



Newfoundland & Labrador Film Development Corporation

ANNUAL REPORT FOR:

2009/10

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NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION
ANNUAL REPORT 2009-2010

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MESSAGE FROM THE CHAIR

I am honoured to serve as Chair of the Board of the Newfoundland and Labrador Film Development Corporation (NLFDC) and to present the 2009-10 Annual Report to the Government of Newfoundland and Labrador. The NLFDC's mandate is to promote the development of the indigenous film and video industry in the province and to promote the province's film and television products and locations nationally and internationally. The board of directors and the NLFDC are accountable for the preparation of the 2009-10 Annual Report and the results reported therein. Results and variances are explained for the achievement of the specific goals and objectives contained therein.

This has been a year of many notable achievements. 2009-10 saw the highest annual total of production activity in our history, reaching \$29.5 million. Among the many highlights: the production of Season I of Republic of Doyle; a dramatic television series of twelve one hour episodes. The show has been highly successful, with an average of over 800,000 viewers per episode, and it is anticipated that a second season will be greenlit. Three features were released to acclaim: Crackie screened at the prestigious Cannes and Toronto film festivals; Love and Savagery, an international co-pro feature, was warmly received; and Grown Up Movie Star became the first-ever Atlantic Canadian feature in competition at the world-renowned Sundance Film Festival. Real-life television flourished through series such as Mickey, The Skinny Dip and Soccer Shrines, and our proud tradition of documentaries and short films continued. NIFCO went from strength to strength as a high-tech post-production and training facility. The St John's International Women's Film Festival celebrated its 20th anniversary, and the Nickel Independent Festival looked forward to its 10th anniversary.

Based on a formula from the most recent economic analysis, our 2009-10 production activity of \$29.5 million created more than 375 direct, indirect and induced fulltime employment equivalencies (FTEs). By the end of this year, the Province had invested a total of \$34.1 million (including tax credits) into motion picture production, creating a total of \$154.3 million in total production activity, since the inception of the NLFDC. That means the Province's investments have now leveraged over \$120 million into NL. It is estimated that more than 2000 FTEs have been created as a result.

2009-10 was not without its challenges. The landscape for feature film production has been changed considerably, not least by the worldwide recession. Also, the national context for television production has dramatically altered, especially with the federal government's change-over from the Canadian Television Fund to the Canada Media Fund effective April 1, 2010.

We are pleased and encouraged by Government's continuing support of the corporation and of the local industry in general, and we look forward to the expected accomplishments of the coming year.



Paul Lannon
Chair, Board of Directors (NLFDC)

AN OVERVIEW

Vision

By funding quality productions and strengthening industry support to growing the industry, the NLFDC is aiming for the continued long-term viability and development of a healthy and stable film industry in Newfoundland and Labrador.

The NLFDC envisions the Newfoundland & Labrador Film Industry reaching its ideal state, which would consist of having one to two crews working full time and year round in the province. By developing a solid crew base, the industry would thrive and the province would profit from the economic benefits that would accompany it. A solid infrastructure would also mean productions from outside the province would be more apt to shoot in Newfoundland & Labrador because a professional, experienced crew would be on location. Not only would the NLFDC like to see the crew base grow, but also see thriving production companies. Projects would also become numerous enough that NIFCO and the Atlantic Studio Cooperative would be in constant production.

Mission

By 2011 the NLFDC will have insured the continued development of the film industry in NL by working with producers, fellow provincial organizations, national and international funding bodies to develop an environment where the industry is stable and continuing to grow.

Measure

- Continued development of the Film and Video Industry in Newfoundland and Labrador

Indicators

- The Equity Investment Program (EIP) has been effectively managed
- The Film and Video Industry Tax Credit has been effectively managed
- NLFDC programs and Locations have been marketed Nationally and Internationally
- Initiatives implemented to develop creative and technical capabilities

This mission is the focus for the NLFDC as it addresses the strategic direction of sustainable creative enterprises and cultural industries are developed as provided by government.

On a daily basis, the NLFDC facilitates and fosters the local industry. The NLFDC is the front line of the film industry to the public and, on behalf of Newfoundland and Labrador, to the nation and the world. As such it fields many requests and enquires concerning Newfoundland and Labrador as a shooting location. The NLFDC also advises, liaises and counsels local filmmakers, production companies and crew. It provides information concerning all aspects of the film industry including: its own programs and those of other local organizations, as well as information regarding national funders, broadcasters, and distributors. The NLFDC partners with local, regional and national organizations and sits on national committees. In fiscal 2008-2009 the NLFDC chaired the Association of Provincial Film Funding Agencies and co-chaired the National Tax Credit Committee. In these ways it helps to influence policy for the benefit of this province. The chairperson changes annually from province to province.

Lines of Business

The NLFDC pursues five lines of business, two of which by administering specific programs: the Equity Investment Program (EIP) and the Newfoundland and Labrador Film and Video Tax Credit Program. The EIP is a financial contribution, to a maximum of 20 per cent of the total production budget (normally not to exceed \$250,000) that shall be repaid from earned revenue. The tax credit is a fully refundable corporate income tax credit administered on behalf of the Department of Finance by the NLFDC. The tax credit encourages the development, training and hiring of Newfoundland film personnel. The credit is based on a calculation of eligible labour limited to the lesser of 25 per cent of the total eligible budget or 40 per cent of the total eligible labour expenditures.

The NLFDC's EIP and tax credit are crucial to a local film project's overall financial structure. This funding triggers outside investment which gets leveraged into this province for film productions. These leveraged sources of funding are film industry specific investments that otherwise would not occur here; it is not funding that would go to another industry or cultural sector or to any other government program, but would, instead, be spent on film/television production in another jurisdiction.

The third line of business consists of the Sponsorship Program which assists qualified individuals and organizations with funding assistance which enabling them to promote the products of the local industry. Fourthly, the NLFDC has a fulltime Industry Analyst who works on behalf of crew, producers, and filmmakers to organize and support specific workshops, training opportunities, job placements, and other projects designed to increase the local industry's capacity. Finally, the NLFDC will market the indigenous industry and the province as an on-site location nationally and internationally to improve the industry's ability to attract productions and solicit business. [A more detailed version of the Lines of Business can be found in the Newfoundland and Labrador Film Development Corporation's 2008-11 Business Plan].

The NLFDC has five employees in the positions of Executive Director/Film Commissioner, Manager of Programs, Program Analyst, Business Analyst and Industry Analyst.

Newfoundland and Labrador Film Development Corporation

12 King's Bridge Road

St. John's, NL, A1C 3K3

HIGHLIGHTS AND ACCOMPLISHMENTS

Background

When the Newfoundland and Labrador Film Development Corporation (NLFDC) was created, the province's film industry was in its infancy. There was approximately \$1 million of production activity at that time. Locally, the industry had developed neither the management (i.e. producer community) nor the staffing (production crew) upon which to build. The infrastructure of production and post-production facilities and equipment was outdated, inadequate, or non-existent. Given the scope of the task, and the complexity of the industry it has been responsible for developing, the NLFDC has been very successful in fulfilling its objectives.

Since 1997 when the NLFDC was established, the new environment in NL film has been increasingly one of viable local production companies, more skilled local crew, new technical capacities and infrastructure, and larger productions. This in turn means the incentive and potential for more large productions, more employment, and more economic activity. Production activity has dramatically increased since the NLFDC was established, peaking at \$29 million in 2009-10, the highest ever one year total in our history.

Significant film and television projects have been made possible through the marketing efforts and financial assistance of the NLFDC. The local industry has also demonstrated our capacity to successfully host large guest productions such as *The Shipping News* and *Outlander*.

By the end of fiscal year 2009-10, the NLFDC had invested a total of \$34.1 million (including tax credits) into motion picture production activity since its inception. This support leveraged \$120.2 million in outside investment, for a total of almost \$154.3 million in production activity since the NLFDC was created.

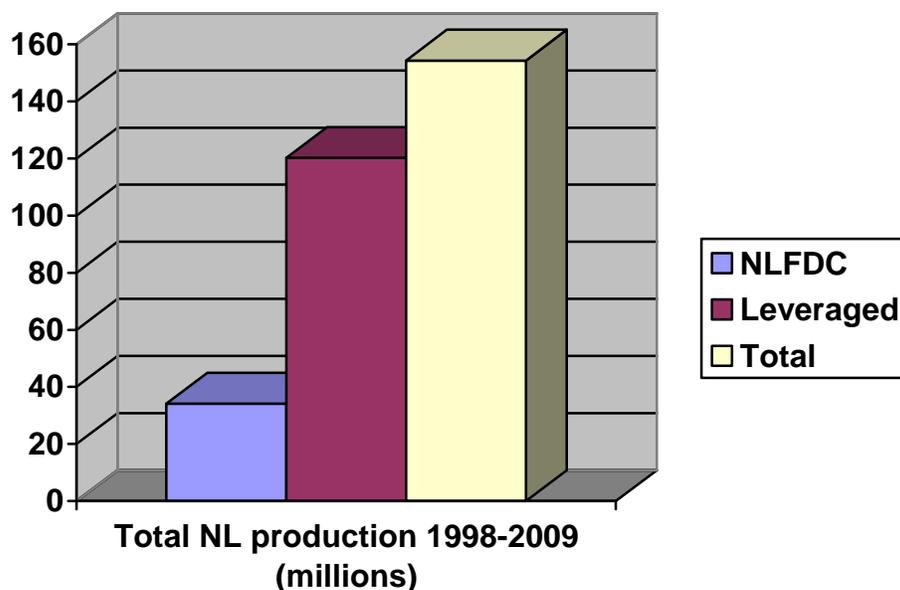


Chart - Outside Funding Leveraged by NLFDC

Today, in addition to the successful projects that have already happened, this Province has built a solid foundation for future growth in film production.

Employment Creation and Economic Benefit

Work in film is labour-intensive, well-paid, knowledge-based and highly skilled. Film is: eco-friendly, international, and not competitive with other industries. It creates large economic spin-offs, leaves a large tax footprint, and brings into the region investments that would not otherwise be made here. Across the nation and in this province the film and television production industry has been an engine of job creation. Nationally, its record of job creation has outpaced that of the overall economy and several related industries, according to the data compiled by the Canadian Film and Television Production Association for its Annual Profile.

It is clear that real employment growth in well-paid, skilled and creative jobs is the result of an active NL film industry. We also know that much large scale production has happened outside St. John's, to the benefit of several regions of the province.

A film and television industry study released in 2008 by the NLFDC included a comprehensive economic analysis of the local industry. This study established a formula for calculating the direct, indirect and induced fulltime employment equivalencies (FTEs) resulting from Newfoundland and Labrador production activity.

Based on this formula, our 2009-10 production activity of \$29.5 million created more than 375 FTEs. Furthermore, a production activity total of \$154.3 million since 1998 means more than 2000 FTEs have been created since the inception of the NLFDC.

Following the model derived in the 2008 study, it can also be anticipated that from film production activity of \$29.5 million in 2009-10, the tax revenue to the Province would reach an estimated \$1.6 million, direct, indirect and induced. This tax revenue to the Province reduces its net investment. The Provincial investment of \$8.2 million in equity and tax credits (estimated), actually has a net cost of \$6.6 million. Therefore, of the total \$29.5 million in production activity in 2009-10, \$22.9 million was new money leveraged into NL by the Province's investment through the NLFDC.

On average, a major production hires 55 NL residents. These numbers do not indicate the economic spin-off employment created by film production. What is indicated, however, is a core group of skilled Newfoundland and Labrador film workers who are regularly employed and paid well, in a good production year. For example, between 2004 and 2006, the seven largest projects combined paid writers \$495,378, paid actors \$818,935, and paid crew \$6,331,598, for a total of \$7,645,911 in salaries paid out to NL residents on these projects alone.

In addition to the labour tax credit and equity investment program, continued international market access and human resources development are crucial to the ongoing development of the province's film and television industry. An economic impact assessment (EIA) of the province's film and television industry was conducted by ACOA using the 2005/06 production volume of approximately \$27 million. The EIA indicates that through its labour tax credit and equity investment programs, the province invested approximately \$5.4 million; the investment leveraged an additional \$9.3 million (a significant portion of which was from outside sources).

This \$14.7 million in spending in the province resulted in a direct, indirect and induced gross domestic product (GDP) impact of \$15.0 million. It is estimated that for every \$1 the province invested, the total GDP return to the province was \$2.86. The return on investment on production was \$2.77 to \$1 and on development was \$3.45 to \$1.

2009-10

In 2009-10, there were 14 film and television projects produced in the province by local producers:

Films and Documentaries	Where's My Goat?
	Forget It
	In For a Penny
	Not So Rowdy Anymore
	Growing Up Cold
	Ron Hynes: Man of a Thousand Songs
	Four Sisters (Picture Start)
	Snarbuckled (Picture Start)
	Tooton's: A History of Photography (Pilot)
	CODE Motion Picture – Vancouver 2010 Cultural Olympiad
Television Projects	
	Mickey Season II
	The Skinny Dip
	Soccer Shrines
	Republic of Doyle

Production Activity for 2009-2010 was 29.5 million. This has resulted in total production activity in the province since the inception of the NLFDC of \$154.3 million.

The efforts by local producers and NLFDC staff travelling to various industry events has been extremely successful this year as evidenced by:

- At the Cannes Film Festival, the NLFDC had several meetings with producers from the US, UK, France and Ireland (Quebec) discussing the benefits of co-producing in Newfoundland which has led to a possible international/ inter-provincial co-production with Morag Loves Company.
- This year's Banff World Television Festival proved very successful for Best Boy Productions who, not only attended, but also had an exhibit. This ultimately resulted in the television series, *Mickey's Farm*, being green lit.
- The feature film *Grown-up Movie Star* is the first film from Atlantic Canada to be screened under the international competition (where there are only fourteen films chosen) at the Sundance Film Festival in Park City, Utah. It screened in 6 theatres and was very well received.

The NLFDC participated in the Canadian Pavilion at the Cannes International Film Festival and co-hosted four international receptions (US, UK, Germany and France). The NLFDC also hosted along with several other provinces a reception in partnership with Strategic Partners and the International Producers' Network. There were also several meetings with producers from the US, UK, France and Ireland looking at potential co-productions.

Crackie – Screening at Cannes:

The Newfoundland and Labrador Film Development Corporation (NLFDC) is very proud and excited to be one of the investors in the feature film *Crackie*. The intent of this project was to focus on the development of a director and this provided the very talented Sherry White the opportunity to write and direct her first feature length production.

In addition to this, *Crackie* was selected for the prestigious Perspective Canada screening program at the Cannes Film Festival, held from May 14-25, 2009. There are only ten Canadian features (including 5-6 English-language) chosen every year for Perspectives Canada. This is a tremendous achievement and the second time in our industry's history (*Down to the Dirt* was chosen last year). The selection of *Crackie* by such a prestigious market enhanced the province's film sector as a whole by giving it both enhanced visibility and profile in an international market. As well, this increased global attention for this production provided valuable exposure for our producer's Jennice Ripley and Rhonda Buckley.

Grown Up Movie Star (GUMS) Screening at the Sundance 2010

GUMS screened (6 screenings) at this year's Sundance in Park City, Utah, under the international competition section where there were only fourteen films are chosen. This film was extremely well received. A representative from the Telefilm office in Halifax and as well as a representative from the NLFDC attended along with the GUMS folks which included:

- Paul Pope – Producer

- Jill Knox-Gosse – Producer
- Adrianna Maggs – Writer/Director
- Shawn Doyle - Producer/Lead Actor
- Tatiana Maslany – Lead Actor
- Julia Kennedy - Actor
- Jonny Harris – Actor
- Steve Cochrane – Actor
- Susan Kent – Actor
- Director of Photography
- Editor

There were several very positive reviews, including one from Variety Magazine. As well, Tatiana Maslany (Heart Land) won the award for best break-out performance.

The main screening took place on Monday, January 25th to a sold-out audience and was an extremely proud moment for this province.

The Republic of Doyle:

The Republic of Doyle is a \$20 million television series (12 episodes) developed by the CBC, the NLFDC and Take the Shot Productions Inc of St. John's. It is an hour long drama/comedy which gives the viewer an original and entertaining glimpse into the dynamics of the fictional Doyle family and their tumultuous history. Republic of Doyle centers on a father and son private investigator team in the city of St. John's, NL. Both individuals have their histories and the show centres on their daily interactions with the many citizens with whom they come into contact. Sub plots include the young Doyle's ex-wife, fun loving lawyer friend and young Doyle's infatuation with a local police woman.

As stated in the series bible, "Republic of Doyle combines the retro cool crime vibe of classic investigative shows with the dramatic/comedic edge of contemporary television fare, producing a blend of intriguing episodic mysteries woven with the always evolving (and sometimes regressing) relationship turmoil and dynamics of the Doyle clan."

The series started full production in July 2009 and finished production in late December of 2009. The series began airing in early January 2010, on Wednesday nights with an excellent time slot following Dragon's Den. The season premier had an opening audience of approximately 1 million and has since leveled off to our around 800,000 weekly viewers which are extremely respectable numbers.

In addition, there are 12 companion webisodes currently being shot.

The national network of the CBC has now requested that the producers develop four more scripts immediately for a second season of Republic of Doyle.

Early 2010 will see a decision being made on the production of a second season. Many factors will be considered when the CBC nationally makes their choice of whether or not to green light a Season II of Republic of Doyle. Among the most important of these decision-making factors

include: viewer response, ratings share, and advertising revenue. Less predictably, CBC's own internal interpretation of how to best meet its mandate as an agency of the federal government with future programming also comes into play. Certainly an absolutely key factor will be the overall financial picture of how a second season would be made.

A series of this magnitude has a major impact on the local film and television industry, as well as the local economy. For the Canadian and international industries, and certainly NL, it is well known that the "gravy" of the industry is to have a major television project in regular production. This is in essence how the industries of other jurisdictions have been built. This has been what the NLFDC and the local production community have been pursuing, and the Republic of Doyle project is to date the best opportunity that has appeared to achieve this goal.

Because *Republic of Doyle* is produced and written out of Newfoundland, the opportunities for talent development are substantial. The Producers have a significant bias for key crew, cast and other creative partners that are based in Newfoundland. The sheer volume of programming time involved in a show of this size has allowed for dozens of Newfoundland-based skilled screen crafts people, both in production and in post-production, to develop substantial credentials. A high-profile television series also has the potential of putting St. John's as a filmmaking centre on the map for other large productions that may be looking for producing partners, skilled crew and shooting locations.

American Film Market (AFM) Santa Monica, November 1st – 7th, 2009

Chris Bonnell and Dorian Rowe along with four local producers attended this year's AFM. We had several successful meetings with producers and distributors and are currently following up on some very serious co-production opportunities.

In addition, NLFDC co-hosted a Canadian office along with the following provinces:

- Ontario
- British Columbia
- Alberta
- Manitoba
- Saskatchewan

This office was not only a great location for co-production/ co-venture meetings it also provided an excellent venue to promote Newfoundland and Labrador as a possible location for co-productions.

Other highlights in the industry for 2009-10:

- "Countdown" by Jordan Canning had been awarded the Drama Prize at the NSI Awards .
- "Girl on a Road" by Gerry Rogers had received numerous awards including the Audience Award at the Inside Out Film Festival (Toronto), Best Documentary at the OutFilm Festival (Conneticut, USA), Directors Award (Doc) at the OutFilm Festival

(Connecticut, USA), Best Documentary at the Honolulu Rainbow Festival (Hawaii, USA), and the Audience Award at the Insideout Festival (Ottawa).

- "Crackie" by Sherry White/Jennice Ripley/Rhonda Buckley had received the Special Jury Prize at the Torino Film Festival (Italy) and Best Original Score: Duane Andrews at the Atlantic Film Festival. Also "Crackie" was *selected as one of the Top 10 Canadian Films of 2009 by the Globe and Mail and Nominated for the WGC Screenwriting Award: Best Feature - Sherry White.*
- "Grown Up Movie Star" by Paul Pope/Jill Knox-Gosse/Shawn Doyle/Adrianna Maggs was awarded Breakout Performance for Tatiana Maslany at the Sundance (USA).
- "Love and Savagery" by Barbara Doran/Keven Tierney/Lynne Wilson had been given the Best Supporting Actress for Martha Burns at the 2010 Genie Awards and nominated for Best Original Score for Bertrand Chénier . Also "Love and Savagery" was nominated at the WGC Screenwriting Awards for Best Feature for Des Walsh.
- "Playing the Machines" by Barbara Doran was nominated for Best Documentary at the *Yorkton Film Festival.*
- "Cranky" by Henge was nominated for the *Rockie Award for Best Sport Documentary at the Banff World Television Festival.*
- *Crackie* was also selected to screen at the Toronto and Atlantic Film Festival in September as well as our Women's International Festival in October.
- Stephen Dunn's short film *The Hall* also screened in the Shorts Corner at the Cannes International Film Festival as well as the Toronto International Film Festival.

OUTPUTS

Issues Affecting the Newfoundland and Labrador Motion Picture Industry

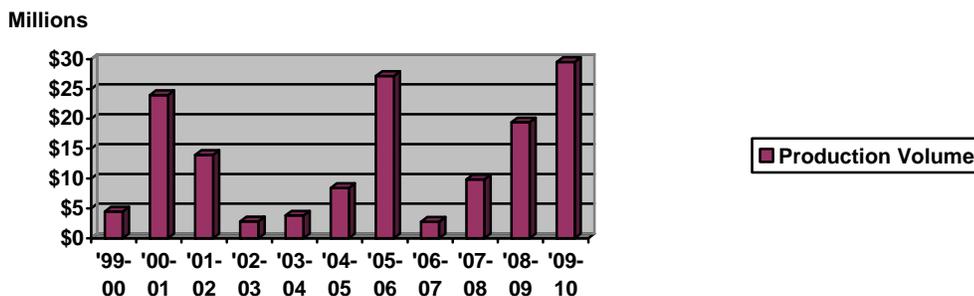
The Canadian motion picture industry, in comparison to traditional resource industries, other cultural industries, and even the film industries of other countries, is unique. The intricacies and challenges of Canadian and world film, television and media production and marketing are ever-changing. These complexities are not unique to our province's film sector. The Canadian industry will continue to undergo realignments in the near- to mid-term, in all provinces and territories, and Newfoundland and Labrador will share in this. The NLFDC believes that with change will come new opportunities.

At present, the main issues the NLFDC and the industry in the province are facing can be summarized as:

- i) Production levels
- ii) Professional development
- iii) Infrastructure

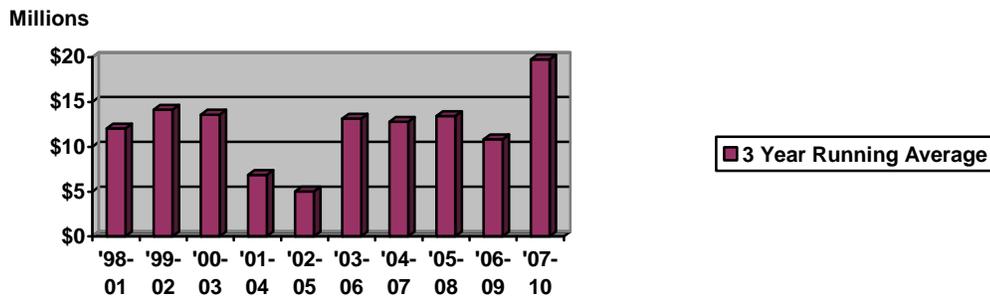
i) Production Levels

Because of the relatively small number of production companies in the province, the industry has not reached a critical mass where all companies are performing development and going into production concurrently. As a result, the nature of the industry in NL has been continued consistent development, with spurts of production. This is evidenced by the following chart:



Coming off a depressed production year in 2006-07, production rebounded in 2007-08 and increased even further in 2009-10.

Because of this, our large NL projects need to be viewed over a three year period – from inception, through development, production, and post-production, and into marketing. On an ongoing basis, different business models are being researched to smooth out production. This is crucial to keep creatives and crew employed and active, which will keep them in the province and in the local industry. Following is a chart which shows production levels when you average the levels over three years:



ii) Professional Development

Nationally and provincially, a large share of resources devoted to the development of filmmakers and crew members is aimed at entry level attraction and training – enticing new people into the field and giving them basic skills. This is unquestionably worthy and important, but at the same time strong efforts must be made to keep bona fide, trained, proven and dedicated professionals in the industry and in the province. They will become tomorrow’s senior filmmakers, administrators and technical personnel, as baby boomers retire, and will ensure that the maximum economic benefits of NL film activity – through their salaries, purchases and taxes – remain in this province.

In referencing our 2008-2011 Business Plan, increased professional development initiatives such as workshops are vital but, of course, the best method of skills development is through real work under the supervision of experts. This is particularly true with large-scale film and television productions – which cannot be emulated by training institutions. One vital tool Newfoundland and Labrador does have, to enhance the professional crew base, is the deeming clause of the tax credit. Under the deeming provision administered by the NLFDC, when outside senior crew train local personnel, a portion of their salaries can become eligible for the tax credit. However, local productions are not able to fully avail of the potential of the tax credit on NL labour because so many of their crew positions have to be filled by non-residents. This makes their offerings to investors and their own businesses even more marginal.

The immediate challenge is that Republic of Doyle: Season II (RODII) would be in production from June until December of 2010, using up the majority local crew, if greenlit. The challenge this creates for established producers is that their larger projects are unable to go into production during this time. Not only does it limit productions to winter shoots, but leaves only six months of the year for production time sought after by multiple established production companies. Although production activity is increasing in the province, we are not at the stage where we can afford to be turning away potential large-scale productions that may arise.

The long-term challenge is developing a secondary crew base so that multiple productions can happen simultaneously and back-to-back so that the health of the industry is not sitting on the shoulders of one production per year. Assessing professional development has been ongoing, but RODII has created a positive crisis. Professional development initiatives such as Film Pro, the Deeming component of the Tax Credit and training facilities like NIFCO are not enough. The

industry is in need of a three to five year plan in order to appropriately address this issue. This larger overall strategic plan would:

- Address the immediate challenge of RODII. This production will be used as a training ground for inexperienced crew to learn from both local and outside crew members by on-set training.
- Identify the gaps in each production department. Once identified, we need to assess which gaps we can appropriately affect with proper training.
- Utilizing current programs at provincial institutions such as Sir Wilfred Grenfell College (SWGC) and College of the North Atlantic (CNA) as a training ground for crew.

In order to address these challenges, a Professional Development Working Group has been put in place to search for outside the box opportunities that will be able to tackle these challenges. The Group consists of the Producers Association of Newfoundland (PAN), the Newfoundland & Labrador Film Development Corporation (NLFDC), NIFCO, Atlantic Studios Coop and local producers.

The group's purpose is to address the immediate and long term challenges outlined above. In the immediate, the group is looking at how to help productions take place in the current year as RODII is ongoing. In the long-term the group aims to create a three to five year plan for developing crew in the industry.

iii) Infrastructure

An issue noted in the previous annual report – concerning the infrastructure of the film industry, with regard to the state of local production companies – continues. There are still fewer production companies than would be optimal, and they are relatively small. It remains an important goal for the local industry to grow production companies so that they have the financial wherewithal to be able to sustain themselves through times of low production (development phases).

Ideally, we would like to continue to encourage the growth of existing production companies, to break a pattern of earlier industry development, whereby one-person entities expanded temporarily during production cycles, then shrank back to micro companies barely able to keep moving forward in non-production periods. A more sustainable model, which we have seen emerge, is one where businesses are better able to retain staff to perform both project development and production more continuously.

It is certainly the case that the Republic of Doyle Season I project has seen the emergence of a new local entity very capable of creating a large scale production, and within it three strong producers who will continue to have a positive impact. The sheer size of this production has also had very positive impacts on infrastructure through the creation of a temporary studio in the St John's region as well as the steady rental of production equipment and post-production facilities, which have been of great benefit to the Atlantic Studios Cooperative and the Newfoundland Independent Filmmakers Cooperative.

Negatively, perhaps, the fact that most seasoned local crew members were steadily working on one project of six months duration, may have had an impact, on the ability of other large productions to potentially occur, though it is not clear that this infrastructure issue in fact prevented any actual big productions in 2009-10.

Despite the great success of the production of the first season of Republic of Doyle, there are also a number of systemic challenges that have continued to impact the national industry, and which in turn have also had their effect on NL production companies in 2009-10. For feature films and movies of the week:

- Economic uncertainty worldwide, has impacted the industry as a whole in 2009-10 with export and national markets remaining flatter and opportunities fewer than in the past; international co-productions in particular have not yet returned to former levels in general in Canada;
- The continued strength of Canadian currency has made international marketing, co-productions, and local guest productions more challenging as well;
- Improved tax credits and other incentives by other Canadian provinces and by American states have made international competition more tight also;
- In the Atlantic region, large scale feature films have remained difficult propositions through Telefilm Canada, which now apparently favors a low-budget feature model.

In television, the following items have been the major systemic challenges of 2009-10:

- The Canadian Television Fund (CTF) governance through its board of directors was restructured and downsized, eliminating the representation of independent producers entirely, in favour of only federal government and cable/satellite industry representatives; the two NL reps on the previous board were lost;
- The federal government later announced that the CTF was being eliminated entirely and replaced by the Canada Media Fund (CMF) which would require television productions to have a second (new media) platform and would also include an “experimental stream” for purely new media productions;
- At year end, the details and impact of the CMF changes were still very unclear, but it was definite that this major overhaul of the federal support system certainly would in the long run have a major effect not only on local production companies but also to some extent on the details of the NLFDC’s own administration of funding as the dust settled;
- The bankruptcy and breakup of the Canwest media empire resulted in the purchase of those television channels by Shaw, furthering the consolidation of Canadian television. This put the fox among the chickens so to speak following the very vocal public relations/funding/regulatory war between broadcasters and cable/satellite providers during the year; this too will no doubt increase the challenges and certainly create industry-wide friction for independent producers in the future. Because of the vertical integration of cable companies such as Shaw which are now also broadcasters and internet providers results in decreased opportunities for independent producers in acquiring broadcast licenses for their projects.

- The revenues, from advertising, of Canadian broadcasters continued to suffer in 2009-10 due to the economic downturn and the continued impact of new media.

Despite these evolving issues, it is nevertheless very much to the advantage of Newfoundland and Labrador to continue to develop the local film and television industry and to compete for its share of the national funding that otherwise would be spent in the same industry but in another jurisdiction. This has been a year of major success for the local industry. Motion picture activity is labour-intensive, well-paid, knowledge-based employment. As has been seen this year with the positive impact of large-scale television series production, the direct economic benefits and the spin-off benefits to other industries especially in the cultural, innovation and tourism sectors are potentially quite lucrative. The positive effect of presenting NL's creativity to the world, while less immediately tangible, also cannot be overstated.

GOALS AND OBJECTIVES

To ensure the continued growth of the film and video industry in this province, the NLFDC has identified four major goals in the 2008-11 business plan in order to achieve our mission and pursue the strategic direction of “Sustainable creative enterprises and cultural industries are developed”. These goals are measured and reviewed annually with our board of directors to be certain that our mandate is being fulfilled. Per the business plan, the goals follow with a written report following on NLFDC performance on each one for 2009-10:

Issue 1:

The following elements of the strategic direction: “Ensure the continued growth of the film industry in NL” and “Administer the equity investment program” are dealt with through Goal 1. In addressing this in fiscal 2009-2010 we are helping advance the strategic direction of Professional and Enterprise development needs.

Goal:

By 2011, the NLFDC will have effectively managed the Equity Investment Fund in order to maximize production and economic spin-off to the Province.

Objective 2010 & Measure:

Objective: By March 31, 2010, the NLFDC will have pursued alternative financial models for production (both indigenous and co-productions) with local producers to maximize the economic benefits to the province.

Measure: Pursued alternative financial models for production (both indigenous and co-productions) with local producers to maximize the economic benefits to the province.

Indicator reporting: Objective 2009-10

Indicators:

- Ensured that our local producers and representatives of the NLFDC are present at national/international markets to foster long-term relationships with national/international production companies.

Discussion of Results

It is important to remember that the Film Industry’s financial structures both nationally and internationally are constantly changing. As a result, the NLFDC must continue to work closely with indigenous producer (NLFDC’s main client) to ensure that we are proactive to these changes as opposed to reactive.

The NLFDC has ensured that our local producers and representatives of the NLFDC are present at national/international markets to foster long-term relationships with national/international production companies through identifying markets that are beneficial for our staff and producers to attend. In fiscal 2009-2010 the NLFDC paid out over 30 sponsorship claims for producers to get to the market place. The venues they attended were events like Cannes Film Festival, Banff Film & Television Festival, Toronto International Film Festival, Atlantic Canada Film Festival, MIPTV, Sundance, Trans Atlantic Partners, Summer Institute of Film Television and various Film Festivals. As a result of these sponsorships there have been potential Inter-provincial Co-productions identified producers have secured broadcast licenses with potential international sales and a NL, Quebec, Irish co-production has been seriously considered between a NL producer and a co-producing partner. Also, potentially a US, NL Co-venture Movie of the Week to be shot on the west coast in the winter.

L.A. Mission

During Fiscal 2009-2010 the planning stage has begun for an L.A Mission (March 2011) which is a facilitated five day visit to L.A. The objective of this mission is to immerse a group of Newfoundland producers, industry advisers and observers, and a group of L.A. producers, industry advisers and observers into the co-production landscape. The aim is to strengthen existing co-production/ co-venture relationships and to develop new business partnerships.

Co-productions are a key component of Newfoundland film and television production. They are a favored method of penetrating new markets and facilitating project financing. Newfoundland and Labrador producers (indeed most Canadian producers) are very active in the co-production area. They promote quality and demonstrate remarkable energy and understanding of markets, making them sought after partners.

The NLFDC recently met with representatives from PAN and the Department of Innovation, Trade and Rural Development (INTRD). INTRD are very interested in supporting this initiative. A trip is planned for April 2010 to meet with the Canadian Consulate as well identifying potential consultants to assist us with this initiative.

New Financial Models

On the national television front, the Canadian television landscape overall is changing, in particular with the transition from the Canadian Television Fund (CTF) to the Canada Media Fund (CMF). It was learned that a new requirement for qualifying television productions would be to have a second distribution platform, e.g. webisodes, mobisodes, etc. In addition there would be a new funding stream for purely interactive, digital media included in this new program (a previous program at Telefilm Canada for new media had ended). Attending the CFTPA Prime Time in Ottawa and the Banff International Television Festival ensures those local producers are up-to-date on the alternative financial models as it relates to television in Canada.

Highlights and Accomplishments

The NLFDC's funding programs are designed to assist and promote the development of the indigenous film and video industry in Newfoundland and Labrador. The eligibility criteria are designed to ensure maximum growth in the province's Film and Video Industry.

With the ever changing financial structures of the Film Industry worldwide the NLFDC has to continue to ensure that their investment through the Equity Investment Program (EIP) maximizes the economic benefit and continued growth of the film industry in the province. This is accomplished by constantly keeping on top of the trends in this industry.

Alternative financial arrangements (other than the traditional Canadian Financial Model) will ensure through the EIP investment another way to continue to leverage money from outside the province and maximize economic benefit to the province.

Amount of \$ invested into the province

For 2009-10, the Equity Investment Program was \$2.0 million, plus an additional one-time investment from the Province into the equity fund of \$1.5 million for the Republic of Doyle project specifically. With recoupment, interest and carry-overs, the total available equity for 2009-10 was \$3,607,842.

Production Activity

The total production activity in the Newfoundland and Labrador film and television industry as relates to the Equity Investment Program was \$29.4 million in 2009-10.

Dollars leveraged into the province

The total Provincial investment in film and television production activity through the equity investment program and tax credits (estimated) in 2009-10 was \$8,301,120. Therefore, \$21.1 million was leveraged into NL in new film specific money in 2009-10. Additionally, it is estimated, based on the formula established in the economic analysis presented in the film industry study released in 2008, that the production activity of \$29.4 in 2009-10 will return a further \$1.6 million to the Province in tax revenue. This reduces the net provincial investment to an estimated to \$6.7 million in 2009-10.

Equity Investment Fund

The NLFDC's Equity Investment Program has been annualized at \$2 million dollars.

Results of new initiatives undertaken:

While the NLFDC will continue to pursue alternative financial arrangements it will also continue to pursue the Canadian financial model to maximize the amount of money leveraged to the province through the Equity Investment Program.

Canadian Television Fund (CTF) changing to the Canada Media Fund (CMF)

The Canadian television landscape overall is changing, in particular with the transition from the Canadian Television Fund (CTF) to the CMF.

Last summer the federal government revealed that changes would be forthcoming next fiscal to the Canadian Television Fund. It is proposed that this will be accomplished by channeling money from broadcasters and cable providers as well as funding from Canadian Heritage, invested in Canadian production. It is an essential component to the financial structures of all major television productions in Canada destined for Canadian networks.

In September 2009 the CTF undertook a series of roundtables across the country to outline the anticipated changes and to hear from stakeholders. It was learned that a new requirement for qualifying television productions would be to have a second distribution platform, eg webisodes, mobisodes, etc. In addition there would be a new funding stream for purely interactive, digital media included in this new program (a previous program at Telefilm Canada for new media had ended).

At that time and up until as recently, the industry's understanding was that the guidelines and details for the new program, which will commence April 1, 2010, would be revealed on or around March 1st. However, in mid February the NLFDC learned from the President of the CTF in national meetings with other provincial funding agencies that the rollout will now occur on or around March 23rd. This timeline will no doubt cause some concern and confusion within the industry as everyone adjusts to this new landscape, but the NLFDC will take the lead in ensuring our producers have the best available information.

In future, depending on the upshot of the new changes, the NLFDC will have to give some consideration to whether its current programming to support television production by NL companies might have to be adjusted to take into consideration the new federal structure.

In the meantime, the local industry is well positioned, as the NLFDC has committed to an equity investment in the Republic of Doyle web project which is producing new web-specific content for the CBC. This project is participating in the CTF's national pilot program for web-only content which was created last year in advance of the new CMF program.

Pre-development Pilot Program (PDPP)

Under current Telefilm Guidelines for Feature Film script development potential applicants are now required to have a treatment or first draft of a script before you can apply for development funding. Determining whether a treatment or first draft of script is required will largely be determined based on the track record of the producer as well as the writer attached to the project. This puts our local producers at a distinct disadvantage to compete with the rest of Atlantic producers for Telefilm development funds. As a result to these changes at Telefilm Canada the NLFDC has established a *Pre-development Pilot Program* which would provide support to producers to pay writers to complete a treatment or a first draft, depending what Telefilm requires. Producers will still require other sources of funding to complete their financial structure.

Looking Forward Fiscal 2010-2011

Objective: By 2011, the NLFDC will have fostered the long term relationships between local producers, co-producers and distributors under this new financial model to ensure continued production activity that will maximize the economic spin-off to the province.

Measure: Fostered the long term relationships between local producers, co-producers and distributors under a new financial model.

Indicator: The NLFDC worked closely with our local producers to actively pursue 3-5 potential co-production/co-ventures under an alternative financial model.

Issue 2:

The element of the strategic direction “Administer the Film and Video Industry Tax Credit” is pursued in Goal 2. In addition, with the deeming provision of the tax credit which allows us to bring in outside talent and include them in the tax credit calculation (if conditions are met). In addressing this in fiscal 2009-2010 we have helped advance the strategic direction of Professional and Enterprise development needs.

Goal:

By 2011, the NLFDC will have effectively managed the Film and Video Industry Tax Credit

Objective 2010 & Measure:

Objective: By March 31, 2010, the NLFDC will ensure training opportunities for local crew through the Deeming Provision within the guidelines of our Tax Credit this in turn will lead to an increased spend in the province

Measure: Ensured training opportunities for local crew are optimized through the Deeming Provision within the guidelines of our Tax Credit this in turn will lead to an increased spend in the province.

Indicator reporting: Objective 2009-10

Indicators:

- Established a sub-committee with the Department of Finance to ensure that the deeming process maximizes training opportunities for local crew.

Discussion of Results

In order for the deeming process to move forward effectively on a timely basis, the NLFDC and the Department of Finance have put in place a Deeming Sub-Committee. The committee includes members from both offices that will hold regularized meetings once a month or as needed. This will be a beneficial process for the NLFDC, Department of Finance and the applicant as it will address any issues relating to deeming before the application is processed, eventually expediting the process of approving deeming requests and finalizing the file. This committee will ensure that the deeming process achieves the goal of effectively training local crew members in order to increase their skill level.

As a result of improving the Deeming component of the tax credit this has led to additional professional development opportunities on projects such as, Grown Up Movie Star and Republic of Doyle (Season 1). As a result this has led to an increased spend in the province.

Highlights and Accomplishments

Improved Efficiency

Through the establishment of the Deeming Sub-committee between the NLFDC and the Department of Finance and open communication lines we are all moving toward a more efficient working relationship.

Deeming Provision

Republic of Doyle (Season I) took up the majority of local production during fiscal 2009-2010. Therefore, there were only a small number of individuals deemed for this year. The mentors and their positions along with the trainees and their positions are as follows:

- 2nd Assistant Camera (mentor: 1st Assistant Camera)
- 2nd Unit Director (mentor: Director)
- 2nd Assistant Director (mentor: 1st Assistant Director)

Updating Application Forms

Discussions have continued with regards to developing new application forms.

Looking Forward Fiscal 2010-2011

Objective: By 2011, the NLFDC will have assessed possible enhancements to the tax credit with the aim of strengthening it so that it remains competitive both nationally and internationally (i.e assessing the introduction of a rural incentive).

Measure: Assessment of possible enhancement to the tax credit

Indicator: Completion of a detailed analysis identifying the enhancements required to the tax credit to ensure that it remains competitive both nationally and internationally.

Issue 3:

Ensuring the continued growth of the film industry in NL and marketing NL locations are critical elements of government's Strategic Direction to "develop sustainable creative enterprises and cultural industries". In fiscal 2009-2010 we focused on those elements, thereby helping to advance the province's Export of Cultural Products.

Goal:

By 2011, the NLFDC will have marketed NLFDC programs and locations nationally and internationally to foster co-production opportunities and attract guest productions to the Province.

Objective 2010 & Measure:

Objective: By March 31, 2010, the NLFDC will take part in a trade mission to Wales to explore co-production opportunities.

Measure: Take part in a trade mission to Wales to explore co-production opportunities.

Indicator Reporting: Objective 2009-10

Indicators:

- Return of the Wales producers to Newfoundland for the completion of the Trade Mission.

Discussion of Results:

Our Objective for 2009-10 was to have a trade mission with Wales. This portion of our objective was achieved earlier than expected. The Wales trip took place from November 25-30, 2008 with 10 local producers participating as well as representative from the NLFDC, PAN and ITRD. In addition, Down to the Dirt was screened there at their film festival which was well received and Mark Bragg performed that night at a reception for film as well as several other venues.

It was intended that the Wales producers would then visit Newfoundland during this year's 20th Women's Film festival in October of 2009. Unfortunately, due to worldwide economic collapse this initiative has been postponed, therefore our objective on the whole was only partially achieved. Creative Business Wales' budget/staff was reduced significantly. We are currently working with PAN and Creative Business Wales to make this happen at a later date. One of our Producers is still working closely with a Wales producer on a potential feature film co-production.

Highlights and Accomplishments

Participation in markets both nationally and internationally is key to promoting Newfoundland and Labrador as a potential location. They provide an opportunity for networking, building market awareness, facilitation of co-productions, promotion of incentives offered by the province, potential locations and information in general about NL. The NLFDC also provides contributions to the local festivals for professional development and to market the industry within the province.

Number of provincial marketing initiatives – 5

- Nickel Independent Film and Video Festival – the NLFDC contributed to this festival financially and co-hosted many workshops to develop crew and talent. For example, Intermediate Screenwriting with veteran film and television writer Noel Baker, a Filmmaking Masterclass with Chris Jones and the ever popular Screenplay Series.
- St. John's International Women's Film & Video Festival – the NLFDC contributed to this festival financially, and co-hosted several workshops to develop crew and talent. Workshops at the 2009 festival included Short Film Frenzy with Sue Biely, The Jan Miller Mini-Pitch Session, Directing Actors Master Class and Advancing Careers and Fiction Projects in Today's Marketplace.
- In order to market the industry within the province, the NLFDC distributes its promotional materials and funding programs information which includes the Production Guide and Annual Film Review to the Chairpersons of the Boards and the Executive Directors of the regional economic development zones in the Province.
- The NLFDC participated in this year's Baccalieu Trail Youth Information Forum in Harbour Grace. The forum provided the Corporation with an opportunity to connect with rurally-based youth -who are making important career decisions - and promoting the exciting professions available within the Film and Television industry.
- West Coast Scout - In October, Chris Bonnell and Paul Pope completed an extensive scout for the production **The Lake** on the West Coast with Los Angeles director, Robert Harmon who has directed several of Tom Selleck's movies. The scout included Deer Lake, Lark Harbour, Corner Brook (including the Sound Stage) and parts of the Northern Peninsula. Mr. Bonnell and Mr. Rowe met again with Mr. Harmon in November in Los Angeles during the American Film Market (AFM).

Number of markets attended nationally - 4

Following are the national events that the NLFDC attended and highlights of the accomplishments at each one:

- Banff World Television Festival – NLFDC along with six local producers attended Banff this year. National meetings took place during this event which included:
 1. Association of Provincial Agencies (APFA)
 2. IBDG – International Business Development Group
 3. The Atlantic Canada Film Partners (ACFP) hosted a hospitality suite which was used for several one-on-one meetings as well as an industry reception. The ACFP hosted a sponsored event after one of the sessions that was well attended.
- Toronto Film Festival (TIFF) - the NLFDC attended national meetings for APFA, the National Tax Credit Committee, and IBDG. Hosted in partnership with INTRD the second annual Newfoundland and Labrador at TIFF which was extremely well attended by national producers, distributors and funders.
- Atlantic Film Festival/Strategic Partners – the NLFDC participated in Strategic Partners and had many meetings with potential coproduction partners. In addition, attended various panels on emerging trends and strategies on how to co-produce with other countries. In addition, the NLFDC partnered with INTRD hosted a reception with Irish producers that were attending Strategic Partners.

- CFTPA's Prime Time event in Ottawa - the NLFDC attended national meetings for APFA, the National Tax Credit Committee and IBDG. Attended various panels on new media and industry statistics. In addition six local producers attended this event.

Number of markets attended internationally - 4

In 2009/10, the NLFDC attended the following international events:

- **AFCI Locations Trade Show in Santa Monica** – Representatives from the NLFDC attended the 24th annual Association of Film Commissioners International (AFCI) sponsored Locations Tradeshow in April at the Santa Monica Civic Auditorium in Santa Monica, CA. The NLFDC had gotten many positive leads from the three-day show and had several outside meetings in LA to follow up on some possible guest productions and co-productions to our province. (i.e. Risa Bramon Garcia/Robert Joy Project, and Christian Kennedy (feature film co-production).
- **Cannes Film Festival** – The Newfoundland (NLFDC) participated in the Canadian Pavilion at Cannes and co-hosted four international receptions. NLFDC also hosted along with several other provinces a reception in partnership with Strategic Partners and the International Producers' Network. There were also several meetings with producers from the US, UK, France and Ireland looking at potential co-productions.
- **American Film Market in Santa Monica** – Representatives from the NLFDC along with three local producers attended this year's AFM. There were several successful meetings and we are currently following up on some serious co-production opportunities. Myself and Dorian Rowe along with four local producers attended this year's AFM. We had several successful meetings with producers and distributors and are currently following up on some very serious co-production opportunities.

In addition, NLFDC co-hosted a Canadian office along with the following provinces:

- Ontario
- British Columbia
- Alberta
- Manitoba
- Saskatchewan

This office was not only a great location for co-production/ co-venture meetings it also provided an excellent venue to promote Newfoundland and Labrador as a location for co-productions.

- **Sundance 2010** - Grown-up Movie Star (GUMS) screened (6 screenings) at this year's Sundance in Park City, Utah, under the international competition section where there were only fourteen films are chosen. This film was extremely well received. Representatives from the Telefilm Canada office in Halifax, a representative from the NLFDC attended along with several GUMS representatives.

This event was not only a great opportunity for co-production/ co-venture meetings it also provided an excellent venue to promote Newfoundland and Labrador as a location for co-productions.

Marketing materials produced

In 2009-10, the NLFDC:

- Continued to distribute the Newfoundland and Labrador Film and Video Industry Production Guide
- Advertised in Playback's Locations Handbook, and P3 Production Update's December and March issues
- Continued to maintain its website.
- Published its annual Film Review
- Responded to various film-related inquiries regarding locations information and information on shooting in NL

Number of Co-productions being discussed 8-12

All of the attendance at national and international markets have resulted in numerous co-productions being discussed and at various stages of development. Currently, there are between 8-12 co-production projects being considered. Keep in mind, that it may be several years between the time to co-production partners meet and a production is green lit. In 2009/10, previous efforts resulted in 3 co-productions being shot in the province. Those were, *The Republic of Doyle*, *Forget It and Growing Up Cold*.

Locations

The NLFDC continues to develop a locations photo library. However, this task can be both difficult and time consuming. Using VisionNet, a professional website service, the NLFDC has begun and continues to develop a locations photo library. With this program, we are able to store locations photos on dedicated servers and send out attractive and personalized website packages to producers looking at Newfoundland and Labrador as a shooting location.

International Business Development Group (IBDG)

In order to make sure the province is marketed appropriately at international events the NLFDC continues to sit on this International Business Development Group with representatives from all financial partners including Telefilm, the Association of Provincial Film Funding Agencies (APFA) and industry partners CFTPA, CTF, and DFAIT. This committee is responsible for overseeing the Canada marketing presence at international events (Cannes Film Festival, MIPCOM, MIPTV and Berlinale).

In fiscal 2009-2010 representatives from the NLFDC along with local producers under the umbrella of IBDG attended Cannes Film Festival in May 2009 and MIPTV in March 2010.

The mandate of the committee is to have a Canadian partnership that will brand and promote Canada internationally in order to raise the profile of Canadian film, television and new media companies in the international marketplace:

- To enhance the presence and profile of Canada at international film and television events
- To raise the awareness of Canada's competitive advantages including tax credits and other financial incentives as well as co-production opportunities and to build strong relationships among Canadian production companies.

Atlantic Canada Film Partners (ACFP)

In December 1999, the Newfoundland and Labrador Film Development Corporation signed a Memorandum of Understanding with its three other Atlantic counterparts and Telefilm to form the Atlantic Canada Film Partners. This initiative provided our local producers access to the global marketplace, not only to market their productions, but also to forge and maintain relationships that eventually lead to co-production opportunities. Atlantic Canada Film Partners also assists emerging producers with market preparedness.

Representatives from the NLFDC attended meetings with the ACFP in June 2009 at the Banff Film Festival and in February 2010 at Primetime to discuss national policies that would have impact on the Film Industry in Atlantic Canada.

The NLFDC continues to sit on this committee, although the international marketing subsidy has finished. The ACFP will continue to explore other funding possibilities for targeted markets (i.e Banff and Locations).

Looking Forward Fiscal 2010-2011

Objective: By 2011, the NLFDC will have worked closely with its indigenous producers to ensure producers get increased access to national and international markets.

Measure: Ensure Producers get increased access to national and international markets

Indicator: The NLFDC provided continued financial assistance to eligible producers to assist in their participation in national and international markets and continued to participate in the International Business Development Group (IBDG) chaired by Telefilm Canada.

Issue 4:

One element of our strategic direction is to “Provide professional development opportunities to the local film industry”. In addressing this in fiscal 2009-2010 we have helped advance the strategic direction of Professional and Enterprise development needs.

Goal:

By 2011, the NLFDC will have implemented initiatives to develop the creative and technical capabilities in the province

Objective 2010 & Measure:

Objective: By March 31, 2010, the NLFDC will have shifted concentration from production office staff to technical production staff and they will have their skills upgraded

by attending workshops given by the NLFDC and we will also give support for those crew members that may attend workshops outside the province as well.

Measure: Shifted focus to technical production staff and they will have their skills upgraded by attending workshops given by the NLFDC and we will also give support for those crew members that may attend workshops outside the province as well.

Indicator reporting: Objective 2009-10

Indicators:

- Held workshops and seminars geared toward training technical production staff.

Discussion of Results:

The NLFDC has met its professional development objective for fiscal 2009-10 by focusing on the upgrading of technical production staff. On set mentoring, complimented with workshops is the best way to learn the necessary skills to become a member of a film crew. Throughout the year, the NLFDC took several initiatives to increase the skill of technical crew in the province.

The NLFDC provided assistance to Lynn Kristmanson to participate in the Women in the Directors Chair (WIDC) work-study program. This program gave Ms. Kristmanson the opportunity to work with an HD Panasonic Variecam. As a camera trainee, she was trained to better understand the duties in the camera department, and how it functions in relation to the other departments.

The production *Grown Up Movie Star*, through the deeming component of the Tax Credit, was able to train Mark O'Neil on the RED camera while working as the 2nd Assistant Camera (AC). As the RED is a new camera, 1st AC, Brent Robinson was brought in from outside the province in order to properly train a local resident. As Mark O'Neil is being fast tracked in to the 1st AC position by International Alliance of Theatrical Stage Employees (IATSE) Local 667, it was an obvious fit for him to be trained on this shoot and increase his skill set as a camera operator.

On Republic of Doyle: Season I the deeming component also helped train 2nd Assistant Camera (AC) Jason Hamel by mentor Eddie McInnis, who is an established 1st AC. Jason was given the opportunity to work directly under Eddie McInnis, one of the most experienced 1st AC in Canada and learned not only 2nd AC related skills, but also skills necessary to eventually become a 1st AC.

In conjunction with the NIFCO Picture Start program, the short film *Cardboard Junction* was given monetary assistance to train four technical production crew members. The following individuals were trained by experienced mentors in each technical position.

- Zoe Dempster, Best Boy Electric (mentor, Robert Petrie)
- Jay Hamel, 1st AC (mentor, Nigel Markham)
- Andrew Best, Best Boy Grip (mentor, Robert Petrie)

- Richard Crane, Boom Operator (mentor, Harvey Hyslop)

Outside of on set training, in partnership with IATSE Local 849, the NLFDC hosted a seminar to provide Fall Protection Training to their members. This training is an integral part to many technical crew members' careers. The workshop enabled crew to grasp the basics of safe work practices by using full body fall arrest harnesses, thus helping to eliminate on set injuries.

Highlights and Accomplishments

Number of workshops performed in the province - 6

- The NLFDC participated in this year's Baccalieu Trail Youth Information Forum in Harbour Grace. The forum provided the Corporation with an opportunity to connect with rurally-based youth -who are making important career decisions - and promoting the exciting professions available within the Film and Television industry.
- In conjunction with the Atlantic Chapter of the Director's Guild of Canada the NLFDC coordinated an Assistant Director Workshop with Jason Shipley and Rob Cotterill in St. John's on May 9th – 10th, 2009. This workshop played a crucial role in addressing one of the province's most apparent skill gaps – 1st and 2nd Assistant Directors. Combining both handout and practically based teaching methods, the instructors taught the participants how to create documents such as schedules and call sheets as well as how to deal with cast and crew.
- In partnership with the International Alliance of Theatrical Stage Employees Local 849, the NLFDC hosted a seminar to provide Fall Protection Training to their members. This training gave participants the ability to recognize when fall protection is required and to grasp the basics of safe work practices. It is important that anyone working at high elevations understand how to properly wear and utilize a full body fall arrest harness and the NLFDC is proud to provide opportunities for crew members to obtain this training in order to help eliminate on set injuries
- In partnership with Marlene Cahill and ACTRA, the NLFDC sponsored an Audition Workshop for local actors. Facilitated by Casting Director Tina Gerussi, this workshop outlined the elements involved in the audition process and explained how the casting process works.
- In conjunction with the St. John's International Women's Film Festival's Films on the Go, the NLFDC coordinated an Animated Documentary Workshop with Montreal based filmmaker Marie-Josée Saint-Pierre in Stephenville, which took place September 17th, 2009. This workshop explored the techniques in creating this emerging art form with one of the countries leading animated documentary filmmakers.
- The NLFDC sponsored a Screenwriting Workshop in Happy Valley – Goose Bay. Again, In partnership with the St. John's International Women's Film Festival's Films on the Go program – this workshop, facilitated by Lois Brown (*Heartless Disappearance in Labrador Seas*), took participants through the alternative writing techniques – from finding ideas from the world around you to developing realistic characters.

Number of new training initiatives undertaken - 6

(These programs require approval each year from all funding partners)

- Provided assistance for Daphne Thomas to participate in an Intermediate level and Advanced Anatomy special effects workshop in Burnaby, BC. Being one of six make-up artists chosen to attend this year's class. While there she had the opportunity to learn techniques such as: Lifecasting, Mould Making, Foam Latex, Actuating effects and Gelatin Prosthetics. As our province currently has no special effects crew, this workshop will serve to fill an obvious gap in the skill base.
- Provided assistance for Lynn Kristmanson to participate in the Women in the Directors Chair (WIDC) work-study program in Banff, Alberta. While there Lynn had the opportunity to work on location and in the studio with an HD Panasonic Variecam and a full professional crew. As a Camera Trainee, she was trained in the duties of a trainee and of the Second to better understand the progression and escalation of duties in the camera department. By being included in conversations between the First Assistant Camera, the Camera Operator, the Director of Photography and the Director Lynn came to understand how the camera department functions in relation to the other departments on set. It has been proven that on set mentoring, like that which Lynn received while in Banff, is the only way to learn the skills necessary to become a skilled member of a film crew. It is our hope that the training she has received will allow her to continue to work in – and strengthen the provinces camera department.
- The NLFDC provided assistance for Wanda Nolan, Elsa Morena & Darcy Fitzpatrick to attend a scriptwriting boot camp in Prince Edward Island. This event is designed for emerging and mid-career writers, offering one-on-one mentoring sessions with industry professionals Alex Epstein and Tom Shoebridge. Through critical analysis discussions, group training, and pitching sessions to broadcasters and regional producers, participants get a chance to develop their original ideas.
- The CFTPA's Atlantic Mentorship program, supported by the three provincial film corporations, and Telefilm Canada, is approaching the start of its third year. This juried program will place candidates with CFTPA member production companies, where they will work side-by-side with experienced producers while in production. The program has been hugely successful this past year. The Industry Analyst worked with the CFTPA to ensure that this year's program followed suit.
- The NLFDC took part in the jury selection process for Picture Start, a NIFCO program sponsored by Telefilm Canada. The Jury chose three projects: Four Sisters (Dana Warren & Wanda Nolan), Cardboard Junction (Jackie Hynes & Kelly Davis), and Snarbled (Brad Gover & Mark Hoffe). Each Project was awarded funding by the Picture Start program, and will now be applying to the NLFDC. We were also able to support each film with a \$2000.00 sponsorship to go towards mentorship to take place during the shoot.
- The NLFDC provided assistance Gail Collins to attend the Inspired Script program at this year's Atlantic Film Festival in Halifax. Inspired Script offers a unique opportunity for four Atlantic Canadian writers to develop their feature film outlines to treatments and pitch them to a panel of industry professionals at the festival. Gail's script was developed into treatments through three intensive weekend workshops with script editor, Noel Baker and world-renowned pitching expert, Jan Miller.

Number of/\$ amount of support provided to develop industry participants

In 2009/10 the NLFDC invested \$50,000 in producer sponsorships to assist with travel, and marketing of products. The NLFDC also invested \$25,000 towards professional development to create workshop opportunities, partnerships and pilot projects to enhance industry skill sets.

Looking Forward Fiscal 2010-2011

Objective: By 2011, the NLFDC will have focused on the development of Post Production Crew. As with the previous years these crew members will be given support to attend training and will be given the opportunity to attend workshops that the NLFDC will facilitate for the growth of their knowledge base and experience.

Measure: Increased development of Post Production Crew

Indicator: Held workshops and seminars geared toward training Post Production Crew while also providing relevant financial assistance for crew to attend outside training opportunities and as well as identifying other potential professional development initiatives on specific productions

MEASURES AND INDICATORS FOR NEXT FISCAL YEAR

The NLFDC is forecasting a strong production year for 2010-11 with many TV and film projects and potential co-productions currently in discussion. Success for 2010-11 will be measured and indicated by:

<i>Measures</i>	<i>Indicators</i>
Fostering the long term relationships between local producers, co-producers and distributors under a new financial model.	The NLFDC will work closely with our local producers to actively pursue 3-5 potential Co-Production/Co-Ventures under an alternative financial model.
Assessment of possible enhancement to the tax credit	Completion of a detailed analysis identifying the enhancements required to the tax credit to ensure that it remains competitive both nationally and internationally.
Ensure Producers get increased access to national and international markets	The NLFDC will provide continued financial assistance to eligible producers to assist in their participation in national and international markets and continue to participate in the international business development group (IBDG) chaired by Telefilm Canada.
Increased development of Post Production Crew	Held workshops and seminars geared toward training Post Production Crew while also providing relevant financial assistance for crew to attend outside training opportunities and as well as identifying other potential professional development initiatives on specific productions

OPPORTUNITIES AND CHALLENGES AHEAD

The film and television industry is constantly evolving and rapidly changing. Below are the opportunities and challenges the NLFDC forecasts it will have to deal with in the future.

Opportunities

- With the emergence of “digital media” and multi-platforms as will be required with the Canada Media Fund (formally the Canadian Television Fund), there is the potential for an industry to develop in the province with government support. The NLFDC hopes to play a role in this.
- Through traveling to various international events, the NLFDC has identified international co-productions/co-ventures as an opportunity worth pursuing. Specifically, Europe (i.e. UK and Ireland) as well as the United States appears to be a market to continue pursuing.
- The continued pursuit of projects outside of traditional funding models in addition to the television series, *The Republic of Doyle* will allow the development of crew through steady production. Hopefully, this will attract young people into the industry and assist in developing the next wave of producers in the province.
- The NLFDC feels that local productions have the potential to provide further economic benefit to the province. For example, encouraging these productions to utilize the facilities at NIFCO and encouraging them to hire local labour.

Challenges

- New digital platforms – online and mobile – are quickly gaining traction with Canadian households; yet, the industry still has no clear sense of how Canadian content will reach audiences over these new digital platforms.
- The weakened economy is impacting the demand for television programming and feature films. It is time for real leadership, ingenuity, and determination in Canada’s film and television production industry, with a balanced approach to policy, regulation, and industry funding, so that the industry can begin rolling again when the economy recovers.
- The immediate challenge is that if *The Republic of Doyle* Season II (RODII) is green lit it will be in production from June until December of 2010, using up the majority local crew. The challenge this creates for established producers is that their larger projects are unable to go into production during this time. Not only does it limit productions to winter shoots, but leaves only six months of the year for production time sought after by multiple established production companies. Although production activity is increasing in the province, we are not at the stage where we can afford to be turning away potential large-scale productions that may arise.
- This also leaves a gap for emerging filmmakers who are doing lower budget productions through either the First Time Filmmakers Course or Picture Start at the Newfoundland Independent Filmmakers Co-Operative (NIFCO). These productions are possible because experienced local crew either work for minimal rates or donate their time. If experienced crew are working full time on a lengthy productions such as RODII, it leaves little room for them to donate time and energy to these smaller productions.

- The long-term challenge is developing a secondary crew base so that multiple productions can happen simultaneously and back-to-back so that the health of the industry is not sitting on the shoulders of one production per year. Assessing professional development has been ongoing, but RODII has created a **positive** crisis. Professional development initiatives such as Film Pro, the Deeming component of the Tax Credit and training facilities like NIFCO are not enough. The industry is in need of a three to five year plan in order to appropriately address this issue, which will be addressed by the NLFDC.
- As the film industry in this province continues to grow industry will be facing further infrastructure issues. For example, warehouse space for a sound stage could be difficult to access should further oil projects be approved, etc.
- It appears as though there will be diminished federal support of cultural industries. Cuts to Federal programs could have a negative impact on the film and television industry in the province.
- Evolution of the industry in Canada is resulting in fewer Canadian distribution companies and fewer Canadian broadcasters due to mergers and economic hardship.
- The strength of the Canadian dollar versus the US dollar continues to plague the industry in Canada.
- The Atlantic Canada Film Partners agreement with ACOA has ended. This has resulted in decreased funding for travel assistance for producers to market their products internationally.

The NLFDC will continue to monitor the industry nationally and internationally in order to pro-actively react to challenges and pursue opportunities as they arise.

FINANCIAL STATEMENTS

Please see attached.

**NEWFOUNDLAND AND LABRADOR
FILM DEVELOPMENT CORPORATION**

Financial Statements

Year Ended March 31, 2010

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION
Index to Financial Statements
Year Ended March 31, 2010

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AUDITORS' REPORT

To the Directors of Newfoundland and Labrador Film Development Corporation

We have audited the statement of financial position of Newfoundland and Labrador Film Development Corporation as at March 31, 2010 and the statements of revenue and expenditures, changes in 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, Newfoundland and Labrador
July 23, 2010


CERTIFIED GENERAL ACCOUNTANTS

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**Statement of Revenue and Expenditures**

Year Ended March 31, 2010

	2010	2009
REVENUE	\$ 700,000	\$ 585,000
EXPENDITURES		
Advertising and promotion	33,552	29,361
Amortization	3,929	4,990
Miscellaneous	4,474	1,491
Office (Note 6)	75,583	87,620
Promotional materials and publications	9,618	10,445
Sponsorships	103,468	62,193
Professional fees	11,077	8,802
Salaries and wages	320,865	316,280
Professional development	17,024	13,391
Travel	88,251	77,047
	667,841	611,620
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	32,159	(26,620)
OTHER INCOME	3,087	14,566
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 35,246	\$ (12,054)

The accompanying notes are an integral part of these financial statements

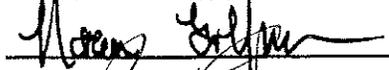
NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Statement of Financial Position

March 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 288,106	\$ 295,768
Receivables	5,479	4,419
Prepaid expenses	9,384	8,517
	302,969	308,704
PROPERTY, PLANT AND EQUIPMENT (Note 3)	7,620	9,816
	\$ 310,589	\$ 318,522
LIABILITIES AND NET ASSETS		
CURRENT		
Payables and accruals	\$ 32,678	\$ 31,780
Current portion of obligations under capital lease (Note 4)	-	375
Payables and accruals - Equity Investment Program	222,711	184,138
	255,389	216,293
NET ASSETS		
Share capital (Note 5)	3	3
Operations fund	23,538	(11,708)
Equity investment	31,659	113,934
	55,200	102,229
	\$ 310,589	\$ 318,522

ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes are an integral part of these financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Statement of Changes in Net Assets

Year Ended March 31, 2010

	Operations Fund	Equity Investment	2010	2009
NET ASSETS - BEGINNING OF YEAR	\$ (11,708)	\$ 113,934	\$ 102,226	\$ 143,149
Excess of receipts over commitments (commitments over receipts) - Equity Investment Program (EIP) - Schedule of Receipts and Commitments	-	(82,275)	(82,275)	(28,869)
Excess of revenue over expenditures	35,246	-	35,246	(12,054)
NET ASSETS - END OF YEAR	\$ 23,538	\$ 31,659	\$ 55,197	\$ 102,226

The accompanying notes are an integral part of these financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Statement of Cash Flows

Year Ended March 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 35,246	\$ (12,054)
Items not affecting cash:		
Amortization of property, plant and equipment	3,929	4,990
Excess of receipts over commitments (commitments over receipts)	(82,275)	(28,869)
	(43,100)	(35,933)
Changes in non-cash working capital:		
Receivables	(1,060)	10,081
Payables and accruals	898	2,643
Prepaid expenses	(867)	(2,841)
Payables and accruals - Equity Investment Program	38,573	(417,799)
	37,544	(407,916)
Cash flow used by operating activities	(5,556)	(443,849)
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(1,731)	(3,759)
Cash flow used by investing activity	(1,731)	(3,759)
FINANCING ACTIVITY		
Repayment of obligations under capital lease	(375)	(2,217)
Cash flow used by financing activity	(375)	(2,217)
DECREASE IN CASH FLOW	(7,662)	(449,825)
Cash - beginning of year	295,768	745,593
CASH - END OF YEAR	\$ 288,106	\$ 295,768
CASH CONSISTS OF:		
Cash	\$ 288,106	\$ 295,768

The accompanying notes are an integral part of these financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2010

1. DESCRIPTION OF BUSINESS

The Corporation is incorporated under the Newfoundland and Labrador Corporations Act. Its primary purpose is to promote the development of, and to stimulate employment and investment in, the Provincial film and video industry by providing financial and other assistance.

The Corporation has been designated by the Province's Finance Minister to administer the Newfoundland and Labrador Film Tax Credit Program, including registration of productions, review of tax credit applications and recommendations to the Department of Finance.

The Corporation is exempt from paying income taxes under Section 149 of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

International Financial Reporting Standards (IFRS)

Newfoundland and Labrador Film Development Corporation prepares its financial statements in accordance with Canadian GAAP as defined by Canada's Accounting Standards Board (AcSB). The AcSB has announced its intention to converge Canadian GAAP with international financial reporting standards (IFRS). Effective April 1, 2011, as a Canadian publicly accountable enterprise, the company will be required to apply IFRS as the basis for financial reporting for interim and year end financial statements. This change is part of a worldwide shift to IFRS intended to facilitate global capital flows and to bring greater clarity and consistency to financial reporting in the global marketplace.

The company is monitoring this conversion process and is in the process of establishing an internal conversion project plan.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives using the following rates and methods:

Computer equipment	45%	declining balance method
Furniture and fixtures	20%	declining balance method

The company regularly reviews its property, plant and equipment to eliminate obsolete items.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2010

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Computer equipment	\$ 44,660	\$ 40,718	\$ 3,942	\$ 7,168
Furniture and fixtures	19,176	15,498	3,678	2,650
	\$ 63,836	\$ 56,216	\$ 7,620	\$ 9,818

4. OBLIGATIONS UNDER CAPITAL LEASE

	2010	2009
CIT Financial Services - Lease repayable in 36 monthly installments of \$188. Repaid during the year.	\$ -	\$ 375
Amounts payable within one year	-	(375)
	\$ -	\$ -

5. SHARE CAPITAL

Authorized:

600 Common voting shares of no par value

	2010	2009
Issued:		
600 Common shares	\$ 3	\$ 3

6. Office

Office expense consists of the following:

	2010	2009
Banking fees Funding	\$ 46	\$ 53
Banking fees Operating	283	771
Board meeting expense	6,799	5,235
Business tax	2,091	2,174
Communications	14,488	14,156
Computer maintenance	1,238	639
Meeting Supplies	2,605	2,690
Office Equipment	5,190	4,488
Office Supplies	4,572	5,340
Other	-	9,225
Postage	816	3,389
Printing	1,410	1,419
Rent and maintenance	30,848	32,155
Travel	5,194	5,885
	\$ 75,580	\$ 87,619

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2010****7. EQUITY INVESTMENTS**

Production assistance in the form of equity investment is provided to eligible producers for the financing of productions that will provide employment and economic benefits to Newfoundland and Labrador. Equity investments are made with the condition of repayment through participation in revenue generated by projects. Revenue is recorded as Recoupment as received.

Based on the Corporation's low Recoupment rate, an allowance has been set up to write-off the cumulative equity investment, net of Recoupment.

	2010	2009
Equity Investment	\$ 16,002,723	\$ 12,831,911
Allowance against Equity Investment	(15,797,731)	(12,628,601)
Recoupment - Equity Investment	(204,992)	(203,310)
	\$ -	\$ -

8. PROJECT DEVELOPMENT LOANS

The Corporation provides loans to qualified applicants to support the process of film and video development that takes an idea through the stages of research, writing, market analysis and budget development. This work must precede the completion of production financing arrangements. Support for the development of a project does not necessarily imply support for a production.

Project development loans are interest free and are to be repaid on the earlier of the first day of principal photography or on the optioning, sale, or transfer of the property to a third party.

An allowance has been set up to write-off the cumulative amount of these development loans.

	2010	2009
Development Loans	\$ 2,484,950	\$ 2,259,147
Allowance against development loans	(2,484,950)	(2,259,147)
	\$ -	\$ -

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2010

9. COMMITMENTS

The Corporation entered into a three-year rental agreement with Imperial House Inc. commencing June 1, 2009. The monthly lease commitment is \$2,260 in year one, \$2,320 in year two and \$2,380 in year three.

Because of the lead times required to obtain all the resources necessary to complete film and video productions the corporation approves applications for funding which will, on occasion, result in program disbursements in subsequent fiscal periods, pending availability of funds.

As at March 31, 2010, the Corporation was contractually committed to advance funds totaling \$96,038 from the Equity Investment Program as investments and loans in respect of current and future projects subject to the availability of funds in subsequent years and other terms and conditions outlined in the funding agreements.

	2010
Henge Production and Consulting Ltd. - Hello Mr. Tucker, RU My Father?	\$ 8,135
MF Productions Inc. - Mickey's Farm (Season II)	250,000
Morag Loves Company Limited - Love & Savagery Additional	187,000
Odd Sock Films - The Mad & the Bad	5,313
Pope Productions - Ladies Lookout	26,319
Republic Season I Inc. - Republic of Doyle Webisodes	103,046
Rink Rat Productions - Christmas Furey	14,071
Rink Rat Productions - Maudie (Phase III)	17,000
TooTon Films - Monchy Nine	25,200
	<hr/>
	\$ 636,084

10. ECONOMIC DEPENDENCE

The Corporation is economically dependant on the Provincial government for annual funding.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

12. FINANCIAL INSTRUMENTS

Fair Value

The corporation reports carrying value of cash and cash equivalents, accounts receivable, and accounts payable which approximates its fair value due to the immediate or short term maturity of these instruments.

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION
Schedule of Receipts and Commitments - Equity Investment Program
(Schedule 1)
Year Ended March 31, 2010

	2010	2009
Receipts		
Province of Newfoundland and Labrador Funding	\$ 3,500,000	\$ 1,750,000
Recoupment	1,682	152,726
Interest Earned	3,194	12,688
Bank charges	(53)	-
Subtotal	3,504,823	1,915,414
Funding which has lapsed		
Fire Crown Productions Inc. - Poets Blazing the Land	-	6,600
	\$ 3,504,823	\$ 1,922,014
Current year commitments		
Away Films Inc. - Ten Days	\$ -	\$ 8,800
Best Boy Productions Inc. - A Little Problem with Murder (Phase II)	-	6,217
Best Boy Productions Inc. - Gamblers Never Dire	-	5,208
Best Boy Productions Inc. - A Little Problem with Murder (Phase III)	14,149	5,000
Best Boy Productions Inc. - Eve Kelly's Great Big All In Adventure	12,012	-
Blue Pinion Films Inc. - Sweet Pickle	-	16,990
Crackie Productions Inc. - Crackie	12,000	-
Edge of the Earth Productions Inc. - The Wessex Connection	-	12,700
Elemental Pictures Inc. - Quiet at Dawn	-	20,151
Factory Lane Productions Inc. - Restoration Race	-	4,158
Edge of the Earth Productions - Clickedy Clack	4,950	-
Factory Lane Productions Inc. - Shaun's Green Dream	-	3,630
Fire Crown Productions Inc. - Poets Blazing the Land	6,600	-
Fire Crown Productions Inc. - Sights Before Christmas (Phase II)	-	4,950
From Here Productions Inc. - Weigh In	-	11,400
Futuristic Films Ltd. - Screammers 2	-	250,000
Get Set Films Inc. - Little Summer Forever	-	4,000
Get Set for Films Inc. - Little Summer Forever (phase II)	6,699	-
Get Set Films Inc. - Man of A Thousand Songs	-	60,000
Get Set for Films Inc. - Eleanor	3,465	-
HD Productions Inc. - The Horse	132,000	132,000
Henge Productions and Consulting Ltd. - Cranky	-	13,035
Henge Productions and Consulting Ltd. - Where's My Goat?	91,228	12,262
Kickham East Productions Inc. - Crackie	-	212,000
Kickham East Productions Inc. - Dry Swallow	-	10,585
Kickham East Productions Inc. - Friendship (Phase III)	13,398	-
Mad Mummer Productions Inc. - Snarbuckled	21,465	-
Media Connections Inc. - The Real Matriarch	-	19,700
Media Connections Inc. - Vocation	9,100	-
MF Productions Inc. - Mickey	182,000	182,000
MF Productions Inc. - Mickey (Season II)	250,000	-
Morag Loves Company Limited - Karma Chameleon	-	11,759
Morag Loves Cold Inc. - Growing Up Cold	88,499	-
Morag Loves Company Limited - Marg The Movie	-	22,146
Morag Loves Company Limited - Project Restoration	18,000	-
Morag Loves Forget It Inc. - Forget It!	93,985	-
Morag Loves Love and Savagery Inc. - Love and Savagery	-	475,000

The accompanying notes are an integral part of these financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Morag Loves Rowdy Inc. - Not so Rowdy	133,133	10,000
More Life Films Inc. - Death Bound	28,000	-
Movie Star Productions Inc. - Grown Up Movie Star	225,000	-
Newfound Films - Heartless Disappearance into Labrador Seas	-	5,940
Newfound Films Inc. - The King Hunt (Phase II)	-	10,000
Newfound Films Inc. - Three Dogs Barking	-	2,500
Old Sock Films Inc. - Mum's the Word	-	13,824
Olympic Program	7,500	-
Pearl Productions Inc. - Colony of Unrequited Dreams	-	11,400
Pearl Productions Inc. - Relative happiness	6,000	-
Pope Productions Inc. - Cannibal Kill	10,000	-
Pope Productions Inc. - Come Thou Tortoise	10,000	-
Pope Productions Inc. - Newfoundland Beatdown (Phase II)	6,555	-
Pope Productions Inc. - Fortune Harbour	-	9,900
Pope Productions Inc. - To Have and to Hold	-	17,452
Republic of Doyle Pilot Productions Inc. - Republic of Doyle	-	254,661
Republic Season 1 Inc. - Republic of Doyle - Season 1	1,500,000	-
Rink Rat Productions Inc. - Don't Ask	-	6,392
Rink Rat Productions Inc. - Maudie (Phase II)	-	11,824
Rink Rat Productions Inc. - Risk	-	10,064
Rink Rat Productions Inc. - Searching for Peter Kerrivan	11,471	-
Rock Island Productions Inc. - Hold Fast	19,381	-
Rock Island Productions Inc. - An Audience of Chairs Phase II	-	5,347
Same Haircut Productions Inc. - Four Sisters	20,835	-
Skinny Dip Inc. - The Skinny Dip - Series	240,000	-
Soccer Shrines Inc. - Soccer Shrines	350,000	-
Springwater Productions Inc. - Breaking Ground III	-	33,450
Springwater Productions Inc. - In For a Penny - Reflections on Confederation with Canada	-	7,593
Springwater Productions Inc. - Sixty Reasons	12,907	-
Springwater Productions Inc. - Vokey's Boat is Painted Green	11,266	-
Stonefree Productions Ltd. - Figgy Duff Reunion	-	15,065
Take Hold Films Inc. - Exit Zero	-	4,950
Tooton Films Inc. - Tooton's: A History of Photography in Newfoundland	-	16,830
Tooton Films Inc. - Tooton's: A History of Photography in Newfoundland (Phase II)	16,500	-
VanGO Productions Inc. - Cardboard Junction	19,000	-
	\$ 3,587,098	\$ 1,950,883
Excess of receipts over commitments (commitments over receipts)	\$ (82,275)	\$ (28,869)
Opening Balance	113,934	142,803
	\$ 31,659	\$ 113,934

The accompanying notes are an integral part of these financial statements