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Canada

We acknowledge the financial support of the Government of Canada through the Canada Music Fund.

We also acknowledge the financial support provided by Canada's Private Radio Broadcasters

BOARD OF DIRECTORS



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President
Distribution Fusion III



KATHLEEN McNAIR – Vice Chair
Vice-President Regulatory Affairs
CORUS Entertainment Inc.



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Nettwerk Productions Ltd.



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Sound Recording
Department of Canadian Heritage



PIERRE-LOUIS SMITH – Observer
Vice-President, Radio
Canadian Association of Broadcasters

MESSAGE FROM THE CHAIR



It has been quite a year. Once the five year commitment for FACTOR from Canadian Heritage was put in place, FACTOR undertook a full review of the organization. A request for a proposal document was prepared, and put to tender. We received a number of proposals, reviewed them and made a decision. The services of Ascentia were engaged and the review of FACTOR began.

The review of FACTOR has certainly left the organization in a position to re-invent itself. While change is necessary, it is sometimes easier to recognize the need for change than to make the actual changes. The challenge comes from how to change something that results in a positive, constructive difference and not a change for the sake of change, or even worse, a change that produces a negative effect.

Let's start at the very beginning with one example of the many changes that will be unfolding over the next 12-24 months. Even something as simple as changing our name became a big debate. Yes, we do agree with many of those people who said that "The Foundation to Assist Canadian Talent on Records" is a redundant name and yes, we know people do not make records any more. However, after much discussion, the Board felt that we have a very strong brand in FACTOR. It is a well-known and understood identity. So, while we agreed to change our name, we did not want to change the acronym. We persevered through many ideas (some printable, others not) but we persisted and we have changed our name. While the name change is extremely subtle, it more relevantly reflects the kind of work that FACTOR does. I am pleased to announce that FACTOR now stands for The Foundation Assist**ing** Canadian Talent on Record**ings**. Is it the perfect name? Perhaps not, but it was the compromise that we think responded most favorably to **all** concerns. I have included this explanation to show to you that even something as seemingly simple as a name change can become a very complicated piece of work for the Board to address. This thorough level of debate is being undertaken with all the changes we have been asked to consider. I have put this example out to show you the kind of challenges we are up against with virtually every aspect of the organization.

This name change is a small example of what to expect over the next two years with FACTOR. As we have started to undertake the reviews of every program, we keep coming up against the need for embracing new, while keeping parts of what is already being done. The exercise we went through to re-identify the meaning of the acronym FACTOR is a microcosm of what we are dealing with.

So be prepared, the Board of Directors and staff have heard what you have communicated and the work has begun. I look forward to this next year and the subtle and bold changes we will be implementing to ensure that FACTOR remains responsive to the needs of the Canadian independent music industry.

Once again, thank you for all your feedback. We have heard you.

Yours truly,

Jim West
Chair

PRESIDENT'S REPORT



I am so humbled by the passion and generosity of the Canadian music industry. Your willingness to share your experience of FACTOR (both negative and positive) has been most rewarding. We have been given the insights into your experiences and expectations of what FACTOR should and should not do. This has, of course, put us on the path of change.

The Chair's example of what we went through to do a very simple name change is truly a very small example of what we are experiencing. When the review was initially undertaken, the process was awarded on the basis of there being a total of approximately 75 surveys and interviews to be conducted, analysed and reported on. We had no idea what we were taking on. Once we started the process there was no turning back. As every discussion took place we kept adapting the plan, which meant we needed to speak to an even greater number of people. The final tally ended with FACTOR sending out surveys to over 4,600 potential respondents. The following groups were included in the survey:

- The Board of Directors of FACTOR
- FACTOR staff
- Department of Canadian Heritage
- Broadcasting Sponsors
- National, regional, provincial and territorial music industry associations
- Applicants from all the programs (both successful and unsuccessful); and
- Jurors

As Jim West states in his Message from the Chair, we have heard you, loud and clear. Change is desired. Some changes have already been implemented. The request for less paperwork is well underway, on-line submissions is working well, we are now providing direct deposit for those applicants that want it and we have revamped our file auditing process. When we roll out the revised programs etc. on July 1, 2006, a new audit policy will come into play.

We are actively researching ways to improve the jury process. A formal accreditation for all jurors is being developed and we are also exploring the possibility of virtual juries. More to follow on that over the coming months.

The programs are under review and the first round of changes will be implemented July 1, 2006. A new website is being launched that will enable people to more easily navigate through our site. All artists who have received funding from FACTOR will continue to be posted on FACTOR's website, with a link to their site as well.

We are looking at doing more workshops with all the staff and taking on even more opportunities to reach the up-and-coming grass roots artists who may have yet to learn about FACTOR and how it can impact on the development of their careers.

We are very inspired by all the suggestions that have been given to us and we are doing everything we can to do justice to them. So I ask that you be patient. July 1, 2006 will be the launch of the first round of changes at FACTOR.

continued ...

continued ...

I would also invite all of you to continue to keep the lines of communication open with FACTOR. We have heard you and we want to respond to your needs. However, as it goes with many things, we may think we heard correctly what you had to say, but possibly we didn't get it quite right. Please let us know. FACTOR exists to support the development of the careers of Canadian artists and, to that end, a measurement of our success can be determined by how well our lines of communication are open and accessible. So let's move forward to ensure we all succeed.

On another front, FACTOR was called upon by the Department of Canadian Heritage (DCH) to assist with the disbursement of funds intended for the Music Entrepreneur Component (MEC), a new initiative to be administered by DCH. I am pleased to report that FACTOR was able to assist in putting approximately $2 million in funding into the hands of a number of DCH identified labels. As a result, this had FACTOR receiving 12.5% for administration fees on this money. In simple terms, it means that FACTOR was able to generate an additional $250,000 in program funds.

FACTOR was able to keep its operational expenses to 10.3% of revenue received. While the overall revenue increased significantly this year, the additional operational expenses resulted from the review of FACTOR and the work done to ensure the foundation remains responsive.

A significant concern to the foundation at the present time is the position taken by the Canadian Association of Broadcasters who want to have the funding currently provided to FACTOR re-directed to the Radio Starmaker Fund. Canadian Heritage has reported that should this happen, they will be re-thinking their involvement with FACTOR. The Board and staff are committed to working with both the broadcasters and the government to show the impact of the good work done by FACTOR as well as the adverse affect such decisions could have on the development of Canadian artists. To this end, FACTOR may have to spend much time and energy preparing accurate reports to present to the CRTC for their review of radio which is planned to take place commencing May 15th, 2006.

We will endeavour to keep the important work of FACTOR on-going.

Yours truly



Heather Ostertag, C.M.
President

FINANCIAL RESULTS

In 2005-2006 FACTOR had revenue totaling $16.2 million.

Revenue was generated from four sources:

1. The Department of Canadian Heritage's Canada Music Fund Programs; New Musical Works and Collective Initiatives as well as the Music Entrepreneur Component;
2. Voluntary contributions from Canada's private radio broadcasters;
3. Significant benefits contributions from Canada's private radio broacasters;
4. Interest earned on investments and loan repayments

FACTOR also received additional funds from loan repayments and interest income from investments on funds for which commitments have been made but, for various reasons, payment was not issued.

Comparative and Cumulative Results
Financial Results 2005-2006 Fiscal Year as Compared to 2004-2005

Revenue	**2005-2006**	**2004-2005**
Department of Canadian Heritage		
New Musical Works	7,152,528	7,068,184
Collective Initiatives	1,398,938	1,562,738
Specified Label Funding	2,242,940	-
Total Government	**$10,794,406**	**$8,630,922**
Private		
Broadcaster Contributions – Significant Benefits	3,119,716	3,678,740
Broadcaster Contributions – Voluntary	1,831,034	1,696,984
Loan Repayments SRDP	55,808	96,726
Loan Repayments Canadian Music Fund	128,759	170,937
Investment Income	303,662	102,354
Total Private	**$ 5,438,979**	**$ 5,745,741**
Total Income	**$16,233,385**	**$14,376,663**

FUNDS EXPENDED

It should be noted that funds expended during a fiscal year do not represent the total funds offered. Many projects that were offered funding were not completed and therefore final payments not issued. Because FACTOR operates on a "zero budget" basis, the amounts offered cannot exceed the total budget available. However, some of the issued payments were for projects where offers were made in a previous fiscal year. Therefore, a comparison cannot be made between the funds offered and the funds expended.

Expenditures	**2005-2006**	**2004-2005**
Loans and Awards	14,024,651	11,589,698
Administrative Expenses	1,664,835	1,351,286
Total Expenditures	**$15,689,486**	**$12,940,984**

PRIVATE RADIO CONTRIBUTIONS

Contributions from Canada's private radio broadcasters represented 33.5% of FACTOR's total revenue for the year.

Voluntary radio contributions to FACTOR from its Sponsoring Radio stations totaled $1,831,034. As well, FACTOR received $3,119,716 from radio stations resulting from the recent CRTC decision allowing multiple ownership of stations in a single marketplace.

The following private radio broadcasters made financial contributions to FACTOR totaling $4,950,750.

Astral Radio
CFXY-FM
CIBX-FM
CIKX-FM
CJCJ-FM
CKBC-AM
CKHJ-AM
CKTO-FM
CKTY-FM

Blackburn Radio Inc.
CFCO
CFGX-FM
CHKS-FM
CHOK-AM
CHYR-FM
CIBU-FM
CKNX-AM
CKNX-FM
CKSY
CKUE

CHUM Limited
CFAX-AM
CFCA-FM
CFGO-AM
CFJR-FM
CFLY-FM
CFRA-AM
CFRQ-FM
CFRW-AM
CFUN-AM
CFWM-FM
CHBE-FM
CHBN-FM
CHIQ-FM
CHQM-FM
CHST-FM
CHUM-AM
CHUM-FM
CIDR-FM
CIEZ-FM
CIMX-FM
CJCH-AM
CJMJ-FM
CJPT-FM
CKGM-AM
CKKL-FM
CKKW-AM
CKLC-AM
CKLW-AM
CKLY-FM
CKPT-AM
CKQM-FM
CKST-AM
CKWW-AM

Coast Radio Ltd.
CFCP-FM
CFNI-AM
CFWB-AM
CHQB-AM

CORUS Radio
CFFX-AM
CFGO-FM
CFHK-FM
CFLG-FM
CFMI-FM
CFMJ-AM
CFMK-FM
CFNY
CFOX-FM
CFPL-AM
CFPL-FM
CFQR-FM
CHAY-FM
CHED-AM
CHMJ-AM
CHML-AM
CHQR-AM
CHQT-AM
CILQ-FM
CIME-FM
CIMJ-FM
CING-FM
CINW-AM
CIQB-FM
CISN
CJDV-FM
CJKR-FM
CJOB-AM
CJOY-AM
CJSS-FM
CJUL-AM
CJXY-FM
CKCB-FM
CKDK
CKNG-FM
CKNW-AM
CKRU-AM
CKRY-FM
CKWF-FM

Haliburton Broadcasting
CFBG-FM
CFXN-FM
CFZN-FM
CHMS-FM
CHMT-FM
CHPB-FM
CHYC-FM
CHYK-FM
CHYX-FM
CIYN-FM
CKAP-FM
CKHT-FM
CKLP-FM
CKNR-FM

Island Radio
CHPQ-FM
CHWF-FM
CIBH-FM
CJAV-FM
CKWV-FM
CKLR-FM

Jim Pattison
CFDV-FM
CFMY-FM
CHAT-AM
CHBZ-FM
CHDR-FM
CHLB-FM
CIBW/CHBW-FM
CHUB-FM
CIFM-FM
CJBZ-FM
CJDR-FM
CJJR-FM
CJXX-FM
CKBD-AM
CKBZ-FM
CKDV-FM
CKKN-FM
CKLZ-FM
CKOV-AM

Maritime Broadcasting
CFAN
CFBC
CFCY
CFQM-FM
CHER
CHFX-FM
CHLQ-FM
CHNS
CHOY-FM
CHTN
CIOK-FM
CJCB
CJCW
CJRW-FM
CJYC-FM
CKCW-FM
CKDH
CKEN-FM
CKNB
CKPE-FM
CKWM-FM

NewCap Broadcasting
CFCB-AM
CFCV-FM
CFCW-AM
CFCW-FM
CFDL-FM
CFDR-AM
CFGN-AM
CFHX-FM
CFLC-FM
CFLN-AM
CFLW-AM
CFNN-FM
CFNW-AM
CFOK-AM
CFRK-FM
CFRQ-FM
CFSX-AM
CFXE-AM
CFXG-AM
CFXP-FM
CFXW-FM
CHCM-AM
CHLW-AM
CHNO-FM
CHTN-AM
CHVO-AM
CIBQ
CIHT-FM
CIKZ-FM
CILR-FM
CILV-FM
CIQX-FM
CIRK-FM
CIXF-FM
CIZZ-FM
CJEV
CJMO-FM
CJPR
CJUK-FM
CJXK-FM
CJXL-FM
CJYQ-AM
CKBA-AM
CKCM-AM
CKDQ
CKFE-FM
CKGA-AM
CKGY-FM
CKIM-AM
CKIX-FM
CKJR-AM
CKKY-AM
CKRA-FM
CKSA-FM
CKSQ-AM
CKTG-FM

CKUL-FM
CKVH-AM
CKVO-AM
CKWA-FM
CKWY-FM
CKXD-FM
CKXG
CKXG-FM1
CKXX-FM
CKXX-FM1
The Island
VOCM-AM
VOCM-FM
VOCM-FM1

Rogers Media
CFAC-AM
CFFR-AM
CFRV-FM
CFSR-FM
CFTR-AM
CHAS-FM
CHEZ-FM
CHFI-FM
CHFM-FM
CHMN-FM
CHTT-FM
CHUR-FM
CHYM-FM
CICX-FM
CIGM-AM
CIOC-FM
CISS-FM
CISQ-FM
CISW-FM
CITI-FM
CIWW-AM
CJAQ-FM
CJCL-AM
CJET-FM
CJMX-FM
CJQQ-FM
CJQM-FM
CJRQ-FM
CJRX-FM
CKAT-AM
CKBY-FM
CKCL-FM
CKFX-FM
CKGB-FM
CKGO-FM
CKGL-AM
CKIS-FM
CKIZ-FM
CKLG-FM
CKSR-FM
CKWX-AM
CKY-FM

Standard Broadcasting
CFBR-FM
CFKC-AM
CFMG-FM
CFQX-FM
CFRB-AM
CFRN-AM
CFTK -AM
CHAM-AM
CHOM-FM
CHOR-AM
CHRE-FM
CHRX-FM
CHSU-FM
CHTZ-FM
CHVR-FM
CIBK-FM
CICF
CIQM-FM
CIOR
CISL-AM
CJAD-AM
CJAT-FM
CJAY-FM
CJBK-AM
CJBX-FM
CJDC-AM
CJEZ-FM
CJFM-FM
CJFW-FM
CJMG-FM
CJOR
CKBL-AM
CKCR-AM
CKFM-FM
CKGR-AM
CKKC-AM
CKLH-FM
CKMM-FM
CKMX-AM
CKNL-AM
CKOC-AM
CKOR-AM
CKQB-FM
CKRX-FM
CKSL-AM
CKTB-AM
CKTK-FM
CKX-FM
CKXA-FM
CKXR
CKZZ-FM

INDIVIDUAL RADIO STATIONS THAT ALSO CONTRIBUTED TO FACTOR ARE:

AM-530
CFGP
CFJB-FM
CFMB
CFNO
CFOB
CFQC
CFRY
CFWF
CFYM
CHMS-FM
CHTM
CHUC
CHWO RADIO LTD.
CIGL-FM
CIRC
CIRV
CJBQ
CJCI
CJCS 1240
CJDR
CJLS
CJOK-FM
CJRL
CJVB
CJWA
CJWW
CJYM
CJZZ-FM
CKBT-FM
CKDO
CKDR
CKEK
CKGE-FM
CKHL
CKJH
CKKX
CKLQ
CKMB-FM
CKOT-AM
CKOT-FM
CKPC-AM
CKPC-FM
CKPG
CKQV
CKRW
CKSG-FM
CKVN
CKYL
K ROCK 105.7
KICX-FM
MILESTONE RADIO INC.
MORE FM
PRIME TIME RADIO
SILK FM
The Beat Broadcasting Group
Z103.5-FM

LOAN REPAYMENTS

With the changeover from the Sound Recording Development Program to the Canada Music Fund there came changes to the terms and conditions of funding. A change of some significance to the industry was the requirement that funds repaid to the program would be required to be returned to the General Fund of the Government of Canada. This resulted in FACTOR having to change the manner in which borrowers repaid their funding to the foundation.

While a portion of the revenue generated from loan repayments was required to be reimbursed to Canadian Heritage, this change affected a recoupment dividend program through which borrowers could claim back 50% of the loans repaid to reinvest in another project. Therefore to ensure that this new requirement of Canadian Heritage does not penalize the industry, FACTOR reduced its repayment levels by 50%.

For the fiscal year ending March 31, 2006 FACTOR-supported sound recordings sold 369,196 units. This represents a drop in overall units sold for the first time in over five years. It appears that the worldwide industry trend of downward spiraling sales figures is being seen with FACTOR supported sound recording projects as well.

In total, from it's inception in 1982, FACTOR-supported sound recording projects have sold a total of 30.2 million copies with a retail value of $680 million.

ADMINISTRATION

At FACTOR, the goal to keep administration expenses down is always a priority. Based on the 12.5% allowed by Canadian Heritage, (which is a guideline the Board of Directors adopted for all funding), FACTOR was entitled to spend $2,029,173 in administration expenses. The foundation spent $1,664,835. The $364,478 unused administration funds were reinvested into the programs. FACTOR's administrative costs were held at 10.3% again this year.

Overall expenses increased over the previous year. There were several unique one-time expenses this year that resulted in these additional expenses. They included the departure of a 14 year employee, the review of FACTOR, and the strategic planning sessions for both the Board and staff of FACTOR. FACTOR has also invested significant financial resources in converting all of its documentation etc. to be available on-line. The upgrading of FACTOR's financial software has also enabled the foundation to provide direct deposits to those clients that prefer it.

PROJECT REQUESTS & FUNDING COMMITMENTS FOR THE YEAR 2005-2006

Project Results	2005-2006
Applications Submitted	3,442
Applications Approved	1,324
% of Total Applications Approved as compared to Total Submitted	38%
Amount Requested	$39,717,317
Amount Offered	$14,924,467
% of Total Funds Offered as compared to Total Requested	38%

COMPARATIVE ANALYSIS OF ALL APPLICATIONS SUBMITTED & APPROVED 2005-2006

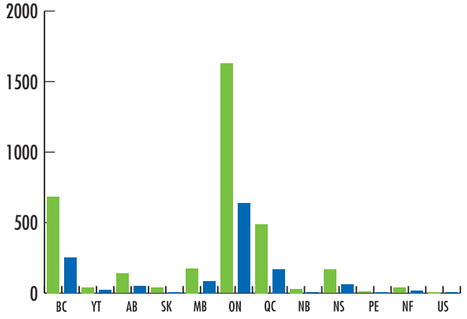
New Musical Works Audio & Video Production	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Funds Offered
SOUND RECORDING				
Direct Board Approval Program				
Direct Board Approval – Level 1,2,3- Classical and Electronica/Urban	135	$4,387,489	90	$2,651,990
Juried Programs				
FACTOR Loans	185	$4,655,427	19	$510,575
Independent Artists Recording Loans	502	$7,638,435	30	$516,564
Artist Demo Grants	812	$1,495,566	91	$167,781
Publisher & Songwriters Grants	120	$228,064	49	$91,814
Total Sound Recordings	**1,754**	**$18,404,982**	**279**	**$3,938,724**
VIDEO PRODUCTION				
Video Grants	86	$1,609,877	23	$427,386
Direct Board Video Grants	99	$2,565,351	81	$1,973,595
Total Video Production	**185**	**$4,175,229**	**104**	**$2,400,981**
MARKETING & PROMOTION				
Marketing Audio Recording Loans & Grants				
General Marketing	1	$ 50,000	1	$ 50,000
Marketing Independent Artists Grants	12	$145,710	11	$110,269
Marketing FACTOR Loan Grants	18	$374,227	14	$230,908
Marketing FACTOR Loans	117	$637,236	39	$150,082
Marketing Direct Board Grants	119	$3,339,259	92	$2,079,383
Total Marketing Loans & Grants	**267**	**$4,546,432**	**157**	**$2,620,642**
TOURING & SHOWCASING GRANTS				
Domestic Showcase Grants	218	$440,308	164	$253,713
International Showcase Grants	204	$918,029	147	$527,647
Domestic Tour Grants	210	$2,779,928	65	$585,911
International Tour Grants	194	$3,256,295	74	$874,120
Total Tours & Showcases	**826**	**$7,394,560**	**450**	**$2,241,391**
COMPANY MARKETING SUPPORT				
Domestic and International Business Development Support	260	$1,218,443	206	$782,782
Label, Manager & Distributor Business Development Support	55	$680,321	49	$576,533
Total Marketing Support	**315**	**$1,898,764**	**255**	**$1,359,315**
Collective Initiatives				
Business Deveopment Grants	41	$2,412,662	34	$1,583,858
Songwriter Workshop Grants	30	$16,853	22	$11,806
Total Collective Initiatives	**71**	**$2,429,515**	**56**	**$1,595,664**
Radio Marketing Fund	24	$867,835	23	$767,750
Grand Total	**3,442**	**$39,717,317**	**1,324**	**$14,924,467**

COMPARATIVE ANALYSIS OF ALL APPLICATIONS SUBMITTED & APPROVED				
Province/ Territory	Total Submissions	% of Total	Total Approvals	% Of Approvals
British Columbia	685	19.9%	255	19.2%
Territories & Yukon	41	1.2%	20	1.5%
Alberta	139	4.0%	53	4.0%
Saskatchewan	38	1.1%	6	0.5%
Manitoba	174	5.1%	85	6.4%
Ontario	1627	47.2%	638	48.2%
Quebec	488	14.2%	169	12.8%
New Brunswick	30	0.9%	4	0.3%
Nova Scotia	166	4.8%	64	4.8%
Prince Edward Island	10	0.3%	7	0.5%
Newfoundland & Labrador	37	1.1%	18	1.4%
Other (US)**	7	0.2%	5	0.4%
TOTAL	**3,442**		**1,324**	

** Canadian citizens living outside of Canada are eligible to apply for FACTOR funding.



CORB LUND





MOLLY JOHNSON



SERENA RYDER

SPECIFIED LABEL FUNDING

The Department of Canadian Heritage launched the Music Entrepreneur Component (MEC) as part of the Canada Music Fund (CMF) during this fiscal year. While the program was launched in September, the Department was not in a position to fully roll out the program. For those companies that were to receive funding through this program for the 2005-06 fiscal year, FACTOR partnered with the Department and provided funding under the New Musical Works programs to the following companies, for the following projects. (This funding has been referred to as the Specified Label Funding. FACTOR was notified of specific allotments per company.) *(It should be noted that the projects funded as part of specified label funding are not included in the statistical information contained within the other FACTOR programs.)*

The following funding was provided through New Musical Works for the below noted specified labels.

$135,844 in funding was earmarked for **Analekta**. They accessed some of the funding for the following projects:
Marketing & Promotion – Isabel Mayrakdarian, Matthew White and Anton Kuerti;
Sound Recording – Alain Lefevre

$96,695 in funding was earmarked for **Atma Classic**. No projects were applied for. Therefore no funding was provided through FACTOR.

$637,177 in funding was earmarked for **Aquarius Records**. They accessed some of the funding for the following projects:
Sound Recordings for – Kyprios, Memphis and Sum 41
Marketing & Promotion for – Danko Jones, Kyprios, Heroes & Villains, Sum 41, and Amy Milan
Domestic & International Business Development – to attend MIDEM

$50,000 in funding was earmarked for **Disques Audiogramme**. No projects were applied for. Therefore no funding was provided through FACTOR.

$78,869 in funding was earmarked for **Disques Tox**. No projects were applied for. Therefore no funding was provided through FACTOR.

$281,629 in funding was earmarked for **High Romance Music**. They accessed some of the funding for the following projects:
Sound Recordings for - The Golden Dogs, Colin Linden, Tom Wilson, True North 40th Anniversary, Barney Bentall, Stephen Fearing, Blackie & the Rodeo Kings and Bruce Cockburn

Videos - Tom Wilson and 54-40

Domestic & International Business Development – to attend MIDEM and SXSW

Marketing & Promotion - Bruce Cockburn, Colin Linden and Tom Wilson

$321,358 in funding was earmarked for **Justin Time Records**. They accessed some of the funding for the following projects:
Sound Recordings - David Clayton Thomas, Coral Egan, Oliver Jones and Patrick Watson
Marketing & Promotion - Oliver Jones, Susie Arioli Band, Mtl. Jubilation Gospel Choir and David Clayton Thomas

Domestic & International Business Development – Various Trips including MIDEM
Video - Susie Arioli Band

$342,364 in funding was earmarked for **Linus Entertainment**. They accessed some of the funding for the following projects:
Sound Recordings – Len and Sophie Milman
Videos - Edwin and Len
Domestic & International Business Development – various trips
Domestic Tour - Kazzer
Marketing & Promotion - Edwin, Quartetto Gelato and Len

$134,583 in funding was earmarked for **Marquis Classics**. They accessed some of the funding for the following projects:
Sound Recording - Terez Montcalm
Marketing & Promotion - Terez Montcalm
Domestic & International Business Development - Pre-MIDEM & MIDEM

$650,000 in funding was earmarked for **Nettwerk Productions**. They accessed some of the funding for the following projects:
Sound Recordings - Po' Girl, Nathan and Gob
Domestic & International Business Development - Various Trips, MIDEM & Meetings and Digital Music Summit II
Domestic Showcase - Nathan
Video - Moka Only
Marketing & Promotion - Gob, Nathan and Po' Girl

SOUND RECORDING

FACTOR offers funding to various levels of the music industry. From the creation of simple demos, on through to the production of sound recordings for commercial release, FACTOR provides financial assistance. Assistance is also provided to cover the costs of licensing and purchasing of Canadian produced masters by Canadian artists. Artists and labels are able to access the various programs subject to their meeting specific program criteria. Under the sound recording umbrella there are five levels of support. They are: Direct Board Approval Programs (Level 1,2,3, Classical & Electronica/Urban), FACTOR Loans, Independent Recording Loans, Demo Grants and Publisher & Songwriters Grants.

SOUND RECORDINGS SUBMITTED & APPROVED BY PROVINCE & TERRITORY

Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	54	460,393	5	36,871
British Columbia	316	3,679,621	51	632,420
Manitoba	58	672,375	8	132,667
New Brunswick	21	230,597	0	0
Newfoundland & Labrador	18	76,054	2	4,000
Nova Scotia	98	431,312	13	110,267
Ontario	884	9,267,796	159	2,418,405
Prince Edward Island	4	25,929	2	22,000
Quebec	261	3,185,419	36	549,608
Saskatchewan	24	229,502	0	0
Territories & Yukon	14	70,113	2	2,827
US**	2	75,871	1	29,659
TOTAL	**1,754**	**$18,404,982**	**279**	**$3,938,724**

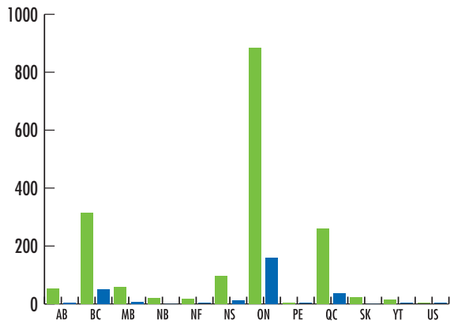
** Canadian citizens living outside of Canada are eligible to apply for FACTOR funding.



GEORGE CANYON



WAILIN' JENNYS



The low approval rate as reported above is directly attributable to the very limited financial resources available. The criteria to access funding through the various sound recording programs is very stringent and only the "best of the best" actually receive offers of funding.

SOUND RECORDINGS SUBMITTED & APPROVED BY MUSICAL GENRE

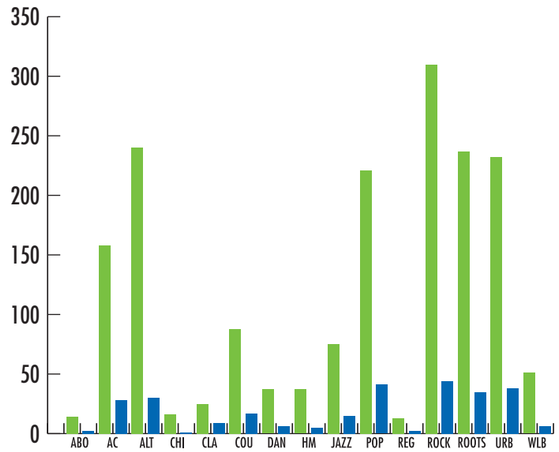
Genre	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Aboriginal	14	127,426	2	16,635
A/C	158	1,334,542	28	342,254
Alternative	240	2,432,942	30	477,778
Childrens	16	182,182	1	2,000
Classical	25	477,005	9	186,118
Country	88	1,007,661	17	221,344
Dance	37	309,610	6	9,587
Heavy Metal	37	227,335	5	47,217
Jazz	75	867,851	15	206,840
Pop	221	2,007,663	41	477,033
Reggae	13	76,571	2	4,000
Rock	310	3,944,021	44	966,440
Roots	237	2,339,273	35	471,950
Urban	232	2,400,831	38	393,093
World	51	670,069	6	116,435
TOTAL	**1,754**	**$18,404,982**	**279**	**$3,938,724**



LUKE DOUCET



STARS



The **Direct Board Approval Programs** are for those Canadian owned or controlled record labels that have FACTOR recognized distribution and have a proven successful track record. In order to embrace the various genres of music in a fair and equitable manner, the FACTOR Board has divided the program into the following five sub-programs: Direct Board Classical, Urban/Electronica, Level 3, Level 2 and Level 1. Depending on the company and the genre of music they work in, they are required to meet the specific criteria for that program. Once a company is eligible for funding through the Direct Board Approval process, they are required to meet the overall industry average of loan repayments to ensure they can remain in the program. In the event a company loses it's Direct Board Approval status, they would still be eligible to apply for funding through FACTOR's other loan programs. Funds are offered in the form of a forgivable loan. These loans are repaid based on units sold worldwide, at a royalty rate of fifty cents per unit, for two years from the date of the commercial release. At the end of the two years, any funds not repaid are forgiven. Loans of up to 50% of the eligible budget ranging from $30,000 to $90,000 are available through this program.

As well, Direct Board Approval projects that receive a commitment for the sound recording project are assured they can access matching marketing and promotion funds from between $20,000 - $65,000 toward the cost of the first video. FACTOR received 135 requests totaling $4,387,489 and approved 90 projects, offering a total of $2,651,990, which represents 60% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
44,719	rock	Konfit Music Inc.	ADAM
72,234	pop	Starcana Entertainment Inc.	Alexz Johnson (Instant Star 2)
10,391	Roots	Paper Bag Records	Andre Ethier
46,805	Rock	Arts & Crafts Productions Inc.	Apostle of Hustle
36,669	a/c	Indica Records Inc.	Bahia
45,339	pop	Starcana Entertainment Inc.	Billy Klippert
31,395	Rock	604 Records Inc.	Blue Mundae
26,738	Rock	Kindling Music Inc.	Brian Byrne
7,188	Alternative	Mint Records Inc.	Buttless Chaps
16,000	heavy metal	Distort Entertainment	Cancer Bats
33,753	rock	Starcana Entertainment Inc.	Chris Koster
11,500	Pop	Six Shooter Records	Christine Fellows
15,910	Alternative	Paper Bag Records	Cities In Dust
43,125	Pop	Maplecore Ltd.	Colin James
15,910	Alternative	Paper Bag Records	Controller.Controller
29,325	Rock	Aquarius Records Limited	Danko Jones
17,855	Pop	Maplecore Ltd.	Danny Michel
27,195	Urban	Bombay Records	Daybi
5,000	Alternative	Kindling Music Inc.	Dearly Beloved
49,163	Rock	Last Gang Records Inc.	Death From Above 1979
4,687	rock	Starcana Entertainment Inc.	Degrassi: The Next Generation - Compilation
30,000	Rock	Arbor Records Ltd.	Derek Miller
43,757	alternative	Linus Entertainment Inc.	Edwin
11,500	Roots	Six Shooter Records	Elliott Brood
28,750	rock	Linus Entertainment Inc.	Euphoraphonic
50,000	Rock	604 Records Inc.	Faber
11,511	Roots	Paper Bag Records	Fembots
29,659	Country	Reiny Dawg	George Canyon
7,608	heavy metal	Distort Entertainment	Gorgeous
46,282	Rock	Indica Records Inc.	Grimskunk
25,226	Classical	Analekta Recording Inc.	Gryphon Trio
35,500	alternative	Hardwood Records	Hayden
5,107	Aboriginal	Arbor Records Ltd.	High Noon
44,412	Jazz	Alma Records	Hilario Duran Big Band
30,000	Pop	Curve Music Inc.	Holly McNarland
12,593	Alternative	Mint Records Inc.	Immaculate Machine
8,700	Roots	Northern Blues Music	J.W. Jones
58,507	alternative	Starcana Entertainment Inc.	Jakalope
19,998	Jazz	Alma Records	Jake Langley
36,569	Rock	Indica Records Inc.	James Murdoch
19,090	Jazz	Stony Plain Recording Co. Ltd.	Jeff Healey
21,055	roots	Black Hen Music	Jenny Whiteley
22,706	roots	Black Hen Music	Jim Byrnes
38,702	Rock	Sheri Jones Entertainment Consulting	Joel Plaskett
51,198	rock	Starcana Entertainment Inc.	Johnny Hollow
48,037	Alternative	635-7334 Canada Inc.	Lovely Feathers
33,119	Roots	Six Shooter Records	Luke Doucet
30,000	Pop	Ian Thomas Productions Inc.	Lunch at Allens
14,318	urban	Starcana Entertainment Inc.	Maestro
11,875	Alternative	Paper Bag Records	Magneta Lane
40,687	pop	Starcana Entertainment Inc.	Melissa McClelland
50,000	Rock	635-7334 Canada Inc.	Midway State
12,403	Alternative	Maplecore Ltd.	Miniatures
11,528	Aboriginal	Arbor Records Ltd.	Mishi Donovan
90,000	a/c	Anthem Entertainment Group Inc.	Molly Johnson
31,068	Roots	Justin Time Records Inc.	Montreal Jubilation Gospel Choir
37,808	rock	Konfit Music Inc.	MOSQUITO-B
26,750	Alternative	Arts & Crafts Productions Inc.	Most Serene Republic
44,065	pop	Last Gang Records Inc.	MSTRKRFT
14,375	Pop	Mint Records Inc.	New Pornographers
5,236	roots	Black Hen Music	Old Man Luedecke
18,915	Jazz	Alma Records	One Take
26,059	Alternative	604 Records Inc.	Organ
17,537	rock	Last Gang Records Inc.	Panurge
42,000	world	SGM - Sleeping Giant Music Inc.	Pavlo
30,000	roots	Oyster Music Inc.	Prairie Oyster
30,000	roots	Quartette	Quartette
50,000	Classical	Linus Entertainment Inc.	Quartetto Gelato
6,007	Alternative	Sonic Unyon Records Canada	Raising the Fawn
35,675	Alternative	Smallman Records	Reason
30,000	Urban	Blacksmith Entertainment	Rezza Brothers
50,000	a/c	Productions Abelin Inc.	Richard Abel
12,820	classical	Earl Rosen and Associates Limited	Robert Silverman
23,952	Jazz	Alma Records	Robi Botos & Kristy Cardinali
45,591	roots	Alert Music Inc.	Roxanne Potvin
60,000	rock	Kindling Music Inc.	Salads
36,018	jazz	Pandyamonium Artist Management	Serena Ryder
28,195	world	Orange Music Inc.	Sergei Trofanov
50,000	pop	Alma Records	Sillan & Young
29,058	rock	635-7334 Canada Inc.	Socialight
50,000	rock	604 Records Inc.	Solution
37,603	roots	Signpost Music Ltd.	Steve Bell
17,000	alternative	Stomp Records 9045-1170 Quebec Inc.	Subb
8,754	alternative	Smallman Records	Sylvie
47,000	rock	Anthem Entertainment Group Inc.	Tea Party
32,582	rock	Arts & Crafts Productions Inc.	The Brink of Everything/ Dave Newfeld
27,881	a/c	Bombay Records	Tim Fuller
13,592	rock	Last Gang Records Inc.	Tricky Woo
11,500	rock	Curve Music Inc.	Wide Mouth Mason
3,651	alternative	Mint Records Inc.	Young and Sexy



OH SUSANNA



k-os

The **FACTOR Loan Program** provides artists/labels that have FACTOR recognized distribution, with the costs of producing a CD for commercial release/sale. Funds are offered in the form of a forgivable loan. These loans are repaid based on units sold worldwide, at a royalty rate of fifty cents per unit, for two years from the date of the commercial release. At the end of the two years, any funds not repaid are forgiven. Loans of up to 50% of the eligible budget to a maximum of $30,000 are available through this program. FACTOR received 185 requests totaling $4,655,427 million and approved 19 projects, offering a total of $510,575, which represents 11% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
35,000	country	Pritchett/Merrett Music	Aaron Pritchett
35,000	urban	Capitol Hill Music Inc.	Andreena Mill
29,931	country	MC Marketing	Beverley Mahood
29,512	jazz	Dione Taylor	Dione Taylor
5,631	urban	Urbannet Communications	DL Incognito
35,000	country	Westlake Music	Doc Walker
24,778	pop	Emm Gryner	Emm Gryner
10,000	classical	Alex Pauk	Esprit Orchestra/Eleanor James
26,000	alternative	The Jimmy Swift Band Entertainment	Jimmy Swift Band
35,000	a/c	Laura Doyle	Laura Doyle
13,644	rock	The Marble Index	Marble Index
35,000	urban	Maxamus Entertainment	Melanie Durrant
30,072	classical	Musica Intima Society	Musica Intima
30,030	world	Adam Popowitz	Pacifica
20,000	heavy metal	Underground Operations Ltd.	Protest the Hero
25,000	rock	Secret Weapon Touring Inc.	Sam Roberts
24,438	a/c	The Tiller's Folly	Tiller's Folly
35,000	roots	Divine Industries Inc.	Tom Wilson
31,539	roots	The Wailin' Jennys	Wailin' Jennys

The **Independent Recording Loan Program** assists artists that do not have FACTOR recognized distribution with the cost of producing a CD for commercial release/sale. Funds are offered in the form of a forgivable loan. These loans are repaid based on units sold worldwide, at a royalty rate of fifty cents per unit, for two years from the date of the commercial release. At the end of the two years, any funds not repaid are forgiven. Loans of up to 50% of the eligible budget to a maximum of $20,000 are available through this program. FACTOR received 502 requests totaling $7,638,435 and approved 30 projects, offering a total of $516,564, which represents 7% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
20,000	a/c	Campbell Webster Entertainment	Anne & Gilbert
20,000	urban	Noizee Bunkarz Entertainment Inc.	Boz
20,000	classical	Brian Current	Brian Current
20,000	country	Colin Amey	Colin Amey
16,381	urban	Duane Gibson	D.O.
20,000	urban	Darryl Riley	Darryl Riley
20,000	roots	David Celia	David Celia
20,000	urban	Bryan Trevitt	Dirty Circus
20,000	classical	Patrick G Jordan	Eybler Quartet
12,000	alternative	Corinne Kessel	Furios
12,346	world	Galitcha	GALITCHA
13,800	country	Gilles Lagrandeur	Gil Grand
20,000	urban	Alan Witz	God Made Me Funky
16,000	classical	Gordon Monahan	Gordon Monahan
20,000	urban	Greentara Music	Greentara
20,000	alternative	Jaan Kittask	I Spies
8,343	roots	Jane Eamon	Jane Eamon
20,000	country	Jason Haywood	Jason Haywood and the Divorcees
20,000	roots	Jim Bryson	Jim Bryson
20,000	country	Karla Crawford	Karla Crawford
20,000	urban	Kathryn Burgess	Kayte Burgess
18,857	urban	Kevin Williams	Mayhem Morearty
3,078	roots	Matthew Grant Kennedy	Mountain Bluebirds

Amount Offered	Genre	Applicant	Artist
20,000	roots	Suzanne Ungerleider	Oh Susanna
20,000	urban	Kunle Atiba Thomas	Reign
14,880	alternative	Nathan Mills	Run With The Kittens
13,154	urban	Soundplantation	Sage
7,975	roots	Stephanie Hardy	Stephanie Hardy
20,000	a/c	Stephanie Martin	Stephanie Martin
19,750	urban	Kevin Coley	Wio-K

The **Professional Demo Grant Program** provides grants to artists/groups to assist with the production of a high quality demo to be used to try and secure a recording deal. In many cases, it also affords an artist or group their first opportunity to work in a professional recording facility. Grants of up to 50% of the eligible budget to a maximum of $2,000 are available through this program. FACTOR received 812 requests totaling $1,495,566 and approved 91 projects, offering a total of $167,781, which represents 11% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
2,000	urban	Adam Farag	4th Pyramid
2,000	pop	Alex Horvath	Alex
2,000	pop	Alexandra Shield	Alex Shield
2,000	a/c	Amy Gaudaur	Amy Gaudaur
1,788	roots	Anique Granger	Anique Granger
2,000	alternative	David Mariacci	Art of Dying
2,000	heavy metal	Josh Warburton	Attic
1,532	rock	Bumstead Productions Ltd.	Awesome Team
2,000	roots	Benjamin Rogers	Ben Rogers
2,000	jazz	Benn Ross	Benn Ross
2,000	rock	Candice Nolan	Candice Nolan
2,000	pop	Candace M. Bascoe	Candy Marie
2,000	country	Chad Hanlon	Chad Hanlon
1,924	urban	Paul Sackichand	Change
2,000	a/c	Cheryl Beatty	Cheryl Beatty
2,000	pop	Chris Casserly	Chris Casserly
2,000	alternative	Key Music Group	Cities in Dust
2,000	pop	Dion Willis	Contestants
1,133	rock	Charles William Torrealba	Crystal Kid
1,770	urban	Giovanni Fraser	Darryl Riley
1,991	rock	David Yonatan Goldman	David Goldman
2,000	a/c	Signpost Music Ltd.	Diana Pops
2,000	rock	Dion David Crocker	Dion Crocker
2,000	urban	Double Dragon Productions	Double Dragon
2,000	jazz	Duane Andrews	Duane Andrews
2,000	classical	Ralitsa Tcholakova	Duo Corda
1,910	jazz	George William Koufogiannakis	George Koufogiannakis
2,000	roots	Geraldine Arie	Geraldine Arie
2,000	urban	Greg Sczebel	Greg Sczebel
2,000	a/c	Hayley Gene	Hayley Gene
1,876	roots	Elizabeth Mary Miller	Her Sweet Time
2,000	rock	Hillary Kourkoutis	Hill
1,885	jazz	Melissa Stylianou	Jamie Reynolds/Melissa Stylianou Group
1,237	pop	Down 2 Earth Music Inc	Jennie Laws
2,000	urban	Jermain Maxwell	Jermain Maxwell
1,358	pop	Jessica Vigars	Jessica Vigars
2,000	roots	Kaherine Mae Weekes	Kate Weekes
2,000	pop	Lipsmartproductions	Keralea Pollock
1,870	roots	Kirsten Johnson	Kirsten Jones
2,000	a/c	Larry McQuarrie	Larry McQuarrie
2,000	a/c	Layla Zoe Stavroff	Layla Zoe
2,000	roots	Boompa Productions	Leeroy Stagger
2,000	jazz	Lenny Graf	Lenny Graf and the Capitol City Orchestra
2,000	roots	Linda Moroziuk	Linda M
2,000	pop	Lisa Swain	Lisa Swain
2,000	urban	Lyna Cob	Lyna Cob
2,000	urban	Maurice Francois	Matisse

Amount Offered	Genre	Applicant	Artist
2,000	urban	Matisse	Matisse
2,000	urban	Kevin Williams	Mayhem Morearty
1,107	pop	Marion Arthur	MEA
2,000	reggae	Melissa McCalla	Melissa McCalla
2,000	a/c	Michael Ryneveld	Michael Ryneveld
2,000	rock	Johnny Martin	Midways
2,000	reggae	Lipsmartproductions	Mikey Dangerous
2,000	urban	Gideon Cohen	MosesChild
2,000	pop	Nadia Syed	Nadia Syed
2,000	roots	Norma MacDonald	Norma MacDonald
2,000	roots	Matthew P. Large	Notre Dame de Grass
1,978	dance	Valeria Matzner	Novalua
1,150	jazz	David Levy	Out to Lunch
1,385	alternative	Parkas, The	Parkas
1,775	a/c	Paul DiSalle	Paul DiSalle
2,000	a/c	Piper Jane Mckinnon	Piperjane Mckinnon
1,963	urban	Matthew Kimber	Pissed Off Wild
1,276	a/c	Rachel Goldman	Rachel Goldman
938	pop	Riley Armstrong	Riley Armstrong
1,584	roots	Alert Music Inc.	Roxanne Potvin
2,000	rock	Donald "Ryan" McDonald	Rudy
1,575	alternative	Boompa Productions	Run Chico Run
2,000	alternative	Sall Gibson Entertainment	Sall Gibson
2,000	jazz	Sara Diamond	Sara Diamond
2,000	roots	Sarah Burton	Sarah Burton
2,000	a/c	Sarah Joy Craig	Sarah Craig
1,625	urban	Sarah Melody Ricci	Sarah Melody
1,726	urban	Won-by-one Records	Shadow Shakes
1,740	alternative	Cherise Valerie Burda	Sherise Valley
2,000	rock	Alexander Rakic	ShovelHead
1,947	alternative	Cheryl Conroy	Spins
1,929	pop	Stefanie Beck	Stefi Beck
1,590	roots	Darren Gallop	Steven MacDougall
805	rock	Jennifer Roker	Sunday Sinners
1,998	jazz	Wayne Nakamura	Swing De Paris
2,000	pop	Stephen Murphy	T Biggs & The Mad Scam
1,675	alternative	Adam Thomas Waito	Telefauna
2,000	pop	The Salteens Band	The Salteens
1,568	pop	Thomas Thomas	Thomas Thomas
2,000	rock	Constant Crush Music	Tin Bangs
1,467	urban	Jared Welsh	Tomphoolery
1,337	urban	St. Classicalir Pennyfeather	Top Prospects
1,369	rock	Danny Legault	Veronica Speedwell
2,000	urban	Zahrah Ibrahim	Zaki



AARON PRITCHETT



CONTROLLER.CONTROLLER

The **Professional Publishers & Songwriters Demo Grant Program** provides songwriters and music publishers with funding to assist with the production of a high quality demo to be used to try and secure a recording of the song by another artist/group. Grants of up to 50% of the eligible budget to a maximum of $2,000 are available through this program. FACTOR received 120 requests totaling $228,064 and approved 49 projects, offering a total of $91,814, which represents 40% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
4,000	pop	Adam Alexander Ruhnke	Adam Alexander (2)
2,000	roots	Amelia Curran	Amelia Curran
4,000	rock	Bill Henderson	Bill Henderson (2)
2,000	a/c	Bob D'eith	Bob D'eith
2,000	a/c	Carrie-Lynn Perry	Carrie-Lynn Perry
2,000	pop	Chris Perry	Chris Perry
2,000	urban	Chris Perry	Chris Perry
2,000	pop	PA Publishing	Craig Ruhnke
4,000	country	Cyril Rawson	Cyril Rawson (2)
2,000	pop	OP3 Music	Danielle Bentley
1,456	pop	Debbie Dennis	Debbie Dennis
827	roots	Derek Holmes	Derek Holmes
2,000	childrens	Music Mentor Productions	Donna Ferra
1,954	country	Music Mentor Productions	Donna Ferriera
1,609	heavy metal	Douglas Lloyd Aldous Naugler	Doug Naugler
1,803	rock	Ed Bernard	Ed Bernard
3,710	dance	Eric Fillion	Eric Fillion & Sylvain Lamirande (2)
2,000	country	Giselle Sanderson	Giselle Sanderson
2,000	pop	Glenn McMullen	Glenn McMullen/Jody Chapman
1,702	a/c	Ilia Avroutine	Ilia Avroutine
3,864	world	Cussy Music Publishing	Jacynthe Vidal (2)
2,000	rock	John Boswell	John Boswell
4,000	pop	Jonathan M. Mullane	Jon Mullane (2)
1,995	urban	Jonathan Simon	Jonathan Simon
2,000	a/c	Kim F. Wagner	Kim F. Wagner
2,000	country	Sweet Life Music	Lea Longo
2,000	a/c	Melanie Joy Douglas	Melanie Joy Douglas
2,000	a/c	Music Mentor Productions	Melanie Joy Douglas
2,000	a/c	Michael St. Clair McDougall	Michael St. Clair
1,959	dance	OP3 Music	Nicole Holness
498	pop	Patrick Lehan	Patrick Lehan
2,000	country	Paul Sheremeta	Paul Sheremeta
2,000	a/c	Music Mentor Productions	Peter Linseman
2,000	country	Music Mentor Productions	Peter Linseman
2,000	rock	OP3 Music	Randy Hutchings
2,000	country	SueCo Music Publishing	Ron Irving
2,000	pop	SueCo Music Publishing	Ron Irving
1,495	pop	Ryan Dennis	Ryan Dennis
2,000	pop	Sam Ellis	Sam Ellis
1,489	pop	Scott Larson	Scott Larson
2,000	urban	Robert Tremills	Trey Mills, Dwight Dudiak, Nicole Holness
1,513	a/c	Warren Flandez	Warren Flandez
1,940	dance	OP3 Music	Zoe Bentley, Dany Kane



54-40

VIDEO GRANTS

While finding opportunities for videos to be played on television are somewhat limited in many genres, the video is still recognized as an important marketing tool. FACTOR's eligibility requires that all videos must be in support of a recent commercially released, nationally distributed sound recording.

FACTOR has two methods to determine video funding. One is through the Direct Board Approval process which ensures that all sound recordings that are offered funding are eligible to apply for a grant to support the first video from the same sound recording. At this level, a company may receive up to 50% of their eligible budget to a maximum of $65,000. Funding for a second video may be considered by the Board if the project was enjoying a significant level of commercial success.

The other video grant program is for those individual sound recording projects which may or may not have received funding from FACTOR for the cost of producing the sound recording project. The Board of Directors reviews these applications and determines which projects should receive funding. Funding is up to 50% of their eligible budget to a maximum of $20,000.

VIDEO GRANTS SUBMITTED & APPROVED BY PROVINCE AND TERRITORY

Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	8	121,439	0	0
British Columbia	39	855,662	15	348,999
Manitoba	4	54,725	2	14,725
Nova Scotia	8	174,978	4	80,531
Ontario	100	2,316,108	68	1,553,885
Quebec	24	610,657	13	361,182
Territories & Yukon	1	12,000	1	12,000
US**	1	29,659	1	29,659
TOTAL	**185**	**$4,175,228**	**104**	**$2,400,981**

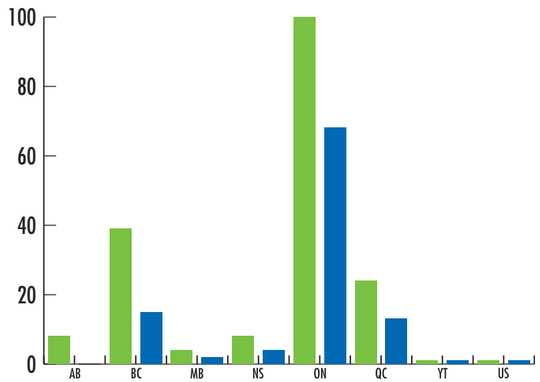
** Canadian citizens living outside of Canada are eligible to apply for FACTOR funding.



SLEDDOGS

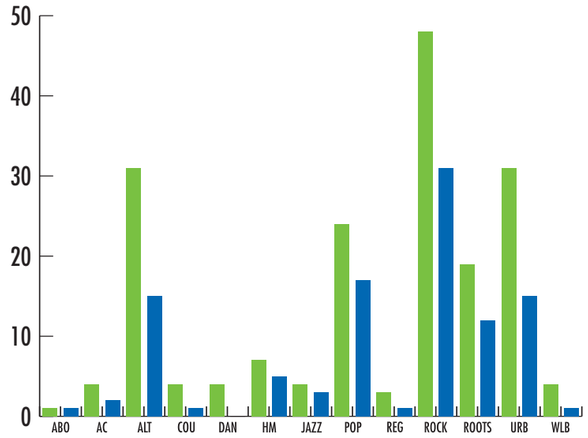


MELISSA MCCLELLAND





BRAD JOHNER





TORONTO MASS CHOIR

VIDEO GRANTS SUBMITTED & APPROVED BY MUSICAL GENRE

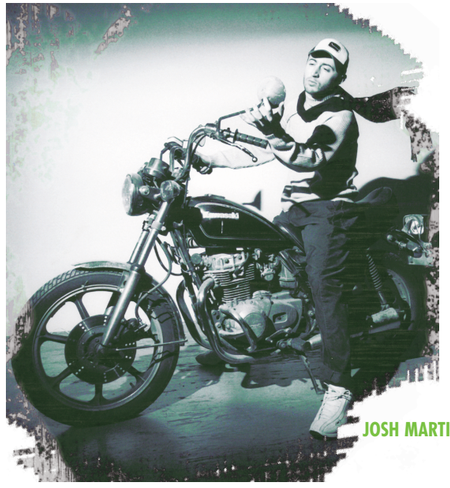
Genre	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Aboriginal	1	6,934	1	6,934
Adult Contemporary	4	105,142	2	68,888
Alternative	31	695,749	15	320,987
Country	4	91,486	1	29,659
Dance	4	69,000	0	0
Heavy Metal	7	124,524	5	84,524
Jazz	4	70,001	3	49,989
Pop	24	603,206	17	454,389
Reggae	3	56,107	1	16,107
Rock	48	1,277,874	31	857,324
Roots	19	307,580	12	169,403
Urban	32	667,639	15	302,777
World Beat	4	99,986	1	40,000
TOTAL	**185**	**$4,175,228**	**104**	**$2,400,981**



THE TREWS

FACTOR received 185 requests totaling $4,175,228 and approved 104 projects, offering a total of $2,400,981, which represents 58% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
29,613	rock	High Romance Music Ltd.	54-40
3,888	a/c	Sonic Unyon Records Canada	A Northern Chorus
20,000	heavy metal	Distort Entertainment	Alexisonfire/Moneen
10,150	roots	Paper Bag Records	Andre Ethier
8,625	urban	Maplecore Ltd.	Andrea Lewis
12,000	roots	Caribou Records Inc.	Anne Louise Genest
20,000	alternative	Arcade Fire Ltd.	Arcade Fire
20,000	rock	604 Records Inc.	Armchair Cynics
32,177	alternative	Linus Entertainment Inc.	Ashley MacIsaac
16,107	REG	Stomp Records 9045-1170 Quebec Inc.	Bedouin Soundclash
40,000	alternative	Her Royal Majesty's Records Inc.	Bif Naked
28,750	pop	Starcana Entertainment Inc.	Billy Klippert
22,062	urban	Aquarius Records Limited	Bless
18,512	rock	Konfit Music Inc.	Box
32,955	rock	Maplecore Ltd.	Boy
26,000	rock	Kindling Music Inc.	Brian Byrne
20,000	alternative	Arts & Crafts Productions Inc.	Broken Social Scene
20,000	heavy metal	Bucket Truck Productions	Bucket Truck
11,500	roots	Six Shooter Records	Christine Fellows
20,000	roots	Distort Entertainment	City and Colour -Dallas Green
20,000	urban	urbannet Communications	Classified
25,962	roots	Nettwerk Productions	Clumsy Lovers
43,125	pop	Maplecore Ltd.	Colin James
20,000	rock	Constantines	Constantines
15,910	alternative	Paper Bag Records	controller.controller
20,000	pop	Sextant Records Inc.	Cory Lee
27,484	rock	Aquarius Records Limited	Crowned King
10,000	alternative	Hardwood Records	Cuff The Duke
11,700	pop	Hardwood Records	Cuff The Duke
29,325	rock	Aquarius Records Limited	Danko Jones
44,535	pop	Maplecore Ltd.	David Usher
31,635	rock	Last Gang Records Inc.	Death From Above 1979
11,500	roots	Six Shooter Records	Elliott Brood
18,400	heavy metal	Linus Entertainment Inc.	Everything At Once
11,500	roots	Paper Bag Records	Fembots
29,659	country	Reiny Dawg	George Canyon
5,971	alternative	Smallman Records	Ghosts of Modern Man
6,124	heavy metal	Distort Entertainment	Gorgeous
20,000	pop	Great Big Sea (1995) Ltd.	Great Big Sea
30,000	rock	Curve Music Inc.	Holly McNarland
12,593	alternative	Mint Records Inc.	Immaculate Machine
43,125	pop	Starcana Entertainment Inc.	Instant Star Alexz Johnson
50,566	rock	Starcana Entertainment Inc.	Jakalope
19,998	jazz	Alma Records	Jake Langley
25,234	rock	Arts & Crafts Productions Inc.	Jason Collett
20,000	urban	Blacksmith Entertainment	Jelleestone
35,938	rock	Starcana Entertainment Inc.	Johnny Hollow
21,706	rock	DejaMusique	Jonas
20,000	urban	Camobear Records	Josh Martinez
20,000	urban	Jully Black Entertainment	Jully Black
20,000	roots	Six Shooter Records	Justin Rutledge
12,650	roots	Maplecore Ltd.	Kathleen Edwards
17,753	pop	Knotty Music Ltd.	Kayle
6,934	aboriginal	Maplecore Ltd.	Kinnie Star
20,000	urban	Love Movement	K'naan
20,000	urban	Love Movement	K'naan
41,461	alternative	635-7334 Canada Inc.	Lovely Feathers
16,100	roots	Six Shooter Records	Luke Doucet
30,000	pop	Ian Thomas Productions Inc.	Lunch at Allens
14,318	urban	Starcana Entertainment Inc.	Maestro
11,875	alternative	Paper Bag Records	Magneta Lane
40,000	rock	604 Records Inc.	Marianas Trench
30,685	rock	Maplecore Ltd.	Mark Inside
20,000	urban	Capital Prophet Records Inc.	Massari
26,156	rock	Sonic Records	Matt Mays
20,000	urban	Maxamus Entertainment	Melanie Durrant
40,000	alternative	Last Gang Records Inc.	Metric
40,000	rock	Last Gang Records Inc.	Metric
12,403	alternative	Maplecore Ltd.	Miniatures
28,447	urban	Nettwerk Productions	Moka Only
65,000	AC	Anthem Entertainment Group Inc.	Molly Johnson
26,750	alternative	Arts & Crafts Productions Inc.	Most Serene Republic
25,498	pop	Last Gang Records Inc.	MSTRKRFT
40,000	world	Her Royal Majesty's Records Inc.	Nazanin
14,375	pop	Mint Records Inc.	New Pornographers
10,781	pop	Mint Records Inc.	New Pornographers
14,375	rock	Sonic Records	Novaks
11,500	roots	Six Shooter Records	NQ Arbuckle
9,991	jazz	Alma Records	One Take
50,025	pop	Maplecore Ltd.	Pilate
24,736	rock	Kindling Music Inc.	populars
25,000	rock	Indica Records Inc.	Priestess
20,000	heavy metal	Underground Operations Ltd.	Protest The Hero
11,500	pop	Maplecore Ltd.	Prozzak
25,000	rock	Indica Records Inc.	Psychotic 4
20,000	urban	Reach Records	Ray Robinson
20,000	jazz	Alma Records	Robi Botos & Kristy Cardinali
19,000	rock	Bumstead Productions Ltd.	rocketface
14,360	pop	Shred Records Inc.	Rosette
24,256	rock	Kindling Music Inc.	Salads
29,058	rock	635-7334 Canada Inc.	Socialight
23,093	alternative	Aquarius Records Limited	Stars
28,862	pop	604 Records Inc.	Suits
62,374	rock	Aquarius Records Limited	Sum 41
29,325	urban	Battle Axe Records	Sweatshop Union
8,754	alternative	Smallman Records	Sylvie
20,000	urban	Plasma Corporation	Toya Alexis
30,000	rock	Bumstead Productions Ltd.	Trews
30,000	rock	Bumstead Productions Ltd.	Trews
13,592	rock	Last Gang Records Inc.	Tricky Woo
6,541	roots	Veda Hille	Veda Hille
12,625	rock	Coalition Entertainment Records Inc.	Waking Eyes
11,500	rock	Curve Music Inc.	Wide Mouth Mason
40,000	pop	Opening Day Entertainment	Zoe Bentley



JOSH MARTINEZ



LAURA DOYLE

MARKETING & PROMOTION SOUND RECORDINGS

Without funding to assist with the marketing and promotion of sound recordings, there is very little reason to support the sound recording project. For this reason, FACTOR offers matching funding to assist with the marketing and promotion of **all** sound recording projects which receive funding from the foundation. FACTOR also offers some funding to assist with the marketing and promotion of sound recordings which do not receive financial assistance from FACTOR for the production of the master. Funding is provided in the form of grants and embraces many different types of expenses. There are many ways to market and promote a new release and FACTOR's programs endeavor to be as open to the creative marketing and promotion initiatives as is financially possible.

MARKETING AND PROMOTION GRANTS (FOR SOUND RECORDINGS SUBMITTED & APPROVED BY PROVINCE AND TERRITORY)

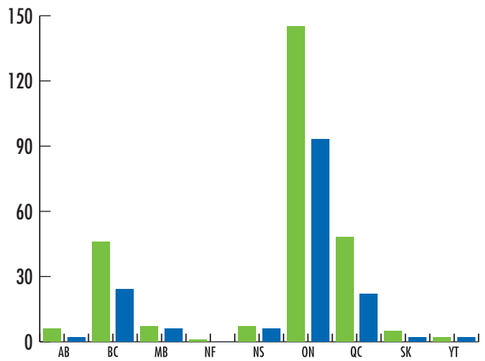
Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	6	37,206	2	17,300
British Columbia	46	593,712	24	287,441
Manitoba	7	77,259	6	57,550
Newfoundland & Labrador	1	8,450	0	0
Nova Scotia	7	99,249	6	89,493
Ontario	145	2,434,079	93	1,715,083
Quebec	48	1,216,114	22	411,275
Saskatchewan	5	56,069	2	26,744
Territories & Yukon	2	24,294	2	15,756
TOTAL	**267**	**$4,546,432**	**157**	**$2,620,642**



J. MACDONALD



CHRIS MICHAEL



MARKETING & PROMOTION GRANTS (FOR SOUND RECORDINGS SUBMITTED & APPROVED BY MUSICAL GENRE)

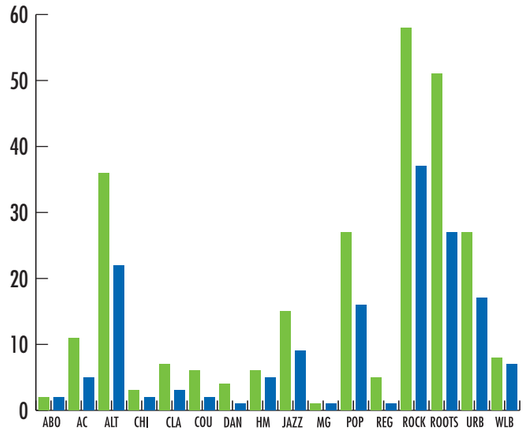
Genre	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Aboriginal	2	26,934	2	26,934
Adult Contemporary	11	169,682	5	117,353
Alternative	36	537,564	22	282,481
Childrens	3	30,000	2	22,000
Classical	7	122,402	3	30,079
Country	6	70,058	2	26,744
Dance	4	39,077	1	23,409
Heavy Metal	6	77,704	5	71,669
Jazz	15	328,863	9	163,504
Multi Genre	1	50,000	1	50,000
Pop	27	521,357	16	403,722
Reggae	5	30,777	1	4,000
Rock	58	1,363,597	37	739,988
Roots	51	676,283	27	349,864
Urban	27	353,064	17	178,231
World Beat	8	149,070	7	130,664
TOTAL	**267**	**$4,546,432**	**157**	**$2,620,642**



DIONE TAYLOR



KARYN ELLIS



FACTOR received 267 requests totaling $4,546,432 and approved 157 projects, offering a total of $2,620,642 which represents 58% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
50,000	N/A	MusiCan	MusiCan
36,507	rock	High Romance Music Ltd.	54-40
4,000	world	Alexis Kochan	Alexis Kochan & Paris To Kyiv
55,000	pop	Starcana Entertainment Inc.	Alexz Johnson (Instant Star 2)
10,391	roots	Paper Bag Records	Andre Ethier
8,625	urban	Maplecore Ltd.	Andrea Lewis
9,745	urban	Audio Research Recordings Inc.	A-Trak
17,250	roots	Shoreline Records Inc.	Barra MacNeils
20,000	urban	Capitol Hill Music Inc.	Big Black Lincoln
45,339	pop	Starcana Entertainment Inc.	Billy Klippert
30,000	rock	Konfit Music Inc.	Box
20,000	country	Brad Johner	Brad Johner
26,479	rock	Kindling Music Inc.	Brian Byrne
6,893	rock	Arts & Crafts Productions Inc.	Broken Social Scene
20,000	heavy metal	Bucket Truck Productions	Bucket Truck
7,188	alternative	Mint Records Inc.	Buttless Chaps
4,000	urban	Upper Class Recordings	Cadence Weapon
4,000	roots	Six Shooter Records	Captain Tractor
3,851	a/c	Carrie Catherine	Carrie Catherine
4,000	alternative	White Whale Records	Castle Project
4,000	rock	Natasha Thirsk	Catlow
4,000	urban	Camobear Records	Chicharones
4,000	children's	Chris McKhool	Chris McKhool
11,213	pop	Six Shooter Records	Christine Fellows
15,427	alternative	Paper Bag Records	Cities In Dust
12,000	world	Claudio Vena	Claudio Vena
33,868	roots	Nettwerk Productions	Clumsy Lovers
3,838	rock	Flagless Records	Code Pie
43,125	pop	Maplecore Ltd.	Colin James
23,409	dance	Nettwerk Productions	Conjure One
13,506	alternative	Paper Bag Records	Controller.Controller
4,000	alternative	Cranston Foundation	Cranston Foundation
1,300	alternative	Hardwood Records	Cuff The Duke
5,661	heavy metal	Sonic Unyon Records Canada	Cursed
17,855	pop	Maplecore Ltd.	Danny Michel
17,014	jazz	David Buchbinder	David Buchbinder
44,535	pop	Maplecore Ltd.	David Usher
5,000	rock	Kindling Music Inc.	Dearly Beloved
17,406	world	Orange Music Inc.	Djelem
3,741	rock	Vatikan Records	Driver
11,500	roots	Six Shooter Records	Elliott Brood
8,079	classical	Ensemble Arion	Ensemble Arion
4,626	urban	Silk-Anne Kaya	Eternia
18,400	heavy metal	Linus Entertainment Inc.	Everything At Once
11,511	roots	Paper Bag Records	Fembots
4,000	rock	Andrew Johnston	Gentlemen's Club
18,000	CLA	Opening Day Entertainment	Giles Tomkins
7,608	heavy metal	Distort Entertainment	Gorgeous
4,000	urban	FDLT Productions	Grafenberg All-Stars
30,000	rock	Indica Records Inc.	Grimskunk
4,000	roots	Heather Dale	Heather Dale
4,000	rock	Les Datson 4	High Dials
30,000	jazz	Alma Records	Hilario Duran Big Band
18,000	rock	Curve Music Inc.	Holly McNarland
6,124	roots	Caribou Records Inc.	Hungry Hill
4,000	pop	Ian Kelly	Ian Kelly
12,593	pop	Mint Records Inc.	Immaculate Machine
9,632	roots	Caribou Records Inc.	Indio Saravanja
4,000	alternative	John Mullane	In-Flight Safety
4,000	urban	ICM Records Inc.	Island City Monsters
4,000	rock	Cora/cat Records & Management	Jaclyn Whittal
4,000	reggae	Paranoyd Records	Jahranimo
55,000	rock	Starcana Entertainment Inc.	Jakalope
19,998	jazz	Alma Records	Jake Langley
30,000	rock	Indica Records Inc.	James Murdoch
30,000	rock	Arts & Crafts Productions Inc.	Jason Collett
2,638	a/c	Jason Ma/cDonald	Jason MacDonald
12,000	rock	Jeen O'Brien	Jeen O'Brien
13,300	jazz	Stony Plain Recording Co. Ltd.	Jeff Healey
17,466	roots	Black Hen Music	Jenny Whiteley
12,000	alternative	Microgroove Entertainment	Jets Overhead
12,000	urban	Jewelle Bla/ckman	Jewelle Blackman
17,534	roots	Bla/ck Hen Music	Jim Byrnes
15,453	rock	Sheri Jones Entertainment Consulting	Joel Plaskett
51,198	rock	Starcana Entertainment Inc.	Johnny Hollow
4,000	urban	Camobear Records	Josh Martinez
28,236	urban	Jully Black Entertainment	Jully Black
2,000	roots	Six Shooter Records	Justin Rutledge
4,000	roots	Karyn Ellis	Karyn Ellis
12,650	roots	Maplecore Ltd.	Kathleen Edwards
6,934	aboriginal	Maplecore Ltd.	Kinnie Starr
4,000	pop	Boompa Productions	Ladies and Gentlemen
4,000	rock	Lee Starck	Leeroy Stagger
20,000	roots	Lennie Gallant	Lennie Gallant
10,738	roots	Leslie Alexander Ellis	Leslie Alexander
4,000	alternative	Lorraine Muller	Lo & the Magnetics
48,037	alternative	635-7334 Canada Inc.	Lovely Feathers
18,000	roots	Six Shooter Records	Luke Doucet
18,000	pop	Ian Thomas Productions Inc.	Lunch at Allens
11,089	alternative	Paper Bag Records	Magneta Lane
30,000	rock	604 Records Inc.	Marianas Trench
30,685	rock	Maplecore Ltd.	Mark Inside
33,027	world	Sheri Jones Entertainment Consulting	Mary Jane Lamond
6,651	world	Maryem Tollar	Maryem Tollar
4,000	classical	Mei Han	Mei Han
40,687	pop	Starcana Entertainment Inc.	Melissa McClelland
30,000	alternative	Last Gang Records Inc.	Metric
18,000	children's	Folle Avoine Productions	Michelle Campagne
15,823	roots	Maplecore Ltd.	Mike Ford
12,403	alternative	Maplecore Ltd.	Miniatures
31,338	urban	Nettwerk Productions	Moka Only
55,000	a/c	Anthem Entertainment Group Inc.	Molly Johnson
37,808	rock	Konfit Music Inc.	Mosquito-B
26,750	alternative	Arts & Crafts Productions Inc.	Most Serene Republic
30,000	pop	Last Gang Records Inc.	MSTRKRFT
4,000	alternative	Daniel Victor Spadafora	Neverending White Lights
14,375	pop	Mint Records Inc.	New Pornographers
14,375	rock	Sonic Records	Novaks
11,500	roots	Six Shooter Records	NQ Arbuckle
4,070	roots	Bla/ck Hen Music	Old Man Luedecke
18,328	jazz	Alma Records	One Take
7,848	alternative	Smallman Records	Our Mercury
42,000	world	SGM - Sleeping Giant Music Inc.	Pavlo
3,794	roots	Peter Katz	Peter Katz
4,000	pop	Lea Entertainment	Pettit Project
8,916	urban	Michael Wilson	Phatt al
55,000	pop	Maplecore Ltd.	Pilate
25,903	alternative	Kindling Music Inc.	populars
30,000	rock	Indica Records Inc.	Priestess
20,000	heavy metal	Underground Operations Ltd.	Protest the Hero
30,000	rock	Indica Records Inc.	Psychotic 4
19,724	jazz	Justin Time Records Inc.	Ranee Lee featuring Oliver Jones
7,245	urban	Rea/ch Records	Ray Robinson
4,000	rock	Tobias Roy Hulse	Retrograde
30,000	a/c	Productions Abelin Inc.	Richard Abel
12,000	jazz	Richard Underhill	Richard Underhill
12,000	urban	Rohan Francis	Ro Dolla
25,864	a/c	Melaby Music Inc.	Robert Michaels
26,998	jazz	Alma Records	Robi Botos & Kristy Cardinali
5,957	rock	Bumstead Productions Ltd.	rocketface
12,043	rock	Bumstead Productions Ltd.	rocketface
16,967	roots	The Borealis Recording Co. Ltd.	Ron Hynes
32,110	roots	Alert Music Inc.	Roxanne Potvin
4,000	alternative	Matt Skillings	Run Chico Run
55,000	rock	Kindling Music Inc.	Salads
6,744	country	Sean Hogan	Sean Hogan
15,580	world	Orange Music Inc.	Sergi Trofanov
4,000	alternative	Devon Strang	Slowcoaster
29,058	rock	635-7334 Canada Inc.	Socialight
6,142	jazz	Linus Entertainment Inc.	Sophie Milman
2,999	rock	Bent Penny Records	Staggered Crossing
30,000	roots	Signpost Music Ltd.	Steve Bell
4,000	pop	Thunderbox Records Inc.	Stutter
28,862	rock	604 Records Inc.	Suits
20,000	aboriginal	Aglukark Entertainment Inc.	Susan Aglukark
8,740	alternative	Smallman Records	Sylvie
17,715	roots	The Borealis Recording Co. Ltd.	Terry Tufts
4,000	urban	Micah Communications Inc.	Toronto Mass Choir
4,000	roots	Trevor Finlay	Trevor Finlay Band
30,000	rock	Bumstead Productions Ltd.	Trews (2)
13,592	rock	Last Gang Records Inc.	Tricky Woo

Amount Offered	Genre	Applicant	Artist
3,221	roots	Twilight Hotel Music	Twilight Hotel
11,098	alternative	Teenage USA Recordings Inc.	Weekend
11,500	urban	Starcana Entertainment Inc.	Wesley Williams aka Maestro Fresh Wes
23,192	alternative	Chris Rolfe	White Cowbell Oklahoma
11,500	rock	Curve Music Inc.	Wide Mouth Mason

TOURING & SHOWCASING

Touring and showcasing is a key aspect to the development and longevity of the careers of artists regionally, nationally and internationally. FACTOR therefore provides funding to assist with touring and showcasing at all levels. The maximum funding available for a domestic showcase is $2,000. The maximum funding available for an International showcase is $4,000 for North America and $8,000 for outside North America. For both domestic and international tours, FACTOR funding is to a maximum of $25,000. Only those tours and showcases that show a financial loss will receive funding. FACTOR support is limited to 50% of the eligible budget to a maximum of 100% of the shortfall, not to exceed the program caps.

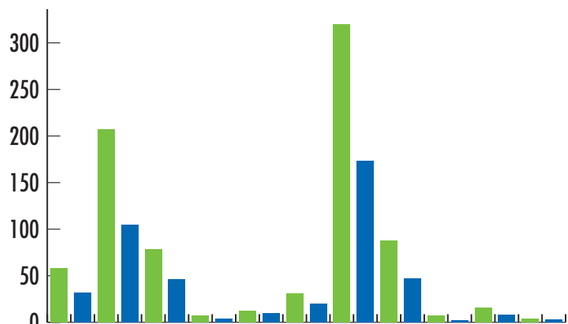
Showcasing affords an artist/group an opportunity to present themselves to the music industry. Showcases are usually undertaken with the intent to attract the attention of managers, agents, label deals and performance opportunities.

Touring assists with the marketing and promotion of a new release. The industry operates with the expectation that an artist goes on tour to promote the release of a new CD. This helps to maintain and increase their fan base regionally, nationally and internationally.

Touring and Showcasing Grants (for Sound Recordings Submitted & Approved by Province and Territory)

Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	56	267,050	32	61,407
British Columbia	207	1,773,954	105	445,465
Manitoba	78	422,821	46	158,146
New Brunswick	7	40,900	4	8,876
Newfoundland & Labrador	12	35,736	10	23,047
Nova Scotia	31	217,664	20	85,195
Ontario	320	3,530,494	173	1,150,057
Quebec	88	915,551	47	259,882
Saskatchewan	7	14,127	2	2,301
Territories & Yukon	16	109,426	8	12,200
US**	4	66,838	3	34,815
TOTAL	**826**	**$7,394,560**	**450**	**$2,241,391**

** Canadian citizens living outside of Canada are eligible to apply for FACTOR funding.





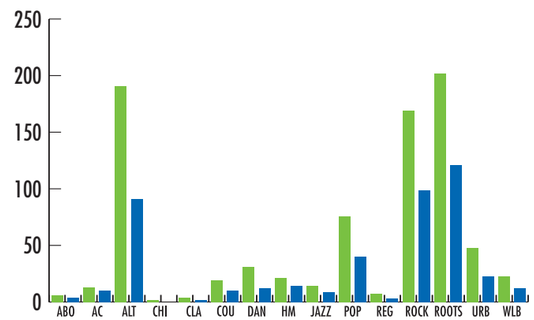
JULLY BLACK

TOURING AND SHOWCASING GRANTS (FOR SOUND RECORDINGS SUBMITTED & APPROVED BY MUSICAL GENRE)

Genre	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Aboriginal	6	20,237	4	12,777
Adult Contemporary	13	98,974	10	49,894
Alternative	191	1,862,135	91	524,187
Children	2	32,518	0	0
Classical	4	14,453	2	8,000
Country	19	112,289	10	48,612
Dance	31	201,943	12	27,260
Heavy Metal	21	250,823	14	95,244
Jazz	14	104,819	9	41,025
Pop	76	648,456	40	177,148
Reggae	7	75,446	3	9,110
Rock	169	1,853,130	99	664,123
Roots	202	1,306,573	121	362,928
Urban	48	604,965	23	169,595
World Beat	23	207,799	12	51,488
TOTAL	**826**	**$7,394,560**	**450**	**$2,241,391**



JOEL PLASKETT





NEVERENDING WHITE LIGHTS



GOD MADE ME FUNKY

For Domestic Showcasing opportunities, FACTOR received 218 requests totaling $440,308 and approved 164 showcases for artists, offering a total of $253,713, which represents 58% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
1,200	pop	Thomas D'arcy	Ladies and Gentlemen
1,193	Roots	Cool Company Consulting Inc.	AA Sound System
2,000	Alternative	Bacteria Buffet Records	Afterbeat
1,100	Roots	Alana Levandoski	Alana Levandoski (2)
2,400	Rock	Kindling Music Inc.	Alcona (2)
1,200	Roots	Anne Louise Genest	Anne Louise Genest
1,185	Aboriginal	Asani	Asani
2,397	Rock	Paquin Entertainment Group	Attics (2)
2,000	World	Edward William Hanley	Autorickshaw
4,000	country	Barnard & Broheavy metal Music	Barnard and Brohm (2)
1,094	roots	Belinda Bruce	Belinda Bruce
3,146	Pop	Charla McCutcheon	Bella (2)
2,000	Roots	Ben Sures	Ben Sures
1,200	Roots	William David Culp	Bill Culp
1,442	Alternative	Blasternaut	Blasternaut
1,140	roots	Outside Music Inc.	Blood Meridian
1,158	Roots	Sale Caboriginalternative	Blue Seeds
1,694	Alternative	Ray Chan	Blueprint Gallery
1,200	Rock	Bumstead Productions Ltd.	Boy
2,000	Classical	Jill Ann Siemens	Canadian Tenors
1,725	Rock	White Whale Records	Castle Project
1,978	rock	Boompa Productions	Catlow
1,200	alternative	Natasha Thirsk	Catlow
1,448	Roots	Charlie A'Court	Charlie A'Court
2,000	Alternative	Cheap Suits	Cheap Suits
1,506	a/c	Red Letter Music	Christine Fellows
1,200	Alternative	Kevan Ellis	Cinderpop
1,625	Roots	Colleen Power	Colleen Power
2,000	Rock	The Contact Music Group	Contact
855	Roots	Lucas Schuller	Corbin Murdoch & The Nautical Miles
1,200	Roots	LiveTourArtists	Cormiers
1,200	Country	Darcy Mazerolle	Darcy Mazerolle
1,248	Country	David Leask	David Leask
2,000	Jazz	Duane Andrews	Duane Andrews
2,000	Roots	Duane Andrews	Duane Andrews
1,922	rock	Boompa Productions	Dudes
1,279	a/c	Easily Amused Music	Easily Amused
2,000	Alternative	Reggie Gill	Elizabeth
2,000	Roots	IDEA - Ian Davies Entertainment Agency	Elizabeth Hill
1,077	Pop	Cool Company Consulting Inc.	Falconhawk
1,175	Rock	Paul Arnusch	Floor
2,000	Pop	Jason Evans	Freeflow
2,000	Roots	Les Productions du Moulin	Genticorum
1,238	Alternative	Smallman Records	Ghost Of Modern Man
1,800	Pop	Sheri Jones Entertainment Consulting	Gordie Sampson
2,000	heavy metal	Ethics Industries	Gorgeous
2,000	Urban	Greentara Music	Greentara
2,000	Rock	Absurd Machine Inc.	Greg Gardner
1,378	Alternative	Bacteria Buffet Records	Greg Milka Crowe
4,000	Dance	Gregory James Thomson	Hermit (2)
2,000	Rock	Cameron McLellan	Hinterland
3,145	Alternative	Giselle Webber	Hot Springs (2)
2,000	roots	Periwinkle Productions & Management	Hot Toddy / Isaac & Blewett
2,000	Roots	House of Doc	House Of Doc
1,200	Roots	Hungry Hill	Hungry Hill
1,200	Roots	Hungry Hill	Hungry Hill
1,200	Roots	Caribou Records Inc	Hungry Hill
2,000	roots	Hungry Hill	Hungry Hill
1,614	rock	Coalition Entertainment Management	Hurst
1,527	Urban	ICM Records Inc.	Island City Monsters
2,000	Pop	Jean-Paul Hoe	J.P. Hoe
2,000	Country	JG Entertainment	Jason Greeley
2,000	roots	Jenny Whiteley	Jenny Whiteley
2,000	Reggae	Bacteria Buffet Records	JFK & The Conspirators
2,137	roots	Pooka Print	Jim Byrnes Acoustic Band (2)
4,004	Roots	John Wort	John Wort Hannam (4)
1,598	Urban	Camobear Records	Josh Martinez
2,000	Urban	Josh Martinez Music	Josh Martinez
1,916	Alternative	Endearing Records	Julie Doiron
1,135	Roots	Karyn Ellis	Karyn Ellis
2,000	Rock	White Whale Records	Kids These Days
1,200	Roots	Caribou Records Inc.	Kim Barlow
1,200	Roots	Kim Beggs	Kim Beggs
849	Roots	Michele Chiasson	Laws

Amount Offered	Genre	Applicant	Artist
1,200	roots	Lee Starck	Leeroy Stagger
924	Roots	Lennie Gallant	Lennie Gallant
1,988	Alternative	Marcel Lavandier	Liz Band
2,088	Rock	Lorrie Matheson	Lorrie Matheson & The Brass Tacks (2)
835	Roots	Luke Doucet	Luke Doucet
2,000	Rock	Noel Lee	Madman Orchestra
2,000	Pop	Nathan Rowan	Maplewood Lane
2,000	alternative	Blue Drop Music	Mark Bragg
1,780	Jazz	Matt Herskowitz	Matt Herskowitz
1,200	rock	Sundown Music Inc.	Matt Mays & El Torpedo
1,264	Pop	Matt Hryhorsky	Matt York
1,000	Roots	Megan Jerome	Megan Jerome Trio
1,200	roots	Music Management International Inc.	Michael Jerome Browne
1,906	Roots	Michael Johnston	Michael Johnston (2)
1,200	Pop	Morgan Mayer	Morgan Mayer
1,480	Alternative	Karla Miller	Mothra
15,000	a/c	Canadian Association of Broadcasters	Various artists
934	Roots	Gear Music	Nathan Wiley
1,200	Urban	Sarah Tesla	No-1
2,000	alternative	novillero	novillero
1,200	Roots	White Whale Records	Octoberman
2,000	rock	Paper Moon Music	Paper Moon
612	Dance	Vinyl Republik	Pete Samples
1,606	alternative	Phattoe	Phattoe
624	Alternative	Ships at Night Records	Plants and Animals
3,977	roots	Polyjesters	Polyjesters (2)
1,010	Rock	White Whale Records	Poor Folk
1,820	Rock	Kindling Music Inc.	Populars (2)
1,890	urban	William E. Wright	r.a.w.child
800	Roots	Raghu Lokanathan	Raghu Lokanthan
2,000	rock	Retrograde	Retrograde
2,361	Alternative	Divine Industries Inc.	Ridley Bent (2)
1,200	a/c	Melaby Music Inc.	Robert Michaels
1,316	Roots	Boompa Productions	Robert Wilson
2,000	Pop	Shred Records Inc.	Rosette
1,631	Pop	Peter Willis	Russian Artist Factory
1,676	roots	Periwinkle Productions & Management	Ryan Leblanc
2,160	roots	Music Management International Inc.	Samantha Robichaud (2)
1,101	Roots	Sean Hogan	Sean Hogan
2,000	Roots	Sherry Ryan	Sherry Ryan
2,000	Dance	Shout out out out out	Shout out out out out
610	Jazz	Simon Fisk	Simon Fisk Trio
2,000	Dance	Vinyl Republik	Sinewave
2,000	rock	Mountain Edge Productions	sleddogs
2,000	alternative	Devon Strang	Slowcoaster
2,000	Jazz	Stephen Franke	Stephen Franke & Noises From The Toolshed
900	aboriginal	Devon Strang	Steven MacDougall
945	Alternative	Cool Company Consulting Inc.	Summerlad
1,140	Alternative	Cool Company Consulting Inc.	Summerlad
799	Alternative	Dean Martin	Summerlad
810	Alternative	Smallman Records	Sylvie
1,812	alternative	Smallman Records	Sylvie
1,144	pop	Tanyss Prunty-Patterson	Tanyss Nixi
2,557	Roots	Tariq Music Ltd.	Tariq (2)
2,000	Rock	The Telepathic Butterflies	Telepathic Butterflies
2,000	Alternative	Ethics Industries	Ten Second Epic
2,000	Roots	Gun Records Inc.	Terry Kelly
2,000	alternative	Meligrove Band	The Meligrove Band
1,200	alternative	Todd MacDonald	The Winks
1,200	dance	Daniel Werb	The Woodhands
527	Alternative	Malcolm Fraser	The World Provider
522	Roots	Ships at Night Records	Timber
2,000	Roots	Aaron Chapman	Town Pants (2)
2,000	World	Aaron Chapman	Town Pants
2,000	Roots	Scot Arrington	United Steelworkers of Montreal
2,978	Alternative	Cool Company Consulting Inc.	Vailhalen
800	Pop	Valery Gore	Valery Gore
2,000	Rock	Roland Deschambault	Vanderveen
1,858	Rock	Coalition Entertainment Management	Waking Eyes (2)
2,000	Alternative	Whitey Houston	Whitey Houston

For Domestic Touring opportunities, FACTOR received 210 requests totaling $2,779,928 and approved 65 tours, offering a total of $585,911, which represents 21% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
25,000	Country	Pritchett/Merrett Music	Aaron Pritchett
5,000	Roots	Alana Levandoski	Alana Levandoski
5,000	alternative	Linus Entertainment Inc.	Andy Stochansky
4,000	Roots	April Verch	April Verch
5,000	alternative	The Black Halos	Black Halos
15,000	heavy metal	Cerberus Artist Management Inc.	Blue Skies At War
10,350	rock	Bumstead Productions Ltd.	Boy
5,900	heavy metal	Bucket Truck Productions	Bucket Truck
2,357	alternative	Smallman Records	Comeback Kid
3,000	jazz	Coral Egan	Coral Egan
10,000	country	RGK Entertainment Group	Corb Lund
5,700	pop	Sextant Records Inc.	Cory Lee
15,000	alternative	Cuff the Duke	Cuff The Duke (2)
1,324	heavy metal	Radwan Moumneh	Cursed
12,500	rock	Danko Jones	Danko Jones
39,600	urban	Blacksmith Entertainment	Divine Brown (2)
7,500	roots	Junkshop Productions Inc.	Fembots
16,960	alternative	Crazy Horse Productions	Fullblast (2)
2,000	alternative	Smallman Records	Ghosts of Modern Man
10,400	alternative	TKO Entertainment Corp.	Heck
26,869	rock	Coalition Entertainment Management	Hurst (3)
4,457	world	Ilana Moon	Jambanja/Ilana Moon
12,500	rock	Arts & Crafts Productions Inc.	Jason Collett
19,000	pop	Joel Kroeker	Joel Kroeker (3)
10,124	world	Avalanche Productions	Jorane
16,000	urban	Jully Black Entertainment	Jully Black
11,037	rock	Crazy Horse Productions	Junction
13,000	urban	Love Movement	K'naan
18,000	pop	Boompa Productions	Ladies and Gentlemen (2)
2,500	rock	Lucie Idlout	Lucie Idlout
7,500	roots	Luke Doucet	Luke Doucet
22,500	rock	The Marble Index	Marble Index (2)
15,000	rock	Beachfire Music	Matt Mays
25,000	rock	Sundown Music Inc.	Matt Mays & El Torpedo
5,000	rock	Middle Child Music Inc.	Matthew Barber
10,533	urban	Nettwerk Management	Moka Only
8,131	urban	Rec Room Music Group	Moka Only
7,500	heavy metal	No Warning Inc.	No Warning
7,500	jazz	Nojo	NOJO
12,000	rock	Inside Music Entertainment Inc.	Novaks
6,000	alternative	Stomp Records 9045-1170 Quebec Inc.	Planet Smashers
11,125	rock	Indica Records Inc.	Priestess (2)
5,500	heavy metal	Underground Operations Ltd.	Protest The Hero
5,500	urban	Soul Classicalp Records	Ray Robinson
2,600	alternative	Smallman Records	Reason
10,000	pop	Shred Records Inc.	Rosette
16,000	jazz	Linus Entertainment Inc.	Sophie Milman
4,443	roots	Black Hen Music	Steve Dawson
15,000	urban	Sweatshop Union	Sweatshop Union
7,000	alternative	Smallman Records	Sylvie (2)
37,000	rock	Bumstead Productions Ltd.	Trews (2)
2,500	pop	Valery Gore	Valery Gore
7,500	rock	Coalition Entertainment Records Inc.	Waking Eyes

For International Showcasing opportunities, FACTOR received 204 requests totaling $918,029 and approved 147 international showcases, offering a total of $527,647, which represents 57% of the total amount requested.

Amount Offered	Genre	Applicant	Artist
3,145	roots	Alana Levandoski	Alana Levandoski
2,069	rock	Arts & Crafts Productions Inc.	Apostle of Hustle
3,603	roots	April Verch	April Verch (2)
6,000	roots	MIDEM	Asani
3,000	rock	Bend Sinister Music Co.	Bend Sinister
3,968	roots	Ryszard Kowalewski	Bill Dowey & Blues Devils
2,791	roots	The Bills	Bills
3,214	roots	Outside Music Inc.	Blood Meridian
3,555	reggae	oheavy metal grown records	Boogiewall Soundsystem
9,833	rock	Bumstead Productions Ltd.	BOY (2)
2,653	roots	Bignote Entertainment Inc.	Buccaneers
2,480	urban	Mike Campitelli	Calamalka
3,183	roots	Carolyn Mark	Carolyn Mark
3,000	alternative	Natasha Thirsk	Catlow
2,382	roots	Red Letter Music	Christine Fellows
8,000	roots	RGK Entertainment Group	Corb Lund (2)
4,000	roots	LiveTourArtists	Cormiers featuring Mallory Johnson
2,288	roots	Courtney Wing	Courtney Wing
2,407	rock	RCD Music Ltd.	Crash Kelly
3,700	alternative	Cuff the Duke	Cuff The Duke
986	pop	Burnt Bun Music Inc.	Danny Michel
3,096	roots	Krista Lamb	Dave Gunning
1,274	a/c	Dave King	Dave King
3,657	a/c	Robot Touring Inc	David Usher
1,164	country	Debbie Bergeron	Debbie Bergeron (2)
4,692	aboriginal	Cerberus Artist Management Inc.	Derek Miller
6,000	pop	Daniel Bejar	Destroyer
3,606	dance	Don-Ray Simmonds	Don-Ray
6,000	urban	Justus League Records	Dope Poet Society
3,134	roots	Duane Andrews	Duane Andrews
3,532	roots	Leonard Podolak	Duhks
3,000	a/c	Easily Amused Music	Easily Amused
3,229	pop	Easily Amused Music	Easily Amused
2,834	roots	Fleming Artists Management	Echo Hunters
3,214	alternative	weewerk	Elliott Brood
6,000	rock	Shawn Farrell	Farrell Bros
5,900	roots	Les Productions du Moulin	Genticorum (2)
4,000	rock	Big Balloons	Golden Dogs
2,638	pop	Gordie Sampson	Gordie Sampson
2,977	a/c	Hayley Gene	Hayley Gene
4,000	a/c	Endearing Records	Heavy Blinkers
4,000	pop	The Hidden Cameras	Hidden Cameras
8,936	rock	Les Datson 4	High Dials (3)
3,494	dance	Holy Fuck	Holy Fuck
4,000	alternative	Giselle Webber	Hot Springs
4,000	roots	Periwinkle Productions & Management	Hot Toddy
3,000	roots	House of Doc	House of Doc
3,000	roots	Caribou Records Inc.	Hungry Hill
1,546	heavy metal	Nicholas Sewell	Illuminati
3,000	alternative	Brooke Gallupe	Immaculate Machine
3,640	alternative	Immaculate Machine	Immaculate Machine
4,000	pop	The Irises	Irises
4,000	country	Inspire Media Entertainment Inc.	Jacques & the Shakey Boys
7,000	rock	Arts & Crafts Productions Inc.	Jason Collett (2)
2,138	pop	Jessica Beach	Jessica Beach
4,500	rock	Songs for the Gang	Joel Plaskett Emergency
2,903	roots	John Wort	John Wort Hannam
4,000	rock	DejaMusique	Jonas
1,678	world	Avalanche Productions	Jorane
2,329	rock	Endearing Records	Julie Doiron
2,633	roots	Ken Whiteley	Ken Whiteley
2,581	roots	Ken Whiteley	Ken Whiteley
641	roots	Kirsten Johnson	Kirsten Jones
4,300	urban	Love Movement	K'naan
4,255	world	Lache Cercel	Lache Cercel and Roma Swing
6,621	pop	Boompa Productions	Ladies & Gentlemen (2)
2,183	dance	LAL	LAL
6,000	aboriginal	Laura Vinson	Laura Vinson & Free Spirit
1,829	alternative	Greg Tymoshenko	Leather Uppers
1,283	pop	Hypo Productions	Lederhosen Lucil
3,670	roots	Boompa Productions	Leeroy Stagger
1,682	rock	Boompa Productions	Leeroy Stagger

Amount Offered	Genre	Applicant	Artist
3,000	roots	Lee Starck	Leeroy Stagger
3,910	roots	Boompa Productions	Leeroy Stagger
4,000	roots	Boompa Productions	Leeroy Stagger
3,748	dance	Lesbians on Ecstasy	Lesbians on Ecstasy
751	pop	Linda McLean	Linda McLean
2,823	rock	Lindsay Jane Oxenham	Lindsay Jane
4,000	rock	Cool Company Consulting Inc.	Lorrie Matheson
3,979	roots	Luke Doucet	Luke Doucet
3,371	alternative	Paper Bag Records	Magneta Lane (2)
4,500	rock	The Marble Index	Marble Index
5,960	roots	Maria Catherine Dunn	Maria Dunn
4,300	alternative	Blue Drop Music	Mark Bragg
9,962	rock	Sundown Music Inc.	Matt Mays & El Torpedo (3)
3,000	roots	The McDades	McDades
2,468	roots	White Whale Records	Mohawk Lodge
6,000	classical	Boulev'Art Inc	Molinari Quartet
6,000	jazz	Belle Productions	Molly Johnson
7,000	rock	Arts & Crafts Productions Inc.	Most Serene Republic (2)
417	dance	aidan baker	Nadja
3,557	roots	Nathan Music Co.	Nathan
2,726	rock	Fading Ways Records Ltd.	Neil Leyton
6,292	rock	Inside Music Entertainment Inc.	Novaks (2)
3,737	rock	novillero	Novillero
1,781	roots	Marc Morrissette	Octoberman
3,555	reggae	oheavy metal grown records	Odel Johnson
4,000	alternative	The Organ	Organ
2,777	world	Hejaz Entertainment Inc.	Pavlo
1,700	alternative	Elizabeth Hysen	Picastro
3,459	alternative	Lyndsay Karen Sung	Pink Mountaintops
814	roots	Polyjesters	Polyjesters
3,540	pop	Lisa J. Smith	Pony Up
2,465	alternative	White Whale Records	Precious Fathers
4,000	heavy metal	Indica Records Inc.	Priestess
4,300	pop	Priya Thomas	Priya Thomas
1,336	urban	William E. Wright	r.a.w. child
2,821	roots	Rachelle Van Zanten	Rachelle Van Zanten
3,000	roots	Rita Chiarelli	Rita Chiarelli
4,000	alternative	Matt Skillings	Run Chico Run
4,500	rock	Kindling Music Inc.	Salads
1,150	roots	Scott Nolan	Scott Nolan
4,000	dance	Shout out out out out	Shout out out out
5,197	world	Danagement	Socalled (2)
4,000	roots	A l'infini communications (9124-3154)	Sons of Maxwell
2,135	jazz	Linus Entertainment Inc.	Sophie Milman
2,959	alternative	Jason Zumpano	Sparrow
4,159	rock	Victor Stuart Gailiunas	Star Collector
3,000	urban	Nettwerk Management	Swollen Members
4,000	roots	Music Management International Inc.	Taxi Chain
60,000	rock	Starfish Entertainment	The Great Escape
4,600	rock	Coalition Entertainment Management	The Waking Eyes
4,000	alternative	Josh Neelands	They Shoot Horses Don't They
6,700	rock	Bumstead Productions Ltd.	Trews (2)
5,353	roots	The Wailin' Jennys	Wailin' Jennys (3)
3,100	rock	Alex Bolieu	We Are Wolves
4,000	alternative	Wintersleep Music	Wintersleep
4,000	pop	Dani Vachon	You Say Party! We Say Die!
2,700	pop	Paul Pittman	Young and Sexy

For International Touring opportunities, FACTOR received 194 requests totaling $3,256,295 and approved 74 international tours, offering a total of $874,120, which represents 27% of the total amount requested. This low percentage of funding offered can be attributed directly to the stringent process the Board of Directors must utilize when reviewing funding requests because of the very limited financial resources available.

Amount Offered	Genre	Applicant	Artist
2,000	heavy metal	Andre Guerette	Aids Wolf
36,504	alternative	Bald Headed Girls	Alexisonfire (3)
21,500	alternative	Arcade Fire Ltd.	Arcade Fire
2,845	alternative	Crazy Horse Productions	Bedouin Soundclash
12,500	Pop	TKO Entertainment Corp.	Bif Naked
667	Roots	The Bills	Bills
12,500	Rock	Blue Rodeo Productions	Blue Rodeo
37,000	alternative	Boys Night Out Inc	Boys Night Out (2)
25,000	rock	Arts & Crafts Productions Inc.	Broken Social Scene
3,500	Urban	Josh Martinez Music	Chicarones
15,000	roots	Chris Jonat	Clumsy Lovers
45,760	alternative	Smallman Records	Comeback Kid (6)
6,000	alternative	Controller.Controller	Controller.Controller
7,500	roots	RGK Entertainment Group	Corb Lund
21,500	rock	Crowned King	Crowned King
16,000	Pop	Daniel Powter	Daniel Powter (2)
12,500	Rock	Danko Jones	Danko Jones
5,167	Roots	David Francey	David Francey
37,916	alternative	The Dears	Dears (2)
21,500	rock	Last Gang Records Inc.	Death From Above 1979
16,000	rock	Ten Year Plan	Death From Above 1979
31,350	Roots	Duhks, The	Duhks (2)
22,500	Rock	Quality of Life Canada, Inc.	Feist (2)
6,700	alternative	Paul Schedlich	Four Square
12,000	alternative	weewerk	Great Lake Swimmers
5,000	alternative	G7 Welcoming Committee Records	Greg MacPherson
12,500	Rock	Arts & Crafts Productions Inc.	Jason Collett
50,000	rock	Potty Mouth Productions	Kathleen Edwards (3)
7,500	urban	Love Movement	K'naan
16,000	Urban	Chris Smith Management	k-os
16,000	a/c	CBG Artist Development	Kyle Riabko
5,000	Roots	Luke Doucet	Luke Doucet
7,000	Rock	The Marble Index	Marble Index
27,315	Roots	Martha Wainwright	Martha Wainwright (2)
21,500	alternative	Last Gang Records Inc.	Metric
12,500	alternative	Metric	Metric
12,000	alternative	Metric	Metric
4,000	alternative	636-1781 Canada Inc.	Metric
5,000	rock	Starcana Entertainment Inc.	Money Money
30,000	Rock	Arts & Crafts Productions Inc.	Most Serene Republic (3)
21,500	heavy metal	No Warning Inc.	No Warning
8,000	alternative	Mint Records Inc.	Organ
19,000	world	Hejaz Entertainment Inc.	Pavlo (2)
12,000	Roots	Po' Girl Music Inc.	Po' Girl
1,500	heavy metal	Protest The Hero	Protest The Hero
10,000	roots	Ray Bonneville	Ray Bonneville
21,500	alternative	Aquarius Records Limited	Stars
13,500	alternative	Aquarius Records Limited	Stars
12,500	alternative	Stars	Stars
25,000	Pop	Stars	Stars
2,897	Roots	Sue Foley	Sue Foley
7,500	Urban	Swollen Members Music Inc.	Swollen Members
47,500	alternative	Superclose Music Inc.	Tegan & Sara (3)
9,000	heavy metal	Cameron Todd Pipes	Three Inches of Blood

MARKETING SUPPORT FOR BUSINESS

As globalization has taken over the development of businesses, including the music industry, it is of critical importance that companies are provided with assistance to ensure that they can increase their financial viability and enhance their competitiveness. The cost of doing business nationally and internationally is affected by many things beyond the control of the music industry, (i.e. high travel costs and an ever increasing number of niche type music industry conferences). FACTOR support in this area continues to be one that requires increased financial assistance.

Record companies, music publishers, artist managers, distribution companies and professional associations operating in the music industry apply for funding through the two programs that FACTOR offers, supporting some of their financial needs that enable them to do business at the domestic and international level. Whether it be a business meeting or an important conference they need to attend, FACTOR provides funding to a maximum of $20,000 per year, per company.

Marketing Grants For Businesses (Submitted & Approved by Province and Territory)

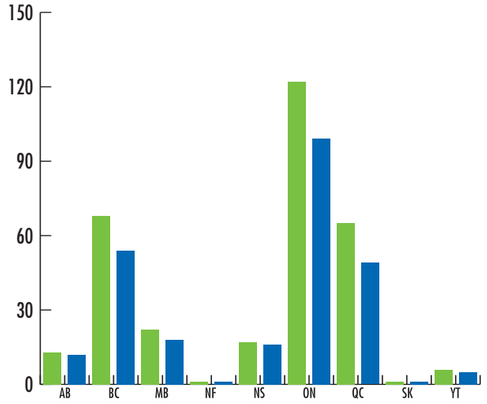
Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	13	60,963	12	53,005
British Columbia	68	402,147	54	276,673
Manitoba	22	132,836	18	97,980
Newfoundland & Labrador	1	17,250	1	14,145
Nova Soctia	17	58,010	16	40,386
Ontario	122	810,528	99	565,533
Quebec	65	382,295	49	285,830
Saskatchewan	1	1,716	1	1,716
Territories & Yukon	6	33,019	5	24,047
TOTAL	**315**	**$1,898,764**	**255**	**$1,359,315**



ARCADE FIRE



BROKEN SOCIAL SCENE



DOMESTIC & INTERNATIONAL BUSINESS DEVELOPMENT

As the world continues to become more and more accessible, it is important that Canadian owned labels and managers are afforded the opportunity to expand their financial viability and competitiveness. To support them in their global dealings, FACTOR provides funding to assist with eligible companies in their travel expenses. Whether it be a meeting or attendance at important music related conferences, funding to a maximum of $20,000 per year, per company is available.

FACTOR received 260 requests totaling $1,218,443 and approved 206 projects offering a total of $782,782, which represents 64% of the total amount requested.

Amount Offered	Applicant
20,000	635-7334 Canada Inc. (3)
5,444	A-B-A-C-A Youth Records Ltd. (2)
1,325	Alert Music Inc.
5,073	Anthem Records/SRO Management Inc.
6,650	Aporia Records Inc. (2)
8,457	Arbor Records Ltd.
3,673	Arts & Crafts Productions Inc.
3,795	Attack Records
10,143	Avalanche Productions (4)
17,256	Battle Axe Records (5)
2,401	Bedlam Music Inc
3,071	Black Box Recordings
5,865	Black Hen Music
1,630	Bongo Beat Records
17,953	Boompa Productions (4)
19,990	Cardster Music Co. (4)
9,474	Caribou Records Inc. (2)
14,865	Casablanca Media Acquisitions Inc. (5)
1,394	CBG Artist Development
3,513	CellarLive
3,824	Chacra Music Licensing Inc
15,266	Chapter 2 Productions Inc.
12,601	Coalition Entertainment Management (3)
9,079	Curve Music Inc. (3)
7,859	Danagement (2)
7,236	Dance Plant Records Inc.
4,054	Delinquent Records Music
4,319	Disques Ninja Tune Inc.
19,502	Distribution Fusion III Inc. (4)
10,607	Donald K Donald Group of Labels Inc. (2)
5,194	Endearing Records (3)
1,744	Envision Management & Production
1,032	Ethics Industries
2,211	Fading Ways Records Ltd.
5,160	Festival Distribution Inc.
2,012	Folle Avoine Productions
3,980	Free Expression
1,119	Gift Shop (2)
1,193	Grow-Op Records Inc.
1,499	Hardwood Records
14,718	Her Royal Majesty's Records Inc. (3)
6,737	Hi-Bias Records Inc.
4,916	High Romance Music Ltd.
3,002	Hype Music
3,775	ISBA Music Entertainment Inc.
4,186	Jericho Beach Music
3,706	Justin Time Records Inc. (2)
2,544	Key Music Group
18,006	KIDZUP Productions Inc. (2)
4,268	Killbeat Music (3)
5,319	Kindling Music Inc.
4,490	Konfit Music Inc.
2,364	Kray Industries Limited (2)
21,370	L'agence Station Bleue (6)
11,878	Last Gang Records Inc. (2)
5,444	Lennart Krogoll & Associates (2)
5,003	Limelight Management Inc.
2,220	Linus Entertainment Inc. (2)
3,163	Love Movement
11,264	Magnum Opus Management (2)
4,260	Mainstage Management (2)
18,014	Maplecore Ltd. (3)
3,141	Marquee Management
1,869	MCM Entertainment Management Inc.
1,323	Mels Rockpile Management
2,082	Meta4 Music
21,688	Mint Records Inc. (4)
6,250	Music Management International Inc.
463	Nettwerk Management
6,649	Nettwerk Productions (3)
1,198	Noise Factory Records
3,792	Oliver Sudden Productions Inc.
12,642	Opening Day Entertainment (2)
1,716	O'Reilly International Inc.
14,731	Outside Music Inc. (3)
18,282	Paper Bag Records (4)
8,973	Paquin Entertainment Group (3)
4,086	PHD Canada Distributing Ltd.
1,351	Plasma Corporation
4,672	Pooka Print
3,124	popguru sound & vision (2)
3,970	Premier Muzik International Corporation
1,870	QAP Songs
10,564	Quay Entertainment Services Ltd. (5)
1,520	RAM Concert Productions Ltd.
1,769	Ramparts Entertainment
1,553	RCD Music Ltd.
6,792	Rec Room Music Group
12,099	RGK Entertainment Group (2)
3,623	Rising Sun Productions
6,771	Royalty Records Inc. (2)
5,606	Saboteur Musique
2,762	SGM - Sleeping Giant Music Inc.
8,245	Sheri Jones Entertainment Consulting (3)
12,476	Six Shooter Records (3)
14,498	Smallman Records (5)
20,000	Solitudes Ltd./Somerset Entertainment
7,448	Sonic Records (4)
4,244	Sonic Unyon Records Canada
3,789	Starcana Entertainment Inc.
5,255	Stomp Records 9045-1170 Quebec Inc. (2)
23,497	Stony Plain Recording Co. Ltd. (6)
22,157	Sunshine Records Ltd. (5)
2,846	Tandem Music Group
5,002	Tegan and Sara Management
10,217	The Borealis Recording Co. Ltd. (2)
1,501	The Bristol Agency
14,217	The Children's Group Inc (2)
2,393	White Whale Records
5,457	SPG Music Ltd.

LABEL, MANAGER & DISTRIBUTOR BUSINESS DEVELOPMENT SUPPORT PROGRAM

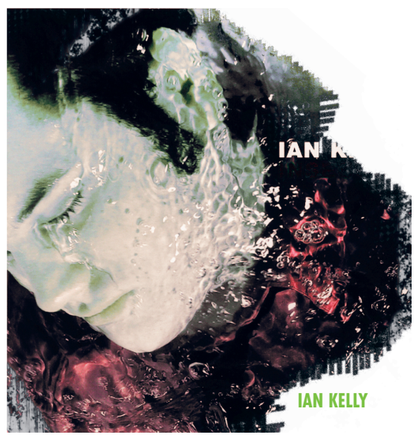
This program was developed to support labels, managers and distributors with some of the hard costs involved with supporting the development/exploitation of the careers of the artists they represent. Eligible costs include memberships to music related associations, subscription fees to industry related publications, Soundscan, and skills upgrading initiatives.

FACTOR received 55 requests totaling $680,321 and approved 49 projects for offering a total of $576,533 which represents 85% of the total amount requested.

Amount Offered	Applicant
20,000	Alma Records
16,028	Anthem Records/SRO Management Inc.
3,003	Aporia Records Inc.
5,487	Arbor Records Ltd.
4,620	Arts & Crafts Productions Inc.
13,096	Battle Axe Records
4,762	Bent Penny Records
20,000	Boompa Productions
1,448	Bumstead Productions Ltd.
3,309	Caribou Records Inc.
20,000	Casablanca Media Acquisitions Inc.
20,000	CBG Artist Development
11,607	Curve Music Inc.
19,162	Danagement
20,000	Distribution Fusion III Inc.
5,468	Earl Rosen and Associates Limited
7,033	Endearing Records
16,597	Envision Management & Production
20,000	High Romance Music Ltd.
20,000	Justin Time Records Inc.
7,222	Key Music Group
4,916	Killbeat Music
20,000	La Compagnie Larivee Cabot Champagne
9,748	L'agence Station Bleue
14,145	Landwash Distribution Co. Ltd.
6,558	Les Productions Bros Inc.
19,406	Linus Entertainment Inc.
20,000	Maplecore Ltd.
8,521	Maximum Music Ltd.
101	Mels Rockpile Management
20,000	Nettwerk Management
20,000	Nettwerk Productions
7,200	Opak Media Inc.
20,000	Outside Music Inc.
1,986	Paper Bag Records
6,161	Paquin Entertainment Group
2,436	Quay Entertainment Services Ltd.
2,820	RAM Concert Productions Ltd.
17,230	Ranbach Music Ltd
8,385	RGK Entertainment Group
16,782	Six Shooter Records
18,630	Solitudes Ltd./Somerset Entertainment
20,000	Sonic Unyon Records Canada
3,971	Stark Ravings
14,987	Stony Plain Recording Co. Ltd.
20,000	Sunshine Records Ltd.
1,488	The Management Trust
10,359	Underground Operations Ltd.
1,861	Urbnet Communications



POLYJESTERS



IAN KELLY

COLLECTIVE INITIATIVES

This program supports both business and music industry related not for profit organizations. Funding is provided to support initiatives that encourage the growth and development of the Canadian music industry. Educational and professional information sessions/seminars and national initiatives that promote various sectors of the music industry are supported through this program.

Collective Initiative Grants (Submitted & Approved by Province and Territory)

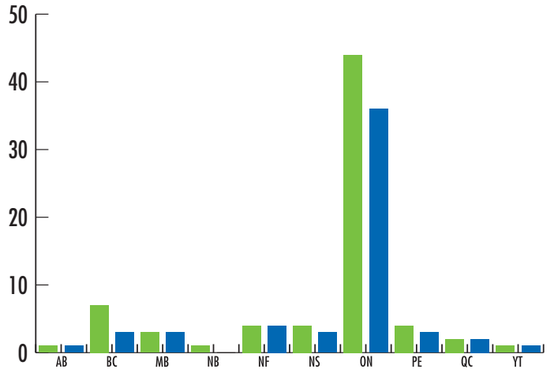
Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	1	750	1	750
British Columbia	7	107,232	3	25,563
Manioba	3	138,689	3	70,750
New Brunswick	1	17,000	0	0
Newfoundland & Labrador	4	22,088	4	21,675
Nova Scotia	4	48,795	3	33,269
Ontario	44	1,910,511	36	1,282,925
Prince Edward Island	4	136,200	3	135,200
Quebec	2	18,250	2	5,532
Territories & Yukon	1	30,000	1	20,000
TOTAL	**71**	**$2,429,515**	**56**	**$1,595,664**



IN-FLIGHT SAFETY



TILLERS FOLLY



FACTOR received 41 requests totaling $2,412,662 and approved 34 projects offering a total of $1,583,858, which represents 66% of the total amount requested.

Amount Offered	Applicant
5,000	B.C. Country Music Association
35,000	CAAMA
100,000	Canadian Country Music Association
50,000	Canadian Country Music Association
100,000	Canadian Music Week Inc.
5,000	Canadian Organization of Campus Activities
75,000	Canadian Songwriters Hall of Fame
300,000	CARAS
40,000	CARAS
59,274	CIRPA
223,438	CIRPA
2,000	CIRPA
35,233	CIRPA
100,000	East Coast Music Association
34,700	East Coast Music Association
70,000	Indian Art - I - Crafts of Ontario
20,000	Manitoba Audio Rec. Industry Assoc.
10,000	Music and Film in Motion
20,000	Music BC (P.M.I.A.)
20,519	Music Industry Assoc. of Nova Scotia
19,838	Music Industry Assoc. of Newfoundland & Labrador Inc.
5,518	Music Managers Forum Canada
10,000	Music Managers Forum Canada
20,000	Music Yukon
50,000	National Jazz Awards Canada
50,000	North By Northeast Conference Inc.
12,000	Nova Scotia Music Week
10,000	Ontario Council of Folk Festivals
500	P.E.I. Music Awards Association
5,000	Pop Montreal Int'l Music Festival
10,838	Toronto Blues Society, The
10,000	Toronto Urban Music Festival Incorporated
25,000	Urban Music Association of Canada
50,000	Western Canadian Music Alliance

A component of this program is the **Songwriter's Workshop and Seminar Support Program** which is geared towards assisting professional songwriters. Specifically, this program helps underwrite the costs of songwriter's workshops and seminars that are focused on educating songwriters on the craft of writing songs.

In total, FACTOR received 30 requests totaling $16,853 and approved 22 projects offering a total of $11,806, which represents 70% of the total amount requested.

The following songwriters were approved for these grants to assist in the craft of songwriting:

Amount Offered	Applicant	Artist
338	Andrea Monro	Andrea Monro
478	Bruce Madole	Bruce Madole
1,031	Camilla Cook	Camilla Cook (2)
1,500	Damian Follett	Damian Follett (2)
246	Dan McVeigh	Dan McVeigh
338	Eric Murakami	Eric Murakami
411	Garth Baker	Garth Baker
750	Glenn McMullen	Glenn McMullen
445	John Williams	Jake Willis
338	Jason DeNicolais	Jason DeNicolais
563	Joanne Stacey	Joanne Stacey
368	Joe Sbrocchi	Joe Sbrocchi
382	Mary Ellen Gillespie	Mary Ellen Teagan Gillespie
532	Nadine Medawar	Nadine Medawar
750	Nancy May Laberge	Nancy Laberge
1,344	Paul Cook	Paul Cook (2)
750	Ruthann Springle	Ruthann Springle
750	Shawn Tester	Shawn Tester
493	Stephen C Ledlie	Stephen Ledlie



MELANIE DURANT

RADIO MARKETING INITIATIVES

FACTOR is in year six of receiving funds from Canada's private radio broadcasters through the 2% fee to be paid resulting from the CRTC decision allowing for multiple ownership of radio stations in a single marketplace.

A key initiative supported through this funding has been the ANR Lounge and the Music Industry Network Canada database. This initiative has had several positive impacts for the independent artists as well as the industry. The ANR (**A**ll **N**ew **R**eleases) Lounge provides artists a free service so they can upload their new releases for distribution to Canadian radio broadcasters. Another benefit from the funding provided has been through the MINC database which has required the music industry coast to coast to coast to share data, resulting in a very comprehensive list of key information that is of benefit to all working in the music industry. This year saw the initiative receive funding for the third year of the five year commitment FACTOR has provided. Funding has been provided to both the regional and national associations. It has also afforded a very unique collaboration between sectors of the industry which have previously not worked closely together.

The FACTOR Board has blended some of the funds received under the revenue described as radio marketing, to augment budgets for the other funding programs provided by FACTOR. FACTOR also provides some funding to those initiatives that the Board of Directors deems to be of importance and benefit to the industry, which may not fall within the parameters and limitations of FACTOR's other programs.

Radio Marketing Support (Submitted & Approved by Province and Territory)

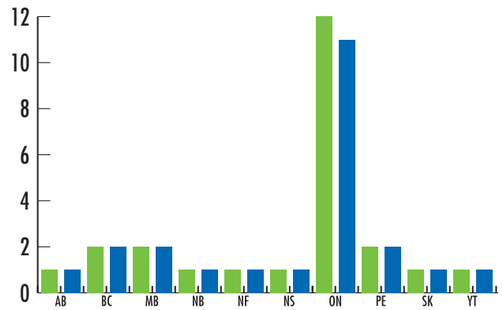
Province	Total Applications Submitted	Total Amount Requested	Total Applications Approved	Total Amount Offered
Alberta	1	30,000	1	30,000
British Columbia	2	34,000	2	34,000
Manitoba	2	80,000	2	80,000
New Brunswick	1	30,000	1	30,000
Newfoundland & Labrador	1	30,000	1	30,000
Nova Scotia	1	30,000	1	30,000
Ontario	12	522,585	11	422,500
Prince Edward Island	2	51,250	2	51,250
Saskatchewan	1	30,000	1	30,000
Territories & Yukon	1	30,000	1	30,000
TOTAL	**24**	**$867,835**	**23**	**$767,750**



GOLDEN DOGS



BEDOUIN SOUNDCLASH



FACTOR received 24 requests totaling $867,835 and approved 23 projects offering a total of $767,750 , which represents 88% of the total amount requested.

Amount Offere	Genre	Applicant	Artist/Initiative
4,000	country	Pritchett/Merrett Music	Aaron Pritchett
20,000	various	Canadian Songwriters Hall of Fame	Gala
100,000	N/A	CIRPA	ANR Lounge
30,000	N/A	Alberta Recording Industry Assoc.	ANR Lounge
50,000	N/A	Western Canadian Music Alliance	ANR Lounge
30,000	N/A	Manitoba Audio Rec. Industry Assoc.	ANR Lounge
50,000	N/A	East Coast Music Association	ANR Lounge
50,000	N/A	Canadian Country Music Association	ANR Lounge
30,000	N/A	Music Industry Assoc. of Newfoundland & Labrador Inc.	ANR Lounge
50,000	N/A	CARAS	ANR Lounge
30,000	N/A	Music Industry Assoc. of Nova Scotia	ANR Lounge
30,000	N/A	Music New Brunswick	ANR Lounge
30,000	N/A	Music BC (P.M.I.A.)	ANR Lounge
30,000	N/A	MusicYukon	ANR Lounge
30,000	N/A	Saskatchewan Recording Industry Association	ANR Lounge
1,250	N/A	East Coast Music Association	
25,000	N/A	Canadian Music Week Inc.	Cdn Radio Music Awards
50,000	N/A	Mair Holdings Limited	Applaud
20,000	various	Canadian Association of Broadcasters	Production for Artists performance at CAB convention
40,000	various	Keep the Music Coming	
2,500	country	Canadian Country Music Association	Citation awards
50,000	various	CARAS	Saturday night gala
15,000	various	Canadian Songwriters Hall of Fame	Gala

FACTOR CONTRIBUTION AS COMPARED TO TOTAL INVESTMENT

Projects that are offered funding from FACTOR cannot always be completed within the framework of FACTOR's fiscal year. However, for those projects that were approved during the fiscal year covering April 1, 2005 to March 31, 2006 a significant number of projects were completed. The figures reported below reflect the information that were supplied to FACTOR.
However, in many cases due to cash flow challenges, companies file their completion paperwork to secure funding from FACTOR reflecting only those costs that are eligible through FACTOR. Therefore it needs to be recognized that in some instances this does not reflect the total final figures.

PROGRAM TYPE	FACTOR CONTRIBUTION	TOTAL COST	% OF CONTRIBUTION
Business Development	1,382,744	9,391,573	14.72%
Sound Recordings	2,826,213	6,737,460	41.95%
Video	1,374,995	3,550,837	38.72%
Label, Manager's & Distributor's Business Development	847,726	1,900,365	44.61%
Touring & Showcasing	1,457,367	5,905,404	24.68%
Marketing & Promotion of Sound Recordings	1,390,773	3,363,696	41.35%
Radio Marketing Initiatives	641,345	994,687	64.48%
Total	**$9,921,163**	**$31,844,022**	**31.16%**

OUTSTANDING COMMITMENTS AS OF MARCH 31, 2006

The funding that FACTOR receives from Canada's private radio broadcasters is of critical importance to how FACTOR administers the funds. The public funds administered by FACTOR must be spent within the fiscal year in which they are made available. This requirement would be a significant challenge for the industry, were it not for the private funds.

Projects must be allowed to be completed in their own time frame. To impose deadlines on the completion of projects would have an adverse affect on the overall results that can be accomplished. To require all sound recording projects, videos, tours, showcases, etc. to be completed before March 31st each year, would not best serve the artists and the creative process. The risk of rates being inflated at peak times of the year could create inflated values for services and could also adversely affect the outcome of these projects. It could result in services being available to the highest bidder.

FACTOR's current process ensures a seamless blending of funding from one year to the next, while adhering to Treasury Board regulations but not interfering with the creative process. It also results in FACTOR carrying forward outstanding commitments on its books at the end of each fiscal year. However, FACTOR's financial statements reflect that there is funding on hand to cover these outstanding obligations upon the completion of the projects. The outstanding commitments for this fiscal year are as follows:



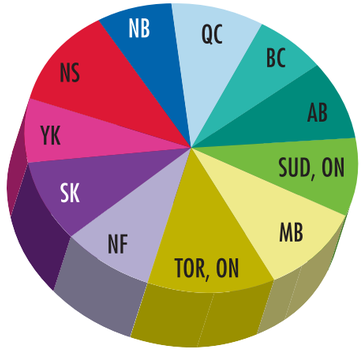
CHRIS MCKHOOL

Sound Recordings	3,920,547
Video Production	1,444,054
Touring & Showcasing	1,329,364
Marketing – Companies	969,500
Marketing – Sound Recordings	2,243,948
Collective Initiatives	825,483
Radio Marketing Initiatives	315,558
Total	**$11,048,454**

PROJECT EVALUATION PROCESS

The FACTOR Board of Directors policy from the inception of the organization is to not make creative decisions. The Board reviews applications and makes its decisions regarding funds to be offered based on the financial budget presented. The FACTOR Loan, Independent Recording Loan, Professional Demo Award and Songwriter's Demo Grant programs all require a creative assessment. This assessment involves music and broadcasting industry professionals who attend juries to determine which projects should be offered funding. All applications for these programs are subjected to a genre specific jury and require two yes answers to then move on to the super jury level. At the genre specific jury, between three to five experts assess from 12 – 20 submissions and make recommendations based on the creative presentation as well as the marketing plan submitted. Those applications that receive the required genre specific jury recommendations go on to a super jury. This panel reviews all the genre recommended projects to determine which of these projects are the best of the best.

The 190 juries that were conducted last year involved the participation of 618 music and broadcasting professionals who donated their time to serve on the various juries. As well, FACTOR is represented by provincial music industry associations across Canada (see Regional Representation section on page 46). Part of their affiliation with FACTOR requires them to conduct juries throughout the year. The breakdown is as noted below:



Juries by Province

Yukon Territory	17	9%
British Columbia	13	7%
Alberta	16	8%
Saskatchewan	17	9%
Manitoba	20	11%
Toronto, Ontario	24	13%
Sudbury, Ontario	16	8%
Quebec	17	9%
Newfoundland	14	7%
Nova Scotia	22	12%
New Brunswick	14	7%
Total	**190**	**100%**

FACTOR JURORS 2005/2006

THE FOLLOWING 618 INDIVIDUALS DONATED THEIR TIME TO PARTICIPATE IN EVALUATION SESSIONS THIS PAST YEAR

Achenson, Krista
Ahern, Robert
Ahola, James
Alexander, Dammien
Alfonso, Ralph
Allan, Grant
Allen, Brian
Andrews, Curtis
Andrews, Duane
Andronache, Alex
Anselmo, Angie
Antoniuk, John
Arcand, Vicki
Arrowsmith, Brenda
Arsenault, Marc
Atkins, Matt
Atkinson, Brian
Aucoin, Paul
Austin, Charles
Austring, Randi
Avery, Anna
Awan, Awesome
Bacheavy metalan, Berek
Baker, Tim
Bann, Miriam
Barakat, Tameem
Barber, Jill
Barbosa, Pedro
Baril, Raymond
Barlow, Kim
Barnes, Brenda
Barry, Mary
Bashir, Nhuri
Bauer, Chris
Baxter, David
Bead, Don
Beauchamp, Michelle
Beaudet, Marc-Andre
Beggs, Kim
Belbin, Mark
Bellows, Paul
Benain, Sandra
Benoit, Robbie
Bergman, Adrian
Bergman, Joel
Bernier, Holly
Berthiaume, Chris
Bertolin, Marco
Bienic, Jason
Biggs, Charlene
Bilelow, Myles
Bird, Don
Blais, Jerome
Blake, Julie
Blake, Tamara
Blazieko, Brent
Blois, Blair
Boerr, Pablo
Bond, Susan
Boone, Mark
Booth, Todd
Borden, Christa
Borgwardt, Bill
Borzykowski, Bryan
Boswell, Elliot
Boulanger, Richard
Bourque, Martin
Bowes, Erin
Bowman, Gary
Bradley, Ross
Branch, Andru
Brandon, Kat
Britton, Anthony
Britton, Dan
Brown, Hollis
Browne, October
Bru, Jay
Buiteman, Christine
Burton, Matthew
Bussondri, Kristen
Calabrese, John
Callahan, Brandy
Campagne, Solange
Campbell, JC
Campbell, Mike
Canning, Barry
Cardin, Michel
Cardinalli, Peter
Carrigan, Robyn
Carroll, Dave
Case, Chris
Case, Rebecca
Catano, Mike
Ceaser, Mark
Chamberlin, Barbara
Chapman, Al
Charbonneau, Noel
Chase, Kevin
Chin-Sang, Dennis
Chouinard, Cory
Chouinard, Marc
Christensen, Dave
Christman, Nancy
Church, Paul
Classicalrk, Greg
Classicalrk, Keitha
Classicalrk, Kelly
Classicalrk, Tristan
Classicaludette, Sebastien
Cloutier, Marcel
Cockrum, Carol
Codaire, Alex
Cogdell, Steve
Cohen, Eric
Cohen, Gideon
Coleman, Donald
Coles, Davis
Collingwood, Cory
Commisso, Laura
Conrad, Richard
Cool, Dave
Coore, Gabre
Corbeil, Denise
Corbett, Kevin
Cote, Crystal
Cote, Genevieve
Cote-Paluck, Etienne
Countrydy, Donald
Countrysins, Rose
Cox, David (Click)
Craig, Sarah
Cranston, Jonathan
Cross, Lochlin
Currie, Laurence
Daigle, Lynn
Dakiniewich, Rob
Dalley, Dave
Dangerously, Jesse
Danylevich, Paula
Davis, Robert
De Cartier, Shauna
Debique, John
Deck, Sheila
Decountryflet, Guillaume
Deere, Joan
Delaheya, Didier
Denyer, Dave
Derdeyn, Stuart
Dere, Henry
Desnomie, Rob
Devine, Mike
Devion, Dan
Dew, Mari
Dewulf, Don
Didier, Bryant
Disalle, Gary
DiSalle, Paul
Doherty, Matt
Doherty, Neil
Donald, Tara
Donaldson, Jonia
Donato, Marc
Doucet, Scott
Doyle, Adrian
Drummond, Lindsay
Drury, Caroline
Dube, Monique
Dubinsky, Evan
Dunn, Trevor
Dupuis, Steve
Dustin, Charlie
Dykes, Kari
Edelson, Natalie
Elias, Shirley
Elliott, Cass
Emery, Natasha
Epworth, Jon
Evans, Kelly-Ann
Evoy, Kevin
Ewart, Cam
Fafard, Joel
Farrell, Josh
Fashan, Shelley
Fedoroff, Vince
Feeman, Darrin
Feint, Cathie
Fellows, Christine
Felton, Patricia
Felton, Patrick
Fiorino, Joe
Flex, Farley
Flohil, Richard
Foley, Larry
Follers, Damian
Fontaine, Vince
Foran, Adam
Foulds, Brian
Fragata, Yuani
Frantsi, Heather
Furlotte, Brendan
Furtado, Oscar
Fyfe, Tom
Gagne, Andre
Gallant, Brock
Gannon, Andrey
Garcia-Games, Beatriz
Gasparic, Christine
Gibson, Duane
Gibson, Jennifer
Gibson, Richard
Gilligan, Bob
Glick, Daniel
Glover, Andrew
Goddard, Geoff
Golding, Andre
Goodwin, Aaron
Gorn, Robin
Gosine, Carl
Gouchie, Mike
Graf, Lenny
Graham, Keidi-Ann
Graham, Sandy
Grainger, Mick
Grandwater, Tanya
Grant, Jenn
Gray, Chris
Greeley, Jason
Greer, Ted
Greggs, Michael
Gregoire, Michelle
Griffin, Jessica
Gross, Paul
Groundwater, Tanya
Guy, Chad
Hachey, Denis
Hails, Jay
Halen, Dan
Hall, Jamie
Hall, Robert
Hamill, Morgan
Hamilton, Chris
Hancock, Maren
Hannah, Marion
Harvey
Harder, Matthew
Hardy, Ben
Hargarten, Greg
Hartman, John
Hatfield, Laura
Hatzitozios, John
Headley, Garland
Heath, Ian
Heath, Rob
Hebden, Leila
Hebert, Nadine
Henley, Rob
Hepp, Micheal
Herman, Erikson
Higgins, Dalternativeon
Hiscerh, Matthew
Hiscoch, Matthew
Ho, Kim
Hobbs, Kim
Hogan, Jeaneatt
Holmes, Derek
Holmlund, Les
Holm-Pedersen, Torben
Hoople, Chelsey
Horne, Lynn
Houde, Inez
Houle, Jeffrey
Houle, Michel
Howard, Kal
Howe, Coleman
Howe, Tremayne
Hrynkiw, Dwayne
Hu, Sonny
Hudson, Bray
Hynes, Jonathen
Iannetti, Chris
Irwin, Ron
Israel, Susan
Jackson, Jason
Jackson, Steve
James, Mike
Janssen, Manfred
Jefferson, Craig
Jeffrey, David
Jelinski, Peter
Jensen, Bing
Jones, Ash
Jones, Gareth
Jones, Nathan
Jones, Shelley
Jordan, Todd
Josling, Brad
Justice, Gary
Kane, Rachel
Kart, Charles
Katsoulias, Nikolitsa
Kavanagh, Ed
Kelly, Kevin
Kendall, Brian
Kendle, John
Kennedy, John
Kichula, Chad
Kilborn, Rick
Kilpatrick, Brad
Kimber, Matthew
Kinch, Kevin
Kirel, Bartley
Kivol, Theo
Klapman, Jordan
Klyne, Russell
Knight, Brenda
Kochan, Alexis
Koetsier, Mark
Kolody, Stephanie
Konbyl, Richard
Kornacki, Chris
Kourles, Nick
Kraft, Kyle
Krause, Rob
Krepart, Susan
Krueger, Melanie
Kunto, Don
La Rose, Fred
Lachance, Gary
Lachance, Gary
Ladd, Art
Laine, Melanie
Lakner-Martel, Kamila
Lang, Monica
Larabie, PJ
Larack, Ginette
Larochette, Antoine
Larocque, Trevor
Larsun, Walle
Laughton, Stuart
Lautenschlager, R.A.
Lavigne, Mike
Lawrence, Michelle
Lawrence, Steve
Lawson, Lorrane
Leblanc, Mario
LeBlanc, Steve
Lecuyer, Stephane
Lee, Alexandra
Legace, Ryan
Leger, Marc-Andre
Leonard, Sue
Lessard, Dan
Levecque, Ryan
Lewis-Degraff, Nancy
Lichtman, Lorne
Linderman, James
Linseman, Peter
Lock, Adrian
Loewen, Heather
Loewenberg, Paul
Loner, Joey
Lord, Roger
Lowe, Andrew
Lowen, Heather
Lutes, Jeremy
MacCormack, Jessi
MacDonald, Marcus
MacDonald, Marie-Classicalude
MacDonald, Thomas
MacDonald, Tom
MacIsaac, Wendy
MacKenzie, Colin
MacLean, Neil
MacPhail, Shelley
Macpherson, Greg
MacPherson, Irma
Madsen, Alex
Magee, Mike
Mah, Barbara
Maher, John
Maitlano-Whitelaw, Landis
Majeau, Roland
Malek, Nanci
Malloy, Dave
Marchuk, Kyle
Marcotte, Don
Marlow, Johnny
Marsh, Charity
Marteniuk, Gayle
Martin, Bryan
Martin, Melissa
Mayer, Terry
Mayne, Julian
Mazerolle, Dan
Mazerotte, Darcy
McCarthy, Crystal
McCollum, James
McDonall, Garry
McDonnell, Steve
McDougall, Mike
McGinnis, Lyn
McIntyre, Art
McKenty, Margaret
McKhool, Chris
McLean, John
McLeod, David
McPherson, Ian
McTigue, Keri
Meckelborg, Neil
Menta, Nicky
Merce, Kristina
Mest, Ryan
Miller, Steven
Milligan, Brenda
Milligan, Jamie
Minnikin, Gabe
Minnikin, Ruth
Missian, Katie
Mitchell, Stu
Mitsopulos, Stacey
Modderman, Don
Monro, Andrea
Montasue, Tony
Moore, Bob
Morton, Ryan
Mott, Adam
Mowtecinos, Mauricio
Mullane, John
Munn, Murray
Murray, Brian
Murray, Denise
Mushinsky, Martin
Neale, Haydain
Neilsen, Brent
Nelson, Moira
Nettleton, Natasha
Newlands, John
Nolan, Scott
Nolin, Paul
O'Brien, Mike
Oballa, Miro
Olivier, Gino
Olsen, Farideh
Orellana, Dan
Osmond, Tim
Ouellette, Shawn
Page, Matthew
Parachnowitsch, Jared
Pare, Jacinthe
Parsons, Chase
Parsons, Shawn
Pearse, Lukas
Pearson, Paul
Peddle, Robyn
Pellerine, Brian
Penner, Fred
Peplinski, Chris
Perri, David
Perron, Mathiee
Petsche, Shawn
Pfeiffer, Darrin
Philip, Stephen
Phillips, Bernie
Phillips, Darcy
Phippard, Kathy
Picco, Chris
Pickard, Liz
Pierce, Daryl
Pilling, Scott
Plato, Karin
Polack, Joanne
Ponniah, Ted
Porter, Jill
Powell, Walternativeer
Power, Colleen
Power, Suzanne
Presslaff, Jeff
Pyper, Darren
Quelch, Winston
Radford, Deanna
Randall, Brent
Randell, Steve
Ranville, Errol
Rapson, John
Read, Brian C
Readman, Danette
Reich, Geoff
Riabko, Mitch
Richer, Jason
Rideout, Tim
Riggs, Matt
Roberge, Pascal
Roberge, Pascal
Robertson, James
Robinson, Chirstian
Robinson, Jared
Robinson, Lyle
Robinson, Randy
Rohr, James
Romanow, Doug
Roy, Daniel
Ruck, Geoff
Ryan, Paul
Ryan, Shaun
Ryan, Sherry
Salik, Zenobia
Saunders, Dave
Saunders, Wayne
Savoie, Murielle
Scarlett, Richard
Schensteap, Jordan
Schubert, Aaron
Schultze, Robert
Scinulca, Paul
Scott, Marlee
Seaton, Rob
Seiund, Daniel
Seligman, Daniel
Sellick, Linda
Semple, Jack
Sernich, Robin
Serviss, Lee
Setterington, Joanne
Shairni
Shapira, Jack
Sherman, Dave
Shoemaker, Mark
Siebert, Kimbal
Simmonds, Marko
Simmonds, Paul
Sinclassicalir, Duncan
Singh, Amrit
Singh, Knia
Sinnott, Sherri
Slade, Steve
Smith, Anne-Marie
Smith, Chris
Smith, Greg
Smith, Rob
Smith, Sheldon
Smith, Tyler
Sohal, Raji
Soissa, Enrique
Somer, Sheri
Sotherby, Bob
Sparling, Thom
Sparrow, Barry
St. Denis, Roger
St. Germaine, Ray
Stark, Randy
Stefanson, Amy
Stefanson, Sarah
Stephen, Laura
Stevens, Jonny
Stewart, Andrew
Stocheavy metalal, Kathy
Stone, Casey
Storey, Charlotte
Storey, Deb
Stowar, Ken
Sudra, Nina
Switzer, John
Switzer, Richard
Theriault, Vic
Thibodeau, Danny
Thliveni, Stephan
Thorpe, T.K.
Thurssell, Ryan
Tilley, Glen
Tompkins, Rick
Townsend, Amalia
Trainer-Thomson, Dawn
Trembly, Francois
Tremills, Robert
Trevitt, Thomas
Trinder, Jasmine
Turner, Lisa
Vautour, Real
Vincent, Les
Vissia, Christine
Vitalia, Skip
Von Palleske, Antony
Voss, JJ
Wallace, Ray
Walsh, Aaron
Walternative, Peggy
Walternative, Shimon
Walternativeers, Kevin
Ward, Shane
Warkentin, Mike
Warren, Jamie
Warren, Natasha
Warren, Ted
Watt, Andrew
Watts, Jay
Webb, Loraine
Weekes, Kate
Weibe, Charlotte
Wells, Matt
White-Gluz, Jasmine
Whyte, Jessica
Wickham, Aisha
Wilde, Steve
Wilk, Lorn
Willams, Glen
Williams, Debbie
Williams, Richard
Williams, Rob
Williams, Terrell
Williams, Tracey
Williams, Wayne
Winsor, Jennifer
Woodward, Ray
Woronink, Scott
Woroniuk, Dawn
Young, Dylan
Young, Robyn
Zolan, Brandy
Zubot, Jesse



CORMIERS



CHICHARONES

REGIONAL OUTREACH INITIATIVES

Over the 2005-2006 fiscal year, FACTOR attended the following conferences:

- Canadian Aboriginal Music Awards, Toronto
- Canadian Association of Broadcasters, Winnipeg
- Canadian Country Music Awards, Calgary
- Canadian Music Week, Toronto
- Canadian Songwriter's Hall of Fame Gala, Toronto
- East Coast Music Awards, Charlottetown
- JUNO Awards, Halifax
- MIDEM, France
- NXNE, Toronto
- Western Canadian Music Awards, Vancouver
- Urban Canadian Music Awards, Toronto

FACTOR also held information panels in Toronto at the following:

- FLOW FACTOR Information Session, Metro Hall
- Independent Urban Music Conference, The Reverb
- Music Money Information Session, Miles Nadal JCC
- Toronto Film School
- Toronto Urban Music Festival Conference, Toronto University

REGIONAL REPRESENTATION

Provinces & Territories	Members of the FACTOR National Advistory Board & Regional Evaluation Coordinators	Representatives
Newfoundland & Labrador	Music NL	NAB – Denis Parker REC – Janet Cull
Nova Scotia	Music Nova Scotia	NAB – Shelley Nordstrom REC – Kasia Morrison
New Brunswick	Music New Brunswick	NAB – Robert Bellefleur REC – Yolande Bourgeois
Quebec		REC – Shevaughn Battle
Ontario (Outside of Greater Toronto area)	Music & Film In Motion	NAB – Mark Palumbo REC – Denis Landry
Manitoba	Manitoba Audio Recording Industry Association	NAB – Sam Baardman REC – Sara Stasiuk
Saskatchewan	Saskatchewan Music	NAB – J.P. Ellson REC – Julie Desjarlais
Alberta	Alberta Recording Industry Association	NAB – Alvin Jahns REC – Maryanne Gibson
British Columbia	Music British Columbia	NAB – Bob D'Eith REC – Savry Bou
Yukon	Music Yukon	NAB – Mark Smith REC – Grant Simpson

CHALLENGES FACING THE INDUSTRY

OVERVIEW

The year 2005 has now passed into history; the first half of the decade is behind us, and in its wake is a changed working environment for the music industry.

Clearly 2005 was only a precursor of things to come as technological changes continue their unrelenting advance. Indeed, it could be said that anyone without both the head and the stomach for rapid change had a tough time in 2005, and there is every indication that the pace will only accelerate for the rest of the decade. The various sections of this report contain references to technology that will pose many challenges and opportunities for the industry and should continue to do so for the remainder of this decade.

Consistent with every year this decade, a decline in physical recordings sales has occurred. However with the growth of digital downloads, while still a very small percentage of the total market, the overall sales figures year over year with 2004 showed only a slight decline. The major problem of peer-to-peer (P2P) downloading continued and grew substantially in 2005 according to North American research figures. It is a matter for conjecture whether the combined efforts of lawsuits, education initiatives and technological measures, will succeed in ending the continuing tidal wave of free use. The jury is still very much out in this regard. Clearly this problem and the solution of appropriate payment will, in the future, be a major issue as the market changes and evolves due to technological advances. The changes are also being seen in the physical "bricks and mortar" world as both big box stores and major chains increase their control of the retail marketplace. The days of the individual small specialist retailer are more and more becoming a memory. The end of 2005 saw the closing of three well-respected indie stores in New York and Los Angeles. This situation is also occurring in Canada and other markets with "changes in market conditions" and "new business patterns" being cited as the reasons.

The year 2005 started to see changes in other areas as well. US reports had DVD's and video games; products that had often replaced compact discs as mainstays of many major chains suffering sales declines in 2005. This was a significant change from earlier years and questions were raised as to whether they, along with movie theatre viewing, had peaked. What seems clear across the board is that the days of multiple "blockbuster" successes seem to be coming to an end. Whether they are recordings, DVDs, movies or games, as technology begins to make major changes in the distribution chain, this phenomenon seems likely to increase. This may not necessarily be to the detriment of the total sales pattern and to the indies in particular.

The major labels continued their overall dominance of the Canadian marketplace in 2005 selling three quarters of the records in the market. Universal was the market leader, followed by Sony/BMG, which spent their first year as a merged business entity. This was trailed by Warner Brothers and then, EMI Records. Independent companies continue to enjoy much critical acclaim for their artists, but sales and revenues continue to be difficult with the same operating challenges referred to last year. That being said, the continuing changes and evolution in the marketplaces as well as the increased complexities and costs (particularly sales and marketing) are a fact of life in today's world. Indeed, the publication of Statistics Canada's figures in late summer more than proved this point, with indie companies shown to be operating on razor thin margins of a less than 1% profit for the 2003 financial year. While numbers will not be available for some considerable time, there is little reason to expect that margins in 2004 and 2005 have improved given current trends.

Independents are clearly a cultural force in the marketplace with many key companies in English Canada being distributed through major labels. Key market player Nettwerk, shifted distribution this year from EMI to Sony/BMG, with some interesting new approaches highlighted in press releases of the change. However, the fact remains that the current continuing changes in the marketplace pose substantial challenges for the independent sector as a whole. A great deal of thought, ingenuity and innovative new approaches will be needed to face the many challenges before they are in a position to effectively compete. There is no doubt that this issue will need considerable thought and discussion to design and implement the appropriate steps necessary to best achieve the marketplace success of independents. Clearly these solutions will often be different approaches from those currently employed. It is difficult to say how many will be individual and how many "collective." While indies have traditionally acted alone in most cases, there are many potential future scenarios where collective action for groups of companies may well be the best approach.

The whole issue of distribution is one that continues to evolve at an ever-increasing speed as digital delivery expands. There are both new players and whole new industries entering the field. Telcos, cable companies, ISPs and other major tech players such as Google and Microsoft are good examples. Clearly, all of these new players have the power and ability to radically reshape the distribution market in the second half of the decade and could equally well become major players in the content equation.

Of these new players, the most successful to date and an important figure in the marketplace is Apple iTunes which became a force in Canada in 2005. While there are no accurate online sales figures for Canada, clearly iTunes is a leader outpacing Canadian players Archambault, Puretracks, and other companys by a wide margin. Figures put the iTunes share at over 80% of the digital sales market in North America with iPod sales in 2005 substantially more than all previous years combined. The issues of access to iTunes had, in many cases, been solved for indies in 2005, but by no means in all cases. This same scenario could be the case in the future as the many new users of content start to become players. The need for an aggregator or collective approach is something the indie sector needs to seriously consider for the future as new devices come to market.

Ringtones and subscription services saw some growth in 2005. Exactly how this will play out in the future marketplace is still difficult to project, particularly given the rapid changes in options and delivery services, as new technologies come on line.

As stated last year, the issue of access to all of these new systems is only one side of the coin. The other is appropriate licensing and payment to indies – an issue that will clearly be ongoing for the remainder of the decade both in Canada and in other world markets. This is of major importance to indies given their current operating margins and their ability to operate profitably and contribute in a meaningful way to Canada's culture and economy.

A paradox is that content producers and media companies are losing their grip on traditional distribution as their options to get their product to new users and negotiate new distribution arrangements increase. The "mini monopolies" that many media companies have enjoyed until now are rapidly changing and evolving. The ways of doing business will radically change in the future. The caveat for indies is that, for the foreseeable future, the major media companies in all areas will still control the marketplace overall. With the entry of new and extremely well-funded users, indies may actually increase their overall domination and make it even more important for them to develop and institute the appropriate strategies to ensure access and proper payment for their products. The only fact that seems certain is that the next five years will see even more radical changes than have occurred in the first half of the decade. The challenges faced by the Canadian independent sector will be constant and will require a quick wit, intelligence, knowledge and business acumen to survive and prosper.

Despite the challeneges there are clearly major opportunities for indies to succeed in this new world.

1. CANADIAN TALENT/CHANGES IN THE MARKETPLACE

While there have been some changes to the marketplace during the last twelve months, the business reality continues to be a difficult one at best for indies to compete effectively. It is true that majors are signing fewer artists, but competition for sales success is still fierce. Marketplace realities still favor the major players. The ability of an indie to hold on to an artist as they approach the big time is still a challenge. There is also the likelihood that the "major player" seeking content, may come from new fields as well as those who currently comprise the music industry. Even though the opportunities for indies have increased, the stark reality is that the traditional channels such as music TV, major record chains and mainstream radio are still primarily the domain of the majors. They remain very difficult to

indies as a whole to penetrate, particularly given the ongoing profitability drive that all majors are facing from their shareholders. Indies suffer not just from a lack of working capital and funding to sign and develop acts, but also from the market realities of key distribution channels and their narrowness. While there will be changes in the next few years, the reality of restricted distribution systems even with new players will probably not change a great deal in the short term as these players will be large and well-financed. Experience already shows that they endeavor to deal with major labels as a content source rather than individual indies, as has been evidenced by the actions of Rogers, Telus, etc. when they recently launched music outlets.

As noted by Kate Taylor in a recent Globe article "whether it be a cell phone, website, internet provider, news outlet, publisher or producer, they are still owned by the same old gang." "Viacom bought Dreamworks and in Canada, Torstar bought 20% of Bell Globe Media," she says, "big media just keeps getting bigger".

There seems to be several potential options for indies in the future as new systems launch, but it may be in ways that are not entirely clear today. In the meantime, the market difficulties for indies will continue and the marketplace for signing will be competitive and difficult. Clarity of thought and appropriate government action will be needed, coupled with solid strategy and policy, to achieve the best results for Canadian indies.

2. MARKETING/PROMOTION COSTS AND CHANGING BUSINESS PATTERNS

As remarked last year, the current marketing environment in the industry continues to be very challenging, with competition at a very high level. The need to spend sufficient funds in order to remain competitive is a continuing problem for all players; particularly the independents. The competition is not just within the record industry, but involves competing for consumer dollars on a variety of fronts. When this is combined with the decline in overall sales and the increasing stratification of sales patterns with fewer items selling more and the majority selling less, it is clear that the environment is, at best, very difficult for independents. Unfortunately, there is little likelihood that this state of affairs will change any time soon. Even though there should be new opportunities as distribution evolves, this is still a few years in the future. Until then it seems likely that the whole music industry will continue to go through difficult times.

The many past concerns that have faced the industry in the 'bricks and mortar' world are still prevalent. With the exception of a few genres, videos have fewer chances than ever for real airplay. The expense involved in marketing programs (with substantial up-front guarantees and investments at retail) and television campaigns, to give just two examples, severely limits the competitive potential for indies. When this new reality is combined with indies' intense competition with the majors for retail shelf and advertising programs at key times in the sales year, it continues to make it very difficult. This is especially true in the very important fourth quarter. Often independents are excluded from any meaningful market access at this vitally important period of the sales year.

The current situation will almost certainly prevail, at least in the short term. Business patterns are changing and new methods of marketing are starting to appear that may help to solve this problem. These include websites such as allmusic.com, and Boomkat.com, and also through more sophisticated approaches such as Pandora (an offshoot of the Music Genome Project), that essentially work on the basis of the "if you like X you will probably like Y" approach and the increasing transparency and power of the Internet. This will clearly take time to come to fruition, but this new world is quickly developing as has been evidenced in the recent success of the UK's "Arctic Monkeys". Signed to an indie label primarily through internet/online methods, this group came almost from nowhere to have a number 1 hit in the space of six months (spring to fall 2005). They reached No. 1 again in 2006, basically through the same approach.

However the reality is that traditional methods of marketing and promotion will still be a factor over the next five years, even when new methods of distribution expand into the marketplace.

The need for such access to achieve success in Canada, which leads to opportunities for distribution deals around the world, continues to be a big concern for indies. It is a truism that even with substantial commercial success, there are minimal profits to be made in Canada. Foreign revenues are a vital part of the economic picture for Canadian independents. However, without a Canadian success story, securing significant and serious commitments from foreign licensees is very difficult at best, and in most cases, just not attainable. Not only does this have a severe detrimental financial effect on the economics and success of Canadian independent companies, but the cultural impact of Canadians in the worldwide marketplace is affected very negatively as well.

With these realities it is essential that the redesigned support programs address this issue with the objective of leveling the playing field as much as possible.

3. THE RESTRUCTURING OF RETAIL

The ongoing pressures brought on by: a) structural changes in retail (and in the economy in general), b) the reality of competition from DVD's and games in the physical world, c) the unauthorized and illegal downloading in the digital world and d) new methods of digital distribution that are coming on line, are all having a substantial effect on the market success and the bottom line of independents. As the legitimate digital distribution world expands the distribution business will continue to evolve. New players will also enter the arena but, according to many informed predictions, physical retail will play a major role in the foreseeable future. Issues of concern in this area are very important to the independent sector and are expected to change little over the next few years.

Canadian owned distributors are at a very real disadvantage compared to major foreign-owned distributors who have access to capital and, even more importantly, access to catalogues of content to distribute. The buying spree undertaken by majors in the last few years has resulted in a very limited supply of quality mainstream labels available for distribution in Canada making it very difficult for indies.

Other major concerns to independents is the issue of big box stores, major chains and their increasingly restricted inventory, lack of diversity, and the continuing disappearance of specialty music stores. "The need for specialist retailers with an enthusiasm for music is still of great importance", states Brian McLaughlin the recently retired CEO of HMV stores worldwide. While the digital distribution world is expanding and indies are increasingly becoming a part of it, the same issues of indie access to the new platforms coming on stream remains increasingly relevant. To this problem must be added a further concern in the 'bricks and mortar' world of the continuing consolidation of major labels. With it comes a decreasing opportunity for effective distribution of independent labels in English Canada.

The 'bricks and mortar' world is very far from being dead and the need for effective Canadian distributors will be vital for many years to come. At the same time, attention must be paid to the same problems in the digital world as Canadian owned distributors such as Rogers and Telus, compete head to head with international majors such as iTunes and Microsoft. There will be little benefit in technological advances if the same business distribution problems that have been obstacles in the past, continue to plague Canadian independent companies in the online world. Detailed thought, policy analysis and action have to go into the resolution of this issue.

4. INTELLECTUAL PROPERTY/ COPYRIGHT REFORM

Technology increasingly continues to allow substantial digital access to much of the worldwide recordings through a variety of access points for little or no payment. This access has clearly been a major factor in the sales decline over the past few years, depriving rightful owners of a substantial revenue stream both from the decline of old uses and the lack of appropriate payment for new ones. Canada, through its high level of broadband penetration, has regrettably been a leader in this, often acting as a canary in the coal mine for other major markets. Many possible solutions such as legislation against both companies and individuals are being advanced. An effective and efficient solution to new approaches to distribution, sales, and technological protection measures has not yet been reached. Substantial losses to the industry obviously has major ramifications to the independent sector, given its smaller revenue streams and diminished access to capital. It is a continuing cause for concern.

Intellectual property rights provide not only the underpinning of payment to creator but, in the 21st century, they will be critical to the cultural/creative community, the independent companies, and to the future of Canada in many ways. The cultural industries sector will play a key part in the new economy as we move from the age of computers to the conceptual age. Simply put, this means that in the not too distant future, the 'mechanical' jobs such as computer programming, the many functions of professions such as law, accounting and their associated white collar jobs, will follow those in manufacturing to countries such as China and India – where costs are much lower and which by 2010 is projected to be the biggest English speaking market in terms of raw numbers.

While obviously not all jobs will migrate, there will still be a substantial 'job loss gap' with economic repercussions. One way to fill this will be with conceptual jobs to create new ideas and products. It is obvious however, that this is not going to occur without strong intellectual property laws to prevent the misappropriation of products. There could be a worldwide market for Canadian products but, without strong and uniform copyright laws it will not contribute to culture and the economy as it should.

There were some setbacks to the cause of intellectual property rights in 2005. Most notably was the decision of the Supreme Court that MP3 players would not be subject to the home taping levy, thus removing a revenue stream of many millions of dollars per annum to rights owners and, primarily, Canadian rights owners. Then, later in the year, with the election call came the end of the Bill C-60 copyright revision and the uncertainty, given a new government, of when and how legislation might be re-introduced in the new Parliament. This turn of events is very regrettable, to say the least, particularly given the delays that have occurred with new legislation in the past few years.

The fact remains that there are many issues that are evolving and developing by virtue of technological change that need to be addressed sooner rather than later. The previous leisurely process of change with regard to intellectual property law is no longer acceptable and if Canada wants to maintain its place in the world, the government must address Intellectual Property Law changes consistently and make swift changes on an as-needed basis - not at the glacial pace that has been the norm for decades. In today's fast moving world of technology, this will not be a viable policy option for any country that professes to be part of the developed world.

5. TECHNOLOGY ISSUES

As can be seen from this whole review, technological advances and the new devices that are coming into the market at an ever-increasing rate are a major issue. While this section is devoted to technology issues, in truth the intrusion of new technologies into current business models is becoming ubiquitous. By the start of the next decade (or maybe sooner), the old and the new will be interrelated; new uses introduced and new devices seen as common.

Even though most forecasts do not predict that more than 25% of total sales dollars will come from digital sources in three year's time, there is little doubt that major changes are underway which will result in a totally different business by the end of the decade. Technology uses already in place in Europe include Ringtones and Ringbacks and these have been joined by Realtones. Already in Korea, the leader in technology for mobile phones, the growth of music sales through mobile phones is reaching major dollar values, and these advances will rapidly spread worldwide with the promise of new revenue streams for content owners that will be substantial.

The combination of internet uses which download into devices such as iPods, Sony Connect and Microsoft devices to name a few, continue to grow exponentially. Year over year iPod sales have quadrupled and while they still fall way behind the mobile phone projections of the Telecom industry, the consumer use is well beyond projections, clearly signaling a change in the delivery of music that can only accelerate in the remainder of the decade.

While technology divides between markets such as Korea, Japan and Western Europe, North America is still substantial but both Canada and the US are still well behind these markets today. It is clear from recent events that they will begin to rapidly catch up to the rest of the world starting in 2006.

This fact was very evident at the Consumer Electrics Show in Las Vegas, in early January. The landscape at the event shifted dramatically as new players and exhibitors arrived in force and promised to radically change the whole distribution/delivery and possibly the content picture in the next few years. Whether this was due to Sony with its new corporate synergy, integration strategy and biggest booth ever at 25,000 sq. ft., the greatly increased presence and spending by phone companies, or the entry by major players Google, Intel, Hewlett-Packard and Microsoft, is unknown. Clearly the surge towards broadband usage is fueling another content boom with "broadband being the table stakes for any and all content", to quote a consultant in the field. In the music field the clichéd "jukebox in the sky" is being talked about again in a new light as a concept that, given today's technologies, may well have a future. With company after company announcing that their products will be available on the internet, the major problem would seem to be ensuring that all of this content is available over all of the new systems. However, it may not be quite as simple as it seems, as the new delivery systems produce unexpected and unpalatable results for content owners. This could lead to delays in introduction, redesigning, or even big lawsuits as content providers and technology companies/providers clash over the economic pie and the uses of copyright material. An example of this for the music industry would be the new cell phone from Samsung that will let satellite radio listeners both listen and record the signal for reuse later, something that copyright owners and record producers have serious reservations about, to say the least. They expect to receive fair payment for these new uses.

The same concern would apply to the new Time Trax device, which records off air and creates individual songs in MP3 form for reuse at any time. The list of new product announcements is substantial, but clearly this explosion of announcements is only the tip of the iceberg as far as changes go for the rest of the decade.

The Consumer Electrics Show saw a large number of these new devices on display from many major players, including Intel's new Viiv initiative, new portable and download devices for Satellite Radio, the Gracenote Voice Control and Automatic Playlist music systems and major advances in cell phone technology, to give just a few examples.

The independents will have to protect their interests, enforce their rights, and ensure access so they are not excluded from negotiations by major owners and major users. Obviously this has the potential to be a very contentious issue for the foreseeable future and the subject of some very hard-nosed negotiations. But with stakes and potential revenues so high it is to be hoped that accommodations can be reached. The independents must ensure they receive both access and a fair share of revenue from all of these new users.

Clearly the indies cannot sit still waiting for this to happen, but should be actively pursuing appropriate steps both in Canada and internationally to ensure that both access and revenue streams for indies are exploited to the maximum.

6. FUNDING ISSUES

In the past twelve months, substantive changes have occurred in the structure and process of industry funding with the Department of Canadian Heritage's renewal of the Tomorrow Starts Today commitment until the end of the decade. These changes will continue as the reorganization and restructuring of industry funding patterns from government and private broadcasters continue. When these are combined with the many changes taking place in the music industry on an ongoing basis, they present considerable challenges to FACTOR. It is very apropos that last fall the FACTOR Board instituted a total review of all FACTOR operations and programs in a wide ranging consultation process that was completed in late spring. Following this review, new programs that fit both current funding objectives and market place realities are being put into place and launched in the 2006/07 financial year. Yet another issue in this whole equation is, of course, the Review of Radio which is taking place. This could also result in substantial changes to the whole funding situation.

Clearly, change is in the wind for the music industry both for 2006 and indeed the rest of the decade, as the digital world for consumers expands rapidly thus forcing substantive changes into the Canadian and worldwide music industries. The underlying methods of doing business for the

SUMMARY ... continued

independents should change in lockstep. There are various plans in the works both in Canada and worldwide for independents to rethink and restructure their businesses, through their associations as these groups endeavor to provide useful and valuable services to their members in a variety of ways. They endeavor to also assist them with programs that would not be available to an individual company thus enabling them to better compete with the major players both nationally and internationally.

Of course, independents will individually be pursuing excellence and technological advances as a business goal. Essentially an indies' entire infrastructure is built around the music and its excellence and how to perform, market and distribute it worldwide.

In tomorrow's world, the tightly controlled distribution networks in various media forms will be replaced by much more open systems. These new open systems, however, do not eliminate the value of good content. Quite the contrary. The difference is that content which does not stand out from the competition will, more and more, be passed over by consumers as their options and choices on how to access content expands exponentially.

The goal for FACTOR in the future must be to assist in creating recordings that stand out both artistically and commercially while continuing to act as the foundation of the system that helps to develop, grow and contribute to the success of the Canadian independent music sector both in Canada and around the world.

SUCCESS STORIES

Certifications and Awards
The Canadian Recording Industry Association (CRIA) verifies sales of audio recording in Canada and issues certifications based on the number of copies sold. Gold (50,000 copies), Platinum (100,000 copies), Double Platinum (200,000 copies) and Triple Platinum (300,000 copies) etc. to Diamond (1,000,000 copies).

The artists listed below have received gold, platinum etc. certifications for sound recording projects since January 2002. These artists have all received financial assistance from FACTOR through one or more of its programs.

Artist	Album Title	Level of Certification	Year
Alanis Morissette	Under Rug Swept	Platinum	2002
Alexisonfire	Watch Out	Gold	2004
Ashanti	Ashanti	2x Platinum	2004
Bif Naked	Purge	Gold	2003
Billy Talent	Billy Talent	2x Platinum	2004
	Scandalous (DVD)	Platinum	2004
	Brothers & Sisters:		
Big Sugar	Are You Ready?	Gold	2003
Blue Rodeo	Greatest Hits	Platinum	2002
	Palace of Gold	Platinum	2003
	In Stereovision	3x Platinum	2005
	Fruit De Ma Recente		
Dany Bedar	Nuit Blanc	Platinum	2004
Gordon Lightfoot	East of Midnight	Gold	2004
	Gold Vol.II	Platinum	2004
Great Big Sea	Play	3x Platinum	2004
	Sea Of No Cares	Gold	2002
	Something Beautiful	Gold	2004
Jim Cuddy	All In Time	Gold	2003
k-os	Joyful Rebellion	Platinum	2005
Lhasa	La Llorona	Platinum	2004
Matthew Good Band	Avalanche	Gold	2003
	Last of the Ghetto Astronauts	Gold	2003
	The Audio of Being	Gold	2003
	White Light Rock &Roll Review	Gold	2004
Michael Maxwell	The Elegance of Pachelbel	Gold	2005
	Legend of the Wolf	Gold	2005

SUCCESS STORIES ... continued

Artist	Album Title	Level of Certification	Year
Michelle Wright	The Greatest Hits Collection	Gold	2002
Nickelback	Silver Side Up	8x Platinum	2004
	The Long Road	6x Platinum	2004
	The Videos (DVD)	Platinum	2004
Nicola Ciccone	J'Taime Tout Court	Platinum	2004
Oscar Peterson	A Night in Vienna (DVD)	Platinum	2004
Our Lady Peace	Gravity	2x Platinum	2003
	Spiritual Machines	2x Platinum	2002
Pavlo	Pavlo	Gold	2002
	Fantasia	Gold	2002
Richard Abel	L'Essential	Gold	2003
Sam Roberts	The Inhuman Condition	Gold	2003
	We Were Born In A Flame	Platinum	2003
Sarah Harmer	All of Our Names	Gold	2004
	You Were Here	Platinum	2004
Sarah McLachlan	Afterglow	5x Platinum	2004
	Mirrorball	5x Platinum	2002
Shawn Desman	Shawn Desman	Gold	2003
The Rankin Family	Souvenir	Gold	2003
The Tea Party	Interzone Mantras	Gold	2003
	Seven Circles	Gold	2004
The Tragically Hip	In Between Evolution	Platinum	2004
	In Violet Light	Platinum	2002
Theory of a Deadman	Theory of a Deadman	Gold	2002
Triumph	A Night of Triumph Live (DVD)	Gold	2004
Various Artists	Star Academie 2004	2x Platinum	2004

2006 JUNO AWARDS FOR FACTOR SUPPORTED ARTISTS

Nickelback	Group of the Year
	Rock Album of the Year
Daniel Powter	New Artist of the Year
K'Naan	Rap Recording of the Year
Jane Bunnet	Contemporary Jazz Album of the Year
Tafelmusik Baroque Orchestra	Children's Album of the Year; Classical Album of the Year
	Large Ensemble or Soloist(s) with Large Ensemble Accompaniment
Isabel Bayrakdarian	Classical Album of the Year: Vocal or Choral Performance
Christos Hatzis	Classical Composition of the Year
Shawn Desman	R&B/Soul Recording of the Year
Burnt Project 1	Aboriginal Recording of the Year
Corb Lund	Roots & Traditional Album of the Year: Solo
The Duhks	Roots & Traditional Album of the Year: Group
Buck 65	Video of the Year
Tragically Hip	Music DVD of the Year
Arcade Fire	Songwriters of the Year
Bedouin Soundclash	New Group of the Year
Broken Social Scene	Alternative Album of the Year

2006 ECMA AWARDS FOR FACTOR SUPPORTED ARTISTS

Matt Mays & El Torpedo	Album of the Year
	Producer(s) of the year (Don Smith/Matt Mays & El Torpedo)
	Group of the Year
	Single of the Year
	Rock Recording of the Year
Mary Jane Lamond	Female Artist of the Year
	Roots/Traditional Solo Recording of the Year
Joel Plaskett	Male Artist of the Year
	SOCAN Songwriter of the Year
Classified	Rap/Hip Hop Single Track Recording of the Year
Duane Andrews	Instrumental Recording of the Year
Gary Beals	African-Canadian Recording of the Year
George Canyon	ECMA Entertainer of the Year
Great Big Sea	Roots/Traditional Group Recording of the Year
J.P. Cormier	Folk Recording of the Year
Jamie Sparks	Urban Single Track Recording of the Year
Matt Minglewood	Blues Recording of the Year
Slowcoaster	Alternative Recording of the Year
Sons of Maxwell	Vibe Marketing Country Recording of the Year
The Novaks	CBC Galaxie Rising Star(s) of the Year
The Trews	Video of the Year

2005 CCMA AWARDS FOR FACTOR SUPPORTED ARTISTS

George Canyon	Kraft Cheez Whiz Fans' Choice Award, Male Artist of the Year, Single of the Year, SOCAN Song of the Year
Terry Kelly	Humanitarian Award
Aaron Pritchett	Independent Male Artist of the Year
Lisa Hewitt	Independent Female Artist of the Year

2005 WCMA AWARDS FOR FACTOR SUPPORTED ARTISTS

Corb Lund	Entertainer of the Year
The Waking Eyes	Outstanding Album
Burnt Project 1	Outstanding Aboriginal Recording
Amos Garrett	Outstanding Blues Recording
Greg Sczebel	Outstanding Christian Recording
Ian Tyson	Outstanding Country Recording
Sarah McLachlan	Outstanding Pop Recording
Josh Martinez	Outstanding Rap/Hip-Hop Recording
The Waking Eyes	Outstanding Rock Recording
The Duhks	Outstanding Roots Recording
Nathan	Outstanding Songwriter of the Year
	Video of the Year

2005 URBAN MUSIC AWARDS FOR FACTOR SUPPORTED ARTISTS

Divine Brown	R&B/Soul Recording of the Year
K'naan	Hip-Hop Recording of the Year
Ranee Lee & Oliver Jones	Jazz Recording of the Year
Jully Black	Dance/Electronic Recording of the Year
k-os	Songwriter of the Year
	Fan's Choice Award
Saukrates	Producer of the Year
Chris Smith (Chris Smith Management)	Manager/Management Company of the Year

* Listings appearing in **boldface** are FACTOR-supported audio recordings. All other listings received some other means of support from FACTOR.

FACTOR

The Foundation Assisting Canadian Talent on Recordings
With Support From Canada's Private Radio Broadcasters

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Financial Statements
March 31, 2006

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AUDITORS' REPORT

To the Directors of the Foundation Assisting Canadian Talent On Recordings:

We have audited the statement of financial position of the ***Foundation Assisting Canadian Talent On Recordings (FACTOR) (formerly Foundation to Assist Canadian Talent on Records)*** as at March 31, 2006 and the statements of changes in net assets, operations and cash flows, for the year then ended. These financial statements are the responsibility of the Foundation'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 Foundation as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fruitman Kates

FRUITMAN KATES
CHARTERED ACCOUNTANTS

Toronto, Canada
May 19, 2006

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Statement of Financial Position
As at March 31, 2006

Assets	**2006**	**2005**
Current		
Cash and cash equivalents	$ 6,310,008	$ 8,225,138
Accounts receivable	448,419	28,175
Prepaid expenses and sundry assets	20,045	15,700
	6,778,472	8,269,013
Investments (note 3)	4,502,742	2,158,561
Property and equipment (note 4)	167,128	164,099
	$11,448,342	**$10,591,673**
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 813,605	$ 506,998
Net assets (note 5)		
Net assets - unrestricted	8,748,132	8,433,559
Net assets - contingency reserve	1,719,477	1,487,017
Net assets - invested in property and equipment	167,128	164,099
	10,634,737	10,084,675
	$11,448,342	**$10,591,673**

Approved on behalf of the Board:

_____ **Director**

_____ **Director**

See accompanying notes to financial statements

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Statement of Changes in Net Assets
For the year ended March 31, 2006

	2006				2005
	Unrestricted	Contingency Reserve	Invested In Property and Equipment	Total	Total
Balance, beginning of year	$8,433,559	$1,487,017	$164,099	$10,084,675	$ 8,731,533
Excess (deficiency) of revenue over expenditures	543,899	56,060	(49,897)	550,062	1,353,142
Interfund transfers (note 6)	(229,326)	176,400	52,926	-	-
Balance, end of year	$8,748,132	$1,719,477	$167,128	$10,634,737	$10,084,675

See accompanying notes to financial statements

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Statement of Operations
For the year ended March 31, 2006

Revenue	**2006**	**2005**
Public		
Canada Music Fund Contributions		
New Musical Works Program		
- General Component	$ 7,152,528	$ 7,068,184
- Specified Label Funding	2,242,940	-
Collective Initiatives Program	1,398,938	1,562,738
	10,794,406	8,630,922
Private		
Broadcasters' Contributions		
- Significant Benefits	3,119,716	3,678,740
- Voluntary	1,831,034	1,696,984
Loan repayments		
- Sound Recording Development Program	55,808	96,726
- Canada Music Fund	128,759	170,937
	5,135,317	5,643,387
Investment income	303,662	102,354
	16,233,385	14,376,663
Expenditures		
Loans and awards (Schedule)	14,024,651	11,589,698
Administrative expenses (Schedule)	1,664,835	1,351,286
	15,689,486	12,940,984
Excess of revenue over expenditures before the following	543,899	1,435,679
Amortization of Property and Equipment	(49,897)	(92,521)
Investment income - Contingency Reserve	56,060	9,984
	6,163	(82,537)
Excess of Revenue over Expenditures	**$ 550,062**	**$ 1,353,142**

See accompanying notes to financial statements

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Statement of Cash Flows
For the year ended March 31, 2006

	2006	2005
Cash flows from operating activities		
Excess of revenue over expenditures	$ 550,062	$1,353,142
Adjustment for:		
- amortization	49,897	92,521
	599,959	1,445,663
Changes in non-cash working capital		
- accounts receivable	(420,244)	(28,175)
- prepaid expenses and sundry assets	(4,345)	14,416
- accounts payable and accrued liabilities	306,607	306,242
	(117,982)	292,483
	481,977	1,738,146
Cash flows used in investing activities		
Investments	(2,344,181)	(2,158,561)
Property and equipment	(52,926)	(73,173)
	(2,397,107)	(2,231,734)
Net decrease in cash	(1,915,130)	(493,588)
Cash and cash equivalents, beginning of year	8,225,138	8,718,726
Cash and cash equivalents, end of year	**$6,310,008**	**$8,225,138**
Cash and cash equivalents are comprised of the following:		
Unrestricted	$5,507,946	$7,089,514
Contingency Reserve	802,062	1,135,624
	$6,310,008	**$8,225,138**

See accompanying notes to financial statements

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Notes to Financial Statements
For the year ended March 31, 2006

1. Purpose and Legal Form of the Foundation

The Foundation Assisting Canadian Talent on Recordings (FACTOR) was incorporated as a non-profit association without share capital on June 17, 1982, under the Canada Business Corporations Act. On February 22, 2006 FACTOR changed its name to the Foundation Assisting Canadian Talent On Recordings.

FACTOR provides funding by way of loans and grants to Canadian individuals and groups in the music recording industry in order to promote and foster Canadian talent. FACTOR receives and disburses funds pursuant to agreements with the Government of Canada, under the Department of Canadian Heritage's New Musical Works and Collective Initiatives programs. The current contract with the Government of Canada expires on March 31, 2010. Financial contributions received from Canada's private radio industry are likewise distributed annually by FACTOR to individuals and groups in the Canadian music industry.

2. Significant Accounting Policies

a) Revenue recognition

FACTOR follows the deferral method of accounting for contributions.

Contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection thereof is reasonably assured.

Investment income is recognized as revenue when earned.

b) Cash and cash equivalents

Cash and cash equivalents include short-term deposits with terms to maturity less than 90 days and are recorded at cost.

c) Investments

Investments comprising marketable securities are stated at the lower of cost and market value.

d) Loans

Loans to artists, producers and record companies are granted to finance costs directly associated with recordings, as well as the promotion and marketing of these recordings. These loans must be repaid directly from royalty proceeds of projects financed by the program. Due to the uncertainty of ultimate collectibility, loans are expensed when the monies are advanced. A portion of the repayment of these loans is recorded as revenue when cash is received from the recipient and the balance is payable to the Department of Canadian Heritage.

e) Property and equipment

Property and equipment is recorded at cost and amortized over their estimated useful lives as follows:

Computer equipment	- 30% per annum on a declining balance basis
Computer software	- 100% per annum
Office furniture and equipment	- 20% per annum on a declining balance basis
Leasehold improvements	- 20% straight line

f) Contributed services

Members of the FACTOR's Board of Directors, Members of the National Advisory Board and unpaid volunteers from the music industry donate their time without monetary compensation. Because of the difficulty in determining the fair value of contributed services, they are not recognized in the financial statements.

g) Use of estimates

The preparation of financial statements in conformity 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.

h) Income Taxes

Pursuant to the Income Tax Act (Canada), FACTOR is classified as a non-profit organization and therefore, is not subject to income tax.

3. Investments

Investments comprising marketable securities are recorded at the lower of cost and market value. At the year end the market value of the investments was approximately $4,505,000, (2005 - $2,160,000).

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Notes to Financial Statements
For the year ended March 31, 2006

4. PROPERTY AND EQUIPMENT

	2006		2005	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	$171.104	$121,685	$135,884	$108,053
Office furniture and equipment	141,152	85,985	131,491	73,400
Computer software	109,772	109,772	101,727	101,727
Leasehold improvements	135,724	73,182	135,724	57,547
	$557,752	**$390,624**	**$504,826**	**$340,727**
Net book value		**$167,128**		**$164,099**

5. Net Assets

Net assets invested in property and equipment represent capital assets purchased and proceeds of disposition and related amortization of these assets.

Net assets invested in the contingency reserve have been set aside by the Board of Directors to ensure that FACTOR is able to meet legal and other obligations and commitments, other than the loans and awards described in note 8(i), in the event of the termination of the funding contract with the Government of Canada.

The unrestricted net assets accounts for the Foundation's general operating activities. The balance represents the accumulation of surplus private contributions, loan repayments and investment income earned thereon after interfund transfers.

6. Interfund Transfers

During the year, $176,400 (2005 - NIL) was transferred from the unrestricted fund to the contingency reserve and $52,926 (2005 – $73,173) was transferred to the Property and Equipment Fund. These transfers have been approved by the Board of Directors.

7. Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities. Unless otherwise indicated, the fair values of financial assets and financial liabilities approximate their recorded amounts. The face value of the investments is guaranteed if held to maturity and therefore interest rate risk has been substantially mitigated.

8. Commitments

i) Loans and awards

As at March 31, 2006, FACTOR is committed to advancing funds totalling approximately $11,000,000 (2005 - $9,500,000) as loans and awards to recipients. Because certain conditions must be met before such loans are made, these amounts have not been recorded as liabilities.

ii) Leases

FACTOR is committed to various operating leases for premises and equipment. The future annual minimum lease payments are approximately as follows:

2007	$124,000
2008	124,000
2009	13,000
2010	5,000

9. Related Party Transactions

During the year, FACTOR approved loans and/or grants in the normal course of operations, to related organizations, (the parties are related by virtue of the fact that they are officers of the recipients and are represented on the FACTOR Board of Directors), amounting to approximately $1,550,000 (2005 - $1,600,000). Included in the aforementioned are grants to the Canadian Independent Record Production Association (CIRPA) a not for profit association, amounting to approximately $420,000 (2005 - $275,000).

According to management these transactions were concluded at fair value under the same terms and conditions as transactions with arm's length parties.

10. Comparative Figures

Certain prior year's figures have been reclassified to conform with the current year's presentation.

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Schedule of Loans and Awards
For the year ended March 31, 2006

	2006	2005
New Musical Works Program		
Sound recording	$ 3,510,604	$ 3,175,026
Specified label funding	1,993,725	-
Marketing sound recordings	1,861,030	1,762,907
Video production	1,660,657	1,517,648
Domestic and international touring	1,179,357	1,040,982
Domestic and international showcasing	458,409	496,224
Domestic and international business development	567,398	495,125
Label, manager and distributor business development	395,566	268,365
	11,626,746	8,756,277
Collective Initiatives Program		
Collective initiatives and songwriters workshop grants	1,407,176	1,697,492
Regional affiliates	123,216	115,843
	1,530,392	1,813,335
Radio Marketing Fund	867,513	1,020,086
	$14,024,651	**$11,589,698**

FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS

(formerly Foundation to Assist Canadian Talent on Records)

Schedule of Administrative Expenses
For the year ended March 31, 2006

	2006	2005
Salaries and benefits	$ 936,433	$ 750,021
Consulting	166,475	28,529
Occupancy costs	146,083	144,641
Automobile and travel	88,589	92,227
Publicity, promotion and meetings	72,052	61,306
Office and general	59,498	69,160
Regional affiliates and travel	46,036	58,763
Professional fees	37,069	47,210
Courier and postage	31,023	28,916
Equipment rentals and repairs	30,655	27,939
Professional development	26,667	14,110
Telephone and communications	16,411	16,898
Insurance	7,844	11,566
	$1,664,835	**$1,351,286**