

FACTOR

THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

ANNUAL REPORT 2012-2013

Canada

We acknowledge the financial support of the Government of Canada through the Department of Canadian Heritage Canada Music Fund and of Canada's Private Radio Broadcasters.

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MESSAGE FROM THE CHAIR



This year has been filled with significant change and considerable accomplishments, culminating with the launch of our new program and application system FACTOR 2.0 in April 2013. The goal of FACTOR 2.0 was simple: design a system and programs that award funding based on merit, are transparent and easy to use, and reflect the current business models of the Canadian independent music industry.

This type of change was long overdue, as FACTOR's previous funding model was based heavily on out-of-date business practices, which focused primarily on the physical sale of recorded music. Our new programs strive to take a more modern approach to supporting Canadian musical works by funding multi-phased projects over a number of years and rewarding companies and artists who have diversified their businesses, tapped into new revenue streams and delivered strong marketing plans for their content. As part of this redesign we also established a variety of key success indicators, which we can use to measure the return on our investments, some of which include the level of income generated from FACTOR supported recordings, live performances, radio charting and social media activity. We also modernized the administration of our Juried Sound Recording and Demo programs by creating on-line genre-specific juries comprised of over one thousand music and radio industry professionals from across the country. We believe that these changes, combined with larger budgets for entry-level juried programs, will allow us to support a more diversified group of new Canadian artists.

In order to help our clients navigate this change, we also deployed an extensive communications strategy that included more in-depth staff outreach at conferences and music festivals, significant investment in a new web portal, and harnessing the benefits of social media to engage and support applicants in a two-way dialogue no matter where they reside in the country.

We know that qualifying for FACTOR support is not easy and that competition for funding is fierce. As part of our commitment to ensure all decisions are fair, merit-based and transparent, we also reviewed and updated our policies and practices to make sure that 1) they are clearly stated, understood and applied equitably; and 2) they recognize the importance of supporting new and emerging Canadian talent in a variety of genres.

We believe we have achieved the goals set out for FACTOR 2.0 and hope you, our industry partners and stakeholders, agree.

None of this would have been possible without the passion and dedication of the FACTOR staff, who worked tirelessly to bring FACTOR 2.0 to life. Thank you. I also want to thank my colleagues on the FACTOR Board who volunteer a great deal of time to help steward FACTOR in a direction that will ensure it continues to support the creation of great Canadian music.

Sincerely,

A handwritten signature in black ink, appearing to read 'Susan Wheeler'.

Susan Wheeler
Chair

The Foundation Assisting Canadian Talent on Recordings

MESSAGE FROM THE PRESIDENT



On March 1, 2013, FACTOR launched the first phase of its new programs and system, FACTOR 2.0. This much needed overhaul was the inevitable consequence of profound changes in the music industry and the need for FACTOR to upgrade its user-facing and internal systems to coincide with advancements in online business practices. In addition, this new platform brings a high level of flexibility to the client relationship with FACTOR, allowing us to communicate with them on an ongoing basis, bringing an “anytime, anywhere” level of commitment in our service to the industry.

Along with a new application process comes a new service model based on best practices from both the private and public sector. This approach will see specific Project Coordinators assigned to each and every FACTOR client. Their job will be to liaise with that client on an ongoing basis, throughout their project.

We know that over time this will result in stronger relationships with clients, wherein FACTOR staff better understand their business goals and can better guide them in their selection of programs, allowing clients to work successfully in what is, for some (especially newbies), a confusing environment. This model requires a dedicated staff who will be in their jobs for a minimum period of time which allows them to develop their knowledge and skills.

It is no secret that a few years ago, FACTOR was stricken by high employee turnover rates. Today, we’re happy to say this is not the case. A large portion of our staff have been with us for several years. This may just be a fortunate coincidence, but we think that their dedication to the work reflects positively on the changes made in the working environment at FACTOR over the past two years.

The current staff has shown enormous dedication and commitment as they have worked tirelessly towards meeting the goal of launching our new systems on time and to specifications, but nowhere do their efforts show more than in their dedication to our clients. Their loyalty and effort is sincerely appreciated, and both will be key elements to a successful first year of the FACTOR 2.0 programs.

Let me say that we really appreciate the support we have received from our clients. Many of our customers have remarked to me how much they appreciate the new system and being able to deal with the same Project Coordinator when they call to follow up on a problem or issue. We know that change is disruptive, but it is inevitable. It is how change is managed which is most important, both internally and externally. Thus far, we are very pleased with the progress we’re all making towards changing to the new FACTOR, and we are cautiously optimistic about the next 12 months.

Your feedback continues to be essential. As always, if you have any concerns or suggestions, you can call me directly or call your Project Coordinator and let them know.

Yours truly,

A handwritten signature in black ink, appearing to read 'Duncan McKie', written in a cursive style.

Duncan McKie
President

The Foundation Assisting Canadian Talent on Recordings

ABOUT THE FOUNDATION

Our Mandate and History

Founded in 1982, FACTOR – The Foundation Assisting Canadian Talent on Recordings – is one of the most significant sources of financial assistance offered to help sustain and grow the independent Canadian music industry.

As a private non-profit organization, FACTOR is dedicated to providing assistance toward the growth and development of the Canadian music industry. The foundation administers contributions from private radio broadcasters as well as two components of the Department of Canadian Heritage's Canada Music Fund. FACTOR has been managing federal funds since the inception of the Sound Recording Development Program in 1986 (now known as the Canada Music Fund).

Support is provided to Canadian recording artists, songwriters, managers, labels, publishers, distributors and event producers through various programs. Whether an artist is looking to record a demo or full length sound recording, market and promote an already existing album or showcase and tour domestically and internationally, funding is available. FACTOR supports many facets of the infrastructure which must be in place in order for artists and music entrepreneurs to progress into the international arena.

Canada has an abundance of talent competing nationally and internationally and FACTOR's funding partners can be very proud that through their generous contributions they have made a difference in the careers of so many successful artists and industry professionals.

Our Funding Partners

FACTOR's annual budget is derived from two sources: the Department of Canadian Heritage through the Canada Music Fund, and contributions from Canada's private radio broadcasters.

Canada Music Fund

The Government of Canada has been an important partner to FACTOR and the independent Canadian music industry since the inception of the Sound Recording Development Program in 1986. With this Program, the federal government signaled its commitment to supporting the development and strengthening of the Canadian-owned music industry. That commitment has continued in the form of the Canadian Sound Recording Policy, as implemented by the Canada Music Fund in 2001. The Canada Music Fund supports activities including songwriting development, album production, video production, marketing, domestic and international touring and showcasing, distribution, industry training, conferences, awards shows and preservation.

Throughout its 25-year administration of federal government and privately-sourced funds, FACTOR is proud to be part of a unique cultural initiative that is a model of public-private cooperation.

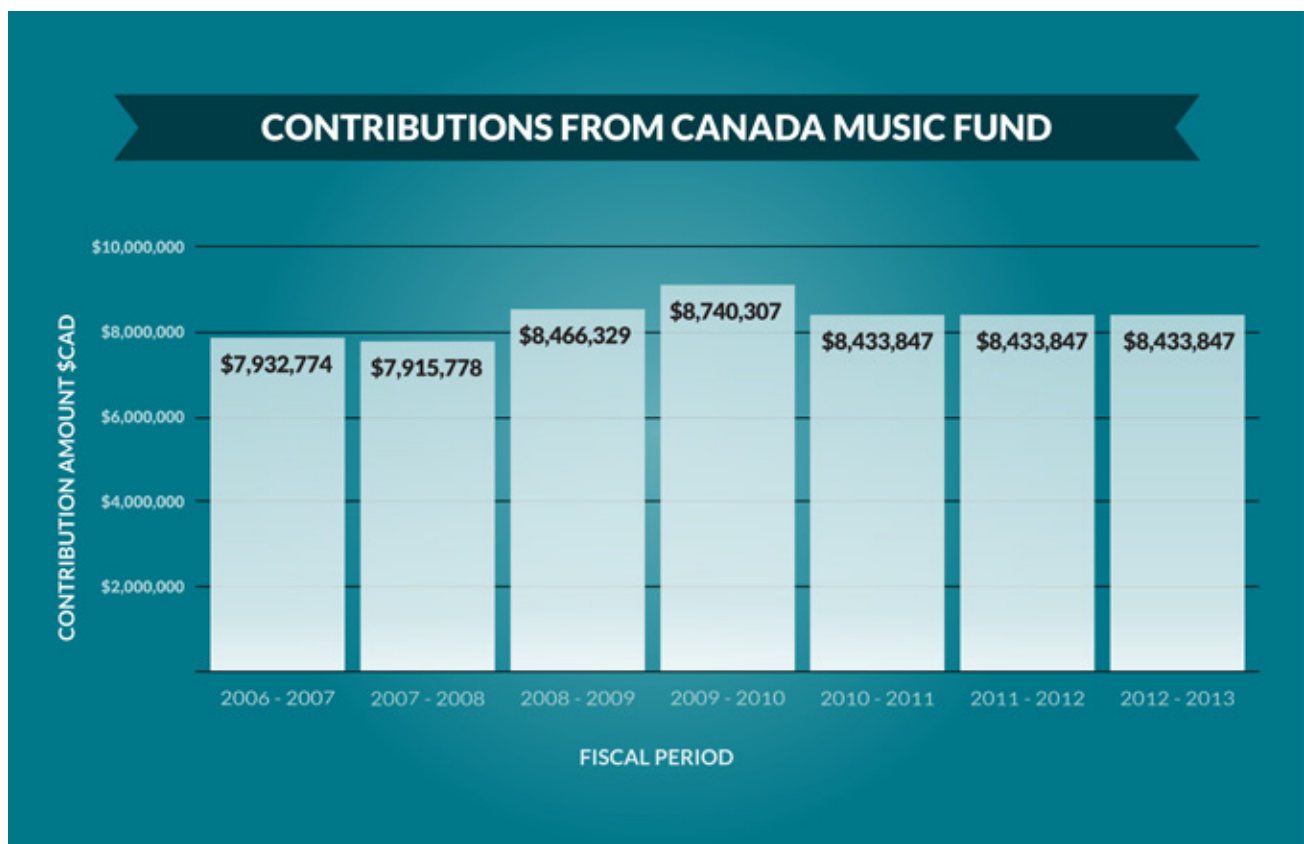
ABOUT THE FOUNDATION

FACTOR, along with our francophone counterpart Musicaction, has the privilege of administering at arm's length two components of the Canada Music Fund:

- The New Musical Works Component, which provides a broad range of support to artists, record labels, artist managers, associations and other organizations; and
- The Collective Initiatives Component, which provides financial assistance for initiatives that develop, promote and showcase the broader Canadian music industry through awards shows, educational initiatives, international showcases and tools for marketing Canadian music on digital platforms.

In the 2012-2013 fiscal year, FACTOR received \$8.4 million from these two components, almost half of FACTOR's annual program budget.

Since 2006, the Department of Canadian Heritage has provided over \$58.4 million to support the creation and promotion of new Canadian sound recordings and collective industry activities.



The other two CMF components are:

- The Music Entrepreneur Component (MEC), featuring three streams of funding which provide support to Canadian sound recording firms, Canadian music publishing firms and national service organizations. The MEC is administered by the Department of Canadian Heritage; and
- The Canadian Music Memories Component, dedicated to the preservation of Canadian sound recordings and administered by Library and Archives Canada.

ABOUT THE FOUNDATION

Private Radio Broadcasters

FACTOR was founded in 1982 as a partnership between our founding radio broadcasters CHUM Limited, Moffat Communications and Rogers Broadcasting Limited, and the Canadian independent music industry represented by the Canadian Independent Record Producers Association (CIRPA, now CIMA), and the Canadian Music Publishers Association (CMPA). Radio broadcasters remain an essential partner to both FACTOR and the independent music industry. The funds received from radio broadcasters come in the form of contributions to Canadian Content Development, and Tangible (transaction) Benefits.

Canadian Content Development

As part of the long-running federal commitment to the development and promotion of Canadian cultural products, the Broadcasting Act requires that all private commercial radio broadcasters make a financial contribution toward the development of Canadian music for play on commercial airwaves. This requirement is administered by the Canadian Radio-Television and Telecommunications Commission (CRTC), which holds responsibility for approving and renewing radio broadcast licenses, and for developing broadcasting policy.

One of these policies was Canadian Talent Development. It required commercial radio broadcasters to contribute funds toward eligible talent development initiatives whose goal is to incent the creation of sound recordings and other audio content for broadcast; as well as training, development and promotion of Canadian musical talent. The broadcasters could choose to direct the funds toward a preferred initiative, and as the largest and best-established eligible initiative, FACTOR was a major beneficiary of these contributions.

In the Commercial Radio Policy of 2006, the CRTC held that a percentage of what were now called Canadian Content Development contributions (CCD) must be directed to FACTOR.

Today, as set out in the *Radio Regulations* made subsequent to the *Broadcasting Act*, the annual CCD contributions that commercial radio broadcasters must make fall into two categories: **basic** and **over and above**. All commercial radio broadcasters, excluding ethnic stations or mainly spoken-word stations must make the basic CCD contribution as a condition of license.

The **basic** CCD contribution is calculated on the licensee's annual revenues:

- a) Licensees whose total revenues are less than \$625,000 must contribute \$500;
- b) Licensees whose total revenues are between \$625,000 and \$1,250,000 must contribute \$1,000; and
- c) Licensees whose total revenues exceed \$1,250,000 must contribute \$1,000 plus one half of one percent of those revenues that exceed \$1,250,000.

Of this amount, English-language licensees whose revenues and contributions fall under (a) or (b) above, must contribute at least 60% to FACTOR and French-language licensees to our Francophone counterpart Musicaction. Licensees whose revenues and contributions fall under the third category (c) must direct at least 45% to FACTOR or Musicaction; and at least 15% to the Community Radio Fund of Canada. In all cases, the remaining 40% can be directed to any eligible CCD initiative (including FACTOR) at the discretion of the licensee.

Broadcasters seeking a new license or a license renewal may choose to undertake to make an **over and above** contribution. If the license is approved, this undertaking becomes a condition of license. At least 20% of over and above contributions must be directed to either FACTOR or Musicaction. The remaining amount can be directed to any eligible CCD initiative (including FACTOR) at the discretion of the licensee.

ABOUT THE FOUNDATION

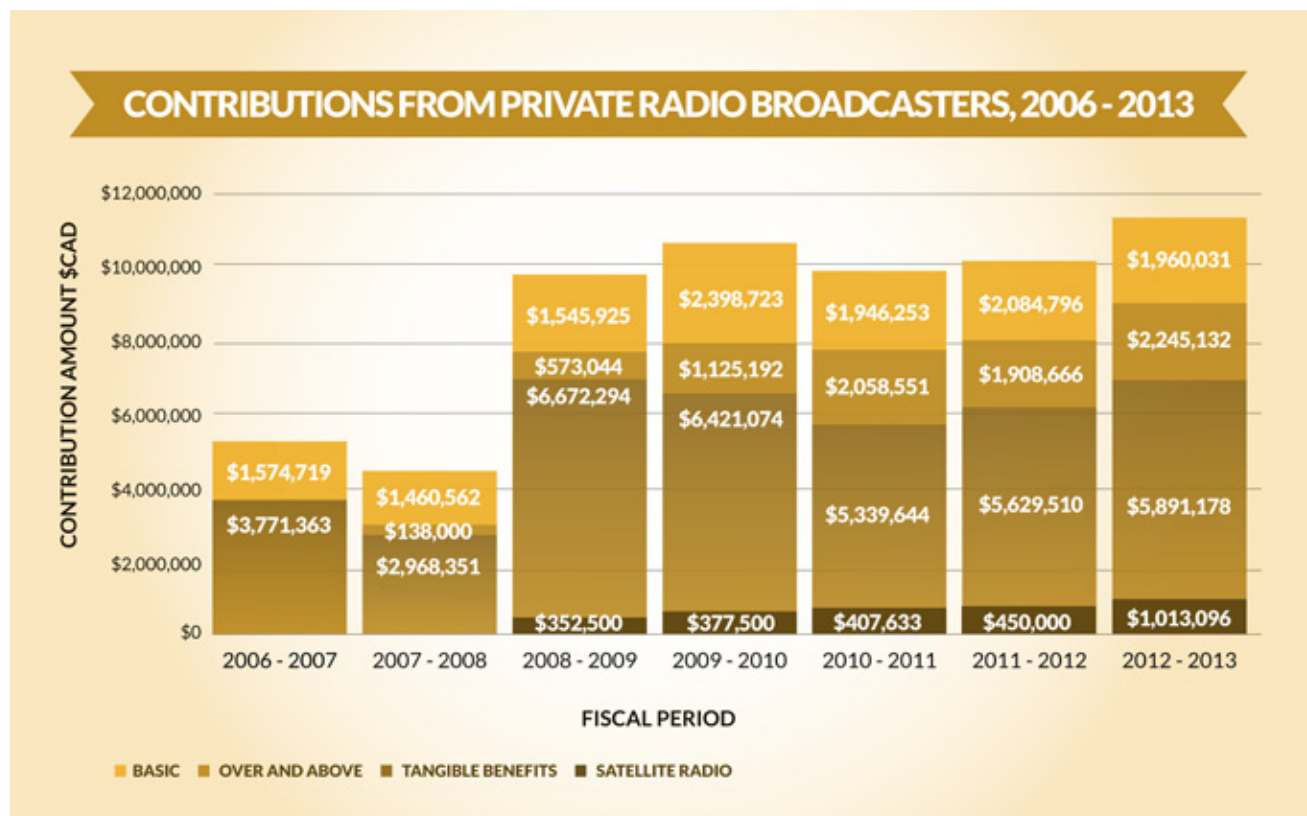
Tangible Benefits

Also part of the Commercial Radio Policy is the requirement that commercial radio stations wishing to purchase or acquire broadcast assets must commit at least 6% of the value of the transaction to CCD. Of the committed amount, 1.5% must be directed to FACTOR or Musicaction; 3% must be directed to the Radio Starmaker Fund or its Francophone counterpart Fonds Radiostar; 1% can go to any eligible CCD initiative at the buyer's discretion; and 0.5% must go to the Community Radio Fund of Canada.

The funds received from radio contribute to most of the program budgets; in addition, FACTOR proudly offers two programs that are funded entirely through broadcaster contributions:

- The Sponsorship program allows FACTOR to sponsor worthy Canadian music events that may not fit other programs, such as new music festivals, international showcases, and broadcaster conferences.
- The Emerging Artist Program is FACTOR's premier sound recording program for artists who have had demonstrable commercial and/or radio success. The program consists of an initial loan toward the creation of a full-length sound recording followed by marketing support.

In the 2012-2013 fiscal year, FACTOR received \$11.1 million in Canadian Content Development contributions including \$4.2 million from new licenses and license renewals, of which \$2 million represents mandatory basic CCD contributions, and \$2.2 million represents contributions that are over and above the required basic amount. In addition, we received \$5.9 million from tangible benefits. We also received \$1 million in contributions from Satellite Radio. Since 2007, Canada's private radio broadcasters have contributed \$60.3 million from all sources, representing over half of FACTOR's annual budget.



OVERVIEW OF FUNDING IN 2012-2013

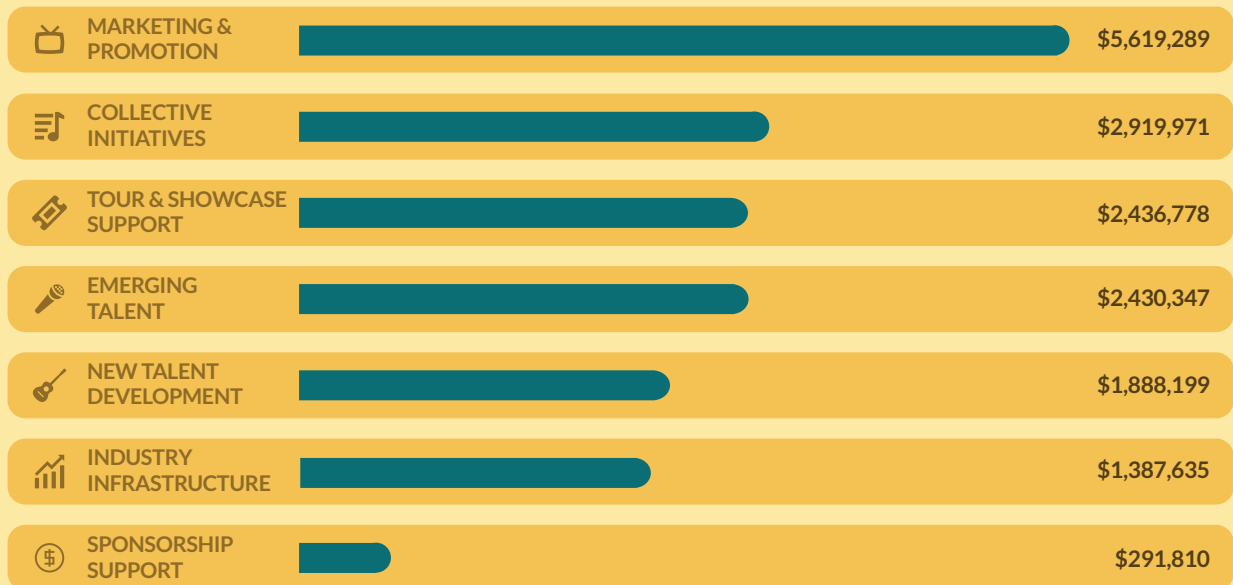
During the 2012-2013 fiscal year, FACTOR received 3854 applications for funding, totaling \$33,293,531 in requests.

FACTOR approved 1986 of those applications, offering \$16,974,029 in funding to the Canadian independent music industry, including:

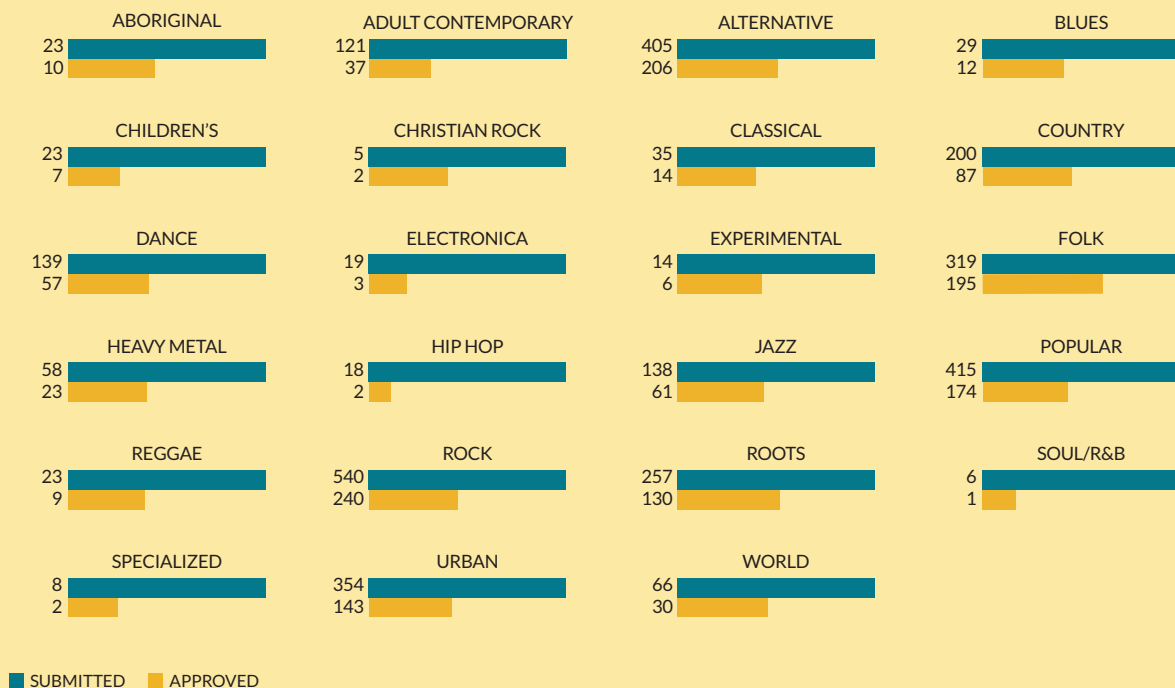
- \$1,888,199 for **New Talent Development** through the Juried Sound Recording (FACTOR and Independent Loans), Demo and Commercially Released Single/EP and Songwriter Workshop programs,
- \$2,430,347 to **Emerging Talent** through the Direct Board Approval and Emerging Artist programs,
- \$5,619,289 in **Marketing and Promotion** support,
- \$2,436,778 in **Showcase and Tour** support,
- \$1,387,635 in **industry infrastructure support** through the Business Development and Business Travel programs,
- \$291,810 in **sponsorship support**, and
- \$2,919,971 to support **Music Conferences and Awards Shows, Music Showcases for Canadian Artists from Official Language Minority Communities, Music Showcases for the Development of Export Ready Canadian Artists, and Marketing of Canadian Music on Digital Platforms** through the Collective Initiatives program.

OVERVIEW OF FUNDING IN 2012-2013

OVERVIEW OF FUNDING IN 2012-2013



APPLICATIONS SUBMITTED & APPROVED BY GENRE



OVERVIEW OF FUNDING IN 2012-2013

APPLICATIONS SUBMITTED & APPROVED BY PROVINCE



APPLICATIONS SUBMITTED & APPROVED BY PROGRAM





EMM GRYNER

Thanks to FACTOR I have been able to explore my creativity at my own pace, I can have a career that makes me a living, not a celebrity and I am able to feed a family. Thanks to Factor, my music has helped inspire a new generation of songwriters. I hope they see that you don't need to sell your soul to make a living in music.



FEDERAL LIGHTS

FACTOR has enabled us in several different areas with their support. It all began with them awarding us a recording grant that was able to assist us in recording our first EP entitled CARBON. With the release of Carbon we were able to secure multiple showcase opportunities across Canada, including CMW, NXNE, BOW, Indie Week, etc as well as many festivals and a Western Canadian Tour. With the EP we were also able to secure a nationally respected publicist, Killbeat.



DUANE ANDREWS

I've received excellent support from FACTOR in various forms over the years and I feel they have been an outstanding catalyst from the beginning of my development as a recording artist. It's great to see their commitment to Canadian music continue and I wish them all the best with their new direction.



SEVEN SYMPHONIES

We received our first 'Commercially Released EP Award' from FACTOR in 2012, and the experience has really opened doors for us. Within a few months of the award, Seven Symphonies was featured in music articles, performed at Yonge & Dundas in support of Habitat for Humanity, which raised over \$30,000 and have reached over 1.8 million views on YouTube. Being college students, we wouldn't normally have the opportunity to make professional recordings. But thanks to FACTOR, we are currently completing our first EP at Metalworks Studios working with top engineers and producers.



MAYLEE TODD

FACTOR provided funding for my band and I to travel to respected industry showcases overseas that were valuable to our professional development and visibility. These included: MIDEM (Cannes), Canada Day showcase at Barbican London and Trans Musicales in France. With the generous support of FACTOR, both myself and my management team were able to generate more overseas touring and licensing opportunities.



RACE AGAINST SCIENCE

Songwriters Jonathan Borup and John Loree applied for the Demo Sound Recording grant for a song they wrote 'Thoughts and Tongues' and were approved. Since receiving the Demo grant, they have recorded a 3 song EP, have played live shows around Toronto, and are working on their first full album. FACTOR has provided us with not only the financial support to record in a professional studio but has also fueled our passion towards pursuing a career in music. Thank you FACTOR for helping us achieve our long-term goals!!



CODIE PREVOST

With the support of FACTOR, Codie Prevost has transitioned from a promising up-and-comer to an established, in-demand performer in the Canadian country music industry. FACTOR grants have afforded him the time and space to write, record, release and tour original music, allowing him to hone his musical direction and expand his audience both in Canada and internationally.



KEN MODE

FACTOR and Manitoba Film And Music made it so our new album "Entrench" was even possible. How do you follow up winning a Juno? Take things to the next level.

Thanks FACTOR!

OUR PROGRAMS

Looking Ahead: Our Programs for 2013 and Beyond

Working in consultation with the Canadian Independent Music Association, the Music Managers' Forum, the National Advisory Board and other key stakeholders, FACTOR spent much of the 2012-2013 fiscal year engaged in a fundamental redesign of our program structure and eligibility criteria. This work was done in conjunction with the design and build of a new online application system, public website, back-end application processing database, and a significant staff restructuring.

Going forward, eligibility for most FACTOR programs will be based on an Artist Rating and Applicant Rating that will be assigned by FACTOR based on established success metrics. This new approach eliminates the sole sales criterion, which has become less relevant in recent years, and now includes criteria such as gross revenues (for applicant companies) and social media impact (for artists).

All full-length sound recording programs have been restructured so that post-production support (such as marketing, tour support, video production, showcasing) is rolled into one project application. This provides a level of certainty to applicants who can then plan their project roll-outs in a way that best matches market conditions.

The Direct Board Approval Program has been eliminated for 2013-2014 and replaced by the Comprehensive Music Company Program, which, as the name suggests, provides a comprehensive suite of funding components to companies that qualify. The Emerging Artist Program has been renamed the Comprehensive Artist Program; and continues to be funded exclusively by radio broadcasters' contributions.

The new public website and systems were launched on April 1, 2013. We look forward to reporting the results of this major development in next year's Annual Report.

OUR PROGRAMS

Our 2012-2013 Programs

New Talent Development Sound Recordings

- Juried Sound Recording (FACTOR Loan and Independent Loan)
- Demo and Commercially Released Single/EP

Songwriter's Workshop

Emerging Talent Sound Recordings

- Direct Board Approval Sound Recording
- Emerging Artist Sound Recording

Marketing & Promotion

- Marketing and Promotion for FACTOR-Funded Sound Recordings
- Marketing and Promotion for Non-FACTOR Supported Sound Recordings
- Video Grants

Touring & Showcasing Grants

- Tour Support
- Showcase Support

Industry Support

- Business Travel
- Business Development

Sponsorship

Collective Initiatives

- Music Conferences, Awards Shows and Educational Initiatives
- Music Showcases for Canadian Artists from Official Language Minority Communities
- Music Showcases for the Development of Export-Ready Canadian Artists
- Marketing of Canadian Music on Digital Platforms

OUR PROGRAMS

New Talent Development Sound Recordings

FACTOR's programs are designed to support artists' careers at all stages. Demo and Commercially Released Single/EP, Juried Sound Recording (FACTOR and Independent Loans), and the Songwriter Workshop programs provide support for the development of new talent.

The Demo and Commercially Released Single/EP and Independent Loan programs are designed to support artists as they enter the industry, while the FACTOR Loan program supports modest developmental success.

In order to demonstrate a strong financial commitment to FACTOR-funded sound recordings, Marketing and Promotion funding is provided to each approved project in the Juried Sound Recording program. Eligible expenses can be claimed for marketing and promotion, videos, showcases and tours.

- 346 new talent development sound recordings were funded for a total of \$1,868,363;
- 956 Demo and Commercially Released Single/EP applications were submitted;
- 215 were approved for funding in the amount of \$314,760;
- Of 684 projects submitted for jury evaluation through the FACTOR and Independent Loan programs, 131 projects were approved for total of \$1,553,603.

The Songwriter's Workshop program offers financial assistance for professional Canadian songwriters to attend workshops and seminars.

- This year FACTOR provided \$19,836 to 29 songwriters to support their growth and development as artists.

Funding for these programs is provided by Canada's private radio broadcasters and the Department of Canadian Heritage's Canada Music Fund's New Musical Works Component.



LES JUPES

FACTOR has been instrumental in helping us get our business off the ground. In an age of limited investment opportunities for small music business companies, it is organizations such as FACTOR that have been instrumental in building the foundation for Les Jupes success.

Les Jupes has showcased at music industry events around the world, finding new business partners, and building an audience. And the band is about to make a great new record with support from FACTOR - one that we are very excited for.



ROSE COUSINS

FACTOR funding has supported the building of my career as an artist, enabling me to create professional recordings and release campaigns.

I can tour further and showcase in new regions to expand my reach and build my following through shows, radio, media and marketing materials.

OUR PROGRAMS

Emerging Talent Sound Recordings

The Direct Board Approval Sound Recording (DBA) and Emerging Artist Sound Recording programs are designed to support the commercial development of an artist's career. The DBA program makes funding available for sound recording and marketing projects to qualifying record labels, while the Emerging Artist program provides funding to radio- and export-ready artists.

- \$1,596,068 was awarded to 116 sound recording projects in the DBA program;
- Of 75 projects submitted for jury evaluation in the Emerging Artist Sound Recording program, 43 projects were approved totaling \$834,278 in funding.

Funding for the DBA program is provided by Canada's private radio broadcasters and the Department of Canadian Heritage's Canada Music Fund's New Musical Works Component.

Funding for the Emerging Artist program is provided by Canada's private radio broadcasters.

OUR PROGRAMS

Marketing & Promotion

The Marketing and Promotion programs were developed to provide a stronger financial commitment to each FACTOR supported sound recording by offering funding to assist with the marketing and promotion of the project.

Funding is available for FACTOR supported sound recordings that have been funded through a Juried Sound Recording Loan (FACTOR or Independent), a Direct Board Approval Sound Recording Loan or an Emerging Artist Sound Recording Loan. Eligible expenses can be claimed for marketing and promotion, videos, showcases and tours.

In addition, funding is available for sound recordings not supported by one of the Sound Recording Loans through the Marketing and Promotion for Non-FACTOR Supported Sound Recordings program. Through this program eligible expenses can be claimed for marketing and promotion, videos, showcases and tours.

The Video program is intended to assist with the financing of both lower budget “viral” and broadcast quality music videos to support currently released albums by Canadian artists.

Funding for the Marketing and Promotion for FACTOR-Funded Sound Recordings and Video programs is provided by Canada’s private radio broadcasters and the Department of Canadian Heritage’s Canada Music Fund’s New Musical Works Component.

Funding for Marketing and Promotion for Non-FACTOR Supported Sound Recordings is provided by Canada’s Private Radio Broadcasters.

Funding for the Emerging Artist program is provided by Canada’s private radio broadcasters.



TREASA LEVASSEUR

Without FACTOR, I would never have been able to take my music to the next level, receive the international radio play and accolades that I have, played from Europe to the USA and coast to coast here in Canada. FACTOR funding allowed me to pursue my career in a truly professional way, to adequately pay all the artists and service providers involved in supporting my career, and perhaps most importantly to believe that what I am doing is a worthwhile pursuit that merits support.

Thank you so very much FACTOR. I couldn’t have come this far without you.



ROYAL WOOD

As an artist in Canada, I depend on FACTOR. However, not only do I need its support, but the entire industry itself requires it to even exist. Without them, labels themselves would be doomed. We simply wouldn't have a home to make music anymore. Due to the backbone of this organization, I have been able to not only build, but secure a career in the musical landscape on a world stage through sound recording, marketing, tour, video and showcasing support.

Long live FACTOR.

OUR PROGRAMS

Marketing & Promotion continued

- 218 of 285 requests were approved, resulting in \$4,985,487 in funding awarded in support of sound recordings funded by the Juried Sound Recording, DBA and Emerging Artist Programs;
- \$221,329 was awarded to 12 sound recordings not previously funded by FACTOR;
- 42 viral and broadcast-ready videos were approved for a total of \$412,473.

Tour & Showcase Support

The Tour and Showcase programs support domestic and international showcasing and tour activities by Canadian artists and contribute to the development of the Canadian music industry in Canada and abroad.

Funding for these programs is provided by Canada's private radio broadcasters and the Department of Canadian Heritage's Canada Music Fund's New Musical Works Component.

- FACTOR supported 49 domestic and 111 international tours for a total of \$1,741,528;
- FACTOR provided \$395,954 for 336 domestic showcases, and \$299,297 for 181 international showcases.

OUR PROGRAMS

Industry Support

A strong domestic and international presence is essential to building a healthy Canadian independent sound recording industry.

The Business Development program is used by music companies to develop their infrastructure and brand, as well as help offset the general costs of artist development.

The Business Travel program is used to travel to the world's leading music conferences, such as MIDEM, South by Southwest and Canadian Music Week, as well as a slate of company-oriented travel activities associated with doing business in an international market.

Funding for this program is provided by Canada's private radio broadcasters and the Department of Canadian Heritage's Canada Music Fund's New Musical Works Component.

- FACTOR approved 299 applications and provided \$734,191 in support to help music entrepreneurs travel to trade shows, conferences and markets to increase the competitive appeal of Canadian music companies and their products domestically and internationally;
- \$653,444 was awarded to 71 Canadian music companies to help finance a wide range of corporate development initiatives.

Sponsorship

The Sponsorship program is intended to provide financial support for qualified conferences, showcases and events that contribute to the overall development of the Canadian music industry. Detailed proposals are considered by FACTOR Management and the Board of Directors on a case by case basis. FACTOR sponsors initiatives that positively promote the development of Canadian music and culture, provide public visibility for FACTOR and its funders, and maintain a strong focus on Canadian music and industry development. Financial contributions provided through this program are designed to support opportunities that do not meet the requirements of FACTOR's other programs.

Through this program, FACTOR supported 34 initiatives in the amount of \$298,810 in the 2012-2013 fiscal year.

Funding for this program is provided by Canada's private radio broadcasters.



MUSICNL

Since 1992, our partnership with FACTOR has been crucial in stimulating and facilitating a strong bond with the rest of Canada. The funding assistance we have received through the Collective Initiatives program has enabled us to host a world-class annual Music Week for our members on a consistent basis.

OUR PROGRAMS

Collective Initiatives

The Collective Initiatives Program helps create opportunities for Canadian artists and music entrepreneurs to gain greater profile at home and abroad, by supporting collective, multi-artist, and/or multi-party initiatives that engage various sectors of the Canadian music industry simultaneously. The program consists of four components: Music Conferences, Awards Shows and Educational Initiatives; Music Showcases for Canadian Artists from Official Language Minority Communities; Music Showcases for Export-Ready Canadian Artists; and Marketing of Canadian Music on Digital Platforms.

Funding for this program is provided by Canada's Private Radio Broadcasters and the Department of Canadian Heritage's Collective Initiatives Component of the Canada Music Fund.

Through this program, FACTOR provided \$2,919,971 to 103 applicants including:

- 41 Music Conferences, Awards Shows and Educational Initiatives for a total of \$1,387,801;
- 16 Music Showcases for Canadian Artists from Official Language Minority Communities for a total of \$390,320;
- \$381,768 was awarded for 26 Music Showcases for Export-Ready Canadian Artists;
- 20 initiatives that support the Marketing of Canadian Music on Digital Platforms for a total of \$760,082.

SPOTLIGHT ON DIGITAL MARKETING

Over the past decade, the shift to digital tools has changed the way music is created, experienced and marketed. Access to social media and online tools has allowed independent artists to build profiles and fan bases which rival those of the largest artists.

Recognizing this important industry shift, FACTOR worked with stakeholders to create the Digital Marketing Component of the Collective Initiatives program in the 2010-2011 fiscal year.

The Digital Marketing Component of the Collective Initiatives program is intended to fund projects that improve the accessibility of Canadian music on digital platforms, and to develop the infrastructure and capacity of Canadian digital music markets.

This Component focuses its funding in four areas that include digital tools that help artists commercialize, events that connect artists with music tech companies, initiatives that support production of high-quality digital marketing collateral and online hubs that promote the discovery and purchasing of records by Canadian artists.

Since its launch, FACTOR has offered \$1,775,845 in funding to 42 projects that have helped Canadian musicians take advantage of new and developing tools for marketing, including:

Canadian Music Centre: Data Integration & Web Redesign	popmontreal.com – Artist-Focused Upgrades
Canadian Association for the Advancement of Music: Digital Marketing Project	MUTEK Collection
canadianworldmusic.com	CCMA Fanhub Portal
Breakout West iPhone App	CMW – Social Music Summit 2013
Tourhub.ca	Atlantic Film Festival Music & Image Program 2013
Sweet Beaver Suite – Videography	2013 East Coast Music Week - Digital Marketing & Mobile App
Canadian Urban Music Directory	ProStudioMasters.com
MapleMusic .com	Public Records
Volu.me	SynCanadian
The Ultimate MC	Pinball Sessions
NXNE Database Development	polarisprize.ca Digital Marketing & Content Development
Forum on Digital Marketing – CMW 2011	Nudie’s House of Rock
Halifax Pop Explosion Digital App	Circles
Atlantic Film Festival Music & Image Program 2012	The Marcato Opportunity Network
Merchlar – Augmented Reality App Platform	NXNE – Videography & Streaming 2013
Manifesto – Listen	Weird Canada Store & Distribution Service
MegaMusic Canada	Sled Island Arts & Music Festival – App & Lineup Platform Development
Concert Sherpa	The Mu\$ic Biz
Le Projet Cardboardbox	Light Echo Presents: MUSE
Bedtracks	Field Trip Live at Revolution
CMW – Digital Music Summit 2012	
NXNE – Videography & Streaming 2012	



"FACTOR's support of the development of our merchandise management platform has allowed us to bring a level of sophistication to managing our clients' merchandise businesses that did not exist before."

Jonathan Achtman - The Cardboardbox Project



"The support from FACTOR is instrumental in promoting the Canadian hip hop artists in our app The Music Biz to a worldwide cyber audience. You rock FACTOR!!"

Sudz Sutherland - The Music Biz



"Thanks to FACTOR we are able to work with artists to create recordings, organize timing to best support the artist's promotional activities, and to partner with multiple organizations and festivals to crosspromote and support the building of new audiences."

Shawna Cooper - Dollartone/ Pinball Sessions



"FACTOR's investment in the Social Music Summit has enabled CMW to provide Canadian music companies, artists and SMEs with an unrivalled forum for education, interaction with leaders in the digital music and social media fields, and international business development."

Neill Dixon - CMW

THE CARDBOARDBOX PROJECT

The Digital Marketing Component has a number of specific goals, including supporting the creation of digital tools that help artists commercialize. The Cardboardbox Project is one FACTOR funded initiative that supports this goal. The Project creates a centralized, web-based hub to support merchandizing services for independent artists. Features such as cash-flow management and inventory analysis allow artists to make informed decisions about merchandise, and most importantly, get the stock they need when they need it. Already being adopted by major Canadian artists, this initiative truly takes advantage of the flexibility of the "anytime, anywhere" possibilities provided by online technology.

THE MUSIC BIZ

The Digital Marketing Component aims to support services and applications that create opportunities for the discovery and purchase of records by Canadian artists. One such application is The Music Biz, a mobile app game that features beats and personas of Canadian hip hop artists. The game charted at #1 in the "Freemium" apps category in the US iTunes store, and support from FACTOR allowed for further development of the app, licensing of additional music from Canadian artists such as Kardinal Offishall, Ian Kamau, Classified, Frank Dukes, BadBadNotGood, Rich Kidd, as well as further marketing outreach. With a 4.5 out of 5 star rating, this initiative will ensure Canadian hip hop artists reach new audiences.

PINBALL SESSIONS

The production of high-quality digital marketing collateral is essential to the success of independent artists, and the Digital Marketing Component ensures this is a goal of the program. Pinball Sessions is a FACTOR funded initiative that hosts curated, high-quality live sessions from emerging and established Canadian musicians. These sessions are marketed digitally on a regional, national and international scale in both video and audio formats and all sessions are made available to the artists for use in their own marketing. Pinball Sessions launched their full website on June 1, 2013 with over 60 sessions featuring emerging and mid-level career Canadian artists.

CMW SOCIAL MUSIC SUMMIT

The Digital Marketing Component recognizes the need for artists to understand and effectively use technology to support and market their careers, and aims to fund initiatives that support this goal. The CMW Social Music Summit is one such event. The Summit brings together over 600 music industry delegates and connects them to marketing professionals and members of the tech community through presenting 8 sessions with 35 speakers. The Summit included new products, idea pitches and presented partnership opportunities to delegates while exploring the future of music content on the social web. Funding this initiative helps to ensure that artists will have the tools they need to succeed digitally.

FACTOR IN THE COMMUNITY

During the 2012-2013 fiscal year, FACTOR attended 21 music industry events and had representatives on 14 panels, including:

Battle of the Beatmakers 2012

Music PEI Week 2013

Blues Summit Music Conference 2013

MUTEK DIGI_Section 2012

Breakout West 2012

NB Music Week 2012

Canadian Country Music Week 2012

North by Northeast 2012

Canadian Music Week 2013 - Music Summit

Northern Ontario Music & Film Awards 2012

East Coast Music Week 2012

Nova Scotia Music Week 2012

Halifax Pop Explosion Conference 2012

Ontario Council of Folk Festivals Conference 2012

It Starts with a DJ Conference 2012

Pop Montreal Symposium 2012

M for Montreal 2012

Sing! The Toronto Vocal Arts Festival 2012

Mundial Montreal 2012

So Much Things To Say x Fresh Arts 20 Summit 2012

Music NL Music Week 2012



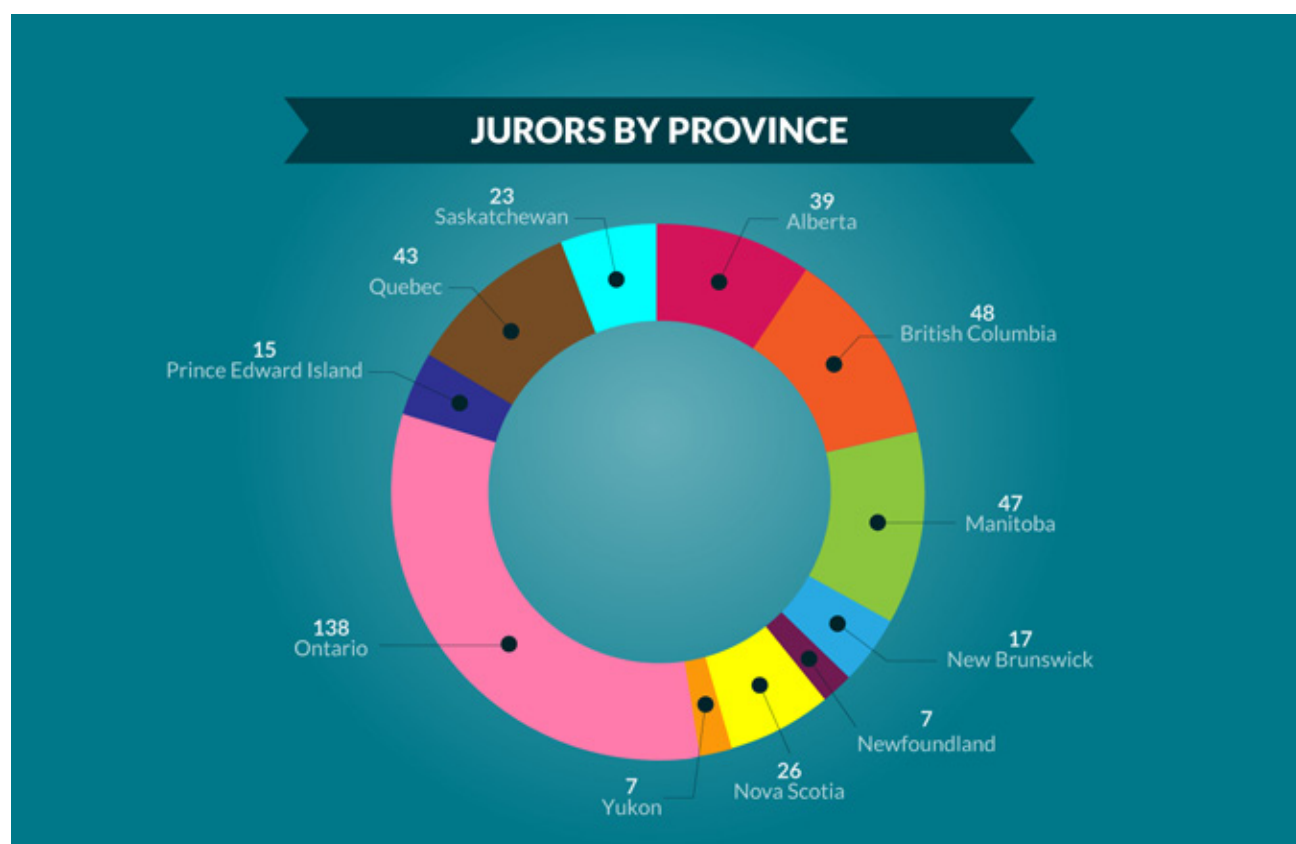
FUNDING PROCESS

Assessment of Applications

All applications received by FACTOR are first reviewed by a Submissions Coordinator to make sure that the activities and costs proposed in the application are eligible. Then, if the application is for a Juried Program, it is sent to a FACTOR Jury for assessment with final approval by the Board of Directors. Applications to non-juried programs were approved by the Board of Directors.

In some Programs (such as Collective Initiatives) the Board weighs the merit of the application against the goals and mandate of the Program, reviews the funding that is available in the program budget, and makes its funding recommendation accordingly. In other Programs (such as Tour & Showcase, Business Travel and Development, and Marketing and Promotion), the Board's recommendation is based solely on the availability of funding for that Program.

Juried Programs in 2012-2013 included the Demo & Commercially Released Single/EP Program, Juried Sound Recording Program and Emerging Artist Program. All other Programs were non-juried.



FUNDING PROCESS

Juries

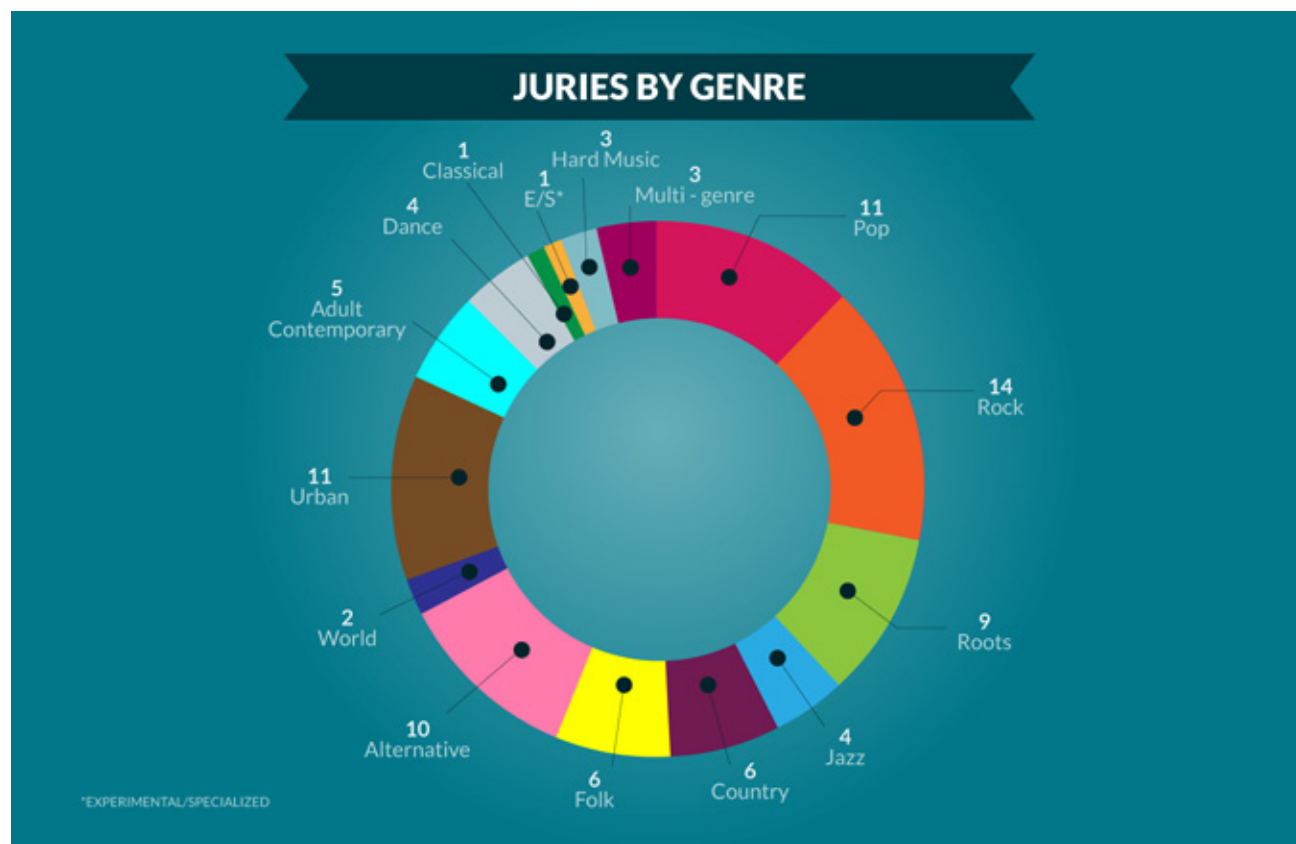
FACTOR jurors are members of the Canadian radio and music industries. Their knowledge, expertise, and ability to interpret the current music landscape in Canada qualify them to help FACTOR decide which applications are best suited for funding. The peer evaluation represented by the jury system ensures a fair and transparent process and promotes appropriate representation across all provinces and musical genres.

FACTOR Jurors are recruited from within the radio and music sectors and include artists, artist producers, artist managers, booking agents, promoters, record labels, publishers, publicists, radio DJs, etc. Canadian industry professionals are accredited based on the following criteria:

- They have a minimum of 5 years of music industry experience, and have been active in the industry within the last 2 years.
- They have a demonstrable ability to make an objective assessment of a project based on the music and documents provided.

Juries are conducted remotely via an online jury portal system. Each juror evaluates approximately 10-20 applications, depending on the complexity of the submissions. Jury sessions are moderated by a FACTOR staff member to ensure the process is procedurally correct.

During the 2012-2013 fiscal year, 1690 applications were assessed by 410 music and broadcasting professionals across the country.



FUNDING PROCESS

Our Jurors

Alberta

Aimee Hill
Allison Kwan
Amanda Gregoire
Ariane Mahryke Lemire
Bill Borgwardt
Bruno Fruscalzo
Cameron Noyes
Candace Elder
Cindy McLeod
Clinton Carew
Cori Brewster
Curtis MacDonald
Dan Davidson
Doug Organ
Erica Viegas
Gerry Hebert
Glen Erickson
Gregg Bolger
Irma MacPherson
Jason Troock
Kat Dornian
Kennedy Jenson
Kim Dinning
Kirby
Kodi Hutchinson
Krista Acheson
Lindsey Walker
Luka Symons
Maggie Tate
Malissa Dunphy
Manuela Wuthrich
Marty Ballentyne
Richard Korbly
Ruth Blakely
Sara Parker
Steve Dodd
Terry Tran
Vicky Rogers
Zachary Lober

British Columbia

Adam Hurstfield
Amanda Schweers
Carolyn Mill
Cathleen Lundgren
Christa Couture
Christian Aldred
Colette Chand
Dan Ball
Dan Sheinberg
Deb Beaton-Smith
Derek DiFilippo
Dinah Desrochers
Dylan Willows
Eli Wener
Jason Rouleau
Jen Temple
Jessica Coghill
Joelle May
John Shields
Josh Keller
Kaitie Sly
Kali Malinka
Karen Hood
Kate Wattie
Kyle Knapp
Lisa Stewart
Malcolm Levy
Marina Seretis
Mark Patric
Megan Bradfield
Michael Nowak
Mike Cashin
Mike Southworth
Nick Blasko
Nigel Berringer
Rob Pattee
Ron Irving
Ryan Mennie
Shairah
Shannon Luttmer
Shea Dahl

Shena Yoshida
Steve Kravac
Tamara Stanners
Tina Jones
Tom McKillip
Valley Hennell
Whitney Fox

Manitoba

Alana Levandoski
Alexis Kochan
Andy Cole
Bert Johnson
Bruce Leperre
Bucky Driedger
Casey Norman
Cassin Elliott
Chris Burke-Gaffney
Curtis Nowosad
Dave Parenteau
David Landreth
Don Amero
Dustin Harder
Dylan Hermiston
Florian Maier
Grant Paley
Jack Jonasson
Jason Smith
Jay Tooke
Jean-Guy Roy
Jeff Bromley
Jeff Presslaff
Jenny Henkelman
Jesse Green
Jodie Borle
Josee Vaillancourt
Karla McEwen
Kate Ferris
Keri Latimer
Lisa Saunders
Melissa Spence
Michael Elves

Michel Durand-Wood
Michelle Szeto
Mike Petkau Falk
Pat Carrabre
Rhonda Head
Rick Fenton
Romi Mayes
Rosalyn Dennett
Rusty Matyas
Shane Ward
Stu Anderson
TJ Blair
Tom Keenan
Tracy Bone

New Brunswick

Adam Gould
Chuck Teed
Colin McKay
Denis Arsenaault
Jim Kuehnel
John Knox
Katherine Moller
Larry Wayne Clark
Marc Xavier Le Blanc
Mark Marshall
Michael R. LeBlanc
Nathan Jones
Paul Goguen
Richard Hornsby
Rik Reese
Terry Parker
Terry Whalen

Newfoundland

Dean Stairs
Gerald Coleman
Jerry Stamp
Jonathan Marshall
Kathy Conway
Krisjan Leslie
Tom Cochrane

FUNDING PROCESS

Nova Scotia

Adam Lomas
Bruce Morel
Charles Hsuen
Daniel Heikalo
Don Chapman
Filbert Salton
Gillian Hillier
Heather Frantsi
Ian Sherwood
Jason MacIsaac
Jason Otis
Jeff Clairmont
Jen Clarke
Krista Keough
Kyle Cunjak
Matt Charlton
Meghan Scott
Melanie Stone
Mike McGuire
Myke Bulley
Nick Dugas
Pat Melanson
Paul Brown
Ross Burns
Serge Sloimovits
Wanda Rose Milne

Ontario

Adam Bix Berger
Adam Leon
Adam Sewell
Adam Sylvester
Al Campagnola
Alan Cross
Alanna Stuart Allan Mamaril
Alyssa Delbaere-Sawchuk
Amanda Martinez
Amanda Tosoff
Amanda Van Den Brock
Amie Therrien
Andrea Higgins
Andy Crosbie
Ange Sponchia
Anne-Marie Smith

Avi Diamond
Ben G
Ben Harrison
Benjamin Valiquette Kissell
Beth Moore
Blair Patton
Bob Wiseman
Brett Greene
Brian Columbus
Brian Hetherman
Brigitte Lebel
Bryan Columbus
Carrie Mullings
Cheryl Link
Chris McKhool
Chris Robinson
Chris Wardman
Christian Hurst
Crissi Cochrane
D. Jae Gold
Dan Hawie
David Cox
David Miskimins
David Yazbeck
Devi Ekanand
Doug Romanow
Duane Gibson
Dulce Barbosa
Eric Warner
Erin Kinghorn
Frank Chartrand
Greg McIntosh
Guillaume Decouflet
Heather Crane
Heather Kelly
Helen Britton
Ian Heath
Jackson Feist
James Ahola
Janine Stoll
Jason Richer
Jason Wellwood
Jean-Paul De Roover
Jean-Philippe Lavoie

Jeff Rogers
Jen Fox
Jennifer Hyland
Jerry Pergolesi
Jesse Capon
Jesse Steaman
Jesse Weeks
Jessica Buck
Jessica David
Jim Montgomery
Jon Bartlett
Jordan Safer
Kathrine Weiss
Kathryn Hummel
Kevin Lynn
Keziah Myers
Kim Logue
Kristy Cardinali
Larry Berrio
Laura Bates
Leah Hunter
Les Henderson
Lori Hirst
Lorraine Lawson
Mar Sellars
Mark Watson
Mary Ellen Gillespie
Matt Davis
Matt Foy
Matt Gauthier
Matt Lewis
Matthew Fisher
Maxwell Roach
Michael Gorman
Michael Greenwood
Michelle Lee
Mike Tanner
Nick Ferrio
Noah Campbell
Pat Silver
Paul Banwatt
Paul Hessey
Paula Danylevich
Peter Hum

Peter Katz
Peter Linseman
Phatt Al
Philip Hill
Phill Smith
Promise Shepherd
Rebecca Webster
Richard Fernandes
Rob Gallo
Robert Davis
Ron Korb
Ron Rogers
Rory Slater
Rose Slanic
Ryan Nolan
Sarah Norris
Sari Delmar
Scott Honsberger
Sean Perras
Shane Heath
Sheila Hash
Stefan Babcock
Steve Fernandez
Steve Kraus
Steven Foster
Thomas Quinlin
Tim Bruton
Tim Des Islets
Vanessa Azzoli
Vel Omazic
Vic Branco
Vince Aquilina
Vince Rice

Prince Edward Island

Charlie Hansen
Dan Rowsell
David Rashed
Gardiner MacNeill
Glen Strickey
Jeff Matheson
Laura Oakie
Lloyd Doyle

FUNDING PROCESS

Our Jurors

Matt Putnam
Nikkie Gallant
Nils Ling
Peter Richards
Rowan Fitzgerald
Shannon Pratt
Sue Urquhart

Quebec

Aaron Saloman
Adrian Carr
Adrien Doucette
Amber Goodwyn
Andrew Jubraj
Anita Maiezza
Anthony Ayotte
Caitlin Loney
Chris Wares
Christine Jensen
Colin MacKenzie
Dave Blake
David Thomas
Dustin Hawthorne
Dylan Kell-Kirkman
Empire ISIS
Erin Ross
Genevieve Cote
Gillian Nycum
Gino Olivieri
Heidi Fleming
Jared Leon
Jay Watts
Jessie Stein
John Drew Munro
Jonathan Weisz
Katie Sevigny
Kyria Kylakos
Marie-Catherine La Pointe
Mathieu-Gilles Lanciault
Matthew Hiscock
Matthew Large
Mischa Karam

Nadine Benny
Natalia Yanchak
Paul Galati
Ralph Alfonso
Roland Stringer
Ryhna Thompson
Sean Michaels
Sebatien Henault Blanchard
Simon Jutras
Tim Van De Ven

Saskatchewan

Alison Whelan
Amy Nelson
Andrew Brandt
Andrew Dawson Thomas
Carla MacEwan
Carol Cairns
Cathleen Lesperance
Dawn Woroniuk
Dayna Lozowchuk
Deborah Aitken
Elizabeth Curry
Gerald Reilly
Jeffrey Straker
John Antoniuk
Matt Wojnarowicz
Maureen Prairie
Rob Maguire
Shauna Powers
Shaynee Modien
Sheldon Evacheski
Susan Busse
Taron Cochrane
Trystan Meyers

Yukon

Anna Avery
Brenda Lee Katerenchuk
Conrad Gryba
Ewa Dembek
Lisa Ross

Matthew Sarty
Virginie Hamel

#FACTORfunded RECOGNITION

Canadian Awards

Between April 1, 2012 and March 31, 2013, artists who have received funding through one or more of FACTOR's programs received 97 major Canadian awards. Items in **boldface** indicate FACTOR funded the winning sound recording.

Aboriginal Peoples Choice Awards, November 1, 2012

Award	Artist	Album or Single (if applicable)
Best Folk Acoustic CD	Janet Panic	Samples
Best Flute CD	Dallas Arcand	Sacred Sweetgrass
Best Pop CD	Indian City	Supernation
Best Blues CD	Derek Miller	Derek Miller with Double Trouble
Aboriginal Songwriter of the Year	Tracy Bone	Woman of Red
Aboriginal Male Entertainer of the Year	Don Amero	

BreakOut West (Western Canadian Music Awards), September 30, 2012

Award	Artist	Album or Single (if applicable)
Aboriginal Recording of the Year	Indian City	Supernation
Contemporary Christian/Gospel Recording of the Year	Joal Kamps	Sojourner
Country Recording of the Year	Keith and Renee	Best Day
Independent Album of the Year	Dan Mangan	Oh Fortune
Instrumental Recording of the Year	The Fretless	Waterbound
Jazz Recording of the Year	Jill Barber	Mischievous Moon
Pop Recording of the Year	Carly Rae Jepsen	Curiosity
Rap/Hip-Hop Recording of the Year	Swollen Members	Daggermouth
Rock Recording of the Year	Dan Mangan	Oh Fortune
Roots Duo/Group Recording of the Year	The Deep Dark Woods	The Place I Left Behind
Roots Solo Recording of the Year	Sarah MacDougall	The Greatest Ones Alive
Songwriter(s) of the Year	Dan Mangan	Post-War Blues
Urban Recording of the Year	Flo	Pieces Of Me
World Recording of the Year	Marco Castillo	Trip To Brazil

#FACTORfunded RECOGNITION

Canadian Country Music Awards, September 9, 2012

Award	Artist	Album or Single (if applicable)
Single Of The Year	Jason Blaine	They Don't Make Em' Like That Anymore
Female Artist of the Year	Carolyn Dawn Johnson	
Roots Artist or Group of the Year	Jimmy Rankin	
Group or Duo of the Year	Hey Romeo	
CMT Video of the Year:	The Stellas	In This House
Rising Star Award	Kira Isabella	
Songwriter(s) of the Year	Gord Bamford/Roger Brown/Byron Hill	Is It Friday Yet?
Interactive Artist or Group of the Year	Gord Bamford	

Canadian Folk Music Awards, November 17, 2012

Award	Artist	Album or Single (if applicable)
Traditional Album of the Year	Metis Fiddler Quartet	Northwest Voyage Nord Ouest
Contemporary Album of the Year	The Deep Dark Woods	The Place I Left Behind
Contemporary Singer of the Year	Rose Cousins	We Have Made A Spark
Instrumental Solo Artist of the Year	Trent Freeman	Rock Paper Scissors
Instrumental Group of the Year	The Fretless	Waterbound
English Songwriter of the Year	Catherine MacLellan	Silhouette
Vocal Group of the Year	The Once	Row Upon Row of The People They Know
Ensemble of the Year	The Fretless	Waterbound
Solo Artist of the Year	Michael Jerome Browne	The Road Is Dark
World Group of the Year	Sultans of String	MOVE
Young Performer of the Year	Lucas Chaisson	Growing Pains

Canadian Radio Music Awards, March 20, 2013

Award	Artist	Album or Single (if applicable)
Best New Group or Solo Artist (ROCK)	Monster Truck	
Best New Group or Solo Artist (DANCE/URBAN/RHYTHMIC)	Tegan & Sara	
Sennheiser Chart Topper Award	Carly Rae Jepsen	
SOCAN Song of the Year	Carly-Rae Jepsen, Tavish Crowe, Josh Ramsay	Call Me Maybe
Fan's Choice Award	Marianas Trench	
Heatseeker Award	Serena Ryder	

#FACTORfunded RECOGNITION

East Coast Music Awards, April 14, 2013

Award	Artist	Album or Single (if applicable)
Album of the Year	Matt Mays	Coyote
Blues Recording of the Year	Charlie A'Court	Triumph & Disaster
Children's Recording of the Year	Donna & Andy	La vie pour moi
Electronic Recording of the Year	English Words	Red Potion
The Chronicle Herald Fan's Choice Video of the Year	George Canyon	Saddle Up
Folk Recording of the Year	Rose Cousins	We Have Made A Spark
Jazz Recording of the Year	Joel Miller	Swim
R&B/Soul Recording of the Year	Charlie A'Court	Triumph & Disaster
Rising Star Recording of the Year	Ben Caplan	In the Time of the Great Remembering
Rock Recording of the Year	Joel Plaskett Emergency	Scrappy Happiness
Roots/Traditional Group Recording of the Year	The Once	Row Upon Row of the People They Know
Roots/Traditional Solo Recording of the Year	Tim Chaisson	The Other Side
Solo Recording of the Year	Rose Cousins	We Have Made A Spark
Song of the Year	Dave Gunning	These Hands
Songwriter of the Year	Rose Cousins	Go First
World Recording of the Year	Gypsophilia	Constellation

Indie Awards, March 23, 2013

Award	Artist	Album or Single (if applicable)
Album of the Year	Japandroids	Celebration Rock
Single of the Year	Carly Rae Jepsen	Call Me Maybe
Group of the Year	Metric	
Artist of the Year	Carly Rae Jepsen	
Female Artist of the Year	Cold Specks	
Male Artist of the Year	Matt Mays	
Video of the Year	Marianas Trench	Fallout
Must Follow Artist of the Year	Said The Whale	
Most Played Artist of the Year	Carly Rae Jepsen	
Best-Selling Independent Release of the Year	Metric	Synthetica
Alternative Artist or Group of the Year	Yukon Blonde	
Blues Artist or Group of the Year	The Harpoonist and the Axe Murderer	
Children's Artist/Group or Duo of the Year	Jennifer Gasoi	
Country Artist or Group of the Year	Dallas Smith	
Dance Artist or Group of the Year	Massari	
Electronic Artist or Group of the Year	Grimes	
Jazz Artist or Group of the Year	Emilie-Claire Barlow	
Pop Artist or Group of the Year	Marianas Trench	
Punk/Hardcore Artist or Group of the Year	METZ	
Rap/Hip-Hop Artist or Group of the Year	Cadence Weapon	
Rock Artist or Group of the Year	Big Wreck	
SiriusXM Emerging Artist of the Year	Poor Young Things	

#FACTORfunded RECOGNITION

JUNO Awards, April 21, 2013

Award	Artist	Album or Single (if applicable)
Single of the Year	Carly Rae Jepsen	Call Me Maybe
Album of the Year	Carly Rae Jepsen	Kiss
Group of the Year	Marianas Trench	
Breakthrough Group of the Year	Monster Truck	
Adult Alternative Album of the Year	Serena Ryder	Harmony
Alternative Album of the Year	Metric	Synthetica
Pop Album of the Year	Carly Rae Jepsen	Kiss
Vocal Jazz Album of the Year	Emilie-Claire Barlow	Seule ce Soir
Rap Recording of the Year	Classified	Inner Ninja ft. David Myles
Aboriginal Album of the Year	Crystal Shawanda	Just Like You
Roots & Traditional Album of the Year: Solo	Rose Cousins	We Have Made A Spark
Blues Album of the Year	Steve Strongman	A Natural Fact
Contemporary Christian/Gospel Album of the Year	The City Harmonic	I Have A Dream (It Feels Like Home)
Electronic Album of the Year	Grimes	Visions

Polaris Music Prize, September 24, 2012

Award	Artist	Album or Single (if applicable)
Polaris Music Prize	Feist	Metals

#FACTORfunded RECOGNITION

Canadian Certifications

In the past seven years, 81 artists who have received funding through one or more of FACTOR's programs received 163 certifications by Music Canada. These certifications are based on number of units sold on the following scale:

Certifications	Units Sold	Units Sold	Digital Downloads
	(releases before May 1, 2008)	(releases after May 1, 2008)	
Gold	50,000	40,000	5,000
Platinum	100,000	80,000	10,000
Double Platinum	200,000	160,000	20,000
Triple Platinum	300,000	240,000	30,000
Diamond	1,000,000	800,000	100,000

Artist	Album/Single Title	Certification	Year
The Sheepdogs	The Sheepdogs	Gold Album(s)	2013
Serena Ryder	Harmony	Gold Album(s)	2013
The Sheepdogs	Learn & Burn	Platinum Album(s)	2013
The Sheepdogs	"I Don't Know"	Gold Digital Download	2013
Fefe Dobson	"Ghost"	Platinum Digital Download	2013
Fefe Dobson	"Stuttering"	Platinum Digital Download	2013
Marianas Trench	"Desperate Measures"	Platinum Digital Download	2013
Massari	"Brand New Day"	Gold Digital Download	2013
Jesse LaBelle	"Heartbreak Coverup"	Gold Digital Download	2013
Serena Ryder	"Stompa"	Gold Digital Download	2013
Marianas Trench	Ever After	Platinum Album(s)	2012
Carly Rae Jepsen	Kiss	Gold Album(s)	2012
Shawn Desman	"Nobody Does It Like You"	Gold Digital Download	2012
Carly Rae Jepsen	"Call Me Maybe"	Seven Times Platinum Digital	2012
Adam Cohen	Like A Man	Gold Album(s)	2012
Great Big Sea	XX	Gold Album(s)	2012
Broken Social Scene	Broken Social Scene	Gold Album(s)	2012
JRDN	"Like Magic"	Gold Digital Download	2012
Carly Rae Jepsen	"Curiosity"	Gold Digital Download	2012
Nickelback	"Lullaby"	Gold Digital Download	2012
Joel Plaskett	Make A Little Noise	Gold DVD	2012
Jesse Cook	Frontiers	Gold Album(s)	2012
Jesse Cook	The Rumba Foundation	Gold Album(s)	2012
Dru	"She Can Ride"	Gold Digital Download	2012
Patrick Watson	Adventures in Your Own Backyard	Gold Album(s)	2012
Lights	Siberia	Gold Album(s)	2012

#FACTORfunded RECOGNITION

Artist	Album/Single Title	Certification	Year
These Kids Wear Crowns	"I Wanna Dance With Somebody"	Gold Digital Download	2012
Mia Martina	"Burning"	Gold Digital Download	2012
Shawn Desman	"Night Like This"	Platinum Digital Download	2012
Danny Fernandes	"Hit Me Up"	Platinum Digital Download	2012
Walk Off The Earth	"Somebody That I Used to Know"	Platinum Digital Download	2012
Down With Webster	"She's Dope"	Platinum Digital Download	2012
Marianas Trench	"Fall Out"	Gold	2012
Patrick Watson	"Wooden Arms"	Gold	2012
Serena Ryder	"Weak in the Knees"	Gold Digital Download	2012
Alyssa Reid	"Alone Again"	Gold (Digital)	2011
Beast	Beast	Gold	2011
City & Colour	"Little Hell"	Gold Album	2011
City & Colour	"Little Hell"	Platinum Album	2011
Classified	"That Ain't Classy"	Gold Digital Download	2011
Down With Webster	"Whoa Is Me"	Platinum (Digital)	2011
Ian Kelly	Speak Your Mind	Gold	2011
Marianas Trench	"Good to You"	Gold Digital Download	2011
Marianas Trench	"Haven't Had Enough"	Gold Digital Download	2011
Marianas Trench	"Haven't Had Enough"	Platinum Digital Download	2011
Marianas Trench	"Ever After"	Gold	2011
Mia Martina	"Latin Moon"	Gold Digital Download	2011
My Darkest Days	"Porn Star Dancing"	Gold (Digital)	2011
Shawn Desman	"Shiver"	Gold (Digital)	2011
Shawn Desman	"Night Like This"	Gold (Digital)	2011
Shawn Desman	"Electric"	Gold (Digital)	2011
Susie Arioli	"Christmas Dreaming"	Gold	2011
Blue Rodeo	The Things We Left Behind	Platinum	2010
Bobby Bazini	Better In Time	Platinum	2010
Carly Rae Jepsen	"Bucket"	Gold (Digital)	2010
Classified	"Oh... Canada"	Platinum (Digital)	2010
Colin James	Then Again	Platinum	2010
Down With Webster	Time to Win, Vol. 1	Gold	2010
Down With Webster	"Rich Girl\$"	Platinum (Digital)	2010
Down With Webster	"Your Man"	Platinum (Digital)	2010
Faber Drive	"Give Him Up"	Platinum (Digital)	2010
Johnny Reid	A Place Called Love	Double Platinum	2010
k.d. lang	Recollection	Platinum	2010
Kardinal Offishall	"Dangerous"	Triple Platinum (Digital)	2010
Kardinal Offishall	"Numba 1 (Tide Is High)"	Gold (Digital)	2010
Kardinal Offishall	"Body Bounce Ft. Akon"	Gold (Digital)	2010
K'Naan	"Wavin' Flag"	Triple Platinum (Digital)	2010
Lights	The Listening	Gold	2010

#FACTORfunded RECOGNITION

Artist	Album/Single Title	Certification	Year
Marianas Trench	"Beside You"	Platinum (Digital)	2010
Marianas Trench	"Cross My Heart"	Double Platinum (Digital)	2010
Marianas Trench	"All To Myself"	Double Platinum (Digital)	2010
Marianas Trench	"Beside You"	Platinum (Digital)	2010
Marianas Trench	Masterpiece Theatre	Platinum	2010
Marianas Trench	"Celebrity Status"	Gold (Digital)	2010
Nickelback	Curb	Gold	2010
Nickelback	All The Right Reasons	Septuple Platinum	2010
Nickelback	The Long Road	Quintuple Platinum	2010
Nickelback	Dark Horse	Sextuple Platinum	2010
Nikki Yanofsky	"I Believe"	Platinum (Digital)	2010
Nikki Yanofsky	Nikki	Gold	2010
Patrick Watson	Wooden Arms	Gold	2010
Roch Voisine	Americana	Gold	2010
State Of Shock	"Best I Ever Had"	Platinum (Digital)	2010
State Of Shock	"Too Petty"	Gold (Digital)	2010
Stereos	Stereos	Gold	2010
Stereos	"Thow Ya Hands up"	Double Platinum (Digital)	2010
Stereos	"Turn It Up"	Platinum (Digital)	2010
Tegan and Sara	Sainthood	Gold	2010
The Canadian Tenors	The Canadian Tenors	Platinum	2010
The Canadian Tenors	The Perfect Gift	Platinum	2010
The Trews	"Hold Me In Your Arms"	Gold (Digital)	2010
Alexisonfire	Old Crows, Young Cardinals	Gold	2009
Bif Naked	I Bificus	Platinum	2009
Billy Talent	Billy Talent III	Platinum	2009
Blue Rodeo	"The Things We Left Behind"	Platinum (Digital)	2009
Carly Rae Jepsen	"Tug of War"	Gold (Digital)	2009
City & Colour	"Sleeping Sickness"	Gold (Digital)	2009
Danny Fernandes	"Fantasy"	Gold (Digital)	2009
Danny Fernandes	"Private Dancer"	Gold (Digital)	2009
Faber Drive	"Tongue Tied"	Gold (Digital)	2009
Faber Drive	"When I'm With You"	Gold (Digital)	2009
Faber Drive	"G-Get Up And Dance"	Platinum (Digital)	2009
Joel Plaskett	Three	Gold	2009
Johnny Reid	Dance With Me	Platinum	2009
Johnny Reid	Christmas	Platinum	2009
Marianas Trench	"Shake Tramp"	Gold (Digital)	2009
Metric	Fanatasies	Platinum	2009
Metric	Live It Out	Platinum	2009
Nadja	Nadja	Gold	2009
Nickelback	All The Right Reasons	Septuple Platinum	2009

#FACTORfunded RECOGNITION

Artist	Album/Single Title	Certification	Year
Richard Abel	25 ans de musique	Gold	2009
Rush	Snakes and Arrows Live	Gold (Digital)	2009
Sarah McLachlan	Rarities, B-Sides & Other Stuff Vol. 2	Triple Platinum	2009
Sarah McLachlan	Remixes	Platinum	2009
Serena Ryder	Is It OK	Gold	2009
Tegan and Sara	So Jealous	Gold	2009
Tegan and Sara	The Con	Gold	2009
The Canadian Tenors	The Canadian Tenors	Gold	2009
The Midway State	"Never Again"	Gold (Digital)	2009
The Tragically Hip	We Are the Same	Platinum	2009
Theory of a Deadman	Scars and Souvenirs	Platinum	2009
Bedouin Soundclash	Street Gospels	Gold	2008
Broken Social Scene	You Forgot It In People	Gold	2008
City & Colour	Bring Me Your Love	Gold	2008
Feist	The Reminder	Double Platinum	2008
Great Big Sea	Fortune's Favour	Gold	2008
Illscarlett	All Day With It	Gold	2008
Johnny Reid	Born To Roll	Gold	2008
Johnny Reid	Kicking Stones	Platinum	2008
Jully Black	Revival	Gold	2008
k.d. lang	Watershed	Gold	2008
Lights	"Drive My Soul"	Gold (Digital)	2008
Lowest Of The Low	Shakespeare My Butt...	Gold	2008
Matthew Good Band	Hospital Music	Gold	2008
Sam Roberts	Love At The End Of The World	Gold	2008
State Of Shock	"Best I Ever Had"	Gold (Digital)	2008
State Of Shock	"Money Honey"	Platinum (Digital)	2008
Sum 41	Underclass Hero	Gold	2008
Alexisonfire	Crisis	Platinum	2007
Alexisonfire	Watchout	Platinum	2007
Arcade Fire	Neon Bible	Gold	2007
Bedouin Soundclash	Sounding A Mosaic	Platinum	2007
Belly	The Revolution	Gold	2007
Billy Talent	Billy Talent	Triple Platinum	2007
Billy Talent	Billy Talent II	Double Platinum	2007
Blue Rodeo	Small Miracles	Gold	2007
Daniel Powter	Daniel Powter	Gold	2007
Feist	Let It Die	Platinum	2007
Jim Cuddy	The Light That Guides You Home	Gold	2007
k-os	Sunday Morning	Gold	2007
Loreena McKennitt	An Ancient Muse	Platinum	2007
Matthew Good Band	In a Coma	Gold	2007

#FACTORfunded RECOGNITION

Artist	Album/Single Title	Certification	Year
Matthew Good Band	In a Coma	Gold	2007
Neverending White Lights	Neverending White Lights	Gold (Digital)	2007
Nicola Ciccone	Nous Serons Six Milliards	Gold	2007
Pascale Picard	Me, Myself and Us	Platinum	2007
Patrick Watson	Close To Paradise	Gold	2007
Rush	Snakes and Arrows	Gold	2007
Sarah McLachlan	Wintersong	Double Platinum	2007
Serena Ryder	If Your Memory Serves You Well	Gold	2007
The Tragically Hip	Fully Completely	Diamond	2007
The Tragically Hip	Hipeponymous	Platinum	2007
The Tragically Hip	Yer Favorites	Double Platinum	2007

OUR BOARD OF DIRECTORS

The FACTOR Board of Directors is comprised of a volunteer group of 11 individuals, six from the music industry and five from Canada's private radio broadcasters.

Under the current by-laws there are eight members of the organization, controlling eight appointed seats on the Board:

- Corus Entertainment Inc. with 1 seat
- Bell Media Inc. with 1 seat
- Rogers Communications Inc. with 1 seat
- Astral Media with 1 seat
- Canadian Independent Music Association (CIMA) with 2 seats
- Canadian Music Publishers Association (CMPA) with 1 seat
- Music Managers Forum with 1 seat

Three seats are reserved for independently elected members. Of these three seats:

- One seat is reserved for a representative from radio broadcasting;
- One seat is reserved for a representative from the independent music industry; and
- One seat can be held by any independent representative who is not in radio broadcasting. This last seat is traditionally held by a professional musician.

Elected Board members must be nominated by the Nominating Committee of the Board.

Board members are limited to a two year term to serve on the Board and can serve a maximum of three terms. This by-law was adopted in 2007 to ensure Board rotation.

FACTOR has a Director Emeritus, Duff Roman, who is also the founding President of the organization. He has remained an active supporter and builder of FACTOR throughout its history and the Board and Staff of FACTOR are honoured to have an individual of his expertise and experience providing on-going guidance. He has also ensured there is an historical memory available to new Board members.

FACTOR also has a provision for an Observer to attend meetings of the Board of Directors. The Observer does not have voting privileges and provides input as required. Currently our observer represents FACTOR's National Advisory Board.

OUR BOARD OF DIRECTORS



Susan Wheeler
Chair
Rogers Communications
VP, Regulatory Media

Rogers Appointee



Lenore Gibson
Secretary
Senior Counsel, Regulatory Affairs
Bell Media Inc.

Bell Appointee



Lloyd Nishimura
President
Outside Music

Elected Member – Music Industry



Rick Arnish
Chairman
Jim Pattison Broadcast Group

Elected Member – Radio Industry



Chris Pandoff
President
CORUS Radio

Corus Appointee



Steve Parsons
National Content Manager
Astral Media Radio Inc.

Astral Appointee



Mark Jowett
VP International A&R/Publishing,
Nettwerk Music Group

CMPA Appointee



Jeffrey Remedios
Vice-Chair
President
Arts & Crafts

CIMA Appointee



Grant Dexter
Treasurer
President/CEO
MapleCore

CIMA Appointee

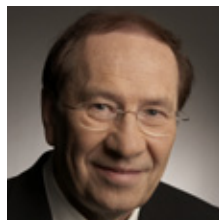


Robert Lanni
Co-President
Coalition Music

MMF Appointee



Stephen Carroll
Artist Manager / Guitarist
The Weakerthans
**Elected Member – Music
Industry/professional musicians**



Duff Roman
President & CEO
Duff Roman Media Inc.

Director Emeritus



Sara Stasiuk
Chair
FACTOR National Advisory Board

Observer

OUR TEAM

In 2012-2013 FACTOR employed 16 full-time and one part-time staff member in five departments:

Duncan McKie, **President**

Operations

- Allison Outhit, Vice President of Operations
- Phil Gumbley, Director of Operations
- Derek Wilson, Office Coordinator

Communications

- Jacquelyn Brioux, Communications and Stakeholder Relations Officer

Accounting

- Marina Anianova, Accounting Manager

Submissions Department

- Brent Bain, Manager
- Christina Cassaro, Coordinator
- Jessica George, Coordinator
- Lorie Guillemet, Coordinator
- Erin Kiyonaga, Coordinator
- Tim Jones, Coordinator

Funded Projects Department

- Greg Van Bastelaar, Manager
- Beth Hamill, Senior Program Administrator
- Eryka Nilsen, Administrator
- Lindsey Van de Keere, Administrator
- Angela Kozak, Clerk

OUR REGIONAL REPRESENTATIVES

The National Advisory Board (NAB) of FACTOR was established in 1992 as a means of bringing together the nation's regional industry associations to discuss industry trends and the effectiveness of FACTOR's engagement at the provincial/territorial level. In 2006, the NAB was expanded to include the Music Managers Forum, the Canadian Music Publishers Association, and the Canadian Independent Music Association.

The NAB's purpose is two-fold: to assist FACTOR in developing policies and procedures that remain responsive to the Canadian independent music industry on a national level, and to act as a regional resource for FACTOR's programs to applicants throughout the country.

FACTOR meets formally with the NAB on an annual basis, and informally on a consultative basis throughout the year.

In addition to the NAB, FACTOR maintains 10 Regional Education Coordinators across the country. With the exception of Quebec, each of the RECs is associated with a regional Music Industry Association. RECs are engaged in providing consultation about FACTOR and its programs to local artists and music entrepreneurs, by running local workshops and seminars, and consulting on a one-to-one basis. RECs also recruit and train local jury members.

National Advisory Board (NAB)



Regional Education Coordinators (REC)

Shevaughn Battle, Montreal, QC

Rachel Stone, Winnipeg, MB

Carly Klassen, Edmonton, AB

Jennifer Winsor, St. John's, NL

Laura Simpson, Halifax, NS

Savannah Wellman, Vancouver, BC

Kate Weekes, Whitehorse, YT

Jennifer McKerral, Sudbury, ON

Kate Gracey-Stewart, Charlottetown, PE

Derek Bachman, Saskatoon, SK

Jean Surette, Moncton, NB

REQUESTS AND COMMITMENTS BY PROGRAM

2012 - 2013

	Submitted Applications		Approved Applications		
	Apps Submitted	Amount Requested	Apps Approved	Amount Requested	Amount Offered
Sound Recordings					
Direct Board Approval Sound Recording	145	2,341,945	116	1,878,034	1,596,068
Emerging Artist Sound Recording	75	1,337,900	43	895,629	834,278
FACTOR Loan	180	2,579,080	57	858,931	831,398
Independent Loan	504	4,942,380	74	777,036	722,205
Demo & Commercially Released Single/EP	956	1,508,990	215	327,159	314,760
Marketing & Promotion					
Marketing & Promotion for FACTOR-Funded					
Sound Recordings	285	6,685,828	218	5,199,277	4,985,487
Marketing and Promotion for Non-FACTOR					
Supported Sound Recordings	23	417,125	12	227,721	221,329
Video	93	1,018,394	42	463,242	412,473
Touring & Showcasing					
Tour (Domestic)	92	990,837	49	523,759	455,543
Tour (International)	151	2,118,827	111	1,567,841	1,285,985
Showcase (Domestic)	436	584,682	336	442,299	395,954
Showcase (International)	263	484,769	181	337,493	299,297
Industry Support					
Business Travel	350	1,024,978	299	899,625	734,191
Business Development	81	1,480,828	71	1,229,956	653,444
Collective Initiatives					
Music Conferences and Award Shows	52	2,791,618	41	2,387,439	1,387,801
Music Showcases for Canadian Artists from					
Official Language Minority Communities	18	534,663	16	499,900	390,320
Music Showcases for the Development of					
Export-Ready Canadian Artists	29	640,665	26	571,079	381,768
Marketing of Canadian Music on Digital Platforms	30	1,398,852	20	919,477	760,082
Songwriter Workshop					
	57	40,413	29	20,600	19,836
Sponsorship					
	34	370,757	34	370,757	298,810
Total	3854	33,293,531	1986	20,397,254	16,974,029
% of applications approved			52%	51%	

REQUESTS AND COMMITMENTS BY PROGRAM

2011 - 2012

	Submitted Applications		Approved Applications		
	Apps Submitted	Amount Requested	Apps Approved	Amount Requested	Amount Offered
Sound Recordings					
Direct Board Approval Sound Recording	116	2,177,062	103	1,916,203	1,721,796
Emerging Artist Sound Recording	102	2,263,429	45	1,203,949	1,084,424
FACTOR Loan	203	4,381,439	33	759,449	608,628
Independent Loan	643	8,559,595	50	703,903	558,663
Demo and Commercially Released Single/EP	969	1,415,874	265	388,429	360,740
Marketing & Promotion					
Marketing & Promotion for FACTOR-Funded					
Sound Recordings	222	4,977,628	202	4,502,327	4,064,724
Marketing and Promotion for Non-FACTOR					
Supported Sound Recordings	38	623,940	19	352,286	310,642
Video	79	877,019	43	522,099	405,783
Touring & Showcasing					
Tour (Domestic)	106	2,212,250	66	1,185,391	722,639
Tour (International)	182	3,978,186	130	2,209,434	1,785,198
Showcase (Domestic)	295	937,516	194	620,435	362,016
Showcase (International)	250	1,357,253	148	818,857	493,774
Industry Support					
Business Travel	314	1,157,549	253	818,857	723,675
Business Development	69	976,232	47	677,960	606,550
Collective Initiatives					
Music Conferences and Award Shows	75	4,054,769	31	2,501,924	1,462,117
Music Showcases for Canadian Artists from					
Official Language Minority Communities	65	754,698	60	644,793	448,551
Music Showcases for the Development of					
Export-Ready Canadian Artists	39	897,804	20	513,310	289,684
Marketing of Canadian Music on Digital Platforms	36	1,702,829	16	831,038	547,038
Songwriter Workshop	50	36,780	33	22,173	21,677
Sponsorship	28	268,293	28	241,618	253,293
Total	3881	43,610,145	1783	2,1625,360	16,831,612
% of applications approved			46%		

APPLICATIONS SUBMITTED AND APPROVED BY PROVINCE

	2012 - 2013				2011 - 2012			
	Apps Submitted	Amount Requested	Apps Approved	Amount Offered	Apps Submitted	Amount Requested	Apps Approved	Amount Offered
Alberta	165	1,130,963	83	472,209	154	1,542,822	65	448,571
British Columbia	582	4,051,358	282	2,010,339	607	5,978,055	266	2,138,156
Manitoba	191	1,399,331	116	588,101	170	1,500,682	82	552,929
New Brunswick	42	294,940	22	118,983	30	213,286	14	70,512
Newfoundland & Labrador	21	81,698	12	45,385	29	246,396	16	81,625
Nova Scotia	160	1,456,844	82	754,230	173	1,280,204	95	675,493
Ontario	2,026	19,147,787	1,029	10,012,899	2,046	24,575,114	886	9,174,929
Prince Edward Island	35	237,836	24	170,966	28	449,579	16	222,808
Quebec	537	4,882,270	300	2,560,684	543	6,831,359	298	3,093,978
Saskatchewan	59	275,652	24	123,733	78	685,708	30	212,059
Territories	27	183,852	6	27,525	14	94,481	6	17,837
United States**	9	151,000	6	88,975	9	212,459	8	140,685
Total	3854	33,293,531	1986	16,974,029	3881	43,610,145	1782	16,831,612
% of applications approved			52%	51%			46%	39%

** Canadian citizens living outside of Canada are eligible to apply for FACTOR funding, but must spend any funding awarded on Canadian expenses except in restricted circumstances.

APPLICATIONS SUBMITTED AND APPROVED BY MUSICAL GENRE

	2012 - 2013				2011 - 2012			
	Apps Submitted	Amount Requested	Apps Approved	Amount Offered	Apps Submitted	Amount Requested	Apps Approved	Amount Offered
Aboriginal	23	236,766	10	116,222	24	235,046	8	67,789
Adult Contemporary	121	869,340	37	319,555	177	1,786,855	48	553,042
Alternative	405	3,227,441	206	1,855,173	432	4,393,563	192	1,722,374
Blues	29	259,864	12	132,487	-	-	-	-
Children's	23	209,753	7	60,185	23	253,570	9	65,533
Christian Rock	5	6,550	2	2,300	-	-	-	-
Classical	35	422,414	14	164,307	53	668,118	34	379,224
Country	200	1,521,913	87	649,962	207	2,324,924	74	750,546
Dance	139	1,028,217	57	444,634	76	746,314	30	277,759
Electronica	19	120,434	3	53,033	-	-	-	-
Experimental	14	136,521	6	38,691	-	-	-	-
Folk	319	2,090,540	195	1,335,285	-	-	-	-
Hard Rock	3	4,470	0	0	-	-	-	-
Heavy Metal	58	549,594	23	200,893	57	668,898	17	160,666
Hip Hop	18	74,812	2	3,000	-	-	-	-
Jazz	138	1,312,049	61	632,987	127	1,439,396	50	576,180
Popular	415	3,267,194	174	1,565,062	506	5,696,923	207	2,029,542
Punk	3	53,413	0	0	-	-	-	-
Reggae	23	191,348	9	77,189	29	270,265	9	53,746
Rock	540	4,066,099	240	2,051,277	593	6,284,416	251	2,388,949
Roots	257	1,757,942	130	941,436	494	4,310,315	254	1,807,767
Soul/R&B	6	8,833	1	1,500	-	-	-	-
Specialized	8	78,975	2	31,050	-	-	-	-
Urban	354	2,960,064	143	1,418,680	360	3,860,134	126	1,526,480
World	66	606,211	30	309,868	90	1,001,319	29	226,932
Total	3221	25,060,757	1451	12,404,776	3248	33,940,056	1338	12,586,529
% of applications approved			46%	50%			41%	37%

Note: To best adjudicate sound recording files received in 2012-2013, FACTOR expanded genre classifications. Genres not represented in previous years were rolled into a broader category. The above genre numbers are for programs associated with sound recording and marketing activities.

CONTRIBUTING RADIO BROADCASTERS

ASTRAL

CJOT-FM
CHHR-FM
CIBX-FM
CFXY-FM
CKHJ-FM
CJCJ-FM
CKBC-FM
CKTY-FM
CKTO-FM
CIKX-FM
CHVR-FM
CKOC-FM
CHAM-FM
CKLH-FM
CJBK-AM
CJBX-FM
CKSL-AM
CIQM-FM
CKTB-AM
CHTZ-FM
CHRE-FM
CFRB-AM
CKFM-FM
CHBM-FM
CKXA-FM
CKX-FM
CKMM-FM
CFQX-FM
CFRN-FM
CFBR-FM
CFMG-FM
CKMX-AM
CJAY-FM
CIBK-FM
CKFR-AM
CHSU-FM
CILK-FM
CJAT-FM
CKKC-FM
CICF-FM
CKOR-AM
CJOR-AM
CHOR-FM
CJMG-FM
CKXR-FM
CKGR-AM
CKCR-FM
CJDC-AM
CKNL-FM
CHRX-FM
CKRX-FM
CKTK-FM
CHTK-AM
CFTK-AM
CJFW-FM
CISL-AM
CKZZ-FM

BLACKBURN

CHYR-FM
CJSP-FM
CJWF-FM
CHOK-FM
CHKS-FM
CFGX-FM
CIBU-FM
CKNX-FM
CKUE-FM
CFCO-FM

CKSY-FM
CKLO-FM

CORUS

CFGQ-FM
CFPL-FM
CILQ-FM
CJOB-AM
CKNW-AM
CFHK-FM
CFPL-FM
CIMJ-FM
CJOY-AM
CKRU-FM
CFLG-FM
CHAY-FM
CING-FM
CJSS-FM
CKRY-FM
CFMI-FM
CHED-AM
CIQB-FM
CJXY-FM
CKWF-FM
CFMJ-AM
CHMJ-AM
CISN-FM
CKBT-FM
CKWS-FM
CFMK-FM
CHML-AM
CJDV-FM
CKCB-FM
CFNY-FM
CHQR-AM
CJGV-FM
CKDK-FM
CFOX-FM
CHQT-AM
CJKR-FM
CKNG-FM

BELL MEDIA

CKQM-FM
CKLY-FM
CKLC-FM
CFLY-FM
CFJR-FM
CJPT-FM
CFRA-AM
CKKL-FM
CFGO-AM
CJMJ-FM
CJCH-FM
C-100-FM
CFAX-AM
CHBE-FM
CFTE-AM
CHQM-FM
CKST-AM
CFBT-FM
CKCE-FM
CFRW-AM
CHIQ-FM
CFWM-FM
CKLW-AM
CIDR-FM
CKWW-AM
CIMX-FM
CKKW-FM

CFCA-FM
CHUM-AM
CHUM-FM
CFXJ-FM
CKPT-FM
CFRA-AM
CFGO-AM
CJMJ-FM

EVANOV

CKPC-AM
CKPC-FM
CHWE-FM
CFJL-FM
CKDX-FM
CIDC-FM
CKHY-FM
CKHZ-FM
CIRR-FM

HALIBURTON

CFBK-FM
CHMS-FM
CFBG-FM
CKAP-FM
CKNR-FM
CHPB-FM
CHMT-FM
CFIF-FM
CJFB-FM
CFGH-FM
CFNX-FM
CFGM-FM
CKVV-FM
CKEY-FM
CFLZ-FM
CFSF-FM
CJJM-FM
CHGK-FM
CJCS-FM

JIM PATTISON

CIFM-FM
CKBZ-FM
CKQC-FM
CKLZ-FM
CKIZ-FM
CKKQ-FM
CJZN-FM
CJUR-FM
CKPK-FM
CHDR-FM
CJDR-FM
CHBZ-FM
CKDV-FM
CKKN-FM
CHAT-FM
CFMY-FM
CJXX-FM
CHLB-FM
CJBZ-FM
CHUB-FM
CFDV-FM
CIBW-FM
CHVV-FM
CHBW-FM
CKLR-FM

MARITIME

CIOK-FM
CFBC-AM
CJYC-FM
CJYC-AM
CKCW-FM
CFQM-FM
CFAN-FM
CKNB-FM
CFCY-FM
CHLQ-FM
CJRW-FM
CKDH-AM
CKEN-FM
CKWM-FM
CKAD-AM
CFAB-AM
CKDY-AM
CHNS-FM
CHFX-FM
CJCB-AM
CKPE-FM
CHER-FM

NEWCAP

CJYQ-AM
CKIX-FM
VOCM-AM
VOCM-FM
CKVO-AM
CKXG-FM
CKCM-AM
CKXD-FM
CKGA-FM
CHVO-FM
CHCM-AM
CKXX-FM
CFCB-AM
CFLN-AM
CFSX-AM
CFRQ-FM
CKUL-FM
CIJK-FM
CHRK-FM
CHTN-FM
CKQK-FM
CFRK-FM
CJMO-FM
CJXL-FM
CIHT-FM
CILV-FM
CHNO-FM
CIGM-FM
CFCW-AM
CKRA-FM
CIRK-FM
CFCW-FM
CKJR-AM
CKSA-FM
CJEG-FM
CILB-FM
CKKY-AM
CKWY-FM
CJXK-FM
CHLW-AM
CKGY-FM
CIZZ-FM
CIBQ-AM
CIXF-FM
CJPR-FM

CKDQ-AM
CKSQ-AM
CFXE-FM
CFXH-FM
CFXW-FM
CKBA-FM
CKVH-AM
CHSL-FM
CFOK-AM
CFXL-FM
CKMP-FM
CHFT-FM
CIGV-FM
CKKO-FM

ROGERS

CHFI-FM
CKIS-FM
CHYM-FM
CIKZ-FM
CISF-FM
CHEZ-FM
CJET-FM
CKBY-FM
CJQR-FM
CJMX-FM
CKAT-AM
CKFX-FM
CHUR-FM
CKGB-FM
CJQM-FM
CHAS-FM
CITI-FM
CKY-FM
CJRX-FM
CFRV-FM
CHMN-FM
CHFM-FM
CKIS-FM
CHTT-FM
CIOK-FM
CKLG-FM
CISQ-FM
CISW-FM
CKKS-FM
CKCL-FM
CKSR-FM
CFSR-FM
CKQC-FM
CFLT-FM
CFLT-FM
CHDI-FM
CHBN-FM
CHBN-FM
CJOK-FM
CKYX-FM
CFGP-FM
CIKR-FM
CKXC-FM
CHST-FM
CKBY-FM

VISTA

CIRX-FM
CKBX-AM
CJCI-FM
CIVH-FM
CFBV-FM
CFLD-FM
CKQR-FM

CHNV-FM
CKGF-FM
CJSU-FM
CFRI-FM
CJCD-FM
CFFM-FM
CKWL-AM
CKCQ-FM
CFCP-FM
CFPW-FM
CIQC-FM
CFNI-FM

RAWLCO

CFMM-FM
CHMC-FM
CHQX-FM
CIUP-FM
CIZL-FM
CJCQ-FM
CJDJ-FM
CJHD-FM
CJME-AM
CJNB-AM
CJNS-FM
CKBI-AM
CKCK-FM
CKNO-FM
CKNO-FM
CKOM-AM
CFQK-FM

GOLDEN WEST

CFAM-FM
CFEQ-FM
CFRY-AM
CFRY-PM
CFSL-AM
CFXO-FM
CFYM-AM
CHAB-AM
CHOO-FM
CHRB-AM
CHSM-AM
CHSN-FM
CILG-FM
CILT-FM
CIMG-FM
CJAW-FM
CJEL-FM
CJPG-FM
CJRB-AM
CJSL-AM
CJSN-AM
CJYM-AM
CKFI-FM
CKMW-AM
CKQV-FM
CKRC-FM
CKSW-AM
CKUV-FM
CKVN-FM
CKVX-FM
CFIT-FM
CHVN-FM
CHBO-FM
CKLM-FM
CFNA-FM
CJUI-FM

INDEPENDENT RADIO

CJKX-FM
CKGE-FM
CKDO-AM
CFW-FM
CHMX-FM
CKRM-AM
CHCD-FM
CICX-FM
CICS-FM
CJOS-FM
CICZ-FM
CJWA-FM
CFNO-FM
CJMR-FM
CKJH-FM
CJVR-FM
CIXM-FM
CHWK-FM
CKLF-FM
CKLQ-AM
CKRW-FM
CJFX-FM
CKHL-FM
CKKX-FM
CKYL-FM
CJLS-FM
CHUC-FM
CJWV-FM
CKSG-FM
CJBJ-AM
CIGL-FM
CJTN-FM
CJDL-FM
CKOT-AM
CFMB-AM
CKMB-FM
CFJB-FM
CIRC-FM
CIRV-FM
CFAR-AM
CJAR-AM
CHMT-AM
CFOS-AM
CKYC-FM
CIXK-FM
CFQK-FM
CIXL-FM
CKDG-FM
CKIN-FM
CIOG-FM
CJUV-FM
CKIK-FM
CIHR-FM
CHMZ-FM
CIMM-FM
CFPV-FM
CKPM-FM
CKDR-FM
CJRL-FM
CFOB-AM
CKTG-FM
CJUK-FM
CKPR-FM
CJSD-FM
CIWV-FM
CJOJ-FM
CHCQ-FM
CIHS-FM
CKLJ-FM

CKJX-FM
CKRV-FM
CKMG-FM
CJHK-FM
CHSJ-FM
CHWV-FM
CHTD-FM
CKBW-FM
CHIM-FM
CJWW-AM
CKBL-FM
CJMK-FM
CJTK-FM
CJNE-FM
CIGO-FM
CFZM-AM
CFMX-FM
CHHR-FM
CIXN-FM
CKYL-FM
CKKK-FM
CKXS-FM
CHJX-FM
CJLT-FM
CJSB-AM
CJBP-FM
CJIE-FM
CFET-FM
CJSI-FM
CJRY-FM
CJCA-FM
CKRD-FM
CIYM-FM
CKXM-FM
CHMY-FM
CIYN-FM
CKSJ-FM
CJIV-AM
CKEC-FM
CJNW-FM
CJKL-FM
CJTT-AM
CHOZ-FM
CJFJ-FM
DAWG-FM
COIT-FM
CFSH-AM
CKYE-AM
CFAQ-FM
CKGW-FM
CKJJ-FM
CKEA-FM
CKOE-FM
CIAJ-FM
CFWC-FM

SATELLITE RADIO

Sirius Canada Inc.

Canadian Satellite
Radio Inc.

Stingray Digital
Group

FINANCIAL RESULTS

During the 2012-2013 fiscal year FACTOR:

- Received \$8,433,847 from the Department of Canadian Heritage through the Canada Music Fund, and \$11,109,437 from Canada's private radio broadcasters, including satellite radio.
- Offered \$ 16,974,029 in loans and grants.
- Paid out \$ 15,059,086 in loans and grants. This includes first installment payments and final payments to completed projects.
- Paid out \$345,000 in support to regional affiliates.
- Received \$603,931 in loan repayments.

Financial Results

Revenue	2012-2013	2011-2012
Public		
Canada Music Fund Contributions		
New Musical Works	6,268,184	6,268,184
Collective Initiatives	2,165,663	2,165,663
Sub-Total	8,433,847	8,433,847
Private		
Canada's private radio broadcasters' Contributions		
Basic Contributions	1,960,031	5,629,510
Over and Above	2,245,132	2,084,796
Tangible Benefits	5,891,178	1,908,666
Satellite Radio	1,013,096	450,000
Sub-Total	11,109,437	10,072,972
Total Revenue	19,543,284	18,506,819
Funds Expended	2012-2013	2011-2012
New Musical Works	10,249,275	9,931,672
Collective Initiatives	2,441,867	3,037,577
Emerging Artist	1,874,678	1,844,352
Sponsorship	298,810	261,093
Non-FACTOR Funded Sound Recording	194,456	186,846
Regional Affiliate Support	345,000	345,000
Sub-Total	15,404,086	15,419,694
Loan Repayments	(603,931)	(473,874)
Total Funds Expended	14,800,155	14,945,820
Administrative Costs	2012-2013	2011-2012
Total Administration	1,763,530	1,717,155

REQUESTS & COMMITMENTS

Project Requests & Funding Commitments for 2012-2013

Applications	2012-2013	2011-2012
Applications Submitted	3854	3881
Applications Approved	1986	1783
Percentage of Applications Approved	52%	46%

Funding	2012-2013	2011-2012
Funding Requested	33,293,531	43,610,145
Funding Offered	16,974,029	16,831,612
Percentage of Funding Offered vs Requested	51%	39%

OUTSTANDING COMMITMENTS AS OF MARCH 31, 2013

Projects must be allowed to be completed in their own time. Imposing artificial deadlines on the completion of projects would certainly have an adverse affect on final project results. FACTOR has adapted its funding administration to support current industry practices by utilizing a blended funding model that adheres to Treasury Board regulations while not interfering with production and market roll-out.

On March 31, 2013, FACTOR had \$10,956,811 in outstanding commitments to approved projects.

Please note that requests submitted, commitments and approved numbers detailed in this Annual Report relate to applications received between April 1, 2012 and March 31, 2013.

FACTOR

THE FOUNDATION ASSISTING CANADIAN TALENT ON RECORDINGS
WITH SUPPORT FROM CANADA'S PRIVATE RADIO BROADCASTERS

The Foundation Assisting Canadian Talent on Recordings

Financial Statements

March 31, 2013, March 31, 2012 and
April 1, 2011

(expressed in Canadian dollars)

- 2 AUDITOR'S REPORT LETTER
- 4 STATEMENTS OF FINANCIAL POSITION
- 5 STATEMENTS OF OPERATIONS
- 6 STATEMENTS OF CHANGES IN NET ASSETS
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- 17 SCHEDULES OF ADMINISTRATIVE EXPENSES



June 27, 2013

Independent Auditor's Report

To the Board of Directors of The Foundation Assisting Canadian Talent on Recordings

We have audited the accompanying financial statements of The Foundation Assisting Canadian Talent on Recordings, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Foundation Assisting Canadian Talent on Recordings as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

The Foundation Assisting Canadian Talent on Recordings

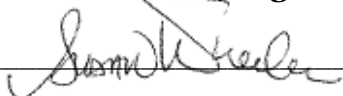
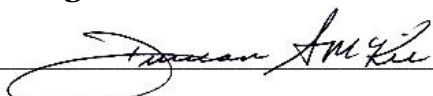
Statements of Financial Position

(expressed in Canadian dollars)

			March 31, 2013	March 31, 2012	April 1 2011
	General fund \$ (unrestricted)	Capital asset fund \$	Restricted reserve fund \$	Total \$	Total \$
Assets					
Current assets					
Cash and cash equivalents	448,027	-	-	448,027	2,545,532
Accounts receivable (note 6)	517,846	-	-	517,846	786,939
Short-term investments	1,933,132	-	-	1,933,132	-
Other assets	68,873	-	-	68,873	76,055
	2,967,878	-	-	2,967,878	3,408,526
Investments	-	-	29,271,154	29,271,154	23,021,772
Property and equipment (note 4)	-	246,711	-	246,711	1,535,223
Intangible assets (note 5)	-	418,464	-	418,464	-
	2,967,878	665,175	29,271,154	32,904,207	27,965,521
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities (note 7)	232,630	-	-	232,630	175,066
Net assets	2,735,248	665,175	29,271,154	32,671,577	27,790,455
	2,967,878	665,175	29,271,154	32,904,207	27,965,521

Commitments (note 8)

Approved by the Board of Directors of
The Foundation Assisting Canadian Talent on Recordings

 Director  Director

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

The Foundation Assisting Canadian Talent on Recordings

Statements of Operations

For the years ended March 31, 2013 and March 31, 2012

(expressed in Canadian dollars)

	2013			2012
	General fund \$ (unrestricted)	Capital asset fund \$	Restricted reserve fund \$	Total \$
Revenue (schedule 1)	19,543,284	-	-	19,543,284
Expenditures				
Loans and awards (schedule 2)	14,800,155	-	-	14,800,155
Administrative expenses (schedule 3)	1,763,532	-	-	1,763,532
	16,563,687	-	-	16,563,687
Excess of revenue over expenditures before the following	2,979,597	-	-	2,979,597
Investment income	23,312	-	653,407	676,719
Change in unrealized gain on investments	-	-	1,168,923	1,168,923
Depreciation of property and equipment	-	(32,887)	-	(32,887)
Amortization of intangible assets	-	(40,406)	-	(40,406)
Gain on sale of land and building (note 4)	129,176	-	-	129,176
	152,488	(73,293)	1,822,330	1,901,525
Excess (deficiency) of revenue over expenditures for the year	3,132,085	(73,293)	1,822,330	4,881,122

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

The Foundation Assisting Canadian Talent on Recordings

Statements of Changes in Net Assets

For the years ended March 31, 2013 and March 31, 2012

(expressed in Canadian dollars)

	2013			2012
	General fund \$ (unrestricted)	Capital asset fund \$	Restricted reserve fund \$	Total \$
Balance - Beginning of year	26,255,232	1,535,223	-	27,790,455
Excess (deficiency) of revenue over expenditures for the year	3,132,085	(73,293)	1,822,330	4,881,122
Interfund transfers (note 9)	(26,652,069)	(796,755)	27,448,824	-
Balance - End of year	2,735,248	665,175	29,271,154	32,671,577

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

The Foundation Assisting Canadian Talent on Recordings

Statements of Cash Flows

For the years ended March 31, 2013 and March 31, 2012

(expressed in Canadian dollars)

	2013 \$	2012 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	4,881,122	3,004,167
Adjustments for non-cash items		
Depreciation of property and equipment	32,887	94,372
Amortization of intangible assets	40,406	-
Change in unrealized gain on investments	(1,168,923)	(614,733)
Gain on sale of land and building (note 4)	(129,176)	-
	3,656,316	2,483,806
Changes in non-cash working capital items		
Accounts receivable	269,093	371,523
Other assets	7,182	(42,621)
Accounts payable and accrued liabilities	57,564	(128,217)
	3,990,155	2,684,491
Investing activities		
Proceeds on sale of land and building - net (note 4)	1,583,220	-
Purchase of investments	(7,234,948)	(37,212,241)
Sale of investments	221,357	24,163,232
Purchase of property and equipment	(427,221)	(101,527)
Purchase of intangible assets	(230,068)	-
	(6,087,660)	(13,150,536)
Decrease in cash and cash equivalents during the year	(2,097,505)	(10,466,045)
Cash and cash equivalents - Beginning of year	2,545,532	13,011,577
Cash and cash equivalents - End of year	448,027	2,545,532
Cash and cash equivalents are allocated as follows		
General fund	448,027	2,545,532
Cash and cash equivalents comprise		
Cash	448,027	697,607
Cash equivalents	-	1,847,925
	448,027	2,545,532

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

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

1 General

The Foundation Assisting Canadian Talent on Recordings (FACTOR or the Foundation) was incorporated as a not-for-profit organization without share capital on June 17, 1982, under the Canada Corporations Act.

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, 2015. Financial contributions received from Canada's private radio industry are likewise distributed by FACTOR to individuals and groups in the Canadian music industry.

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

2 Adoption of Canadian accounting standards for not-for-profit organizations

Effective April 1, 2012, the Foundation elected to adopt Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect. The Foundation has not utilized any transitional exemptions on the adoption of ASNPO. There were no adjustments to the statements of financial position or the statements of operations, changes in net assets and cash flows.

3 Summary of significant accounting policies

These financial statements are prepared in accordance with ASNPO. The significant policies are detailed as follows:

Fund accounting

FACTOR follows the deferral method of accounting for contributions.

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

The capital asset fund records capital asset purchases and proceeds of disposition and the related depreciation of these assets.

During the year, the board of directors authorized the creation of the restricted reserve fund for long-term investments and related investment income. This fund will not be used for operational purposes and is not available for any other purpose without approval of the board of directors.

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

Revenue recognition

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection thereof is reasonably assured. Restricted contributions are deferred and recognized as revenue as the related expenses are incurred.

Investment income including interest, realized gains (losses) and unrealized gains (losses) are recognized as revenue when earned.

Cash and cash equivalents

Cash and cash equivalents include short-term deposits with maturities of less than 90 days and are recorded at fair value.

Loans

Loans to artists, producers and record companies are advanced to finance costs directly associated with recordings as well as the promotion and marketing of those 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. Repayment of these loans is recorded as a recovery of loans and awards when cash is received from the recipient.

Property and equipment

Property and equipment are recorded in the capital asset fund at cost and are amortized over their estimated useful lives using the following methods and annual rates:

Computer equipment	30% - 100% declining balance
Furniture and equipment	20% declining balance
Leasehold improvements	straight-line over term of lease

Intangible assets

Intangible assets are recorded in the capital asset fund at cost less accumulated amortization and include developed computer software with a finite useful life. The Foundation has chosen to capitalize qualifying development costs in the statements of financial position. These assets are amortized in a straight-line basis over their estimated useful lives of seven years.

Impairment of long-lived assets

The Foundation tests for impairment whenever events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is assessed by comparing the carrying value to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates the carrying value of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds fair value.

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

Contributed services

Members of 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 of determining the fair value of the contributed services, the value of these services is not recognized in the financial statements.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Financial instruments

Short-term investments comprise guaranteed investment certificates (GICs) with maturities of less than one year. Investments comprise marketable securities.

The Foundation records cash, accounts receivable, short-term investments and accounts payable and accrued liabilities at amortized cost.

The Foundation records investments in equity securities that are quoted in an active market at fair value in the statements of financial position with changes in fair value recorded in the statements of operations.

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired.

4 Property and equipment

	2013		
	Cost \$	Accumulated amortization \$	Net \$
Computer equipment	313,380	300,925	12,455
Furniture and equipment	248,280	169,916	78,364
Leasehold improvements	164,097	8,205	155,892
	<u>725,757</u>	<u>479,046</u>	<u>246,711</u>

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

	2012		
	Cost \$	Accumulated amortization \$	Net \$
Land	596,000	-	596,000
Building	1,047,831	189,787	858,044
Computer equipment	401,376	353,554	47,822
Furniture and equipment	190,859	157,502	33,357
	<u>2,236,066</u>	<u>700,843</u>	<u>1,535,223</u>

On June 28, 2012, the Foundation sold its building and related land for \$1,670,000 net of related commissions and legal fees of \$86,780 and recorded a gain on sale of \$129,176 in the statement of operations.

5 Intangible assets

	2013		
	Cost \$	Accumulated amortization \$	Net \$
Computer software	<u>523,769</u>	<u>105,305</u>	<u>418,464</u>

6 Accounts receivable

Accounts receivable comprise the following:

	2013 \$	2012 \$
Due from Government of Canada	<u>517,846</u>	<u>786,939</u>

7 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprise the following amounts:

	2013 \$	2012 \$
Trade accounts payable	78,361	33,910
Professional fees	55,935	55,935
Vacation accrual	50,334	46,471
Bonus accrual	20,000	20,000
Other	28,000	18,750
	<u>232,630</u>	<u>175,066</u>

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

8 Commitments

Loans and awards

As at year-end, FACTOR is committed to advancing funds in the future totalling approximately \$10,956,811 (2012 - \$11,398,835) 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.

The following is the breakdown of the amounts by year that remain outstanding as at March 31, 2013:

	Initial commitment \$	Payment made to date \$	Remaining commitment balance \$
2010	53,414	31,086	22,328
2011	459,369	242,032	217,337
2012	2,728,927	1,377,975	1,350,952
2013	16,974,029	7,607,835	9,366,194
	<u>20,215,739</u>	<u>9,258,928</u>	<u>10,956,811</u>

Leases

Effective June 20, 2012, the Foundation entered into a lease agreement to rent office space for a period of ten years. As at year-end, FACTOR is also committed to various operating leases for equipment expiring in 2016. The approximate future annual minimum lease payments are as follows:

	Equipment \$	Office space \$
2014	13,000	204,000
2015	13,000	204,000
2016	3,000	205,000
2017	-	206,000
2018 and beyond	-	1,157,000
	<u>29,000</u>	<u>1,976,000</u>

9 Interfund transfers

During the year, \$796,755 (2012 - \$101,527) was transferred from the capital asset fund to the general fund. In addition, the investment balances of the unrestricted general fund were transferred to the restricted reserve fund in the amount of \$27,448,824 (2012 - \$nil). These transfers were approved by the board of directors.

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

10 Financial instruments

The Foundation's investment activities may expose it to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, market risk and currency risk. The following provides an overview of the risks associated with these investments.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to perform its obligations. The carrying value of financial assets represents the maximum credit risk exposure. The Foundation's credit risk on investments is concentrated in a portfolio of pooled funds held entirely with one counterparty. The Foundation invests primarily in a portfolio of marketable securities and GICs and its accounts receivable are due from the Government of Canada. Therefore, exposure to credit risk is not significant.

Liquidity risk

Liquidity risk is the risk FACTOR will not be able to meet its obligations as they come due. The financial liabilities of FACTOR are short-term in nature, as all amounts are payable within one year. FACTOR has invested in marketable securities and GICs for which a secondary market exists and thus these funds are determined to be liquid. FACTOR has sufficient funds to settle its current obligations. Therefore, exposure to liquidity risk is not significant.

Interest rate risk

Interest rate risk is the risk that a change in interest rates will adversely affect the fair value of fixed income securities or cause fluctuations in future cash flows of a financial instrument. The Foundation's exposure to interest rate risk is concentrated in its investments in GICs and its investments in fixed income pooled funds, which comprise 69% of the Foundation's investment portfolio. The Foundation does not hold any variable rate debt.

Market risk

Market risk is the risk the future cash flows of a financial instrument will fluctuate due to changes in market prices. The Foundation is exposed to fluctuations in the yield on its investments in Canadian and foreign equity pooled funds, which comprise 31% of the Foundation's investment portfolio. Investments are managed to ensure that exposure to market risk is not significant.

Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation invests in equity securities that hold investments priced in currencies other than the Canadian dollar. The Foundation is therefore exposed to currency risk on its investments in foreign equity pooled funds, which comprise 21% of the Foundation's investment portfolio.

The Foundation Assisting Canadian Talent on Recordings

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(expressed in Canadian dollars)

11 Related party transactions

During the year, FACTOR approved loans and/or grants, in the normal course of operations, to related organizations in the amount of \$451,416 and extended payments in the amount of \$920,025, which are included in the statement of operations as loans and awards. Total outstanding commitments to these parties amounted to \$495,784 as at March 31, 2013, which are disclosed as commitments in note 8. The parties are related by virtue of the fact the recipients have representation on FACTOR's board of directors.

The Foundation Assisting Canadian Talent on Recordings

Schedules of Revenue

Schedule 1

For the years ended March 31, 2013 and March 31, 2012

(expressed in Canadian dollars)

	2013 \$	2012 \$
Public		
Canadian Music Fund contributions		
New Musical Works Program	6,268,184	6,268,184
Collective Initiatives Program	2,165,663	2,165,663
	<hr/>	<hr/>
	8,433,847	8,433,847
Private		
Broadcasters' contributions		
Tangible benefits	5,891,178	5,629,510
Canadian content development		
Basic	1,960,031	2,084,796
Over and above	2,245,132	1,908,666
Satellite radio	1,013,096	450,000
	<hr/>	<hr/>
	11,109,437	10,072,972
	<hr/>	<hr/>
	19,543,284	18,506,819
	<hr/>	<hr/>

The Foundation Assisting Canadian Talent on Recordings

Schedules of Loans and Awards

Schedule 2

For the years ended March 31, 2013 and March 31, 2012

(expressed in Canadian dollars)

	2013 \$	2012 \$
New Musical Works Program		
Sound recording	3,698,538	3,365,935
Marketing and sound recording	2,394,094	2,303,042
Domestic and international touring	1,971,824	1,917,949
Domestic and international showcasing	773,905	861,403
Video grants	265,234	511,322
Domestic and international business development	641,356	496,504
Label, manager and distributor business development	504,324	475,517
	<u>10,249,275</u>	<u>9,931,672</u>
Collective Initiatives Program		
Collective initiatives and songwriters' workshop grants	<u>2,441,867</u>	<u>2,850,731</u>
Broadcasters		
Emerging artists	1,874,678	1,844,352
Sponsorships	298,810	261,093
Non-FACTOR-funded sound recording	194,456	186,846
	<u>2,367,944</u>	<u>2,292,291</u>
Other		
Regional affiliates	345,000	345,000
Loan repayments	(603,931)	(473,874)
	<u>(258,931)</u>	<u>(128,874)</u>
	<u>14,800,155</u>	<u>14,945,820</u>

The Foundation Assisting Canadian Talent on Recordings

Schedules of Administrative Expenses

Schedule 3

For the years ended March 31, 2013 and March 31, 2012

(expressed in Canadian dollars)

	2013 \$	2012 \$
Salaries and benefits	1,157,791	1,126,424
Occupancy costs	198,680	100,793
Equipment rentals and repairs	28,918	37,890
Automobiles and travel	101,874	119,614
Publicity, promotion and meetings	21,978	18,699
Regional affiliates and travel	10,310	19,402
Professional fees	73,173	95,617
Office and general	51,318	25,303
Consulting	12,694	83,303
Subscription	25,985	-
Professional development	27,788	37,022
Courier and postage	15,355	15,796
Telephone and communications	25,969	23,035
Insurance	11,699	14,257
	<hr/>	<hr/>
	1,763,532	1,717,155



Canada

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