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Manifoba 

FILM & SOUND

THE MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION

2003/2004 ANNUAL REPORT

Letter of Transmittal

July 31, 2004

Honourable Eric Robinson
Minister of Culture, Heritage and Tourism
Room 118, Legislative Building
450 Broadway
Winnipeg, Manitoba
R3C 0V8

Dear Minister Robinson:

In accordance with Section 16 of The Manitoba Film and Sound Recording Development Corporation Act, I have the honour to present the Annual Report of the Manitoba Film and Sound Recording Development Corporation for the fiscal year ended March 31, 2004.

Respectfully submitted,



Cheryl Barker

CHAIRPERSON

:: MESSAGE FROM THE CHAIRPERSON



Cheryl Barker

ON BEHALF OF THE MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION (MANITOBA FILM & SOUND) and the Board of Directors, we are pleased to present the Annual Report for fiscal year ended March 31, 2004.

Looking back at previous MANITOBA FILM & SOUND Annual Reports one would notice reoccurring language; words such as unprecedented, recording-breaking, program enhancements and industry achievements are a consistent theme. What do these affirmative words imply? Quite simply, it indicates that Manitoba's film, television, sound recording and interactive media industries are continuing to develop and prosper, more and more each year. We at MANITOBA FILM & SOUND believe that this confirms Manitoba is home to original filmmakers, world-class musicians and innovative media artists and by working together, we have created an industry that contributes significantly to the cultural and economic growth of Manitoba – and fiscal year 2004 was no exception.

Highlights in fiscal year 2004 included: a \$1 million base funding increase; Jennifer Lopez, Richard Gere, Susan Sarandon and Ralph Fiennes came to town; Manitoba breaks the \$100 million dollar mark in film production – a 28% increase over last year; CARAS announces that Winnipeg will host the 2005 JUNOS; Total budgets for sound recording projects increased by 43%; Multiple bands signed to labels; Manitoba hosted Canada Day in Los Angeles and the Interactive Media Fund was launched – wow, what a year!!

A significant and important event that occurred in fiscal year 2004 and that will contribute to the long-term development of the cultural industries was the Government of Manitoba's announcement that MANITOBA FILM & SOUND would receive an extra \$1 million dollar funding increase – the first increase

to the Corporation's base budget in over a decade. This funding increase could not have happened at a more vital time in the Corporation's history. There is an enormous demand on MANITOBA FILM & SOUND's funds and with the increase to the base funding, it will provide the Corporation with the financial means to further invest in the film and sound recording sectors. Furthermore, the announcement demonstrates the Government of Manitoba's belief that the cultural industries are viable and significant to the economic and cultural growth of Manitoba, and for that we are very thankful.

Another significant industry achievement in fiscal year 2004 was the official launch of the Interactive Media Fund. Announced the previous fiscal year, the Government of Manitoba allocated \$300,000 annually for a minimum of three years to MANITOBA FILM & SOUND to administer the Manitoba Interactive Media Fund. Following extensive consultation with Manitoba's interactive media producers and Canada's interactive media industry the Interactive Media Fund was developed, as well as the Access to Markets program, which supports the market development activities of Manitoba's interactive media producers. The Interactive Media Fund programs will ensure that Manitobans will have a voice and will compete in the interactive digital content market, both in Canada and around the world.

Several programs funded by MANITOBA FILM & SOUND such as, the Access to Festivals and the Manitoba Music and Motion Pictures Development Project provide Manitobans with the opportunity to showcase their talents, educate themselves and network with colleagues from around the world. Consequently, Manitoba's success and reputation as an arts and cultural hotbed reached beyond borders and garnered the attention of national and international press. Manitoba's filmmakers, directors, writers and sound re-

AND CHIEF EXECUTIVE OFFICER

recording artists were mentioned in The Globe and Mail, the National Post, the San Francisco Chronicle, The Los Angeles Times, The New York Times and VARIETY.

Manitoba's Aboriginal and Francophone communities also captured national and international attention, as both communities are very active within Manitoba's arts and cultural industries. For example, Manitoba's Aboriginal recording artists led the competition at this year's Canadian Aboriginal Music Awards in Toronto, capturing the highest number of nominations and taking home a total of three awards, and Tipi Tales (the first Canadian puppet television series for children) received a 2003 Parents' Choice Gold Award. MANITOBA FILM & SOUND also provided financial assistance to five Aboriginal film and television productions and Manitoba's Francophone sound recording industry received international recognition when Winnipeg's a cappella group Madrigaia showcased their talents on a South American Tour.

These national and international achievements would not be realized without the continued dedication of those working and living in Manitoba, who are dedicated to the cultural and economic growth of Manitoba. We would like to take this opportunity to acknowledge MANITOBA FILM & SOUND's Board of Directors for their continued guidance, commitment and support to the Corporation. With Board Members representing Manitoba's Aboriginal, Francophone and Metis communities and bringing skills and backgrounds in education, finance, fundraising, music and filmmaking, the MANITOBA FILM & SOUND Board reflects the diversity of Manitoba's arts and cultural industries themselves. Thanks are also extended to our departing Board Members, Shereen Jerrett and Rob Macklin, for their contributions. In addition, we extend our thanks to the dedicated employees at MANITOBA FILM & SOUND for

their commitment, talents and teamwork, which contributed to the success of the Corporation and the further promotion of the film, sound recording and interactive media industries.

Furthermore, MANITOBA FILM & SOUND wishes to express our appreciation to the Government of Manitoba, as well as the Department of Culture, Heritage and Tourism and the Department of Industry, Trade and Mines for continuing to invest in the growth and development of the cultural industries.

In closing, MANITOBA FILM & SOUND extends our appreciation to the many talented filmmakers, producers, writers, musicians, interactive media producers and craftspeople who work in the film, sound recording and interactive media industries. It is because of your vision, creativity and dedication to Manitoba that the cultural industries continue to grow and succeed and for that, we thank you!

Cheryl Barker

CHAIRPERSON

Carole Vivier

CHIEF EXECUTIVE OFFICER

GENERAL MANAGER



Carole Vivier

:: THE CORPORATION

Manitoba Film and Sound Recording Development Corporation (MANITOBA FILM & SOUND) is a statutory corporation of government proclaimed under The Manitoba Film and Sound Recording Development Corporation Act. Funded by the Province of Manitoba, the management of MANITOBA FILM & SOUND reports directly to a nine-member Board of Directors appointed by the Lieutenant Governor.

MANITOBA FILM & SOUND's mission is to promote Manitoba's film, sound recording and interactive media industries at home and to the world, by:

Developing new talent, industry-skills,

Nurturing the new and existing talent, to higher levels, and

Communicating and marketing to people at home and throughout the world the talent and skill-levels that are here in Manitoba.



MANITOBA FILM & SOUND Board of Directors with Minister Eric Robinson, Deputy Minister Sandra Hardy, Kerri Irvin-Ross (MLA for Fort Garry) and Carole Vivier (CEO).

:: BOARD OF DIRECTORS

The activities of MANITOBA FILM & SOUND are monitored by the Board of Directors that includes:

CURRENT BOARD MEMBERS:

Cheryl Barker

CHAIRPERSON

John Harvie

VICE-CHAIRPERSON AND CHAIR, PERSONNEL COMMITTEE

Heather Bishop

CHAIR, FINANCE AND PLANNING COMMITTEE

David Dandeneau

CHAIR, PROGRAMS COMMITTEE

Léo Dufault

Cor Godri

Joy Keeper

Alana Langelotz

(appointed to the Board December 6, 2003)

Ric Paquette

(appointed to the Board February 25, 2004)

DEPARTED BOARD MEMBERS IN FISCAL YEAR 2004:

Shereen Jerrett

(to March 10, 2004)

Rob Macklin

(to August 28, 2003)



MANITOBA FILM & SOUND staff.

:: PERSONNEL

The Corporation is administered by the Chief Executive Officer and General Manager, who reports directly to the Board of Directors.

STAFF:

Carole Vivier

CHIEF EXECUTIVE OFFICER / GENERAL MANAGER AND FILM COMMISSIONER

Monique Ledohowski

MANAGER, FINANCE AND OPERATIONS

Alexa Rosentreter

MANAGER, FILM AND INTERACTIVE MEDIA PROGRAMS

(returned September 8, 2003 following maternity leave)

Angie Glesby

INTERIM MANAGER, FILM AND INTERACTIVE MEDIA PROGRAMS

(to August 31, 2003)

Kevin Walters

MANAGER, SOUND RECORDING PROGRAMS

Louise O'Brien-Moran

MANAGER, LOCATIONS

Danielle Jubinville

PROGRAMS ANALYST

Brent Deere

PROGRAMS ANALYST (to March 12, 2004)

Pamela Hoeschen

COMMUNICATIONS & CORPORATE AFFAIRS COORDINATOR

Susie Freedman

ADMINISTRATION/LOCATIONS ASSISTANT

Peggy Romas

ADMINISTRATIVE ASSISTANT

:: FISCAL YEAR 2004: YEAR IN REVIEW



The Honourable Peter Liba (Lieutenant-Governor of Manitoba) and Premier Gary Doer present Monty Hall with the Order of Manitoba.

MANITOBA FILM & SOUND objectives are to create and stimulate employment and investment in Manitoba by developing and promoting Manitoba companies producing, distributing, and marketing film, television, video, sound recording and interactive media products, as well as to promote Manitoba and the city of Winnipeg as a film location to offshore production companies. MANITOBA FILM & SOUND is a member of the Association of Film Commissions International (AFCI).

MANITOBA FILM & SOUND views economic considerations as critical to fulfilling its cultural mandate.

To achieve the Corporation's objectives, MANITOBA FILM & SOUND consults and works closely with industry associations and representatives including the Manitoba Motion Picture Industry Association (MMPA); the Manitoba Audio Recording Industry Association (MARIA); the Manitoba Interactive Digital Media Association (MIDMA); Manitoba New Media (MNM); the Winnipeg Film Group (WFG); Film Training Manitoba (FTM); the National Screen Institute (NSI); the City of Winnipeg, and local Unions and Guilds.

The following is an overview of some of MANITOBA FILM & SOUND's initiatives during the 2004 fiscal year.

\$1 MILLION DOLLAR INCREASE TO BASE BUDGET FUNDING

In April 2003, the Government allocated a funding increase of \$1 million dollars to MANITOBA FILM & SOUND's base budget. This long-awaited increase



Carole Vivier (MANITOBA FILM & SOUND) with representatives from the Mexican State of Jalisco.

was fantastic news for the Corporation and the film and sound recording industries. There is an enormous demand on the Corporation's funds and the increase will allow MANITOBA FILM & SOUND to further invest in the film and sound recording sectors. Aside from the financial contribution, the announcement demonstrates the Government of Manitoba's commitment to and recognition that the arts and cultural industries are viable and important to the economic and cultural growth of Manitoba. MANITOBA FILM & SOUND thanks the Government of Manitoba for their continued financial support.

COMMUNITY OUTREACH INITIATIVES

To achieve MANITOBA FILM & SOUND's mission to communicate and market the Corporation's mandate and objectives, the Corporation participated in a variety of community outreach initiatives in fiscal year 2004. Marketing and communication initiatives included attending career and job symposiums, hosting program information sessions, participating in panel discussions and accepting invitations to speak to various organizations about the Corporation's programs. Community outreach initiatives in fiscal year 2004 included, but were not limited to:

Career and Job Symposiums: MANITOBA FILM & SOUND partnered with several industry associations to market and communicate the film, sound recording and interactive media industries to students, job-seekers and the general public. Partners included the Manitoba Motion Picture Industry Asso-



Minister Eric Robinson at the press conference announcing that Winnipeg will host the 2005 JUNO Awards.

ciation (MMPA), the Manitoba Audio Recording Industry Association (MARIA), Manitoba Interactive Digital Media Association (MIDMA), Manitoba New Media (MNM), the National Screen Institute (NSI), Winnipeg Film Group (WFG), IATSE 856 and the Director's Guild of Canada (Manitoba District). Career and job symposiums in fiscal year 2004 included:

- Create Your Future Aboriginal Career Exploration Fair (Winnipeg)
- Collège Universitaire de Saint-Boniface Career Expo (Winnipeg)
- Parkland Career & Job Fair (Dauphin)
- Brandon Career Symposium (Brandon)
- Rotary Career Symposium (Winnipeg)

Representatives from the Mexican State of Jalisco visit MANITOBA FILM & SOUND: On August 22, 2003 MANITOBA FILM & SOUND hosted an information session on the Corporation's programs for visiting guests from the Mexican State of Jalisco. Special guests from Jalisco included the Secretary of Economic Promotion – Lic. Jose Ramon Robledo Gomez, and Dr. Francisco Medina of SEPROE (Secretariat of Economic Development, State of Jalisco)

Organized by Manitoba Trade and Investment, the Mexican delegation was on a three day visit to Manitoba to promote trade between Jalisco and Manitoba. The delegation also included guests from the interactive media industry in Jalisco, Mexico including: Mr. Miguel Angel Tenorio, Canadian Chamber of Commerce in Jalisco; Ms. Joanne Lemay, Canadian Consul in Jalisco; and Mr. Gustavo Zentner, Manager, Mexico of the Province of Manitoba.



The Whisky A Go-Go marquee on Sunset Boulevard in Los Angeles.



"Zeyda and the Hitman" (Frantic Zeyda Inc.)



Manitobans at the 2003 Juno Awards in Ottawa.

Similar to Manitoba, the interactive media industries are beginning to grow and develop in Mexico. The Mexican delegation was very interested in Manitoba's developing interactive media industry and how the Province of Manitoba is encouraging this growth through the new Interactive Media Fund Program.

Speaker Sessions: The steady growth of Manitoba's film, sound recording and interactive media industries has resulted in increased awareness and interest in these thriving industries. Consequently, MANITOBA FILM & SOUND was invited to speak at a number of business and industry events regarding the industry's successes and the Corporation's role in the community. Speaker sessions included: The Business of Entertainment at Tech Voc High School; the Manitoba Association of Business Economics Outlook 2004 Conference; the University Women's Club; Cinémental Film Festival; Winnipeg Aboriginal Film and Video Festival, Film Exchange, as well as a state of the industry presentation at the IATSE 856 annual general meeting

NEWSLETTER

In September 2003, MANITOBA FILM & SOUND launched the Corporation's information e-newsletter. The purpose of the newsletter is to provide stakeholders, industry associations, clients and the public with an update on the recent activities at MANITOBA FILM & SOUND, and information on the film, television, sound recording and interactive media industries. The newsletter has received positive feedback and is sent by email to over 1500 contacts worldwide.

MANITOBA MUSIC AND MOTION PICTURES DEVELOPMENT PROJECT

The Manitoba Music and Motion Pictures Development Project, known as the M3P Program, supports the market development activities of Manitoba's film and sound recording artists and companies. To support these initiatives MANITOBA FILM & SOUND funds have been redirected to the Manitoba Motion Picture Industry Association (MMPIA) and the Manitoba Audio Recording Industry Association (MARIA) to support the Access to Markets, the Market Access and Portfolio Investment Envelope Programs.

INDUSTRY SUPPORT

Industry Support was provided to the Winnipeg Film Group, Film Training Manitoba, the National Screen Institute and Manitoba New Media to develop the talents and business skills of developing and established filmmakers and interactive media producers.

SPONSORSHIPS

MANITOBA FILM & SOUND recognizes the importance of supporting Manitoba's arts and cultural organizations through sponsorship opportunities, which in return support the Corporation's mission to develop, nurture, communicate and market the film, sound and the interactive media industries.

This year, MANITOBA FILM & SOUND provided sponsorship support to 25 film, sound recording and interactive media events including the NSI FilmExchange, CanadaWest events, Western Canadian Music Awards, Manitoba Country Music Association and Interactive Media events. MANITOBA FILM & SOUND also supported smaller, developing festivals including the Winnipeg Aboriginal Film and Video Film Festival and Cinémental, Manitoba's Francophone Film Festival.

MANITOBA HOSTS 3RD STRATEGIC PLANNING SESSION

In October MANITOBA FILM & SOUND hosted the Corporation's 3rd Strategic Planning Session, which focused on the development of a Marketing and Communications Strategy for Manitoba's film, sound recording and interactive digital media industries. Previous strategic planning sessions concentrated on the development and implementation of a Corporate Business Plan, film and sound recording program evaluations and identifying the need to develop the interactive media industry in Manitoba.

A total of 28 participants attended the one-day session, including: staff, Board members, Stakeholders from the film, television, sound recording and interactive media industries and representatives from the provincial and municipal governments.

The session was a resounding success and following its conclusion, a MANITOBA FILM & SOUND and Industry Partners' Marketing and Communications



Dwight MacAulay, Consul General Colin Robertson, Canada Day guest, Hartley Richardson, Gail Asper and Premier Gary Doer at Canada Day celebrations.

Strategic Plan was documented. In November, a working group began meeting to begin developing, strategizing and implementing the recommendations voiced at the planning session.

MANITOBA TRADE MISSION TO LOS ANGELES AND CANADA DAY CELEBRATIONS

Led by the Premier of Manitoba, members of MANITOBA FILM & SOUND traveled to Los Angeles to celebrate Canada Day on July 1st, 2003, as part of a three day trade mission that highlighted Manitoba's success in the entertainment, sound recording, food and beverage and business industries, which further promoted trade opportunities between Manitoba and California.

The Government of Manitoba co-hosted Canada Day along with Colin Robertson, the Canadian Consul General, at the official Residence of the Consulate. The Canada Day event was a resounding success with over 400 guests in attendance, including The Honourable Peter Liba (Lieutenant Governor of Manitoba), who presented Manitoba-born Monty Hall with the Order of Manitoba, Minister Eric Robinson and representatives from Manitoba's film and sound recording industries. There were also many distinguished guests including Leonard Cohen, Chris Sarandon, Joanna Gleason, Suzanne Somers and Alan Hamel.

In conjunction with the Canada Day trade mission, the Manitoba Motion Picture Industry Association (MMPA) led a market exploration to Los Angeles that included five Manitoba producers. Over the six day exchange the group



McMaster and James perform "O Canada" at the Canada Day celebrations in Los Angeles.

participated in an intensive exploration of the Los Angeles film and television market, which included a networking brunch, a panel discussion, reception and extensive meetings with broadcasters, independent producers, agents and other industry professionals.

As well, with funding assistance provided by the Tour Manitoba Program, members of Manitoba's sound recording industry participated in the Canada Day trade mission. MANITOBA FILM & SOUND, the Province of Manitoba and the Manitoba Audio Recording Industry Association (MARIA) hosted a showcase event at the legendary Whisky A Go-Go on Sunset Boulevard featuring performances by Manitoba musical talents' Holly McNarland (Universal Music Canada), Doc Walker (Universal Music Canada), McMaster and James (Universal Music Publishing Canada) and Waking Eyes (Coalition/Warner).

The night was a fantastic success with over 200 guests attending. To remember the night, a compilation CD entitled "Manitoba Music Explosion at the Whisky A Go-Go" was given to all attendees. The CD featured a total of 20 tracks that included songs from the showcase performers, as well as other Manitoban singer/songwriters including Chantal Kreviazuk, Sonic Bloom, The Weakerthans, Big Dave McLean and Eagle & Hawk.

FILM AND TELEVISION INDUSTRY

Made in Manitoba films screen around the world: With funding assistance provided by the Access to Festivals program, Manitoba directors and writers



Brent Deere, Kevin Hnatiuk, Carole Vivier, John Jameson and David Dandeneau at the launch of the MANITOBA FILM & SOUND Interactive Media Program.

had the opportunity to travel to the screening of their films at international festivals including, the Toronto International Film Festival, the Sundance Film Festival, Venice Film Festival and the North American Indian Film Festival.

Manitoba was well represented at the 2003 Toronto International Film Festival screening of "The Saddest Music in the World", with special guests Honourable Eric Robinson (Minister of Culture, Heritage and Tourism), Carole Vivier (CEO, MANITOBA FILM & SOUND), Guy Maddin (Director), Phyllis Laing (Producer, Buffalo Gal Pictures Inc.), Niv Fichman and Jody Shapiro (Producers, Rhombus Media Inc.) in attendance, as well as the film's stars Isabella Rossellini, Mark McKinney, David Fox and Ross McMillan. The film screened to a full-house. Later during the Festival, IFC Films announced that they acquired all U.S. distribution rights to "The Saddest Music in the World". TVA holds Canadian rights.

In January, a group of eager, ecstatic and proud Manitobans traveled to Sundance to enjoy the festivities and celebrate that two made in Manitoba and produced films, "The Saddest Music in the World" (Guy Maddin) and "Seven Times Lucky" (Gary Yates) were selected to screen at the 2004 Sundance Film Festival. Both films received favourable press and Isabella Rossellini was interviewed live by CNN from the streets of Park City to discuss the film. Gary Yates' film, "Seven Times Lucky" also received kudos from VARIETY, calling the film "an absolute knockout of a feature debut by writer-director G.B. Yates." Both films were very well received by their audiences.



Minister Scott Smith (Minister of Industry, Economic Development and Mines), Peter Liba (Lieutenant-Governor) and Carole Vivier (Manitoba Film & Sound).

Production Financing Evaluation Criteria: Introduced in fiscal year 2003, the Production Financing Evaluation Criteria was created in response to the substantial growth of Manitoba's film and television industry. This growth has resulted in a considerable increase in the demand on the Corporation's available funding. In fiscal year 2004 MANITOBA FILM & SOUND, in consultation with MMPIA, reviewed the Production Financing Evaluation Criteria and modifications were made to areas of General Information; Economic Impact; Community Development and Key Creative Positions.

Manitoba Emerging Filmmaker Award announced: In November, Minister Eric Robinson (Culture, Heritage and Tourism) and the Province of Manitoba demonstrated their continued support of Manitoba's film industry with the announcement of the Manitoba Emerging Filmmaker Award. Winnipeg filmmaker Daniel Eskin was the first recipient of the Manitoba Emerging Filmmaker Award and received \$10,000 including, production assistance and support services from the Winnipeg Film Group.

Film Industry Float – Grand Award Winner: The creative talents of Manitoba's film industry were recognized when the industry's inaugural float in the Festival of Lights Parade took home the Grand Award on November 22nd. The float was designed and crafted by Manitoba crew and titled – Lights! Camera! Action! MANITOBA FILM & SOUND was a proud sponsor of the float and extends a gracious thank you to all the volunteers who gave generously of their time coordinating the float.



Mark McKinney (star of "The Saddest Music in the World") with Producers Jody Shapiro, Niv Fichman and Phyllis Laing, along with MANITOBA FILM & SOUND's Carole Vivier and Pamela Hoeschen at the NSI's FilmExchange "A Conversation With" special event.

MANITOBA FILM AND VIDEO TAX CREDIT

MANITOBA FILM & SOUND extends thanks to the Advisory Committee of the Manitoba Film & Video Production Tax Credit program for their work in developing the recommendations for enhancements and amendments to the existing tax credit for the government's consideration.

Established in fiscal year 2002, the Tax Credit Advisory Committee meets frequently throughout the year to discuss various matters pertaining to the Manitoba Film and Video Production Tax Credit. The Advisory Committee is made up of representatives from MANITOBA FILM & SOUND, the Department of Industry, Economic Development and Mines, the Department of Culture, Heritage and Tourism, the Department of Energy, Science and Technology and the Manitoba Motion Picture Industry Association (MMPIA).

SOUND RECORDING INDUSTRY

Changes to MANITOBA FILM & SOUND's Sound Recording Programs – Meeting the Needs of today's changing Music Industry: To meet the needs of today's rapidly changing music industry, MANITOBA FILM & SOUND along with the Board of Directors identified the need to review the sound recording program guidelines to ensure that the programs were continuing to meet the needs of the industry. To assist in this undertaking, the Manitoba Audio Recording Industry Association (MARIA) surveyed the MARIA membership to identify any concerns with the existing programs and generate ideas for even stronger programs.



Cheryl Barker (Chair, MANITOBA FILM & SOUND) and Minister Eric Robinson at the Whisky A Go-Go Manitoba music showcase in Los Angeles.

The survey results concluded that artists and sound professionals in Manitoba are maintaining a high level of achievement, but under serious financial challenges. Based on the survey results MANITOBA FILM & SOUND undertook an extensive review of the sound recording programs and consequently, significant changes were made to the Demo Recording Fund, Sound Recording Production Fund, Marketing Support, Touring Support and Market Access.

The changes to the sound recording programs have been met with very positive feedback and as a result, submissions to the demo and sound recording programs increased significantly, averaging over 45 applications for funding consideration per deadline.

Winnipeg to Host the 2005 JUNO Awards: In 2003, the Winnipeg JUNO Bid Committee began meeting and generating ideas how to package, market and sell Winnipeg for consideration by the CARAS Board (the Canadian Academy of Recording Arts and Sciences), as the host city for the JUNOs in 2005. As part of the marketing strategy, representatives from the Winnipeg JUNO Bid Committee hosted a reception at the 2003 JUNO Awards in Ottawa, to further promote Winnipeg as the place to be in 2005. Also in attendance were the Minister Eric Robinson and Mayor Glen Murray, and included a performance by Randy Bachman.

In December 2003, the efforts of the Winnipeg JUNO Bid Committee were realized when CARAS announced that Winnipeg would host the 2005 JUNO Awards. CARAS awarded the JUNOs to Winnipeg based on a combination of



At the Whisky A Go-Go Manitoba music showcase in Los Angeles with Luke McMaster (McMaster and James), Premier Gary Doer, Carole Vivier, Kevin Walters and Cheryl Barker (MANITOBA FILM & SOUND).



Carol Parnell (Telefilm) and Brent Deere (MANITOBA FILM & SOUND) at the Canadian Pavilion, Electronic Entertainment Exposition (E3) 2003 in Los Angeles.



Minister MaryAnn Mihychuk (Industry, Trade and Mines) at the launch of the MANITOBA FILM & SOUND Interactive Media Program.



The Winning Season starring: Shawn Hatosy, Matthew Modine and Kirstin Davis. Photo by Gregory Heisler.

strong support and commitments from municipal, provincial and federal governments, the local business community, excellent host facilities and a long established reputation as a city that embraces Canadian music and culture. The JUNOs will be held in the new MTS Centre in downtown Winnipeg.

Renamed the Winnipeg JUNO Host Committee, the committee includes representatives from Western Diversification, the Province of Manitoba, the City of Winnipeg, Destination Winnipeg, MANITOBA FILM & SOUND and members of the province's music industry.

Country Compilation CD Release Party: To bring attention to Manitoba's country music talents, MANITOBA FILM & SOUND, the Manitoba Country Music Association and the Manitoba Audio Recording Industry Association (MARIA) hosted a showcase event in October at the Palomino Club to launch the jointly-produced Country Music Made in Manitoba promotional CD, featuring some of Manitoba's most recognized country music talents and the next generation of country music hopefuls.

The CD release party featured performances by Alana Levandoski, Manitoba country veterans Foster Martin Band, bluegrass family quartet House of Doc and country-pop newcomer Kiera Lee. The Country Music Made in Manitoba CD also features JUNO nominated Doc Walker, rockabilly group The Rowdymen and singer/songwriter Scott Nolan.

Manitoba's music industry participates in MIDEM: In January, Kevin Walters (Manager, Sound Recording Programs), Sam Baardman (Executive Director, MARIA) and representatives from Manitoba's music industry including Smallman Records, Arbor Records, Endearing Records and Rising Sun Productions and Sunshine Records touched down in Cannes, France for five days of working the trade-show floor, networking, seminars, presentations, showcases and receptions to promote Manitoba's diverse and immensely talented music industry.

MIDEM is the world's leading international music market that attracts industry professionals, musicians, agents, producers and music enthusiasts from all around the world. Thanks in part to valuable programs such as the Market Access Program, financial assistance is provided to eligible artists and industry professionals attending music conferences, showcases and other music related events.

On the Road with MANITOBA FILM & SOUND and MARIA: MANITOBA FILM & SOUND and the Manitoba Audio Recording Industry Association (MARIA) co-hosted a number of industry events throughout the year to market Manitoba's talented musicians and provide a venue for Manitoba musicians to showcase their musical talents. Joint MANITOBA FILM & SOUND and MARIA marketing initiatives in fiscal year 2004 included industry favourites such as the South by Southwest and North by Northeast Barbecues, and showcases at Folk Alliance in San Diego and at the Ontario Council of Folk Festivals conference in Sudbury.

INTERACTIVE MEDIA INDUSTRY

Interactive Media Fund Officially Launched: Following extensive consultations with Manitoba's interactive media producers and Canada's interactive media industry, the Interactive Media Fund was developed and officially launched in April 2003. The program announcement was attended by Minister MaryAnn Mihychuk (Minister of Industry, Trade and Mines); John Jameson (Manitoba Interactive Digital Media Association); Kevin Hnatiuk (Manitoba New Media), and representatives from Manitoba's interactive media community. MANITOBA FILM & SOUND is very excited to be involved with the interactive media industry. Support for the interactive media industry in the province will encourage job creation and contribute to the sustainability and growth of Manitoba's interactive media production companies. Ultimately the fund will ensure that Manitobans will have a voice and will compete in the interactive digital content market, both in Canada and around the world.

Announced in fiscal year 2003, the Government of Manitoba allocated \$300,000 annually for a minimum of three years to MANITOBA FILM & SOUND to administer the Manitoba Interactive Media Fund.

Interactive Media Fund Access to Markets Program Developed: As a complement to the Interactive Media Fund, MANITOBA FILM & SOUND developed the Interactive Media Fund Access to Markets Program, which provides financial assistance to interactive media producers attending market events.



Dani Jubinville (MANITOBA FILM & SOUND), Joy Keeper (MANITOBA FILM & SOUND Board Member), and Lisa Meeches (Meeches Video Productions Inc.) at the Lieutenant-Governor's film industry reception.



Karen Bryk and Dwight MacAulay (Province of Manitoba) with Kevin Walters at the Whisky A Go-Go Manitoba music showcase.



On the set of "The Murdoch Mysteries Series: Poor Tom" (OP Mysteries Inc.)

The Access to Markets program has proven valuable to further educate Manitoba's interactive media producers and provide an opportunity to network with other new media producers. In fiscal year 2004, Manitoba's interactive media producers participated in the E3 Electronic Entertainment Expo (Los Angeles), Siggraph Conference (San Diego) and Imagina (Monaco).

Interactive Media Fund Program Information Session: To further develop the skills and talents of Manitoba's interactive media producers, MANITOBA FILM & SOUND hosted an Interactive Media Information Session to review the application process for the Manitoba Interactive Media Fund. Upwards of 25 participants attended the information session, which included a presentation by Brent Deere (Programs Analyst) who outlined the program's guidelines and application procedures. The fund's jury members attended and participated in the session and met individually with Manitoba New Media producers/developers to discuss their New Media projects.

MANITOBA FILM & SOUND attends Interactive Media events: Alexa Rosentreter and Brent Deere represented MANITOBA FILM & SOUND at nextMEDIA, the International New Media Festival in October 2003. At nextMEDIA, MANITOBA FILM & SOUND attended a national summit with several representatives from Canada's interactive media industry, to discuss and share their respective visions for the future and address the challenges that the developing interactive media industry is facing.

MANITOBA FILM COMMISSION AND LOCATIONS DEPARTMENT

As a member of the Association of Film Commissioners International (AFCI), MANITOBA FILM & SOUND is a full-service film commission that offers a broad spectrum of location services, including: script breakdown, budgeting, location scouting, government and industry liaison, as well as administering the 35% Manitoba Film and Video Production Tax Credit.

When deciding where to shoot their films, production companies literally have a world of locations choices to choose from and therefore, MANITOBA FILM & SOUND recognizes the importance of continuing to aggressively market Manitoba as a filming location. During fiscal year 2004, Carole Vivier (CEO) and Louise O'Brien-Moran (Locations Manager), as well as Joe Laurin (IATSE 856) traveled to Los Angeles on several marketing initiatives to meet with interested production companies including: Warner Bros., Touchstone Television, Echo Lake Productions, Miramax Films, Blueprint Entertainment, Columbia Tristar Television, Hearst Entertainment, MGM Worldwide TV, Paramount Television Production and Walt Disney Pictures, to name a few.

In fiscal year 2004, Manitoba's consistent hard work to promote and market the province as a filming destination was rewarded when Manitoba's first larger budget major motion picture, Miramax's "Shall We Dance", filmed in Winnipeg. Featuring Winnipeg's Historic Exchange District as the central location, "Shall We Dance" stars Jennifer Lopez, Richard Gere, Susan

Sarandon and Stanley Tucci. The film shoot captured international attention, solidifying Manitoba as a real player in the film industry and provided an opportunity to showcase Manitoba's talented crew, actors, dancers and industry professionals.

Manitoba was the backdrop for several guest productions this year, including:

- *More Than Meets the Eye, The Joan Brock Story*: Von Zerneck Sertner Films
- *Defending Our Kids, The Julie Posey Story*: Von Zerneck Sertner Films
- *Killer Instinct: From the Files of Agent Candice DeLong*: Von Zerneck Sertner Films
- *Shall We Dance*: Miramax Films
- *The Winning Season*: Rosemont Productions and TNT Originals
- *The Constant Gardener*: Focus Features (2nd unit)

To thank the production companies that filmed in Manitoba in fiscal year 2004, MANITOBA FILM & SOUND, the City of Winnipeg, the Manitoba Motion Picture Industry Association (MMPA), IATSE 856, the Directors Guild of Canada (Manitoba district) and several equipment houses and hotels participated in a full-page advertisement in VARIETY, the major film and television trade publication.

:: MANITOBA FILM AND VIDEO PRODUCTION TAX CREDIT

The Manitoba Film and Video Production Tax Credit was introduced in 1997 to provide an incentive to the private film and television production industry to create economic development and employment growth in the province. The tax credit provides production companies with a 35% Tax Credit on eligible Manitoba labour expenses.

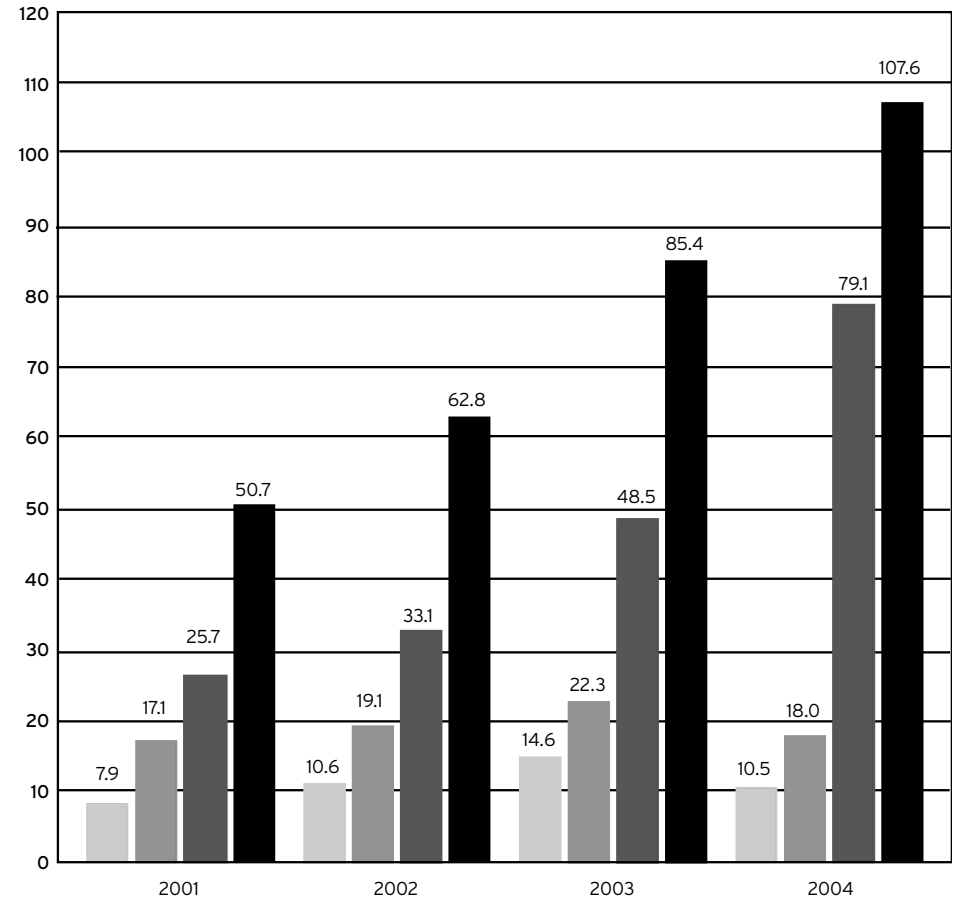
The Manitoba Tax Credit combined with MANITOBA FILM & SOUND's equity financing are essential to the growth of Manitoba's film and television industry. The Manitoba Tax Credit can also be credited for bolstering both co-production (Manitoba shared ownership & control) and foreign location shooting (non-Manitoba owned & controlled) activity in the province. MANITOBA FILM & SOUND statistics show that foreign location shooting grew from \$25.7 million in fiscal year 2001 to an impressive \$79.1 million in fiscal year 2004. This level of growth can be attributed in part to the creation of the Manitoba Film and Video Tax Credit.

A total of 77 productions applied to the tax credit program (both Part A and Part B applications) during the 2004 fiscal year, representing approximately \$129.2 million worth of production activity, and estimated tax credits of \$12.9 million.

FIGURE 1

TYPE	NUMBER OF PROJECTS	PROJECTED FINAL PRODUCTION BUDGETS	PROJECTED TAX CREDIT	TAX CREDIT AS % OF BUDGET
Feature Films	16	\$28.2 million	\$3.1 million	11%
TV Series	8	\$25.4 million	\$2.7 million	11%
Movie of the Week, TV Specials	14	\$57.1 million	\$4.7 million	8%
Documentary/Doc.Series	39	\$18.5 million	\$2.4 million	13%
TOTALS	77	\$129.2 million	\$12.9 million	10%

FIGURE 2: FILM & TELEVISION PRODUCTION IN MANITOBA (in millions of dollars)



FISCAL YEAR ENDED MARCH 31

Note: As these figures represent production budgets as at fiscal years ending March 31 amounts reported from previous fiscal years may vary due to changes provided upon final reporting.



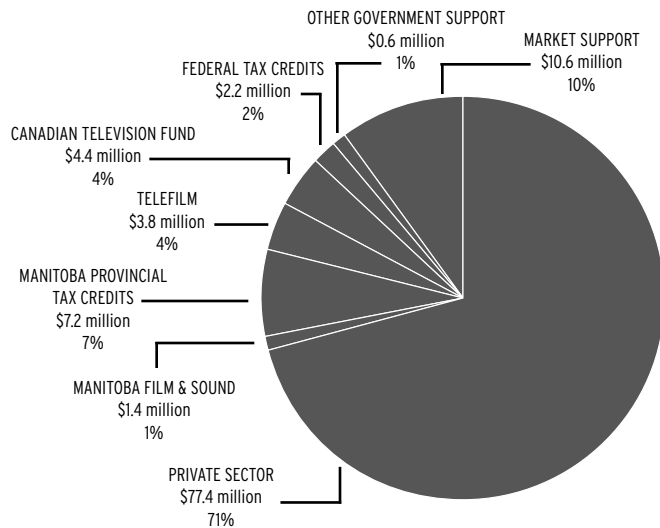
:: OTHER DOLLARS LEVERED

FILM

Financing of independent productions requires financial investment from several sources. More often than not, MANITOBA FILM & SOUND's equity commitment to a project will trigger other investors to participate. Outside of MANITOBA FILM & SOUND and the Manitoba Provincial Tax Credit, other sources for production financing investments come from Telefilm Canada and the Canadian Television Fund; Market Support (Broadcaster Licences, Distribution Advances); Federal and other Government Support and Tax Credits, and Private Sector (ie. Production Company investment, deferrals, Corporate sponsors and Private Investments).

As Figure 3 demonstrates, with Manitoba's 8% equity financing and tax credit support, \$107.6 million in indigenous, domestic co-production and foreign production activity occurred in fiscal year 2004. This amount reflects \$99 million of investment from other sources. For every \$1 of Manitoba equity and tax credit investment an additional \$11.50 was triggered in other production financing. This is a clear indication that Manitoba's modest investment attracts millions of dollars of additional revenues into Manitoba's economy.

FIGURE 3

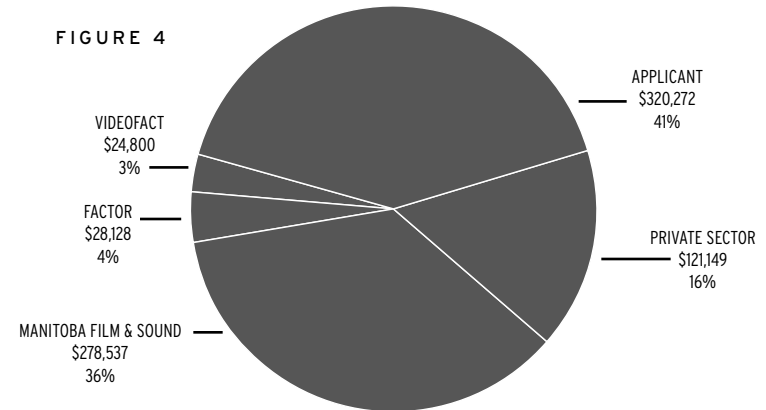


Source: Fiscal Year 2004 film production activity of \$107.6 million is compiled from data provided in equity and tax credit applications submitted to Manitoba Film & Sound as of March 31, 2004

SOUND

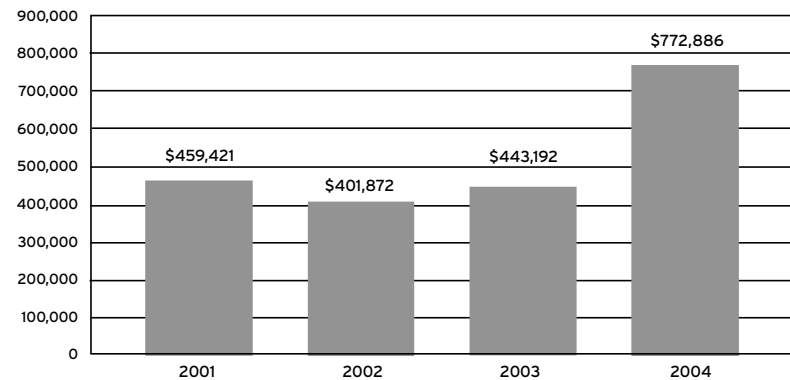
Available funding from other sources for the Sound Recording Industry is limited (FACTOR, Video FACT) and therefore very competitive. MANITOBA FILM & SOUND's investment is the key element of support to Manitoba's emerging and established musicians. As shown in Figure 4, for every \$1 of investment from MANITOBA FILM & SOUND, an additional \$3 of investment is triggered with the majority of investments coming from the recording artists themselves. The financial investment from both the musicians and MANITOBA FILM & SOUND has contributed significantly to the cultural and economic successes of this industry on national and international levels.

FIGURE 4



Source: Fiscal Year 2004 sound production activity of \$772,886 is compiled from data provided in CD, demo and music video applications submitted to Manitoba Film & Sound as of March 31, 2004

FIGURE 5: SOUND PRODUCTION ACTIVITY



Note: As these figures represent production budgets for CD, Demo and Music Video Projects as at fiscal years ending March 31; amounts reported from previous fiscal years may vary due to changes provided upon final reporting.

:: JURIES

The evaluation and adjudication of applications submitted to the Corporation by Industry professionals and colleagues remains a central part of MANITOBA FILM & SOUND's program guidelines with respect to the Sound Recording, Demo Recording, Low Budget Feature Film Development, Access to Festivals and the Interactive Media Programs.

Jurors for Sound Programs are drawn from all sectors of the provincial sound recording industry and include record retail employees, recording studio personnel, producers, engineers, musicians, songwriters, agents, talent managers, lawyers and publicists. Sound Recording proposals must be unanimously recommended for funding by a minimum of two juries. Proposals are then analyzed and a recommendation for funding is made by the Manager, Sound Recording Programs prior to the execution of a contract.

Film and Interactive Media industry professionals are drawn from Manitoba and across Canada to adjudicate the Low Budget Feature Film Development, the Access to Festivals, and the Interactive Media Development and Access to Markets applications.

MANITOBA FILM & SOUND thanks the following jurors who gave so generously of their time:

Stewart Astleford	Rick Fenton	Bob Lower	Brendon Sawatzky
Gerry Atwell	Joe Fingerote	Norm Lussier	Dave Sherman
Jacques Augustin	Vince Fontaine	Dave McLeod	Billy Simard
Sam Baardman	Lyle Foster	Howard Mandshein	Clint Skibitsky
Miriam Baron	Chris Frayer	John Marlow	Jason Smith
John Batiuk	Brandon Friesen	Ray Martin	Shawn Sommers
Marc Baueriss	Noam Gonick	Hartley Miller	Thom Sparling
Angela Beausoleil	Richard Grouette	Jim Murphy	Jaques St. Goddard
Mike Benson	Christian Hall	Scott Nolan	Sara Stasiuk
Natalie Bernardin	Maurice Hogue	Linda Nelson	Rachel Stone
Mark Binder	Susan Israel	James O'Connor	Lisa Stovin
David Boulanger	Paul James	Maybelle Pacak	Jonathan Tammuz
Hal Brolund	Curtis Jonnie	Carol Parnell	Stephen Thliveris
Chris Burke-Gaffney	Todd Jordan	Art Pearson	Anthony Tordiffe
Dave Burpee	Peggy Jubinville	Lloyd Peterson	George Vincent
Tremaine Burrows	John Kendle	Neal Pinto	David Vogt
Brad Caslor	Bartley Kives	Ross Porter	Tara Walker
Gillian Chubb	Howard Klopak	Travis Porter	Dave Wheeler
Kevin Clifford	Alexis Kocher	Kinzey Posen	Rob Williams
Billy Collins	Rob Krause	Murray Pulver	Glen Willows
Marc Crevier	Susan Krepart	Olaf Pyttlik	Jill Wilson
Lochlin Cross	Rene Lamoureux	Doren Roberts	Wes Wilson
Joel Dixon	Ron Lamoureux	Rob Rousseau	Zane Zallis
Leo Dufault	Ginette Lavack	Larry Roy	David Zellis
Matthew Etches	Ian Low	RoseAnna Schick	Michael Zirk

:: PROJECTS SUPPORTED IN FISCAL YEAR 2004

FILM PROGRAMS

DEVELOPMENT

MARKET DRIVEN FEATURE FILM DEVELOPMENT FINANCING PROGRAM AND MARKET DRIVEN TELEVISION DEVELOPMENT FINANCING PROGRAM

Eligible applicants receive financial assistance for the development of viable motion picture concepts into screenplays for Television and Theatrical Release. Financing under both these programs takes the form of a recoupable loan and is committed according to phases. Should the project qualify for production financing, the development loan is converted into an equity investment.

During the 2004 Fiscal Year, 17 applications were approved for a total investment of \$116,754.

APPLICANT	PROJECT
Fighting Dog Films Inc.	Alpha Woo
Summit Films Ltd.	Oscar
Journey Films Inc.	Appassionata
Original Pictures Inc.	Falcon Beach
Two Falls Productions Inc.	Death Row Live
Frantic Films Live Action Productions Inc.	Lucid
First Voice Multimedia	A Health Series: Why Medicine? & Diabetes – A Canadian Phenomenon
Native Multi-Media Productions Inc.	Indian Time 4: Indian Givers
Vonnie Von Helmolt Films	Requiem 9/11
Rocky Point Productions Inc.	Amorikano
Farpoint Films Inc.	The Peter Fidler Story
Frantic Films Live Action Productions Inc.	The Smarter Child
Frantic Films Live Action Productions Inc.	Quest For the Sky
Native Multi-Media Productions Inc.	Indian Givers
MidCanada Production Services Inc.	It Slices, It Dices! The K Tel International Story
Frantic Films Live Action Productions Inc.	Ken Leishman: The Flying Bandit
Buffalo Gal Pictures Inc.	Kiss of the Fur Queen

LOW BUDGET FEATURE FILM DEVELOPMENT FINANCING PROGRAM

The Low Budget Feature Film Development Financing Program provides eligible applicants with financial assistance for the development of viable low budget feature film projects. Funding decisions are based on a subjective assessment by an independent jury. Projects are assessed on script excellence, and creative and cinematic merits, and are held twice yearly.

During the 2004 fiscal year no applications were approved for funding assistance.

PRODUCTION FINANCING

MARKET DRIVEN TELEVISION PRODUCTION FINANCING PROGRAM AND MARKET DRIVEN FEATURE FILM PRODUCTION PROGRAM

The Film Production Financing Program assists in the production financing of fully developed feature film or television projects through non-interest equity investments and/or recoupable advances.

During the 2004 fiscal year, 13 applications were approved for a total investment of \$1,573,900.

APPLICANT	PROJECT
Melancholy Pictures Inc.	The Saddest Music in the World
Edgeland Films Inc.	Haunts of the Black Masseur
OP Mysteries Inc.	Murdoch Mysteries
Quiet Canadian Inc.	The True Intrepid
You're Having Our Baby Documentary Productions Inc.	She's Having Our Baby
Canadian Stories II Inc.	The Shields Stories
Magnificent Obsessions Film II Inc.	Magnificent Obsessions II
4711786 Manitoba Ltd.	Sharing Circle – Season 12
Shaftesbury Mysteries V Inc.	In the Dark
Frantic Zaida Inc.	Zeyda and the Hitman
4698704 Manitoba Ltd.	Takin' Care of Business: Life & Times of Randy Bachman
Eden II Entertainment Inc.	Recreating Eden – Season II
Wild Boars of Manitoba Inc.	Stryker

ACCESS TO MARKETS PROGRAM AND PROFESSIONAL MARKET FUND PROGRAM

The Access to Markets and Professional Market Fund are programs of the Manitoba Music & Motion Pictures Development Project (M3P) and is administered by the Manitoba Motion Picture Industry Association (MMPA) and supported with program assistance from MANITOBA FILM & SOUND.

Access to Markets supports the market development activities of established and emerging Manitoba motion picture producers selected to attend national and international markets, co-production conferences, exchanges, immersions and a limited number of film festivals with the intention of finding broadcasters, distributors and partners for co-productions.

The Professional Market Fund supports the marketing activities of established Manitoba Motion Picture production companies represented at national and international markets, co-production conferences and a limited number of film festivals with the goal of enhancing their market involvement.

In fiscal year 2004, MANITOBA FILM & SOUND committed \$27,000 to the Access to Markets and Professional Market Fund Programs.

APPLICANT	PROJECT
Kevin Dunn (MidCanada Entertainment)	Hot Docs
Merit Jensen Carr (Merit Motion Pictures)	Hot Docs
Barry Lank (Lank/Beach Productions)	Hot Docs
Vonnie Von Helmolt Films	Cannes Film Market
Donalee Jones (MidCanada Entertainment)	Banff Film Festival
Kevin Dunn (MidCanada Entertainment)	Banff Film Festival
Tanya Brunel (High Definition Pictures)	Banff Film Festival
Barry Lank (Lank/Beach Productions)	Banff Film Festival
Vonnie Von Helmolt Films	Banff Film Festival
Kim Todd (Original Pictures)	Banff Film Festival
Lynne Skromeda (Frantic Films)	Banff Film Festival
Jamie Brown (Frantic Films)	Banff Film Festival
Merit Jensen Carr (Merit Motion Pictures)	Banff Film Festival
Phyllis Laing (Buffalo Gal Pictures)	Banff Film Festival
Don Marks (Native Multimedia Productions Inc.)	Banff Film Festival
Tanya Brunel (High Definition Pictures)	Los Angeles Exchange
Jeff Peeler (Critical Madness)	Los Angeles Exchange
Noam Gonick (Big Daddy Beer Guts)	Los Angeles Exchange
Kyle Irving (Meeches Video Productions Inc.)	Los Angeles Exchange



Phyllis Laing (Producer) and Guy Maddin (Director) of "The Saddest Music in the World" with Liz Jarvis (Producer: "Seven Times Lucky"). Both films screened at the 2004 Sundance Film Festival.

Don Marks (Native Multimedia Productions Inc.)	Los Angeles Exchange
Phyllis Laing (Buffalo Gal Pictures)	Toronto International Film Festival
Kevin Dunn (MidCanada Entertainment)	MIPCOM 2003
Louis Paquin (Les Productions Rivard)	MIPCOM 2003
Barry Lank (Lank/Beach Productions)	Doc Talk
Jamie Brown (Frantic Films)	Doc Talk
Merit Jensen Carr (Merit Motion Pictures)	Doc Talk
Barbara Pritchard (PeopleBox Pictures Inc.)	Doc Talk
Kyle Irving (Meeches Video Productions Inc.)	Doc Talk
Lynne Skromeda (Frantic Films)	Doc Talk
Brendon Sawatzky (Inferno Pictures Inc.)	Telefilm Immersion Europe
Vonnie Von Helmolt Films	World Congress of Arts Producers
Jamie Brown (Frantic Films)	World Congress of History Producers
Phyllis Laing (Buffalo Gal Pictures)	Sundance Film Festival
Liz Jarvis (Buffalo Gal Pictures)	Sundance Film Festival
Danishka Esterhazy (Summit Films)	NATPE
Jamie Brown (Frantic Films)	NATPE
Kevin Dunn (MidCanada Entertainment)	RealScreen Summit
Vonnie Von Helmolt Films	American Film Market
Phyllis Laing (Buffalo Gal Pictures)	American Film Market
Liz Jarvis (Buffalo Gal Pictures)	American Film Market
Lorne MacPherson (Summit Films)	MIPTV

ACCESS TO FESTIVALS PROGRAM

The Access to Festivals Program provides financial assistance to film and television directors and writers who have professional experience in the film and television industry and whose programs have been selected to screen at festivals that have significant industry recognition.

During the 2004 fiscal year four applications were approved for a total investment of \$5000.

APPLICANT	PROJECT
Robert Pasternak	60th Mostra International Art of Cinematography Venice Biennale
Walking Down Broadway Ltd.	Venice Film Festival 2003
Native Multi-Media Productions Inc.	American Indian Film Festival 2003
Lucky Pictures Inc.	2004 Sundance Film Festival

EMERGING TALENT MATCHING FUNDS PROGRAM

This program is designed to support entry-level filmmakers who have received production funding awards through a competitive process from a recognized industry organization. This program encourages skills advancement and the development and application of standard industry practices for entry-level producers and directors.

During the 2004 fiscal year, no applications were approved for funding assistance.

PRODUCTION SUPPORT PROGRAM

Launched in fiscal year 2004, the objective of the Production Support Program is to help offset the necessary additional accommodation and per diem costs for non-resident crew that are required during peak periods to enable the province to service the levels of production MANITOBA FILM AND SOUND is attracting or investing in.

During the 2004 Fiscal Year, four applications were approved for a total investment of \$52,050.

APPLICANT	PROJECT
VZS Winnipeg Pictures No. 6 Inc.	Defending Our Kids: The Julie Posey Story
Frantic Zaida Inc.	Zeyda and the Hitman
Canadian Stories II Inc.	The Shields Stories
Winning Productions Inc.	A Winning Season

SOUND RECORDING PROGRAMS

DEMO RECORDING FUND

This program is designed to assist in the production of demo recordings by Manitoba artists to be used for "calling card" purposes. All genres of music are eligible for support.

During the 2004 fiscal year 28 applications were approved for a total amount of \$49,828.

APPLICANT	PROJECT
Darcy Ataman	Mia Kulba
Glen Willows	Sara Dell
Imperial Public Library	Imperial Public Library
Novillero	Novillero
Nathan Music Co.	Nathan
Paper Moon Music	Paper Moon
Danny Schur	Danalee Pestcatelli
Burning Circus Management	Inward Eye
Greg MacPherson	Greg MacPherson
Personal Records	Jolin
In His Grip Music	Amanda Stott
cbg Artist Development	Troy Westwood
Rainside	Rainside
Burning Circus Management	Jeff Barkman
Burning Circus Management	Tele
Joel Dixon	Freeman
cbg Artist Development	Mia Kulba
Lisa Bell	Lisa Bell
CIMN – Canadian Independent Music Network	Sierra Noble
Desiree Dorion	Desiree Dorion
Burning Circus Management	The Good Fight
Jodie Borle	Jodie Borle
cbg Artist Development	Joe Curtis
Glen Willows	Pat Wright
Scott Nolan	Scott Nolan
cbg Artist Development	Tiffany Joy Hirniak
Marshall Zacharias	Amanda Falk
Nice 411	Nice 411 aka Neal Cornish

SOUND RECORDING PRODUCTION FUND

This program is designed to support the production of culturally relevant and commercially viable sound recordings by Manitoba's sound recording industry. All types and classes of commercially viable sound recording productions are eligible for support.

During the 2004 fiscal year 23 applications were approved for a total investment of \$195,550.

APPLICANT	PROJECT
Yemys Music	Kiva Louise
Thunder Boy Music	Billy Joe Green
DAS MACHT SHOW	das macht SHOW!: Four Legs Good
Rudimental	Rudimental: Rudimental at the Factory
North Star Records	Gerry McIvor
Irrational Man	Marcel Soulodre
Vanderveen Music Ltd	Vanderveen
Signpost Music Ltd.	Steve Bell: Sons and Daughters
cbg Artist Development	Driver
Tranquila Music	James Keelaghan: Then, Again
Nathan Music Co.	Nathan
The Wailin' Jennys	The Wailin' Jennys: 40 Days
Steeple Chaser	Steeple Chaser
Foster Martin Band	Foster Martin Band: Rollercoaster Ride
Fubuki Daiko	Fubuki Daiko: Zanshin – Leaving the Heart Behind
The Afterbeat	The Afterbeat
The D Rangers	The D. Rangers
Mitch Podolak	Dan Frechette
Halfway Cove Music	Nathan Rogers
The Wyrd Sisters	The Wyrd Sisters
Milan Milosevic	Milan Milosevic
David Lawton	David Lawton
Slo Coach Recordings	Mood Ruff



The Wailin' Jennys



Fubuki Daiko



das macht show



James Keelaghan



Country Music Made in Manitoba promotional CD



Foster Martin Band



Steve Bell

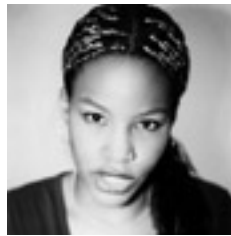
DEMO RECORDING FUND RECIPIENTS



Scott Nolan



Desiree Dorian



Lisa Bell



Amanda Falk



Inward Eye



Tiffany Joy Hirniak

RECORDING ARTIST TOURING SUPPORT PROGRAM

This program is designed to assist Manitoba recording artists reach audiences to promote their sound recording products through touring. The album to be toured is assessed on its Canadian content, with specific emphasis on Manitoba content, quality, suitability for radio play and sales potential.

During the 2004 fiscal year 35 applications were approved for a total contribution of \$76,078.

APPLICANT	PROJECT
MDA Productions	Mark Reeves: Sure is a Pretty Name
Mad Cow Music	Hal Brolund 'Manitoba Hal': This Condition
Bacteria Buffet Records	JFK and the Conspirators: Clash of the Titans Tour
James Keelaghan	James Keelaghan: Home
The Wailin' Jennys	The Wailin' Jennys
Greg MacPherson	Greg MacPherson Band: Good Times Coming Back Again
The Rowdymen	The Rowdymen: Rubberneckin
Paper Moon Music	Paper Moon: 1000 Reasons To Stay . . . 1 Reason To Leave
The Telepathic Butterflies	The Telepathic Butterflies: Nine Song
Mad Cow Music	Hal Brolund 'Manitoba Hal': This Condition
The Waking Eyes	Waking Eyes: Combing the Clouds
Madrigaia	Madrigaia: Viva Voce
Nathan Music Co.	Nathan: Stranger
Mad Cow Music	Hal Brolund 'Manitoba Hal': This Condition
Bacteria Buffet Records	The Barrymores
The Perms	The Perms: Clark Drive
The Wailin' Jennys	The Wailin' Jennys: Summer Tour 2003
da Capo Music Enterprises	Jon Buller: Broken Drum
Greg MacPherson	Greg MacPherson Band: Good Times Coming Back Again
Bacteria Buffet Records	The Afterbeat
4750854 Manitoba Ltd.	Tracy K-Welcome to My Fantasy
Paper Moon Music	Paper Moon: 1000 Reasons To Stay . . . 1 Reason To Leave
Frek Sho Productions	Frek Sho: micill shazzam write
The Perms	The Perms: Clark Drive

Rudimental	Rudimental: Rudimental at the Factory
Red Letter Music	Christine Fellows: The Last One Standing
Slo Coach Recordings	Shadez: The Impossible
Doc Walker	Doc Walker: Everyone Aboard
DAS MACHT SHOW	das macht SHOW!: Four Legs Good
Burnt	Burnt: Project 1 The Avenue
The Harlots	The Harlots: Crawl Spaces
Miatik Limited	Mia Kulba
Madrigaia	Madrigaia: Viva Voce
Blush Music	Blush: Crowded Alone
Men In Kilts	Men In Kilts: Commondo

RECORD PRODUCT MARKETING SUPPORT PROGRAM

This program is designed to assist with the marketing and promotion of Manitoba sound recording products. Marketing support is available for sound recording products that meet Manitoban sound recording content requirements.

During the 2004 fiscal year 12 applications were approved for a total contribution of \$47,160.

APPLICANT	PROJECT
Trois Petits Chats Music	Dominique Reynolds: Coming Home
cbg Artist Development	McMaster & James: Today
Balanced Records	Northern Faction 2: Balanced Records Compilation
da Capo Music Enterprises	Jon Buller: Broken Drum
Endearing Records Inc.	Intercontinental Pop Exchange: Various
Noonan Productions	Kimberley Dawn: I'm Coming Home
Blush Music	Blush: Crowded Alone
Westlake Music	Doc Walker: Everyone Aboard
MDA Productions	Mark Reeves: Sure is a Pretty Name
Signpost Music Ltd.	Steve Bell: Sons and Daughters
Easily Amused Music	Easily Amused: Simple Stuff
Frek Sho Productions	Frek Sho: micill shazzam write

MUSIC VIDEO FUND

This program is designed to encourage the production of music videos in order to aid in the promotion and marketing of album projects with national distribution. The project must be designed for a Manitoba recording artist to promote a previously released or soon-to-be released recording, and must meet the Manitoba content points with regards to production of the video.

During the 2004 fiscal year, five applications were approved for a total contribution of \$30,000.

APPLICANT	PROJECT
Mighty Kraken Films Inc.	The Weakerthans: Our Retired Explorer
Aguiar and Associates	Loco: Inside
cbg Artist Development	McMaster & James: Bad Thing
Studio W Inc.	The Harlots
Studio W Inc.	Shadez: Echo

PORTFOLIO INVESTMENT ENVELOPE

MANITOBA FILM & SOUND's Sound Portfolio Investment Envelope (PIE) Program provides financial assistance to Manitoba companies in the sound industry to increase their capacity to develop and support Manitoba creative talent by developing, strengthening and sustaining Manitoba's sound industry companies. The program supports sound recording companies that have carried on business for a minimum of two years, are financially viable and have an interest and commitment to the development of Manitoba creative talent.

Applicants are subject to jury evaluation by a panel of qualified industry professionals and business and financial experts.

During the 2004 fiscal year, five applications were approved for a total contribution of \$150,000.

APPLICANT	PROJECT
Smallman Records	Smallman Records
Arbor Records Ltd.	Arbor Records
Endearing Records Inc.	Endearing Records
cbg Artist Development	cbg Artist Development
Signpost Music Ltd.	Signpost Music

MARKET ACCESS PROGRAM

Market Access is a joint program of MANITOBA FILM & SOUND and the Manitoba Audio Recording Industry Association (MARIA) through the Manitoba Music & Motion Pictures Development Project (M3P) and is administered by the Manitoba Audio Recording Industry Association (MARIA).

The purpose of the Market Access Program is to support Manitoba artists and music industry professionals in professional development by attending and enhancing their presence at professionally organized music industry conferences, showcases, and other related approved events.

In fiscal year 2004, MANITOBA FILM & SOUND committed \$30,000 to the Market Access Program, which provided funding assistance to a phenomenal 75 applicants.

APPLICANT	PROJECT
Ray Martin	Canada Country Music Awards
FMB	Canada Country Music Awards
Paquin Entertainment Group	Canada Country Music Awards
Alana Levandoski	Canada Country Music Awards
Arbor Records	MIDEM
Smallman Records	MIDEM
Endearing Records	MIDEM
Rising Sun Productions	MIDEM
Paquin Entertainment Group	New Music West
Paper Moon Music	New Music West
Livid	New Music West
Blueprint Gallery	New Music West
Endearing Records	New Music West
The Lanes	New Music West
Paper Moon	North by Northeast
Endearing Records	North by Northeast
The Wedgewoods	North by Northeast
JFK & the Conspirators	North by Northeast
D. Rangers	North by Northeast
Burnthe8track	North by Northeast
Volume	North by Northeast
The Farrell Bros.	North by Northeast
The Brat Attack	North by Northeast
Scarlet Box Music – Kim Wright	North by Northeast
Scott Nolan Band	North by Northeast

Easily Amused Music
 The Paperbacks
 Monica Schroeder
 Jaylene Johnson
 Heather Bishop
 daCapo Productions
 Nathan Music Co.
 Paquin Entertainment Group
 Arbor Records
 Noonan Productions (Kimberley Dawn)
 Paquin Entertainment Group
 Endearing Records
 Ya Ketchose
 Production Grenouille
 KRAINK
 Jon Buller
 CBG Artist Development
 CBG Artist Development
 Smallman Records
 Endearing Records
 Studio 11
 Loco
 Rising Sun Productions

 The Buhr Quartet
 Paquin Entertainment Group
 Novillero
 Nathan Music Co.
 Duotang
 The Farrell Bros.
 In His Grip Music – Amanda Stott
 Burnt – Project 1
 Alana Levandoski
 Brandy Zdan & Dave Quanbury
 Manitoba Hal
 Steve Schellenberg
 Scott Nolan Band

North by Northeast
 North by Northeast
 “Undiscovered Gems” Showcase (NYC)
 Academy on Campus
 Alberta Showcase (ATAA)
 Banff Television Festival
 Big Break Showcase
 CAFÉ
 Canadian Aboriginal Music Awards
 Canadian Aboriginal Music Awards
 CIC 2004
 CIRPA L.A. Music Mission
 Contact Ontarios
 Forum
 Franco Fete en Acadie
 Gospel Music Assoc Week
 Kyle Riabko Showcase
 Manitoba Music Showcase (Los Angeles)
 Manitoba Music Showcase (Los Angeles)
 Manitoba Music Showcase (Los Angeles)
 Manitoba Music Showcase (Los Angeles)
 MOBFEST 2003
 Native American Music Awards/Canadian
 Aboriginal Music Awards
 Pacific Contact
 Pacific Contact
 Pop Montreal
 RendezVous Folk! Canadian Folk Alliance Conference
 Vancouver Showcase
 Viva Las Vegas Rockabilly 2003
 Writing Sessions (Vanc/TO/L.A.)
 Ontario Council Folk Festivals
 Ontario Council Folk Festivals
 Ontario Council Folk Festivals
 Ontario Council Folk Festivals
 Ontario Council Folk Festivals
 Ontario Council Folk Festivals

das macht SHOW!
 daCapo Productions
 Trois Petits Chats Music – Dominique Reynolds
 Alana Levandoski
 The Perms
 Jon Loepky
 CBG Artist Development
 Nathan Music Co.
 Stephan Thilveris – Urban Blight Productions
 Burnthe8track
 Mainstage Management – The Wailin' Jennys
 Steeple Chaser
 The Rowdymen
 Jodie Borle Quartet
 Smallman Records – Nathan
 Smallman Records
 The Wailin' Jennys
 The Duhks
 Blush
 Easily Amused
 Bacteria Buffet Records – JFK and the Conspirators
 Bacteria Buffet Records – Afterbeat
 The VaGiants
 Smallman Records – Nathan
 Smallman Records
 Endearing Records
 Novillero
 John Jonasson
 Paquin Entertainment Group
 CBG Artist Development
 Smallman Records
 House of Doc
 The Wailin' Jennys
 The Duhks
 CBG Artist Development

Ontario Council Folk Festivals
 Western Canadian Music Awards
 Western Canadian Music Awards
 Western Canadian Music Awards
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INTERACTIVE MEDIA PROGRAM

THE MANITOBA INTERACTIVE MEDIA FUND

Beginning in fiscal year 2002-2003, the Government of Manitoba has allocated \$300,000 annually for a minimum of three years to MANITOBA FILM & SOUND to administer the Manitoba Interactive Media Fund.

The objectives of the Manitoba Interactive Media Fund are:

- to provide recoupable financial support to Manitoba companies for the development, production, and marketing/distribution of high-quality, original, Interactive Media products that are intended for the general public;
- to raise the profile and presence of Manitoba's Interactive Media creators in both domestic and international markets while providing opportunities for professional development; and
- to assist in the growth and development of a Manitoba Interactive Media production and distribution industry that is competitive in international markets.

During the 2004 fiscal year, four applications were approved for a total contribution of \$60,000.

APPLICANT	PROJECT
spacecadet design inc.	Twin Oaks
Looking Glass Interactive Inc.	Camp Kaboomer Interactive
Les Productions Rendezvousvoyageur Inc.	Rendezvousvoyageur.ca
Prizzim 3	Prizzim

THE MANITOBA INTERACTIVE MEDIA FUND ACCESS TO MARKETS

MANITOBA FILM & SOUND supports the market development activities of Manitoba private companies actively involved in Interactive Media content development, production and distribution that wish to attend national and international markets, co-production conferences / exchanges / immersions, and Interactive Media festivals.

During the 2004 fiscal year, three applications were approved for a total contribution of \$10,117.

APPLICANT	PROJECT
MidCanada Production Services Inc.	E3 Electronic Entertainment Expo
Frantic Films Corporation	Siggraph Conference 2003
madCrayon / Cat Horbatiuk	Imagina 2004

:: FINANCIAL STATEMENTS

MARCH 31, 2004

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MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of Manitoba Film and Sound Recording Development Corporation:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors and the Finance and Planning Committee are composed entirely of directors who are neither management or employees of the Company. The Finance and Planning Committee also undertakes the responsibilities of an Audit Committee. The Finance and Planning Committee is appointed by the Board to review the financial statements in detail with management and to recommend them to the Board prior to their approval of the financial statements for publication.

External auditors are appointed to audit the financial statements and report directly to the Finance and Planning Committee; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the management and the Finance and Planning Committee to discuss their audit findings.



Carole Vivier, CEO

AUDITORS' REPORT

To the Board of Directors

Manitoba Film and Sound Recording Development Corporation

We have audited the balance sheet of Manitoba Film and Sound Recording Development Corporation as at March 31, 2004 and the statements of revenues and expenses and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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 Corporation as at March 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba

April 30, 2004



Chartered Accountants

::: BALANCE SHEET

AS AT MARCH 31, 2004


ASSETS


	2004	2003
CURRENT		
Cash (Note 3)	\$ 1,299,178	\$ 814,695
Notes receivable (Note 4)	140,636	193,595
Funding receivable	-	300,000
Accounts receivable and accrued interest	30,406	14,436
Prepaid expenses	16,961	14,644
Inventory	3,230	3,200
	1,490,411	1,340,570
CAPITAL ASSETS (Note 5)	67,405	79,658
	\$ 1,557,816	\$ 1,420,228

LIABILITIES

	2004	2003
CURRENT		
Accounts payable	\$ 74,952	\$ 53,053
Deferred revenue (Note 6)	572,558	551,132
Carry-over commitments (Note 7)	585,127	486,683
Term loans payable (Note 8)	140,636	193,595
	1,373,273	1,284,463
NET ASSETS (Note 9)		
Net assets invested in capital assets	67,405	79,658
Net assets unrestricted	117,138	56,107
	184,543	135,765
	\$ 1,557,816	\$ 1,420,228

ON BEHALF OF THE BOARD OF DIRECTORS:


 _____ DIRECTOR


 _____ DIRECTOR

:: STATEMENT OF REVENUES AND EXPENSES AND NET ASSETS FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
REVENUES		
Province of Manitoba funding	\$ 3,362,474	\$ 2,352,626
Interest income	21,160	29,766
Program recoupments	100,377	185,282
TOTAL REVENUES	3,484,011	2,567,674
EXPENSES		
Film and Television Programs Funding:		
Film Development Financing Program	116,754	85,700
Film Production Financing Program	1,573,900	1,254,600
Production Support Program	52,050	-
Access to Markets Program	27,000	17,500
Access to Festivals Program	5,000	4,310
Low Budget Feature Film Development Financing Program	-	42,200
Emerging Talent Matching Funds Program	-	18,000
Interest expense	7,127	12,387
	1,781,831	1,434,697
Sound Programs Funding:		
Sound Recording Production Fund	195,550	104,906
Demo Recording Fund	49,828	25,287
Music Video Fund	30,000	12,500
Record Product Marketing Support Program	47,160	22,500
Recording Artist Touring Support Program	76,078	42,312
Professional Development Program	-	(628)
Tour Manitoba Program	-	(5,000)
Sound Portfolio Investment Envelope Program	150,000	-
Market Access Program	30,000	30,000
	578,616	231,877
Interactive New Media Funding:		
Development	60,000	-
Access to Markets Program	10,117	-
	70,117	-
Industry Support:		
Film:		
Industry Associations	51,000	43,200
Sponsorships	61,105	53,250
Interactive Media:		
Industry Associations	3,000	-
Sponsorships	5,750	6,000
Sound Recording:		
Sponsorships	9,500	14,500
	130,355	116,950
Film Commission/Locations Services	208,304	149,799
Programs delivery (Note 11):		
Salaries	312,404	268,994
Marketing/Operating	156,368	147,965
	468,772	416,959

	2004	2003
EXPENSES (continued):		
Administrative expenses:		
Salaries	85,270	138,827
Marketing/Operating	111,968	111,791
	197,238	250,618
TOTAL EXPENSES	3,435,233	2,600,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	48,778	(33,226)
NET ASSETS, BEGINNING OF YEAR	135,765	168,991
NET ASSETS, END OF YEAR	\$ 184,543	\$ 135,765

:: STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 48,778	\$ (33,226)
Amortization	21,729	26,571
Carry-over commitments	98,444	(835,221)
Funding receivable	300,000	800,000
Deferred revenue	21,427	31,274
Accounts receivable and accrued interest	(15,970)	7,938
Prepaid expenses	(2,317)	1,849
Inventory	(30)	7,176
Accounts payable	21,898	(12,675)
	493,959	(6,314)
INVESTING ACTIVITIES		
Additions to capital assets	(9,476)	(21,676)
Repayment of notes receivable	52,959	111,673
	43,483	89,997
FINANCING ACTIVITIES		
Repayment of term loans	(52,959)	(99,511)
	(52,959)	(99,511)
INCREASE (DECREASE) IN CASH RESOURCES	484,483	(15,828)
CASH RESOURCES, BEGINNING OF YEAR	814,695	830,523
CASH RESOURCES, END OF YEAR	\$ 1,299,178	\$ 814,695

:: NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF BUSINESS

Manitoba Film and Sound Recording Development Corporation (the "Corporation") is a statutory corporation created by the Province of Manitoba through *The Manitoba Film and Sound Recording Development Corporation Act*. The chief objective of the Corporation is to foster growth of the Manitoba film and sound recording industries by providing financial and other assistance.

The Corporation has been designated by the Minister of Finance to administer the Manitoba Film and Video Production Tax Credit Program, including registration of productions and review of tax credit applications.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

PROGRAM FUNDING

The Corporation provides grant funding to Manitoba companies and individuals in order to promote Manitoba's film, sound recording and interactive media artists and industries. The grant may nominally take the form of equity financing from which, in the future, there may be a recovery of principal or return on investment.

REVENUE RECOGNITION

Any recovery of principal or return on investment of programs funded is recorded as program recoupments, when received or reported by the applicant.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

Website	30%
Computer equipment	30%
Furniture	20%
Leasehold improvements	5%
Equipment	20%

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets is provided based on the Corporation's estimated useful lives of those assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. CASH

Cash on deposit earns monthly interest at the Chartered Bank's commercial rates.

4. NOTES RECEIVABLE

Notes receivable reflect loans advanced under the Special Loan fund and are required to be repaid as follows:

	2004	2003
Term loan bearing interest at an interest rate established by the Department of Finance plus 1%, interest receivable monthly, and principal balance due on March 31, 2005 (extended from June 1, 2002), secured by an assignment of film tax credits.	\$ 74,709	\$ 95,168
Term loan bearing interest at an interest rate established by the Department of Finance plus 1%, interest receivable monthly, and principal balance due March 31, 2005 (extended from January 30, 2003), secured by an assignment of film tax credits.	56,329	56,329
Term loan bearing interest at an interest rate established by the Department of Finance plus 1%, interest receivable monthly, and principal balance due March 31, 2005 (extended from February 20, 2003), secured by an assignment of film tax credits.	9,598	9,598
Term loan paid out during the year	-	32,500
	<u>\$ 140,636</u>	<u>\$ 193,595</u>

5. CAPITAL ASSETS

	2004			2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website	\$ 4,907	\$ 4,907	-	\$ 637
Computer equipment	62,115	49,492	12,623	16,053
Furniture	49,063	35,548	13,515	19,213
Leasehold improvements	50,968	10,148	40,820	43,358
Equipment	2,700	2,253	447	397
	<u>\$ 169,753</u>	<u>\$ 102,348</u>	<u>\$ 67,405</u>	<u>\$ 79,658</u>

6. DEFERRED REVENUE

The Province of Manitoba has provided funds directed to specific programs in the next fiscal year.

These funds consist of:

	2004	2003
Sound portfolio investment envelope program	\$ 127,500	\$ 277,500
Interactive media programs	435,058	273,632
Emerging talent matching funds program	10,000	-
	<u>\$ 572,558</u>	<u>\$ 551,132</u>

7. CARRY-OVER COMMITMENTS

Due to lead times required to obtain all the resources necessary to complete film, video, sound recording and interactive media projects, the Corporation approves applications for funding which may not be disbursed until subsequent fiscal periods. Particulars of such approved funding in fiscal year ended March 31, 2004 and prior years, which were not fully advanced as at March 31, 2004 are as follows:

	Year of Commitment					Total	
	03/04	02/03	01/02	00/01	99/00	2004	2003
Film							
Film development	\$ 23,602	\$ 3,670	\$ 2,148	-	-	\$ 29,420	\$ 48,085
Film production	275,606	86,603	4,919	3,044	2,000	372,172	354,899
Access to markets and festivals	2,829	-	-	-	-	2,829	1,750
Emerging talent matching funds	-	-	1,000	-	-	1,000	4,400
Industry support	1,000	-	-	-	-	1,000	2,000
	<u>303,037</u>	<u>90,273</u>	<u>8,067</u>	<u>3,044</u>	<u>2,000</u>	<u>406,422</u>	<u>411,134</u>
Sound							
Sound recording	\$ 89,648	\$ 7,977	-	-	-	\$ 97,625	\$ 50,221
Demo recording	18,480	-	-	-	-	18,480	5,436
Audio marketing	7,700	500	-	-	-	8,200	1,500
Sound touring	4,400	-	-	-	-	4,400	(108)
Music video production	-	-	-	-	-	-	500
Tour Manitoba	-	-	-	-	-	-	15,000
Portfolio Investment Envelope	32,000	-	-	-	-	32,000	-
Market Access	3,000	-	-	-	-	3,000	3,000
	<u>155,228</u>	<u>8,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,705</u>	<u>75,549</u>
Interactive Media							
Development	\$ 15,000	-	-	-	-	\$ 15,000	-
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total commitments	<u>\$ 473,265</u>	<u>\$ 98,750</u>	<u>\$ 8,067</u>	<u>\$ 3,044</u>	<u>\$ 2,000</u>	<u>\$ 585,127</u>	<u>\$ 486,683</u>

8. TERM LOANS PAYABLE

Term loans reflect borrowings by the Corporation from the Province of Manitoba to fund Special Loans advanced. Special loans are secured by Notes Receivable which are detailed in Note 4.

	2004	2003
Term loan bearing interest at a rate established by the Department of Finance, interest payments due semi-annually and principal balance due March 31, 2005 (extended from June 1, 2002).	\$ 74,709	\$ 95,168
Term loan bearing interest at a rate established by the Department of Finance, interest payments due semi-annually and principal balance due March 31, 2005 (extended from January 30, 2003).	56,329	56,329
Term loan bearing interest at a rate established by the Department of Finance, interest payments due semi-annually and principal balance due March 31, 2005 (extended from February 20, 2003).	9,598	9,598
Term loan paid out during the year.	-	32,500
	<u>\$ 140,636</u>	<u>\$ 193,595</u>

9. NET ASSETS

	Invested in capital assets	Unrestricted	2004	2003
Balance, beginning of year	\$ 79,658	\$ 56,107	\$ 135,765	\$ 168,991
Excess (deficiency) of revenues over expenses	(21,729)	70,507	48,778	(33,226)
Investment in capital assets	9,476	(9,476)	-	-
Balance, end of year	<u>\$ 67,405</u>	<u>\$ 117,138</u>	<u>\$ 184,543</u>	<u>\$ 135,765</u>

10. LEASE COMMITMENTS

The Corporation has entered into various lease agreements with minimum annual payments as follows:

2005	\$ 52,168
2006	52,168
2007	52,168
2008	56,312
2009	53,020

11. PROGRAMS DELIVERY

Programs delivery also includes the expenses associated with the delivery of the Manitoba Film & Video Production Tax Credit Program (MTC). While the value of the MTC does not flow through the Corporation, the delivery of it does and therefore determined to be worth noting. A total of 77 applications were received for processing during the 2004 fiscal year (2003 - 68), representing in excess of \$129 million worth of production activity (2003 - \$119 million). Production activity includes projects, which took place in current and prior years. The tax credits are subject to approval by the Province of Manitoba.

12. ECONOMIC DEPENDENCE

The Corporation's primary source of income is derived from the Province of Manitoba in the form of an operating grant.

13. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform to current year presentation.