



Newfoundland & Labrador

FILM DEVELOPMENT CORPORATION

ANNUAL REPORT FOR:

2007/08

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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 2007-08 Annual Report to the Government of Newfoundland and Labrador. The NLFDC's mandate is to promote the development of the indigenous film and video industry in the province and to promote the province's film and television products and locations nationally and internationally. The board of directors and the NLFDC is accountable for the preparation of the 2007-08 Annual Report and the results reported therein. Results and variances are explained for the achievement of the specific goals and objectives contained therein.

2007-08 has been a rebuilding year for the film and television industry in the province. The NLFDC has focused its efforts on pursuing productions outside of the traditional funding models. These efforts have resulted in three co-productions with producers/distributors from the United States being filmed in our province. In total, there were 11 film and television projects produced in the province which consisted of two documentaries, five television projects and four feature films. Production activity was \$9.8 million and this has resulted in total production activity since the inception of the NLFDC surpassing \$100 million. An economic impact assessment was completed in 2007-08 showing the benefits of the film industry in the province. It is estimated that for every \$1 spent, the total GDP return to the province is \$2.86.

The NLFDC continues to work closely with other industry organizations. 2007-08 has been a very successful and notable year for this with the implementation of two new programs. First has been the implementation of the Picture Start Program in cooperation with Telefilm and NIFCO which provides local talent with a stepping stone to produce their second short film (or pilot). Also, the Atlantic Mentorship Program in conjunction with the Canadian Film and Television Producers Association (CFTPA) provides two emerging producers the opportunity to be mentored by established producers on actual productions.

We are predicting that 2008-09 will be a solid year for film and television production in the province. We are confident that the NLFDC's strategic marketing efforts to pursue a television series will prove successful. In addition, we intend to do our part to ensure a new media policy is implemented by the province. Finally, the Film and Video Industry Tax Credit is up for renewal so the NLFDC intends to work closely with the province to renew and enhance the tax credit to ensure that the province remains competitive as a filming location.

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 we remain competitive in the national and international marketplace.



Paul Lannon
Chair, Board of Directors (NLFDC)

AN OVERVIEW

Vision

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

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

Mission

The NLFDC will insure the continued development of the film industry in NL by working with producers, fellow provincial organizations, national and international funding bodies to develop an environment where the industry is growing. This mission is the focus for the NLFDC as it addresses the strategic direction of sustainable creative enterprises and cultural industries are developed as provided by government.

On a daily basis, the NLFDC facilitates and fosters the local industry. The NLFDC is the front line of the film industry to the public and, on behalf of Newfoundland and Labrador, to the nation and the world. As such it fields many requests and enquires concerning Newfoundland and Labrador as a shooting location. The NLFDC also advises, liases, and counsels local filmmakers, production companies and crew. It provides information concerning all aspects of the film industry including: its own programs and those of other local organizations, as well as information regarding national funders, broadcasters, and distributors. The NLFDC partners with local, regional and national organizations and sits on national committees. In 2007-08 the NLFDC chaired the Association of Provincial Funding Agencies and co-chaired the National Tax Credit Committee. In these ways it helps to influence policy for the benefit of this province.

Lines of Business

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

limited to the lesser of 25 per cent of the total eligible budget or 40 per cent of the total eligible labour expenditures.

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

The third line of business consists of the Sponsorship Program which assists qualified individuals and organizations with funding assistance which enabling them to promote the products of the local industry. Fourthly, the NLFDC has a fulltime Industry Analyst who works on behalf of crew, producers, and filmmakers to organize and support specific workshops, training opportunities, job placements, and other projects designed to increase the local industry's capacity. Finally, the NLFDC will market the indigenous industry and the province as an on-site location nationally and internationally to improve the industry's ability to attract productions and solicit business.

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

Newfoundland and Labrador Film Development Corporation
12 King's Bridge Road
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HIGHLIGHTS AND ACCOMPLISHMENTS

Background

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

Since 1997, the new environment in NL film has been increasingly one of viable local production companies, more skilled local crew, new technical capacities and infrastructure, and larger productions. This in turn means the incentive and potential for more large productions, more employment, and more economic activity. Production activity has dramatically increased since the NLFDC was established, jumping from \$2 million dollars in the 1997-98 fiscal year to over \$27 million in the 2005-06 fiscal year.

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

By the end of fiscal year 2007-08, the NLFDC had invested a total of \$20.1 million (including tax credits) into motion picture production activity since its inception. This support leveraged \$94.1 million in outside investment, for a total of almost \$104.9 million in production activity since the NLFDC was created.

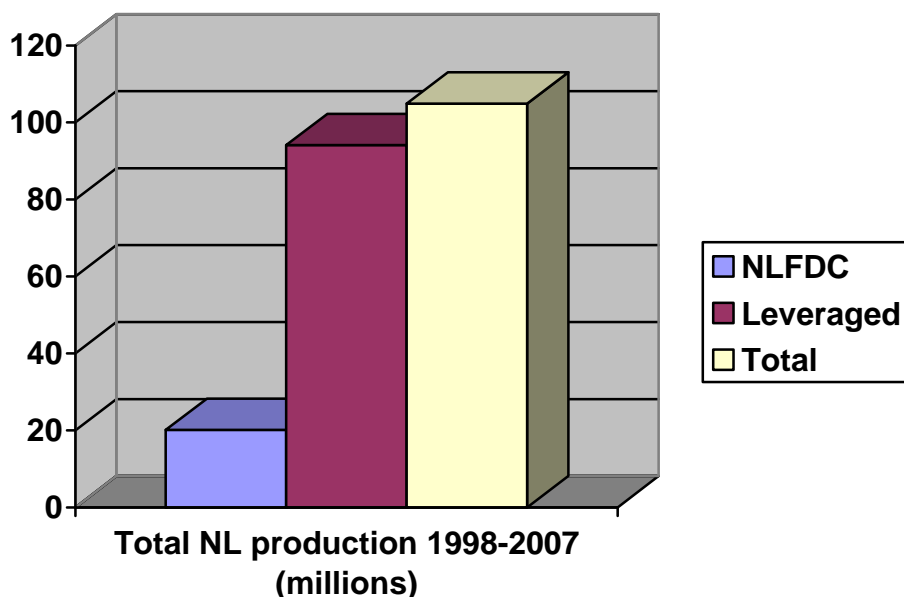


Chart - Outside Funding Leveraged by NLFDC

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

Employment Creation and Economic Benefit

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

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

In 2007-08, a study on the economic impact of the film and television industry in the province was completed. The Fulltime Employment Equivalents (FTEs) were calculated, based on approximately \$27 million in NL film production in 2005-06. This resulted in 355 full time equivalent (FTE) positions (273 direct and indirect FTE positions and 82 induced FTE positions) and direct, indirect and induced tax revenue of \$1.5 million. The province's net cost of the investment was \$3.9 million; \$5.4 million investment less the tax revenue of \$1.5 million.

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

In addition to the labour tax credit and equity investment program, continued international market access and human resources development are crucial to the ongoing development of the province's film and television industry. At present, an economic impact assessment (EIA) of the province's film and television industry was conducted by ACOA using the 2005/06 production volume of approximately \$27 million. The EIA indicates that through its labour tax credit and equity investment programs, the province invested approximately \$5.4 million; the investment leveraged an additional \$9.3 million (a significant portion of which was from outside sources). This \$14.7 million in spending in the province resulted in a direct, indirect and induced gross domestic product (GDP) impact of \$15.0 million. It is estimated that for every \$1 the province invested, the total GDP return to the province was \$2.86. The return on investment on production was \$2.77 to \$1 and on development was \$3.45 to \$1.

2007-08

In 2007-08, there were 11 film and television projects produced in the province by local producers.:

Documentaries	Terminal Machines
	Girl on a Road
Television Projects	What Do They Do In There? – Series*
	Breaking Ground Season II
	The Skinny Dip – Pilot
	Motion Show – Pilot
	Perfect Day – Pilot
Feature Films	Behind the Wall
	Gossip
	Screamers 2
	Down to the Dirt

*This is the first TV series produced by this production company and we are hoping that this experience will result in more TV series in the future.

Production activity for 2007-08 was \$9.8 million. This has resulted in total production activity in the province since the inception of the NLFDC surpassing \$100 million.

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

- Best Boy Productions landed a pilot (The Skinny Dip) at the Banff Television Festival
- NLFDC meetings with Tom Berry at the Cannes Film Festival, Primetime and American Film Market resulted in Screamers 2 being shot in the province by Pope Productions
- Pope Productions efforts at the American Film Market resulted in Behind the Wall being shot in the province

The low budget feature film Down to the Dirt provided Anna Petras the opportunity to produce her first feature film. It will also be a great opportunity for local director Justin Simms to showcase his abilities and develop his career. Other highlights in the industry for 2007-08:

- Young Triffie was shown at Empire Theatres in the province
- Short film Diamonds In A Bucket was shown at the Toronto International Film Festival and the Glamour Film Festival
- Moebius Redux screened at Berlinale and won Best Documentary and Judges Choice at Comic Con (a huge comic book and media convention in San Diego)
- Gordon Pinsent won a Genie award for best actor in Away From Her
- Alan Doyle was nominated for a Genie award for Best Original Song for Young Triffie's Been Made Away With
- NIFCO upgraded to surround sound and high-definition capabilities
- New board for the NLFDC was announced

OUTPUTS

Issues Affecting the Newfoundland and Labrador Motion Picture Industry

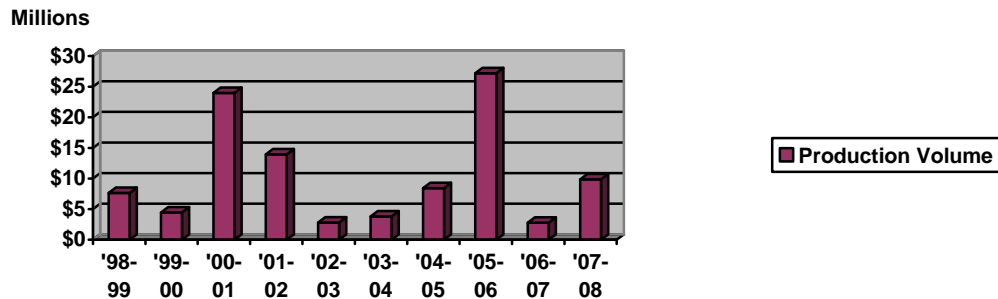
The Canadian motion picture industry, in comparison to traditional resource industries, other cultural industries, and even the film industries of other countries, is unique. The intricacies and challenges of Canadian and world film, television and media production and marketing are ever-changing. These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

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

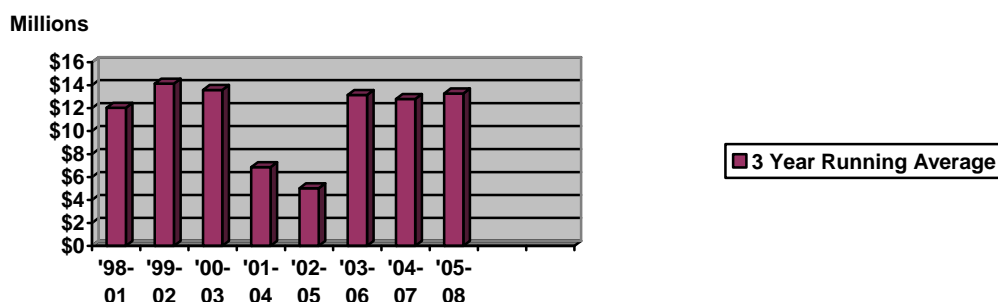
- i) Production levels
- ii) Professional development
- iii) Infrastructure

i) Production Levels

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



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



Coming off a depressed production year in 2006-07, production rebounded in 2007-08.

ii) Professional Development

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

In referencing our 2007-08 Business Plan, increased professional development initiatives such as workshops are vital but, of course, the best method of skills development is through real work under the supervision of experts. This is particularly true with large-scale film and television productions – which cannot be emulated by training institutions. One vital tool Newfoundland and Labrador does have, to enhance the professional crew base, is the deeming clause of the tax credit. Under the deeming provision administered by the NLFDC, when outside senior crew train local personnel, a portion of their salaries can become eligible for the tax credit. However, local productions are not able to fully avail of the potential of the tax credit on NL labour because so many of their crew positions have to be filled by non-residents. This makes their offerings to investors and their own businesses even more marginal.

iii) Infrastructure

One issue at present with the infrastructure of the film industry in the province is the state of the local production companies. They are few in numbers and are relatively small. The industry needs to grow production companies so that they have the financial wherewithal to be able to sustain themselves during times of low production. Ideally, we would like to develop existing production companies from one person companies to full-time production companies that employ staff and perform development and production at the same time. These larger companies could then spin off talent to develop the next wave of local producers.

Challenges that have affected the current national industry have also strongly impacted NL production companies in 2007-08:

- the rising cost of production, while funding has not risen sufficiently: causing drastic reductions of profit margins (to a national average of only 1.6 per cent) and making the business model for the entire industry problematic
- the challenge of competition from new multi-media entertainment formats
- despite the funding crisis, an increased demand for Canadian content from broadcasters to satisfy federal regulations.

Despite these immediate issues, it is nevertheless very much to the advantage of Newfoundland and Labrador to develop the local film industry and to compete for its share of the national funding that otherwise will be spent in the same industry but in another jurisdiction.

Motion picture activity is labour-intensive, well-paid, knowledge-based employment. The Newfoundland and Labrador industry is beneficial to rural areas and to other cultural industries. The independent production community creates large economic spin-offs. It brings into this province investments that would not otherwise be made here. And it allows us to present our stories and our creativity to the nation and the world.

GOALS AND OBJECTIVES

To ensure the continued growth of the film and video industry in this province, the NLFDC has identified four major goals in the transitional 2007-08 business plan in order to achieve our mission and pursue the strategic direction of “Sustainable creative enterprises and cultural industries are developed”. These goals are measured and reviewed annually with our board of directors to be certain that our mandate is being fulfilled. Per the business plan, the goals follow **in bold** with a written report following on NLFDC performance on each one for 2007-08:

The following elements of the strategic direction: “Ensure the continued growth of the film industry in NL” and “Administer the equity investment program” are addressed through Goal 1.

GOAL 1:

By 2008, the NLFDC will have effectively managed the Equity Investment Fund in order to maximize production and economic spin-off to the province.

Measure: effective management of the Equity Investment Fund

Indicators:

- **Amount of \$ invested from equity fund (for DEV and EIP)**
- **Production activity**
- **Dollars leveraged into the province**
- **Results of new initiatives undertaken**

For 2007/08, the Equity Investment Program Fund was \$2 million from the Province. In addition, there was an additional \$500,000 (approximately) leftover from the previous year as a result of the demise of the project Atlantic Blue. Of this, \$300,000 (12%) was invested in development loans and \$2,200,000 (88%) invested in equity far surpassing our forecast of 20% for development loans and 80% for equity investments. The 20% development, 80% equity investment guidelines are arbitrary, more invested in equity will result in higher production levels.

These investments by the NLFDC for 2007-08 and previous fiscal years resulted in a production level of \$9.8 million for the 2007-08 fiscal year (of this, \$8.2 million was money leveraged into the province). This exceeds our anticipated production level of \$8 million.

CBC

In order to counteract the results of the changes to the CBC, the NLFDC and the Film Producers Association of Newfoundland (PAN) have proposed a CBC Pre-development fund. This project would create a jointly funded program by the CBC and the NLFDC to increase the quantity and quality of pitches to the national public broadcaster from producers in Newfoundland and Labrador.

To date no dedicated fund has been finalized. The NLFDC and PAN are continuing to pursue this initiative and hope that either a fund will be developed or our lobbying efforts will result in more development funding will be provided to our local producers.

CTF

Due to the limited accessibility to the Canadian Television Fund (CTF) for Atlantic producers, lobbying is currently being undertaken for a potential Atlantic region development fund. This proposal would focus on the need for a separate fund which could only be accessed by Atlantic producers, increasing the production opportunities for Atlantic producers.

The NLFDC and its industry partners have been unable, so far, to get CTF to commit to a specific development fund for the Atlantic region. However, we feel that our lobbying efforts have resulted in more development projects from Newfoundland and Labrador being funded by the CTF (without a specific fund). As a result, we feel that our efforts have been successful for the producers in the province.

Also, we are working closely with the CTF and the CFTPA to develop a stabilization mechanism to ensure regional production levels are maintained based on historical data.

The NLFDC and its industry partners have made great strides in obtaining a regional fund. As of March 31, 2008, there have been many meetings and discussions and we have received positive feedback from the CTF but no official fund or announcement has been made as of yet. The NLFDC will continue to pursue this objective and hope it will result in a positive announcement in 2008-09.

Second Time Filmmakers Program

NLFDC are working on a proposal with NIFCO to seek funding with Telefilm to develop a Second-Time Filmmakers Program. This program would serve to fill the gap between the First Time Filmmakers Program and when a project comes to NLFDC for funding. This initiative is also an excellent professional development opportunity for capacity building and will provide these filmmakers with a pilot that they could shop to broadcasters.

The NLFDC has been successful in its efforts to pursue this initiative. On October 18, 2007, at the St. John's International Women's Film Festival, an announcement was made by Telefilm, NIFCO and NLFDC introducing the Picture Start Program. Picture Start is designed to give emerging filmmakers the tools and training needed to advance their producing, directing and writing skills by making a short film. Through the program, participants will be guided by a staff mentor, receive classroom training and on set mentoring by industry professionals, and access state of the art editing facilities at NIFCO. We are hoping that three films will be completed as part of the pilot program and will be lobbying to make this an annual program.

Funding Pilots

The NLFDC intends to begin experimenting with funding pilots. This provides our producers with a much stronger marketing tool when pitching to broadcasters and allows the broadcasters to get a far superior sense as to the quality of production.

In 2007-08, the NLFDC funded 3 pilots per above. It is anticipated that this approach will accomplish several things:

- Training for crew and post-production staff
- Training for writers and producers
- Provide an effective marketing tool for producers to shop at various events
- Potentially result in the production of a tv series

It is hoped that one or more of these pilots will turn into a series. The NLFDC will continue to pursue this initiative due to the success accomplished thus far.

The element of the strategic direction “Administer the Film and Video Industry Tax Credit” is pursued in Goal 2. In addition, with the deeming provision of the tax credit which allows us to bring in outside talent and include them in the tax credit calculation (if conditions are met), the element “Provide Professional Development opportunities to the local film industry” is also being addressed.

Goal 2:

By 2008, the NLFDC will have effectively managed the Film and Video Industry Tax Credit

Measure: effective management of the Film and Video Industry Tax Credit

Indicators:

- **Efficient turnaround time**
- **Competitive tax credit**
- **Effective management of the deeming component of the tax credit**

The NLFDC is responsible for receiving the Part I and II applications, auditing them and forwarding them to the Department of Finance with a recommendation. Upon receipt of a fully completed application from the producer, the NLFDC goal is to:

- **Forward the Part I application to the Department of Finance within 10 business days**
- **Forward the Part II application to the Department of Finance within 15 business days**

The NLFDC has successfully met these turnaround times for all completed tax credit applications received in 2007-08.

In addition, to further increase the efficiency of the tax credit process, the NLFDC intends to have a draft copy of new, more effective, tax credit applications by 2008.

The NLFDC along with the Department of Finance have drafted new tax credit applications. We are currently awaiting the changes to be made to the regulations to implement the new applications.

In addition, the NLFDC continues to work closely with the Department of Finance to ensure that the NL tax credit remains competitive as a tool to attract production to the province. In light of this, the NLFDC sits on the National Tax Credit Committee to keep abreast of national developments and policies. For 2007/08, the NLFDC will co-chair this committee. The NLFDC is 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 the rapidly growing incentives in the US and internationally.

The NLFDC has continued to work closely 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% when you include various bonus options such as those offered to productions shooting in rural locations or that return to a province to shoot on a regular basis. With our 40% base tax credit and the use of our deeming provision, we remain competitive with other jurisdictions.

In 2007-08, the NLFDC co-chaired the National Tax Credit Committee and maintained its membership in AFCI. Through these activities, the NLFDC was able to monitor national and international trends with regard to the tax credits of other jurisdictions.

As the tax credit is up for renewal in December 2008, the NLFDC will be lobbying government to renew the tax credit and ensure it remains competitive, perhaps with the addition of a rural bonus among other potential modifications and improvements.

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 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.

The deeming clause was used extensively in 2007-08 on the various productions and, in the case of Behind the Wall, was a key reason that the producer was able to attract the production to the province.

The element “Ensure the continued growth of the film industry in NL” and “Market NL locations” are addressed in the following goal:

GOAL 3:

By 2008, the NLFDC will have marketed NLFDC programs and locations nationally and internationally to foster co-production opportunities and attract guest productions to the province

Measure: marketing of NLFDC programs and locations nationally and internationally

Indicators:

- **Number of provincial marketing initiatives**
- **Number of markets attended nationally**
- **Number of markets attended internationally**
- **Marketing materials produced**
- **Number of co-productions being discussed**

In order to market the industry within the province, the NLFDC will distribute its promotional materials and funding programs information to the Chairpersons of the Boards and the Executive Directors of the regional economic development zones in the Province.

The NLFDC forwarded its promotional materials which included the Production Guide and annual Film Review per above.

In order to effectively market the province, it is mandatory to attend various film and TV specific marketing events nationally and internationally. It is also imperative that the NLFDC attend these events annually. It is clear that you must “see and be seen” in order to be a real player and attract the type of business that will provide the most benefit.

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

- Banff World Television Festival – the NLFDC attended along with seven local producers. The NLFDC took over chairing of the Association of Provincial Funding Agencies (APFA), and attended meetings for the National Training Coalition and International Initiatives Advisory Committee (IIAC). NLFDC staff attended various conferences and panels in order to gather information and identify trends. Various outside meetings were held with Telefilm, CTF and potential co-production partners (The Bird Artist, for example).
- Toronto Film Festival - the NLFDC attended national meetings for APFA, the National Tax Credit Committee, and IIAC. Met with the Wales Film Commission to commence discussions on a potential trade mission.
- Atlantic Film Festival/Strategic Partners – the NLFDC participated in Strategic Partners and had many meetings with potential coproduction partners. In addition, attended various panels on emerging trends and strategies on how to co-produce with other countries. Met with CTF on the potential for a Atlantic development or equity fund.
- CFTPA’s Prime Time event in Ottawa - the NLFDC attended national meetings for APFA, the National Tax Credit Committee, IIAC and the National Training Coalition. Attended various panels on new media and industry statistics.

In addition, the NLFDC must attend some international events in order to attract co-productions to the region.

In 2007-08, the NLFDC attended the following international events:

- AFCI Locations Trade Show in Santa Monica – set up a booth promoting NL as a filming location. Took the opportunity to have outside meetings with potential co-production partners such as Mike Buie and Snowfall Films.
- Cannes Film Festival – attended this festival along with four local producers. Participated in the Canadian Pavilion organized by Telefilm and co-hosted four international receptions. Participated in a co-production forum with producers from Wales. Various outside meetings with potential co-production partners.
- American Film Market in Santa Monica – participated in the Canadian Pavilion organized by SaskFilm. Met with Tom Berry regarding potential upcoming co-production *Screamers 2*. Attended Finance conference. Met with several other producers on potential co-productions.

The NLFDC must also continually research and pursue new markets for our local producers. The NLFDC intends to attend a new event and/or pursue a new market every two years. For 2007/08 our intention is to commence discussions with Wales in order to plan an event in 2008/09. The NLFDC feels it would be potentially valuable to pursue a trade mission to Wales.

The NLFDC met with representatives from Creative Business Wales on several occasions at the Toronto Film Festival, Strategic Partners and the American Film Market and progress has been made on a potential trade mission where we would take some of our producers to Wales and then the Welsh producers would come to NL. We are forecasting that the NL visit to Wales will happen sometime in 2008-09.

International Initiatives Advisory Committee (IIAC) - The NLFDC will sit on this International Marketing Committee with representatives from all financial partners including Telefilm, the Association of Provincial Film Funding Agencies (APFA) and industry partners CFTPA, CTF, and DFAIT. This committee is responsible for overseeing the Canada marketing presence at international events (Cannes Film Festival, MIPCOM, MIPTV and Berlinale).

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

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

The NLFDC continued to sit on this committee and make its voice heard to ensure the province was marketed appropriately at international events.

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

The NLFDC continued to sit on this committee to obtain additional funding to send local producers to international marketing events and ensure that NL is a strong partner in the entire Atlantic production community. We are unsure if this program will continue beyond 2008.

In addition, the NLFDC will sponsor events in Newfoundland which market our film industry provincially, nationally and internationally:

Nickel Independent Film and Video Festival – the NLFDC contributed to this festival financially and co-hosted many workshops to develop crew and talent.

St. John's International Women's Film & Video Festival – the NLFDC contributed to this festival financially, and co-hosted several workshops to develop crew and talent. Along with RBC, co-hosted a dinner with broadcasters which provided local producers with direct access to national broadcasters. Helped to bring in Susan King from Telefilm in Montreal to provide a presentation on international treaty co-productions.

Promotion

As well as the initiatives described above, to promote the Newfoundland & Labrador film industry, the NLFDC will also:

- **Produce the Newfoundland and Labrador Film and Video Industry Production Guide**
- **Advertise in suitable industry publications.**
- **Maintain a web site detailing the corporation, industry, funding programs and locations information.**
- **Publish an Annual Film Review to provide an overview of the works produced by local filmmakers and to outline the province's funding programs.**
- **Respond to film-related inquiries from around the world.**

In 2007-08, 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 in a new format, making it more friendly to outside producers for potential co-productions
- Responded to various film-related inquiries regarding locations information and information on shooting in NL

Locations

The NLFDC will maintain a library of locations photos on its website (www.nlfdc.ca) and dedicate significant staff time in responding to locations inquiries from around the world.

The NLFDC has begun to develop a locations photo library. However, this task is becoming quite onerous and we are investigating different options for software that can store locations photos and allow us to send out attractive packages to producers looking at potentially shooting in Newfoundland and Labrador.

All of these activities have resulted in numerous co-productions being discussed and at various stages of development. Keep in mind, that it may be several years between the time to co-production partners meet and a production is green lit. In 2007-08, previous efforts resulted in 3 co-productions being shot in the province.

One element of our strategic direction is to "Provide professional development opportunities to the local film industry". In order to address this, we are pursuing the following goal:

GOAL 4:

By 2008, the NLFDC will have implemented initiatives to develop the creative and technical capabilities in the province

Measure: initiatives implemented to develop the creative and technical capabilities

Indicators:

- **Number of workshops performed in the province**
- **Number of new training initiatives undertaken**
- **Number of/\$ amount of support provided to develop industry participants**

The professional development priorities in the upcoming year will be:

- **A script workshop in Clarenville in partnership with the Discovery Trails Association**

- **visit to the new film and video program at College of the North Atlantic's Bay St George Campus**
- **sponsorship of a 16 mm film workshop in Stephenville**
- **a seminar on film financing and a screening of NLFDC funded films in Stephenville.**
- **International Co-production Outreach Presentation, hosted by Telefilm, in conjunction with the 18th Annual International Women's Film and Video Festival**
- **A seminar focusing on the new RED Camera technology co-sponsored with IATSE 667 and PS Canada.**
- **A seminar outlining the current status of Digital content in the Global marketplace**
- **Sponsorship of various production requests for training in specialized editing and mixing techniques**

With regard to the above, the following took place:

- In partnership with the Discovery Trails Association , a successful screenwriting workshop took place in Clarenville. Facilitated by award winning writer John Doyle, this three day Introduction to Screenwriting taught students the basic skills necessary to pursue a career as a television and film writer.
- Organized by film and video instructors Marty Benoit and Ben Smith, a visit to the College of the North Atlantic's Bay St. George campus allowed the corporation not only to see some of the training opportunities available within the province firsthand, but to also gain some insight into the services and unique locations available for productions looking to utilize the Province's west coast.
- By partnering with the Newfoundland Independent Filmmakers Cooperative and the College of the North Atlantic's Media Arts Program, the corporation was able to sponsor a 16 mm film workshop for film and video students studying at the Bay St. George campus. Instructed by local director Justin Simms, students had the opportunity to learn the fundamentals of working with 16mm film, concluding with the shooting of a short film.
- In conjunction with the 2007 SNAPP festival in Stephenville, the NLFDC conducted a seminar on film financing. Students had the opportunity to gain a familiarity with funding guidelines, as well as attend a screening of films funded by the Corporation.
- In association with the 18th Annual International Women's Film and Video Festival and in partnership with Telefilm Canada, the Corporation presented an International Co-production Outreach Presentation. This presentation educated producers in the advantages and challenges involved in producing with an international partner. Producers were also walked through the newest eligibility requirements while exploring various Canadian case studies.
- In March, the NLFDC sponsored a seminar focusing on the new RED Camera technology with the assistance of the International Alliance of Theatrical Stage Employees (IATSE) Local 667 and PS Canada. This seminar gave IATSE members the opportunity for hands on learning with this new, state of the art technology, allowing the province's crew to remain competitive in the ever changing industry,
- Facilitated by Sue Biely, a seminar outlining the current status of Digital content in the Global marketplace proved to be very popular with filmmakers and producers looking to

remain competitive in an industry which is becoming progressively more digital and web based.

- The NLFDC also took the opportunity to work closely with Newfound Films to offer advanced editing and sound mixing training by working directly on the critically acclaimed feature, *Down to the Dirt*. By working along side expert editors and mixers, local crew had the opportunity to learn techniques while having the experiencing firsthand how these skills are utilized while working on a major motion picture.

Secondly, the NLFDC must ensure new training initiatives will be undertaken. For 2007/08, the NLFDC is pursuing two main initiatives:

- 1. CFTPA Atlantic Mentorship Program - The NLFDC is in discussion with Sue Stranks of the CFTPA to draft a proposal for an Atlantic mentoring program for people in Atlantic Canada who would like to become producers to work with established production companies in the Atlantic Region, with a focus on emerging talent.**
- 2. Second Time Filmmakers Program - The NLFDC is currently working with NIFCO and Telefilm Canada to develop a Second Time Filmmakers Program (to complement the existing First Time Filmmakers Program). This program will further advance professional development efforts in the province. This pilot program will be designed to give emerging filmmakers the tools and training needed to advance their producing, directing and writing skills by making a short film. Through the program, participants will be guided by a staff mentor, receive classroom training and on-set mentoring by industry professionals, and access state of the art editing facilities at NIFCO.**

CFTPA Atlantic Mentorship Program – In cooperation with Sue Stranks of the CFTPA, a proposal for an Atlantic mentoring program was drafted, implemented and announced. Specifically for people in Atlantic Canada, this program allowed individuals who would be interested in becoming producers to work with established production companies in the Atlantic Region, with a focus on emerging talent. Our province’s participants were Jeanette Picco and Jill Knox-Gosse, who were mentored by established producers Anna Petras and Paul Pope, respectively. Due to this year’s success, the NLFDC is looking forward to renewing its support for this program on an annual basis.

Second Time Filmmakers Program – In partnership with NIFCO and Telefilm Canada, the NLFDC launched Picture Start - a Second Time Filmmakers Program. Designed as a follow-up to NIFCO’s First Time Filmmakers Program, Picture Start allows filmmakers to further develop their skills by giving them the tools to advance their producing, directing and writing skills by making a short film. Through the program, participants are guided by a staff mentor, receive classroom training and on-set mentoring by industry professionals, and access state of the art editing facilities at NIFCO.

Thirdly, the NLFDC has sponsorship funding available to assist industry participants with:

- **Travel assistance to market their skills/products globally**
- **Assist with marketing related expenses**

- **Funding to attend professional development workshops**

The NLFDC's goal is to invest the sponsorship funding in order to maximize value for the development of the local technical and creative talent.

In 2007-08, with the help of ACOA, the NLFDC invested over \$60,000 in the local film community to assist with travel, market their products and attend workshops to enhance their skills. We are predicting the demise of the agreement with ACOA, however, and it will be extremely difficult to maintain this level of funding in future years.

MEASURES AND INDICATORS FOR NEXT FISCAL YEAR

The NLFDC is forecasting a strong production year for 2008-09 with many tv and film projects and potential co-productions currently in discussion. Success for 2008-09 will be measured and indicated by:

<i>Measures</i>	<i>Indicators</i>
Effective management of the equity fund	Amount of dollars invested from equity fund for development loans and equity investments
	Level of production activity
	Dollars leveraged into the province
Effective management of the tax credit	Renewal of the tax credit
	Enhanced competitiveness of the tax credit
Marketing of NLFDC programs and locations	Number of co-productions being discussed
Initiatives implemented to develop creative and technical abilities	Number of workshops performed in the province
	Number of new training initiatives undertaken

OPPORTUNITIES AND CHALLENGES AHEAD

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

Opportunities

- With the emergence of “new media”, there is the potential for an industry to develop in the province with government support. The NLFDC hopes to play a role in this.
- Through travelling to various international events, the NLFDC has identified international co-productions as an opportunity worth pursuing. Specifically, Europe appears to be a market worth pursuing.
- The continued pursuit of projects outside of traditional funding models in addition to a television series would allow the development of crew through steady production. Hopefully, this will attract young people into the industry and assist in developing the next wave of producers in the province.
- The NLFDC feels that local productions have the potential to provide further economic benefit to the province. For example, encouraging these productions to utilize the facilities at NIFCO and encouraging them to hire local labour.

Challenges

- Maintaining crew in the province. Once crew get trained there is tremendous pressure for them to pursue their careers in other major filming centres
- Should the film industry continue to grow and should a tv series come to fruition the industry will be facing further infrastructure issues. For example, warehouse space for a sound stage could be difficult to access should Hebron be approved, etc.
- It appears as though there will be diminished federal support of cultural industries. Cuts to Federal programs could have a negative impact on the film and television industry in the province.
- Evolution of the industry in Canada is resulting in fewer Canadian distribution companies (two have recently been purchased by US entities and one has recently filed for bankruptcy) and fewer Canadian broadcasters due to mergers
- The strength of the Canadian dollar versus the US dollar continues to plague the industry in Canada.
- The NLFDC is predicting that the Atlantic Canada Film Partners agreement with ACOA will end in 2008. This will result in decreased funding for travel assistance for producers to market their products internationally.

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

FINANCIAL STATEMENTS

Please see attached.

Newfoundland and Labrador Film Development Corporation

Financial Statements

March 31, 2008

Newfoundland and Labrador Film Development Corporation

March 31, 2008

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Auditors' Report

To the Board
Newfoundland and Labrador Film Development Corporation

We have audited the balance sheet of Newfoundland and Labrador Film Development Corporation as at March 31, 2008 and the statement of operations, surplus, cash flow and schedule of receipts and commitments - Equity Investment Program 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, 2008 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.



Pinsent & Associates
Certified General Accountants

St. John's, NL
June 9, 2008

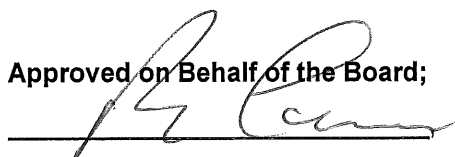
Newfoundland and Labrador Film Development Corporation

Balance Sheet

As At March 31, 2008

	Note	2008	2007
Assets			
Current Assets			
Cash		\$ 745,593	\$ 985,685
Accounts receivable		14,500	17,480
Prepaid		5,676	8,342
Total Current Assets		765,769	1,011,507
Property, plant and equipment	2.	11,050	18,207
Deferred interest		-	139
Total Assets		\$ 776,819	\$ 1,029,853
Liabilities and Shareholders' Equity			
Current Liabilities			
Payables and accruals		\$ 29,138	\$ 11,508
Equity investment program payables		402,878	817,975
Holdbacks payable - Equity investment program		199,059	72,648
Deferred income/revenue		-	39,145
Current portion of long term lease		2,160	2,160
Total Current Liabilities		633,235	943,436
Capital leases	3.	432	2,592
Total Liabilities		633,667	946,028
Equity			
Share capital	4.	3	3
Surplus - end of year		143,149	83,822
Total Equity		143,152	83,825
Total Liabilities & Equity		\$ 776,819	\$ 1,029,853

Approved on Behalf of the Board;



The accompanying notes are an integral part of these financial statements.

Newfoundland and Labrador Film Development Corporation

Statement of Operations

For the Year Ended March 31, 2008

	Note	2008	2007
Revenue			
New Media Study Grant - Department of Tourism, Culture & Recreation	\$	25,000	\$ -
Government of Newfoundland and Labrador - Department of Tourism, Culture & Recreation		550,000	550,000
Economic Impact Study Grant - Department. of Tourism, Culture & Recreation		39,145	10,855
Interest income		3,243	-
Total revenue		617,388	560,855
Operating expenses			
Advertising and promotion		26,495	15,828
Promotional materials and publications		8,175	4,988
Amortization of tangible assets		7,158	6,623
Office administration		71,859	59,861
Professional development		17,656	10,384
Professional fees	5.	65,235	58,812
Salaries and wages		283,199	259,443
Municipal taxes and other fees		2,064	1,032
Miscellaneous expense		2,468	849
Conferences and travel		60,974	60,155
Sponsorships		60,240	55,103
Printed materials		2,583	7,505
Total operating expenses		608,106	540,583
Income from operations		9,282	20,272
Non operating income and expenses			
Gains (losses) on disposal		-	(2,614)
Excess of revenue over expenditure (expenditure over revenue)	\$	9,282	\$ 17,658

The accompanying notes are an integral part of these financial statements.

Newfoundland and Labrador Film Development Corporation

Statement of Surplus

For the Year Ended March 31, 2008

	Note	2008	2007
Surplus - beginning of year		\$ 83,822	\$ 28,265
Excess of receipts over expenditure (expenditure over receipts)		9,282	17,658
Excess of receipts over commitments - Equity Investment Program (EIP) - Schedule of Receipts and Commitments	12.	50,045	37,899
Surplus - end of year		\$ 143,149	\$ 83,822

Composition of Surplus (Deficit):

Operations Account	\$	346	\$	(8,937)
Equity Investment Account		142,803		92,759
Surplus - end of year	\$	143,149	\$	83,822

The accompanying notes are an integral part of these financial statements.

Newfoundland and Labrador Film Development Corporation

Statement of Cash Flow

For the Year Ended March 31, 2008

	Note	2008	2007
Cash flow from operating activities			
Net income (loss) for the period	\$	9,282	\$ 17,658
Excess of receipts over commitments (commitments over receipts)		50,045	37,899
Amortization		7,158	6,623
Gain (Loss) on sale of capital assets		-	2,614
		66,485	64,794
Changes in non-cash working capital balances			
Decrease (increase) in accounts receivable		2,980	(1,445)
Accounts payable and accrued liabilities		(271,057)	473,497
Decrease (increase) in prepaid expense		2,666	(1,709)
Increase (decrease) in deferred revenue		(39,145)	39,145
Total cash flow from operating activities		(238,071)	574,282
Cash flows from/used in investing activities			
Property, plant and equipment additions		-	(17,251)
Deferred charges		139	(139)
Total cash flows from/used in investing activities		139	(17,390)
Cash flows from/used in financing activities			
Capital lease		(2,160)	4,752
Total cash flows from/used in financing activities		(2,160)	4,752
Net increase in cash and cash equivalents		(240,092)	561,644
Net cash and cash equivalents, beginning of period		985,685	424,041
Net cash and cash equivalents, end of period	\$	745,593	\$ 985,685

The accompanying notes are an integral part of these financial statements.

Newfoundland and Labrador Film Development Corporation

Notes to the Financial Statements

March 31, 2008

1. Accounting Policies

Basis of preparation

The accounting policies of the Corporation are in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year except those policies relating to program grants, loans and equity investments. Outlined below are those policies considered particularly significant.

Nature of operations

The Corporation is incorporated under the laws of the Province of Newfoundland and Labrador. 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.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

Fair values

The company has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

Amortization

Property, plant and equipment is carried at cost. Amortization is provided annually at rates indicated, calculated to write off the assets over their useful lives, except in the year of acquisition when one-half of the rate is used.

Change in accounting policy

During fiscal 2007 the Corporation changed its policy regarding the treatment of Equity Investment in Films and Project Development Loans. Equity Investment in Films and Project Development Loans which were previously recorded as revenue and expense in the years received are now recorded as assets and appropriate allowances taken, as indicated in Notes 7 and 8.

Newfoundland and Labrador Film Development Corporation

Notes to the Financial Statements

March 31, 2008

2. Property, Plant and Equipment

Property, plant and equipment consists of the following:

			2008		2007
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	45%	\$ 40,901	\$ (33,164)	\$ 7,737	\$ 14,066
Furniture & fixtures	20%	17,445	(14,132)	3,313	4,141
Total		\$ 58,346	\$ (47,296)	\$ 11,050	\$ 18,207

3. Long Term Leases

The company has the following obligation under capital lease:

	2008	2007
CIT Financial Services		
Lease repayable in 36 equal monthly installment of \$188.	\$ 2,592	\$ 4,752
Current portion	(2,160)	(2,160)
Long-term portion	\$ 432	\$ 2,592

Obligations under capital leases are as follows:

2009	\$ 2,160
2010	432
Total	\$ 2,592

4. Shareholders' Equity

Authorized:

600 common shares of no par value

Issued and outstanding shares:

600 common shares

	2008	2007
Common shares	\$ 3	\$ 3

Newfoundland and Labrador Film Development Corporation

Notes to the Financial Statements

March 31, 2008

5. Professional Fees

Professional fees consists of the following:

	2008	2007
Accounting and audit	\$ 11,271	\$ 8,500
Economic impact study	32,566	10,926
Preparation of production guide	-	35,665
Preparation of annual returns	-	2,021
Other fees	-	1,700
New media study	21,398	-
Total	\$ 65,235	\$ 58,812

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 Newfoundlanders and Labradorians. 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.

	2008	2007
Equity investment	\$ 10,703,854	\$ 9,010,360
Allowance against equity investment	(10,653,270)	(8,960,972)
Recoupment - Equity investment	(50,584)	(49,388)
Total	\$ -	\$ -

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 costing. 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.

	2008	2007
Development loans	\$ 2,019,700	\$ 1,720,796
Allowance against development loans	(2,019,700)	(1,720,796)
Total	\$ -	\$ -

Newfoundland and Labrador Film Development Corporation

Notes to the Financial Statements

March 31, 2008

8. Commitments

The Corporation entered into a three-year rental agreement with Imperial House Inc. commencing June 1, 2006.

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, 2008, the Corporation was contractually committed to advance funds totaling \$792,811 from the Equity Investment Program as investments and loans in respect of current and future projects subject to the availability of funds and terms and conditions outlined in the funding agreements.

	2008/2009
The Giggle Factory Inc. - "Snowboarding school"	17,399
From Here Productions - "Weigh In"	11,400
Kickham East Productions - "The House of the Wooden Santas"	14,926
Morag Loves Company - "Love and Savagery"	400,000
Rink Rat Production Inc. - Maudie (PHASE II)	11,824
Henge Productions Ltd. - Where's My Goat?	12,262
Futuristic Films Ltd. - "Screamers 2"	250,000
Morage Loves Company - "Love & Savagery"	75,000
	<u>\$ 792,811</u>

9. Economic Dependence

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

10. Financial Instruments

The Corporation's financial instruments consist of receivables, accounts payable, equity investment payable, holdback payable, and commitments. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

11. Comparative Figures

Prior year figures have been reclassified where applicable to conform with the current year presentation.

Newfoundland and Labrador Film Development Corporation

12. Schedule of Receipts and Commitments - Equity Investment Program For the Year Ended March 31, 2007

	Note	2008	2007
Receipts:			
Government Funding	Equity Investment Program	1,999,025	1,999,663
Recoupment	Equity Investment Program	1,196	326
Interest earned	Equity Investment Program	42,222	
Funding which has lapsed:			
Augusta Productions	Duckworth		11,440
Augusta Productions	Girl on the Road		9,000
Edge of the Earth Productions	Birds Eye View		4,109
Edge of the Earth Productions	Berry Pickers		4,115
Fire Crown Productions Inc.	Tricksters		20,750
Kickham East Productions Inc.	Salt Fish and Molasses		6,750
Rink Rat Productions	The Sergeant's Son (Phase II)		22,748
Rink Rat Productions	Maudie		32,248
Morag Loves Company Limited	Death By Lottery	6,170	
The Giggle Factory Inc.	George street TV - Season 5	22,600	
Legends Productions , Inc.	Legends & Lore (Season II)	94,008	
Dark Flowers Productions, Inc.	Atlantic Blue	465,000	
		2,630,221	2,111,149
Current year commitments:			
2M Innovations	Hatching Matching & Dispatching		150,000
2M Innovations	Hatching Matching & Dispatching - 7-9		27,135
Above and Beyond Inc.	Above and Beyond		200,000
Augusta Productions	Girl on a Road Additional	11,964	
Augusta Productions Inc.	Girl on the Road		45,917
Away Films Inc.	10 days	13,200	
Away Films Inc.	Blood Stains	18,150	
Best Boy Productions Inc.	The Skinny Dip	50,855	
Best Boy Productions Inc.	The Skinny Dip	50,855	
Best Boy Productions Inc.	What Do They Do in There?	130,737	
Best Boy Productions Inc.	The Innu and Big Land	3,864	
Best Boy Productions Inc.	The Flummies		10,000
Best Boy Productions Inc.	Speaking Volumes		10,000
Best Boy Productions Inc.	A Little Problem with Murder		9,634
Dancing Trout Productions Inc.	Feel the Earth Move		52,056
Dark Flowers Productions Inc.	Atlantic Blue		465,000
Edge of the Earth Productions Inc.	Torn from the Sea		8,000

Newfoundland and Labrador Film Development Corporation

12. Schedule of Receipts and Commitments - Equity Investment Program For the Year Ended March 31, 2007

		Note	2008	2007
Current year commitments continued...				
Fire Crown Productions Inc.	Poets Blazing the Land		6,600	
Fire Crown Productions Inc.	Sights Before Christmas		6,270	
Fire Crown Productions Inc.	Tricksters			4,750
From Here Productions Inc.	The House I Grew Up In		7,100	
Futuristic Films Ltd.	Screamers 2		335,000	
Hey Day Productions Inc.	Hey Day			100,000
Kickham East Productions Inc.	Gros Morne		7,830	
Kickham East Productions Inc.	Two Girlfriends			7,900
Kickham East Productions Inc.	Friendship (Phase II) 2 girlfriends		11,550	
Killick Productions Inc.	From Botwood to Foynes			8,301
Legends Productions Inc.	Legends and Lore			50,000
Media Connections Inc.	The Real Matriarch			7,125
Media Connections Inc.	People Who Stay		7,425	
Morag loves Moebius Corp	Moebius Redux		7,500	
Morag Loves Company Limited	Love and Savagery		525,000	
Morag Loves Company Limited	Terminal Machines		83,004	
Morag Loves Company Limited	Surfing in Newfoundland		8,522	
Morag Loves Company Limited	An Iceberg's Journey			6,062
Morag Loves Company Limited	Surfing in Newfoundland (Phase II)			8,914
Morag Loves Company Limited	Alligator			10,599
Morag Loves Company Limited	The March Hare			6,945
Morag Loves Company Limited	Death By Lottery			6,170
Morag Loves Company Ltd.	Rickey Newman		14,250	
Morag Loves March Hare	The March Hare			20,539
Morag Loves Moebius Corporation	Jean Giraud - A Life in Pictures			13,300
More Life Films Inc.	Rorschach City		15,936	
Muinijj Productions Inc.	Mix Bloods			16,599
Muinijj Productions Inc.	Romancing the Labrador			25,000
Muinijj Productions Inc.	Scat Stories			12,780
Newfound Films Inc.	Down to the dirt		72,390	77,791
Newfound Films Inc.	Bookshorts			15,300

Newfoundland and Labrador Film Development Corporation

12. Schedule of Receipts and Commitments - Equity Investment Program For the Year Ended March 31, 2007

	Note	2008	2007
Current year commitments continued...			
Newfound Films Inc.	Growing Pains		16,493
Newfound Films Inc.	Heartless Disappearance into Labrador		11,319
Newfound Films Inc.	St. John's West (Phase II)		6,800
Opportunity Knox Inc.	Grown Up Movie Star (Phase II)	9,700	
Pangur Ban Productions Inc.	Africa: Cradle and Grave	6,000	
Pearl Productions Inc.	Perfect Day	5,000	
Pearl Productions Inc.	The Magnificent Mollie McBride	16,211	
Pierre Films Ltd.	Doyle Inc.	14,000	
Pilots Three Inc.	3 Pilots		77,043
Plain Sight Pictures	Wish		7,013
Plain Sight Pictures	Wingman		11,760
Pope Productions Inc.	Why Angels Sing		9,800
Pope Productions Inc.	Lighthouse		11,885
Pope Productions Inc.	Diverted	250,000	250,000
Pope Productions Inc.	Monkshood		11,647
Pope Productions Inc.	Access to Health		8,100
Pope Productions Inc.	Her Majesties' Pen		4,640
Pope Productions Ltd.	Newfoundland Beatdown	8,962	
Pope Productions Ltd.	Daggers point	11,885	
Pope Productions Ltd.	Sea Jacked	11,885	
Pope Productions Ltd.	Gossip - add'l	100,000	
Pope Productions Ltd.	The Wall	50,000	
Pope Productions Ltd.	Gossip	300,000	
Pope Productions Ltd.	Kicker (Phase II)	12,079	
Wall Productions Inc.	The Wall	300,000	
Rain Productions Inc.	Finding Balance		15,000
Rink Rat Productions Inc.	Motion Show	7,582	
Rink Rat Productions Inc.	Euro League		26,460
Rink Rat Productions Inc.	Christopher House: Ahead of the Curve		20,000
Rink Rat Productions Inc.	The Big Bang		12,623
Rink Rat Productions Inc.	Feast of Cohen		8,308
Rink Rat Productions Inc.	Maudie		5,512
Rock Island Productions	An Audience of Chairs Phase II	20,423	
Rock Island Productions	An Audience of Chairs	9,230	
Sky Bridge Productions	Ferry Command		18,596

Newfoundland and Labrador Film Development Corporation

12. Schedule of Receipts and Commitments - Equity Investment Program For the Year Ended March 31, 2007

	Note	2008	2007
Current year commitments continued...			
Small Pond Productions	Rabbittown		50,000
Springwater Productions Inc.	Breaking Ground - Season 2	28,797	
Streely Maid Films Ltd.	A Fine Catch	24,420	
Streely Maid Films Ltd.	The Songwriter - Diamonds in a Bucket	6,000	20,400
The Giggle Factory Inc.	George Street TV - Season III		50,000
The Giggle Factory Inc.	George Street TV - Season IV		21,344
The Giggle Factory Inc.	George Street TV - Season V		22,600
		<u>2,580,176</u>	<u>2,073,160</u>
Excess of receipts over commitments (commitments over receipts)		50,045	37,989
Opening Balance		<u>92,758</u>	<u>54,769</u>
Closing Balance - Uncommitted funds		<u>142,803</u>	<u>92,758</u>