

FOUNDATION TO ASSIST CANADIAN TALENT ON RECORDS

ANNUAL REPORT



For the Year Ended March 31, 1990

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FACTOR The Foundation to Assist Canadian Talent on Records

Annual Report
for the year ended
March 31, 1990

FACTOR and members of the music industry honor Moffat Communications in March 1990 in appreciation of Moffat's making over \$1 million in total contributions to the foundation.



(left to right) Ann T. Graham, President FACTOR; Randy Moffat, President and Chairman, Moffat Communications Ltd.; Roy Hennessy, V-P and General Manager CISS-AM & CHFM-FM; Jim McLaughlan, V-P Radio, Moffat Communications Ltd.; Heather Sym, Executive Director FACTOR; John Caton, Manager Blue Rodeo; Ian Thomas, FACTOR-supported artist for recently-released recording - Air Pirates and Jim Cuddy one of the two main singers/songwriters with Blue Rodeo.

President's Report

While the amount of funding from the Department of Communications through the Sound Recording Development Program remains unchanged, I am pleased to report that the financing FACTOR receives from the private sector is ever-increasing. Redmond Communications, Rock 95 and Radio Station CJVB have joined the FACTOR team, bringing the total number of sponsoring broadcasters to twelve. FACTOR's Radio Syndication Program secured its first private sponsor. Maclean Hunter Broadcasting, a sponsoring broadcaster for the past four years, made a five-year, \$250,000 commitment to FACTOR for the direct funding of pilot radio programs through FACTOR's Radio Syndication Program.

A milestone in our history was reached this year when Moffat Communications, one of the original founding broadcasters, surpassed the \$1million mark in its total contributions to FACTOR. Moffat is the first broadcaster to have reached this level of support to the foundation. In appreciation, FACTOR presented Randy Moffat, President and Chairman of Moffat Communications, with a Diamond Award to commemorate the occasion. We look forward to thanking other broadcasters as they reach this same level of support to FACTOR.

During this past year FACTOR found once again that the demand on its programs far exceeded the funding available. In part, this increased demand can be attributed to FACTOR's participation at information seminars held in St. John's, Newfoundland; Halifax, Nova Scotia; Winnipeg, Manitoba; Saskatoon, Saskatchewan; and Vancouver, British Columbia. As well, FACTOR held evaluations in Halifax, Winnipeg, Saskatoon, Vancouver and Toronto. FACTOR's involvement with the various music industry events has afforded the opportunity for a greater number of people to understand the goals and objectives of the organization.

I am pleased to report that many FACTOR-supported artists are receiving national recognition. Alannah Myles, Blue Rodeo, k.d. lang, Gary Fjellgaard and Cowboy Junkies are among the FACTOR-supported artists that dominated the lists of nominees and winners at many of Canada's music industry awards this past year.

With the conclusion of this fiscal year, FACTOR enters its fifth and final year of the existing Sound Recording Development Program (SRDP) agreement with the Department of Communications (DOC). The program has recently been evaluated by Ekos Research on behalf of the DOC. We have been told that this evaluation clearly indicates the FACTOR program is much-needed, highly-successful, but under-financed. Preliminary discussions with the DOC lead us to believe the program will be renewed. However, this critical renewal is not our only challenge. Funds must be found for the financing of the national and international marketing and promotion of Canadian artists. Another important challenge is to obtain funding for domestic touring.

We have shown the Government of Canada the significance of its support for Canadian talent in the music industry. It is imperative that the momentum of the Canadian independent recording industry not only be sustained, but more fully realized in future years. The respect and demand for our musical talent must be developed in our country as well as internationally. Canada has the talent. All that is missing is the financing that will assist our Canadian independent labels to compete in the world market.



Ann T. Graham
President



Ann T. Graham, President, FACTOR, on behalf of the Canadian music industry presents The Hon. Marcel Masse, Minister of Communications with a guest book, at a reception held last May in appreciation of the DOC's support of the Canadian recording industry.

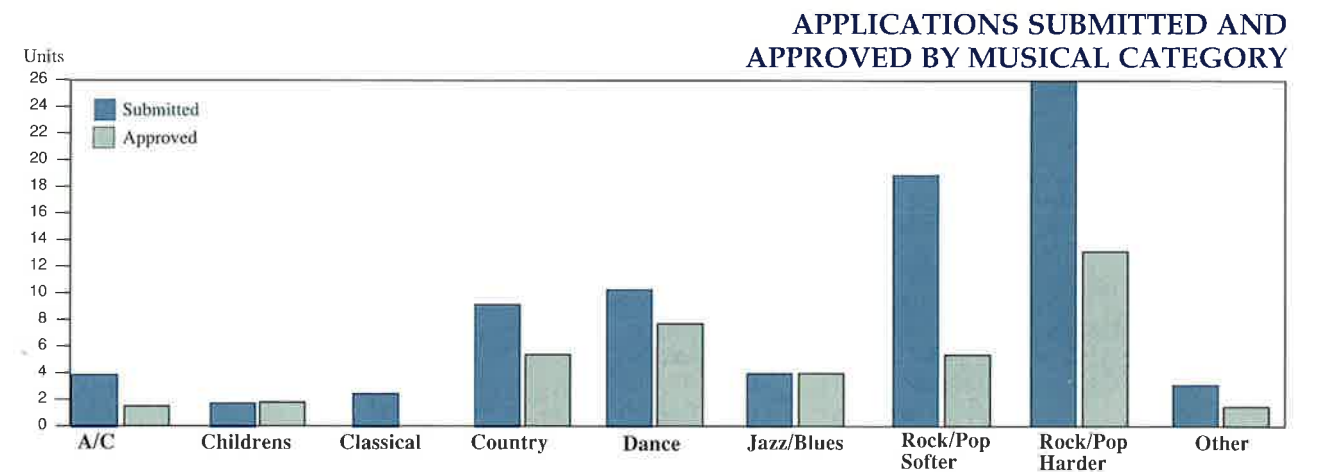
Direct Board Approval

The Direct Board Approval Program was re-structured to replace FACTOR's Multi-Project Funding Program as well as the previous Direct Board Approval Program. The purpose of this program is to enhance the development of the Canadian Recording Industry through support of Canadian-owned labels doing business on a national basis.

Two levels of funding are offered. Level "A" is for companies that have been in business for a least three years and have released no less than four LPs by Canadian artists in the 24 months prior to the date of application. Level "A" companies can receive up to 50% of their eligible budget to a maximum of \$50,000.00 per project. Level "B"

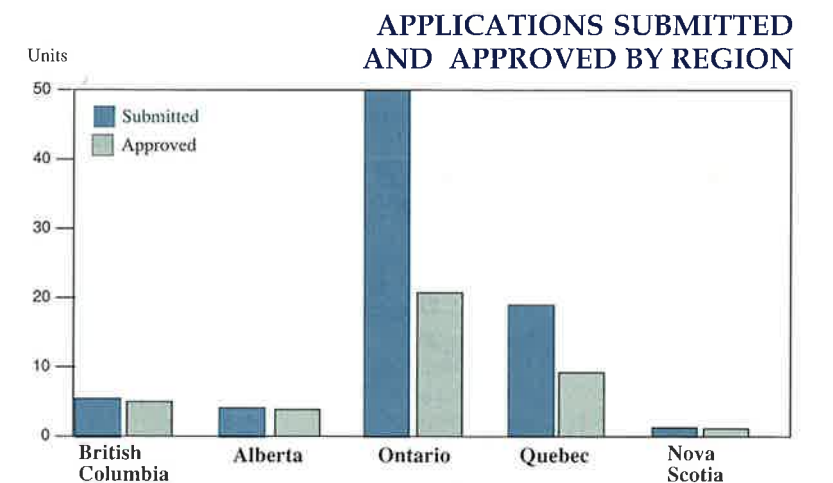
was established for companies that have been in business for at least two years and have released no less than two LPs by Canadian artists in the 24 months prior to the date of application. Level "B" companies can receive up to 50% of the eligible budget to a maximum of \$25,000.00.

Among the revisions to the Direct Board Approval Program, FACTOR launched a recoupment dividend plan, whereby up to 50% of a company's loan repayment to FACTOR can be applied to an upcoming sound recording or video project.



FACTOR received 78 applications for funding of which 37 were approved for support for the following artists:

- | | |
|------------------|------------------|
| Acosta & Russell | Debbie Johnson |
| Long John Baldry | Junior Gone Wild |
| Art Bergmann | Laymen Twaist |
| Big Idea | Look People |
| Paris Black | Mad About Plaid |
| Holly Cole | Mahogany Rush |
| Diodati | Marvelous Sauce |
| Steve Fox | Sonia Papp |
| Fussy Cussy | Anita Perras |
| Good Brothers | Doug Riley |
| Gunn | Don Ross |
| Haywire | Rocky Swanson |
| Hilt | Sylvia Tyson |
| Jannetta | THD |
| Sass Jordan | The Bookroom |
| Jay W. McGee | Toyo |
| Jess Lee | Twin Image |
| Joey DeSimone | Bill Usher |
| John James | |



Application Process

All applications submitted for FACTOR loans, New Talent Demo Awards and Professional Publishers and Songwriters Demo Awards are reviewed by evaluation panels specializing in a particular musical category. An evaluation panel includes representatives from the broadcasting and recording industries. These individuals donate their time to evaluate applications and to make recommendations to the Board of Directors for projects which they unanimously decide should receive support. Applications are evaluated using criteria set out by the Board.

During this fiscal year FACTOR held 122 separate evaluations in Toronto, Vancouver, Halifax, Winnipeg, and Saskatoon. FACTOR wishes to thank the following individuals who participated in these evaluations for applications submitted to the FACTOR Loan, New Talent Demo Awards and Professional Publishers and Songwriter Awards programs:

Paul Airey	Maggie Calladine	Deborah Dunleavy	Jean-Marie Heimrath	Rick Livingston
Don Adams	Patrick Canavan	Sonya Dunn	Rolf Hennemann	Frank Lowe
Berge Alyanak	Mark Caporal	Kelly Edgar	Fraser Hill	Jonathan Lynn
John Alexander	Peter Cardinali	Bobby Edwards	Harry Hinde	Albert Macdonald
Jai Allen	Tim Carlson	Geoff Edwards	Brenda Hoffert	Angus Mackay
Ron Allen	Burke Carroll	Michael Engelbert	Barry Horne	Grant Mackay
Chris Allicock	Paul Castellarin	Mickey Erbe	Craig Horton	Ruth-Ann MacKinnon
Tommy Ambrose	John Caton	Laurelle Favreau	John Howard	Rick Macmillan
Ralph Alphonso	Daniel Caudeiron	Jack Feeney	Graham Howes	Mark Mahey
Karen Anderson	Pegi Ceconi	John Fenwick	Cliff Hunt	Howard Mandshein
Scratch Anderson	Neil Chapman	Dave Ferguson	Max Hutchinson	Ted Mansfield
Alex Andronache	Doug Chappell	Wendell Ferguson	Scott Hutchinson	Lee Marshall
Michael Ardenne	Liz Chappel	Brian Ferriman	Chad Irschick	Larry Mayson
Richard Armin	Dave Chesney	Brian Fitzgerald	Paul Irvine	Deborah McCallum
Pat Arnott	Shelley Chubby	Vic Folliot	Jimmy James	Shelly McCarthy
Andrew Atkins	Larry Wayne Clark	Mike Forrester	Leslie James	Chris McClement
Simone Auger	Val Clery	Joe Frey	John Jones	Dave McCormick
Bonnie Austring	Graeme Coleman	Brock Fricker	Peter Karroll	Terry McKeown
Darlene Baker	Michael Compeau	Andy Frost	Cyril Kaye	Mike McLaughlan
Bill Ballantyne	Heather Conkie	Steve Fruitman	Tom Keenlyside	Sue Medley
Teurino Barbaro	Eitan Cornfield	Gord Fry	Diana Kelly	Carl Merenick
Shannon Barker	Clara Carotenuto	Chris Burke-Gaffney	John Kendle	David Merrick
Greg Barratt	Joe Coughlin	Charlie Gall	Paul Kennedy	Diane Meyers
Carmen Barry	Charles Cozens	Stan Garchinski	Charles Kert	Jody Mitchell
Lisa Barton	Neil Crory	Rick Gautreau	Bill King	Rick Morrison
Brandon Bayer	Brian Daley	Rene Gelpe	Danny Kingsbury	Ron Morse
Mark Behrend	Ron Dann	Lex Gigeroff	Rick Kilburn	Tonni Neilson
Brian Bell	Bruce Davidson	Marilyn Gilbert	Rod Kitter	Mary Anne Negrashewicz
Rick Bendokas	Victor Davies	Eric Gillespie	Deborah Knight	Noel Newbolt
Stephen Berofe	Connie Davis	Lindsay Gillespie	Kevin Korchinski	Brian Newcombe
Tom Berry	Linda Dawe	Andrew Gillis	Andy Krehm	Kent Newson
Miles Black	Craig Deans	Larry Gilstrom	Geoff Kulawick	Craig Nicholson
Bill Bodnarchuk	Dave Deeley	Maxine Goden	Al Kuzin	Wayne Nicholson
Todd Booth	Vince DeGiorgio	Michael Godin	Julie Lahee	Lloyd Nishimura
Vern Bond	Cumhar Demir	Steve Goodall	Marc Lappano	Ian Noble
Laurie Bower	Brian Depoe	Mark Goodall	Gino Latini	Mark Norman
Bruce Bradley	Myles Dickenson	Ed Gough	Tom Lavin	John Norris
Kim Brant	Rich Dodson	David Graff	Jess Lee	Gary O'Brien
David Bray	Mary-Lynn Dodson	Nevin Grant	Rene Leblanc	Ted O'Reilly
Terry Brown	Dan Donahue	Shannon Gunn	Peter Lee	Bill Osborne
Wolfgang Burandt	Denise Donlon	Bob Hahn	George Leger	Don Osborne
Daryl Burgess	John Donnelly	Susan Hammond	Anton Leo	Stephen Ostick
Oswald Burke	Marion Donnelly	Mark Hand	Claude Lelievre	Robert Ouimet
Ron Burrows	Jack Duffy	Corlynn Hanney	Mike Lever	Dan Pachet
Dave Burt	Patrick Duffy	Tom Harrison	Joe Lewis	Alistar Palmer
Doug Caldwell	Tony Duggan-Smith	Mark Hasselbach	Colin Linden	George Pasher

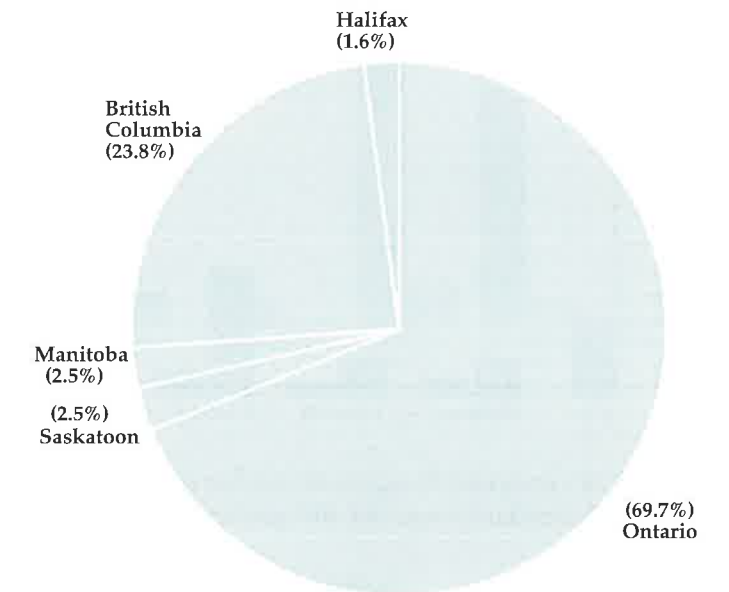
Roy Patterson
Wayne Patton
Barry Payne
David Peever
Chris Pegg
Erin Petrie
James Pett
Annie Petuscan
Lou Pomanti
Ed Preston
Steve Propas
Ron Proulx
Terry Pulliam
Jackie Rae
Patrician McKinnon-Rae
John Redmond
Chris Ristic
Sheryl Rich
Scott Richards
Gairey Richardson
James Rohr
George Rondina
Lisa Roosen-Runge
Susan Rosenberg
Bruce Rosensweet
Derrick Ross
Don Ross
Michael Roth
Peter Roy
Bill Russell
Frank Saunders
Hugh Scott
Matt Segriff
William Seip
Glen Sernyk
Steven Sexton

Allen Shechtman
Kenny Shields
Edward Skira
Serge Sloimovitz
Mark Smith
Tom Sparling
Nando Speranza
Roger St. Denis
Graham Stairs
Jamie Stanley
Keith Stein
John Stephen
Bob Stevens
Barry Stewart
Mervin J. Strang
Roland Stringer
Richard Sturtridge
John Switzer
Gary Taylor
Marty Taylor
William Tenn
John Terminesi
Steve Thomson
Tim Thorney
Tom Tompkins
Tom Treumuth
Rosalie Trombley
Andrew Turner
Fred Turner
Scott Turner
Sylvia Tyson
Shari Ulrich
Avelino Valoma
K. Alex Vaughan
Michael Vien
Trudy Vipond

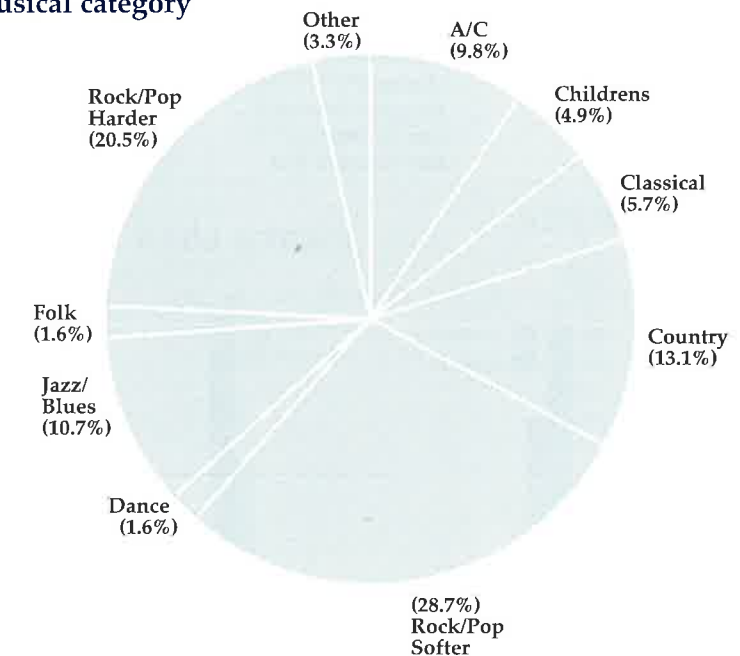
Les Vogt
Joel Wagh
Harold Wainright
Scott Walker
Chris Wardman
David Warren
David Webster
Elizabeth Wells
Bruce Wheaton
Rick Whitelaw
Keith Whiting
Blaine Wilkins

Catherine Wilson
Stewart Winrob
Collette Wise
Harvey Wolfe
Joe Wood
Rene Worst
Joyce Yamamoto
Brian Yaremus
Donna Zeeman
Matt Zimbel
Mark Zuberbuhler
Morris Zurba

Evaluations by region



Evaluations by musical category

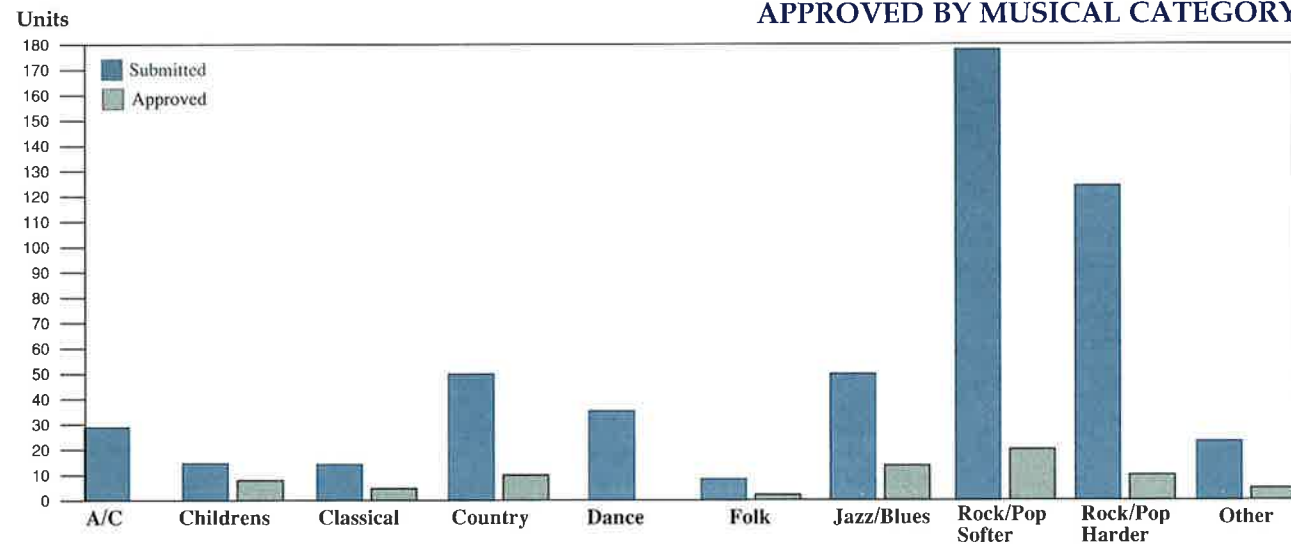


FACTOR Loans

The FACTOR Loan Program was established by the sponsoring organizations to assist Canadian-controlled labels, production companies, producers, managers and artists by providing some financial assistance toward the production costs of professional recording projects. Funds are dispensed in the form of loans of up to 50% of the

eligible budget to a maximum of \$5,000 for two sides; \$10,000 for an EP and \$20,000 for an album. Funding for this program comes from FACTOR's private sponsors and the Sound Recording Development Program of the Department of Communications of Canada.

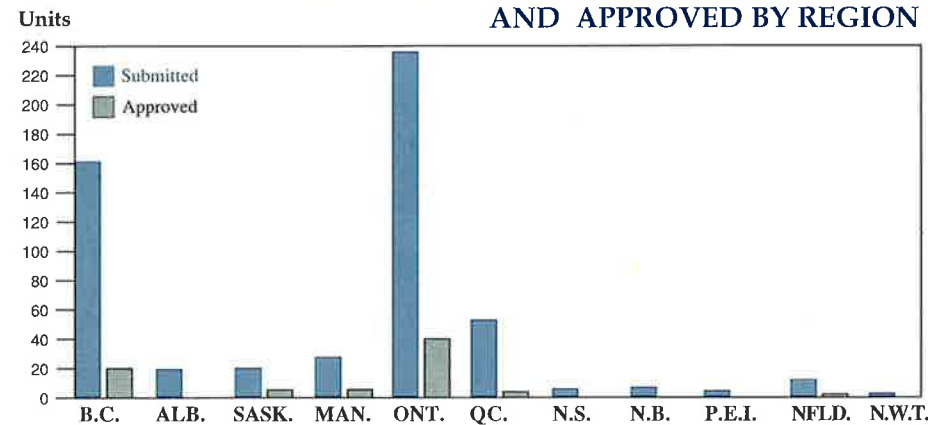
APPLICATIONS SUBMITTED AND APPROVED BY MUSICAL CATEGORY



FACTOR received 525 applications for financing, of which the following 69 artists were approved for financial assistance toward the production costs for sound recordings:

- | | | | | |
|-------------------------------|-----------------|--------------------|---------------------|---------------------|
| Air Pirates | Jeffrey Hatcher | Look People | Al Rodger | Thorobred |
| Alannis | Headpins | Jim McMillan | Terilyn Ryan | Tony Springer |
| Arlene Smith | P.J. Jackson | Dave McMurdo Orch. | Sattalites | Toronto Mass Choir |
| Bambi (2) | Johner Brothers | Melloyds | Sealy & Novotny | V.E.J.I. |
| Basic English | Jeff Jones | Ken Michael | Robert Sigmund | Watertown |
| Glenn Bennett | Anton Kuerfi | Mike Murley | Robin Shier Quintet | J.F. William |
| David Blamires Group | Kerry-Anne Kutz | Montana | Bob Schneider | Wisconsin Johnsinis |
| Ben Hur | Penny Lang | Morgan Davis Band | Connie Scott | |
| Kim & Jerry Brodey | John Lindsay | One To One | Lorraine Scott(2) | |
| Chris Burke-Gaffney | Ray Lyell | Roy Patterson Trio | Glen Stace | |
| Canadian Electronic Ensemble | | | | |
| Jack Chenier | | | | |
| Clayton Carrigan | | | | |
| Chocolate Bunnies | | | | |
| Lenora Clare | | | | |
| Figgy Duff | | | | |
| Deborah Dunleavy | | | | |
| Ian Eaton & Battle River Band | | | | |
| Beverly Elliott | | | | |
| Rik Emmett | | | | |
| Empty Vessels | | | | |
| Forth Inversion | | | | |
| Geoff Gibbons | | | | |
| Bruno Gerussi's Medallion | | | | |
| Marty Gillan | | | | |
| Kayla Goren | | | | |
| Hannaford Street Silver Band | | | | |
| Slavek Hanzlik | | | | |
| Ken Hamden | | | | |

FACTOR LOAN APPLICATIONS SUBMITTED AND APPROVED BY REGION



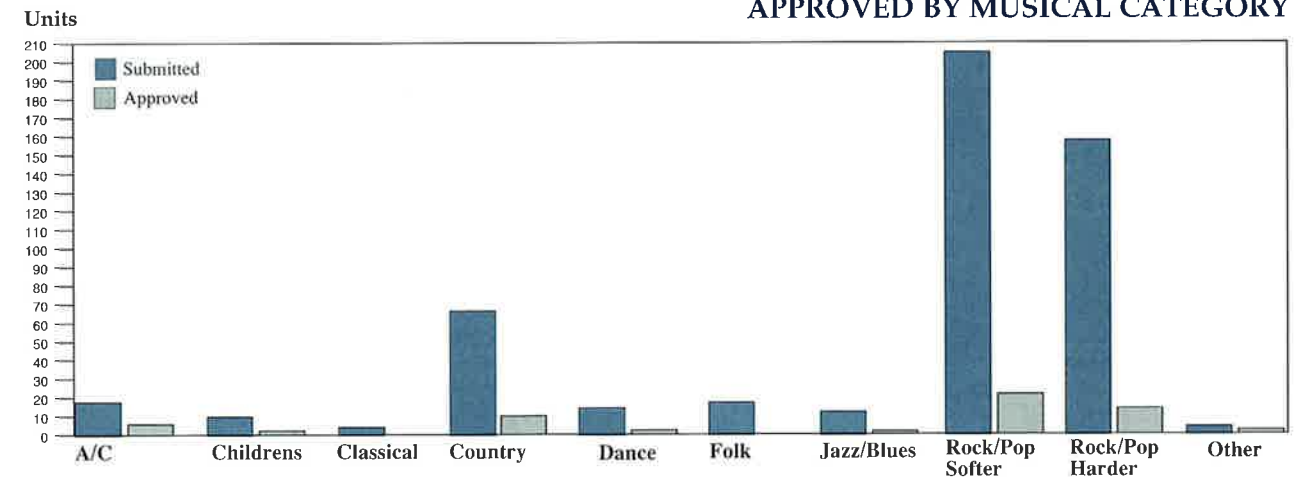
New Talent Demo Awards

The New Talent Demo Award Program was established to assist new artists with the production of a high quality demo tape.

studio to cover 50% of the value of the studio time, based on their published rate to a maximum of \$1,500.00. The contribution to the studio is to help offset the studio's cost for supplying an engineer and tape. The balance of the cost is absorbed by the sponsoring studio.

The Award consists of 25 hours of studio time donated by a sponsoring studio approved by FACTOR. FACTOR makes a direct payment to the

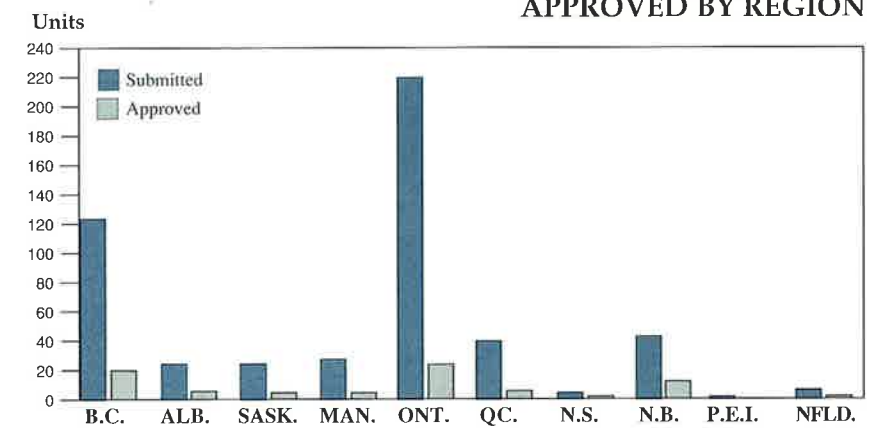
APPLICATIONS SUBMITTED AND APPROVED BY MUSICAL CATEGORY



FACTOR received 507 applications for financing, of which the following 61 artists were approved for grants:

- | | | | | |
|--------------------|------------------------|-------------------------|--------------------|--------------------|
| Trudy Anne Artman | Mary, Mary | Radio Silence | Mary Lou Sicoloy | Larry Lee Vannatta |
| Barnum & Baird | Mayday Parade | Revelation | Sonatas Production | Barbara Warren |
| Orchestra | Doug Mix | Nick Raine | Titanic Reaction | Andrea White |
| Danny Bedhard | Monica Z | The Frank Ross Band | Two Thirds Water | Jay Willis |
| Lisa Brokop | Ted Moore & The Border | B.C. Read & the Bullets | Curtis Tulman | Lisa Yerec |
| David Burke | Wayne Nicholson | Brent Saks | Utd | The Young Saint |
| Terry Cade | Pieces Of Train | Lyndia Scott | U-Turn | Zombo-X |
| Steve Castellano | John Prislant | The Search | | |
| Celtic Blue | Private Sector | BJ Shannon | | |
| Charlie D | | | | |
| Ana Coutinho | | | | |
| James Creasey | | | | |
| Jim Cronk | | | | |
| Crystal Image | | | | |
| Adam Dafeo | | | | |
| Ruby Daley | | | | |
| Doe Re Me | | | | |
| Ken Enman | | | | |
| Peter Esau | | | | |
| Fatal Vision | | | | |
| Wayne Faulconer | | | | |
| Fear of Flying | | | | |
| Janan Frances | | | | |
| Rick Gautreau | | | | |
| Randy Hiebert | | | | |
| The Hodads | | | | |
| Jonathan M | | | | |
| Vivianne LaRiviere | | | | |
| Steve McCall | | | | |
| Mark Pinkus | | | | |

APPLICATIONS SUBMITTED AND APPROVED BY REGION



Sponsoring Studios

FACTOR wishes to thank the following Sponsoring studios for participating in FACTOR's New Talent Demo Award Program:

Ambassador Records, Oshawa, ON
 Ambience Recorders, Ottawa, ON
 Atlantic Multimedia Studios, Fredericton, NB
 Audio Art Recording, Saskatoon, SK
 Axon Music Productions Inc., Toronto, ON
 B & C Sound Studio, Trenton, ON
 Bedrock Recording Studio, Vancouver, BC
 Beta Sound Recorders, Edmonton, AB
 Blue Wave Productions Ltd., Vancouver, BC
 Breakthrough Music, Kelowna, BC
 Camtek Audio Productions Inc., Edmonton, AB
 Chalet Studio, Clarendon, ON
 Cherry Beach Sound Ltd., Toronto, ON
 CMS Records, Moncton, NB
 Colomby/Poizner Productions, Toronto, ON
 Creative Sound, Toronto, ON
 Daben Enterprises Ltd., London, ON
 Dadyeen Limited, St. John's, NF
 Datatrac Productions Ltd., Windsor, ON
 db Sound Productions, New Glasgow, NS
 dms - Digital Music Systems, Montreal, QC
 DMX-2 Music Production Studio, Gloucester, ON
 Digital Music, Toronto, ON
 Echo Recording Studio, St. John's, NF
 E.K. Sound, Calgary, AB
 EMAC Sound Recording Studios, London, ON
 Enormus Sound Studios, Scarborough, ON
 Fluid Sound Studios, Vancouver, BC
 Holly Fontaine Music, Toronto, ON
 Goede Studios, Edmonton, AB
 Grant Avenue Studio (1985) Inc., Hamilton, ON
 Harmony Music Recording Studio, Belleville, ON
 Headliner Productions Inc., Scarborough, ON
 Homestead Recorders Ltd., Edmonton, AB
 Hopewell Studios, Toronto, ON
 Hypnotic Studios Music, Toronto, ON
 In Ear Sounds, Calgary, AB
 In-Line Studios, Willowdale, ON
 Inner City Recording Studio, Vancouver, BC
 Inner City Sound Studios, Regina, SK
 Inside Trak Studios Ltd., Burnaby, BC
 Island Record Prod. Ltd., North Sydney, NS
 Karisma Audio Post Video & Film, Montreal, QC
 L'Atelier Recording Studios, Toronto, ON
 Lakeside Sound, Thunder Bay, ON
 Le Studio Andre Perry Inc., Morin Heights, QC
 Le Studio Harmonie Productions, Longueuil, QC
 Le Studio Ultra-Son, Montreal, QC
 Legacy Productions Ltd., Victoria, BC
 Little Mountain Sound Studios, Vancouver, BC
 Lowe Key Production, Vancouver, BC
 Lyons Creek Studio, Welland, ON
 M & M Recorders, Edmonton, AB
 Maddock Studios, West St. Paul, MB
 Madouess, Edmundston, NB
 Manta Sound Company, Toronto, ON
 Marc Productions Ltd., Ottawa, ON
 Marigold Productions Ltd., Toronto, ON
 Metalworks Recording Studio, Mississauga, ON

Mission Studio, Sudbury, ON
 Montreal Sound Studios, Montreal, QC
 Mushroom Studios, Vancouver, BC
 Musk Sound Studio, Bathurst, NB
 Number Nine Sound, Thornhill, ON
 Ocean Sound Studio, Vancouver, BC
 Orchard Sound Studio, Burlington, ON
 Orchard Studio, Norval, ON
 Pacific Wave Demo Studio, Vancouver, BC
 Para Sound Recording Studio, Newmarket, ON
 Phase One Recording Studios, Scarborough, ON
 Pido Production Ltd., Yellowknife, NW
 Premier Studios, Pogo, BC
 Profile Sound Studio Ltd., Vancouver, BC
 Pyramid Production, St. Catharines, ON
 Rainbow Recording Studios, Niagara Falls, ON
 Reaction Studios, Toronto, ON
 Red Line Recorders, Toronto, ON
 Redwood Studios, Toronto, ON
 Reel North Recording Studio, Fredericton, NB
 Reel Time Recorders, Halifax, NS
 Ridge Music Studio, Thunder Bay, ON
 Right Tracks Productions Ltd., Saskatoon, SK
 Silent Sound Studio, Montreal, QC
 Smooth Rock Studios Ltd., Calgary, AB
 Snocan Enterprises Ltd., Ottawa, ON
 Solar Audio & Recording, Halifax, NS
 Solid State Recording Studio, Brantford, ON
 Sound Design Recording Studio, Toronto, ON
 Sound Ventures Inc., Charlottetown, PE
 Sounds Interchange, Toronto, ON
 SRS - Sound Recording Studios, London, ON
 Straightwire Inc., Toronto, ON
 Studio A, Brampton, ON
 Studio B, Toronto, ON
 Studio Proson Pyramide, Montreal, QC
 Studio St-Charles, Longueuil, QC
 Studio Tempo Inc., Montreal, QC
 Studio 306 Inc., Toronto, ON
 Studio Victor Inc., Montreal, QC
 Studio West Canada Ltd., Saskatoon, SK
 Sundae Sound Studio, Calgary, AB
 Sundown Records Ltd., Edmonton, AB
 Swan-Sound Productions Inc., Toronto, ON
 The Airwerks Organization, Kentville, NS
 The River Studio, Fort Erie, ON
 The Room Recording Studio Inc., Weston, ON
 The Tracking Room, Vancouver, BC
 The Workshop, Kitchener, ON
 Timberwolf Recording Studio, St. Catharines, ON
 Trillium Recording Centre, Winnipeg, MN
 Triton Sound Studio Inc., Downsview, ON
 Twelfth Root Inc., Ottawa, ON
 Venture Music Studio, Toronto, ON
 Waxworks Productions, St. Jacobs, ON
 Wayne Finucan Productions Ltd., Winnipeg, MB
 Wellesley Sound Studio, Toronto, ON
 Winfield Sound Studio, Weston, ON

Professional Publishers and Songwriters

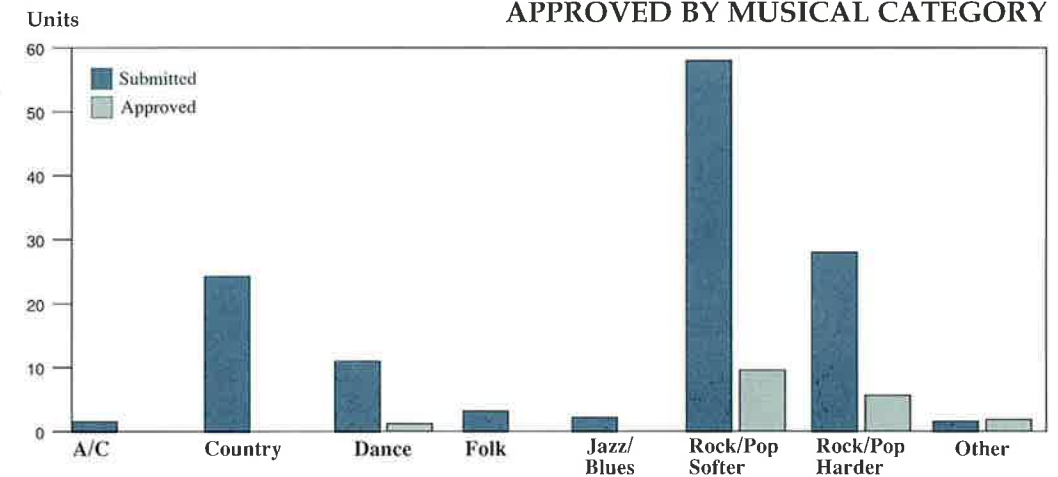
This program is solely financed by the Department of Communications through the Sound Recording Development Program. The purpose of this program is to assist Canadian songwriters and publishers with the production of their songs on a high quality demo tape.

Specifically, this grant is to assist in such areas as obtaining recordings of songs by other artists or in securing a publishing deal. Successful applicants will receive a grant of up to 50% of their eligible budget to a maximum of \$750.00.

FACTOR received 132 applications for financing, of which the following 17 were approved for support:

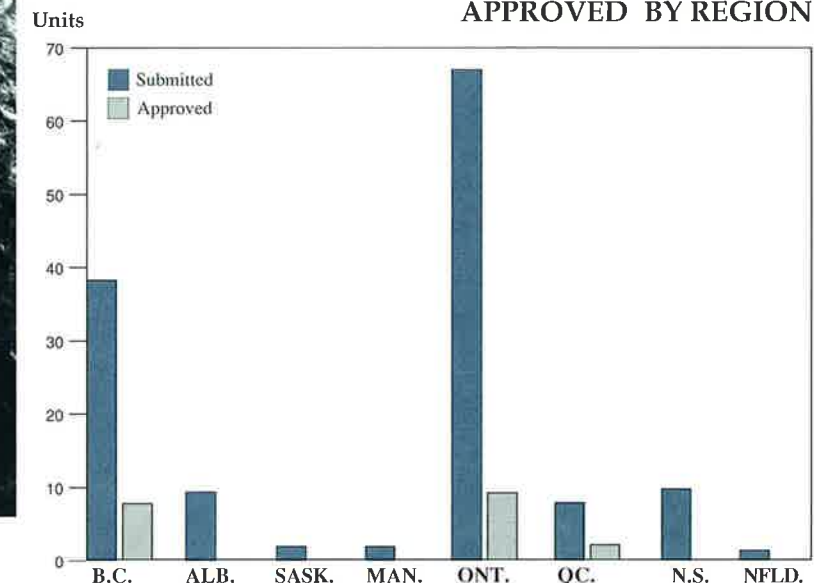
Eric Baragar
 Bushey/Sackney (2)
 Eria Fachin/Bartolomucci
 Michael Breen
 Sari Dajani
 Moe Denburg
 Hal Draper
 Sondra Gordon
 Bill Kole (2)
 Colin Linden
 Anna Miransky
 Stephen Neale
 John Pippus
 Andrew Smith
 Terilyn Spooner

APPLICATIONS SUBMITTED AND APPROVED BY MUSICAL CATEGORY



Eria Fachin

APPLICATIONS SUBMITTED AND APPROVED BY REGION

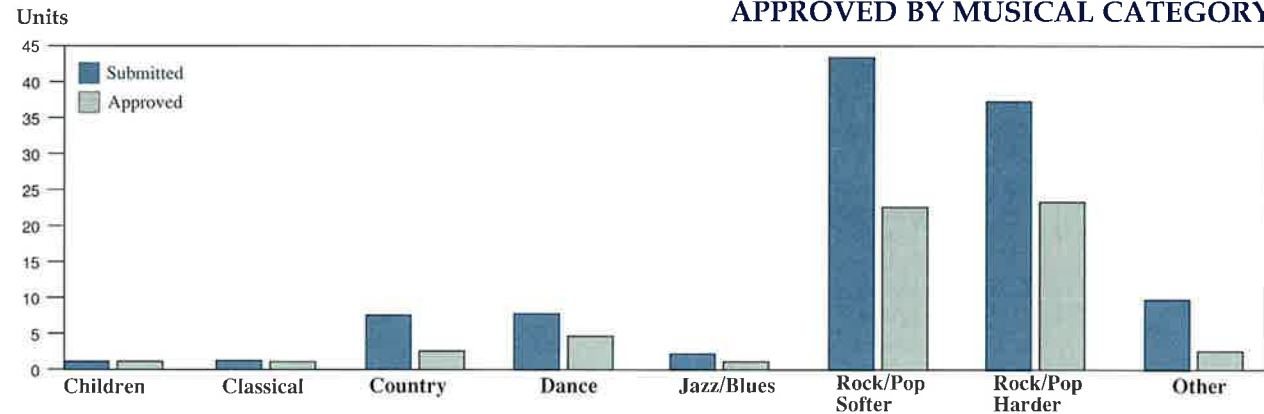


Video

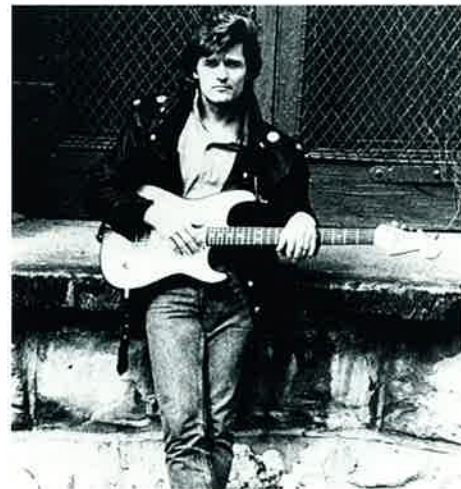
The Video Program is solely financed by the Department of Communications' Sound Recording Development Program and is administered on their behalf by FACTOR. This program was developed to assist with the financing of videos for Canadian labels with national distribution to support currently-released singles. Video funds

are dispensed in the form of loans with a maximum of \$7,500 available per video. As the demand on this program far exceeds the funding available, funds for this program are broken down into monthly installments. All qualifying applications are pro-rated against the sum total available for that month.

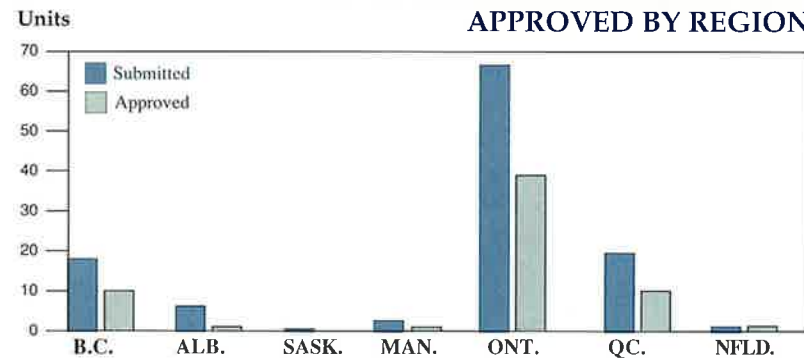
APPLICATIONS SUBMITTED AND APPROVED BY MUSICAL CATEGORY



Danny Brooks



APPLICATIONS SUBMITTED AND APPROVED BY REGION



FACTOR received 108 applications for funding, of which 60 videos were approved for the following 56 artists:

- * Ajo & The Hungry Boys (2)
- * Al Rodger
- * Andy Curran
- * Art Bergmann
- * Blue Rodeo
- * Bob Wiseman
- * Chalk Circle
- * Clifton Joseph
- * Connie Kaldor
- * Crash Vegas
- * Danny Brooks
- * Ellen McIlwaine
- Erik Johnson
- * Eugene Ripper
- * Figgy Duff
- * Gary Fjellgaard
- G.T. Express
- HDV
- Helix
- Hodads
- Jellyfishbabies
- * John James
- * Kim Mitchell (2)
- * Lee Aaron (2)

- * Liona Boyd
- * Lorraine Scott
- * Mad About Plaid
- Mark Hasselbach
- Mary Lu Zahalan
- Monuments Galore
- * Morgan Davis
- * NEOA4
- * Paul James Band
- Paul London
- * Picture Comes To Life
- Platinum Blonde
- Pretty Boy Floyd
- * Ray Lyell
- Roch Voisine
- * Sarah MacLachlan
- * Savage Steel
- * Shari Ulrich

- * Sonia Papp
- * Steve Fox
- * Sword
- Syre (2)
- * The Bookroom
- The Funland Band
- * The Good Brothers
- The Razorbacks
- * Tony Papa & Theory
- * Toyo
- * Trooper
- * Unit E
- * Watertown Trio
- * White Heat

* Indicates FACTOR provided financial support for the production of the sound recording project.

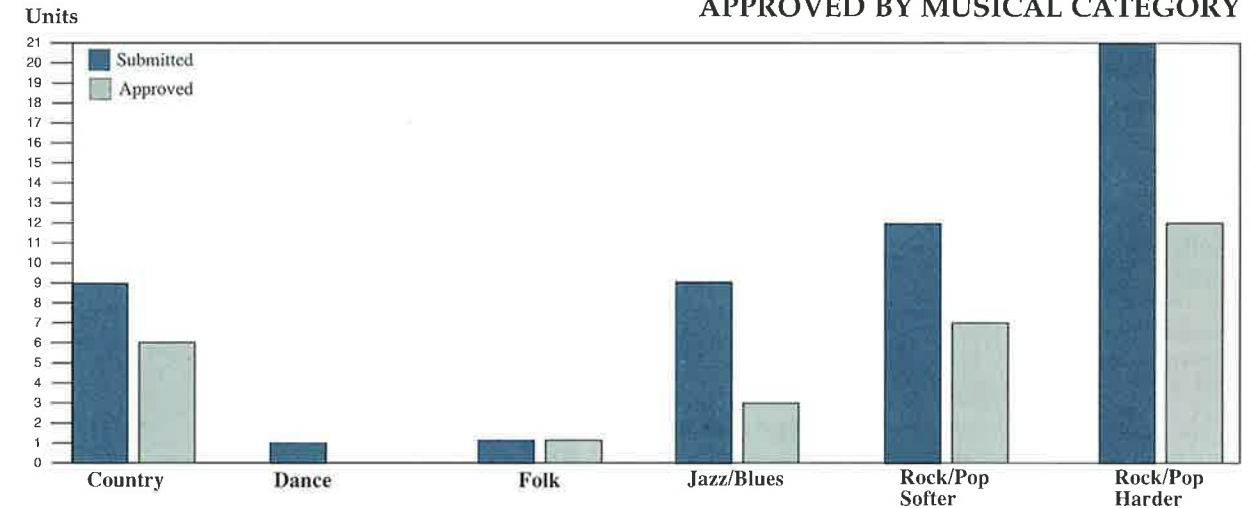
International Tour and Showcase Support

The International Tour Support Program is solely financed by the Department of Communications and is administered on their behalf by FACTOR.

budget on North American tours and showcases and 50% of the eligible budget on Non-North American tours and showcases. FACTOR's contribution is to a maximum of \$5,000 per showcase and \$25,000 per tour, not to exceed 100% of the total shortfall.

The main objective of this program is to provide financial assistance toward foreign touring and showcasing activities by Canadian artists. Financial assistance is limited to 25% of the eligible

APPLICATIONS SUBMITTED AND APPROVED BY MUSICAL CATEGORY

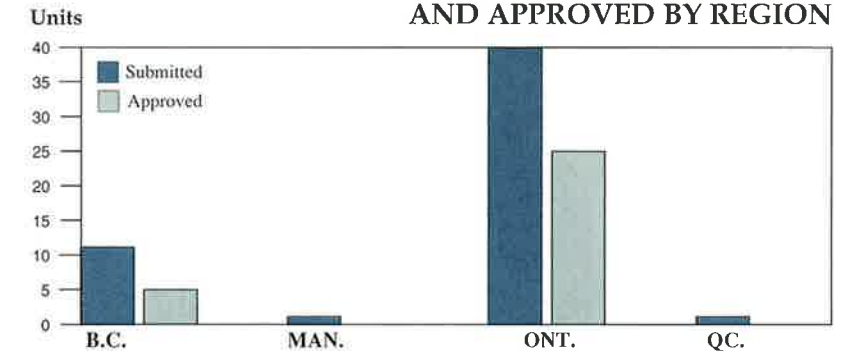


FACTOR received 53 applications for the financing of tours and showcases, of which 14 showcases and 15 tours were approved for the following artists:

- 13 Engines
- Andrew Cash
- Anita Perras
- * Annihilator
- Anvil
- * Blue Rodeo
- Family Brown
- George Fox
- * Gary Fjellgaard
- Linda Kidder
- Cowboy Junkies
- Jane Bunnett
- k.d. lang
- * Lee Aaron
- * Look People
- * Manteca
- Moe Koffman Quintet
- * Moev
- * Good Brothers
- * Terilyn Ryan
- The Razorbacks
- Vivienne Williams
- Willie P. Bennett

*Indicates FACTOR provided financial assistance for the production of the sound recording project.

APPLICATIONS SUBMITTED AND APPROVED BY REGION



Cowboy Junkies



Radio Syndication

The Radio Syndication Program until this year was solely financed by the Department of Communications. During this past fiscal year, Maclean Hunter Broadcasting announced a five year commitment of \$250,000 to FACTOR's radio syndication program. These funds are earmarked for the direct funding of pilot radio syndication projects. In December 1989, FACTOR received the first contribution of \$50,000.00 from Maclean Hunter Broadcasting Limited.

FACTOR received 24 applications for financing, of which the following 14 received financial assistance.

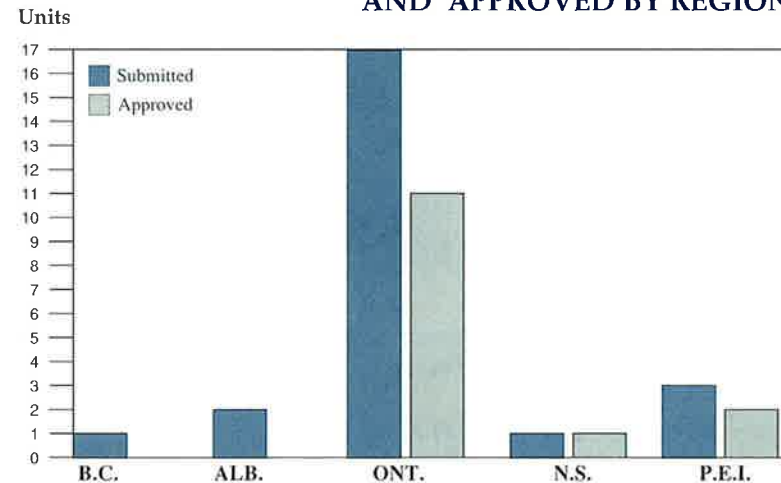
- Canadian Consumer
- The Green Report
- Hot Line To the Hill
- The Jazz Report
- Kid-O-Strophic
- Liquid Soap
- Microwave Today
- The Newfoundland Hour
- Northern Insights
- The Parent Report
- Parenting
- Private Session
- Street Corner
- Your Money Today



Steve Harris, Vice-President Broadcasting, Maclean Hunter Ltd., presents Maclean Hunter's initial contribution to FACTOR's Executive Director, Heather Sym.

The program's main objective is to encourage the creation and production of new radio programs by Canadian producers or companies for broadcast by radio stations in Canada. Funding is available for up to 50% of the eligible budget to a maximum of \$25,000 for a program series, \$5,000 for a single feature and \$2,000 for a pilot.

APPLICATIONS SUBMITTED AND APPROVED BY REGION



Feedback on FACTOR

The staff and Board of FACTOR are always pleased when applicants write to tell us about the effect FACTOR support has had on their careers. Some of these comments are as follows:

The assistance that FACTOR has given us through the years has had a major impact on our 10 year career and we really appreciate the organization's support.

Matt Zimbel, Manteca



Manteca

Just thought you'd like to know that one of the songs that Stranger Than Fiction recorded under the auspices of your New Talent Demo Program got them chosen as one of the winners in this year's CFNY Modern Rock Contest. Thanks once again.

Graham Stairs, Intrepid

FACTOR is without a doubt our best friend, and one of the greatest forces behind the present level of Ajo and the Hungry Boys.

Ajo Tomasso

We are all very excited about this project and we are sure that we shall achieve a great product on this TOYO album. I would like to take this opportunity to thank you and everyone at FACTOR for your continuing support on past, present, and future projects.

Jerome LeBlanc, Artiste Records

It would have been very difficult to realize my project without FACTOR's New Talent Demo Award. Getting my music recorded, in a professional studio was a great moment for me. It gave me the motivation I needed in order to convince myself that I had the basic elements as composer/songwriter. I now have in my possession a sample of my material to reach people for their opinions and suggestions plus knowledgeable studio time of which could have gone on for weeks. The project turned out to be the best experience I ever had.

Danny Bedard

Thank you for the Certificate of Recognition and please continue to count on us. We think you're doing an excellent job for Canadian talent.

Mike Michaud, General Manager Radio Station CJDC

On behalf of myself and my band members I want to thank you for giving us the opportunity to record our first high-quality demo tape. Your assistance has allowed us to showcase our talents in the arranging, performing and recording potential of the material and I, for one, am very proud of the final product.

Ana Coutinho

It is with sincere gratitude that I extend my appreciation in accepting the New Talent Demo Award. I feel honored and privileged to have been chosen as one of the recipients. Because of your decision, making a demo of my original material is no longer an impossibility. I thank you for this opportunity which helps me to take a minor step in obtaining my career goal of becoming a recording artist.

Leola Adams

I was very pleased with the outcome of my recording session, and feel the final product is far superior to any recording I could have done on my own. Thank you for the financial assistance and encouragement.

Wayne Faulconer

With my financial dire straits, this award is an enormous break for me at this point in my career.

John Watson

Canada needs organizations like FACTOR to provide such imperative opportunities for the overall development of its musical culture. I hope the future of FACTOR continues to prosper, for the end results of the assistance given by FACTOR can be nothing but educational, developmental experiences for any composer, writer, musician and others associated with the music industry. The continued and expanding support of FACTOR, The Department of Communications and the radio broadcasters will go a long way toward insuring Canada's profile of musicianship be recognized throughout the world. Many thanks for your support.

Vivianne LaRiviere

As it is my hope to strengthen the infrastructure of the industry in Canada through training, it is extremely valuable for the students to understand the nature of the industrial strategy which is FACTOR. Your presentations to the students...has been extremely successful in helping the students at Harris Institute understand the critical role FACTOR plays in the record industry in Canada.

John Harris, Director, Harris Institute for the Arts

Awards

During this past year, FACTOR-supported artists have received recognition for their successful projects. Awards presented to FACTOR-supported artists include:

1989 CASBY AWARDS

- Blue Rodeo - Best Group
- Malcolm Burn - Producer of the Year For "Diamond Mine" by Blue Rodeo
- Messenjah - Best Reggae Act
- k.d. lang - Best Female Vocalist
- Shuffle Demons - Best Jazz Recording
- Alannah Myles - Most Promising Artist
- Cowboy Junkies - Video of the Year
- Skinny Puppy - Best Indie Artist
- Sarah MacLachlan - Best Album Art



Shuffle Demons

1989 MARITIME MUSIC AWARDS

- Haywire - Recording Band of the Year
- Matt Minglewood - Video of the Year



Haywire

1989 TORONTO MUSIC AWARDS

- Alannah Myles - Best Female Vocalist
- Kim Mitchell - Best Male Vocalist
- Best Local Success Artist
- Candi - Best Pop-Dance Artist
- Messenjah - Best Reggae Group
- Murray McLauchlan - Best Country Artist
- Downchild Blues Band - Best Blues Group
- Shuffle Demons - Best Jazz/Instrumental Group
- Bruce Cockburn - Best Folk/Traditional Artist
- The Razorbacks - Best Rising Star Group
- Greg Wells - (Kim Mitchell Band) Best Keyboard Player



Alannah Myles

1990 JUNO AWARDS

- Jon Ballantyne Trio - Best Jazz Album
- Blue Rodeo - Group of the Year
- Family Brown - Country Group of the Year
- George Fox - Country Male Vocalist of the Year
- k.d. lang - Country Female Vocalist of the Year
- Manteca - Instrumental Artists of the Year
- Kim Mitchell - Male Vocalist of the Year
- Oskar Morawetz - Best Classical Composition
- Alannah Myles - Album of the Year
- Most Promising Female Vocalist
- Single of the Year
- Sattalites - Best Reggae/Calypso Recording

21st ANNUAL PROCAN AWARDS

- Erroll Starr - Pop Music
- The Box - Pop Music
- Ken Harnden - Country Music

1989 BIG COUNTRY

- Michelle Wright - Top Female Vocalist
- George Fox - Top Male Vocalist
- Best Single
- Top Composer
- Artist of the Year
- Family Brown - Top Group or Duo
- Best Album



Michelle Wright

1989 CANADIAN COUNTRY MUSIC AWARDS

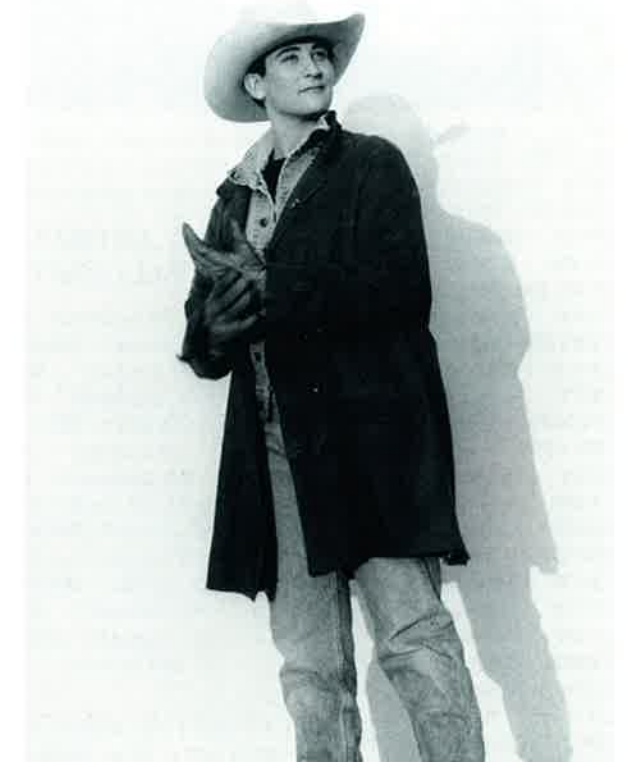
- k.d. lang - Entertainer of the Year
- Album of the Year
- Female Vocalist of the Year
- Family Brown - Single of the Year
- Song of the Year
- Group of the Year
- George Fox - Vista (Rising Star) Award
- Gary Fjellgaard - Male Vocalist of the Year
- Duo of the Year (With Linda Hunt)



Gary Fjellgaard

9TH ANNUAL TRIBUTE TO WEST COAST MUSIC AWARDS

- k.d. lang - International Achievement
- Female Vocalist of the Year
- Country Female Vocalist of the Year
- Live Performer, Recorded
- Colin James - Album of the Year
- Artist of the Year (Major Label Distribution)
- Song of the Year
- Best Debut Recording
- Male Vocalist of the Year
- Best Live Performance
- Guitarist of the Year
- Alibi - Group of the Year (Independent Distribution)
- Album of the Year
- Song of the Year
- Video of the Year
- Country Group of the Year
- Sarah McLachlan - Songwriter of the Year
- Graphics of the Year
- Gary Fjellgaard - Country Male Vocalist of the Year
- Spirit of the West - Traditional/Roots Performers of the Year
- Skywalk - Jazz/New Age Performers of the Year



k.d. lang

13th ANNUAL BRITISH COLUMBIA COUNTRY MUSIC AWARDS

- Alibi - Group of the Year
- Album of the Year
- Bootleg - Single and Song of the Year
- Gary Fjellgaard - Duo of the Year (with Linda Hunt)
- Rocky Swanson - Male Vocalist of the Year
- k.d. lang - International Achievement Award

Sponsoring Stations

FACTOR wishes to thank its' twelve Corporate Broadcasting Sponsors for their continued support. These sponsors and the individual radio stations who are contributing to FACTOR through their Corporate Head Offices are:

CHUM LIMITED

CFUN - Vancouver, BC
 CIBQ - Brooks, AL
 CKDQ - Drumheller, AL
 CKSQ - Stettler, AL
 CIFI - Winnipeg, MN
 CHIQ-FM - Winnipeg, MN
 CHUM - Toronto, ON
 CHUM-FM - Toronto, ON
 CFRA - Ottawa, ON
 CFMO-FM - Ottawa, ON
 CKPT - Peterborough, ON
 CKQM-FM - Peterborough, ON
 CKWW - Windsor, ON
 CIMX-FM - Windsor, ON
 CHTX - Montreal, QC
 CHOM-FM - Montreal, QC
 CJCH - Halifax, NS
 C100-FM - Halifax, NS

MACLEAN HUNTER BROADCASTING

CFCN - Calgary, AL
 CJAY-FM - Calgary, AL
 CJCA - Edmonton, AL
 CIRK-FM - Edmonton, AL
 CFCO - Chatham, ON
 CHYM - Kitchener, ON
 CKGL-FM - Kitchener, ON
 CHYR - Leamington, ON
 CKBY-FM - Ottawa, ON
 CIWW - Ottawa, ON
 CKTY - Sarnia, ON
 CFGX-FM - Sarnia, ON
 CFNY-FM - Brampton, ON
 CKEY - Toronto, ON
 CKDH - Amherst, NS
 CHNS - Halifax, NS
 CHFX-FM - Halifax, NS
 CKCW - Moncton, NB
 CFQM - Moncton, NB
 CFAN - Newcastle, NB
 CKNB - Campbellton, NB
 CJCW - Sussex, NB
 CIOK-FM - St. John, NB
 CFCY - Charlottetown, PEI
 CHLQ-FM - Charlottetown, PEI

MOFFAT COMMUNICATIONS LIMITED

CKLG - Vancouver, BC
 CFOX-FM - Vancouver, BC
 CISS - Calgary, AL
 CHFM-FM - Calgary, AL
 CHED - Edmonton, AL
 CKNG-FM - Edmonton, AL
 CHAB - Moose Jaw, SK

CKY-AM - Winnipeg, MN
 CITI-FM - Winnipeg, MN
 CHAM - Hamilton, ON

NEWCAP BROADCASTING

CHRK-FM - Kamloops, BC
 CFCW - Camrose, AL
 CKRA-FM - Edmonton, AL
 CFDR - Dartmouth, NS
 CFRQ-FM - Dartmouth, NS
 CHTN - Charlottetown, PEI
 CJLB - Thunder Bay, ON
 CJYQ - St. John's, NF
 CKIX-FM - St. John's, NF
 CKXD - Gander, NF
 CKXJ - Grand Bank, NF
 CKXG - Grand Falls, NF
 CFIQ - Harbour Grace, NF
 CKXB - Musgravetown, NF

RADIO STATION CJVB - Vancouver, BC

ROCK '95 - Barrie, ON

REDMOND COMMUNICATIONS

CKRY-FM - Calgary, AL
 CHRE-FM - St. Catharines, ON
 CHRN - Simcoe, ON
 CJEZ-FM - Toronto, ON



Robert E. Redmond, President of Redmond Broadcasting presents FACTOR's Executive Director, Heather Sym with his initial contribution.

ROGERS BROADCASTING LIMITED

CISQ-FM - Squamish, BC
 CKKS-FM - Vancouver, BC
 CKWX - Vancouver, BC
 CJVI - Victoria, BC
 CJIB - Victoria, BC
 CJPR - Blairmore, AL
 CJEV - Blairmore, AL
 CFAC - Calgary, AL
 CFHC - Canmore/Banff, AL
 CFGP - Grande Prairie, AL
 CJOC - Lethbridge, AL
 CILA-FM - Lethbridge, AL
 CFTR - Toronto, ON
 CHFI-FM - Toronto, ON



Ann T. Graham, President of FACTOR, accepts cheque from Tony Viner, President of Rogers Broadcasting Limited. This cheque represented the first installment on a five year \$650,000 commitment to FACTOR. No less than 50% of these funds are ear-marked for B.C. and Alberta artists.

SHAW RADIO

CISN-FM - Edmonton, AL
 CKGY - Red Deer, AL
 CIZZ-FM - Red Deer
 CHEC - Lethbridge, AL
 CKTA - Taber, AL

STANDARD BROADCASTING CORPORATION LIMITED

CJSB - Ottawa, ON
 CKTB - St. Catharines, ON
 CHTZ-FM - St. Catharines, ON
 CFRB - Toronto, ON
 CKFM-FM - Toronto, ON



Gary Slight, President Radio Division of Standard Broadcasting Limited presents FACTOR's Executive Director, Heather Sym, with additional funds for the development of Canadian talent.

TELEMEDIA COMMUNICATIONS ONTARIO INC.

CKSL - London, ON
 CIQM-FM - London, ON
 CKMP - Midland, ON
 CFCH - North Bay, ON
 CKAT-FM - North Bay, ON
 CFOR - Orillia, ON
 CJCS - Stratford, ON
 CFYN - Sault Ste. Marie, ON
 CHAS-FM - Sault Ste. Marie, ON
 CKSO - Sudbury, ON
 CIGM-FM - Sudbury, ON
 CKGB - Timmins, ON
 CFTI-FM - Timmins, ON
 CJCL - Toronto, ON

WESTERN INTERNATIONAL COMMUNICATIONS LTD.

CKNW - New Westminster, BC
 CFMI-FM - New Westminster, BC
 CHQR - Calgary, AL
 CJOB - Winnipeg, MN
 CKIS-FM - Winnipeg, MN
 CHML - Hamilton, ON
 CKDS-FM - Hamilton, ON
 CFGM - Richmond Hill, ON
 CILQ-FM - Toronto, ON

AUDITORS' REPORT

FACTOR wishes to thank the following non-sponsoring Broadcasters for their contributions:

CBY (CBC), Cornerbrook, NF
CFBV & CFLD, Smithers, BC
CFCB, Cornerbrook, NF
CFCP, Courtney, BC
CFDR Dartmouth, NS
CFGF, Grande Prairie, AB
CFJR, Brockville, ON
CFMB, Westmount, QC
CFMO-FM & CFRA, Ottawa, ON
CFOS, Owen Sound, ON
CFPL & CFPL-FM, London, ON
CFRN-AM, Edmonton, AB
CFRQ-FM, Dartmouth, NS
CFTJ, Cambridge, ON
CFXX & CKLW, Windsor, ON
CHEX & CMFP-FM, Peterborough, ON
CHEZ - Smiths Falls, ON
CHFI-FM, Toronto, ON
CHLO, St. Thomas, ON
CHML & CKDS-FM, Hamilton, ON
CHQM & CHQM-FM, Vancouver, BC
CHQT, Edmonton, AB
CHAY-FM, Barrie, ON
CHSC & CHRE-FM, St. Catharines, ON
CHUC, Cobourg, ON
CHUR, Sudbury, ON
CHWK, Chilliwack, BC
CHWO, Oakville, ON
CING, Burlington, ON
CIVH - Vancerhoof, BC
CJBQ & CIGL-FM, Belleville, ON
CJCB & CKPE-FM, Sydney, NS
CJCL, Toronto, ON
CJDC, Dawson Creek, BC
CJLS, Yarmouth, NS
CJMG-FM, Penticton, BC
CJMX-FM, Sudbury, ON
CJOB & CKIS-FM, Winnipeg, MN

CJQM-FM & CKCY, Sudbury, ON
CJRW, Summerside, PE
CJVB, Vancouver, BC
CJVI, Victoria, BC
CJYR, Edson, AB
CKBB, Barrie, ON
CKBW, Bridgewater, NS
CKDA & CFMS-FM, Victoria, BC
CKEN ANNAPOLIS VALLEY RD, Kentville, NS
CKIT-FM & CKCK, Regina, SK
CKKW & CFCA-FM, Kitchener, ON
CKLC & CFLY-FM, Kingston, ON
CKLY, Lindsay, ON
CKNX-FM, Wingham, ON
CKOC, Hamilton, ON
CKOV & CHIM-FM, Kelowna, BC
CKOT & CKOT-FM, Tillsonburg, ON
CKPG, Prince George, BC
CKPR, Thunder Bay, ON
CKRC, Winnipeg, MN
CKRM & CFMQ-FM, Saskatchewan, SK
CKRW, Whitehorse, YN
CKSA, Lloydminster, AB
CKSL-FM - London, ON
CKSO, Sudbury, ON
CKWG-FM, Winnipeg, MN
CKX-FM & CJCM, Brandon, MN
CKXM-FM, Edmonton, AB
CKYL, Peace River, AB
SILK-FM, Kelowna, BC
VOCM, St. John's, NF
CABLEVUE QUINTE, Belleville, ON
CABLODISTRIBUTION LE ROCHER, Grand'Mere, QC
FRASER/ROGERS PORT COQUITLAM, Port Coquitlam, BC
GRAHAM CABLE TV, Toronto, ON
LAKE SUPERIOR CABLE, Sault Ste. Marie, ON
PORTAGE CABLE Portage LaPrairie, MN
SKEENA BROADCASTERS, Terrace, BC



Heather Sym, FACTOR's Executive Director accepts a cheque from Paul Mascioli, President of the CCMA.

FACTOR wishes to also thank the **CANADIAN COUNTRY MUSIC ASSOCIATION (CCMA)** for the funding they contribute to FACTOR. These funds are specifically earmarked for the development of Canadian country artists.

To the Directors of the Foundation to Assist Canadian Talent on Records:

We have examined the balance sheet of the Foundation to Assist Canadian Talent on Records as at March 31, 1990 and the statements of revenue, expenses and unexpended fund balance and of changes in financial position for year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the foundation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte + Touche

Deloitte & Touche
Chartered Accountants
Toronto, Ontario
April 27, 1990

BALANCE SHEET

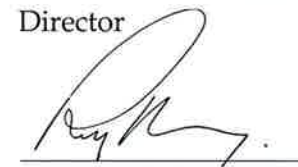
March 31, 1990

ASSETS	1990	1989
CURRENT ASSETS		
Cash and short-term deposits	\$2,130,403	\$ 763,981
Due from FACTOR MUSICACTION Canada (Note 3)	220,200	223,008
Subscriptions and other receivables	55,069	88,425
Prepaid expenses	8,132	8,351
	\$2,413,804	\$1,083,765
LIABILITIES AND UNEXPENDED FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 24,777	\$ 22,959
Due to MUSICACTION	24,216	14,372
Deferred revenue	70,000	30,000
	\$ 118,993	67,331
UNEXPENDED FUND BALANCE	2,294,811	1,016,434
	\$2,413,804	\$1,083,765

Approved by the Board:



Director



Director

STATEMENT OF REVENUE, EXPENSES, AND UNEXPENDED FUND BALANCE

Year Ended March 31, 1990

REVENUE	1990	1989
Contributions from - Government of Canada	\$1,953,600	\$1,953,600
Administration fee (Note 1)	199,167	225,983
Sponsors	939,710	673,274
Subscription fees -Radio	97,411	72,470
Other contributions	25,500	-
Subscription fees -Cable	5,061	13,678
Loan repayments	329,099	209,998
Interest	178,799	50,656
Record sales and royalty income	540	4,969
Grants & Misc.	1,405	7,182
	3,730,292	3,211,810
EXPENSES - see schedule	2,451,915	2,527,420
EXCESS OF REVENUE OVER EXPENSES	1,278,377	684,390
UNEXPENDED FUNDS BALANCE, BEGINNING OF YEAR	1,016,434	332,044
UNEXPENDED FUND BALANCE, END OF YEAR	\$2,294,811	\$1,016,434

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended March 31, 1990

OPERATING ACTIVITIES	1990	1989
Excess of revenue over expenses	\$1,278,377	\$ 684,390
Changes in non-cash working capital items		
Subscriptions and other receivables	33,356	(81,670)
Term loans	-	5,102
Prepaid expenses	219	(2,187)
Due from FACTOR MUSICACTION Canada	2,808	(45,922)
Accounts payable and accruals	1,818	(11,343)
Due to MUSICACTION	9,844	14,372
Deferred revenue	40,000	30,000
INCREASE IN CASH AND SHORT-TERM DEPOSITS	1,366,422	592,742
CASH AND SHORT-TERM DEPOSITS, BEGINNING OF YEAR	763,981	171,239
CASH AND SHORT-TERM DEPOSITS, END OF YEAR	\$2,130,403	\$ 763,981

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1990

1. NATURE OF ACTIVITIES

The Foundation to Assist Canadian Talent on Records ("FACTOR") was incorporated without share capital on June 17, 1982 under the Canadian Corporations Act.

FACTOR provides funding to Canadian individuals and groups in the recording industry in order to promote and foster Canadian talent. FACTOR acts as a participating organization for FACTOR MUSICACTION Canada ("FMC") and is designated to disburse funds under an agreement that FMC has with the Government of Canada, under the Department of Communications' Sound Recording Development Program. An administration fee is earned by FACTOR from FMC's excess of administration fees earned over expenses incurred.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the following accounting policies.

Basis of accounting

Revenue is recorded generally on the accrual basis of accounting. Contributions from sponsors are recorded as revenue in the year to which they relate. Expenses are recorded on the accrual basis of accounting.

Loans to artists, producers and record companies

Loans made to artists, producers and record companies are to be repaid from monies received by the loan recipient by way of advances, record royalties and publishers' royalties. Due to the uncertainty of collectibility, loans are expensed when the monies are advanced. Repayment of these loans is recorded when cash is received from the recipient.

Fixed assets

Purchases of fixed assets are expensed as incurred (1990 - \$20,956; 1989 - \$1,264).

3. DUE FROM FMC

Amounts due from FACTOR MUSICACTION Canada (FMC) comprise the following:

	1990	1989
Expenses incurred on behalf of FMC	\$ 65,433	\$41,425
Allocation of net administration fee	199,167	225,983
Less distribution received	(44,400)	(44,400)
	<u>\$220,200</u>	<u>\$223,008</u>

4. LOAN COMMITMENTS

Loan commitments to artists, producers and record companies at March 31, 1990 totalled \$1,423,700 (1989 - \$625,000). Because certain conditions must be met before such loans may be paid out, these amounts have not been recorded as a liability.

5. LOANS AND AWARDS

Loans and awards consist of:

	1990	1989
Sound recording	\$1,381,550	\$1,563,673
Music videos	264,248	287,891
International touring	238,952	235,510
Radio programs	101,456	32,270
	<u>\$1,986,206</u>	<u>\$2,119,344</u>

6. LEASE COMMITMENTS

FACTOR is committed under the terms of various operating leases to payments in the next five years as follows:

1991	\$64,700
1992	\$43,200
1993	\$ 3,100

SCHEDULE OF EXPENSES

Year Ended March 31, 1990

	1990	1989
Audit and accounting	\$ 12,000	\$ 14,220
Bank charges and trust administration fees	1,442	982
Consulting fees	12,787	4,200
Delivery	3,612	3,896
Dues and periodicals	1,121	1,258
Employee benefits	12,360	14,169
Equipment rental	13,416	12,987
Insurance	1,063	3,942
Legal	39,456	21,252
Maintenance and repairs	5,045	7,256
Miscellaneous	4,886	1,884
Office equipment acquisitions	20,956	1,264
Postage	8,357	7,023
Promotion and meetings	20,137	13,171
Record storage	787	846
Rent	51,259	46,341
Salaries and wages	177,844	165,953
Staff education	2,749	3,757
Stationery and office supplies	20,318	21,318
Telephone	10,606	8,810
Travel and entertainment	18,163	26,250
Vancouver operations	27,345	27,297
	465,709	408,076
Loans and awards (Note 5)	<u>1,986,206</u>	<u>2,119,344</u>
	<u>\$2,451,915</u>	<u>\$2,527,420</u>

Board of Directors

The Board of Directors of FACTOR is made up of Broadcaster and Music Industry Professionals. For the fiscal year commencing April 1, 1989, the following individuals served on the Board of Directors:



Ms. Ann T. Graham
(President - FACTOR)
Director of Industry and
Community Relations
Rogers Broadcasting
Limited
25 Adelaide St. East,
9th Floor
Toronto, ON M5C 1H3



Mr. Duff Roman
(Past-President -
(FACTOR)
Vice-President,
Industry Affairs
CHUM Limited
1331 Yonge St.
Toronto, ON M4T 1Y1



Mr. Alexander Mair
(CIRPA Appointee)
President
Attic Productions Ltd.
624 King St. W.
Toronto, ON M5V 1M7



Mr. Jason Sniderman
(Vice-President -
FACTOR)
Vice-President
Roblan Distributing
274 Church Street
Toronto, ON M5B 1Z5



Mr. Brian Chater
(CIRPA Appointee)
Executive Director
CIRPA
144 Front St. W.,
Ste. 202
Toronto, ON M5J 2L7



Mr. Bill Kearns
(CMPA Appointee)
President
Jobina Communications
& Broadland Music
467 Church St.
Toronto, ON M4Y 2C5



Mr. Roy Hennessy
(Treasurer- FACTOR)
Vice-President and
General Manager
Radio Stations CISS &
CHFM-FM
804-16 Avenue S.W.
Calgary, AL T2R OS9



Mr. Peter Parrish
Vice-President,
National Marketing
Sound Insight Limited
3640 McNicoll Ave.
Scarborough, ON
M1X 1G1



Mr. Don Shafer
President & General
Manager
Q107 & CFGM
2 Bloor St. E., Ste. 3000
Toronto, ON M4W 3J



Mr. Stephen
Prendergast
(Secretary - FACTOR)
President
Head Office
Management and
Record Productions
296 Richmond St. W.,
Ste. 501
Toronto, ON M5V 1X2



Mr. Steve Harris
Vice-President
Broadcasting
Maclean Hunter Limited
1 Yonge St., Ste. 2416
Toronto, ON M5E 1G1

Foundation to Assist Canadian Talent on Records

Head Office
100 Lombard Street, Suite 304
Toronto, Ontario M5C 1M3
416-368-8678

Branch Office
201 1505 West 2nd Ave.
Vancouver, B.C. V6H 3Y4
604-737-2430

Solicitor
Raef S. Engle

Auditors
Deloitte & Touche

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