



▶ LETTER OF TRANSMITTAL

July 31, 2005

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, 2005.

Respectfully submitted,



Cheryl Barker

Chairperson



▶ MESSAGE FROM THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

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 the fiscal year ending March 31, 2005.

This past year has been no doubt one of the most successful years for **MANITOBA FILM & SOUND**. With reaching a record-breaking increase in film production, enhancements to the Film and Video Production



Cheryl Barker - Chairperson

Tax Credit program and many film and music award nominations, Manitoba has proven to be a successful competitor in the film and sound recording industries. To add to our successes in fiscal year 2005 was the preparing and hosting of the 2005 Juno awards, chaired by **MANITOBA FILM & SOUND's** own Kevin Walters. The 2005 Juno awards was notably the biggest awards event to hit Winnipeg. Because of Manitoba's 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 were held in Winnipeg on April 3rd, 2005.

Also, through the continued support of the Government, **MANITOBA FILM & SOUND** was able to fulfill our mandate to nurture, develop, promote and market Manitoba's film and sound recording industries. Once again, the Government enhanced the Film and Video Production Tax Credit program by adding a 5% "Frequent Filming Bonus", to reward repeat productions allowing producers to save even more when filming in Manitoba.



Carole Vivier - CEO

Also announced was a 5% rural and northern incentive. Combined with the current 45% base tax credit, qualifying productions are now able to access up to a 55% tax credit on eligible Manitoba labour expenditures. These enhancements demonstrate the Government of Manitoba's belief that the cultural industries are significant to the economic and cultural growth of Manitoba, and for that we are very thankful.

MANITOBA FILM & SOUND launched the Manitoba Film Portfolio Investment Envelope program. With the Manitoba Sound Portfolio Investment Envelope program already in place, these programs support film companies and sound recording

companies that have carried on business for a minimum of two years, and have had an interest and commitment to the development of Manitoba creative talent.

As a result of **MANITOBA FILM & SOUND's** programs and support, Manitoba musicians, filmmakers and artists have received recognition nationally and internationally. The following are just some of the successes that **MANITOBA FILM & SOUND** has contributed to, during fiscal year 2005:

The Saddest Music in the World, a film funded by **MANITOBA FILM & SOUND**, received three Genie awards at the 24th Annual Genie Awards in Toronto.

Manitoba artists, such as Fresh I.E., Jodie Borle, Kraink, James Keelaghan, Burnt and Doc Walker performed at the Western Canadian Music Awards in Calgary.

At this year's Canadian Country Music Awards, held in Edmonton, Alberta, Doc Walker not only was nominated for five awards such as Best Single and Best Album, they also won for Best Group Duo of the Year.

At the 2004 North by Northeast music festival in Toronto, an impressive 16 Manitoba acts showcased their talents.

Seven Times Lucky, produced in Winnipeg by Liz Jarvis and directed by Gary Yates, was a double winner at the annual Method Fest Film Festival in Los Angeles, for Best Picture and Best Screenplay.

Manitoba was the central location for the feature film *The Big White*. Written by former Winnipegger Collin Friesen, *The Big White* stars multiple Oscar nominees and winners, including Robin Williams, Holly Hunter and James Woods.

MANITOBA FILM & SOUND's locations department hosted a Producers Tour for MGM and Disney to showcase the extraordinary locations and services that Manitoba offers.

These national and international achievements would not be possible if it wasn't for the dedication and passion of our Manitoba artists and others who work in the cultural industry. Some of those who have contributed to the Corporation's success and the further promotion of the film, sound recording and interactive media industries are the dedicated employees at **MANITOBA FILM & SOUND**. Their commitment, talents and teamwork are greatly appreciated and we thank them for their contribution.

During fiscal year 2005, **MANITOBA FILM & SOUND** welcomed a newly appointed board member, Lisa Meeches, as Vice-Chairperson. With board members representing Manitoba's Aboriginal, Francophone and Métis 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. We would like to acknowledge and thank our departing Vice-Chairperson, John Harvie for his contributions and guidance.

Furthermore, **MANITOBA FILM & SOUND** wishes to express our appreciation to the Government of Manitoba for their support, the Departments of Culture, Heritage and Tourism and Industry, Economic Development and Mines for continuing to invest in the growth and development of the cultural industries.

In closing, **MANITOBA FILM & SOUND** would like to thank all the musicians, filmmakers, producers and writers, for contributing to the success of the cultural industry in Manitoba. Your creativity and dedication is motivation to continue to thrive and succeed.

Cheryl Barker
Chairperson

Carole Vivier
Chief Executive Officer
General Manager



▶ THE CORPORATION

Manitoba Film & 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 the 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 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.

▶ BOARD OF DIRECTORS

The activities of **MANITOBA FILM & SOUND** are monitored by the **Board of Directors**, which includes:

- Cheryl Barker** – Chairperson
- Lisa Meeches** – Vice-Chairperson
(appointed to the Board, November 24, 2004)
- Heather Bishop** – Chair, Finance and Planning Committee
- David Dandeneau** – Chair, Programs Committee
- Léo Dufault**
- Cor Godri**
- Joy Keeper**
- Alana Langelotz**
- Ric Paquette**
- John Harvie** (to November 10, 2004)

▶ PERSONNEL

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

Carole Vivier	Chief Executive Officer / General Manager and Film Commissioner
Monique Ledohowski	Manager, Finance and Operations
Alexa Rosentreter	Manager, Film and Interactive Media Programs (to August 27, 2004)
Angie Glesby	Manager, Film and Interactive Media Programs (appointed October 4, 2004)
Kevin Walters	Manager, Sound Recording Programs
Louise O'Brien-Moran	Manager, Locations
Danielle Jubinville	Programs Analyst
Anna Walker	Programs Assistant
Sebastien Nasse	Tax Credit Analyst (appointed May 25, 2004)
Pamela Hoeschen	Communications & Corporate Affairs Coordinator (to Jan.28, 2005)
Mark Glucki	Administration/Locations Assistant
Peggy Romas	Administrative Assistant



► FISCAL YEAR 2005: YEAR IN REVIEW

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 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); Manitoba New Media (MNM); Manitoba Interactive Digital Media Association (MIDMA); 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 2005 fiscal year.

► Manitoba Film & Video Production Tax Credit

Once again, Manitoba is leading the industry with its new enhancements to the Manitoba Film & Video Tax Credit program.

Last year on May 26th, The Honourable Premier Gary Doer and Minister Eric Robison (Culture, Heritage and Tourism) officially launched the 2004 Manitoba Film and Video Production Tax Credit enhancements. The announcement was made at the Prairie Production Centre, on the set of *The Big White*. As part of the Provincial Budget, the Government demonstrated its continued support by maintaining the competitive edge for the film industry in Manitoba by enhancing the Tax Credit program. By launching an industry first with the 5% 'Frequent Filming Bonus', Manitoba raised the bar in what was declared as 'ground breaking' by the international film community. Complementing the Frequent Filming Bonus was another marketing mechanism in the form of an additional 5% rural and northern incentive. Both of these enhancements add an incentive to Manitoba production companies and to attract more producers to film in our province, and increase the locations available to producers by making distant locations more viable. Other enhancements included the extension of the Film and Video Production Tax Credit legislation to March 1, 2008, and removal of the restriction that corporations cannot hold or be associated with a corporation that holds a CRTC broadcast license.

In March 2005, the Manitoba Film and Video Production Tax Credit program was once

again enhanced by increasing the base tax credit 10% resulting in a 45% tax credit base, added to the 5% Frequent Filming Bonus and 5% rural and northern incentive, the enhancement potential results in a 55% tax credit.

All these enhancements have enabled our province to remain a leader among film commissions around the world and with the Government's supportive hand, Manitoba is able to attract bigger budget productions.

MANITOBA FILM & SOUND extends a heartfelt thanks to all the members of the Tax Credit Advisory Committee of the Manitoba Film & Video Production Tax Credit program for their work and for their involvement 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, Manitoba Motion Picture Industry Association (MMPA) and the Community & Economic Development of Cabinet (CEDC).

► Over a million dollars in funding support for 13 Manitoba productions

MANITOBA FILM & SOUND invested over \$1.4 million dollars to 13 television and feature film productions, totaling over \$32 million in production budgets for fiscal year 2005. These commitments leveraged over \$10.8 million in federal funding and \$16 million in other outside funding into Manitoba. Approved projects were funded through the Market Driven Television Production Financing Program

and the Market Driven Feature Film Production Program, which provide equity investments to eligible projects produced or co-produced by Manitoba production companies.

Of the \$1.4 million dollars of the total television and feature film funds allocated, 50% went towards three Aboriginal, two Métis and two Francophone projects.

► Manitoba Film Portfolio Investment Envelope (PIE) Program

The Manitoba Film Portfolio Investment Envelope (PIE) program was established in April 2004 to provide financial assistance to Manitoba companies in the film industry to increase their capacity to produce and develop Manitoba film and television projects, by placing greater emphasis on the development, capacity building, long term growth

and subsequent sustainability. The program also provides Manitoba owned companies with the tools required to become more competitive, to build equity, and to finance growth and expansion. Within its first year, five local production companies accessed the Manitoba Film PIE program.



► 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 2005. 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, such as New York University, the Canadian Librarian Specialist Association, Studio Producers Tour & Community Reception, Project Managers Association, NSI Aboriginal Youth Training Program and Teen Venture Career Program at West Kildonan Collegiate and a Producers' Tour which included a community reception joint with Manitoba Motion Picture Industry Association (MMPA).

Community outreach initiatives in fiscal year 2005 included, but were not limited to:

Career and Job Symposiums: **MANITOBA FILM & SOUND** partnered with several industry associations to market and communicate information about the film and sound recording industries to students, job-seekers and the general public. Partners included the Manitoba Motion Picture Industry Association (MMPA), the Manitoba Audio Recording Industry Association (MARIA), 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 2005 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)

► First Stories

As part of a joint sponsorship with the National Film Board, CBC Television-Manitoba and Telefilm Canada, **MANITOBA FILM & SOUND** contributed to the funding of First Stories - a weeklong intense documentary workshop offered to fifteen emerging Aboriginal filmmakers from across Manitoba. The filmmakers will train in research, proposal and narration writing, cinematography, directing and all aspects of postproduction. Once the workshop is completed, four participants will be chosen to produce their documentaries, with the potential to have them aired on CBC Television-Manitoba.

MANITOBA FILM & SOUND recognizes the importance of supporting Manitoba's motion picture and music organizations through sponsorship/partnership 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/partnership support to several film, sound recording and interactive media events including the NSI

► 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 (MMPA) and the Manitoba Audio Recording Industry Association (MARIA) to support the Access to Markets, the Market Access and the Business Plan Development portion of the Portfolio Investment Envelope Programs. With over 130 applicants accessing the M3P program, marketing development included companies attending such events as the Banff Television Festival, the Toronto International Film Festival, the Aboriginal Music Awards, Canadian Country Music Awards and the Western Canadian Music Awards, SXSW, NXNE and the Folk Alliance.

► Industry Support

Industry Support was provided to the Winnipeg Film Group, the National Film Board, the National Screen Institute, Manitoba New Media (MNM) and Manitoba Interactive Digital Media Association (MIDMA) to develop the talents and business skills of developing and established filmmakers and interactive media producers.

► Sponsorships

FilmExchange Film Festival, Cannes Film Festival, as one of the many partners in the Canadian Pavilion, Genie/Gemini Awards, the Jazz Winnipeg Festival and the Canadian Aboriginal Music Awards to name but a few. **MANITOBA FILM & SOUND** also supported developing festivals including the Winnipeg Aboriginal Film and Video Festival and Festival des vidéastes du Manitoba.



▶ MANITOBA FILM & SOUND Chairs APFA



Ross Reynolds (CARAS, Chair), Minister Eric Robinson, Premier Gary Doer, Mike Pagtakhan (Councillor – Point Douglas Ward) and Anita Neville (M.P., Winnipeg South Centre).



Gail Asper pins Premier Gary Doer with a 'Human Rights' star at the Juno Welcoming Reception.



Cheryl Barker (Chair) and Jack Harper (Chair, Burton Cummings Theatre of Performing Arts)



Kevin Walters, Melanie Berry (President, CARAS) and Carole Vivier.

The Association of Provincial Funding Agencies (APFA) gathers to discuss ongoing industry issues and current events three

times a year during regularly scheduled events. APFA meetings are chaired on a rotating basis and **MANITOBA FILM & SOUND** was the Chair for fiscal year 2005. APFA represents the provincial and territorial film and television funding agencies.

▶ film and television industry

Fiscal year 2005 was an exceptional year for Manitoban

artists. Many of our artists were recognized for their outstanding work throughout many awards shows across Canada.

▶ 2004 genie awards

Both *The Saddest Music in the World* and *The Snow Walker* were nominated for Genie Awards. *The Saddest Music in the World*, directed by Guy Maddin and produced by Buffalo Gal Pictures and Rhombus Media, was filmed entirely in Winnipeg while the B.C. production, *The Snow Walker*, filmed pre-dominantly in Churchill, Manitoba. Both feature films were supported through the Manitoba Film and Video Tax Credit Program with *The Saddest Music in the*

World also receiving equity funding.

The Saddest Music in the World received three Genie awards for:

- **Achievement in Costume Design:** Meg McMillan
- **Achievement in Editing:** David Wharnsby
- **Achievement in Music** – Original Score: Christopher Dedrick

The Saddest Music in the World received international attention, screening at festivals such as the International Venice Film Festival, the Toronto International Film Festival and the Sundance Film Festival. Manitoba's Genie winners and nominees were in good company at this year's Genie Awards, with Minister Eric Robinson (Culture, Heritage and Tourism), Carole Vivier (CEO and Film Commissioner, **MANITOBA FILM & SOUND**), Kerri Irvin-Ross (MLA for Fort Garry) Heather Bishop, **MANITOBA FILM & SOUND** board member, and many other special guests in attendance.

▶ 2004 gemini awards

Manitoba's television industry secured 19 Gemini nominations. A number of Made-in-Manitoba productions received multiple nominations, such as, *The Shields Stories*, *Cowboys & Indians: The Shooting of J.J. Harper* and *Recreating Eden*, all of which were supported through the **MANITOBA FILM & SOUND** Market Driven Television Production Financing Program. **MANITOBA FILM & SOUND** together with the Manitoba Motion Picture Industry Association (MMPIA) are thrilled that Manitoba's diverse and talented television community were significantly recognized with the 2004 Gemini Awards nominations.

The four Manitoba Gemini award winners are:

- **Best Reality Based Entertainment Program or Series**
CBC News: Disclosure - The Making of a Political Animal
Cecil Rosner (Manitoba based producer),
Jim Williamson, Catherine Legge and Jane Mingay
- **Best Direction in a Lifestyle/ Practical Information Program or Series:**
Gwynne Basen - Recreating Eden - Garden of the Gods (Producer: Manitoba's Merit Motion Pictures in association with HGTV)
- **Best Biography/ Documentary Program:**
Arctic Dreamer - The lonely Quest of Vilhjalmur Stefansson
(White Pine Pictures in association with Manitoba based Aboriginal Peoples TV Network History Television)
Peter Raymont and Lindalee Tracey
- **Canada Award:**
presented to Cosmic Current
Joe MacDonald (Manitoba based producer) and Anand Ramayya



Carole Vivier, Minister Jim Rondeau (Industry, Economic Development and Mines), and Cheryl Barker (Chair, MANITOBA FILM & SOUND)



Gail Thomsom (Ontario Media Development Corporation), Carole Vivier and Kristine Murphy (Ontario Media Development Corporation) at the Juno Welcoming Reception.

▶ more film & television success...

Lisa Meeches, Meeches Video Productions Inc., is the executive producer, director, writer and co-host of *The Sharing Circle* (now in its 13th season – the longest running aboriginal program in Canadian television history) was awarded the First annual Manitoba First Nations Business Award, at the Aboriginal Economic Development Conference and Trade Show.

Seven Times Lucky, produced in Winnipeg by Liz Jarvis, Buffalo Gal Pictures and written and directed by Gary Yates, was a double winner at the annual Method Fest Film Festival in Los Angeles. Yates accepted awards for Best Picture and Best Screenplay. Los Angeles Times film critic Kevin Thomas described the film as “A dizzyingly elaborate, adroit neo-noir,” noting it was the strongest film he’d seen at the festival.

To commemorate the release of *Shall We Dance?*, the first widely distributed multi-million dollar picture shot in Manitoba, the Province of Manitoba, **MANITOBA FILM & SOUND** and the City of Winnipeg hosted a private reception and screening of the film on October 13, 2004. Invited to the screening were Manitoba crew, local cast, film suppliers who worked on the film, as well as local business and homeowners, whose properties were included in the movie. Special guests included Premier Gary Doer and Mayor Sam Katz.



Minister Scott Smith, Minister Eric Robinson, producers Bob Sertner, Frank Von Zernack (Von Zernack Sertner Films), Kim Todd (Original Pictures) and Jamie Brown (Frantic Films), with Premier Gary Doer & Carole Vivier at the tax credit announcement, on the set of *The Big White*.



Cathy Robinson, Minister Eric Robinson and Buffy Sainte-Marie.

▶ on the road with film

As part of the Aurora WinterFest festivities, The Honourable Eric Robinson, Minister of Culture, Heritage and Tourism along with Rob Merilees of Infinity Films attended a special screening of the feature film *The Snow Walker* in Churchill, Manitoba. Churchill was one of the key locations for *The Snow Walker* which beautifully showcases the rugged tundra of Canada’s North. Manitoba’s own Doc Walker, country recording artists and Juno nominee, performed at the festivities.



Kevin Walters (Manager, Sound Recording Programs), Derrick Ross (VP, EMI Music), Ginette Lavack (Destination Winnipeg) and Ross Reynolds (CARAS, Chair).



▶ SOUND RECORDING INDUSTRY

Fiscal year 2005 was an exceptional year for Manitoba recording artists and companies. Many of our artists were recognized for their outstanding work throughout many awards shows across Canada.



Picture Courtesy of MARIA
Carole Vivier, Errol Ramville, winner of the Lifetime Achievement Award and Sara Stasiuk (MARIA) at the Canadian Aboriginal Music Awards in Toronto.



Picture Courtesy of MARIA
The crowd at the Manitoba BBQ NXNE, in Toronto.



Picture Courtesy of MARIA
Minister Eric Robinson, presenting Ness Michaels (Sunshine Records) with an award at the Canadian Aboriginal Music Awards.



Picture Courtesy of MARIA
On the Red Carpet with Adam Beach at the Aboriginal Music Showcase.

▶ western canadian music awards

At the 2004 *Western Canadian Music Awards* (WCMA's), Manitoba artists accounted for 33 nominations in 18 different categories, leaving only two categories without a Manitoba nominee.

The winners included Big Dave McLean for Outstanding Blues artist, Lulu & the Tomcat for Outstanding Children's Recording, The Weakerthans for Outstanding Indie -Album, The Wailin' Jennys for Outstanding Roots Recording and in addition to winning the Outstanding Country Recording Award, Doc Walker also won the Entertainer of the Year award, beating out big name acts such as Nickelback, Sarah McLachlan, and Nelly Furtado.

▶ canadian country music awards

In September 2004, Kevin Walters (Manager, Sound Recording Programs) attended the 2004 *Canadian Country Music Awards* held in Edmonton. Manitoba's Doc Walker had five nominations including Single of the Year, Album of the Year and won for Group of the Year, and The

Foster Martin Band was nominated for Independent Group or Duo of the Year. Local graphic designers Guppy won their second CCMA for best album graphics. Over the years, **MANITOBA FILM & SOUND** is proud to have provided financial investment to both Doc Walker and The Foster Martin Band through various programs such as the Sound Recording Album fund, the Tour and Marketing Support programs, and the Music Video program. Manitoba success stories, Doc Walker and The Foster Martin Band, have evolved into two of Manitoba's currently most recognized and established sound recording groups.

▶ on the road with music...

MANITOBA FILM & SOUND and The Manitoba Audio Recording Industry Association (MARIA) hosted two showcases at the Folk Alliance Conference, in Montreal and at the South by Southwest (SXSW) music conference, in Austin, Texas. A record number of Manitoba artists performed at this year's festival including: The Duhks, Telepathic Butterflies, The Waking Eyes, The Wailin' Jennys, Novillero, Comeback Kid and Mood Ruff, highlighting the incredible talent of Manitoba artists. Once again, **MANITOBA FILM & SOUND** and MARIA co-hosted along with NXNE, the annual

Canadian BBQ at SXSW. Over 300 people attended the BBQ which took place at the historic Caswell House in Austin.

As an indication that Manitoba artists are garnering national and international attention, a record 16 Manitoba recording acts were invited to perform at the 10th Anniversary of the North by Northeast (NXNE) music conference in Toronto. **MANITOBA FILM & SOUND** is proud to have provided financial support to 13 of the NXNE showcasing acts through our Sound Recording Programs. As well, **MANITOBA FILM & SOUND** and the Manitoba Audio Recording Industry Association (MARIA) are proud to provide financial support to the NXNE showcasing acts through the jointly funded Market Access Program. **MANITOBA FILM & SOUND** and MARIA hosted the very successful Manitoba BBQ at NXNE, which included DJ performances by Manitoba musicians Garfield Williams (Mood Ruff) and Grant Paley (Moses Mayes).

MANITOBA FILM & SOUND was also involved in the planning and funding of a Manitoba Showcase at this year's Ontario Council of Folk Festivals Conference. A total of 12 Manitoban artists showcased at the event, which took place in Guelph, Ontario.

▶ more sound recording successes

- Winnipeg secures the 2006 *Canadian Aboriginal Music Awards* as host city.
- Manitoba's outstanding Aboriginal musical talent was well represented at this year's Canadian Aboriginal Music Awards in Toronto, with nominees in 12 of the 19 categories.
- **MANITOBA FILM & SOUND** funded MARIA's Aboriginal Music Initiative
- Four Manitoba acts nominated at this year's Junos, including Nathan, Fresh I.E., The Waking Eyes and with the Wailin' Jennys taking home the Juno for Best Roots & Traditional Album of the Year.
- Artists such as Comeback Kid and The Duhks made significant inroads into the american market with the release of their new CD's
- Numerous Manitoba artists and labels scored major success at placing their music into major film and television series, such as, Jaylene Johnson, with her music in Joan of Arcadia, Paper Moon in the TV movie Falcon Beach, Dawson's Creek DVD, Queer as Folk, Dark Oracle and Cake, and the Paperbacks in Fuel TV.

winnipeg hosts the 2005 juno awards

The 2005 Junos were awarded to Winnipeg as the host city, based on a combination of 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 were held April 3rd, 2005 at the new MTS Centre in downtown Winnipeg. Hosted by CTV's, Brent Butt, the show made Manitobans proud as it showcased many local artists. A strong sense of Manitoba pride and excitement was present!

The Winnipeg Juno Host Committee, chaired by **MANITOBA FILM & SOUND's** own, Kevin Walters (Manager, Sound Recording Program) included representatives from the Manitoba Audio Industry Association (MARIA), Western Diversification, the Province of Manitoba, the City of Winnipeg, Destination Winnipeg, **MANITOBA FILM & SOUND** and members of the province's music industry.

Tickets to the Juno Awards sold out in a record-breaking 16 minutes, demonstrating to the rest of the country that Juno weekend was going to be a huge success and an exciting time for Winnipeg.

After months of Juno buzz going on in the city, clean up crews started going to work downtown, banners were being displayed down Portage Avenue, and the phones at **MANITOBA FILM & SOUND** were ringing off the hook!

The 2005 Juno events kicked off with a **Manitoba Social** called, "*The Flatter the Land! The Harder the Rock! It's great to be from here!*" The evening featured performances by Randy Bachman, Doc Walker, The Waking Eyes, Rudimental, Joey Gregorash and C-Weed Band. This social was a success in welcoming industry people, artists and performers to Winnipeg.

Canadian Academy of Recording Arts and Sciences (CARAS) held a **Welcoming Reception** on Friday afternoon, for delegates and sponsors. Guests were entertained by Amanda Stott, C-Weed band, Doc Walker, Nathan and aboriginal dancing by Big Bear Dance Troupe.

The Canadian Aboriginal music scene was showcased to a sold out crowd at the Burton Cummings Theatre and the Manitoba Aboriginal Music Host

Committee did an amazing job of promoting the great local and national aboriginal music that this country has to offer.

Selkirk, Manitoba had the role as host for the 2005 **Juno Cup- Celebrity Charity Hockey Game**. A sold-out crowd filled the Selkirk Recreation Complex to watch a Canadian team of musicians play against an NHL All-Star team. All proceeds raised went towards MusiCan, CARAS' music education program.

Juno festivities carried on through the weekend, with **Juno Fest**. Over 100 musicians performed at 15 venues in downtown Winnipeg during Friday and Saturday night. Some Juno nominees and local performers, such as The Wailin' Jennys, Greg MacPherson, The Barrymores, Johnny Cajun, The Duks and Novillero, were amongst those who participated.

The Burton Cummings theatre was the venue for the **Songwriters' Circle**, an up-close and personal concert hosted by Burton Cummings where musicians such as , Jully Black, Amanda Stott, Gordie Sampson and Allan Doyle gathered to share their creative process behind their songs and music.



Picture Courtesy of MARIA
The Aboriginal Music Showcase marquee at the Burton Cummings Theatre during Juno weekend.



Buffy Sainte-Marie, Errol Ranville (C-Weed Band), Kenny Boyce (Manager, Film & Cultural Affairs).



Juno winners, The Wailin' Jennys performing at the Junos



Rudimental performing at the Manitoba Social.



Doc Walker performing at the Manitoba Social.



The Waking Eyes performing at the Junos.



Fiscal Year 2005: Year in Review

► Manitoba Film Commission and Locations Department



Producers' Tour Dinner—Carole Vivier, Kia Jam (Ascendant Pictures), Jerry Ketcham (Disney) and Minister Scott Smith (Industry, Economic Development and Mines).



Hudson Hickman (MGM), Louise O'Brien-Moran (Manager, Locations) and Jerry Ketcham (Disney) on the Producers' Tour.



Hudson Hickman (MGM) and Cheryl Barker (Chair, MANITOBA FILM & SOUND) at the Producer's Tour dinner.



From the movie *Stryker*, Ryan Black (actor/producer), Noam Gonick (director/producer), Juliette Hagopian (producer) with Minister Jim Rondeau (Industry, Economic Development and Mines) delivering the Manitoba Tax Credit to the producers.

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.

When deciding where to shoot their films, production companies literally have a world of location choices to choose from and therefore, **MANITOBA FILM & SOUND** recognizes the importance of remaining competitive and continuing to aggressively market Manitoba as a filming location.

From May 23 to 28, 2004 **MANITOBA FILM & SOUND's** locations department hosted a Producers Tour for Hudson Hickman (MGM) and Jerry Ketcham (Disney) to showcase the extraordinary locations and services that Manitoba has to offer.

The Producers' Tour also provided networking opportunities for Manitoba producers, directors, crew and suppliers, as well as Manitoba's sound recording industry.

The producers toured towns and landscapes in Manitoba's Interlake Region, outskirts of Winnipeg, various areas and neighbourhoods around Winnipeg, as well as the facilities of various production companies and service providers in the city. Producer Jerry Ketcham also toured Churchill, Manitoba and surrounding area.

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

The Big White (Ascendant Pictures)

Category 6: Day of Destruction

(Von Zerneck Sertner Films)

While I Was Gone (Von Zerneck Sertner Films)

Vinegar Hill (Von Zerneck Sertner Films)

Naughty & Nice: The George Lopez Christmas Movie (Von Zerneck Sertner Films)

Tamara (Armada Pictures)

► Interactive Media Industry

MIDMA Speaker Series: the Manitoba Interactive Digital Media Association (MIDMA) put together a plan involving a series of networking events involving guest speakers, to be held every second month. The MIDMA Speaker Series offered all New Media participants in Manitoba the opportunity to meet, share ideas and collaborate. To complement the evening some of the top professionals in North America were invited to visit Winnipeg and meet MIDMA members and talk about their skills, successes, and vision.

The four sessions were spread out over the fall of 2004 and spring 2005. Over 200 members attended the sessions, which covered the following topics:

funding for content development;

- the relationship between artistic creativity and content development;
- new media and music;
- the gaming industry and content creation;
- developing content for business and advertising.

The series attracted interested participants from every area of the industry. Designers, artists, educators, students, consultants and government representatives from across Manitoba attended.



Picture Courtesy of MARIA

Kevin Walters (Manager, Sound Recording Programs), Eugene Kostyra (Government of Manitoba), Carole Vivier, Andy Mclean (Managing Director, NXNE) and Sam Beardman(MARIA) at the 9th annual Canadian BBQ at SXSW which took place at the historic Caswell House in Austin, Texas.



Carole Vivier and The Wailin' Jennys at the Juno Gala Dinner.



Mike Benson, Minister Robinson, Carole Vivier and Kevin Walters at the Minister's Lunch.



Sierra Noble performing at the Juno Welcoming Reception.



Maria Cefali (MANITOBA FILM & SOUND), Brenna Knought (CARAS), Kevin Walters and Leisa Peacock (CARAS).



Kevin Walters, Lisa Meeches (Board member) and Mike Benson (Culture, Heritage and Tourism) at the MANITOBA FILM & SOUND Open House.



Big Bear Dance Troupe performing at the Juno Welcoming Reception.



Picture Courtesy of MARIA

Sam Beardman (MARIA), Dani Jubinville (MANITOBA FILM & SOUND), Carole Vivier, Kevin Walters(Manager, Sound Recording Programs) and Sara Stasiuk (MARIA) at the 2004 Manitoba BBQ at NXNE.



Sam Beardman (MARIA), Carole Vivier, Eugene Kostyra, (Government of Manitoba), Heather Bishop (MFS Board member) and Marni Thornton (SOCAN).

▶ 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. Enhancements were made in 2005 by adding a 5% Frequent Filming Bonus and a 5% Rural and Northern incentive and a 10% increase to the base tax credit. Combined with the current 45% tax credit, qualifying productions may now be able to access up to a 55% tax credit on eligible Manitoba labour expensed.

The **Manitoba Tax Credit** combined with **MANITOBA FILM & SOUND's** equity financing is 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. As Figure 2 illustrates foreign location shooting grew from \$33.1 million in fiscal year 2002 to \$54.2 in 2005. The most dramatic increase was in 2004 when Manitoba was home to the big budget production *Shall We Dance?*

A total of 93 tax credit applications were in various stages of processing during the 2005 fiscal year, representing approximately \$250 million worth of production activity, and estimated tax credits of \$20.1 million.

Figure One

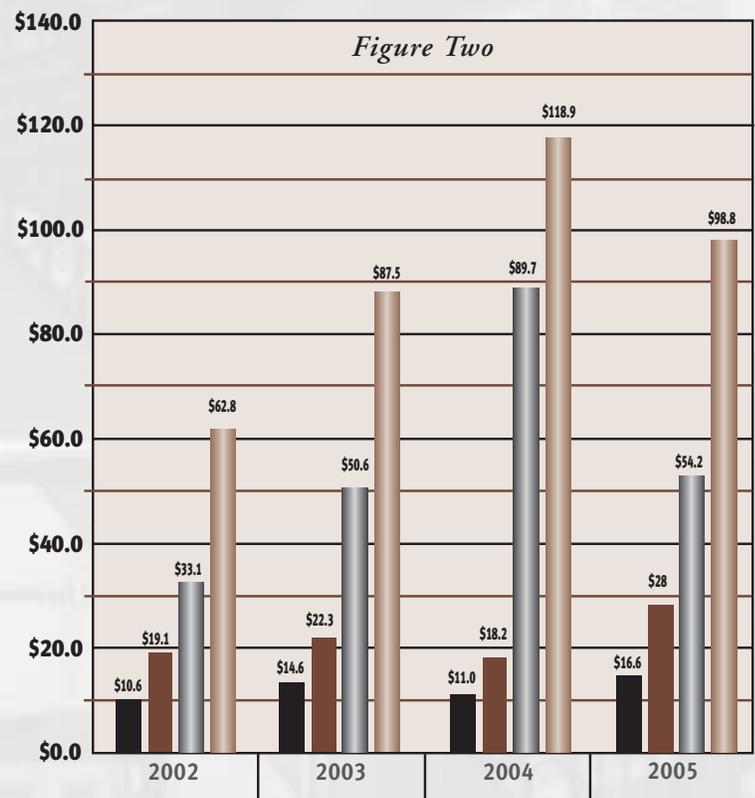
TYPE	NUMBER OF PROJECTS	PROJECTED FINAL PRODUCTION BUDGETS	PROJECTED TAX CREDIT	TAX CREDIT AS % OF BUDGET
Feature Films	19	\$126.4 million	\$7.5 million	6%
TV Series	8	\$29.9 million	\$3.3 million	11%
Movie of the Week, TV Specials	13	\$66.7 million	\$5.6 million	8%
Documentary/ Doc.Series	53	\$27.0 million	\$3.7 million	14%
TOTALS	93	\$250 million	\$20.1 million	8%

▶ 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 years may vary due to changes provided upon final reporting.

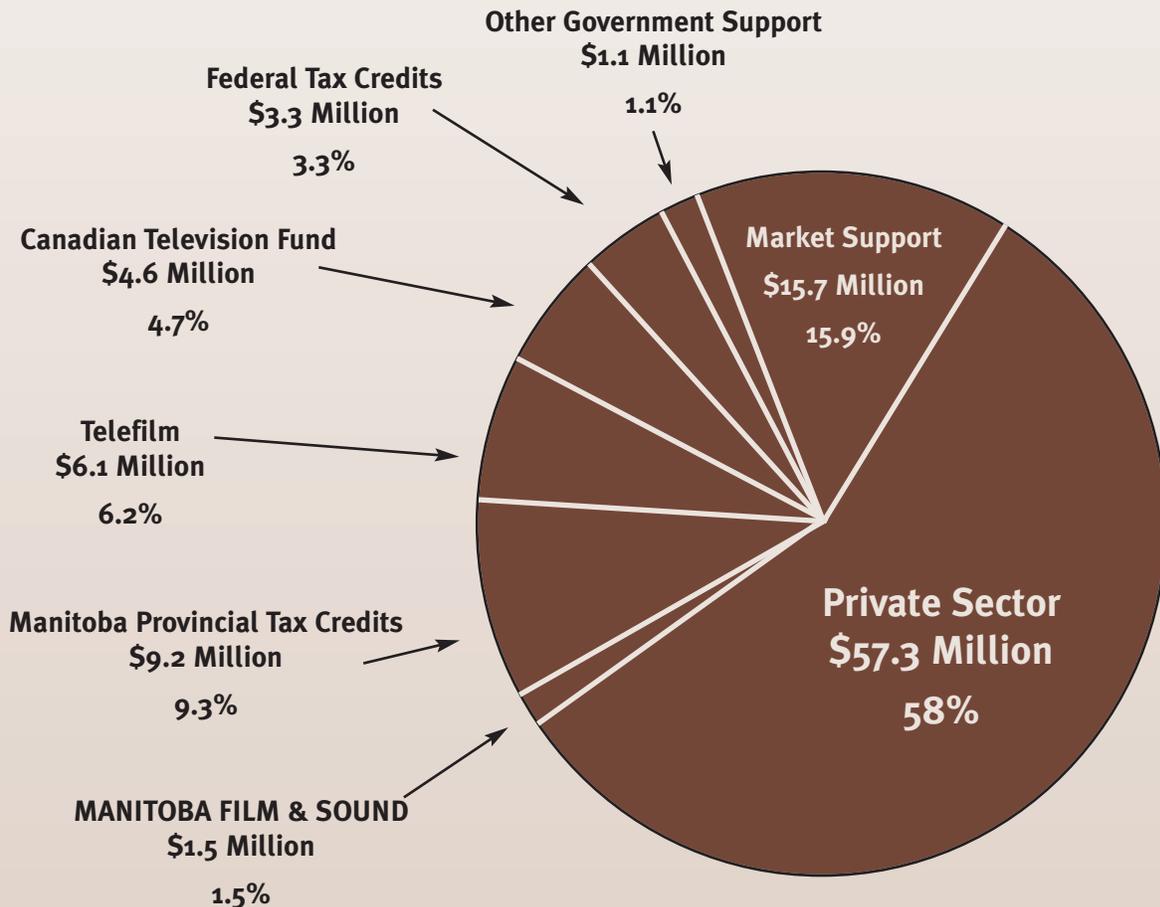


▶ OTHER DOLLARS LEVERED - FILM

Financing of independent productions requires financial investment from several sources. **MANITOBA FILM & SOUND's** equity commitment to a project will often 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 licenses, Distribution Advances); Federal and other Government Support and Tax Credits, and Private Sector (i.e. production company investment, deferrals, corporate sponsors and private investments).

As Figure 3 demonstrates, with Manitoba's 10.8% equity financing and estimated tax credit support, \$98.8 million in indigenous, co-production and foreign production activity occurred in fiscal 2005. This amount reflects \$88.1 million of investment from other sources. This is a clear indication that Manitoba's modest investment attracts millions of dollars of additional revenues into Manitoba's economy.

Figure Three

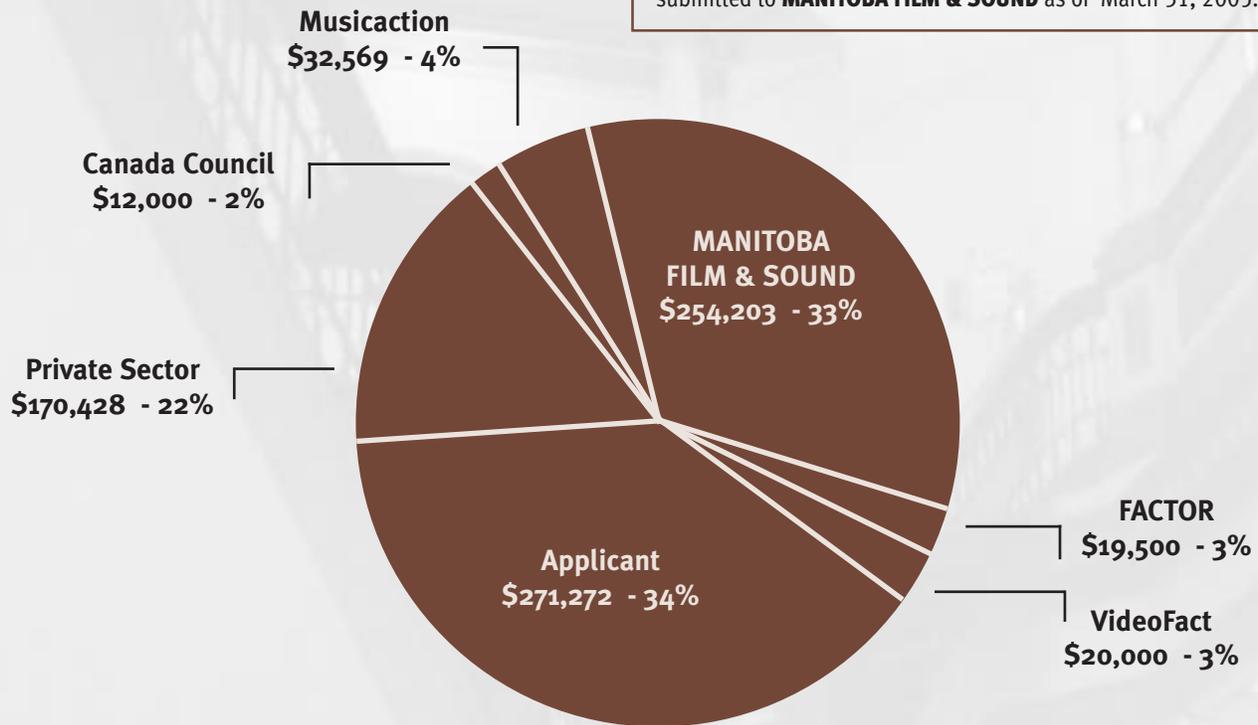


Source: Fiscal Year 2005 film production activity of \$98.8 million is compiled from data provided in equity and tax credit applications submitted to **MANITOBA FILM & SOUND** as of March 31, 2005.

▶ OTHER DOLLARS LEVERED - SOUND

Available funding from other sources for the Sound Recording Industry is limited (FACTOR, Video FACT, Canada Council) 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, of the estimated \$779,972 in production activity \$525,769 of investment is triggered from other sources. 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.

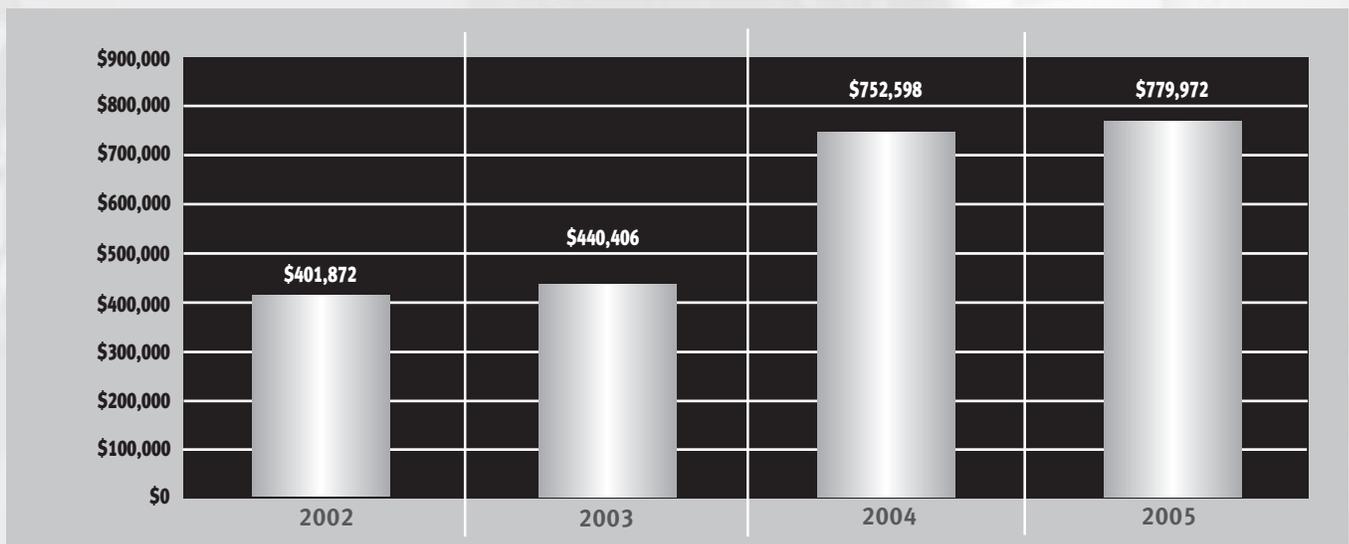
Figure Four



Source: Fiscal Year 2005 sound production activity of \$779,972 is compiled from data provided in CD, Demo and Music Video applications submitted to **MANITOBA FILM & SOUND** as of March 31, 2005.

Figure Five

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 years may vary due to actuals 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 Recording Programs are drawn from all sectors of the provincial sound recording industry and include record label employees, radio station personnel, 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.

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:

Aaron Peters	D'Arcy Ataman	George Vincent	Jesse Green	Luke McMaster	Rob Williams
Aaron Schubert	Darryl Sterdan	Gerry Baret	Jim Murphy	Marc Baueriss	Sam Beardman
Amrit Singh	Dave Boulanger	Gillian Cubb	Joe Fingerote	Mark Binder	Sara Stasiuk
Andre Clement	Dave McLeod	Ginette Lavack	Joel Dixon	Mike Benson	Sheila North
Anthony Tordiffe	Dave Sherman	Gordon Fryfogle	John Batuik	Miriam Baron	Susan Israel
Art Pearson	Dave Wheeler	Grant Paley	John Kendle	Natalie Bernardin	Susan Krepert
Bartley Kives	David Laroque	Hartley Miller	John Marlowe	Norm Lussier	Thom Sparling
Billy Joe Green	David Vogt	Howard Klopak	Jonathan Tammuz	Paul Nolin	Tiffany Joy Hirniak
Billy Simard	David Wilson	Howard Manshein	Karine Pilotte	Ray Martin	Tim Cattani
Bob Lower	Denis Prieur	Jack Shapira	Kathy Fenton	Rayne DeLaronde	Todd Jordan
Carol Parnell	Dominic Lloyd	Jacques Augustin	Kinzey Posen	Renee Lamoureux	Tremaine Burrows
Chris Frayer	Don Ranville	Jacques Lavergne	Leonard Shaw	Rick Fenton	Vince Fontaine
Chris Lynch	Dylan Hermiston	Jacques St Goddard	Lisa Stovin	Rick Roschuk	Wes Wilson
Curtis Jonnie	Eli Epp	Jason Andrich	Lochlin Cross	Rob Rousseau	Zane Zallis
	Errol Ranville				



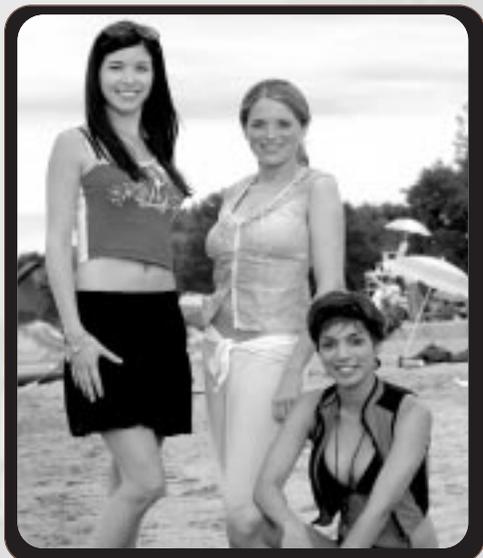
▶ PROJECTS SUPPORTED IN FISCAL YEAR 2005



Shall We Dance?, featuring Stanley Tucci, Susan Sarandon, Richard Gere and Jennifer Lopez, filmed in Winnipeg.



Seven Times Lucky starring Jonas Chernick, Kevin Pollak, Liane Bala



The cast of the new television series *Falcon Beach*, Devon Weigel, Jennifer Kydd and Melissa Elias, at Winnipeg Beach.



From the movie, *A Bear Named Winnie*, Jonathan Young as Ian Mccray, Michael Fassbender as Lt. Harry Colebourn and Winnie

• 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 could be converted into an equity investment.

During the 2005 Fiscal Year, 20 applications were approved for a total investment of \$155,805.

RECIPIENT

2802031 Manitoba Inc.
Blonde Indian Productions
Buffalo Gal Pictures Inc.

Cygnus Films Inc.
First Voice Multimedia

Frantic Films Live Action Productions Inc.
North/South
Ocular Productions Inc.

Original Pictures Inc.

Paquin Entertainment Group Inc.
Reel Effective Productions Inc.
Willow Island Films Inc.

PROJECT

The Accidental Assassin
"Next!" A Series for Aboriginal Youth
Kiss of the Fur Queen
Appassionata
Arousal
Sex Lives of the Saints
The Garden of Eden
Camp Kaboomie
St. Laurent goes to Washington
Wars for the West
Retail
The Boys Who Came to Play
Alpha Woo
Pepper Hot Baby
Sticks and Stones
The Last Kozak
The Tribune and Advocate
Buffy Sainte-Marie: A Multi-Media Life
The Diary's Edge
Not in My Backyard

• FILM PROGRAMS 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. The projects are reviewed based on their economic impact on Manitoba, and are awarded bonuses for Community Development, such as, Aboriginal, Métis and Francophone production companies, working with key creative positions, such as, Manitoba writers and directors, and lastly for shooting in the winter.

During the 2005 fiscal year, 13 new applications were approved for a total investment of \$1,427,142.

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 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.

During the 2005 fiscal year, one application was approved for a total investment of \$3,000.

Recipient 40 Below Films
Project Effective Immediately

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 (MMPIA) 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 2005, **MANITOBA FILM & SOUND** committed \$30,000 to the Access to Markets and Professional Market Fund Programs.

Recipient
Barbara Pritchard (People Box)

Barry Lank (Lank/Beach Productions)

Donna Marion (Blonde Indian Productions)
Jamie Brown (Frantic Films)

Jeff Newman (Newman)
Jeremy Torrie (High Definition Pictures)
Kevin Dunn (MidCanada Entertainment)
Kim Bell (MidCanada Entertainment)
Kyle Irving (Meeches Video Production)

Liz Jarvis (Buffalo Gal Pictures)

Lorne MacPherson (Summit Films)

Lynne Skromeda (Frantic Films)

Phyllis Laing (Buffalo Gal Pictures)

Robert Sauvey (Ocular)

Russ Mitchell (Cygnus)
Shawn Watson (Ocular)

Shelley Now
Tanya Brunel (High Definition Pictures)
Vonnie Von Helmolt (2802031 Manitoba Inc.)

Project

Banff TV Festival
Hot Docs
Banff TV Festival
Hot Docs
RealScreen Summit
Banff TV Festival
American Film Market
Banff TV Festival
MIPCOM
World Congress of History Producers
Banff TV Festival
IFP – New York 2004 and EXTUS
Banff TV Festival
Banff TV Festival
Banff TV Festival
Hong Kong FilmArt
American Film Market
Toronto International Film Festival
Banff TV Festival
Toronto International Film Festival
Banff TV Festival
MIPCOM
NATPE
World Congress of History Producers
American Film Market
Banff TV Festival
NATPE
Toronto International Film Festival
Hot Docs
Toronto International Film Festival
Banff TV Festival
Hot Docs
Toronto International Film Festival
NATPE
IFP – New York 2004 and EXTUS
Banff TV Festival

Recipient

4710666 Manitoba Inc.
4879776 Manitoba Inc.
5003989 Manitoba Inc.

Capote Productions (Manitoba) Inc.
Hypnogogic Images Inc.
Les Productions Rivard Inc.

Motel Productions (Manitoba) Inc.
OP Bear Productions Inc.

Rocky Point Productions Inc.

Sonia Film Productions Inc.
Tipi Tales Season 2 Inc.

Project

La Voix de Méchif II
Sharing Circle Season 13
A Health Series: Why Medicine?
Diabetes – A Canadian Phenomenon
Capote
Lucid
De la source au ruisseau
Les Voyageurs
The Niagara Motel
Falcon Beach – Pilot
A Bear Named Winnie
Sharing Success
The Tanzania- Manitoba Project
Appassionata
Tipi Tales – Season II



The Saddest Music in the World, featuring Isabella Rossellini and Mark McKinney.

► access to festivals program

The Access to Festivals Program is a program of the Manitoba Music & Motion Pictures Development Project (M3P) and is administered by the Manitoba Motion Picture Industry Association (MMPIA) and supported with program assistance from **MANITOBA FILM & SOUND**.

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 2005 fiscal year, 11 applications were approved for a total investment of \$10,000.

<u>RECIPIENT</u>	<u>PROJECT</u>
Clive Holden Darryl Kinaschuk (deco dawson)	Rotterdam Film Festival/ Berlin Transmédiale Berlin Talent Campus TIFF Talent Lab
Jeff Solyo Juliette Hagopian	Reel Island Film Festival Canadian Front at MoMa/ Crossing Borders (NYC) Venice Film Festival
Kevin Nikkel Native Multi-Media Productions Inc.	Chicago International Children's Film Festival Minneapolis/St. Paul International Film Festival
Niki Trosky	New York International Independent Film Festival (Los Angeles)
Noam Gonick Sean Garrity	Venice Film Festival TIFF Talent Lab

► 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 2005 fiscal year, three applications were approved for a total investment of \$24,000.

<u>Recipient</u>	<u>Project</u>
Ethical Bacon Motion Pictures Endstop & Elsewhere Vanessa Loewen	Lost Ne Crane Pas Sois Modeste Morning Radio

► film portfolio investment envelope (PIE) program

MANITOBA FILM & SOUND's Film Portfolio Investment Envelope (PIE) Program provides financial assistance to Manitoba companies in the film industry to increase their capacity to develop and support Manitoba creative talent by developing, strengthening and sustaining Manitoba's film production companies. The program supports film production 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. Within its first year, five local production companies were approved for a total contribution of \$140,000.

- Recipient**
- **Buffalo Gal Pictures Inc.**
 - **Frantic Films Live Action Productions Inc.**
 - **High Definition Pictures**
 - **Original Pictures Inc.**
 - **Summit Films Ltd.**

▶ 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 promotional purposes. All genres of music are eligible for support.

During the 2005 fiscal year 26 applications were approved for a total amount of \$45,875

RECIPIENT

Aaron Peters
Addison Sandy
Billy Simard
Burning Circus Management

Curtis Newton
Dale Nikkel
Daniel Roy
Danny Schur
Endearing Records
Eric Gosselin
Florence Oramaisonwu
Glen Willows
Glenna Harper
Hal Brolund
Lewsh
Paquin Entertainment Group Inc.
Ray Martin
Robin Stangl
Sara Dell
The Harlots
The Undecided
Todd Hunter
Tom Provost
William Benn

PROJECT

Aaron Peters
Addison Sandy
Billy Simard
Tele 2004 & Tele 2005
Accepting Silence
Curtis Newton Band
Dale Nikkel
Johnny Cajun
Strike! - The Musical
Paper Moon
Kraink
Flo
Jeff Barkman
Glenna Harper
Manitoba Hal
All The Kings Men
Hayley Gene Penner
Ray Martin
Robin Stangl
Sara Dell
The Harlots
The Undecided
Todd Hunter Band
Othello
SLO-MOJO



Tele



Flo



Novillero



Johnny Cajun



▶ 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 2005 fiscal year 20 applications were approved for a total investment of \$168,646.

RECIPIENT	PROJECT	RECIPIENT	PROJECT
Arbor Records Ltd.	Ray St. Germain	Jet Set Satellite	Jet Set Satellite
Burning Circus Management	Quinzy	La Chorale des Intrepides Inc.	La Chorale des Intrepides
Burnt-Project 1	Hometown		Intrepides
Canadian Music Centre/Centrediscs	David Moroz and Erika Raum	Madrigaia	Madrigaia
Cat Jahnke Music	Cat Jahnke	Michelle Gregoire	Michelle Grégoire
CIMN – Canadian Independent Music Network	Edward Gamblin	Novillero	Novillero
Danny Schur	Strike! The Musical	Olesia Records Inc.	Alexis Kochan - Paris To Kyiv
Don Freed	Don Freed		The Attics
G7 Welcoming Committee Records Inc.	Greg MacPherson	The Attics	The Perms
Greg Leskiw	SwingSoniq	The Perms	The Perms
Jazgrl Production	Jodie Borle	Wild Boars of Manitoba Inc.	Stryker Soundtrack



MICHELLE GRÉGOIRE
REACHING



Burnt - Project 1



Greg MacPherson

▶ 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 2005 fiscal year 18 applications were approved for a total contribution of \$69,390.



Madrigaia

RECIPIENT	PROJECT	RECIPIENT	PROJECT
4500105 MB Ltd. D.B.A. Tin Foil Phoenix	Tin Foil Phoenix - Living In The Shadow Of The Bat	Rising Sun Productions	Eagle & Hawk - Mother Earth
Balanced Records	Mod Parlour Orchestra - Square Peg Round Hole	Rusty Hound Productions	Guess Who's Home - A Tribute
burnthe8track	burnthe8track- The Ocean	Smallman Records	Comeback Kid - Wake The Dead
cbg Artist Development	Driver - Inhuman Naturea	Studio 11	Studio 11 - CD Sampler 2004
Endearing Records	Endearing One Stop Music Supervision Samplers Vol 1, 2	The Wailin' Jennys	The Wailin' Jennys - 40 Days and 40 Nights
Fubuki Daiko	Fubuki Daiko- Zanshin - Leaving the Heart Behind	Tranquila Music	James Keelaghan - Then, Again
G7 Welcoming Committee Records Inc.	Greg MacPherson - Night Flares	Vanderveen Music Ltd	Vanderveen
M.A.R.I.A.	Manitoba Aboriginal Music Showcase	Ya Ketchose	Ya Ketchose - En Route
Milan Milosevic Trio	Milan Milosevic Trio - Pearls and Yarn	Yemyss Music	Kiva - Pulse



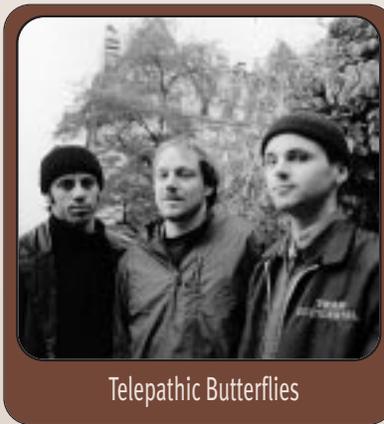
▶ recording artist touring support program

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 2005 fiscal year 24 applications were approved for a total contribution of \$81,724.



Amanda Stott



Telepathic Butterflies

RECIPIENT PROJECT

- 4500105 MB Ltd. D.B.A. Tin Foil Phoenix
Tin Foil Phoenix- Living In The Shadow Of The Bat
Amanda Stott
Amanda Stott – Chasing the Sky
Arbor Records Ltd.
Slangblossom - Convulsions
Art Desaulniers
Children of Tragedy
Bacteria Buffet Records
The Afterbeat/The Barrymores/JFK
Burnt – Project 1
Burnt Project 1- The Avenue
burnthe8track (2)
burnthe8track – The Ocean
cbg Artist Development
Driver – Inhuman Nature
CIMN - Canadian Independent Music Network
Northern Variety Tour
das macht SHOW! (2)
das macht SHOW! – Four Legs Good
Mad Cow Music
Hal Brolund 'Manitoba Hal' – This Condition
Madrigaia
Madrigaia - Viva Voce
Paquin Entertainment Group Inc.
The Attics
Slo Coach Recordings
Mood Ruff – I Do My Own Stunts
Smallman Records
Nathan – Jimson Weed
Smallman Records
Comeback Kid - Turn It Around
Sunshine Records Ltd.
12Seven - Focused
The Paperbacks
The Paperbacks – An Episode of Sparrows
The Perms
The Perms – Clark Drive
The Telepathic Butterflies
The Telepathic Butterflies – Songs from a Second Wave
The Wailin' Jennys
The Wailin' Jennys – 40 Days and 40 Nights
Tranquila Music
James Keelaghan – Then, Again

▶ sound portfolio investment (pie) 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 2005 fiscal year, two applications were approved for a total contribution of \$40,000. Further to this year's funding, the PIE program approved five applications for a total contribution of \$150,000, in fiscal year 2004.

Recipient

4879903 Manitoba Ltd.

G7 Welcoming Committee Records Inc.

▶ 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 2005 fiscal year, five applications were approved for a total contribution of \$37,316.

▶ market access programs

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 2005, **MANITOBA FILM & SOUND** committed \$30,000 to the Market Access Program, which provided funding assistance to a phenomenal 131 applicants.

RECIPIENT	PROJECT	RECIPIENT	PROJECT
Absurd Machine Inc. Alana Levandoski Alexis Kochan Amelia Curran	Canadian Music Week North American Folk Alliance Cinars Platform North American Folk Alliance North American Folk Alliance South by Southwest Aboriginal Music Awards New Music West NIEA 2004 MIDEM Canadian Music Week New Music West North by Northeast Private Showcase: Toronto Juno Awards Western Canadian Music Awards CMJ Halifax Pop Explosion North by Northeast North American Folk Alliance Banff Television Festival Ontario Council Of Folk Festivals Ontario Council Of Folk Festivals Aboriginal Music Awards North American Folk Alliance Western Canadian Music Awards North by Northeast Canadian Country Music Awards Juno Awards Nashville Songwriting Trip Indian Summer Music Awards Juno Awards Western Canadian Music Awards North by Northeast Western Canadian Music Awards LA Consulate Juno Trip New Music West North by Northeast South by Southwest Western Canadian Music Awards Canadian Country Music Awards Private Showcase - Europe Western Canadian Music Awards Juno Awards The Dove Awards and GMA Week Contact: Ontario MIDEM North by Northeast South by Southwest Ontario Council Of Folk Festivals Canadian Music Week New Music West Midpoint Music Festival Canadian Music Week Western Canadian Music Awards Ontario Council Of Folk Festivals Western Canadian Music Awards Ontario Council Of Folk Festivals Western Canadian Music Awards Canadian Country Music Awards Western Canadian Music Awards Francofête de Moncton North American Folk Alliance North by Northeast Ontario Council Of Folk Festivals	burnthe8track	burnthe8track-Two Worlds Apart
Arbor Records		Inferno Pictures Inc.	Rezofficial – Keep on Movin'
Balanced Records Inc. Burning Circus Media		Inferno Pictures Inc.	Driver- She Laughed at Me
Burnt Project 1		Nathan Music Co.	Nathan – Sunset Chaser
burnthe8track		Westlake Music	Doc Walker – North Dakota Boy
D. Rangers Da Capo Productions Dale Nikkel Dan Frechette Danny Schur das macht SHOW			
Doc Walker			
Eagle & Hawk			
Easily Amused			
Endearing Records			
Foster Martin Band			
Fresh IE			
Fubuki Daiko G7 Welcoming Committee Records			
Gerald LaRoche Inward Eye			
J. P. Hoe			
James Keelaghan Jaylene Johnson			
Jennifer Clarke Jodie Borte Kiera Lee Kraink Madrigala			
Men in Kilts Michael Johnston			
		Michael Johnston Mike Petkau Moses Mayes Nathan	North American Folk Alliance Ontario Council Of Folk Festivals North by Northeast Contact: Ontario Private Showcase - LA Private Showcase - Nashville US Promo Tour Western Canadian Music Awards New Music West North by Northeast South by Southwest Western Canadian Music Awards Ontario Council Of Folk Festivals MIDEM New Music West Western Canadian Music Awards Arts Northwest CAFE CAPACOA CCI Canadian Country Music Awards Contact: Alberta Contact: Pacific Juno Awards Juno Awards North American Folk Alliance North by Northeast Org. of Sask. Arts Councils The Dove Awards and GMA Week Western Canadian Music Awards New Music West Western Canadian Music Awards North by Northeast Private Showcase: Toronto Productions MIDEM Productions South by Southwest North American Folk Alliance Canadian Music Week MIDEM Private Showcase - LA South by Southwest Ontario Council Of Folk Festivals Toronto Marketing Trip Western Canadian Music Awards Juno Awards MIDEM Western Canadian Music Awards North by Northeast North by Northeast North by Northeast Canadian Music Week North American Folk Alliance South by Southwest Viva Las Vegas Pop Montreal Canadian Music Week South by Southwest Contact: Pacific North American Folk Alliance South by Southwest North by Northeast South by Southwest Private Showcase - Toronto Ontario Council Of Folk Festivals Western Canadian Music Awards Western Canadian Music Awards
		Novillero	
		Old Seed Olesia Records Paper Moon Music	
		Paquin Entertainment	
		Projektor	
		Quinzy	
		Rising Sun	
		Romi Mayes Smallman Records	
		Steve Schellenberg Studio 11 Inc	
		Sunshine Records	
		Tele The Afterbeat The Barrymores The Brat Attack The Duhks	
		The Farrell Bros. The Paperbacks The Telepathic Butterflies	
		The Wailin' Jennys	
		The Waking Eyes	
		Trevor Hurst Twilight Hotel Unison Studios & Recording Inc. Vanderveen	



▶ INTERACTIVE MEDIA PROGRAM

▶ the manitoba interactive media fund

Beginning in fiscal year 2002-2003, 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.

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.

DEVELOPMENT

During the 2005 fiscal year, two applications were approved for a total contribution of \$30,000.

<u>Recipient</u>	<u>Project</u>	<u>Recipient</u>	<u>Project</u>
MidCanada Production Services Inc.	Seasoned Media	Prizzim 3 Inc.	Prizzim

PRODUCTION

During the 2005 fiscal year, two applications were approved for a total investment of \$40,300.

<u>Recipient</u>	<u>Project</u>	<u>Recipient</u>	<u>Project</u>
Hypnogogic Images Inc.	www.lucidthemovie.com	Les Productions Rendezvousvoyageur inc.	Rendezvousvoyageur.ca

▶ 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 2005 fiscal year, 24 applications were approved for a total contribution of \$42,386.

<u>RECIPIENT</u>	<u>PROJECT</u>
3528210 Manitoba Ltd. o/a One World Media	Apple World Wide Developers Conference
bananamation	Siggraph Conference (Los Angeles)
Construx Media Destination	Digital Workshop
Continuum	Apple World Wide Developers Conference
Enviroscribe Web Design	Destination Digital Workshop
	Usability Week
Frantic Films Commercial Projects	Destination Digital Workshop
GIRLONE Productions	Flash in the Can (2)
Lateral Thinking	Game Developers Conference (San Francisco)
Les Productions	
Rendezvousvoyageur inc.	Destination Digital Workshop
Looking Glass Interactive Inc.	Destination Digital Workshop
	KidScreen Summit
	E3 Expo (2)
Prizzim 3 Inc.	Destination Digital Workshop
	KidScreen Summit
	Game Developers Conference (San Francisco) (2)
	Prizzim Game Partners Meetings
	E3 Expo
Schmoozequeen	Destination Digital Workshop
TMFX Studios	Game Developers Conference (San Francisco)



FINANCIAL STATEMENTS Year Ended March 31, 2005

MANAGEMENT'S RESPONSIBILITY

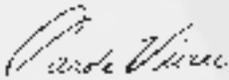
To the Board of Directors of Manitoba Film and Sound Recording Development Corporation:

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 judgements 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
Winnipeg, Manitoba
April 28, 2005

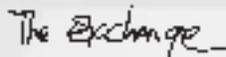
AUDITORS' REPORT

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, 2005 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, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



chartered accountants LLP
Winnipeg, Manitoba
April 28, 2005

• MANITOBA FILM & SOUND RECORDING DEVELOPMENT CORPORATION

BALANCE SHEET *For the year ended March 31, 2005*

	2005	2004
ASSETS - CURRENT		
Cash (Note 3)	\$ 1,390,981	\$ 1,299,178
Notes receivable (Note 5)	13,673	140,636
Accounts receivable and accrued interest	19,253	30,406
Prepaid expenses	13,899	16,961
Inventory (Note 2)	8,506	3,230
	1,446,312	1,490,411
CAPITAL ASSETS (Note 2,4)	57,274	67,405
	\$ 1,503,586	\$ 1,557,816
LIABILITIES - CURRENT		
Accounts payable	\$ 60,074	\$ 74,952
Deferred revenue (Note 6)	390,679	572,558
Carry-over commitments (Note 7)	736,342	585,127
Term loans payable (Note 8)	13,673	140,636
	1,200,768	1,373,273
NET ASSETS (Note 10)		
Invested in capital assets	\$ 57,274	\$ 67,405
Unrestricted	245,544	117,138
	302,818	184,543
	\$ 1,503,586	\$ 1,557,816

On behalf of the Board Of Directors

C. Barker

Director

Director

[Signature]



• MANITOBA FILM & SOUND RECORDING DEVELOPMENT CORPORATION

STATEMENT OF REVENUES and EXPENSES and NET ASSETS *As at March 31, 2005*

	2005	2004
REVENUES		
Province of Manitoba funding	\$ 3,330,779	\$ 3,362,474
Interest income	31,702	21,160
Program recoupments	232,996	100,377
TOTAL REVENUES	3,595,477	3,484,011
EXPENSES		
Film and Television Programs Funding		
Film Development Financing Program	155,805	116,754
Film Production Financing Program	1,427,142	1,573,900
Production Support Program	-	52,050
Access to Markets Program	30,000	27,000
Access to Festivals Program	750	5,000
Low Budget Feature Film Development Financing Program	3,000	-
Emerging Talent Matching Funds Program	24,000	-
Film Portfolio Investment Envelope Program	140,000	-
Film and Video Marketing Support	5,000	-
Interest expense	2,067	7,127
	1,787,764	1,781,831
Sound Programs Funding		
Sound Recording Production Fund	168,646	195,550
Demo Recording Fund	45,875	49,828
Music Video Fund	37,316	30,000
Record Product Marketing Support Program	69,390	47,160
Recording Artist Touring Support Program	81,724	76,078
Sound Portfolio Investment Envelope Program	40,000	150,000
Market Access Program	30,000	30,000
	472,951	578,616
Interactive New Media Funding		
Development	30,000	60,000
Production	40,300	-
Access to Markets Program	42,386	10,117
	112,686	70,117
Industry Support		
Film		
Industry Associations	95,388	51,000
Sponsorships/Partnerships	40,145	61,105
Interactive Media		
Industry Associations	17,396	3,000
Sponsorships/Partnerships	5,540	5,750
Sound Recording		
Industry Associations	65,000	-
Sponsorships/Partnerships	10,750	9,500
	234,219	130,355
Film Commission/Locations Services	251,350	208,304
Programs delivery (Note 9)		
Salaries	307,099	312,404
Marketing/Operating	142,740	156,368
	449,839	468,772
Administrative expenses		
Salaries	103,870	85,270
Marketing/Operating	64,523	111,968
	168,393	197,238
TOTAL EXPENSES	3,477,202	3,435,233
EXCESS OF REVENUES OVER EXPENSES	118,275	48,778
NET ASSETS, BEGINNING OF YEAR	184,543	135,765
NET ASSETS, END OF YEAR	\$ 302,818	\$ 184,543

• MANITOBA FILM & SOUND RECORDING DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS *For Year Ended March 31, 2005*

	2005	2004		2005	2004
OPERATING ACTIVITIES			INVESTING ACTIVITIES		
Excess of revenues over expenses	\$ 118,275	\$ 48,778	Additions to capital assets	(7,799)	(9,476)
Item not affecting cash:			Repayment of notes receivable	126,963	52,959
Amortization	17,930	21,729			
	<u>136,205</u>	<u>70,507</u>	Cash flow from investing activities	<u>119,164</u>	<u>43,483</u>
Changes in non-cash working capital:			FINANCING ACTIVITY		
Carry-over commitments	151,215	98,444	Term loans payable	(126,963)	(52,959)
Funding Receivable	-	300,000	Cash flow used by financing activity	<u>(126,963)</u>	<u>(52,959)</u>
Deferred revenue	(181,879)	21,426			
Accts. receivable & accrued interest	11,153	(15,970)	INCREASE IN CASH RESOURCES	91,803	484,483
Prepaid expenses	3,062	(2,317)			
Inventory	(5,276)	(30)	CASH RESOURCES – BEGINNING OF THE YEAR	1,299,178	814,695
Accounts payable	(14,878)	21,899			
	<u>(36,603)</u>	<u>423,452</u>	CASH RESOURCES – END OF THE YEAR (Note 3)	1,390,981	1,299,178
Cash flow from operating activities	<u>99,602</u>	<u>493,959</u>			

NOTES TO FINANCIAL STATEMENTS *For Year Ended March 31, 2005*

1. NATURE OF THE 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

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Inventory

Inventory is valued at the lower cost of net realizable value.

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%

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

a) Program Recoupments

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

b) Province of Manitoba Funding

Province of Manitoba funding is based on the Province of Manitoba's annual allocation to the Corporation and is recorded as revenue when received.

3. CASH

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

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2005 Net book value	2004 Net book value
Website	\$ 4,907	\$ 4,907	\$ -	\$ -
Computer equipment	65,570	57,812	7,758	12,623
Furniture	49,705	41,940	7,765	13,514
Leasehold improvements	53,700	13,167	40,533	40,822
Equipment	3,719	2,501	1,218	446
	<u>\$177,601</u>	<u>\$120,327</u>	<u>\$57,274</u>	<u>\$67,405</u>

5. NOTES RECEIVABLE

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

	2005	2004
Term loan bearing interest at a rate established by the Department of Finance plus 1%, interest receivable monthly, and principal balance due on May 4, 2005 (extended from June 1, 2002), secured by an assignment of film tax credits.	\$13,673	\$74,709
Term loan bearing interest at a 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
Term loan bearing interest at a 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
	<u>\$13,673</u>	<u>\$140,636</u>

6. DEFERRED REVENUE

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

	2005	2004
Sound Portfolio Investment Envelope Program	\$ 87,500	\$ 127,500
Interactive Media Programs	255,587	435,058
Emerging Talent Matching Funds Program	-	10,000
Film Programs	47,592	-
	<u>\$ 390,679</u>	<u>\$ 572,558</u>



• MANITOBA FILM & SOUND RECORDING DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	Year of Commitment					Total
	04/05	03/04	02/03	01/02	2005	2004
Film						
Film development	\$ 33,816	\$ 999	\$ -	\$ -	\$ 34,815	\$ 29,420
Film production	301,977	58,263	3,000	-	363,240	372,173
Access to Markets and Festivals	3,000	-	-	-	3,000	2,829
Emerging Talent Matching Funds	6,000	-	-	-	6,000	1,000
Film & Video Marketing	75	-	-	-	75	-
Portfolio Investment Envelope	43,500	-	-	-	43,500	-
Industry Support	5,875	-	-	-	5,875	1,000
	<u>394,243</u>	<u>59,262</u>	<u>3,000</u>	<u>-</u>	<u>456,505</u>	<u>406,422</u>
Sound						
Sound Recording	103,146	26,750	2,250	2,500	134,646	97,625
Demo Recording	11,981	-	-	-	11,981	18,480
Record Product Marketing	19,750	-	-	-	19,750	8,200
Sound Touring	14,980	-	-	-	14,980	4,400
Music Video Production	4,463	-	-	-	4,463	-
Portfolio Investment Envelope	20,000	5,000	-	-	25,000	32,000
Market Access	3,000	-	-	-	3,000	3,000
	<u>177,320</u>	<u>31,750</u>	<u>2,250</u>	<u>2,500</u>	<u>213,820</u>	<u>163,705</u>
Interactive Media						
Development	21,000	1,000	-	-	22,000	15,000
Production	40,300	-	-	-	40,300	-
Access to Markets	3,117	-	-	-	3,117	-
Industry Support	600	-	-	-	600	-
	<u>65,017</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>66,017</u>	<u>15,000</u>
TOTAL COMMITMENTS	\$ 636,580	\$ 92,012	\$ 5,250	\$ 2,500	\$ 736,342	\$ 585,127

7. CARRY-OVER COMMITMENTS (See Above)

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, 2005 and prior years, which were not fully advanced as at March 31, 2005 are as above.

8. TERM LOANS PAYABLE

Term loans reflect borrowings by the Corporation from the Province of Manitoba to fund Special Loans advanced and are secured by the notes receivable. Special Loans are required to be repaid as follows:

	2005	2004
Term loan bearing interest at a rate established by the Department of Finance, interest payments due semi-annually and principal balance due May 4, 2005 (extended from June 1, 2002).	\$13,673	\$74,709
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
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).	-	9,598
	<u>\$13,673</u>	<u>\$ 140,636</u>

9. 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 93 applications (both Part A and B) were in various stages of processing during the 2005 fiscal year (2004 - 77), representing in excess of \$250 million worth of production activity (2004 - \$129 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.

10. NET ASSETS

	Invested in Capital Assets	Unrestricted	2005	2004
Balance, beginning of year	\$67,405	\$117,138	\$184,543	\$135,765
Excess of revenues over expenses	(17,930)	136,205	118,275	48,778
Investment in capital assets	7,799	(7,799)	-	-
Balance, end of year	\$57,274	\$245,544	\$302,818	\$184,543

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable and accrued interest, notes receivable, accounts payable and term loans payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

12. LEASE COMMITMENTS

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

2006	\$ 59,693
2007	59,693
2008	64,449
2009	61,157
2010	24,375

13. ECONOMIC DEPENDENCE

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

14. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of chartered accountants.