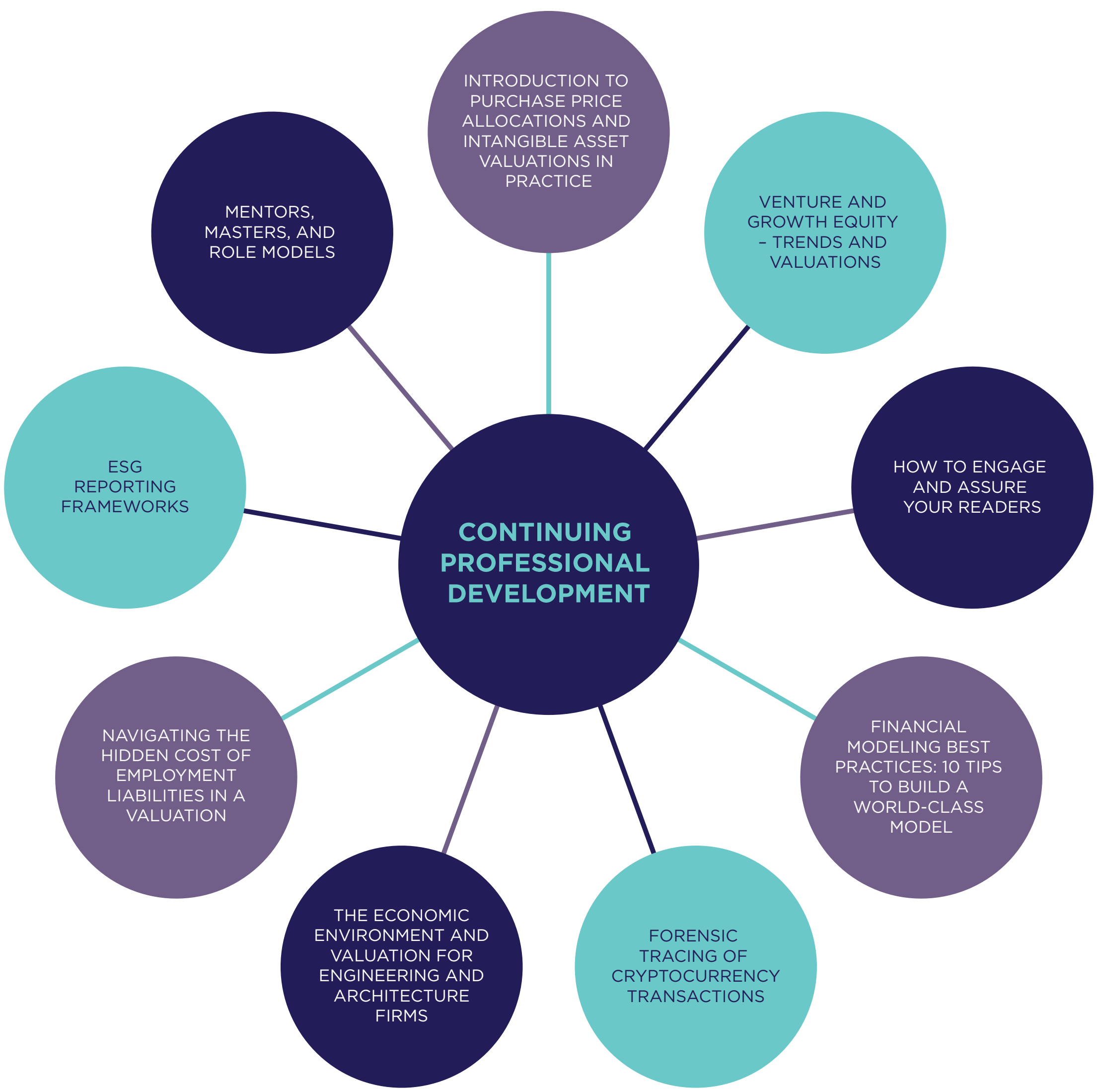
CONTINUING PROFESSIONAL DEVELOPMENT

Continuing Professional Development (CPD) enables CBVs to advance their professional excellence, which is expected of the CBV profession in a rapidly evolving business world. That is why ongoing CPD is a requirement of CBV Institute. CPD enables CBVs to maintain the skills and knowledge necessary to stay up to date and at the cusp of the latest thinking so they are well positioned to provide trusted valuation advice for today's business challenges.

In 2023, CBV Institute offered engaging and relevant webinars, workshops, and presentations on a diverse range of topics. We hosted a total of 25 events with more than 1,600 attendees, and delivered more than 9,000 CPD people hours.

In addition to technical sessions, CBV Institute also hosted events for Emerging Leaders in Valuation and other social functions, including those held in conjunction with other professional associations, to support Members in building their professional networks.

PROFESSIONAL DEVELOPMENT EVENTS



CONNECT 2023

CONNECT 2023 was held June 8 & 9 in Toronto and lived up to its billing as CBV Institute's signature event of the year, dedicated to advancing business valuation excellence and expertise. A total of 392 delegates from across the globe joined us in person to hear the latest on a variety of topics, including technical business valuation content and innovative thinking on trends that are impacting businesses and the valuation profession. In addition, 178 delegates viewed CONNECT's Core BV sessions via livestreaming. The fulsome agenda included expert speakers, engaging panel discussions and strong networking opportunities, all while earning CPD hours.

WHAT ATTENDEES HAD TO SAY:

It has been a great experience. It's hard to explain what happens when you have the best and brightest minds in finance gathering all together at the same place. When you get all these valuation professionals together, magic happens.

– Brian Langis, CBV

It has been a fantastic conference both in terms of the variety of thoughts, and discussions and the quality of presenters.

– Gary Sanghera CPA, CMA, ABV, CBV

Very well done, as always. It's a great format to allow for technical and non-technical learning as well as meaningful networking.

- CONNECT 2023 attendee

CBV INSIGHTS AND THOUGHT LEADERSHIP

INVESTING IN THOUGHT LEADERSHIP CAPABILITIES

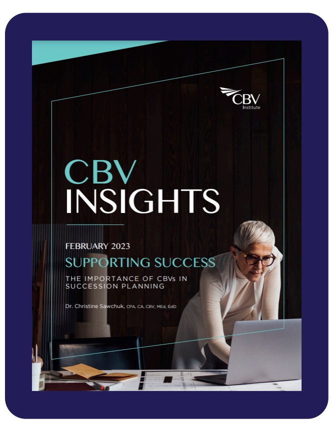
In 2023, CBV Institute launched a formal thought leadership function for the Institute, including adding an experienced CBV to serve as Senior Manager, Thought Leadership and Professional Practice, in a newly created role. This expansion of staffing capabilities significantly increased CBV Institute's ability to publish insights papers and communications to the market and the CBV profession.

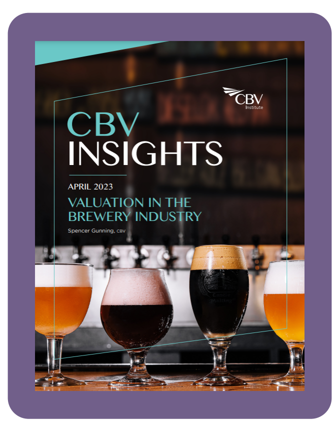
The Institute launched several thought leadership initiatives focused on emerging issues in 2023:

- Incorporation of ESG in business valuations;
- Rapid changes in technology & artificial intelligence (AI) affecting financial services;
- The rise of collaborative divorce work;
- The growing role of CBVs in mergers & acquisitions (M&A); and
- The shifting demographics of CBV membership.

Thought leadership production remains a priority for CBV Institute, and we continue to create and publish content that is timely and relevant. In 2023, we published a number of **insightful articles** on a variety of topics:

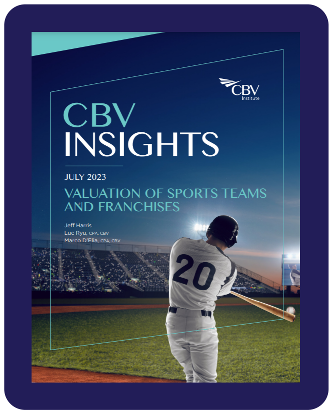
February:
Supporting Success: The Importance of CBVs in Succession Planning

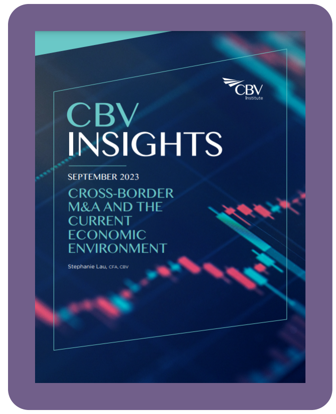




April:
Valuation in the Brewery Industry

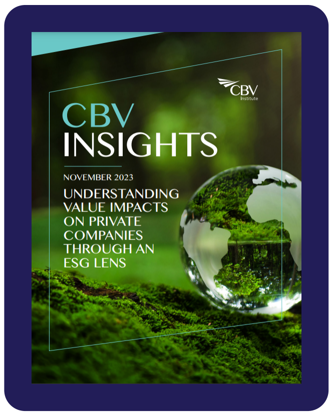
July:
Valuation of Sports Teams and Franchises





September:
Cross-Border M&A

November:
Understanding Value Impacts on Private Companies Through an ESG Lens



The November Insights, *Understanding Value Impacts on Private Companies Through an ESG Lens,* was CBV Institute's first compilation edition of *CBV Insights* on the topic of ESG. Eight CBV authors contributed to this edition, each addressing the increasing influence of ESG factors on the valuations and strategic choices of private companies.

Technology initiatives: Generative AI made a significant splash in 2023, and the Institute quickly turned its attention to the potential impacts of this emerging technology on the business valuation profession, as well as on Institute operations. Discussions with CBV Institute's Board of Directors identified three key areas of impact, including Education, Standards and Thought Leadership.

While the extent of automation and sophistication of existing tools ranges considerably, there is no denying that automation is already starting to impact the business valuation profession. The use of AVMs for business valuations is a serious and important consideration for the Institute, not just as a competitive consideration, but also as a tool for the profession. **Guidance on automated valuation models and platforms** was issued to Members in 2023.

The Institute is engaged in active conversations with its Board, Institute stakeholders, and technology companies to better understand the broader impacts of AVM-like tools, which are increasingly available to the public, and our role in upholding the quality of business valuations in the marketplace. The Institute will continue to actively monitor the use of AVMs in business valuations and provide appropriate guidance and changes to professional standards, as needed.

In November 2023, the Institute established its inaugural AI & Technology Working Group, which has a mandate of exploring the wide spectrum of impacts from the evolving use of technology in valuation services. The working group includes CBVs and other professionals who are at the forefront of this technology from small, medium, and large practices. The working group's consensus thus far highlights that professional judgment, competence, and professionalism will continue to be critical aspects of the CBV profession.

In addition, CBV Institute's Marketing and Communications team ran a successful social media campaign that featured regular posts highlighting "What a CBV Can Do That an AI Algorithm Cannot."

Increasing complexities in litigation and the rise of collaborative family law: Two groups of family law practitioners were formed in 2023 to develop thought leadership, member guidance, and events for valuation practitioners in family law. A Joint Retainers task force was launched to assist CBVs who work with clients in a collaborative process to better set expectations. The second task force, Emerging Issues in Family Law, was established to provide a forum for Members to discuss the most commonly cited issues in income for support and business valuation reports from a family law perspective, a complex and challenging area of practice.

The growing role of CBVs in M&As: The Institute struck a working group of CBVs active in a range of M&A advisory services to better understand the realities of practicing as a CBV in this market. The group's work is expected to inform revisions to Practice Bulletin No. 5 *Guidance as to When Communications Are Not Valuation, Advisory, Expert, or Limited Critique Reports,* and to help distinguish how the expertise of CBVs in M&A analyses of price may differ from a traditional "valuation conclusion," as well as other situations where additional interpretative guidance is required.

STRATEGIC PRIORITY – ADVANCE PROFESSIONAL EXCELLENCE by supporting CBVs with best-in-class professional standards, for the benefit of the public interest.

DEVELOPING AND EXECUTING ROBUST PROFESSIONAL STANDARDS

LEADERSHIP ON THE GLOBAL STAGE

Following a multi-year stakeholder consultation process, CBV Institute adopted International Valuation Standards (IVS) in October 2023. The Institute adopted IVS on an optional basis so that CBVs may use either IVS or CBV Institute's existing valuation Practice Standards.

As a founding member and sponsor of the International Valuation Standards Council (IVSC), adoption of IVS has long been a strategic objective. This milestone achievement formalizes the Institute's long-time commitment to globally consistent, high quality valuation standards, for the benefit of the public interest.

In 2023, CBV Institute maintained its leadership position within IVSC through the active participation of CBV Institute staff and Members in IVSC's standard-setting and other global initiatives.

- Three CBVs represented Canada on IVSC's standard-setting boards. Catalina Miranda, CPA, CA, CBV, Vice President, Regulatory and Standards, CBV Institute, and Emily Tse, CFA, CBV, Managing Director, CPP Investments, serve on the Business Valuation Board. Thomas Lee, CPA, CA, CBV, FRM, ASA, FCBV, Partner, KPMG Canada serves as Vice Chair of the Financial Instruments Board. Dr. Christine Sawchuk, President and CEO, CBV Institute, also participates on the IVSC's CEO Forum.

- CBV Institute's Professional Practice and Standards Committee (PPSC) provided input to the IVS Exposure Draft for Consultation (2023), contributing to updates made to the latest edition of IVS (published in January 2024).

- The Institute's leadership actively participates in a variety of high impact initiatives with the IVSC and other IVSC member organizations to promote professionalism and the broader valuation profession at large to key global stakeholders.

Through the participation on IVSC Boards, CBVs also have an active role in IVSC thought leadership, such as the IVSC's perspectives papers, *Valuation of Data as an Asset* and *Deciphering Technology.*

PROTECTING THE PUBLIC INTEREST

Adherence to professional standards is of utmost importance to both the profession as a whole and to the individual practitioners who comprise our profession. Practice inspection is one of the important ways in which CBV Institute delivers on its commitment to excellence in professional practice.

CBV Institute completed another successful cycle of practice inspections and issued the annual *Practice Inspection Summary Report*, providing insights into the application of the standards to real-life valuation engagements. With a newly constituted Practice Inspection Committee to oversee the practice inspection program, an expanded inspector team, and optimized internal processes aimed at safeguarding confidentiality of information, the Institute is continuing this valuable program.

Individual practice inspections continued to focus on quality over quantity, shining a spotlight on important areas of professional judgment that practitioners regularly encounter in practice. The Practice Inspection Program has also helped highlight areas of CBV Institute's Practice Standards that need to be expanded.

Feedback from practitioners who underwent practice inspection in 2023 was positive and indicated that the Institute's practice inspection program is "tough but fair," and well designed. Inspected practitioners appreciated the attention to detail and care that is taken to safeguard confidentiality. Practitioners also indicated that appropriate time was provided to assemble and provide documentation and to discuss inspection findings. Finally, they understood that the focus of the Practice Inspection Program is on the quality of work and promoting best practices, and that the process is first and foremost educational in nature – a way to learn and improve.

STANDARDS MODERNIZATIONS

CBV Institute's Professional Practice and Standards Committee ("PPSC") continued its work on updating the domestic valuation standards (Practice Standard 110/120/130), building consensus on difficult issues, with a target of issuing revised standards in 2024. The draft new Practice Standard No. 100, which will set the conceptual framework for the new Practice Standard No. 110, 120 and 130, was completed. Work on the 100-series standards is ongoing, with the goal of improving the overall quality of work and safeguarding excellence for the future of the profession.

In addition to standards, the PPSC also tackled difficult practice issues such as the impacts of business valuation software and other technologies on business valuations, internal communications, M&A work, verbal valuations, complexities related to objectivity and independence, sufficiency of work, draft reports, and other practical issues. In 2023, Institute staff also provided thoughtful and timely guidance to Members on a variety of singular and challenging practice and engagement issues.

CENTRALIZING PROFESSIONAL GUIDANCE FOR PRACTITIONERS

The Institute regularly shares news items and notices relating to professional obligations with Members and Registered Students in *CBV Matters* , the Institute's newsletter. By popular request, the Institute curated the most recent Institute communications and created a new Member-facing webpage titled, **Professional Practice Updates and Interpretations.** The communications are meant to assist Members and Registered Students in complying with their existing obligations. Some of the topics addressed in 2022-2023 were:

- AVMs and the practice standards
- Significant scope limitations
- Guidance on schedules without a report
- Registered Students and the standards
- Disciplinary actions
- Exposure drafts

STRATEGIC PRIORITY – ADVANCE BRAND STRENGTH by promoting CBV Institute, its Members and Registered Students as leaders in business valuation and the valuation professionals of choice.

ADVANCING THE CBV BRAND

TWO NATIONAL MARKETING CAMPAIGNS

In 2023, CBV Institute ran two highly successful national marketing campaigns. The first was *Attracting Women to the Business Valuation Profession*, and the second was *Designation with a Difference.*

The campaigns' assets included:

- A sponsored article, which was published in CPA Canada's award-winning *Pivot* magazine (print and digital).
- Print and digital advertising in *Pivot* and CFA Society Toronto's *The Analyst* magazine.
- Sponsored LinkedIn ads.
- Google ads.

Supporting taglines included:

- *Set yourself up to attract attention. A career in business valuation opens up a world of rewarding opportunities.*
- *Your future is boundless. Take your career to new heights with the CBV designation.*
- *Gain critical skills to get ahead. A career in business valuation elevates your value.*

The first campaign, *Attracting Women to the Business Valuation Profession,* was aligned with one of the **Institute's key corporate values**, ***Inclusiveness***, wherein the Institute commits to "enhancing and celebrating the diversity of the profession geographically, demographically, and culturally."

All relevant metrics indicate the campaigns were a resounding success.

GROWING OUR SOCIAL MEDIA FOOTPRINT

Social media engagement for CBV Institute's three accounts, LinkedIn, LinkedIn Program of Studies, and Instagram remained robust in 2023. All three experienced strong growth in both followers and continue to receive very strong engagement.

VIDEO SERIES

CBV Institute released several videos on timely topics in 2023.

We released a series of videos on succession planning. As financial experts, CBVs offer invaluable expertise by providing accurate and comprehensive business valuations and navigating business owners through the complex and emotional process of transferring their business assets. The three-part video series highlighted this, with each video targeted at a different audience: CPAs, business owners, and other key advisors.

This video series is **available here.**

We released a video that built on topics touched on in a CBV Insights article titled, *Valuation in the Brewery Industry.*

This video is **available here.**

CBV Institute also released two videos in our litigation series. In this multi-part video series, CBVs discuss the topic of litigation support and the role of a Chartered Business Valuator.

This video series is **available here**.

CBVINSTITUTE.COM: IMPROVING THE USER EXPERIENCE

In 2023, CBV Institute implemented several updates to our website, enhancing user experience and visual appeal. These updates included:

- A refurbished and enhanced **Resources section** for CBVs and Registered Students.
- A comprehensive redesign of the CBV Insights section, which was undertaken to showcase our thought leadership to the public.

BV CHALLENGE 2023

In November 2023, CBV Institute hosted our second annual university case competition, BV Challenge 2023. This national case competition saw 21 teams and 66 students from Canada's top business schools compete against each other in a test of their business valuation skills. The results are as follows:

- **1st – British Columbia Institute of Technology (BCIT)**
  Paul De Blois, Maya Khera, Jin Wook Ryu, Sangbeom Woo
- **2nd – Concordia University**
  Andreana Moulinos, Paulina Moulinos
- **3rd – Toronto Metropolitan University**
  Billy Arseneault, Dennis Chen, George Chibukhchyan, Vansh Saini

The winning team from BCIT was awarded $10,000. Second and third place received $5,000 and $2,500, respectively. In addition to the monetary award, members of the first-place team will receive complimentary enrolment to Level 1 in the CBV Program of Studies.

We would like to thank our sponsors for enabling us to host this competition:

- Title: KPMG, OMERS
- Event: Davis Martindale, MNP

IN THE SPOTLIGHT

Launched in late 2022, the In the Spotlight section of CBVInstitute.com showcases profiles of CBVs from across the country. This series is an opportunity to showcase the diversity, expertise, and leadership of our Members and for CBVs to share their thoughts on how acquiring the CBV designation advanced their career path in the ever-changing world of finance.

Nine CBVs were profiled in 2023. CBVs who have interesting stories about their CBV journey and career path are encouraged to reach out to CBV Institute's marketing team to share their stories.

DIGITAL BADGES

In 2023, CBV Institute proudly embraced digital transformation in professional recognition by introducing digital badges for CBVs and Registered Students. Offered in partnership with Accredible, a leading digital credential platform, these badges offer a modern, verifiable, and convenient means to display the prestigious CBV designation or affiliation with our CBV Program of Studies. This initiative underscores the Institute's commitment to innovation and excellence in professional development, while enhancing the visibility and credibility of our Members and Registered Students in the digital realm.

UNIVERSITY AND YOUNG PROFESSIONAL ROADSHOWS

CBV Institute continued to prioritize outreach and engagement with future potential CBVs. In 2023, we conducted four university roadshows and attended three university career fairs, with the goal of increasing awareness of the CBV designation amongst university students. We also held six young professional roadshows across Canada, targeting young business professionals who might not be aware of the CBV designation. These events were well attended, and the feedback was extremely positive.

STRATEGIC PRIORITY – ADVANCE STAKEHOLDER VALUE by enhancing the value proposition of the CBV designation and building a more diverse and stronger CBV community.

OUR PATH FORWARD
A YEAR OF COLLABORATIVE PROGRESS

In 2023, the Institute prioritized understanding and addressing the needs, challenges, and aspirations of CBVs and Registered Students. This commitment led to a series of initiatives aimed at fostering a deeper connection with our community via extensive stakeholder engagement.

MEMBER/REGISTERED STUDENT ROUNDTABLES

- In February 2023, CBV Institute established a New CBV Task Force which commenced meetings in May. The purpose of the task force was to solicit the input and perspectives of a group of young CBVs with the goals of: (1) Better understanding how the Institute can better support new/young CBVs within each of the Institute's functional areas, and (2) Supplementing marketing and communications messaging. The New CBV Task force met three times to discuss discrete topics.

- In May 2023, CBV Institute held a Practice Lead roundtable with the goal of soliciting input as to progress on our strategic initiatives.

- In August 2023, CBV Institute held a Registered Student Roundtable with the goal of obtaining feedback about the content in and delivery of the CBV Program of Studies.

- In September 2023, CBV Institute launched Retirement Roundtables with the goal of supporting CBVs who are nearing the end of their careers via producing guidance on retiring from the CBV profession, as well as examining and enhancing the Institute's policy for retirees.

- In early October 2023, CBV Institute held well-attended virtual Regional Roundtables to provide an update to Members on Member/Registered Student demographics, the Institute's progress on its strategic initiatives, and professional practice matters. Attendees had an opportunity to provide their thoughts on the future of the valuation profession and raise concerns and ask questions in a constructive dialogue with Institute leadership. Input received was used to inform Institute planning and initiatives going forward.

ANNUAL MEMBER/REGISTERED STUDENT SURVEY

In November 2023, CBV Institute conducted its third annual Member/Registered Student survey. Results of the survey were used to inform our strategic development for the year ahead. CBV Institute commits, on an annual basis, to taking the pulse of Members and Registered Students and reporting progress and challenges.

The survey results yielded helpful and informative feedback, including:

- Suggestions for enhancements to the Program of Studies, including an enhanced focus on written and oral communication skills, and an increased focus on financial modeling skills.

- Suggestions for thought leadership topic areas to be pursued in 2024.

- Suggestions for CPD, including the strong preference among our stakeholders for CBV Institute's current format of CPD delivery, and an interest in diverse topic areas, which demonstrates a desire among CBVs to ensure their skills remain relevant in an ever-changing business environment.

KEY TAKEAWAYS:

- 86% of respondents believe the CBV designation is a value-add.

- 83% of respondents are likely to encourage others to pursue the CBV designation.

- Two-thirds of respondents believe demand for their services will increase over the next three years.

EQUITY, DIVERSITY, & INCLUSION

CBV Institute recognizes that a diversity of people, backgrounds, and ideas serves to enhance creativity and performance, and creates value. The Institute is committed to promoting equity, diversity, and inclusion (ED&I) in the business valuation profession to foster the growth and participation of a diverse community of individuals in our network. This commitment is directly related to one of the Institute's key corporate values, Inclusiveness, wherein the Institute commits to "enhancing and celebrating the diversity of the profession geographically, demographically, and culturally."

CBV INSTITUTE'S ED&I WORKING GROUP MEMBERS:

Heino Døssing, CBV

Ontario Teachers' Pension Plan
Manager, Valuation
Toronto, ON

John Walls, CBV

KPMG
Senior Manager, Deal Advisory
Ottawa, ON

Corinne Larkin, CBV

Grant Thornton LLP
Senior Manager, Transaction Services
Halifax, NS

Lionel Zaba, CBV

Zen Valuations
President
Montreal, QC

Vincent Osbourne, CBV

Lomiko Metals
CFO
Toronto, ON

Wendy Smith

Advanced Inclusion
Managing Partner
Toronto, ON

Rachel Ryman, CBV

Deloitte
Director, Dispute Advisory Services
Toronto, ON

Craig McKay

Advanced Inclusion
Managing Partner
Toronto, ON

Aroon Sequeira, FCBV

Sequeira Partners
Founder and Senior Advisor
Edmonton, AB

In 2023, the working group assisted the Institute in the development of several ED&I initiatives:

- The Institute's first demographic survey of Members, undertaken by Environics Analytics. The goal of the survey was to learn more about the diversity of our Members and Registered Students for the purposes of creating a baseline demographic profile to better understand who our Members and Registered Students are.

- Development of the inaugural **Mentorship Program**, which will see CBV Institute pairing five mentors and female mentees in early 2024.

- Development of CBV Institute's **Prosper Scholarship**, awarded in early 2024 to an Indigenous university graduate or soon to be graduate, was also undertaken in 2023. This scholarship will allow the recipient to participate in CBV Institute's Program of Studies, the first step in earning the coveted CBV designation. This scholarship covers an individual's course fees, annual student fees, and Membership Qualification Exam fee.

OPERATIONAL EXCELLENCE

As a not-for-profit organization, CBV Institute's financial objective is to expend revenues to satisfy our operational needs and accomplish our strategic goals. Each year, CBV Institute sets a budget for the upcoming year that is approved by the Board, which serves as a guide for financial activity in the months ahead. The annual budget is designed on a break-even (or minimal surplus/deficit) basis.

In 2023, CBV Institute earned an excess of revenues over expenses, owing to the factors (some non-recurring) outlined in the Statement of Operations section below. This financial strength enabled CBV Institute to invest in our Program of Studies to increase the relevance and attractiveness of the designation. It also gave us the opportunity to expand our marketing efforts to promote brand awareness and recognition, and to support Members and Registered Students in several areas of professional practice.

STATEMENT OF FINANCIAL POSITION

CBV Institute's financial position remained strong in 2023, with net assets of $3.8 million. The financial strength provided by CBV Institute's reserves enabled CBV Institute to pursue initiatives in support of strategic objectives, which have been outlined throughout this annual report; including (but not limited to) significant updates to the Program of Studies, the launch of comprehensive national marketing campaigns, and the development of thought leadership publications. These initiatives serve to increase the awareness, prestige, and impact of the CBV designation. In 2024, CBV Institute will be making an investment in a new Association Management Software platform, which will improve both internal efficiencies and engagement with Members and Registered Students.

During the 2024 budget-setting process, CBV Institute reviewed the healthy current balance of the Conduct and Disciplinary ("CDC") Fund and determined that there was a sufficient level of cash reserves at this time. As a result, the Board of Directors agreed to suspend collection of CDC Fees from Members, effective January 2024.

CBV Institute's fund balances are reviewed annually by the Board of Directors and CBV Institute's independent auditors, are considered in light of guidance communicated by the Canada Revenue Agency, and are in alignment with both the practices of similar organizations and CBV Institute's future requirements, based on the projected levels of operations, expenditures, and contingencies.

STATEMENT OF OPERATIONS

CBV Institute had a healthy year of operations in 2023. Program of Studies enrolments and the number of MQE writers increased from 2022 (over what was expected and budgeted), resulting in growth to our Course and Examination revenues.

Membership fee revenues also increased due to new member growth in 2023 and a marginal increase in membership fees.

Our 2023 Continuing Professional Development revenues and expenses increased over what was expected and budgeted due to the resounding success of CONNECT 2023 in Toronto (which was offered on a hybrid basis), as well as well-attended webinars and other events held throughout the year.

In 2022, CBV Institute took a careful and deliberate approach in redeveloping its marketing and communications strategy to achieve objectives set out in the 2022-2025 strategic plan. As a result, we reduced our marketing spending and rebuilt the team during this period. Marketing and communications costs returned to normalized levels in 2023.

Salaries, office, and administration costs decreased due to the necessary accrual of restructuring costs in 2022 that had originally been included in the 2023 budget.

Compared to the prior year, Conduct and Disciplinary costs increased by $72,000 due to growth in the volume and complexity of complaints received by CBV Institute's Conduct and Disciplinary Committee. Such costs have historically fluctuated from year to year.

In 2022, CBV Institute liquidated its investment portfolio and invested the funds in low-risk term deposits to preserve capital. In 2023, these term deposits earned solid returns due to higher interest rates, which is reflected in the investment income earned. During the year, CBV Institute signed a lease termination agreement, with favourable terms, as the building from which CBV Institute operated was approved for future redevelopment. These two factors have resulted in Other Income being significantly and unexpectedly higher than prior years.

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

(operating as CBV Institute)

FINANCIAL STATEMENTS
DECEMBER 31, 2023

HILBORN LLP

HILBORN LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of The Canadian Institute of Chartered Business Valuators

OPINION

We have audited the financial statements of The Canadian Institute of Chartered Business Valuators (operating as CBV Institute) (the "Institute"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the annual report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

OTHER INFORMATION (CONTINUED)

The annual report is expected to be made available to us after the date of our auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Institute to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Institute.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENT (CONTINUED)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institute.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Institute to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hilborn LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 23, 2024

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

(Operating as CBV Institute)

STATEMENT OF FINANCIAL POSITION

December 31	2023 $	2022 $
ASSETS		
Current assets		
Cash and cash equivalents	**3,907,804**	3,527,045
Accounts receivable	**139,215**	140,104
Government remittances receivable	**-**	16,652
Prepaid expenses and deposits	**99,585**	57,988
	4,146,604	3,741,789
Prepaid expenses and deposits	**19,105**	42,356
Capital assets	**29,884**	58,969
	48,989	101,325
	4,195,593	3,843,114
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**334,858**	650,995
Government remittances payable	**16,832**	-
Current portion of deferred lease inducement	**14,734**	8,420
	366,424	659,415
Deferred lease inducement	**-**	25,960
	366,424	685,375
NET ASSETS		
Invested in capital assets	**29,884**	58,969
Internally restricted for conduct and disciplinary	**509,720**	520,788
Internally restricted for transformation and innovation	**320,000**	345,399
Unrestricted	**2,969,565**	2,232,583
	3,829,169	3,157,739
	4,195,593	3,843,114

The full set of financial statements is available to Members upon request.

Approved on behalf of the Board:

Chair *Patrick Coady*

Secretary/Treasurer *Prem Lobo*

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

(Operating as CBV Institute)

STATEMENT OF OPERATIONS

Year ended December 31

	Unrestricted $	Internally Restricted $	2023 $	2022 $
Revenue				
Course and examination fees	2,137,534	-	**2,137,534**	2,019,253
Membership fees	2,227,162	-	**2,227,162**	2,096,285
Continuing professional development	587,563	-	**587,563**	376,490
Conduct and disciplinary fees	-	48,350	**48,350**	42,710
	4,952,259	48,350	**5,000,609**	4,534,738
Expenses				
Salaries, office and administration	2,745,696	39,976	**2,785,672**	3,064,259
Course and examination	922,941	74,641	**997,582**	985,228
Marketing and communications	278,252	-	**278,252**	136,443
Continuing professional development	449,162	-	**449,162**	375,606
Amortization	-	35,671	**35,671**	33,097
Conduct and disciplinary	-	91,276	**91,276**	19,189
	4,396,051	241,564	**4,637,615**	4,613,822
Excess of revenue over expenses (expenses over revenue) before the following	556,208	(193,214)	**362,994**	(79,084)
Other income (loss)				
Investment income	136,578	31,858	**168,436**	85,342
Loss on investments	-	-	**-**	(341,462)
Lease termination payment	140,000	-	**140,000**	-
	276,578	31,858	**308,436**	(256,120)
Excess of revenue over expenses (expenses over revenue) for year	832,786	(161,356)	**671,430**	(335,204)

The full set of financial statements is available to Members upon request.

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

(Operating as CBV Institute)

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	Invested in capital assets $	Internally restricted for conduct and disciplinary $	Internally restricted for transformation and innovation $	Unrestricted $	2023 Total $
Balance, beginning of year	58,969	520,788	345,399	2,232,583	**3,157,739**
Excess of revenue over expenses (expenses over revenue) for year	(35,671)	(11,068)	(114,617)	832,786	**671,430**
Purchase of capital assets	6,586	-	-	(6,586)	**-**
Internal restriction	-	-	89,218	(89,218)	**-**
Balance, end of year	29,884	509,720	320,000	2,969,565	**3,829,169**

	Invested in capital assets $	Internally restricted for conduct and disciplinary $	Internally restricted for transformation and innovation $	Unrestricted $	2022 Total $
Balance, beginning of year	77,231	545,155	500,000	2,370,557	3,492,943
Excess of expenses over revenue for year	(33,097)	(24,367)	(154,601)	(123,139)	(335,204)
Purchase of capital assets	17,529	-	-	(17,529)	-
Disposal of capital assets	(2,694)	-	-	2,694	-
Balance, end of year	58,969	520,788	345,399	2,232,583	3,157,739

The full set of financial statements is available to Members upon request.

CBV INSTITUTE BOARD OF DIRECTORS

JUNE 2022 – JUNE 2023

PATRICK COADY
FCPA, FCA, FCBV

Chair/At-Large

KPMG
Partner, Deal Advisory
Ottawa, ON

CHRIS POLSON
MBA, CPA, CMA, CFA, CBV, CFF

Vice-Chair/At-Large

PwC Canada
Partner, Advisory & Disputes
Toronto, ON

CATHERINE TREMBLAY
CPA, CA, CBV, ASA, CFF

Secretary/Treasurer/ Quebec Region

MNP
Partner, Leader for Valuations
Quebec, QC

VIVIAN ALTERMAN
MBA, CPA, CA, CBV

Toronto Region

ap Valuations Limited
Owner
Toronto, ON

MIKE DEVONSHIRE
CPA, CA, CBV

At-Large

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Chief Financial Officer
Calgary, AB

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Vancouver, BC

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CPA, CA, CBV

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Davidson & Co
Valuation and Advisory
Principal
Calgary, AB

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CPA, CA, CBV, FRM

At-Large

OMERS
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Toronto, ON

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Atlantic Region

Grant Thornton
Principal
Halifax, NS

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At-Large

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Partner, National Valuation Practice Leader
Toronto, ON

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CFE, CFF, AM, ABV, CEIV, CPA, CPA (U.S.), CA, CBV

At-Large

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Toronto, ON

CAMERON L. MCINNIS
CPA (Illinois), FCPA, FCA

At-Large

Ontario Securities Commission
Chief Accountant
Toronto, ON

RENATA MILCZAREK
CPA, CA, CFF, CF, CBV

At-Large

Mareval SENCRL
Partner
Montreal, QC

AMANDA VELLA
CPA, CA, CBV, MPAcc, CEPA

At-Large

ATB Financial
Managing Director, Business Consulting
Edmonton, AB

ANISH CHOPRA
FCPA, FCA, FCBV, CFA

Past Chair

Portfolio Management Corporation
Managing Director & Portfolio Manager
Toronto, ON

DR. CHRISTINE SAWCHUK
EdD, MEd, CPA, CA, CBV

Ex Officio

CBV Institute
President & CEO
Toronto, ON

JUNE 2023 – JUNE 2024

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Partner, Deal Advisory
Ottawa, ON

CHRIS POLSON
MBA, CFF, CPA, CMA, CFA, CBV

Vice-Chair/At-Large

PwC Canada
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PREM LOBO
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Secretary/Treasurer

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Principal
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Toronto Region

ap Valuations Limited
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Toronto, ON

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At-Large

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Chief Financial Officer
Calgary, AB

SUSIE FOLEY
CPA, CA, CBV

British Columbia Region

KPMG
Partner
Vancouver, BC

BRIAN GIBSON
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CATHERINE TREMBLAY
CFF, ASA, CPA, CA, CBV

Quebec Region

MNP
Partner, Leader for Valuations
Quebec, QC

AMANDA VELLA
MPAcc, CEPA, CPA, CA, CBV

At-Large

ATB Financial
Managing Director, Business Consulting
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Ex Officio

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The CBV designation is represented in the market by Chartered Business Valuator (CBV) and Experts en Evaluation d'Entreprises (EEE).