

NOV 18 2011

Mr. William MacKenzie
Clerk of the House of Assembly
Main Floor, Confed. Bldg., East Block

Dear Mr. MacKenzie:

RE: 2010-11 ANNUAL REPORT

It is my pleasure to provide ten copies of the 2010-2011 Annual Report for the Newfoundland and Labrador Film Development Corporation for tabling in the House of Assembly. An electronic copy has also been provided as required.

Sincerely,



DERRICK DALLEY, M.H.A.
The Isles of Notre Dame
Minister

Attachment

c: Ms. Kimberly Puddister, House of Assembly
Mr. Andy Fowler, House of Assembly
Mr. Wanda Mazerolle, Transparency and Accountability Office



ANNUAL REPORT FOR:

2010-11

Prepared by:

**NLFDC
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St. John's, NL, A1C 3K3**

**Newfoundland and Labrador Film Development Corporation
Annual Report 2010-11**

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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 2010-11 Annual Report to the Government of Newfoundland and Labrador. As a crown corporation, 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 of the NLFDC is accountable for the preparation of the 2010-11 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 period of many notable achievements. In 2010-11, the province reached approximately \$33.7 million in annual total production activity, the highest level in our history. Season II of *The Republic of Doyle*, a dramatic television series of 13 one-hour episodes, was highly successful with an average of over 1,000,000 viewers per episode, and the show has been renewed for a third season.

Two Newfoundland and Labrador feature films recently released to critical acclaim were *Crackie* (screened at the prestigious Cannes and Toronto film festivals) and *Grown Up Movie Star* (the first-ever Atlantic Canadian feature in the international competition at the world-renowned Sundance Film Festival). Tatiana Maslany of the CBC television show *Heartland* appeared in *Grown Up Movie Star* as Ruby, a role which earned the actor a special jury breakout role award at the 2010 Sundance Film Festival. At the 2011 Genie Awards, together these two feature films received five nominations.

Children's and real-life television has flourished through series such as *Mickey* (Season III) and the new series *Pet ER*, and our proud tradition of documentaries and short films has continued. The Newfoundland Independent Filmmakers Cooperative (NIFCO) is thriving as a high-tech post-production and training facility. The St John's International Women's Film Festival celebrated its 21st anniversary, and the Nickel Independent Festival celebrated its 10th anniversary.

Based on a formula from the most recent economic analysis, our 2010-11 production activity of \$33.7 million created more than 440 direct, indirect and induced fulltime employment equivalencies (FTEs). By the end of this year, the Government of Newfoundland and Labrador had invested an estimated total of \$40.8 million (including tax credits) into motion picture production, creating a total of \$188 million in total production activity, since the inception of the NLFDC. This means that the provincial government's investments have now leveraged over \$147.2 million into the province. This resulted in more than 2400 direct, indirect and induced FTEs resulting from production activity.

2010-11 was not without its challenges. Increased production activity requires an increased focus on capacity building especially in the areas of crew strength and infrastructure, as well as meeting the increased demand on the Equity Investment Program and the Film and Video Tax Credit. The landscape for feature film production continues to change worldwide. Also, the national context for television production has dramatically altered, particularly with the federal government's change-over from the Canadian Television Fund to the Canada Media Fund effective April 1, 2010 and the now compulsory requirement for a second platform (new content, i.e. webisodes, interactive websites, etc.) in addition to television.

We are pleased and encouraged by Government's continuing support of the corporation and stress the importance of maintaining the current levels of funding to ensure that the NLFDC remain competitive in the national and international marketplace.



Paul Lannon
Chair, Board of Directors (NLFDC)

Company Overview

The Government of Newfoundland and Labrador announced the establishment of the Newfoundland and Labrador Film Development Corporation in February 1997 and the appointment of the Board of Directors of the Corporation in March 1997. The first Executive Director of the Corporation was appointed in October 1997, and the following month the offices of the Corporation opened.

The NLFDC's mandate is to foster and promote the development and growth of the film and video industry in Newfoundland and Labrador, and to increase the national and international visibility of Newfoundland and Labrador as a location for film and television production. This mandate is achieved by pursuing several key objectives, which are:

- To support, assist and develop the growth of the private sector film and video industry using sound business principles in the areas of funding, marketing, promotion and infrastructure development
- To promote the province within the worldwide film and video industry as a location for film, video, television and commercial productions
- To serve as a focal point of liaison between industry and all levels and sectors of government in support of industry development
- To ensure that appropriate pools of investment and equity capital are available to assist in the growth of the indigenous industry.

The Corporation has a six-member board of directors that meet on a quarterly basis. Five are voting members, while the remaining one is a non-voting ex-officio member from the Department of Tourism, Culture and Recreation.

In the 2010-11 fiscal year, the NLFDC had an Operating/Marketing budget of \$710,000 and a \$2,000,000 budget for use in the Equity Investment Program.

Lines of Business

The NLFDC pursues five lines of business. The two most significant are the Equity Investment Program (EIP) and the Newfoundland and Labrador Film and Video Tax Credit.

The EIP is a financial contribution to eligible Newfoundland and Labrador film or television projects, 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 Newfoundland and Labrador Film and Video Tax Credit Program 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 is the Sponsorship Program providing qualified individuals and organizations with funding assistance to enable 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 markets the local industry and the province as an on-site location nationally and internationally to improve the industry's ability to attract productions and solicit business.

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

Its office is located at:
Newfoundland and Labrador Film Development Corporation
12 King's Bridge Road
St. John's, NL, A1C 3K3

Vision

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

The NLFDC envisions the Newfoundland and 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 and Labrador because a professional, experienced crew would be on location. Hand in hand with the growth of the crew base, the NLFDC would like to see thriving production companies that are better able to sustain themselves between larger productions. 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 ensured the continued development of the film industry in Newfoundland and Labrador by working with producers, fellow provincial organizations, and 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 are implemented to develop creative and technical capabilities

This mission is the focus for the NLFDC as it addresses the strategic direction of developing sustainable creative enterprises and cultural industries, as provided by Government.

Shared Commitments

The NLFDC continued to work with the Department of Tourism, Culture and Recreation (TCR) to set priority actions and to ensure connectivity to larger government programs. Through this collaboration, which includes the Department of TCR sitting on the NLFDC board, departmental and NLFDC funding programs are aligned to identify opportunities to educate stakeholders and champions of the film industry.

The NLFDC also continued to work with the Department of Finance concerning tax credits to ensure these credits are efficient and competitive. The NLFDC continues to sit on the National Tax Credit Committee to keep abreast of national developments and policies. The NLFDC also works with the Producers Association of Newfoundland and Labrador, the Newfoundland Independent Filmmakers Co-Operative (NIFCO), the Atlantic Canada Opportunity Agency (ACOA) and the Department of Innovation, Business and Rural Development (IBRD) on key aspects of industry development, marketing and support.

The NLFDC continued to participate in the International Business Development Group (IBDG) chaired by Telefilm Canada which includes representatives from all financial partners including Telefilm, the Association of Provincial Film Funding Agencies (APFA) and industry partners Canadian Media Producers Association (CMPA), the Canadian Media Fund (CMF) and Foreign Affairs and International Trade Canada. This committee is responsible for overseeing the Canada marketing presence at international events.

The NLFDC is also a member of the Association of Film Commissioners International (AFCI) which assists film commissioners to promote their incentives and locations, and allows the NLFDC to keep abreast of developments on incentives in the US and internationally. With the Atlantic Canada Film Partners (ACFP), NLFDC undertakes joint industry initiatives and events attended by producers, broadcasters, distributors and funders. Through the Atlantic Film Festival/Strategic Partners, the NLFDC participates in many meetings with potential co-production partners and attends various panels on emerging trends and strategies on international co-production financing.

The NLFDC also facilitated workshops and other professional development and training initiatives in partnership with industry organizations such as the International Alliance of Theatrical Stage Employees (IATSE), the St. John's International Women's Film Festival, the Nickel Independent Film Festival, Film Producers Association of Newfoundland (PAN), the Grenfell Campus of Memorial University of Newfoundland and the College of the North Atlantic (CNA) Film and Video program in Stephenville.

Highlights and Accomplishments

Background

Since 1997 when the NLFDC was established, the new environment in Newfoundland and Labrador 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 \$33.75 million in 2010-11, 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 create large productions such as Republic of Doyle.

By the end of fiscal year 2010-11, the NLFDC had invested a total of \$40.8 million (including tax credits) into motion picture production activity since its inception. This support leveraged \$147.2 million in outside investment, for a total of \$188 million in production activity since the NLFDC was created.

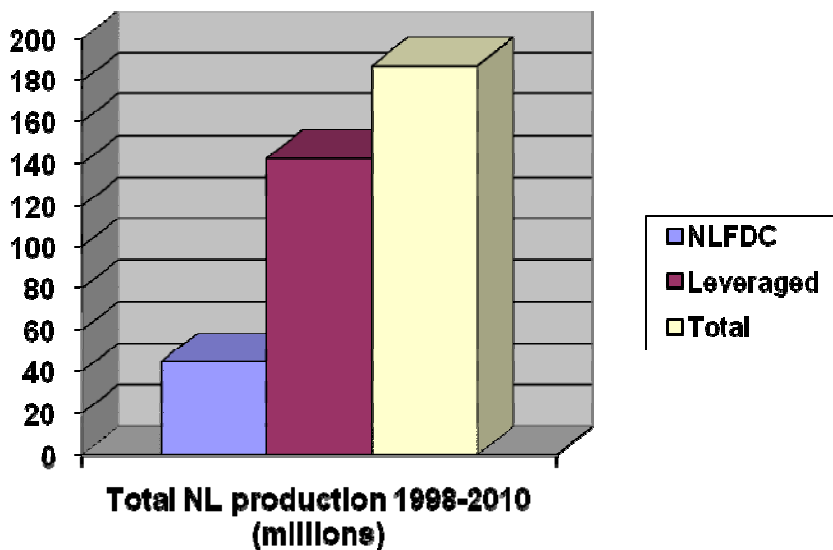


Chart - Outside Funding Leveraged by NLFDC

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

Employment Creation and Economic Benefit

It is clear that real employment growth in well-paid, skilled and creative jobs is the result of an active NL film industry.

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 2010-11 production activity of \$33.7 million created more than 440 FTEs, direct, indirect, and induced. Furthermore, a production activity total of \$188 million since 1998 means more than 2400 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 \$33.7 million in 2010-11, the tax revenue to the Province would reach an estimated \$1.2 million, direct, indirect and induced. This tax revenue to the Province reduces its net investment. The Provincial investment of \$6.7 million in equity and tax credits (estimated), actually has an ultimate net cost of approximately \$5.5 million. Therefore, of the total \$33.7 million in production activity in 2010-11, over \$28 million was new money leveraged into NL by the Province's investment through the NLFDC.

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. Significant large scale production has happened outside St. John's, to the benefit of several regions of the province.

2010-11

In 2010-11, there were 15 film and television projects produced in the province by local producers with NLFDC investment:

2010-11 Films and Documentaries	
	Cardboard Junction
	Clipper Gold
	Kathy
	Meters
	Monchy Nine
	Not Over Easy
	Don Jamieson: Just Himself
	Regarding our Father
2010-11 Television Projects	
	Republic of Doyle Season II
	Mickey's Farm (Season III)
	Republic of Doyle Webisodes
	Tapestry French Shore
	The Energy Show
	Pet ER
	Majumder Manor

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 (with Quebec) discussing the benefits of co-producing in Newfoundland. This has led to two possible international/ inter-provincial co-productions with local production companies Morag Loves Company and Rink Rat Productions.
- This year's Banff World Media Festival proved very successful for Best Boy Entertainment which had an exhibit booth. This ultimately resulted in two of their television series being renewed.

As well, the NLFDC partnered 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. At these events, there were also several meetings with producers from the US, UK, France and Ireland looking at potential co-productions.

The Republic of Doyle

The Republic of Doyle Season II is a \$22 million television series (13 episodes) developed and produced through the CBC, the NLFDC and Take the Shot Productions of St. John's.

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."

Season II of *The Republic of Doyle* was highly successful with an average of over 1,000,000 viewers per episode, and the show has been renewed for a third season. This is the biggest film and television production in Newfoundland and Labrador's history.

- The production of Series III of *Republic of Doyle* will not only continue the biggest production in our history, but will also realize the longest sustained period of high production volume, since the inception of the NLFDC.
- On a season of production of Republic of Doyle, the full time jobs created in Newfoundland and Labrador will be approximately 110, with 90% of those jobs paying over \$25/hour, and with some of the jobs earning over \$100/hour. The future potential for the film/television industry is very much enhanced by the skills and capacity developed through a production of this magnitude.

American Film Market (AFM) Santa Monica, November 2010

The Executive Director and Manager of Programs along with four local producers attended this year's AFM. They had several successful meetings with international producers and distributors and are currently following up on some very serious co-production opportunities.

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

- Ontario
- British Columbia
- Alberta
- Manitoba
- Saskatchewan

This Canadian partnership office was an excellent venue to promote Newfoundland and Labrador as a possible location for co-productions and was a very useful location for co-production/co-venture meetings.

Other highlights in the industry for 2010-11

- Stephen Dunn's short film *Swallowed* also screened in the Shorts Corner at the Cannes International Film Festival.
- *Cranky* by Henge Productions was nominated for a Rockie Award for Best Sport Documentary at the Banff World Media Festival.
- Two Newfoundland and Labrador feature films recently released to critical acclaim were *Crackie* (screened at the prestigious Cannes and Toronto film festivals) and *Grown Up Movie Star* (the first-ever Atlantic Canadian feature in the international competition at the world-renowned Sundance Film Festival).
- Tatiana Maslany, of the CBC television show *Heartland*, appeared in *Grown Up Movie Star* as Ruby, a role which earned the actor a special jury breakout role award at the 2010 Sundance Film Festival.
- At the 2011 Genie Awards for Canadian films, *Crackie* and *Grown Up Movie Star* received five nominations.
- Children's and reality television has flourished through series such as *Mickey* (Season III) and the new series *Pet ER*, and our proud tradition of documentaries and short films has continued.
- The Newfoundland Independent Filmmakers Cooperative (NIFCO) is thriving as a high-tech post-production and training facility. It undertook several new initiatives to enhance the post-production capacity of the province in 2010-11.
- The St John's International Women's Film Festival celebrated its 21st anniversary, and the Nickel Independent Festival celebrated its 10th anniversary.
- There were several Gemini Award nominations for *Republic of Doyle*, including: Allan Hawco, Rob Blackie and John Vatcher for "Best Dramatic Series" and Allan Hawco for "Best Performance by an Actor in a Continuing Leading Dramatic Role."

Report on Performance

Mission

The Board of Directors of the NLFDC believes that in order to satisfy the mandate and achieve its vision, by 2011, the NLFDC will have ensured the continued development of the film industry in NL by working with producers, fellow provincial organizations, and 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

These items are the focus for the NLFDC as it addresses the strategic direction of sustainable creative enterprises and cultural industries development as provided by Government.

Indicator 1: The Equity Investment Program (EIP) has been effectively managed

The film development corporation's mission between 2006-11 to ensure the continued growth of the industry in the province, as relates to the particular goal of effectively managing the equity investment fund, while challenging, has ultimately been very successful.

By definition, equity investments in projects by the NLFDC are made if production companies have solid buyer interest in their projects in the marketplace. Throughout the 2006-11 period, the NLFDC has monitored and adapted to rapidly changing conditions in the Canadian and international media landscape, and this has naturally affected each year how the equity fund has been specifically utilized.

The beginning of the period saw a dip in production activity volume from a previous all-time peak in the 2004-05, 2005-06 period. Film and television is an export industry: every single major project shot in Newfoundland and Labrador or created by local companies requires a majority of its investment to come from outside of the province. Among other factors – including the cyclical nature of the industry in general – this decrease in industry volume in the early years of the 2006-11 mission was largely due to a fundamental mandate shift at the Canadian Broadcasting Corporation, an agency of the Government of Canada. As well, a number of other major factors combined to create uncertainty nationally in the early years of the 2006-11 mission. These included: the rapidly increased valuation of Canadian currency, the transformation of traditional media by new media, the realignment of Telefilm Canada, the end of the Canadian Television Fund and then the creation of the Canadian Media Fund, and several major strikes.

However, by the latter years of the 2006-11 mission, the Newfoundland and Labrador film and television production industry had rebounded to achieve back to back record years of production activity. The

equity investment fund has been fully availed of, and both in feature films and television, the projects of local production companies have never been more recognizable or successful.

Indicator 2: The Film and Video Industry Tax Credit has been effectively managed

The NLFDC has effectively managed the Film and Video Industry Tax Credit from 2006-11. Key developments include the advocacy by the NLFDC of a “clock” system to the Department of Finance, in order to be able in each case to see where the application process may be being held up. This system allows stakeholders to be able to have a more streamlined and efficient process. In addition, the NLFDC continues to work to ensure that the Newfoundland and Labrador tax credit remains competitive as a tool to attract production to the province. The NLFDC continues to sit on the National Tax Credit Committee to keep abreast of national developments and policies. The NLFDC is also a member of the Association of Film Commissioners International (AFCI), which allows it to be up to date about what other international shooting locations are providing as financial incentives to the industry.

The deeming clause of the tax credit is a vital tool to maximize the number of NL workers on film projects and also to enhance their on-the-job training opportunities. 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, and holds regular meetings, the timing of which depends on the volume of applications. This will be a beneficial process for the NLFDC, Department of Finance and the applicants as it will address any issues relating to deeming before the application is processed. This committee will help ensure that the deeming process continues to achieve the goal of effectively training local crew members.

Indicator 3: NLFDC programs and Locations have been marketed Nationally and Internationally

The NLFDC has attended and promoted its programs and locations nationally and internationally at over 50 events during the 2006-2011 period. Participation in these markets is vital to promoting Newfoundland and Labrador as a potential location. They provide an opportunity for: networking, building market awareness, facilitating co-productions, and promoting the incentives and locations available in the province. The NLFDC also provides contributions to the local festivals for professional development and to market the industry both within the province and to visiting filmmakers and delegates.

Indicator 4: Initiatives implemented to develop creative and technical capabilities

There have been numerous initiatives that have taken place from 2006-2011, through which the NLFDC has been able to develop the creative and technical capabilities in the province. The NLFDC has held numerous workshops which increase the skill sets of both the creative and technical industry participants at all skill levels. The NLFDC continually partners with other organizations such as, but not limited to, the Producers Association of Newfoundland (PAN), the International Alliance of Theatrical Stage Employees (IATSE) and the Newfoundland Independent Filmmakers Cooperative (NIFCO) to help make these workshops available provincially. By steadily increasing on-set training initiatives for local crew through the use of our Sponsorship Program and Professional Development Program, the NLFDC

helps increase the skill set of industry participants, therefore developing a stable crew base in the province.

To ensure the continued growth of the film and video industry in this province, the NLFDC has identified four major issues/goals in its 2008-11 Business Plan. These goals have been identified in order to achieve our mission and pursue the Government's strategic direction of sustainable creative enterprises and the development of cultural industries. 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 below, with a written report following on NLFDC performance on each one for 2010-11:

Issue 1:

The following elements of the strategic direction, to "ensure the continued growth of the film industry in NL" and "administer the equity investment program" have been adhered to through Issue 1. In addressing this issue in fiscal 2010-11, the NLFDC is helping to 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 and Measure 2010-11:

Objective: By 2011, the NLFDC will have fostered the long-term relationships between local producers, co-producers and distributors under an alternative 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 Reporting: Objective 2010-11

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

Discussion of Results:

By providing financial assistance to local producers to attend national and international markets, the NLFDC has ensured that our local producers and representatives of the NLFDC are present at national/international markets to foster these long-term relationships.

The NLFDC has worked closely this year with three of our local producers on three potential co-production/co-venture feature films with alternative financial models:

1. **The Grand Seduction** is an inter-provincial (Newfoundland and Quebec) and international (Ireland) co-production, with the possibility of a US executive producer/distributor (co-venture).
2. **Maudie** is an inter-provincial (Newfoundland and Ontario) co-production with the possibility of a US executive producer.
3. **A Little Problem With Murder** is also an inter-provincial (Newfoundland and Ontario) co-production and possibly a US co-venture (executive producer).

On the national television front, the Canadian television landscape overall has changed, in particular with the transition from the Canadian Television Fund (CTF) to the Canada Media Fund (CMF), as well as through the impact of private broadcaster ownership changes and media sector consolidation. Through the creation of the CMF, a new requirement for qualifying television productions is to have a second distribution platform, e.g. webisodes, mobisodes, etc. In addition there is 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 CFTPA Prime Time in Ottawa and the Banff International Television Festival ensures that the corporation and local producers are up-to-date on these alternative financial models for independent television producers in Canada.

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 and television industry nationally and worldwide, the NLFDC has to continue to ensure that its support 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 EIP investment, another way to continue to leverage money from outside the province and to maximize economic benefit to Newfoundland and Labrador.

Accomplishments:

Amount Invested

In 2010-11, the Equity Investment Program fund amount received from the Province was \$2 million. In addition, there was an equity investment from the Province specifically for Republic of Doyle Season II, as well as carry-overs from 2009-10, recoupment received, and interest earned, for a total of \$3.557 million.

Of this, \$349,116 was invested as development loans (10%), and \$3,196,301 (90%) was invested as project equity. The percentage committed in equity is somewhat higher than the previous year due to the specific investment in one large project, and does not represent a change in the overall trend, but does reflect the overall increase in the volume in production activity, with the resulting positive effects on job creation and economic activity generally.

Development loans annually have in total averaged between \$300,000 and \$350,000, and this remained consistent. This is a range the NLFDC believes is on target for future healthy industry volume.

Production Activity

The total production activity in the Newfoundland and Labrador film and television industry as relates to the Equity Investment Program was \$33.75 million in 2010-11. This is the highest one-year total since the inception of the film development corporation.

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 2010-11 was \$6.7 million. Therefore, \$27 million was leveraged into NL in new film specific money in 2010-11. 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 \$33.7 million in 2010-11 will return a further \$1.2 million to the Province in tax revenue. This reduces the net Provincial investment to an estimated to \$5.5 million in 2010-11. Therefore of the total \$33.7 million in production activity over \$28.2 million is estimated to be the amount of new money leveraged into Newfoundland and Labrador.

Results of new initiatives undertaken

The Pre-Development Pilot Program (PDPP) was established in fiscal year 2009-10 to assist local producers as they adapt to changes in the Telefilm guidelines. For feature film script development they are now required to have a treatment or first draft of a script before being able to apply for development funding through Telefilm. The PDPP offers eligible producers an opportunity to create a treatment or first draft script in order to do so. During fiscal 2010-11 the NLFDC funded five projects under the PDPP. As a result of this program, one feature film development project has already successfully been funded through Telefilm for Phase One development.

Issue 1 - Status Update 2008-2011

During 2008-2011, the NLFDC has effectively managed the Equity Investment Fund in order to maximize production and economic spin-off to the province.

In 2008-09, and 2009-10, respectively, the NLFDC's indicators for this goal were to:

- Increase production activity over the previous fiscal; and
- Ensure that local producers and NLFDC representatives are present at national/international markets to foster long-term relationships with national and international production companies.

Both of these indicators were positively achieved. The level of production activity did indeed increase, from \$19.4 million in 2008-09 to \$29.4 million in 2009-10, a one year gain of over 50%. 2009-10's indicator regarding national and international markets referred to the pursuit of alternative financing models for both indigenous productions and co-productions. This is an ongoing task, which has been met in a variety of ways, as reported, but of particular note, detailed planning began in 2009-10 for a Producers' Mission to Los Angeles which took place in 2010-11 as described below. As well, one the industry's most important international events, the Sundance Film Festival, was attended in 2009-10 in conjunction with the screening of the first ever Atlantic Canadian feature in competition there, Grown Up Movie Star. Other important international market events, such as the American Film Market, Cannes, Strategic Partners and the Banff World Media Festival were attended. Domestically, the impact of the new Canada Media Fund (CMF), which took effect on April 1, 2010, was a major focus of the industry in 2009-10, as it brought substantial changes (and some disruption) to the financial models for Canadian television projects.

Issue 2:

The element of the strategic direction to "administer the Film and Video Industry Tax Credit" is the focus of Issue 2. In conjunction with the deeming provision of the tax credit (which allows eligible mentorships to be partly included in tax credit calculations), the effective administration of the tax credit in general by the NLFDC in 2010-11 has also helped advance the Province's strategic direction of addressing professional and enterprise development needs.

Goal:

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

Objective and Measure 2010-11:

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 Reporting: Objective 2010-11

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

Discussion of Results:

The NLFDC completed a detailed analysis identifying the possible enhancements to ensure the Province's film and video tax credit remains competitive nationally and internationally. This assessment included the removal or increase of the annual corporate cap as well as the possibility of introducing a rural shooting bonus.

As the local film industry grows, the crew base increases, and production companies develop national and international reputations, Newfoundland and Labrador should be able to continue to secure larger and larger budget productions. Bigger shows will trigger larger tax credits from the provincial government, but huge rewards will be reaped in new investment brought in and total production money spent in the province. However, rather than encouraging employment and economic activity on an increasing scale, the current corporate cap may penalize large productions and successful production companies, and could drive work out of Newfoundland – including our homegrown projects by local companies telling Newfoundland stories.

Accomplishments:

The NLFDC completed an assessment on the projected Newfoundland and Labrador tax credit for Season III for the *Republic of Doyle* and it appears that the current Corporate Cap will not be exceeded. As a result, the NLFDC will continue to monitor what possible enhancements will be required to ensure that this province remains competitive nationally and internationally.

Issue 2 - Status Update 2008-2011

During 2008-2011, the Film and Video Industry Tax Credit has been effectively managed.

Efficient turnaround time

The NLFDC has successfully improved the efficiency and turnaround times for completed tax credit applications received during 2008-11.

The NLFDC successfully presented the “clock” system to the Department of Finance, as initially recommended by the Producers’ Association of Newfoundland and Labrador (PAN). Under this system, once a production company submits its tax credit application, the NLFDC will internally time how long it takes to review. When the NLFDC finishes its initial review and if there are any outstanding items being awaited from the producer, the clock stops at the NLFDC, awaiting the applicant production company as it provides the required information. When the NLFDC has been able to complete a full analysis of a particular tax credit application, having been provided all necessary documentation and information by the applicant production company, it then sends the completed forms and support material to the Department of Finance. As agreed, the clock will be maintained at the Department of Finance, but similarly will stop if further information is requested by Finance, via the NLFDC, of the production company. The clock system will reveal where, if anywhere, the tax credit application process for each project is being held up from the beginning to the end of the process. This information will assist the NLFDC as well as production companies and the Department of Finance, on individual applications, as well as improving the overall system going forward with subsequent applications, making the process more efficient and transparent for all stakeholders.

Competitive tax credit

The NLFDC continues to work to ensure that the Newfoundland and Labrador tax credit remains competitive as a tool to attract production to the province. In order to do so, the NLFDC continues to sit on the National Tax Credit Committee to keep abreast of national developments and policies. The NLFDC is also a member of the Association of Film Commissioners International (AFCI). This is an

international association that assists film commissioners to promote their incentives and locations. Membership allows the NLFDC to keep abreast of developments on incentives in the US and internationally.

The NLFDC has continued to work with the Department of Finance to ensure tax credits are processed efficiently and remain competitive. Almost every province offers a film tax credit. They are typically based on a percentage of labour spent in the province. These rates range from 18% all the way up to 65%, in other provinces, when various bonus options such as those offered to productions shooting in rural locations or returning to shoot on a regular basis, are included. With Newfoundland and Labrador's 40% base tax credit and in conjunction with the deeming provision, this province remains competitive with other jurisdictions.

Effective management of the deeming component of the tax credit

The deeming clause of the tax credit is a vital tool to maximize the number of NL workers on film projects and also their real training opportunities. The deeming clause works as follows: if a local production company hires a non-resident on a production as a result of there being no local qualified crew person available, the local production company may then request that this individual's residency requirement be waived by the Minister on the basis that the non-resident will train a resident crew person during the production.

The NLFDC has promoted the deeming clause vigorously as an incentive to outside and local production companies and expects that it will be well subscribed to on productions in the upcoming fiscal year.

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 or as needed depending on the volume of applications. 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.

Improving the Deeming component of the tax credit has led to additional professional development opportunities on projects such as Republic of Doyle and at Best Boy. This addresses the industry's need for increased crew membership and skills as well as making co-production opportunities more attractive.

Issue 3:

Ensuring the continued growth of the film industry in Newfoundland and Labrador, and marketing Newfoundland and Labrador locations are both critical elements for the NLFDC towards achieving Government's Strategic Direction to develop sustainable creative enterprises and cultural industries. In fiscal 2010-11, the NLFDC focused on those elements, thereby helping to advance the export of cultural products from this province.

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 and Measure 2010-11:

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 Reporting: Objective 2010-11

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.

Discussion of Results:

By March 31, 2011, the NLFDC had worked closely with local producers to ensure increased access to national and international markets.

Los Angeles Mission: The NLFDC, Producers Association of Newfoundland, ACOA and the Department of INTRD co-facilitated a five day visit to Los Angeles to immerse a group of Newfoundland producers, industry advisers and observers in the market there, and to introduce a well-planned group of Los Angeles producers, industry advisers and observers to the landscape of co-producing with Newfoundland and Labrador. The aim was also to strengthen existing co-production/co-venture relationships, and develop new business partnerships. The outcomes of this mission were:

- 10 Production Companies (12 individuals) participated.
- 97 one-on-one meetings took place over three days, plus four group sessions
- Several formal business relationships have already been established as a result of this mission.
- The reception hosted by the Canadian Consul-General in Los Angeles at his residence was well attended and a great ending to a very successful mission.

The NLFDC recognizes the importance of local producers and representatives of the NLFDC being present at national/international markets to help foster long-term relationships with national/international production companies and continues to identify markets that are beneficial for our staff and producers to attend.

Also during fiscal 2010-11, the NLFDC provided over 33 sponsorships for producers to get to market at events such as the Cannes Film Festival, the Banff World Media Festival, the Toronto International Film Festival, Strategic Partners, the Atlantic Canada Film Festival, MIPTV, Trans-Atlantic Partners. As a result

of these sponsorships, potential inter-provincial co-productions have been identified and local producers have secured broadcast licenses with potential international sales. A NL-Quebec-Irish co-production has been seriously considered between a NL producer and a co-producing partner. In addition there is a potential US, NL co-venture movie of the week that could be shot on the west coast of the island in the winter.

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 the Canadian Media Production Association (CMPA), the Canada Media Fund (CMF), and Foreign Affairs and International Trade Canada. This committee is responsible for overseeing the Canada marketing presence at international events (Cannes Film Festival, MIPCOM, MIPTV, Sundance and Berlinale). In 2010-11, representatives of the NLFDC and local producers, under the umbrella of IBDG attended Cannes Film Festival in May 2010, and MIPTV in March 2011.

The mandate of the IBDG 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.

These markets provide an opportunity for the sale of productions, and facilitate financing of production and co-production projects, purchase of broadcasting rights, networking, and collection of market information like forecasted trends for programming.

Accomplishments:

Participation in markets both nationally and internationally is key to promoting Newfoundland and Labrador as a potential location. They build market awareness, facilitate co-productions, promote incentives offered by the province, and provide information about potential NL locations to the world industry. The NLFDC also provides contributions to the local festivals for professional development and to market the industry within the province and to delegate who attend from away.

Number of provincial marketing initiatives – 5

- Nickel Independent Film and Video Festival (2010) – the NLFDC contributed to this festival financially and co-hosted many workshops to develop crew and talent, for example, the 5th Annual Super 8MM Series and Animation with Bruce Alcock.
- St. John's International Women's Film and Video Festival – the NLFDC contributed to this festival financially, and co-hosted several workshops to develop crew and talent. Workshops at the 2010

festival included the Best Film Workshop Ever with Roberta Munroe, Short Film Resources, and a Master Class in Making an Interactive Documentary (A Case Study) with Helene Choquette.

- 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 various organizations throughout 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.
- Trinity Bight and Avalon Scout - In November, NLFDC participated in an extensive scout for the production **The Grand Seduction** in the Avalon and Trinity Bight areas. This feature film project is the English version of the very successful French language Quebec film shot in 2003. The new version is a Newfoundland and Labrador co-production and it is anticipated that this production will start filming in the summer of 2011.

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 Media Festival – the NLFDC along with six local producers attended Banff this year. National meetings took place during this event including:
 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 meeting 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. In partnership with INTRD, the NLFDC hosted the third annual Newfoundland and Labrador event at TIFF. This was extremely well attended by national producers, broadcasters, distributors and funders.
- Atlantic Film Festival/Strategic Partners – the NLFDC participated in Strategic Partners and had many meetings with potential coproduction partners. In addition, various panels on emerging trends and strategies on international co-production financing were attended.
- CFTPA's Prime Time event in Ottawa - the NLFDC attended national meetings for APFA, the National Tax Credit Committee and IBDG. Various panels on new media and industry statistics were attended. In addition seven local producers attended this event.

Number of markets attended internationally - 4

In 2010-11, the NLFDC attended the following international events:

- AFCI Locations Trade Show in Santa Monica – Representatives from the NLFDC attended the 25th annual Association of Film Commissioners International (AFCI) sponsored Locations Tradeshow in April at the Santa Monica Civic Auditorium in Santa Monica, CA. The NLFDC has 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.

- Cannes Film Festival – The 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.
- MIPTV in Cannes - MIPTV is a unique event that brings the key decision makers in the tv/film, digital media and advertising/brands sector together in one place at one time. One local production company secured international sales on two of their television projects.
- 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 the NLFDC is currently following up on co-production opportunities.

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

- Ontario
- British Columbia
- Alberta
- Manitoba
- Saskatchewan

Marketing materials produced

In 2010-11, 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 9-14

Attendance at national and international markets has resulted in numerous co-productions being discussed; these projects are at various stages of development. Currently, there are nine to fourteen co-production projects being considered. The nature of the industry means that it may be several years between the time that co-production partners initially meet and a production may be green lit. In 2010-11, previous efforts resulted in the co-productions Tapisserie - The French Shore and Majumder Manor.

Issue 3 - Status Update 2008-2011

During 2008-2011, the NLFDC has successfully marketed NLFDC programs and locations nationally and internationally to foster co-production opportunities and attract guest productions to the province.

Participation in provincial, national and international markets – to promote the NLFDC’s programs, NL production companies and their projects, and the province as a location – is recognized as fundamental and critical to the success of the film and television industry.

During the three year business plan cycle (2008-2011), the NLFDC was successful in marketing and fostering co-production opportunities. The following chart details the number of markets attended in each of the categories, provincial, national and international.

Markets	08-09	09-10	10-11	Total
Provincial	6	5	5	16
National	4	4	4	12
International	3	4	4	11
3 Year Total	13	13	13	39

All of these activities have resulted in numerous co-productions being discussed at various stages of development. Over the three year period from 2008-2011 there were approximately 35 co-production projects being considered. Some of the co-productions that formed during this timeframe are *Love and Savagery*, *Screamers 2*, *The Republic of Doyle*, *Forget It*, *Growing Up Cold*, *The Grand Seduction*, *Maudie* and *A Little Problem With Murder*.

In addition to the marketing events, the NLFDC produces a number of marketing materials each year as described above. As well, on a continual basis, the NLFDC responds to film and television related enquiries regarding Newfoundland and Labrador as a location for production.

Issue 4:

One element of the NLFDC’s strategic direction is to provide professional development opportunities to the local film industry. In addressing this in fiscal 2010-11 the NLFDC has helped advance the Government’s 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 and Measure 2010-11:

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 various 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 reporting: Objective 2010-11

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

Discussion of Results:

The NLFDC has met its professional development objective for fiscal 2010-11 by focusing on the upgrading of post-production crew. On the job mentoring, complimented with workshops, is the best way to learn the necessary skills to become a member of a post-production team. Throughout the year, the NLFDC took several initiatives to increase the skill of post-production crew in the province.

After Effects Workshop

In partnership with Best Boy Productions the NLFDC held an After Effects workshop for those interested in post-production. The workshop was held as a two day course that dealt with the program After Effects, which is used during post-production by most of the film and television industry. SPLICE Media from Halifax facilitated the workshop as they are the leading educational institution in post-production east of Montreal. There were nine attendees, all of whom found the workshop extremely useful.

Don Jamieson: Just Himself

The NLFDC approved \$1,500.00 for professional development for the documentary film entitled *Don Jamieson: Just Himself*. This support was used to help mentor emerging writer/director Joshua Jamieson throughout the production and post-production process. Experienced award-winning documentary filmmaker Nigel Markham helped train Joshua during production, and continued throughout post-production. The focus was on making editorial choices during filming and seeing them through in the editing room.

Travel Anywhere

The NLFDC approved \$500.00 for professional development for the web series entitled *Travel Anywhere*. This support will be used to help mentor Lois Brown through producing and post-production on this series. Experienced award-winning filmmaker Rosemary House will tutor Lois through the project and especially in editing on Final Cut Pro. She will also be trained in sound editing by Richard Crane, an experienced sound editor working at NIFCO.

Pet ER

Best Boy Productions has submitted a deeming application for their production *Pet ER*. They applied to deem Joanne Jackson, their post-production supervisor for training Best Boy employee Allison White. The role of post-production supervisor is often mentioned as one area the local industry needs to develop. Not only will Allison's training increase her skill set, but it will also greatly benefit Best Boy and the industry in post-production as a whole.

Accomplishments:

Number of workshops performed in the province – 5

Stop-Motion Animation Workshop

In partnership with the Department of Tourism, Culture and Recreation and the Producers Association of Newfoundland, the NLFDC arranged for animator Brian Duchscherer to facilitate a Stop-Motion Animation Workshop, which introduced participants to aspects of stop-motion animation such as designing, building and animating puppets. The workshop had ten attendees who all learned these basic skills and will apply them to their filmmaking abilities in the future.

After Effects Workshop

See above.

Camera Car Workshop

In partnership with IATSE 667 the NLFDC held a camera car workshop. Twenty attendees took the full day course where the world's leading Camera Car Operator, Bill Hong, and experienced Dolly Grip Roy Benson demonstrated the intricacies of the newly purchased Camera Car. The Camera Car is a sophisticated piece of equipment and will help benefit the local industry with regards to the filming abilities it will create by owning it and having skilled operators in the province.

Generator Operator Workshop

In conjunction with IATSE Local 849 the NLFDC co-sponsored a generator operator workshop. The course was instructed by Mark Scannell, the Generators Manager for William F. White International in Toronto. It has been identified that the industry is in need of more generator operators in Newfoundland and Labrador, therefore, it is very positive that twelve individuals attended the training.

Set Protocol Workshop

The NLFDC facilitated a workshop with instructor Dana Warren for Set Protocol. The presentation was made to students at the Grenfell Campus of Memorial University and to students at the College of the North Atlantic (CNA) Film and Video program in Stephenville. The workshop was three hours in length and provided a general overview of how professional film and television productions are made, and introduced the participants to the process. There were 14 students from Grenfell in attendance, comprising a mixed group from both the Visual and Theatre Arts programs. It was concluded that these particular students needed a more simplified version of the workshop, with better visuals due to the fact that the majority has never been exposed to professional film. As for the session held at CNA, there were 16 students from the Film and Video program in attendance. The facilitator found that these students were more advanced and the program was extremely well received. Providing workshops at this level helps to recruit young, keen individuals to the film industry and helps the NLFDC to identify up and coming filmmakers.

Number of new training initiatives undertaken - 16

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

- Dave Cox was approved for \$300.00 for a Data Management Technician workshop that was held in Halifax, Nova Scotia on April 8th, 2010. The workshop was at an advanced level for the RED camera.

As Dave was the Data Management Technician on Republic of Doyle Season I, he used this workshop to advance his skills for the upcoming second season of the show.

- The NLFDC took part in the jury selection process for Picture Start 2010-11, a NIFCO program sponsored by Telefilm Canada. The Jury chose three projects: Meters (Paula Gale and Darcy Fitzpatrick), Clipper Gold (Joel Hynes and Krissy Holmes), and Kathy (Mark O’Brien and Shannon Hawes).
- The NLFDC approved \$2000.00 for professional development for each of the 2009-2010 NIFCO Picture Start films, *Four Sisters*, *Snarbuckled* and *Cardboard Junction*. With this assistance, each film was able to help mentor the following people in the following positions:

Film	Trainee	Position
Cardboard Junction	Jay Hamel	1 st Assistant Camera
Cardboard Junction	Lynn Kristmanson	Camera Trainee
Cardboard Junction	Shara King	1 st Assistant Director
Snarbuckled	Scott McClellan	Director of Photography
Snarbuckled	Elizabeth Kennedy	Production Designer
Four Sisters	Heather Mackay	Hair
Four Sisters	Erin French	1 st Assistant Director
Four Sisters	Katherine Hann	Locations Manager

- Filmmakers Mark Hoffe, Brad Gover, and Dana Warren, along with writer Wanda Nolan also received funding to attend the Atlantic Film Festival. Both Mark and Brad were in attendance to promote their film *Snarbuckled*, which was screened during the festival. Director Dana Warren and writer Wanda Nolan also attended to promote their film *Four Sisters* which was also screened. Not only did the group attend their screenings, they also were able to attend various workshops and networking events. All parties were approved for support of 50% of their budget to a maximum of \$1,000.00 for travel and expenses to the festival.
- Flora Planchat was approved for a \$2000.00 sponsorship towards her training by Director of Photography (DOP), Christopher Porter during a Picture Start shoot. Flora has worked on over 50 film/tv productions and for the past five years she has been the gaffer on various projects. At the beginning of her career, while Flora was working in Halifax, she was hired by Christopher Porter who, as an experienced DOP, was able to teach her valuable skills as a gaffer. Mr. Porter agreed to mentor Flora during the Picture Start program, as she moves forward in her career to become a DOP.
- Glenn Redmond received a \$3000.00 sponsorship for attending a stunt academy in Australia. Glenn is best known for his stunt work on Republic of Doyle and it was recommended by the producers of the show that the NLFDC support and nurture his skills and talents in stunt work, especially as the local industry is without a fully qualified stunt coordinator. Our sponsorship was able to pay for 50% of the total expenses allowing him to get the training he needs to progress in his field.

- Kelly Bruton was approved for a \$1500.00 sponsorship to go towards training as an Art Director. As Kelly has worked on numerous film projects in the province in the Art Department she would like to expand her skill set through working with Gordon Barnes, the Production Designer on Republic of Doyle Season I. Kelly worked on a production with him titled “Unnatural Histories” in Toronto which will help her develop her skills through being exposed to film shoots outside of the province.
- Roger Maunder was accepted to the Inspired Script program at the Atlantic Film Festival. This workshop series is a great accomplishment for Roger and will most definitely benefit his career as a writer and filmmaker. He was approved for a contribution of \$3000.00 (\$1500.00 from the PD budget and \$1500.00 from the sponsorship budget), to go towards eligible expenses for this endeavour. 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. Roger’s script was developed into treatments through three intensive weekend workshops with script editor, Noel Baker and world-renowned pitching expert, Jan Miller.
- Martine Blue and Irene Duma received a sponsorship to attend the 2010 PEI Screenwriter’s Bootcamp. The workshop offers a unique opportunity for filmmakers to work intensively on their feature film treatments through mentorship, and peer insight. It also develops the writer’s ability to pitch and effectively sell their scripts to producers and investors. Martine and Irene were approved for support of 50% of their budget to a maximum of \$1,500.00 for travel and expenses to the Boot camp. Both women also received a sponsorship to attend the Inspired Script Pitch Workshop at the Atlantic Film Festival, recommended by their Bootcamp instructor Louise Lalonde. During the session the women were able to listen to four different pitches and producer responses. After the session they were also able to discuss their projects with attending producers and filmmakers during a short meet and greet. The networking continued within the next few days as they attended various screenings and events at the festival. Martine and Irene were approved for support of 50% of their budget to a maximum of \$1,000.00 for travel and expenses to the festival.
- Michael Smith was approved for \$500.00 in assistance for travel to the ARRI ALEXA and Digital Workflow Solutions Workshop in Toronto. This workshop allowed Michael to interact hands-on with the ARRI ALEXA Camera and related editing equipment. Michael also took advantage of his time in Toronto and visited the IATSE Office where he discussed his future in the industry in the Camera Department.
- The NLFDC approved \$1,500.00 for professional development for the documentary film entitled *Don Jamieson: Just Himself*. Please see description of this initiative, above.
- The NLFDC approved the short film *A River in the Woods* for professional development assistance in the amount of \$1,000.00. Prosthetics expert Sheilagh McGrory trained Andrew Squires as her prosthetics assistant during filming. The film tells a story of a group of children who befriend a monster while playing in the forest, only to be eaten in the end. Considering the nature of the film, one of the actors was in full prosthetics – head, arms and feet – for the entire shoot. It was a rare opportunity for makeup artists in NL to work under a seasoned prosthetics artist.

- The NLFDC approved filmmaker Jordan Canning for assistance in attending the Director's Lab at the Canadian Film Centre (CFC). The sponsorship was in the amount of 50% of eligible expenses, up to a maximum of \$3,000.00, consisting of \$1,500.00 from the professional development fund \$1,500.00 from the travel sponsorship fund. The Director's Lab is specifically designed to guide directors through the challenging transition from short films to their first features. Jordan immersed herself fully in her work, surrounded by other creators who helped guide, challenge and collaborate with her. This will give her the opportunity to make new contacts within the larger national film industry.
- The NLFDC approved \$500.00 for professional development for the web series entitled *Travel Anywhere*. Please see description of this initiative, above.
- The CFTPA's Atlantic Mentorship program, supported by the three provincial film corporations, and Telefilm Canada, is approaching the start of its fourth year. This juried program places 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. The Industry Analyst worked with the CFTPA to ensure that this year's program followed suit.

Amount of support provided to develop industry participants

In 2010-11 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.

Issue 4 – Status Update 2008-2011

From 2008 to 2011, the NLFDC successfully implemented initiatives that developed the creative and technical capabilities in the province. This was measured in three ways, by the number of workshops completed in the province, by the number of new training initiatives that were undertaken and by the amount of dollar support provided to develop industry participants.

During this span of three years the NLFDC held 16 workshops within the province. Many of these workshops were in partnership with other organizations such as IATSE, the St. John's International Women's Film Festival, the Nickel Independent Film Festival and the Producer's Association of Newfoundland. Many of these workshops occurred throughout the province, in Stephenville, Corner Brook, Clarenville, Harbour Grace and Happy Valley-Goose Bay.

Throughout the three year period, the NLFDC has been able to increase the number of new training initiatives each year. A total of 24 initiatives occurred, starting at two in 2008, moving to six in 2009 and increasing to sixteen in 2010. The training included our support to programs such as the CMPA's Atlantic Mentorship Program and NICFO's Picture Start. However, the majority of this support went to individuals seeking funding assistance for training specifically honed to increase their individual skill set.

Between 2008 and 2011, the NLFDC contributed a total of \$200,000 towards developing industry participants. This was accomplished by enhancing industry skill sets through sponsorships for travel and marketing, and by creating workshop opportunities, partnerships and pilot projects.

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 address in the future.

Opportunities

- Now that digital media and multiple platforms are required with the Canada Media Fund (formally the Canadian Television Fund), there is a real 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 appear to be markets 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. This will continue to attract young people into the industry and assist in developing the next wave of producers in the province.
- Maintaining and increasing the size of the local production industry will continue to bring economic benefits to the province.

Challenges

- New digital platforms – online and mobile – are quickly gaining traction with Canadian households; yet the industry still has no very clear sense of how Canadian content will reach audiences over these new digital platforms, particularly with the rise of “over-the-top” distribution channels such as Netflix. The traditional Canadian model has been predicated on the federally regulated goal of maintaining levels of Canadian content.
- The NLFDC can support television projects with a digital component that have CMF support through its EIP and tax credit programs. However, it does not support projects that have received only CMF experimental stream support.
- The Government of Newfoundland and Labrador does not have a digital media tax credit or a specific program for digital media at the moment.
- 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.
- If the Republic of Doyle Season III (RODIII) is green lit it will again be in production from July until December of 2011, 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 this limit productions to winter shoots, but it 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 lengthy productions such as RODIII, 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 RODIII 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 is being 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 has become very difficult to access in the current strong economy of the Northeast Avalon, and this may worsen.
- 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.
- The 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 affect the industry in Canada.

The NLFDC will continue to monitor the industry nationally and internationally in order to proactively 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, 2011

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Index to Financial Statements

Year Ended March 31, 2011

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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, 2011 and the statements of revenue and expenditures - operating fund, 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, 2011 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 8, 2011


CERTIFIED GENERAL ACCOUNTANTS

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION
Statement of Revenue and Expenditures - Operating Fund
Year Ended March 31, 2011

	2011	2010
REVENUE	\$ 710,000	\$ 700,000
EXPENDITURES		
Advertising and promotion	34,940	33,552
Amortization	2,510	3,929
Miscellaneous	4,426	4,474
Office (<i>Note 5</i>)	77,312	75,583
Professional development	12,766	17,024
Professional fees	11,600	11,077
Promotional materials and publications	10,278	9,618
Salaries and wages	381,106	320,865
Sponsorships	99,587	103,468
Travel	96,065	88,251
	730,590	667,841
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	(20,590)	32,159
OTHER INCOME	1,507	3,087
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (19,083)	\$ 35,246

The accompanying notes are an integral part of these financial statements

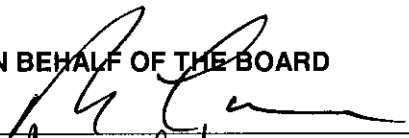
NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

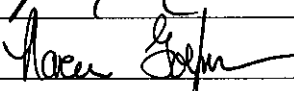
Statement of Financial Position

March 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 252,730	\$ 288,106
Receivables	4,224	5,479
Prepaid expenses	8,833	9,384
	265,787	302,969
PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i>	5,110	7,620
	\$ 270,897	\$ 310,589
LIABILITIES AND NET ASSETS		
CURRENT		
Payables and accruals	\$ 26,426	\$ 32,678
Payables and accruals - Equity Investment Program	217,485	222,711
	243,911	255,389
NET ASSETS		
Share capital <i>(Note 4)</i>	3	3
Operations fund	4,455	23,538
Equity investment	22,528	31,659
	26,986	55,200
	\$ 270,897	\$ 310,589

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, 2011**

	Operations Fund	Equity Investment	2011	2010
NET ASSETS - BEGINNING OF YEAR	\$ 23,538	\$ 31,659	\$ 55,197	\$ 102,226
Excess of receipts over commitments (commitments over receipts) - Equity Investment Program (EIP) - Schedule of Receipts and Commitments	-	(9,131)	(9,131)	(82,275)
Deficiency of revenue over expenditures	(19,083)	-	(19,083)	35,246
NET ASSETS - END OF YEAR	\$ 4,455	\$ 22,528	\$ 26,983	\$ 55,197

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, 2011**

	2011	2010
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (19,083)	\$ 35,246
Items not affecting cash:		
Amortization of property, plant and equipment	2,510	3,929
Excess of receipts over commitments (commitments over receipts)	(9,131)	(82,275)
	(25,704)	(43,100)
Changes in non-cash working capital:		
Receivables	1,255	(1,060)
Payables and accruals	(6,252)	898
Prepaid expenses	551	(867)
Payables and accruals - Equity Investment Program	(5,226)	38,573
	(9,672)	37,544
Cash flow used by operating activities	(35,376)	(5,556)
INVESTING ACTIVITY		
Purchase of property, plant and equipment	-	(1,731)
Cash flow used by investing activity	-	(1,731)
FINANCING ACTIVITY		
Repayment of obligations under capital lease	-	(375)
Cash flow used by financing activity	-	(375)
DECREASE IN CASH FLOW	(35,376)	(7,662)
Cash - beginning of year	288,106	295,768
CASH - END OF YEAR	\$ 252,730	\$ 288,106

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, 2011

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

Future changes in significant accounting policies

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective for the company. The company is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2012.

The Accounting Standards Board will be implementing Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective January 1, 2011. The company will be assessing the impact of the new standards on its financial statements over the next year. Early adoption is permitted for the new standards.

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, 2011

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer equipment	\$ 44,660	\$ 42,492	\$ 2,168	\$ 3,942
Furniture and fixtures	19,176	16,234	2,942	3,678
	\$ 63,836	\$ 58,726	\$ 5,110	\$ 7,620

4. SHARE CAPITAL

Authorized:

600 Common voting shares of no par value

	2011	2010
Issued:		
600 Common shares	\$ 3	\$ 3

5. Office

Office expense consists of the following:

	2011	2010
Banking fees Funding	\$ 50	\$ 46
Banking fees Operating	920	283
Board meeting expense	5,742	6,799
Business tax	1,804	2,091
Communications	17,426	14,488
Computer maintenance	269	1,238
Meeting Supplies	2,616	2,605
Office Equipment	5,044	5,190
Office Supplies	3,600	4,572
Postage	823	816
Printing	1,922	1,410
Rent and maintenance	31,526	30,848
Travel	5,571	5,194
	\$ 77,313	\$ 75,580

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION**Notes to Financial Statements****Year Ended March 31, 2011****6. 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.

	2011	2010
Equity Investment	\$ 19,168,191	\$ 16,002,723
Allowance against Equity Investment	(18,955,619)	(15,797,731)
Recoupment - Equity Investment	(212,572)	(204,992)
	\$ -	\$ -

7. 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.

	2011	2010
Development Loans	\$ 2,810,672	\$ 2,484,950
Allowance against development loans	(2,810,672)	(2,484,950)
	\$ -	\$ -

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended March 31, 2011

8. 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.

The Corporation entered into a rental agreement with CIT Financial Ltd. commencing July 1, 2009 for the use of 1 Kyocera Copier. The monthly lease commitment is \$181.40 for 48 months.

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, 2011, the Corporation was contractually committed to advance funds totaling \$1,321,848 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.

	2011
Burlington Season I Inc. - Majumder Manor	\$ 200,000
MF Productions Inc. - Mickey Series III	360,850
Pet ER Inc. - Pet ER	100,000
Morag Loves Company Limited - The Grand Seduction	600,000
More Life Films Inc. - Doom Show	18,315
Orange House Film Inc. - Postal	10,000
Rock Island Productions Inc. - Holdfast Phase III	9,000
Pope Productions Ltd. - Oddly Flowers Part II	23,683
	\$ 1,321,848

9. ECONOMIC DEPENDENCE

The Corporation is economically dependant on the Government of Newfoundland and Labrador for annual funding.

10. COMPARATIVE FIGURES

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

11. 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, 2011

	2011	2010
Receipts		
Province of Newfoundland and Labrador Funding	\$ 3,500,000	\$ 3,500,000
Recoupment	7,580	1,682
Interest Earned	779	3,194
Bank charges	(73)	(53)
Subtotal	3,508,286	3,504,823
Funding which has lapsed		
More Life Films Inc. - Death Bound	28,000	-
	\$ 3,536,286	\$ 3,504,823
Current year commitments		
2M Innovative Inc. - Christmas Furey	\$ 16,695	\$ -
Best Boy Productions Inc. - A Little Problem with Murder (Phase III)	-	14,149
Best Boy Productions Inc. - Eve Kelly's Great Big All In Adventure	-	12,012
Best Boy Productions Inc. - Gamblers Never Die (Phase II)	5,040	-
Beazley Films Inc. - City of Arseholes	10,000	-
Burlington Season I Inc. - Majumder Manor	82,000	-
Crackie Productions Inc. - Crackie	-	12,000
Edge of the Earth Productions Inc. - Clickedy Clack	-	4,950
Energy Media Inc. - The Energy Show	79,150	-
Fire Crown Productions Inc. - Poets Blazing the Land	-	6,600
Free Parking Pictures Inc. - Meters	17,820	-
Get Set Films Inc. - Little Summer Forever (phase II)	-	6,699
Get Set Films Inc. - Eleanor	-	3,465
Get Set Films Inc. - Not Over Easy	18,500	-
Good Lookin Pictures Inc. - Clipper Gold	16,345	-
HD Productions Inc. - The Horse	-	132,000
Henge Productions and Consulting Ltd. - Ice Flow	10,000	-
Henge Productions and Consulting Ltd. - Regrets	19,800	-
Henge Productions and Consulting Ltd. - Where's My Goat?	-	91,228
Jim Byrd Consulting Inc. - Caubvick	3,465	-
Kickham East Productions Inc. - Friendship (Phase III)	9,332	13,398
Kickham East Productions Inc. - Sorry Means Never	8,750	-
Lazy Bank Productions Inc. - Elizabeth's Last Stand	9,643	-
Mad Mummer Productions Inc. - Snarbuckled	-	21,465
Media Connections Inc. - Vocation	-	9,100
MF Productions Inc. - Mickey	-	182,000
MF Productions Inc. - Mickey (Season II)	250,000	250,000
MF Productions Inc. - Mickey Series III	150,000	-
Morag Loves Cold Inc. - Growing Up Cold	-	88,499
Morag Loves Company Limited - Marg The Movie	6,307	-
Morag Loves Company Limited - Project Restoration	-	18,000
Morag Loves Company Limited - Surfing in Newfoundland	5,000	-
Morag Loves Forget It Inc. - Forget It!	-	93,985
Morag Loves Love and Savagery Inc. - Love and Savagery	187,000	-
Morag Loves Rowdy Inc. - Not so Rowdy	-	133,133
Morag Loves Tapestry Inc. - La Tapestry French Shore	67,029	-
More Life Films Inc. - Death Bound	-	28,000
Movie Star Productions Inc. - Grown Up Movie Star	-	225,000
Newfound Films Inc. - Deep Cuts	9,000	-

The accompanying notes are an integral part of these financial statements

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION

Odd Sock Films Inc. - The Mad & the Bad	5,313	-
Odd Sock Films Inc. - Four Sisters	10,000	-
Odd Sock Films Inc. - Don Jamieson: Just Himself	35,998	-
Olympic Program	-	7,500
Pearl Productions Inc. - Relative happiness	-	6,000
Pet ER Inc. - Pet ER	700,000	-
Pope Productions Ltd. - Cannibal Kill	-	10,000
Pope Productions Ltd. - Come Thou Tortoise	-	10,000
Pope Productions Ltd. - Culture of Character aka Break Boys	7,346	-
Pope Productions Ltd. - Larkspur	10,000	-
Pope Productions Ltd. - Newfoundland Beatdown (Phase II)	-	6,555
Republic Season I Inc. - Republic of Doyle - Season I	-	1,500,000
Republic Season II Inc. - Republic of Doyle - Season II	1,500,000	-
Republic Season I Inc. - Republic of Doyle Webisodes	103,046	-
Rink Rat Productions Inc. - Maudie (Phase III)	13,500	-
Rink Rat Productions Inc. - Monchy Nine	25,200	-
Rink Rat Productions Inc. - To Serve and Protect	11,657	-
Rink Rat Productions Inc. - How to be Deadly	13,100	-
Rink Rat Productions Inc. - Regarding our Father	42,078	-
Rink Rat Productions Inc. - Legend of Donnie Dunphy	10,000	-
Rink Rat Productions Inc. - Searching for Peter Kerrivan	-	11,471
Rock Island Productions Inc. - Hold Fast	-	19,381
Rock Island Productions Inc. - Auntie Vigilantes	15,319	-
Rock Island Productions - Hold Fast Phase II	6,025	-
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. - From the Floor Up	12,000	-
Springwater Productions Inc. - Sixty Reasons	-	12,907
Springwater Productions Inc. - Vokey's Boat is Painted Green	-	11,266
Streely Maid Films Ltd. - Relative happiness	8,700	-
Take Hold Films Inc. - Niemeyr's Brasilia	5,200	-
Tooton Films Inc. - At humour's Edge	12,000	-
Tooton Films Inc. - Tooton's: A History of Photography in Newfoundland (Phase II)	-	16,500
Well Let's Just Say Films Inc. - Kathy	18,059	-
VanGO Productions Inc. - Cardboard Junction	-	19,000
	\$ 3,545,417	\$ 3,587,098
<hr/>		
Excess of receipts over commitments (commitments over receipts)	\$ (9,131)	\$ (82,275)
Opening Balance	31,659	113,934
	\$ 22,528	\$ 31,659
<hr/>		

The accompanying notes are an integral part of these financial statements