

# EYE ON THE WORLD

2017-2018 ANNUAL REPORT



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# HIGHLIGHTS

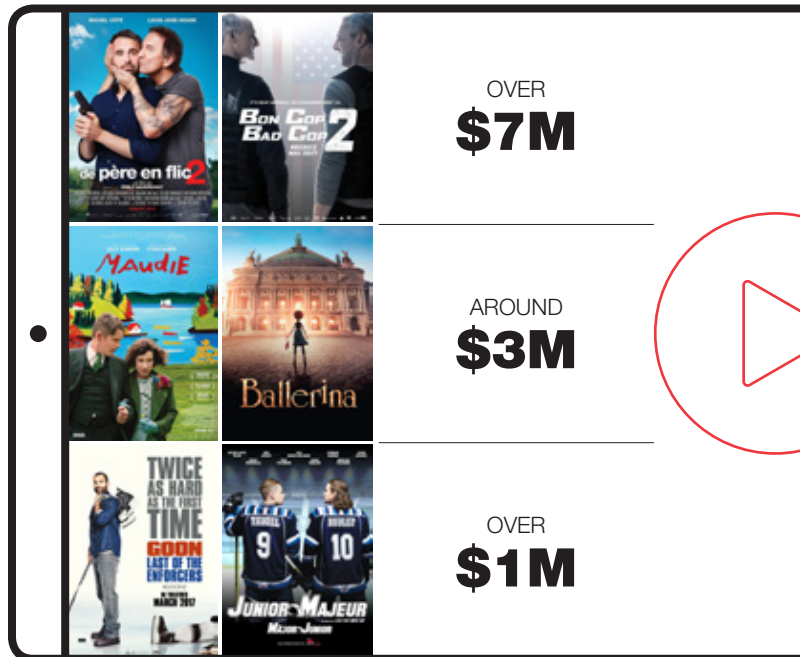
As Canada celebrated its 150<sup>th</sup> anniversary, the world looked to our nation and connected with our **culture of inclusion**. This important event was the ideal opportunity to promote Canadian talent like never before, attracting audiences and shining brightly around the world. Now, with over 50 years of success under its belt, the Canadian audiovisual industry—supported by Telefilm—can only look forward and See Bigger!

## CANADIAN LEGENDS

Jennifer Baichwal and Nick de Pencier's **Long Time Running** paid tribute to iconic Canadian band The Tragically Hip and legendary frontman Gord Downie, as their 2016 tour that captured the heart of our nation.



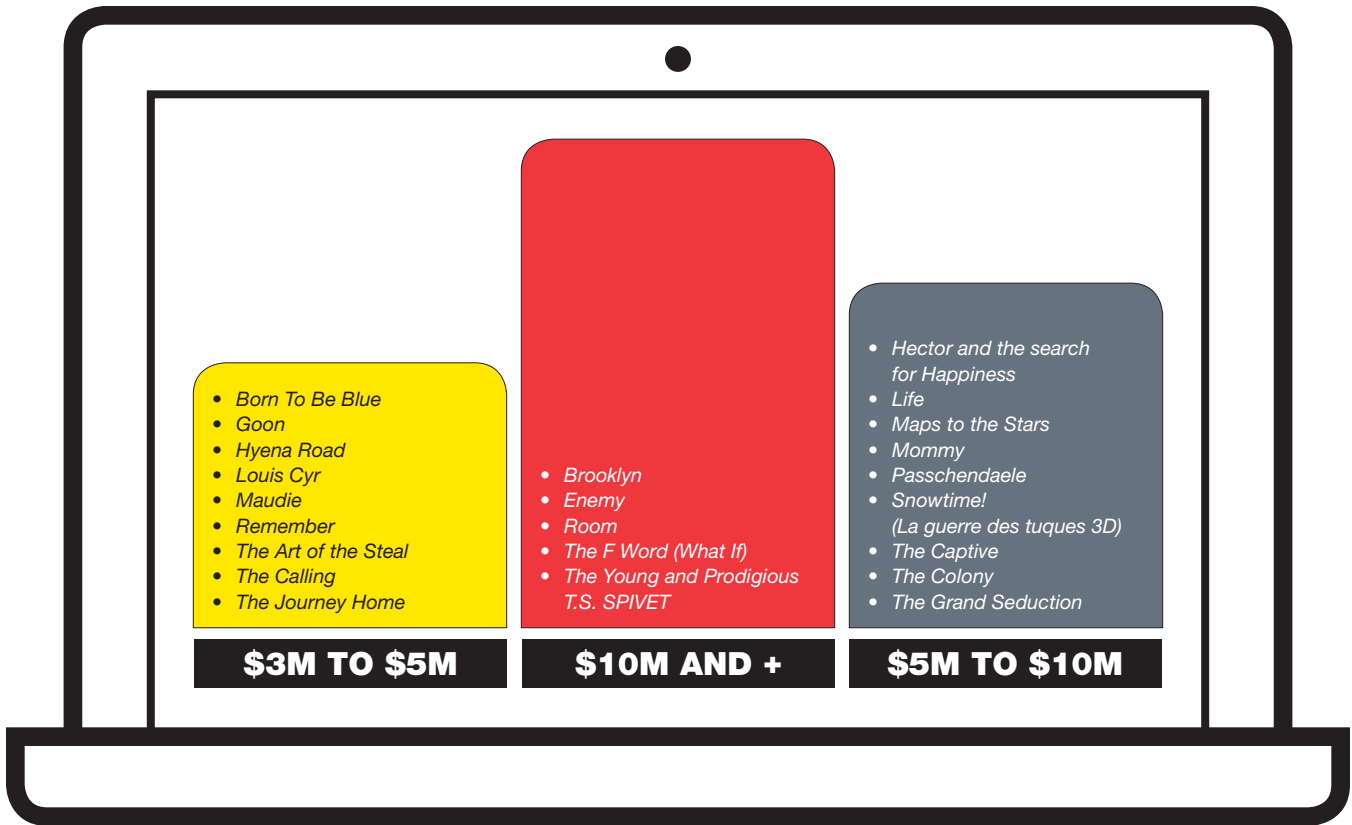
## CANADA SCORES AT THE BOX-OFFICE<sup>1</sup>



1. Box-office sales are reported on a calendar-year basis.

**CANADIAN FILMS FUNDED BY TELEFILM  
GENERATED SALES**

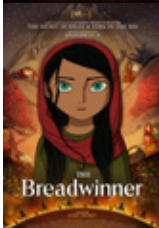
**OVER \$3M  
SINCE 2013<sup>2</sup>**



2. Based on Telefilm's analysis of gross sales reported between 2013 and 2017 amounting to \$165M. Gross sales include the share of all revenues pertaining to the production (Box office sales, TV and home video, among others).



# CANADA < SHINES > ACROSS THE GLOBE



Academy Award nomination for **Nora Twomey's *The Breadwinner***, the animated adaptation of Deborah Ellis's internationally acclaimed children's book



At the Berlinale, **Luc Picard's *Les Rois mongols*** wins the Crystal Bear Best Film in the Children's Jury Generation KPLUS competition



**Pascal Plante's *Les Faux tatouages*** is honoured at Slamdance and nominated at Berlin



**Mina Shum's *Meditation Park*** is selected at the International Film Festival of India in Goa and TIFF



# CANADA TOOK CENTRE STAGE AT PRESTIGIOUS INTERNATIONAL FILM FESTIVALS

As the Country in Focus at the 2018 European Film Market—the Berlin International Film Festival’s audiovisual market.

With a Spotlight on Canada at the 20<sup>th</sup> Guanajuato International Film Festival in Mexico.

Through a Country of Focus: Canada section at the 48<sup>th</sup> International Film Festival of India in Goa.

At the Glasgow Film Festival, where Canada 150 was celebrated with the True North: New Canadian Cinema showcase.



# ACHIEVEMENTS



## FUNDER

### MEASURES TO ENSURE INCLUSION

Implementation of five-step action plan to achieve **GENDER PARITY** by 2020

**OVER \$5M** in funding support allocated to **INDIGENOUS CREATORS**

**INDIGENOUS SCREEN OFFICE** developed through industry-wide collaboration

### FOCUS ON EXPORT AND COPRODUCTIONS

Canada's first year in **EURIMAGES** yields support for **7 CANADIAN PROJECTS** amounting to **2.2M EUROS**

Telefilm financed **17 OFFICIAL TREATY COPRODUCTIONS** amounting to **\$24M**

### SHAPING THE FUTURE

#### TALENT TO WATCH PROGRAM

will boost its support for emerging filmmakers to finance **50 FILMS ANNUALLY**

#### THEATRICAL EXHIBITION PROGRAM

will support programming and foster public access to **CANADIAN FILMS**

Telefilm will host representatives from **EURIMAGES IN MONTRÉAL** with delegates representing **37 EUROPEAN COUNTRIES**



## PROMOTER

### DISCOVERABILITY – ACCESSIBILITY – REACHING AUDIENCES

#### NEW RDVCANADA.CA

website brings Canada to the world with industry and production news and partnership possibilities

**75 FILM FESTIVALS** and **80 EVENTS**

connect with filmgoers and industry members across Canada

#### CANADA NOW

arthouse screenings launch in the United Kingdom, Mexico and China

#### RENDEZ-VOUS CANADA ITUNES

boutiques now open for business in Canada, Germany, the United States, and soon in France and the United Kingdom

#### MOVIE NIGHTS ACROSS CANADA

Celebrates Canada 150 from coast-to-coast-to-coast with **10,000 IN ATTENDANCE** AND **9 MILLION REACHED ON SOCIAL MEDIA**



## THOUGHT LEADERSHIP

### CANADIAN AUDIENCE REPORT

reveals how Canadians engage with content, screens and viewing platforms

### ACROSS THE GLOBE

Telefilm's supported industry conferences and thought leadership events

### ECONOMIC IMPACT

Detailed case studies highlight film production benefits

### TELEFILM LAUNCHES ITS NEW 2018-2020 STRATEGIC PLAN *SEE BIGGER*

#### STRATEGIC PRIORITIES INCLUDE

- To foster innovation
- To stimulate export of Canadian content
- To strengthen Canadian talent's position on the international market
- To continue improving the organization's overall performance



## ADMINISTRATOR

### CLIENT SATISFACTION

level remains strong at **85%**

### DIALOGUE

– the organization's digital transformation catalyst – continues its deployment, with completion expected in fiscal 2018-2019

### **\$106.3M**

Additional government financing enables Telefilm's support to reach **ITS HIGHEST LEVEL SINCE 2010-2011**

### **GOLD AWARD OF EXCELLENCE IN CORPORATE REPORTING**

Telefilm wins the Gold Award of Excellence from the Chartered Professional Accountants of Canada

### **\$0.5M ADMINISTRATIVE BUDGETARY SAVINGS**

transferred back into funding programs





# EXECUTIVE SUMMARY

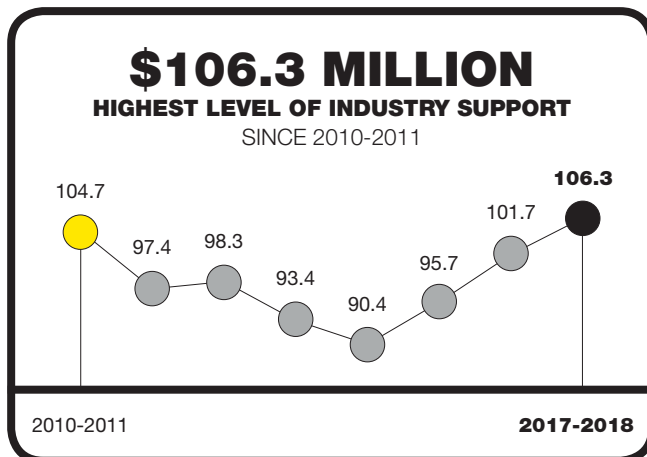
Fiscal 2017-2018 was a pivotal year for Telefilm Canada. As our nation celebrated its 150<sup>th</sup> anniversary of Confederation, Telefilm also marked a half-century of developing and promoting Canada's film industry.

## GOVERNANCE IN TRANSFORMATION

In 2017-2018, Telefilm delivered the third and final year of its strategic plan, *Inspired by Talent. Viewed Everywhere.*, under the stewardship of our longstanding leaders—former Chair of the Board Michel Roy and former Executive Director Carolle Brabant. Both took well-deserved bows and left significant legacies that first began when they dared the industry to change. The transition to G. Grant Machum and Jean-Claude Mahé, Acting Chair and Acting Executive Director respectively, proved successful, while the processes began for selecting Governor in Council appointees.

## INCREASED INDUSTRY SUPPORT

Telefilm's industry support reached \$106.3 million, the highest level since 2010-2011. This support was driven, in part, by an additional \$5 million annually, as announced in the 2016 federal budget, and a one-time transfer of \$2.5 million from the Department of Canadian Heritage.



## PROMOTION AND EXPORT: REACHING AUDIENCES EVERYWHERE

Telefilm expanded its presence and promotional efforts to connect Canadian content and talent with audiences around the world. Canada's 150<sup>th</sup> anniversary was commemorated by celebrations and honours on the international scene. In particular, Canada shone brightly in Germany, as the Country of Focus at the 2018 European Film Market in Berlin; in Mexico, at the 20<sup>th</sup> Guanajuato International Film Festival; in Scotland, at the 2018 Glasgow Film Festival; in India, at the 48<sup>th</sup> International Film Festival of Goa; and in China, at the Ullens Center for Contemporary Art in Beijing.

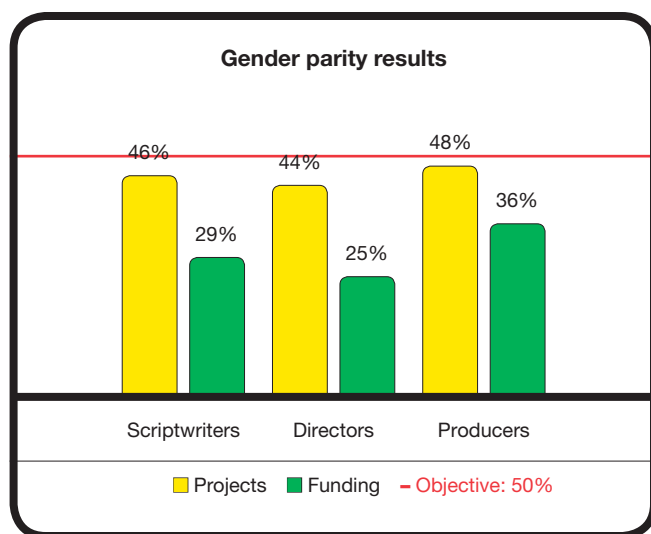
Export activities were bolstered with the deployment of our new international website [RDVCANADA.CA](http://RDVCANADA.CA), which offers a rendez-vous with Canadian content and talent in the world's spotlight, including at festivals and markets around the globe. Additional funding also enabled the expansion of international initiatives such as the Canada Now arthouse tour in the United States, Mexico, United Kingdom and China. Furthermore, the Eye on TIFF screenings added events in Paris and London, and the RENDEZ-VOUS CANADA iTunes boutiques brought Canadian films to over 350,000 viewers in Canada, the United States, Germany and France.

At home, Telefilm focused on the discoverability of new talent and access to content across the country. Telefilm increased the number of national promotional initiatives it supports by 17%, supporting 75 Canadian film festivals and 80 industry activities in all. Finally, at its apex, the Movie Nights Across Canada red carpet screenings of Canadian films drew 10,000 moviegoers and over 9 million fans on social media.

## FUNDING PROGRAMS FOR THE FUTURE

Fiscal 2017-2018 also marked a turning point for Telefilm as a funder. Telefilm led an industry-wide effort to ensure that the Canadian audiovisual sector was more inclusive: we implemented structural changes aimed at achieving gender parity, ensuring Indigenous representation, encouraging diversity, and bolstering support for emerging talent.

After our first year, following the implementation of a five-prong action plan, results are encouraging, although the 2020 objective for gender parity remains a challenge.



Furthermore, Telefilm met and exceeded its funding commitment of \$4 million for Indigenous filmmakers. In addition, Telefilm, along with industry partners such as the Canada Media Fund, jointly supported the creation of the Indigenous Screen Office—a sustainable, autonomous entity dedicated to supporting and advocating on behalf of Indigenous creators.

Telefilm also increased its commitment in the next generation through the new Talent to Watch Program—which will now support up to 50 projects annually from emerging creators. This expanded Micro-Budget Production Program will start during the next fiscal year.

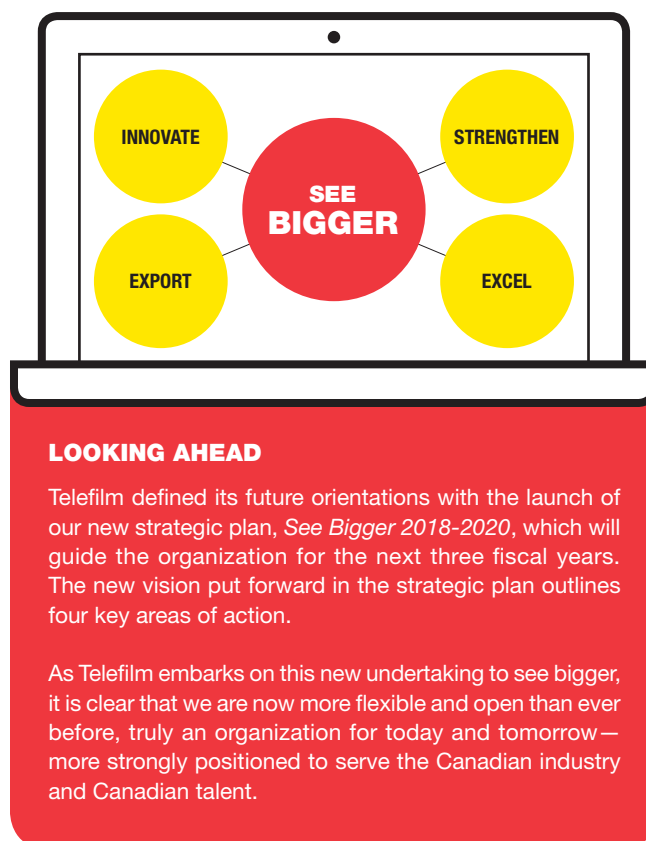
Telefilm also continued to diversify our funding sources, with a particular focus on international coproduction, including Eurimages – the European Council Support Fund. Since becoming the 38<sup>th</sup> member country, Eurimages has provided 2.2 million euros to seven Canadian coproductions. Furthermore, Telefilm financed 17 international coproductions for a total of \$24 million.

## A RESPONSIBLE ADMINISTRATOR

Telefilm ensured that organizational excellence was maintained through measurable objectives. Our client satisfaction surveys revealed an above-target satisfaction rate of 85%, and our management expense ratio, at 5.7%, met expectations. Other performance indicators were refined to ensure that maximum value is delivered to the industry.

Our commitment to improving service delivery to the industry is the driving force behind the development of Dialogue, our new service platform, in collaboration with the Canada Media Fund. The platform reached its full potential this fiscal year, having both Telefilm and Canada Media Fund funding programs on board. This project is expected to be completed by the end of fiscal 2018-2019.

Telefilm also transferred \$0.5 million of administrative budgetary savings into funding programs, and was honoured to have won the Gold Award in the 2017 Awards of Excellence in Corporate Reporting for Crown corporations from the Chartered Professional Accountants of Canada.



# ABOUT US

## OUR VISION

Canadian productions, on all consumption platforms, in Canada and abroad.

## OUR MISSION

Telefilm’s mission is to foster and promote the development of the Canadian audiovisual industry by playing a leadership role through financial support and initiatives that contribute to the industry’s commercial, cultural and industrial success.

## WHAT WE DO

First and foremost, we are a team of some 180 enthusiasts of Canadian media content dedicated to the commercial, cultural and industrial success of Canada’s audiovisual industry.

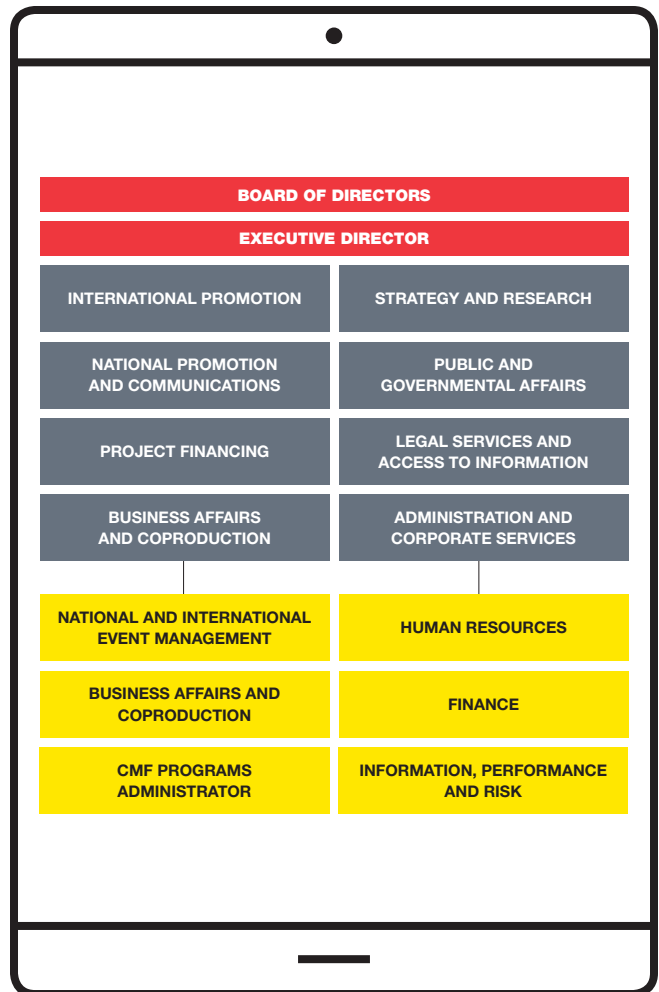
As a Government of Canada Crown corporation, in the Canadian Heritage portfolio, we support dynamic companies and creators, providing financial support to Canadian film projects as well as promoting and exporting Canadian content at festivals, markets and events – regionally, nationally and around the world.

We are responsible for making recommendations to the Minister of Canadian Heritage on whether projects can be recognized as audiovisual treaty coproductions. We also administer the funding programs of the Canada Media Fund (CMF), which totalled \$343.2 million in fiscal 2017-2018.

Headquartered in Montréal, we serve our clients through four offices located in Vancouver, Toronto, Montréal and Halifax.

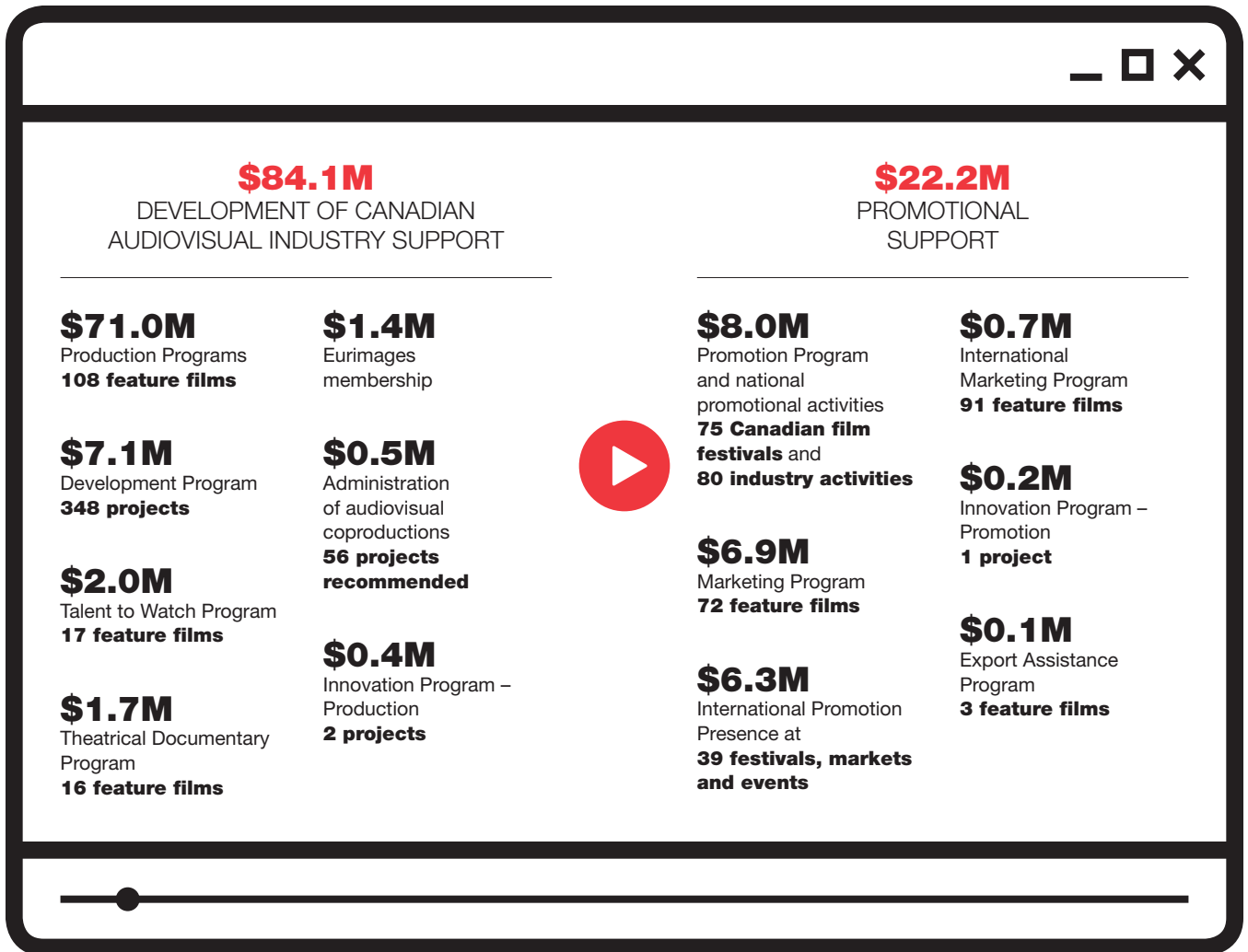
## ACCOUNTABILITY

A strong corporate governance framework enables the Board of Directors and the Executive Director to lead the Corporation and deliver on our mission. By its design, Telefilm’s organizational structure ensures that the Corporation’s departments are accountable to the Executive Director in the delivery of our strategic plan (see Governance section for more details).



# \$106.3M

2017-2018 FUNDING SUPPORT  
BY PROGRAMS AND ACTIVITIES



**OUR VALUES**

Telefilm offers its employees a stimulating work environment that encourages behaviours that reflect the four corporate values we apply in interacting with one another and in dealing with our clients.



**STAYING CONNECTED WITH OPEN AND CONTINUOUS COMMUNICATIONS**

The organization is committed to consulting, informing and holding a continuous and open dialogue with diverse members of the industry regarding opportunities, challenges and changes. Whether with film producers, distributors, broadcasters, professional associations, provincial agencies or directors and writers, we stay connected across Canada through three major streams of communication:

- presence at industry events;
- availability for one-on-one conversations with stakeholders across the country; and
- outreach sessions to consult with and inform the industry, which were held in Montréal, Vancouver, Winnipeg, Toronto, St. John's and Halifax.

In 2017-2018, Telefilm also strengthened its communications with the public and the industry. Online platforms are efficient and effective tools for sharing important messages and essential to conducting core operations, these include:





## MESSAGE FROM THE ACTING CHAIR



In October 2017, it was with genuine enthusiasm that I accepted to take over on an interim basis from Michel Roy, who had been Chair of Telefilm's Board of Directors since 2007.

Enthusiasm because Telefilm is a respected, dynamic organization that maintains stimulating relationships with its clients and partners, and works tirelessly to meet the current financing, promotion and export challenges of the audiovisual sector.

I am pleased to have an experienced and committed Board and employees who, from Halifax to Vancouver, are the best team the industry could hope to have.

Michel Roy accomplished a great deal during his 10 years as Telefilm's Chair, and his achievements go well beyond providing the organization with an excellent governance structure. He put the emphasis on our relationships with clients while calling on the industry to dare to change. In fact, the audiovisual community has adapted to a rapidly changing environment by fostering cultural success and making Canadian content accessible at home and abroad. Our country's 150<sup>th</sup> anniversary and Telefilm's 50<sup>th</sup> anniversary celebrations in 2017 brought Canadian talent to the forefront.

I would also like to salute Carolle Brabant, who left Telefilm in March 2018 after a 28 year career, the last eight as Executive Director. Ms. Brabant revitalized Telefilm's roles as an investor, promoter, trusted resource, and sound administrator by focusing on partnerships and the next generation of talent. Her commitment to diversity is paying off, as our programs are well on their way to reaching objectives with respect to gender parity, Indigenous voices and cultural communities.

We can be pleased with the results achieved in recent years. Canadians now have a greater appreciation for cinema, which is one of our primary goals. And on the international scene, new partnerships, including Canada's participation in Eurimages, the European Cinema Support Fund, are expanding coproduction and the export of our cinema.



**SEE BIGGER: FINANCING, PROMOTION, ADMINISTRATION**

We will continue Telefilm's mission by encouraging innovation and building on our experiences, two key themes in the 2018-2020 strategic plan *See Bigger*.

We will achieve this by emphasizing three areas of action: leveraging the industry's financial resources, strengthening promotion of Canadian talent, and continuing to excel in our operations.

In the coming months, Telefilm's Board will focus on the industry's funding mechanisms. We will work to ensure the sustainability of the Talent Fund, which provides support for the next generation of Canadian creators. I wish to recognize the Talent Fund Advisory Committee members for their commitment, passion and continued generosity.

Telefilm will continue to support quality production and dynamic companies in a context of heightened global competition where it has become increasingly important to export our content.

Telefilm will help improve Canadian film by supporting promising new talent in creation and production, and by advancing principles of diversity and representation on screen.

We enthusiastically celebrate successes, and value the cultural and economic impact of Canadian audiovisual content to make Canadians increasingly proud.

Telefilm relies on its organizational flexibility to respond to the audiovisual industry and to develop new partnerships that will benefit the industry, both at home and abroad.

We will continue to work towards improving overall performance and seeking to better meet our clients' expectations.

I would also like to thank Jean-Claude Mahé, Director, Public and Governmental Affairs, for taking on the challenge of being Acting Executive Director. Mr. Mahé has spent his career with the National Film Board of Canada and Telefilm. His expertise and industry knowledge have ensured that Telefilm continues to move forward during this transitional period.

And finally, my congratulations to all the talented creators who have honoured our culture in 2017-2018, as well as my best wishes to all those who will bring our diversity to the screen in the coming year!

**G. Grant Machum**

Acting Chair of the Board of Directors  
and Chair of the Nominating,  
Evaluation and Governance Committee



## MESSAGE FROM THE ACTING EXECUTIVE DIRECTOR



During both Canada's 150<sup>th</sup> and Telefilm's 50<sup>th</sup> anniversaries this past year, I was greatly impressed by the passion and dedication with which our industry, including our public and private partners, rallied to make our cinema shine at home and abroad like never before.

This was exemplified by Movie Nights Across Canada, which enjoyed great visibility in several major cities from coast-to-coast, and by Canada Now, a showcase of Canadian cinema that made its way to several American cities and travelled throughout Mexico, China, and the United Kingdom.

What's more, audiences in Canada, Germany and the United States discovered a large selection of Canadian films through our RENDEZ-VOUS CANADA promotional boutiques on iTunes. At home, Encore+, an initiative led by our partner the Canada Media Fund, offered thousands of hours of Canadian content to audiences on YouTube.

This thrust towards increased promotion and better accessibility of Canadian content was the culmination of our 2015-2018 strategic plan *Inspired by Talent – Viewed Everywhere*. A study carried out in 2017 confirms that we are on track and that Canadians appreciate Telefilm's role: more than 75% of respondents say it is important for the government to support distinctly Canadian productions, that Canadian talent should be promoted, and that they are proud when our talent shines abroad.

Another positive sign is that the Success Index, which objectively measures the Canadian and international performance of films in our portfolio, rose by 13% in 2017, due to a marked jump in domestic box-office results and in private and foreign contributions for financing feature films.

### **SUPPORTING CANADIAN TALENT AT HOME AND AROUND THE WORLD**

This year, we supported the production of 141 feature films, as well as the development of 348 projects. More than 50 coproduction projects with 20 countries were recommended by Telefilm for official certification.

Despite stiff international competition, seven Canadian coproduction projects were greenlighted by Eurimages in our first year as a member country. To celebrate its partnership with Canada, Eurimages will hold its next meeting in Montreal in June 2018, during which we will warmly welcome delegates from 37 European countries.



## MESSAGE FROM THE ACTING EXECUTIVE DIRECTOR

Telefilm also saw its parliamentary appropriation increase in this fiscal year – new monies that were dedicated to the international promotion of our industry in the aim of increasing the export of our products.

In that vein, Telefilm supported industry participation in 39 international events in 2017-2018. In all, Canadian films were selected in 68 festivals around the world where they garnered 20 awards. Canada was also the Country of Honour in Goa (India), Guanajuato, (Mexico), and at the European Film Market in Berlin.

### TALENT AT THE HEART OF TELEFILM

At the heart of all we do is, of course, the talent. Led by filmmakers Robin Aubert (*The Ravenous*), Jennifer Baichwal and Nick de Pencier (*Long Time Running*), Cory Bowles (*Black Cop*), Sophie Dupuis (*Chien de garde*), Sadaf Foroughi (*Ava*), François Girard (*Hochelaga, Land of Souls*), Kathleen Hepburn (*Never Steady, Never Still*), Kim Nguyen (*Eye on Juliet*), Pascal Plante (*Fake Tattoos*), and Mina Shum (*Meditation Park*), to name but a few, Canada produced work that contribute to important discussions and reflect our worldview.

A notable example of this is *Indian Horse* from Stephen Campanelli, a film based on the novel by Anishinaabe author Richard Wagamese about residential schools and the power of Indigenous peoples. This reconciliation-themed film has earned acclaim nationwide and has already grossed over \$1 million at the box office.

### AN ORGANIZATION FOR TODAY AND TOMORROW

The audiovisual community has evolved by successfully engaging with greater diversity on both sides of the camera. Thus, 44% of new feature films supported this fiscal year were directed by women, 46% were written by women, and 48% were produced by women. We also increased our support to Indigenous projects to \$5 million, and contributed to the creation of the Indigenous Screen Office. Our cinematography is adorned with inspiring voices, and more will come.

At the same time, Telefilm is embracing its role as a talent incubator. New filmmakers, new ways of telling stories and reaching audiences, new companies across Canada: the industry has high expectations for the new Talent to Watch Program, which takes over from the Micro-Budget Production Program and will fund an unprecedented 50 first feature films each year!

Meanwhile, we continue to strive for organizational excellence. Our management expense ratio remained under 6% once again and we reinvested significant administrative savings in the industry, while always maintaining our client satisfaction rate.

With a new strategic plan in place, I began 2018-2019 by working with my Management Committee colleagues to put into action new guiding principles: see bigger; question and innovate; be inclusive; work together effectively, particularly with the Canada Media Fund; and reach audiences where they are.

Working in such a diverse and dynamic industry is a privilege I enjoy every day, and I thank Telefilm's Board, employees, and partners for their ongoing support.

I'm also grateful to the Talent Fund's Advisory Committee for their unwavering dedication. Thank you to the Fund's key partners, Bell Media, Corus Entertainment, the Royal Bank, Trinity Group, and Entertainment One among others, and to the many private donors for their important investment in our country's creativity, and especially in the next generation of talent.

Finally, I would like to thank two esteemed colleagues, Michel Roy, Chair of the Board and Carolle Brabant, Executive Director whose mandate ended during the year, for making Telefilm stronger, more flexible and more open than ever – truly an organization for today and tomorrow.

**Jean-Claude Mahé**  
Acting Executive Director



# MANAGEMENT DISCUSSION AND ANALYSIS

The content of the Management Discussion and Analysis (MD&A) section was prepared by Telefilm management to present the results achieved in fiscal 2017-2018. The analysis was based on meaningful, relevant and reliable information, with such information subject to quality-control procedures and free of material or misleading errors. It provides a qualitative context and complete account of Telefilm's performance and outlook for the future. The MD&A was approved by the Management Committee and the Acting Executive Director, and was approved by the Board of Directors.

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## INDUSTRY AND ECONOMIC CONDITIONS

### THE CANADIAN ECONOMY

The Canadian economy expanded in 2017, with gross domestic product (GDP) increasing by 3.0%<sup>3</sup>. Canadian GDP outperformed its 2016 growth level of 1.4%, driven by household consumption, including insurance and financial services, and vehicle purchases; business gross fixed capital formation, such as investment in machinery, equipment and residential structures; and, finally, business investment in inventories, with manufacturers, wholesalers and retailers adding to their stock levels.<sup>3</sup>

Canada's economy outperformed the average GDP growth rate of OECD member countries, which stood at 2.6%<sup>4</sup>.

### THE AUDIOVISUAL PRODUCTION SECTOR IN CANADA

Total film and television production volume in Canada, which includes foreign location and service production, reached an all-time high of \$8.4 billion in 2016-2017<sup>5</sup> — a 24.3% increase over the previous year. Growth was driven by foreign location and service production, accounting for over two-thirds of the growth recorded.

As a subset, the total volume of Canadian theatrical feature film production volume increased by 13.6%, to \$318 million, compared with 2015-2016 figures. Average budgets grew for both English-language and French-language productions (\$3.2 million and \$3.5 million, respectively). Despite a reduction in the number of theatrical feature films Canadian producers made (92 in 2016-2017 versus 105 in the previous year), the increase in average budget size allowed the overall production volume figures to grow, by 16.1%, to \$216 million, for English-language productions, and by 9.8%, to \$101 million, for French-language productions. In 2016-2017, film and television production in Canada generated 171,700 full-time equivalent jobs, including 6,600 in the Canadian film industry alone.



3. [Statistics Canada: Gross domestic product, income and expenditure, fourth quarter 2017](#)

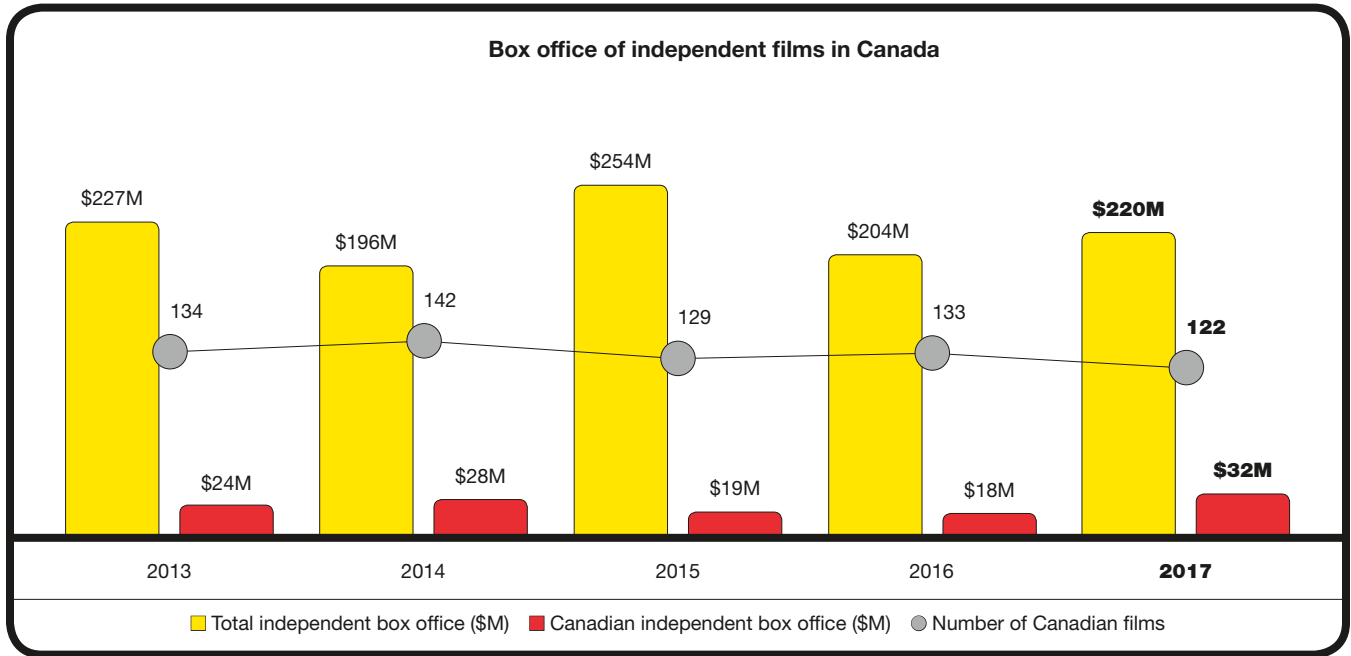
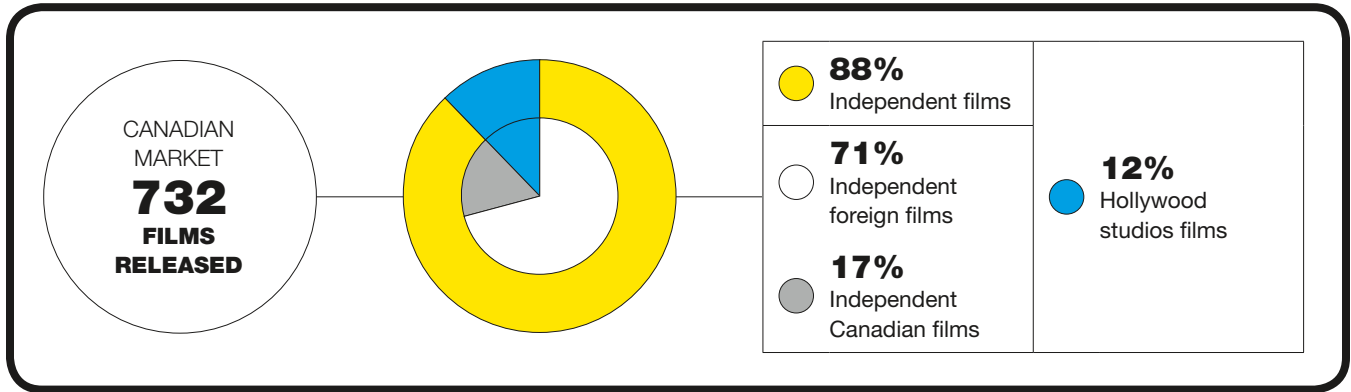
4. [OECD \(Organization for Economic Co-operation and Development\): Real GDP forecast](#)

5. [Profile 2017: Economic Report on the Screen-Based Media Production Industry in Canada](#) (2016-2017 is the most current year available.)

**INDEPENDENT BOX OFFICE**

In Canada, box-office sales for independent film increased by 8% compared to the previous year, with total sales reaching \$220 million<sup>6</sup> Canadian films are released into a highly competitive market, in 2017, a total of 732 films were released into the Canadian market; of these, 645 were independent films of which 122 were Canadian titles, while 87 were from Hollywood studios<sup>7</sup>.

Canadian films are defined as “independent,” meaning they are produced outside of the major film studio system, with marketing budgets that tend to be low by Hollywood standards.



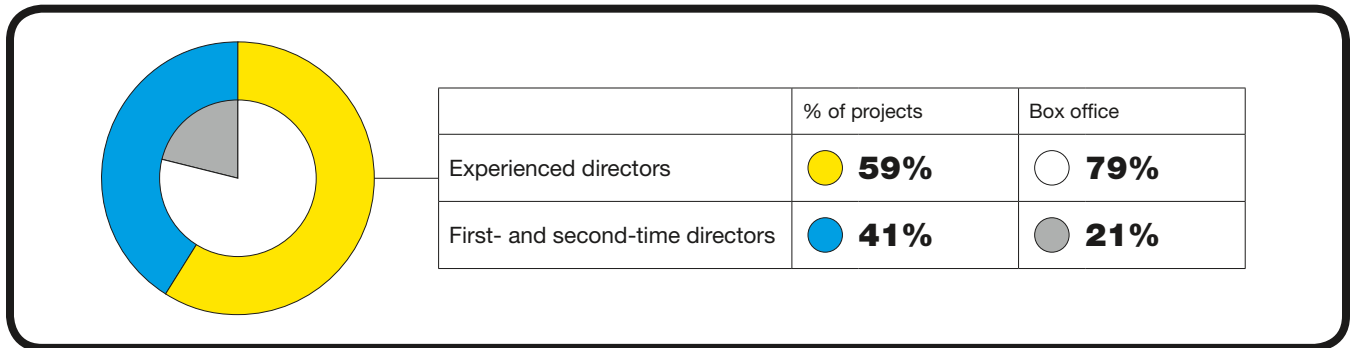
Telefilm was an investor in 66 of the 122 Canadian films released in 2017. These Telefilm-funded films accounted for 54% of titles but delivered 97% of the box office of Canadian films. Canadian films captured 14.7% of independent box-office sales in Canada in 2017, which equates to \$32.2 million.

6. Telefilm analysis of Movie Theatre Association of Canada data

7. Box-office sales are reported on a calendar-year basis.

**SHARE OF FILMS SUPPORTED BY TELEFILM IN PRODUCTION AND THEIR BOX OFFICE BY LEVEL OF DIRECTOR'S EXPERIENCE**

Director experience is an important factor when analyzing box-office performance. Expectations for first- and second-time filmmakers are focused on gaining experience and visibility, with expectations for box-office performance more tempered. First- and second-time directors (41%) of films supported by Telefilm in production, generated as anticipated, a fraction of box-office, at 21% in 2017. This is normal as early works are typically lower-budget films that act as a filter to identify new and promising creators. Films produced by more experienced directors represent 59% of projects; however, they account for over 79% of Canadian box-office sales<sup>8</sup>.



8. Data refers to 2017 box office (calendar year) for production films supported by Telefilm only, directed by first or second time feature film director compared to films directed by filmmakers with 3 feature films or more.



★

**CATHERINE BAINBRIDGE  
AND ALFONSO MAIORANA'S**

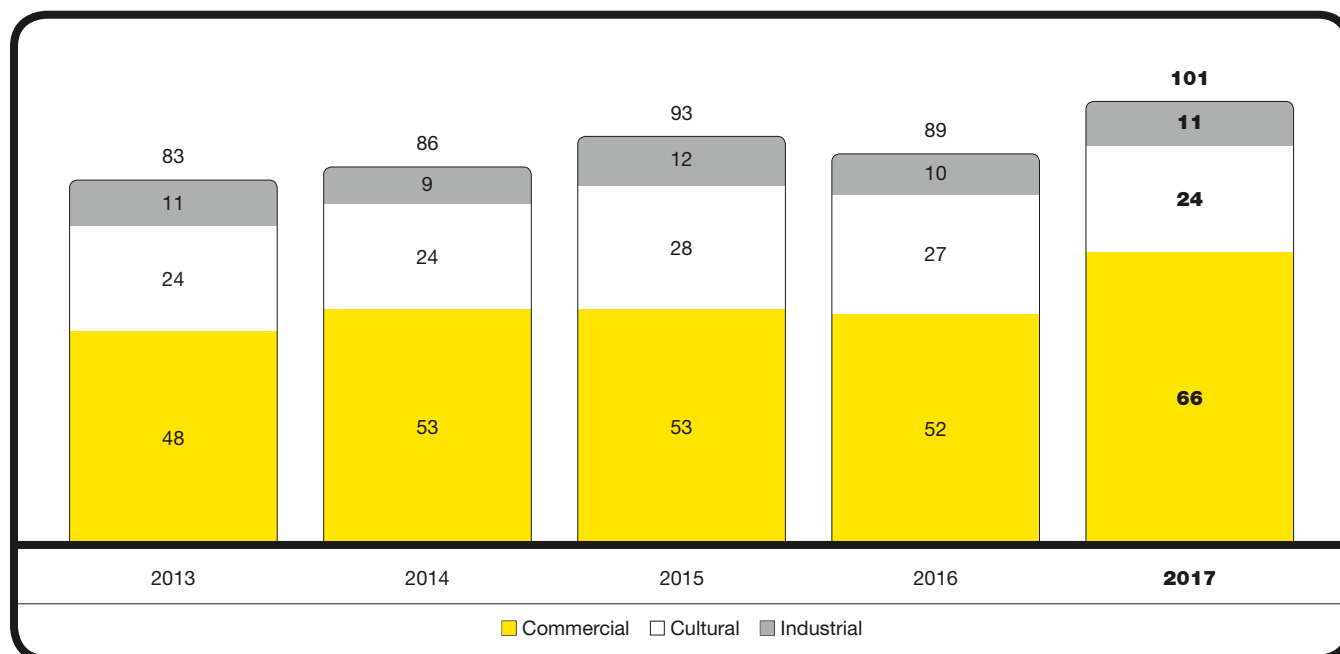
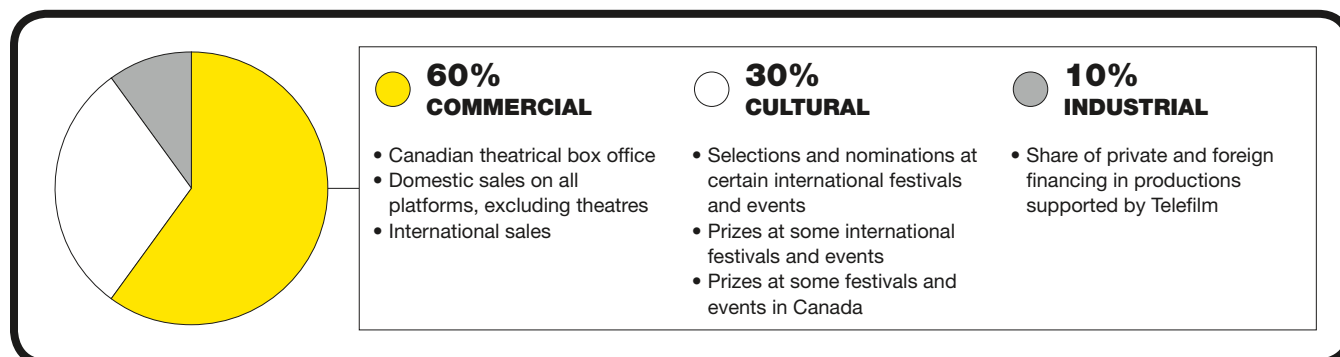
**RUMBLE:  
THE INDIANS  
WHO ROCKED  
THE WORLD**

WINS THE AUDIENCE AWARD PRIZE  
AT HOT DOCS AND AT THE  
SYDNEY FILM FESTIVAL

## MEASURING THE SUCCESS OF THE PORTFOLIO OF INDEPENDENT FILMS FUNDED BY TELEFILM

### Success Index

Telefilm's Success Index is a comprehensive measure that takes three types of success into account: commercial, cultural and industrial. Using 2010 as the baseline year, this key performance indicator evaluates changes in the overall success of the films Telefilm funds from year to year. The Success Index is calculated annually and is expressed as the sum of three weighted sub-indices:



The overall Success Index score increased by 13% in comparison to the 2016 level, driven by increases in the commercial and industrial components:

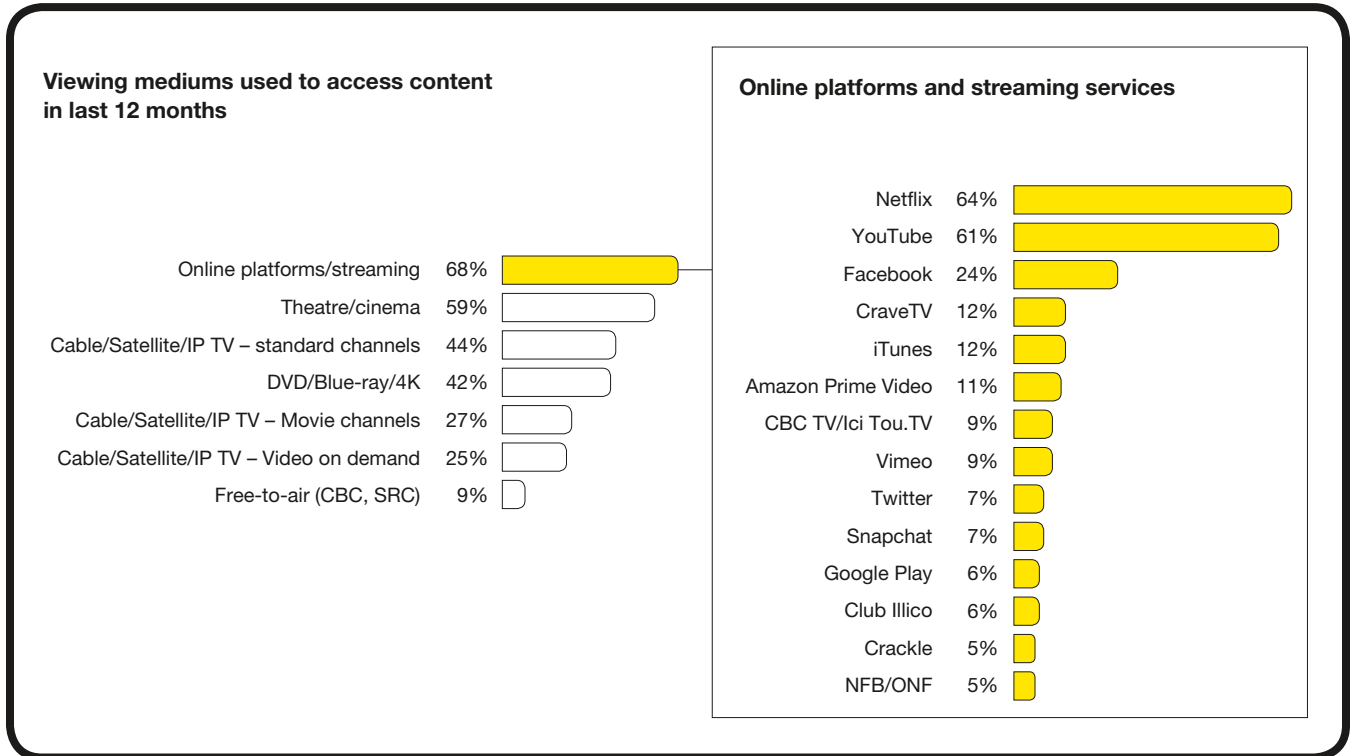
- The commercial component rose by 27% year over year and 10% over the base year (2010). Strong performances at the domestic box office drove this increase, driven largely by sequels of films well-known to Canadian audiences.
  - The sequels *De père en flic 2 (Father and Guns 2)* and *Bon Cop, Bad Cop 2* both earned over \$7 million at domestic cinemas
- The industrial score saw a 7% increase over 2016<sup>9</sup>, driven mainly by foreign investment and, to a lesser extent, by private investor contributions. This augmentation is in line with the increased activity seen in coproductions stemming from Canada's inclusion in Eurimages – the European Cinema Support Fund, which yielded very strong results in Canada's first year of membership.

9. Minority coproductions are not considered to be driven by a Canadian production company; therefore, Telefilm excludes the foreign financing of these productions in its calculation.

**OTHER PLATFORMS**

The popularity of online platforms and streaming sites continues to change the marketplace in Canada. Netflix disrupted the market upon entering Canada in 2011 and now has a considerable place within consumer behaviour, along with Google’s YouTube. Facebook, iTunes and Amazon Prime Video are also battling for audiences in Canada along with homegrown services such as CraveTV, CBC TV, Ici Tou.TV and Club Illico. Audiences definitely have access to more content than ever, and the competition for consumer attention is fierce.

- Nearly 60% of Canadians declared visiting cinema theatres in the past 12 months<sup>10</sup>, following online platforms in terms of popularity, making it clear that going out to a movie theatre is still an activity popular among Canadians.
- Finally, it is evident that various channels accessed through cable subscriptions continue to play an important part in reaching a large segment of the Canadian market.

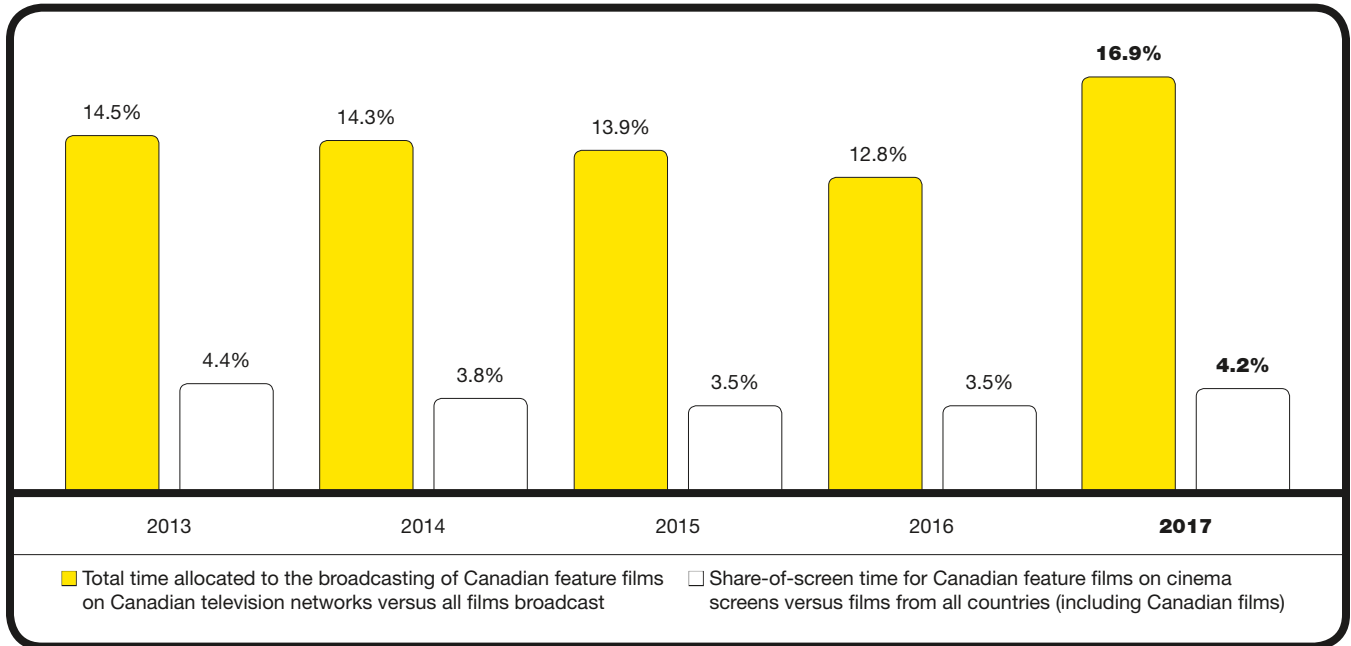


10. Data is based on findings from Telefilm’s 2018 survey of Canadians which will be published in fall 2018, under the title *Canadian Audience Report 2018*. The report is based on data from an annual survey of just over 3,000 Canadians conducted by Nielsen Research on behalf of Telefilm.



**ACCESSIBILITY**

Measuring and promoting access to Canadian content is an important component of Telefilm’s overall strategy to increase demand for Canadian content and reach audiences. Among other metrics, Telefilm measures accessibility of feature films on both television and in cinemas.

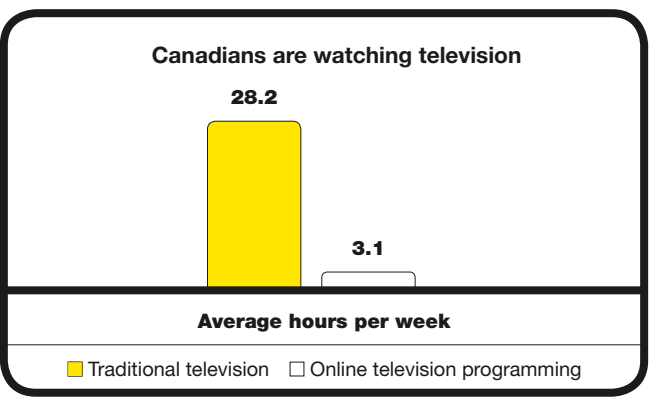


The accessibility of Canadian films remained stable at cinemas and grew in terms of the proportion of films screened on television in 2017-2018. According to the *Profile* report, Canadians can watch theatrical films on more than 2,600 screens in movie theatres and have access to nearly 800 television channels, more than half of which are Canadian.

Telefilm also monitors accessibility levels on other platforms, particularly new online methods of accessing content. In fiscal 2017-2018, the *Profile* report stated that Canadians can subscribe to more than 30 subscription video-on-demand (SVOD) services, which includes Canadian services such as Club illico and CraveTV.

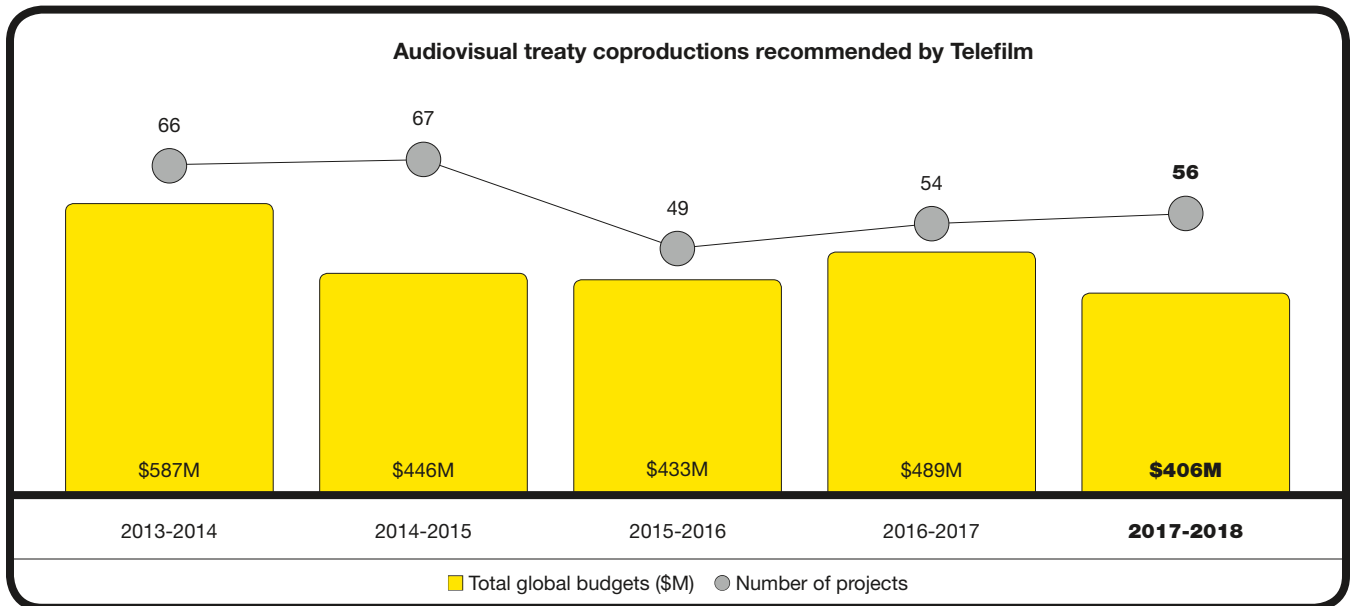
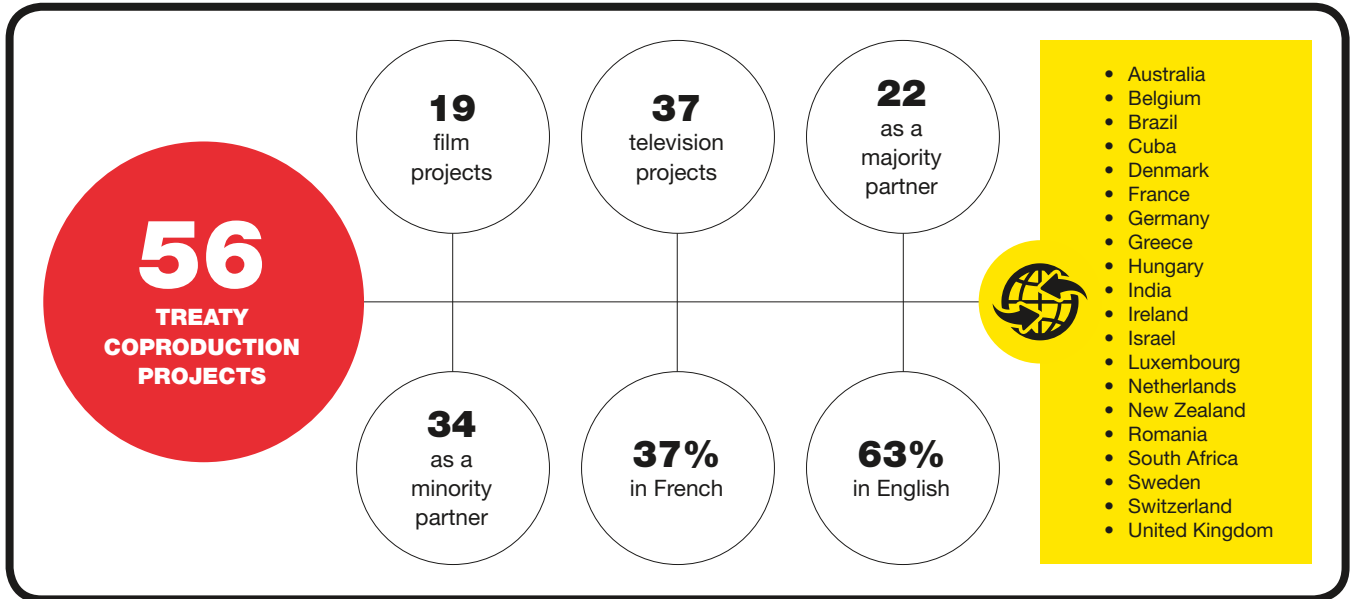
Along with these numerous additional platforms comes an enormous increase in content creation, with multinational companies like Netflix, Facebook, Apple and Amazon developing their own video content.

**DEMAND, HOWEVER, IS STRONG, AND CANADIANS ARE AN AVID PUBLIC,** watching an average of 28.2 hours of television along with another 3.1 hours per week of online television programming.



**COPRODUCTION IN CANADA**

Audiovisual treaty coproduction<sup>11</sup> has been an important vehicle for providing Canadian producers with financial participation from foreign sources and for promoting and exporting the works of Canadian creators internationally. In 2017-2018, total production budgets for 56 film and television treaty coproduction projects amounted to \$406 million and involved 20 partner countries<sup>12</sup>.



11. Treaty coproductions are defined as two or more production companies based in different countries combining resources to produce an audiovisual project for which they share economic risk, ownership, creative control, and benefits from their respective governments pursuant to the terms of a treaty. The level of each company's involvement in the project defines who is the majority producer and who is the minority producer. Coproduction applications must be certified by the Canadian government. To this end, Telefilm evaluates and recommends projects likely to be recognized by the Department of Canadian Heritage as audiovisual treaty coproductions.

12. Since fiscal 2016-2017, Telefilm reports coproduction levels based on the year of recommendation for certification. Prior year coproduction levels presented have been restated to reflect this change.

# CORPORATE PLAN DELIVERY

INSPIRED BY TALENT.  
VIEWED EVERYWHERE.

TELEFILM

Fiscal year 2017-2018 marks the third and final year of Telefilm's corporate plan, ***Inspired by Talent. Viewed Everywhere.***

Since its introduction in fiscal 2015-2016, Telefilm has made significant achievements with regards to its priorities.

**25** STRATEGIC PRIORITIES AND ACCOMPLISHMENTS

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# STRATEGIC PRIORITIES AND ACCOMPLISHMENTS



STRATEGIC PRIORITIES		ACCOMPLISHMENTS	
2015-2018	2015-2016	2016-2017	2017-2018
<p><b>Industry funding – diversifying</b></p> <ul style="list-style-type: none"> <li>• Attracting new funding partners</li> <li>• Examine new long-term funding mechanisms</li> </ul> <p><b>Ecosystem of companies – delivering together</b></p> <ul style="list-style-type: none"> <li>• Develop and support an ecosystem of companies, including emerging ones, effective at delivering against expectations</li> </ul>	<p>Development Program funding attributed automatically</p> <p>Micro-Budget Production Program now funded at 75% from The Talent Fund</p> <p>Telefilm celebrated its 40<sup>th</sup> anniversary of coproduction administration</p>	<p>New measures introduced to promote diversity</p> <p>Canada became the first non-European member country of Eurimages</p> <p>Export Assistance Program launched</p> <p>International Marketing Program expanded to 34 additional festivals</p> <p>Treasury Board of Canada increased Telefilm’s parliamentary appropriation by \$2 million in 2016-2017 and by \$5 million thereafter</p>	<p>Telefilm increased development funding allocated to documentarians, women, emerging and regional talent</p> <p>The Talent to Watch Program will expand its support to 50 films annually, beginning in fiscal 2018-2019</p> <p>Telefilm began implementing its five-step action plan to reach gender parity by 2020</p> <p>Funding for Indigenous creators amounted to \$5.3 million, surpassing the \$4 million annual objective</p> <p>Telefilm’s first year as a member of Eurimages, exceeded expectations— with seven Canadian projects funded</p> <p>Telefilm benefited from a one-time Memorandum of Understanding for \$2.5 million in supplementary funding from Canadian Heritage</p>



**PROMOTER**

STRATEGIC PRIORITIES	ACCOMPLISHMENTS		
2015-2018	2015-2016	2016-2017	2017-2018
<p><b>Industry recognition – promoting the value of Canadian content</b></p> <ul style="list-style-type: none"> <li>• Conduct effective promotion of the industry and its success directly to consumers</li> </ul> <p><b>Marketing practices – encouraging innovation to reach audiences</b></p> <ul style="list-style-type: none"> <li>• Players to reduce gap with viewers’ expectations</li> <li>• Increase viewership of Canadian productions</li> </ul>	<p>National audience-focused strategy and marketing campaign launched</p> <p>See <i>the North</i> international audience building initiative developed in partnership with TIFF</p> <p>Telefilm signature branded events, <i>Perspective Canada</i>, <i>Eye on TIFF</i> and <i>Focus on Canada</i>, held internationally</p> <p>The <i>Birks Diamond Tribute to the Year’s Women in Film</i> celebrated during TIFF</p>	<p>National audience-focused marketing campaign continued to grow: the iTunes store reported over 35,000 views of Canadian films and the social media promotional videos, generated over 1 million views, following the first few weeks after their launches</p> <p>Award-winning actor Karine Vanasse named Talent Fund ambassador</p> <p>Movie Nights Across Canada celebrated Canada 150 with red carpet screenings in Ottawa and Toronto</p> <p>The Canada Pavilion business support hubs extended to two new venues specializing in animation and documentaries: Marché international du film d’animation in Annecy and Sunny Side of the Doc in La Rochelle</p>	<p>National audience-focused marketing campaign continues to connect through social media, driving awareness for Canadian talent</p> <p>RDVCANADA.CA launched, targeting the international business community</p> <p>Canada took centre stage as the Country in Focus at the 2018 European Film Market</p> <p>International iterations of iTunes RENDEZ-VOUS CANADA debuted in Germany and the United States, offering the best in Canadian filmmaking all in one place</p> <p>Eye on TIFF—exclusive pre-festival screenings—expanded to Paris and London</p> <p>The Canada Now arthouse screening expanded to the United Kingdom, Mexico and China</p> <p>Movie Nights Across Canada red-carpet screenings celebrated Canada 150 from coast-to-coast</p>





## THOUGHT LEADERSHIP

STRATEGIC PRIORITIES	ACCOMPLISHMENTS		
2015-2018	2015-2016	2016-2017	2017-2018
<p><b>Market intelligence – deciding with meaningful metrics</b></p> <ul style="list-style-type: none"> <li>• Conduct and communicate value relevant research</li> <li>• Enhance comprehensive success measurement</li> </ul>	<p>The first iteration of the Playback Marketing Summit was held</p> <p>Telefilm’s Audiences in Canada: Trend Report launched at the Summit</p> <p>Film distribution expert Gary Faber offered Savvy Marketing Insights at a TIFF industry Telefilm Talent to Watch panel</p> <p>New partnership formed with the Canadian Media Producer’s Association to support the Profile: Economic Report on the Screen-based Media Production Industry in Canada</p>	<p>Emerging filmmakers refined their marketing strategies at Telefilm’s boot camp sessions</p> <p>Telefilm supported global conversations on key industry issues; audience engagement, measuring digital cultural products, promoting women in the audiovisual industry, driving innovation, virtual and augmented reality, opportunities for emerging filmmakers and trends in theatrical exhibition</p> <p>Funded industry-led studies regarding women in leadership, exporting Canadian content, documentary impact producing and content discoverability</p>	<p>Telefilm launched its new 2018-2020 strategic plan, <i>See Bigger</i></p> <p>Five In Focus sessions—a career acceleration initiative—were held to spotlight female directors in Toronto and the Atlantic region</p> <p>Let’s Change with Blockchain! events were brought to the European Film Market in Berlin and the SXSW Festival</p> <p>Telefilm highlighted its organizational transformation at the 2017 Korean Film Council International Media Policies and New Global Trends Conference in Seoul, South Korea</p> <p>The <i>Canadian Audience Report</i> was presented at the All Access conference in Manitoba</p> <p>Telefilm supported the Canadian Media Producers Association’s economic impact case studies, featuring <i>Maudie</i> and <i>Pyewacket</i></p>



## ADMINISTRATOR

STRATEGIC PRIORITIES	ACCOMPLISHMENTS		
2015-2018	2015-2016	2016-2017	2017-2018
<p><b>Organizational excellence – performing in a changing environment</b></p> <ul style="list-style-type: none"> <li>continue to strive for optimum levels of effectiveness and efficiency</li> </ul>	<p>Percentage of clients satisfied reached new heights at 87%</p> <p>Management expense ratio held at record low level of 5.2%</p> <p>Telefilm celebrated 10 years of administering programs for the Canada Media Fund</p> <p>\$2.7M budgetary savings transferred to funding programs</p>	<p>Percentage of clients satisfied reached new record level of 90%</p> <p>Management expense ratio held at low level of 5.2%, for three consecutive years</p> <p>Implemented Dialogue application platform for the majority of funding programs</p> <p>Won Chartered Professional Accountants of Canada award for excellence for the 2014-2015 annual report, <i>Talent Without Borders</i></p> <p>\$1.5M in budgetary savings transferred to funding programs</p>	<p>Client satisfaction levels remain strong at 85%</p> <p>The Dialogue application platform continues to be implemented, with completion expected by fiscal 2018-2019</p> <p>Telefilm wins the Gold Award of Excellence from the Chartered Professional Accountants of Canada for the 2015-2016 annual report, <i>Celebrating 50 Years of Talent</i></p> <p>\$0.5M in budgetary savings transferred to funding programs</p> <p>Additional government financing enables Telefilm support to reach its highest level since 2010-2011, at \$106.3M</p>



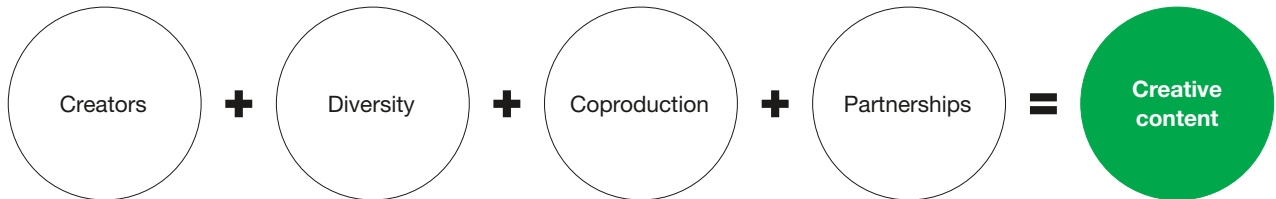
# FUNDER

**INDUSTRY FUNDING**  
DIVERSIFYING SOURCES

**ECOSYSTEM OF COMPANIES**  
DELIVERING TOGETHER

TELEFILM HAS WORKED TO ATTRACT FUNDING SOURCES, TO EXAMINE NEW LONG-TERM FUNDING MECHANISMS AND TO DEVELOP AND SUPPORT AN ECOSYSTEM OF COMPANIES EFFECTIVE AT DELIVERING EXPECTATIONS.

## FOCUS ON



**SUSTAIN CREATION OF CANADIAN  
CREATIVE CONTENT**

**VALUE SUCCESSFUL  
COMPANIES**

**DEVELOP**  
Canadian  
creative content

**DIVERSIFY**  
funding sources  
and revenues

**ENCOURAGE**  
predictable funding and  
financial risk-taking

**INSPIRE**  
innovation

### FUNDING PROGRAMS AND ECOSYSTEM OF COMPANIES

Talent to Watch  
Program

Theatrical Documentary  
Program

Eurimages  
membership

Coproduction treaty  
administration

Innovation  
program

**Development and Production Programs**

- Performance-based selection that fosters a viable ecosystem
- Stable financing for performing companies

## ACHIEVEMENTS

During the execution of its previous strategic plan, Telefilm put in place streamlined funding programs designed to support the industry. Since then, the effectiveness of funding programs and their compatibility with evolving market conditions have been evaluated on a continual basis, including through ongoing consultations with the industry.

In 2017-2018, improvements to funding programs included the following:

### Increased development funding for documentarians, women, emerging and regional talent

- **Documentarians:** During the fiscal year, the **Development Program** was opened to creators who had previously produced a theatrically released documentary, as well as to production companies who had produced a film under the **Talent to Watch Program** (formerly known as the Micro-Budget Production Program).
- **Women:** Production companies submitting projects written by women and developed with a female producer gained access to additional funds. Telefilm's commitments totaled nearly \$700K, surpassing its initially budgeted goal of \$500K for projects in French, English and Indigenous languages. In terms of volume, 46 projects were supported through this initiative.
- **Emerging and regional talent:** Working with regional partner Creative BC, a joint initiative was launched to boost development funding available to production companies from British Columbia. This joint initiative between Telefilm and Creative BC ensures \$30,000 in total development funding is made available to production companies that receive funding from Telefilm.

### More support for emerging talent – Talent to Watch Program

In 2017-2018, Telefilm unveiled the **Talent to Watch Program**, which provides support to emerging filmmakers. Telefilm will support 50 films annually through the program, beginning in fiscal 2018-2019. An industry jury will aid in the selection of projects. The expansion is driven by the success of the Micro-Budget Production Program, aimed at funding first features and web projects in order to accelerate the career development of Canadian filmmakers. The **Talent to Watch Program** supported 17 films in 2017-2018; 72 have been produced since the program was launched in 2012-2013.

### Simplified production funding recoupment

During the fiscal year, Telefilm began applying a simplified form of recoupment for projects with budgets of less than \$2.5 million and for which Telefilm's financial participation is provided as a repayable equity investment. Recoupment will amount to 10% of the applicant's portion of production revenues received during the first 24 months of the project's commercial exploitation.



Opening  
in May 2018!

### Theatrical Exhibition Program: To ensure access to Canadian content

Telefilm designed its new **Theatrical Exhibition Program** during 2017-2018 to increase programming of Canadian films in theatres across Canada. This program will support Canadian commercial exhibitors' promotional expenses related to Canadian films and is designed to increase Canadian audiences' access to homegrown films.

**DELIVERING ON MEASURES TO PROMOTE DIVERSITY**

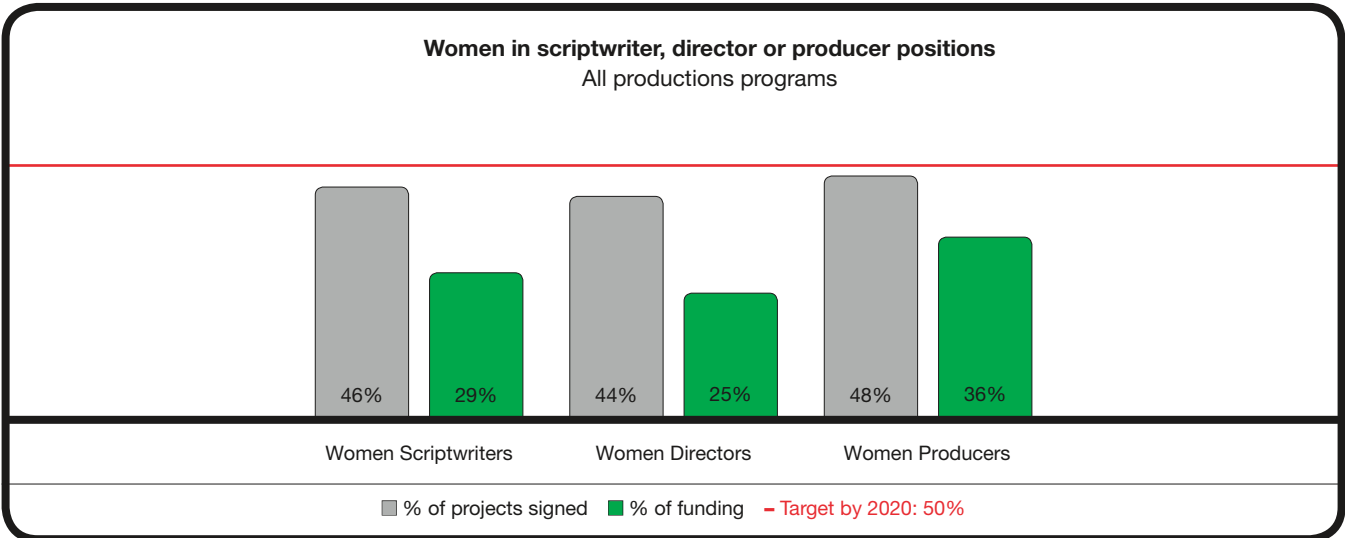
<p><b>During the previous fiscal year, Telefilm, with the support of the industry, made the commitment:</b></p> <ul style="list-style-type: none"> <li>to build, by 2020, a representative and diversified feature film portfolio that better reflects Canada's population.</li> </ul>	<p><b>Throughout 2017-2018, Telefilm implemented measures, including adjusting its evaluation criteria, in order to:</b></p> <ul style="list-style-type: none"> <li>take into account its objective to <b>foster a diversity of voices</b> in the industry</li> <li>ensure a balanced portfolio of <b>productions reflecting a variety of genres, budget, company sizes, regions</b> across the country, and <b>different viewpoints</b></li> <li>prioritize projects where the director, screenwriter and producer <b>reflect the diversity of the country</b> in terms of gender, Indigenous communities or cultural diversity, for projects of equal quality</li> </ul>
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Following their first year of implementation, these measures yielded the following results:

**GENDER PARITY**

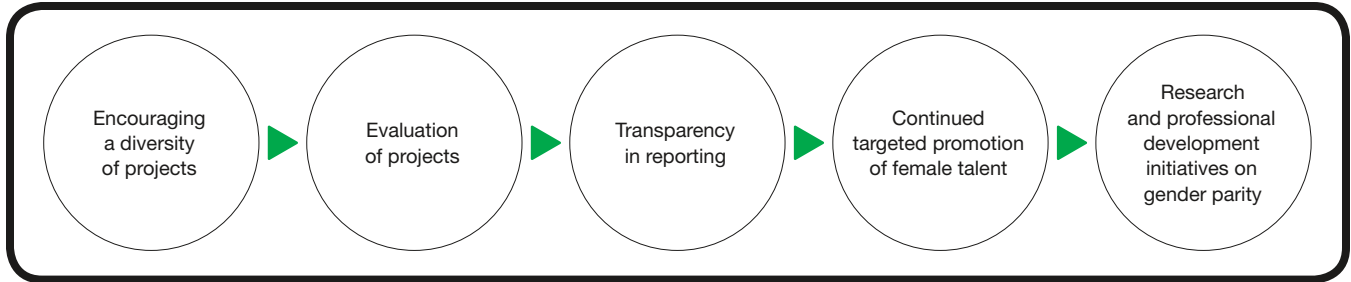
With a clearly defined objective of achieving, by 2020, a balanced production portfolio, at all budget levels, that reflects parity in each of the key creative roles, results were measured in 2017-2018, demonstrating that:

- 67% of projects had at least one woman in a key creative role
- 45% had at least two women in key creative roles



Going forward, Telefilm will continue to focus on attaining a more representative portfolio by:

- prioritizing parity within larger budget investments, where women in creative roles are still underrepresented
- providing development funding to encourage more female-led projects
- continuing to implement its five step action plan, which includes:



**INDIGENOUS CREATORS**

**Funding for Indigenous creators amounted to \$5.3 million in 2017-2018**, well surpassing the \$4 million annual objective set by Telefilm. This includes commitments to support the Canadian Indigenous screen-based industry through the development, production and marketing of Indigenous content, as follows:

Development	<b>\$75,000</b>	<b>5 projects</b>
Production	<b>\$5.1M</b>	<b>14 projects</b>
Promotion	<b>\$161,000</b>	<b>8 projects</b>

To ensure Indigenous creators are properly represented in its portfolio, Telefilm consults a working group of Indigenous industry members. This collaboration has led to decisions such as using creative teams in the definition of Indigenous content and the use of juries in content assessment and recommendations. In addition, Telefilm has begun prioritizing Indigenous representation in its workforce.

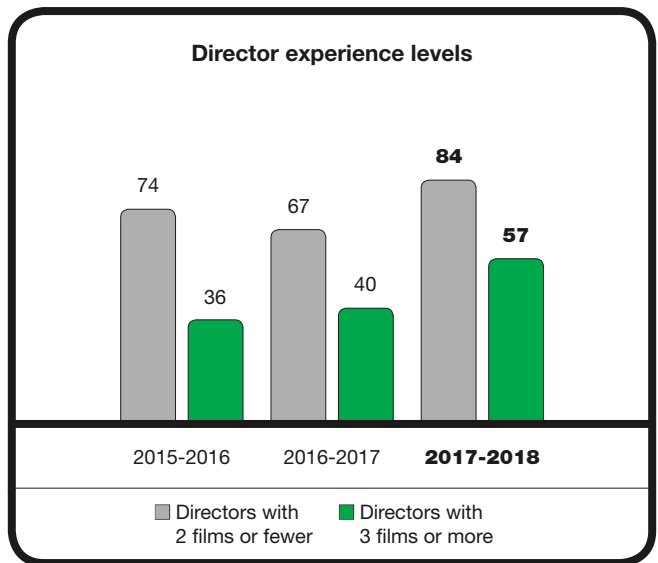
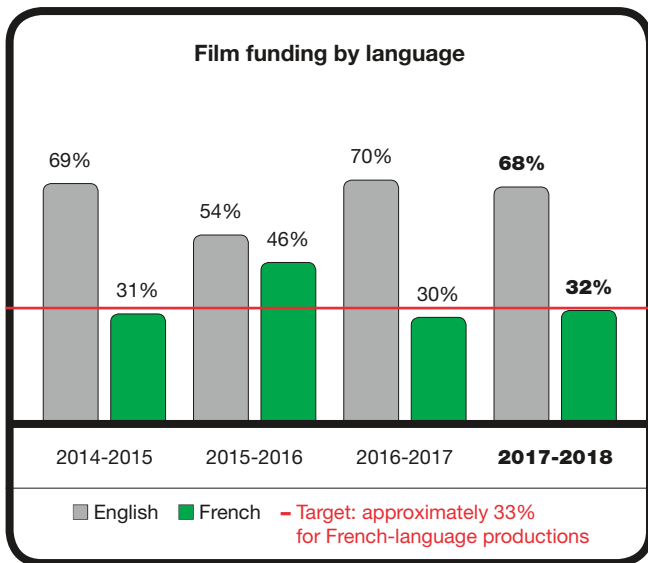
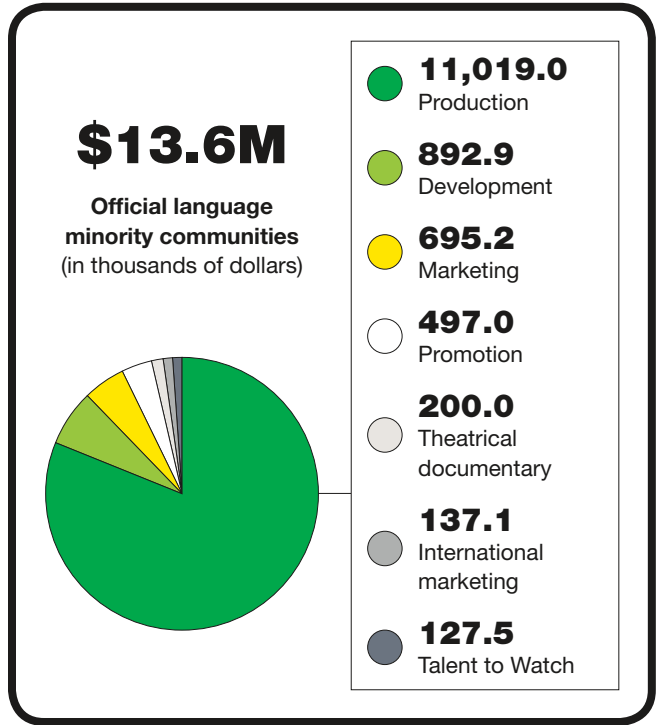
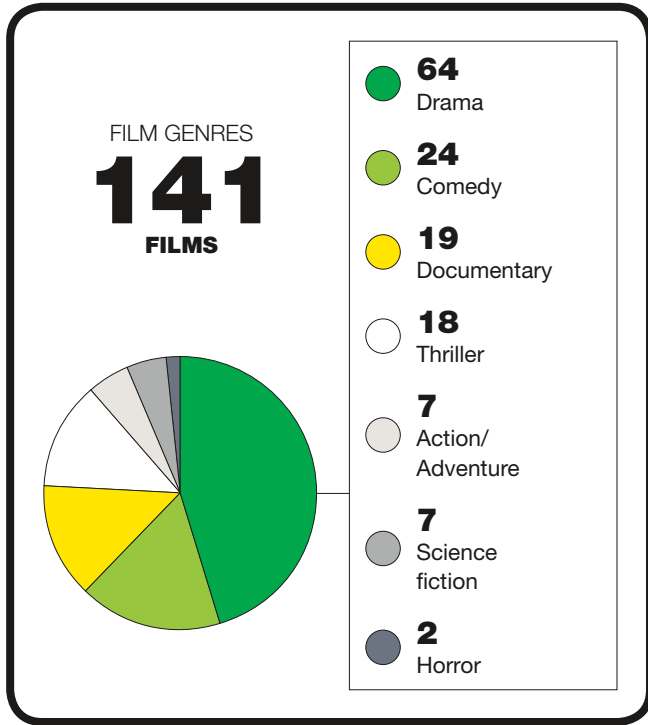
THE INDIGENOUS SCREEN OFFICE – A SUSTAINABLE AUTONOMOUS ENTITY THAT WILL HELP INDIGENOUS CREATORS AMPLIFY THEIR VOICES AND ENSURE A VIBRANT INDIGENOUS SCREEN-BASED INDUSTRY.

**Indigenous Screen Office**

In June 2017, following an announcement by the Honourable Mélanie Joly, Minister of Canadian Heritage, Telefilm signed an agreement along with the Aboriginal Peoples Television Network (APTN), the Canadian Broadcasting Corporation/ Radio-Canada (CBC/SRC), the Canada Media Fund (CMF), the Canadian Media Producers Association (CMPA), and the National Film Board of Canada (NFB) to fund the **Indigenous Screen Office (ISO)**. The partners are confident this collaborative effort will create a sustainable autonomous entity that will help Indigenous creators amplify their voices to ensure a vibrant Indigenous screen-based industry. In January 2018, Jesse Wentle, an Indigenous community member and highly respected cultural industry leader, was appointed as Director of the ISO. The objectives for the first year will be to form an Advisory circle, including Indigenous representation from the diverse Canadian First Nations, and the development of a strategic plan.

**DIVERSITY**

Telefilm funds a diversity of projects that represent an impressive range of Canadian voices. This variety is reflected in genres, language market, director experience, budget level and the presence of talent from under-represented communities. Figures for 2017-2018 are as follows:





**GUIDING PRINCIPLES ON HARASSMENT**

As investors in Canada’s creative industries, we are committed to working together, alongside our industry partners and stakeholders, towards taking measures that ensure a safe and respectful work environment for all.

<p><b>1</b></p> <p><b>OUR COMMITMENT</b></p> <ul style="list-style-type: none"> <li>• Support a healthy ecosystem that thrives in a culture of mutual respect, dignity and inclusivity that is free from any form of harassment.</li> </ul>	<p><b>2</b></p> <p><b>OUR GUIDING PRINCIPLES</b></p> <ul style="list-style-type: none"> <li>• Support the prevention and eradication of harassment, in any form, in our own organizations and in the companies we support.</li> <li>• Encourage the industry to respond to harmful behaviour in a timely and meaningful way.</li> </ul>
<p><b>3</b></p> <p><b>WE BELIEVE THAT</b></p> <ul style="list-style-type: none"> <li>• Creating and maintaining an inclusive and respectful workplace is everyone’s responsibility.</li> <li>• Harassment cannot be tolerated.</li> <li>• Complainants and victims of harassment must be supported and protected.</li> <li>• Safe reporting mechanisms should be put in place to protect complainants and victims.</li> <li>• Awareness and education are critical to ensuring safe and inclusive workplaces for everyone.</li> </ul>	<p><b>4</b></p> <p><b>WE EXPECT</b></p> <ul style="list-style-type: none"> <li>• All companies that work with us or seek funding from us, to respect these principles, comply with relevant laws and implement policies and procedures for a harassment-free workplace.</li> </ul>

These guiding principles are a first step in an ongoing process to create sustainable mechanisms to shift the current workplace culture in our creative industries. Telefilm, along with all stakeholders, will continue to work to achieve positive change.

**Signatories**

## EXAMINE NEW LONG-TERM FUNDING MECHANISMS

To diversify funding sources, Telefilm has identified coproductions and partnerships as key opportunities for the Canadian audiovisual industry.

Canada joined Eurimages – European Cinema Support Fund in 2016-2017, becoming its 38th member country and first non-European member country. Since joining the program, which aims to support the coproduction of cinematographic works between member countries through the Council of Europe, **Eurimages has invested in seven Canadian projects for an amount of 2.2 million euros**—proving Canada’s notoriety as a coproduction’s partner of choice.

ANALYSIS SHOWS THAT COPRODUCTIONS ACHIEVE BETTER RESULTS BOTH COMMERCIALY AND CULTURALLY, IN ADDITION TO YIELDING A BETTER RETURN ON INVESTMENTS FOR TELEFILM.

During fiscal 2017-2018, Telefilm financed 17 official treaty coproductions with investments totalling \$24 million.

Moreover, as part of the 2016 federal budget, Telefilm was granted an additional **ongoing \$5 million parliamentary appropriation**. Furthermore, Telefilm also benefits in 2017-2018 of a **supplementary \$2.5 million**, from a one-time Memorandum of Understanding with Canadian Heritage. These additional funds have been entirely incurred in Telefilm’s funding programs and promotional activities and the results are reflected throughout the annual report, allocation of funding is as follows:

Funds to provide support for international coproductions and increase national and international promotion of Canadian films (in thousands of dollars)	Ongoing	Supp	2017-2018
<b>International coproductions</b>			
• Eurimages	1,388	–	<b>1,388</b>
• Production Programs: International coproductions	1,046	1,686	<b>2,732</b>
<b>National promotion</b>			
• Enhance the profile and discoverability of Canadian talent and content, promote knowledge related to business intelligence	500	–	<b>500</b>
<b>International promotional support for creators and Canadian content</b>			
• Export Assistance Program	71	–	<b>71</b>
• International Marketing Program	650	–	<b>650</b>
• Expansion and positioning of international promotional activities	1,345	814	<b>2,159</b>
<b>Total</b>	<b>5,000</b>	<b>2,500</b>	<b>7,500</b>



# THE PARTNERSHIP

BETWEEN THE ROGERS GROUP OF FUNDS  
AND TELEFILM

**CELEBRATED 10 YEARS**

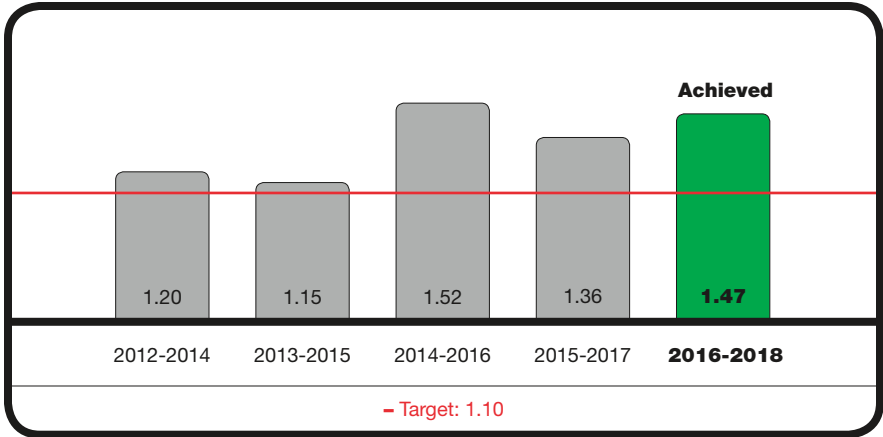
OF SUPPORT  
FOR FEATURE-LENGTH  
DOCUMENTARIES!

 **ROGERS**<sup>™</sup>  
Group of Funds

**ATTRACT FUNDING PARTNERS**

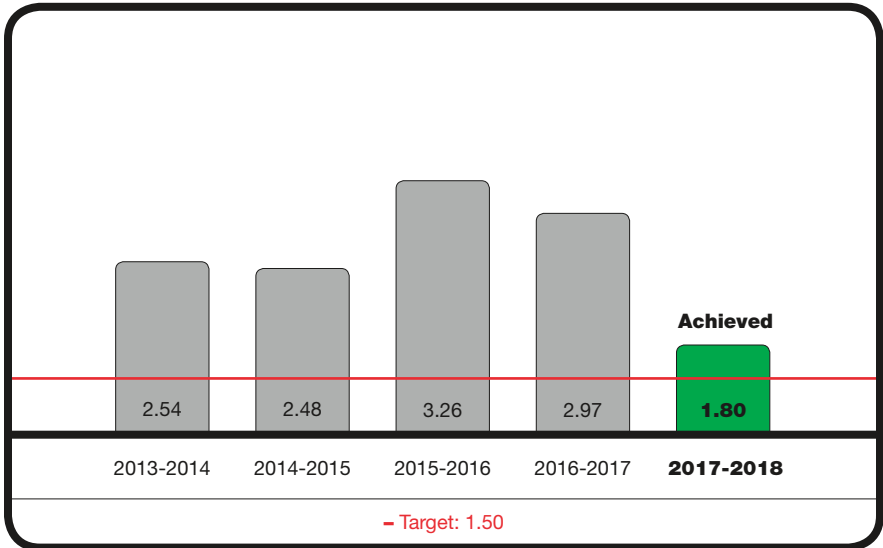
In alignment with its funding pillar, Telefilm has also worked to attract additional funding sources for the Canadian audiovisual industry. It is recognized that Telefilm’s film production funding acts as a catalyst to leverage financing from other sources. Telefilm uses its **private sector-to-Telefilm investment ratio for film production**<sup>13</sup> to measure the ability of films to attract private and foreign financing. The ratio takes into account the total production financing from private sector and foreign sources versus the total production funding from Telefilm, with the objective of increasing the financial investments over time.

- The ratio stands at 1.47, meaning that \$1.47 of private and foreign financing was invested in production budgets for every \$1.00 Telefilm contributed.
- The increase was driven by foreign financing from coproductions.



Telefilm strives to finance its promotional initiatives through partnerships. By measuring and encouraging greater levels of private-sector investment for promotional activities, the leveraging effect and overall impact of Telefilm’s promotional efforts increase. Telefilm monitors that level through its **private-sector-to-Telefilm investment ratio for promotional activities**.

- For every \$1.00 invested by Telefilm, \$1.80 was provided by the private sector.
- Additional parliamentary appropriation funding helped Telefilm increase its promotional efforts and spending on the international level in 2017-2018, which impacted the ratio result.
- Contributions from the private sector has not varied significantly versus previous years.



13. The ratio includes films supported in production only and excludes films supported through the Theatrical Documentary Program, mini-treaties and the foreign share of treaty coproduction budgets in which Canada is a minority or equal-share partner. The ratio is based on a three-year moving average.

## GOING FORWARD

In the coming year, Telefilm will strive to accelerate advancement towards gender parity in its portfolio. Furthermore, Telefilm will continue to consult with different members of the audiovisual industry in Canada regarding increasing diversity in its portfolio at large.

Furthermore, Telefilm is looking forward to welcoming delegates from 37 member countries of Eurimages as Montréal hosts a quarterly meeting of the European funding agency in June 2018.

As Telefilm heads into its new strategic plan, it will assess industry needs and possible forms of funding sought by industry players, including initiatives to ensure alignment among private and public partners.

Telefilm will also seek to secure new private funding sources that will ensure the Talent Fund's sustainability, including studying best practices in philanthropic funding.



**ROBIN AUBERT'S**  
**LES AFFAMÉS**

PICKS UP THE AUDIENCE AWARD PRIZE  
AT THE FESTIVAL DU NOUVEAU CINÉMA  
AND THE BEST CANADIAN  
FEATURE FILM AWARD  
AT THE TORONTO INTERNATIONAL  
FILM FESTIVAL



# PROMOTER

**INDUSTRY RECOGNITION**  
PROMOTING THE VALUE  
OF CANADIAN CONTENT

**MARKETING PRACTICES**  
ENCOURAGING INNOVATION  
TO REACH AUDIENCES

IN 2017-2018, TELEFILM MADE IT EASIER FOR CONSUMERS  
TO DISCOVER AND ENJOY CANADIAN CONTENT.

## FOCUS ON



**SUPPORT DISTRIBUTION AND  
MARKETING OF CANADIAN CREATIVE CONTENT**

**EXPORT SUCCESS**

**ENCOURAGE DISCOVERABILITY  
AND ACCESSIBILITY**  
of Canadian creators and  
content on platforms

**PROMOTE CREATORS  
AND CONTENT**  
in Canada and abroad

**LEVERAGE CANADA'S  
INTERNATIONAL PRESENCE  
AND REPUTATION**

### FUNDING PROGRAMS AND PROMOTIONAL ACTIVITIES

**Marketing Program** to support  
film promotion and distribution

**Promotion Program**  
to finance film festivals  
and events across Canada

**Integrated national  
promotional campaign,**  
including special screenings  
held from coast-to-coast

**Innovation program**

**Export Assistance Program**  
to promote international sales

**International Marketing and  
Festival Participation Program**  
to support Canadian talent

**Canada's presence at  
international festivals** and  
markets showcasing content  
and talent around the world

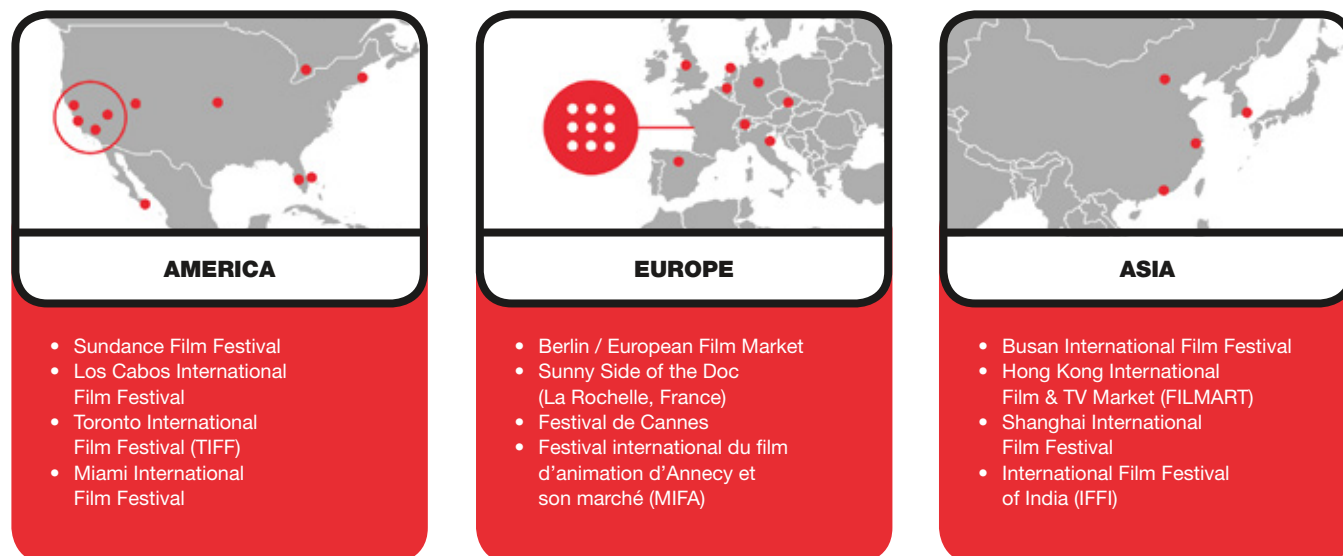
**Marquee events** executed  
on the international stage

## ACHIEVEMENTS

In 2017-2018, Telefilm continued to promote Canada's unique culture in order to grow the reputation of our talented creators and help accelerate the careers of the next generation.

## CANADA ON THE INTERNATIONAL SCENE

In order to best leverage the success of Canadian talent on the international stage, Telefilm supports the attendance of Canadians at 39 international festivals around the world, including:



In our increasingly connected market, content can reach audiences around the world and a global perspective can allow the industry to thrive like never before. In fiscal 2017-2018, Telefilm, through additional funding from the Department of Canadian Heritage, strengthened its positioning of Canadian creators and Canadian content in priority markets in Europe and Asia. Namely, Canada was the Country of Focus at the European Film Market in Berlin and Canadian content was featured on promotional boutiques via iTunes in Europe. Furthermore, Canada was showcased at the International Film Festival of India and at the Ullens Center for Contemporary Art in Beijing, China.

## SIGNATURE EVENTS

Telefilm continues to create and hold branded initiatives around the world. Signature events like **Perspective Canada, Not Short on Talent** and **Eye on TIFF**, among others, are designed to elevate global awareness and discoverability of Canadian talent, to drive the export of Canadian cultural products, and to inspire further international production investment in Canada. Telefilm is proud to partner with the Academy of Canadian Cinema and Television and the Consulate General of Canada in Los Angeles to celebrate Canadian Oscar nominees at the **Canadian Toast to the Oscars** event.

In 2017-2018, Telefilm added **First Look**—a screening series that gives the international acquisitions community a sneak-peak of Canadian films about to hit the circuit—to its export support initiatives.

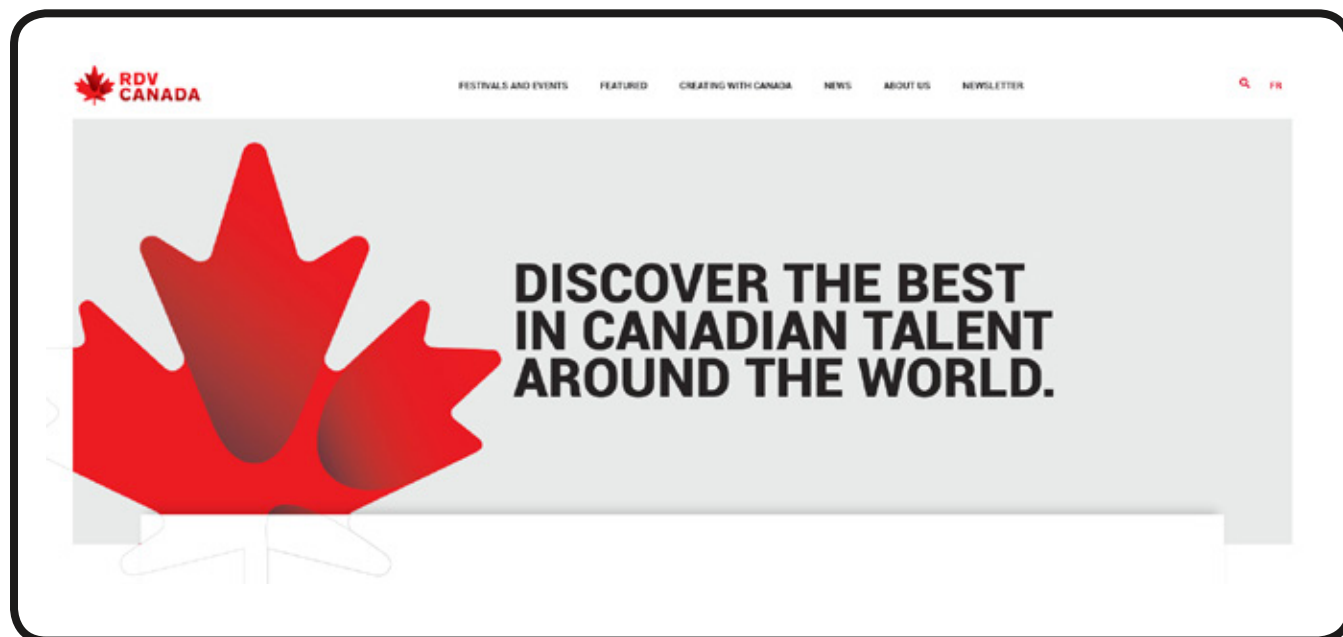
In addition, Telefilm offered Perspective Canada market screenings at the Asian Film Market in Busan, South Korea and at FILMART in Hong Kong to increase the international exploitation and exposure of selected films and strengthen international relationships in the Asian market. To maximize the impact, Telefilm makes use of its RDVCANADA.CA, WeChat and Weibo social media accounts in the Chinese market to promote Canadian content and talent.

Telefilm's credibility and vast network attracts international sales agents, buyers and festival programmers to Canadian productions and talent. Year after year, international decision-makers attend our events to discover the best and brightest Canadian talent.



## CANADA AT YOUR FINGERTIPS

To better promote Canadian talent and productions on the international marketplace year-round, Telefilm launched [RDVCANADA.CA](http://RDVCANADA.CA) during the 2017-2018 fiscal year. In support of Telefilm's export activities, the website offers timely information regarding the Canadian presence and programming at international events, directories of productions, producers and production companies currently on the circuit, as well as news and editorial content. Telefilm regularly updates the site and produces a monthly newsletter for thousands of subscribers in the international audiovisual business community.



## THE CANADA PAVILION: A BUSINESS HUB AT INTERNATIONAL MARKETS

To support international sales and facilitate coproduction networking opportunities, Telefilm organizes **Canada Pavilions** at key markets abroad. Offered in collaboration with Canadian provincial agencies and key industry partners such as the Canada Media Fund, these networking hubs reinforce strategic business relationships as well as the Canadian brand, supported by the promotional brand identity **See Big**.



### Canada Pavilions were held at:

- Marché du film at Cannes;
- MIPTV (Cannes);
- MIPCOM (Cannes);
- European Film Market (Berlin);
- Marché international du film d'animation (Annecy);
- Sunny Side of the Doc (La Rochelle);
- FILMART (Hong Kong).

## CANADA, COUNTRY IN FOCUS AT THE EUROPEAN FILM MARKET

Canada took centre stage as the Country in Focus at the 2018 European Film Market—the audiovisual market at the Berlin International Film Festival. Telefilm maximized Canada’s presence by providing funding for 40 creators to represent the 17 Canadian films selected, showcasing a curated collection of 19 films as part of **Perspective Canada** as well as offering a preview of 12 films as part of the **FIRST LOOK** initiative. Telefilm promoted the launch of **RDVCANADA.CA** to the industry crowd onsite using an augmented reality application featuring Maurice the Moose. Finally, the spotlight was put on innovation with the “Let’s Change with Blockchain!” program, the “Canada. Big on VR” selection of our country’s top VR films in 2017, and the launch of our first international iTunes store, in Germany, offering the best in Canadian filmmaking all in one place.



Press coverage during the Berlinale positioned Canada as a major global player and had strong results with media reach of approximately 10 million.



### EYE ON TIFF EXPANDS

**Eye on TIFF events** expanded to Paris and London in 2017-2018 and continued in Los Angeles and New York. The exclusive pre-festival screenings, organized by Telefilm, provide international distributors, sales agents and exhibitors with a sneak preview of some of Canada’s most buzzworthy titles programmed at TIFF. In the aim of driving international sales, a curated show reel of films is presented during the event, with many of the creative teams in attendance.

## REACHING AUDIENCES WHERE THEY ARE

Telefilm expanded its audience-focused promotional campaign in fiscal 2017-2018, making use of content marketing on key platforms. Social media remained at the core of this strategy, reaching audiences with key messages, whether on Facebook in Canada, Twitter in the U.S., Instagram in Germany or the U.K., or through Weibo or WeChat in China. Instagram Stories and Facebook Live showcased Canadian talent and Canada’s presence on the national and international scene.

**OVER 10 MILLION  
SOCIAL MEDIA IMPRESSIONS**

Our publications included calls to action, inciting audiences to attend Canada Now film screenings and viewers to discover Canadian films on the RENDEZ-VOUS CANADA iTunes boutique or to subscribe to the RDVCANADA.CA newsletter, designed to help followers stay up-to-date on Canada’s talent and productions.

**MEDIA MENTIONS OF  
TELEFILM WERE UP OVER  
10% YEAR  
OVER YEAR**

In addition, targeted high-impact media relations strategies, including exclusives, interviews and press junkets, were used to ensure that positive messaging hits Canadian and international audiences and key industry stakeholders, including the international acquisitions community. Canada’s presence at the Berlinale and Sundance as well as support for gender parity and emerging talent captivated news outlets and their readers in 2017-2018.

## CANADA NOW

The Canada Now arthouse screening series of Canadian films grew in several priority markets in fiscal 2017-2018. The initiative launched in three new countries—the United Kingdom, Mexico and China—and expanded from its birthplace of New York City to additional cities in the United States, including Los Angeles and Washington.

These screenings attract audiences and build fans while also expanding the buzz around Canadian content to drive interest among international buyers. Telefilm makes use of media relations and social media tailored to each market to optimize impact and increase awareness.

These initiatives are made possible by Telefilm’s network of partners, including Canada’s consulates general and embassies, and local cultural institutions—such as the Ullens Center for Contemporary Art in Beijing, the American Film Center in New York City and film festivals, including the Guanajuato International Film Festival in Mexico.



## DISCOVERABILITY ACROSS CANADA

Every year, Telefilm works to ensure that Canadian content connects with all Canadians across the country, from coast-to-coast-to-coast. Back in 2016-2017, stemming from the ongoing increased Parliamentary appropriation, Telefilm bolstered its activities in order to reach an even greater number of Canadians on an even greater variety of consumption platforms, including online, in-travel systems, and local film festivals. In 2017-2018, Telefilm iterated and went bold, from school programs to niche content festivals, from women-focused conferences to large internationally-recognized events. The following provides a glance of some Festivals and events:

**17%**  
**INCREASE**

IN THE NUMBER OF NATIONAL  
PROMOTIONAL INITIATIVES  
TOTALLING 75 FESTIVALS AND  
80 INDUSTRY ACTIVITIES



**WESTERN REGION**

*The successful careers and projects of hundreds of NSI alumni have been made possible through the National Screen Institute – Canada (NSI) due, in large part, to the continued dedication and support shown to us by Telefilm Canada and their staff.*

*Their commitment to talent development and training in our industry ensures that Canadian storytellers excel at delivering content that is competitive on the world stage.*

– John Gill, CEO, National Screen Institute - Canada (NSI)

- NSI Training Programs
- Vancouver International Film Festival (VIFF)
- Rendez-vous du cinéma québécois et francophone de Vancouver
- Calgary International Film Festival
- Winnipeg Aboriginal Film and Video Festival

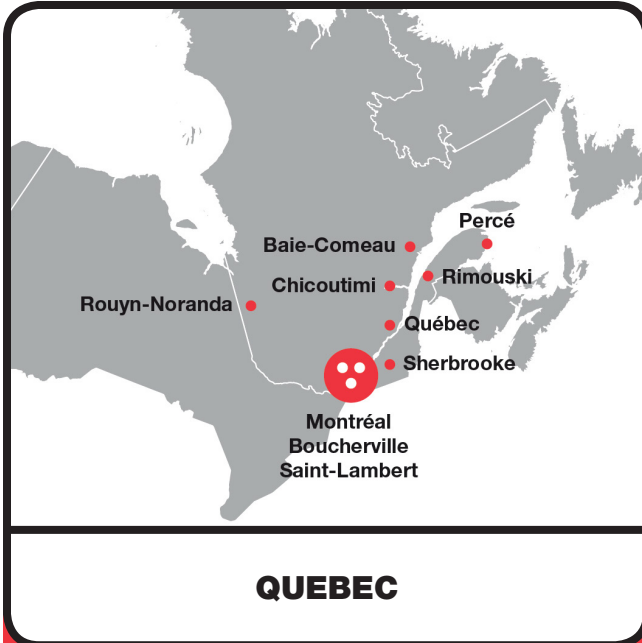


**ONTARIO**

*Our long-term partnership and support with Telefilm has been one of the most successful for our organization. With a mindful, mutual understanding and goal to support the Indigenous screen community, Telefilm's support literally helps us do "all that we do" to make lasting impact at the most dedicated, prominent access point for artists and audiences to engage, share and celebrate Indigenous screen excellence.*

– Daniel Northway-Frank, iNstitute Director / imagineNATIVE

- Canadian Film in the Schools + National Canadian Film Day
- Hot Docs Canadian International Documentary Festival
- imagineNATIVE Film + Media Arts Festival
- Toronto International Film Festival (TIFF)
- Initiatives du Front des réalisateurs indépendants du Canada (FRIC)



**QUEBEC**

*Telefilm provides us with a lot of support for the activities we undertake—on the ground and on digital platforms—to promote Quebec cinema to the Canadian market and enable it to shine across the country.*

*It's thanks to Telefilm and the Canada Media Fund that, three years ago, we were able to launch the Sprint Gala, a key discoverability initiative for Quebec film tied to our televised awards ceremony.*

– Ségolène Roederer, Executive Director, Québec Cinema

- Festival international de films Fantasia and Frontières
- Quebec Cinema Gala, Tour and Rendez-vous
- Rencontres internationales du documentaire de Montréal
- Wapikoni initiatives
- Quebec Anglophone film tour



**ATLANTIC REGION**

*In 2018, WIFT-AT's presentation of the Five In Focus program, sponsored in part by Telefilm Canada, was an inspired opportunity to shine the spotlight on five very talented, local, female directors who are producing quality work and are ready for hire.*

– Kimberlee McTaggart, WIFT-AT Chair

- FIN Atlantic International Film Festival and Strategic Partners Conference
- Emerging Lens Cultural Film Festival
- St. John's International Women's Film Festival
- Festival international du cinéma francophone en Acadie
- Women Making Waves Conference



NATIONAL CANADIAN FILM DAY  
 CELEBRATED CANADA 150 WITH AN AMAZING  
**1,700 SCREENINGS**  
**OF CANADIAN FILMS,**  
 INCLUDING 100 HELD ON THE INTERNATIONAL SCENE!

**RENDEZ-VOUS CANADA ON ITUNES**

The spotlight on Canadian films continues to shine through the **RENDEZ-VOUS CANADA boutiques** offered on iTunes. First launched in early 2017 as a partnership between Apple and Telefilm in celebration of Canada 150, the initiative continues to grow, with international iterations debuting in Germany for the Berlinale 2018 and in the United States for SXSW 2018. Going forward plans are set to launch in France as part of the 2018 Cannes Film Festival activities and in the United Kingdom during 2018. Films featured include the most successful titles from the recent past, as well as titles from our country’s legendary filmmakers and new emerging talent. Telefilm uses social media campaigns to drive awareness and updates content regularly to include new releases, to tailor content to specific markets and to highlight films selected at major film festivals.

**DISCOVERABILITY INITIATIVES ON OTHER PLATFORM**

**ATTRACTED 150,000 VIEWS OF CANADIAN FILMS!**

**Via Rail Canada: On-train Canadian content**

VIA Rail’s On-Train Entertainment System provides complimentary access to more than 200 hours of Canadian content—movies, daily news and TV shows—to passengers making the 3.6 million trips along the Québec-Windsor corridor every year.

**ATTRACTED OVER 18,000 SUBSCRIBERS AND SURPASSED 5 MILLION VIEWS SINCE LAUNCH.**

As part of the industry’s discoverability initiatives, the Canada Media Fund launched the Encore+ YouTube channel to build new audiences for classic Canadian film and TV content. Telefilm is proud to support this initiative along with its industry partners, including film and television producers, distributors, broadcasters, unions, guilds and other industry associations, and private sector partners Google Canada, Bell Media, BBTV (BroadbandTV) and Deluxe Toronto.

**50 FILMS AVAILABLE IN SPANISH ARE AVAILABLE ON ITUNES.**

Telefilm partnered with Elephant ClassiQ, which has an ongoing mission to restore and digitally remaster heritage feature films from Quebec.

In partnership with Quebecor, iTunes, Technicolor and the Centre de la francophonie des Amériques, Quebec films are available in Spanish.





# MOVIE NIGHTS ACROSS CANADA

A NATIONAL CELEBRATION OF CANADIAN TALENT





**MOVIE NIGHTS ACROSS CANADA**

Throughout 2017, Canada’s 150<sup>th</sup> anniversary was celebrated with proud Canadians, across the country and around the world. The Movie Nights Across Canada red-carpet screenings of Canadian films, hosted by the Honourable Mélanie Joly, Minister of Canadian Heritage, Telefilm Canada, and public and private industry supporters, showcased the best and brightest film, television and digital talent from coast to coast in honour of this celebratory event. The films selected captured our unique stories and highlighted our thriving cultural and creative industries.

Eight screenings were held, including six during fiscal 2017-2018:



**MOVIE NIGHTS**  
**ACROSS CANADA**  
A NATIONAL CELEBRATION OF CANADIAN TALENT

	Ottawa <b>Two Lovers and a Bear</b>		Montréal <b>Hochelaga, Terre des Âmes (Hochelaga, Land of Souls)</b>
	Toronto <b>Mean Dreams</b>		Halifax <b>Long Time Running</b>
	Winnipeg <b>Lovesick</b> National Canadian Film Day		Calgary <b>When They Awake</b>
	Iqaluit <b>Maliglutit (Searchers)</b>		Vancouver <b>Meditation Park</b>

THE SCREENINGS HAD **OVER 10,000 ATTENDEES,** AND **9 MILLION FANS** WERE REACHED WITH THE #MOVIENIGHTSCA HASHTAG ONLINE.

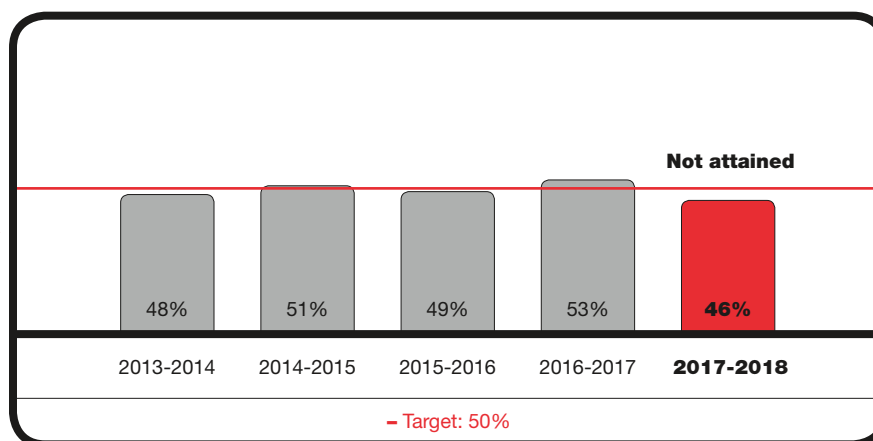
Movie Nights Across Canada is a testament to the many partners who joined together to make this national campaign promoting our country’s remarkable talent such a success.

<b>MAPLE LEAF PATRONS</b>	   
<b>PLATINUM PATRONS</b>	    
<b>GOLD NUGGET PATRONS</b>	  
<b>AGENCIES AND FESTIVALS</b>	       

## LEVEL OF AWARENESS OF CANADIAN FILMS AMONG CANADIANS

Telefilm measures the impact of its promotional efforts through an indicator regarding the **level of awareness of Canadian films among Canadians**. Awareness is the first step in reaching audiences, improving perceptions and stimulating demand for Canadian content over time. In 2017-2018, results showed that 46% of Canadians surveyed reported being able to name a Canadian film—a result that is in the range of prior year trends but represents a decrease over the previous fiscal year. Results from 2016-2017 were exceptionally strong, driven by two English-language films—*Brooklyn* and *Room*—that both performed well at the box office and obtained Oscar nominations.

Strong results from *Bon Cop*, *Bad Cop 2* and *De Père en Flic 2* helped raise the level of awareness in the French-language market but did not carry over heavily into the English-language market. In the English-market, *Maudie* made a strong impact on awareness, particularly in the Atlantic region.



## GOING FORWARD

Going forward into its new 2018-2020 strategic plan, *See Bigger*, Telefilm will continue to promote the Canadian brand and talent both at home and abroad. To do so, Telefilm will develop a concerted approach for marketing and promotion and draw on its vast network at major international and national events and many partners to amplify the impact of its promotional campaigns and presence on key distribution channels.

Telefilm will continue to focus on exporting Canadian talent in priority territories as well as encouraging greater levels of coproduction partnership. Market research efforts will focus on gaining understanding of the international acquisitions community, in order to fine-tune export strategies.

Finally, Telefilm will reevaluate the performance indicators used to measure impact of promotional efforts both in Canada and internationally.



# THOUGHT LEADERSHIP

## MARKET INTELLIGENCE DECIDING WITH MEANINGFUL METRICS

CONDUCT AND COMMUNICATE VALUE-RELEVANT RESEARCH  
AND ENHANCE THE COMPREHENSIVE SUCCESS MEASUREMENT.

Canada's audiovisual industry is composed mainly of small- to medium-sized production companies with few employees and limited resources for research. In this context, Telefilm has a valuable role to play in gathering, analyzing and disseminating business intelligence that would not otherwise be available to these companies.

### ACHIEVEMENTS

Telefilm provides relevant, action-oriented intelligence in two ways:

- first, by producing and commissioning research studies and supporting industry-led reports and,
- second, by supporting thought-provoking industry conferences and events.

Initiatives this fiscal year included:



#### Telefilm's Canadian Audience Report – Audience behaviour

This report provides an overview of film and television consumption habits on a variety of screens and platforms; measures engagement with Canadian content; and identifies opportunities to connect with audiences, particularly with the Curious and Belonging market segments<sup>14</sup>. The study was conducted by Nielsen Media Research on behalf of Telefilm and co-financed by the Canada Media Fund.

14. The Curious and the Belonging are two segments of the Canadian population that demonstrate the most potential for consuming Canadian content. To learn more, see page 12 of the [Canadian Audience Report](#).



### Profile 2017 – Economic Report on the Screen Based Media Production Industry in Canada

The Profile, Economic Report on the Screen-Based Media Production Industry in Canada, is an annual economic update on the domestic production industry. It provides a snapshot of Canada’s main production segments—Canadian production, foreign location and service production, and broadcaster in-house production—and also features top-line numbers on convergent digital media production. Telefilm is proud to provide data and financial support for the report, which includes 10 years of historical trending.

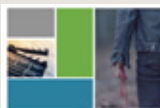


Case Study - Economic Impacts of Maudie

Prepared by the Canadian Media Producers Association

March 2018

ANP



Case Study - Economic Impacts of Pyewackett

Prepared by the Canadian Media Producers Association

November 2017

ANP

### The Economic Impact of Film Production – Case Studies

Telefilm supported the Canadian Media Producers Association’s development of two case studies focused on the economic impact of film production. The case studies featured *Maudie* and *Pyewackett* and analyzed production-related spending and gross domestic product, federal and provincial tax revenues, and full time equivalent positions.


MediaPLUS

### MediaPLUS+: women + diversity= the big picture

Telefilm provided support for Women in View’s *MediaPLUS women + diversity= the big picture* toolkit which highlights best practices in the hiring of women, and people of diverse backgrounds, in order to address the lack of representation in the audiovisual industry. This work promotes inclusion, and its benefits to the industry and employers. The focus is on: making key decision-makers aware of effective Human Resource practices to ensure there is greater inclusivity; making the changes needed for safer, more progressive environments; and support training for talent who have not had opportunities to date.

## INDUSTRY CONFERENCES AND THOUGHT LEADERSHIP EVENTS SUPPORTED ACCOMPLISHMENTS

<p><b>All Access: On Screen Manitoba 2018</b></p>	<p>Telefilm contributed to this bilingual conference, specially adapted to address francophone producers outside of Quebec and filmmakers from the Prairies. Marie-France Godbout, National Feature Film Executive – French Market at Telefilm, participated on three panels:</p> <ul style="list-style-type: none"> <li>• <b>Feature Films:</b> Planning Financing and Distribution;</li> <li>• <b>The International Marketplace:</b> Support and Opportunities; and</li> <li>• <b>Funding Canadian Content for Every Screen.</b></li> </ul> <p>Furthermore, Carolyn Pennell, Advisor from Telefilm, presented Telefilm’s Canadian Audience Report.</p>
<p><b>Atomicon Entertainment Marketing Summit</b></p>	<p>Telefilm was pleased to partner with Brunico Communications to create the Atomicon Entertainment Marketing Summit. The one-day event brought together leading content marketing and entertainment industry experts, including producers, filmmakers and broadcasters, to discuss effective marketing and audience-building strategies. Throughout the day, marketing experts also explored innovative content ideas and delved into role of brands in today’s content creation space.</p>
<p><b>Banff World Media Festival 2017</b></p>	<p>Francesca Accinelli, Director of National Promotion and Communications at Telefilm, moderated the “Discovering New Voices” conversation held at the <b>Banff Media Festival 2017</b>, looking at innovative ideas for finding and supporting Canada’s next wave of storytellers. The panel featured Renee Laprise and Patricia Larsen, co-creators of the <i>Lovely Witches Club</i>, Aron Levitz, head of Wattpad Studios, and J. Joly, executive producer/CEO of The Coup.</p>
<p><b>Chromatic Pro</b></p>	<p>Telefilm brought together emerging talent funded through its Talent to Watch program and Canadian YouTubers to promote networking and encourage collaboration at this innovative event in Montréal. Telefilm’s former Executive Director gave a speech and Arcade Fire’s Régine Chassagne discussed “Art and Impact,” including her inspiring work in Haiti with The KANPE Foundation. Partners included INIS and Main Film.</p>
<p><b>Five in Focus Sessions</b></p>	<p>Telefilm partnered with Women in View, Women in Film and Television Atlantic and Status of Women Canada to host two <b>Five in Focus Sessions</b> each spotlighting five female directors in both Toronto and the Atlantic region. The directors chosen by the selection committee benefit from one-on-one meetings with producers, master classes with some of Canada’s most respected media creators, and through participation at key industry events including the Women Making Waves conference.</p>
<p><b>Halifax Black Film Festival</b></p>	<p>Telefilm’s Lori McCurdy, Regional Feature Film Executive – Atlantic Region moderated the panel discussion “Diversity Off and On Screen” at the Halifax Black Film Festival, which featured an exceptional group of industry professionals, including <b>Laurens Grant</b>, a three-time Emmy and a Peabody award-winning filmmaker; <b>Tara L. Taylor</b>, Cofounder and Festival Director of The Emerging Lens Cultural Film Festival; <b>Koumbie</b>, actress, dancer, director and producer; <b>Fabienne Colas</b>, creator and director of new <b>Halifax Black Film Festival</b>; and <b>Jason Beaudry</b>, Program Director at the FIN Atlantic International Film Festival.</p>
<p><b>Let’s Change with Blockchain!</b></p>	<p>Mixing case studies and creative workshops, <b>Let’s Change with Blockchain!</b> events were held at Berlin during the European Film Market, as well as during the SXSW Festival at the RDV CANADA bungalow. The presentation was made possible by Badel Media, Groupe Média TFO, Three Lefts, OVA and the Blockchain Association of Canada, in association with the CMF and Telefilm.</p>
<p><b>Montreal International Black Film Festival</b></p>	<p>The <b>Montreal International Black Film Festival</b> invited Marie-France Godbout, National Feature Film Executive – French Market at Telefilm, to participate in a panel on funding, particularly for current and new opportunities; the panel also looked at overcoming obstacles, with a particular focus on representatives from diverse communities. Furthermore, Michel Pradier, Director of Project Financing at Telefilm, took part in a panel on strategies for film distribution in a modern context.</p>

<p><b>St. John's International Women's Film Festival</b></p>	<p>Telefilm proudly sponsored alumni of its Talent to Watch program to share their experiences in making their first feature films. The panel featured <b>Kirsten Carthew</b>, writer and director of <i>The Sun at Midnight</i>, <b>Stephanie Clattenburg</b>, co-writer and director of <i>Play Your Gender</i>, and <b>Harmony Wagner</b>, director of <i>Kooperman</i>, and was moderated by <b>Allison White</b>, producer of <i>Cast No Shadow</i>.</p>
<p><b>The Korean Film Council (KOFIC) Global Forum 2017 (Seoul, South Korea)</b></p>	<p><b>Elisa Suppa</b>, Senior Advisor at Telefilm Canada, delivered a keynote address at the 2017 KOFIC International Media Policies and New Global Trends Conference in Seoul, South Korea highlighting Telefilm's organizational transformation that began in 2010. The conference looked at the importance of film and culture and featured international speakers including <b>Julien Ezanno</b>, International Co-productions Director at France's Centre national du cinéma et de l'image animée (CNC); <b>Edward Humphrey</b>, Director of Digital at the British Film Institute; and <b>Ted Hope</b>, Head of Motion Picture Production at Amazon Studios.</p>
<p><b>Toronto international Film Festival industry conference</b></p>	<p>TIFF brings together outstanding filmmaking talent and industry leaders from around the world, and Telefilm is proud to support this flagship Canadian event. This year we supported panels and workshops including:</p> <ul style="list-style-type: none"> <li>• <b>In the Director's Chair: Lady Boss</b>, featuring established Canadian female directors discussing their career development;</li> <li>• <b>Canada's Class of 2017: Powered by Creativity</b>, where Canadian directors with distinctive low-budget films at TIFF 2017 discussed the art of filmmaking powered by creativity; and</li> <li>• <b>Going International: What to Know Before You Go!</b> how to prepare for the competitive international marketplace.</li> </ul>
<p><b>VIFF Industry Exchange</b></p>	<p>Telefilm was a premier sponsor of this key industry event, which offers opportunities for executives and content creators to learn about the latest industry trends and developments and join leaders as they discuss the global environment and opportunities.</p>
<p><b>Women Making Waves (Halifax)</b></p> 	<p>Telefilm was the presenting partner of a Spotlight Conversation featuring award-winning Mohawk filmmaker <b>Tracey Deer</b>, which was hosted by <b>Juanita Peters</b>, renowned storyteller, writer and director and founding member of Women in Film and Television Atlantic.</p> <ul style="list-style-type: none"> <li>• <b>Martine Blue</b></li> <li>• <b>Harmony Wagner</b></li> <li>• <b>Koumbie</b></li> <li>• <b>Stephanie Clattenburg</b></li> <li>• <b>Gia Milani</b></li> </ul> <p><i>Five in Focus is such an important initiative, putting undiscovered directing talent front and centre before the industry and providing them access to the best, to help them move forward. With the support of partners like Telefilm Canada, the Women in View germ of an idea has led to Women in Focus directors being hired in television drama—it can't get much better than that!</i></p> <p>– Jan Miller, board of directors, Women in View, industry consultant</p>

# SEE BIGGER

## 2018-2020 STRATEGIC PLAN

In 2017-2018, Telefilm developed and released its new strategic plan, [SEE BIGGER](#), a forward-looking plan that prioritizes the promotion of Canada's audiovisual content and talent to increase their discoverability, their notoriety and their export. This vision continues the course set by Telefilm in its previous strategic visions as it dared to change, undertook a deep organizational shift, reoriented itself to focus on the industry, and revitalized its overall structure.

The directions put forward in the 2018-2020 strategic plan are the outcome of a consultative process, an environmental scan, and a process of reflection aligned with the industry's needs. They are based on tangible achievements and strong leadership and on an in-depth knowledge of the national and international landscape. They ensure continuity with previous action plans and build on key achievements.

### 2018-2020 STRATEGIC PLAN – NEW DIRECTIONS

Telefilm has defined four areas of action to SEE BIGGER:



### INNOVATE

**Foster innovation.** Encourage and stimulate innovation in the matter of content, business models and management, specifically to:

- **develop** Canadian creative talent and encourage innovation
- **improve** discoverability of and access to Canadian content on all platforms
- **diversify** funding sources and revenues to finance niche or distinct content

### STRENGTHEN

**Strengthen the position of Canadian talent on the international market.** Telefilm will introduce new conditions to strengthen the competitiveness of the industry by fostering an entrepreneurial approach. More precisely, Telefilm will:

- **provide** stable and predictable funding
- **encourage** financial risk-taking, the emergence of new partnerships, and the development of innovative business models
- **offer** more flexible, company-based funding support





## EXPORT

**Stimulate export of Canadian content.** Telefilm will strengthen the industry's export potential by leveraging Canada's reputation as a coproduction partner of choice and by increasing the visibility of our productions at international festivals and markets. Measures will aim to:

- **encourage** coproduction
- **promote** the Canadian brand and talent
- **develop** a concerted approach for marketing and promotion at international markets with partners



## EXCEL

**Continue to improve the organization's overall performance.** Telefilm will continue to offer added-value and efficiency to its stakeholders and outperform in a rapidly changing environment. Specific goals will aim to:

- **maintain** management expense ratios at their lowest level and the customer satisfaction rate at its highest level while improving the organization's overall performance
- **develop** new key performance indicators and update existing indicators as required
- **examine** possible solutions to better serve clients

To consult Telefilm's complete 2018-2020 Strategic Plan, See *Bigger*, click [here](#).

### GOING FORWARD

Telefilm's research department has been changed from a distinct team and integrated into several sectors within the organization. This approach will allow management to benefit from research insights as they formulate, adapt and implement strategies; while allowing for more timely research based on organizational needs.

Telefilm will continue to conduct and communicate research throughout 2018-2019. Research will focus on the areas of audience behaviour, best marketing and exporting practices, the state of the industry, as well as developing emerging talent and supporting industry innovation. Through industry events, workshops and online tools, findings will be communicated to the industry.



# ADMINISTRATOR

**ORGANIZATIONAL  
EXCELLENCE**

**PERFORMING  
IN A CHANGING ENVIRONMENT**

MEASURING TO IMPROVE  
SERVICE DELIVERY TO THE INDUSTRY

Telefilm strives for organizational excellence and implements performance indicators that measure the delivery and achievement of its objectives. The different measures are adapted to the realities and responsibilities of the organization’s various sectors, with one goal in mind: to be an excellent administrator.

**ACHIEVEMENTS**

**Client satisfaction** is an important aspect of Telefilm’s operations, which is why the Corporation evaluates the percentage of satisfied clients using an indicator based on data obtained in an annual survey.

- The 2017-2018 survey covered four distinct programs: Development, Production, Marketing and Promotion.
- The survey was sent to 500 clients through the Dialogue platform, and achieved a response rate of 34%.
- The survey comprised a dozen varied questions that evaluated satisfaction with the programs, the quality of services offered by employees and the level of satisfaction with the new Dialogue platform.
- The results of these surveys showed a satisfaction rate of 85%, exceeding the target of 80% set by the organization.

**Examples of client survey comments**

**Employees** I find the staff very responsive and extremely caring.

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I feel that Telefilm is responsive, available, prompt and straightforward.

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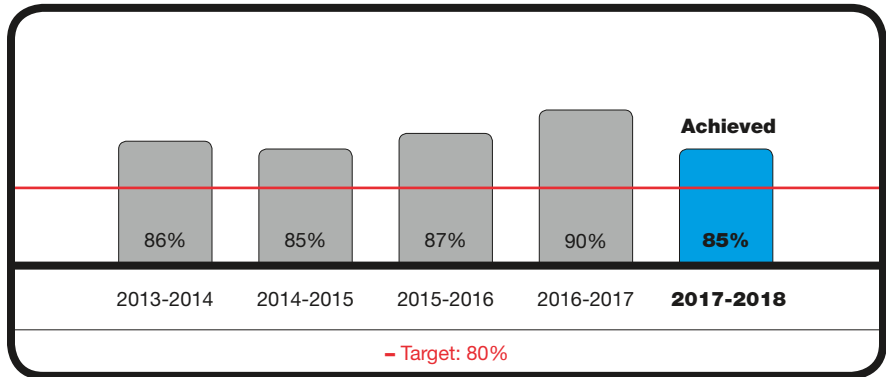
**Dialogue** Dialogue is a vast improvement from the old system. I find it to be one of the most user-friendly portals that I need to deal with.

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I had the privilege of being the first one to use the program and despite the glitches that needed attention, it was a very positive experience.

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Dialogue is not that easy to use, but once you get used to it, you realize it is effective enough to track the progress of your file.



During the 2018-2019 fiscal year, Telefilm will convert previous projects to Dialogue and dismantle the legacy eTelefilm system. These operations will have a positive impact on clients and employees, who must currently use technologies associated with two systems. This is an important and necessary change to finalize the transition to the new Dialogue platform. Accordingly, the Corporation is implementing various communication, technological and client service measures to mitigate the adverse effects inherent in the conversion of information data.

### Performance indicators

Telefilm seeks to be an effective cultural program administrator. In line with client satisfaction levels, Telefilm also monitors other performance indicators that allow it to assess its ability to meet expectations. The table below provides an overview of these measures.

INDICATOR <sup>15</sup>	TARGET	2017-2018	2016-2017	2015-2016	
<b>Operational</b>	Response time for production financing (budget ≥ \$2.5M)	Not determined (in no. of weeks)	16.8	13.2	8.2
	Response time for coproduction recommendations	Weeks ≤ 8	■ 100%	■ 96%	■ 91%
	Project payments	Days ≤ 10	■ 96%	■ 98%	■ 98%
	Supplier payments	Days ≤ 20	■ 78%	■ 78%	■ 78%
	Compliance with contract award guidelines (procurement)	Not determined	88%	n.a.	n.a.
<b>HR</b>	Employee retention	92 ≤ % ≤ 94	■ 90%	■ 93%	■ 97%
	Recruitment time	28 ≤ days ≤ 51	■ 45 days	■ 40 days	■ 30 days
	Investment in training	Not determined	2.6%	n.a.	n.a.
	Number of training hours per employee (external training)	Not determined	28.9	n.a.	n.a.
<b>IT</b>	Critical systems availability	Hours ≥ 97.5%	■ 99%	■ 98.2%	■ 99.2%
	Critical systems incident-free	Days ≥ 90%	■ 92%	■ 91%	■ 86%

#### The indicator for the response time for production financing shows a significant rise:

- This increase is related to Telefilm's lack of available financing, which means that the Corporation must defer its funding decisions over time.
- In addition, international coproduction projects face increasing difficulties in finalizing their funding needs, which also delays Telefilm's decisions.

Telefilm aims for continuous improvement, transparency and accountability in performance measurement.

Three new indicators are presented, the targets of which remain to be determined:

- Compliance with contract award guidelines (procurement)
- Investment in training
- Number of training hours per employee

Implementation of the new Dialogue platform entailed a review of our methods, practices and measures. This exercise made it possible to redefine the methodology used to calculate the response time for the production funding process:

- Telefilm now uses a full-time per-process measure that includes time used by Telefilm and time used by clients.
- This more comprehensive performance measure enables Telefilm to better focus its improvement efforts.
- This new way of measuring performance must be reflected in the client services charter, which needs to be updated during the 2018-2019 fiscal year.

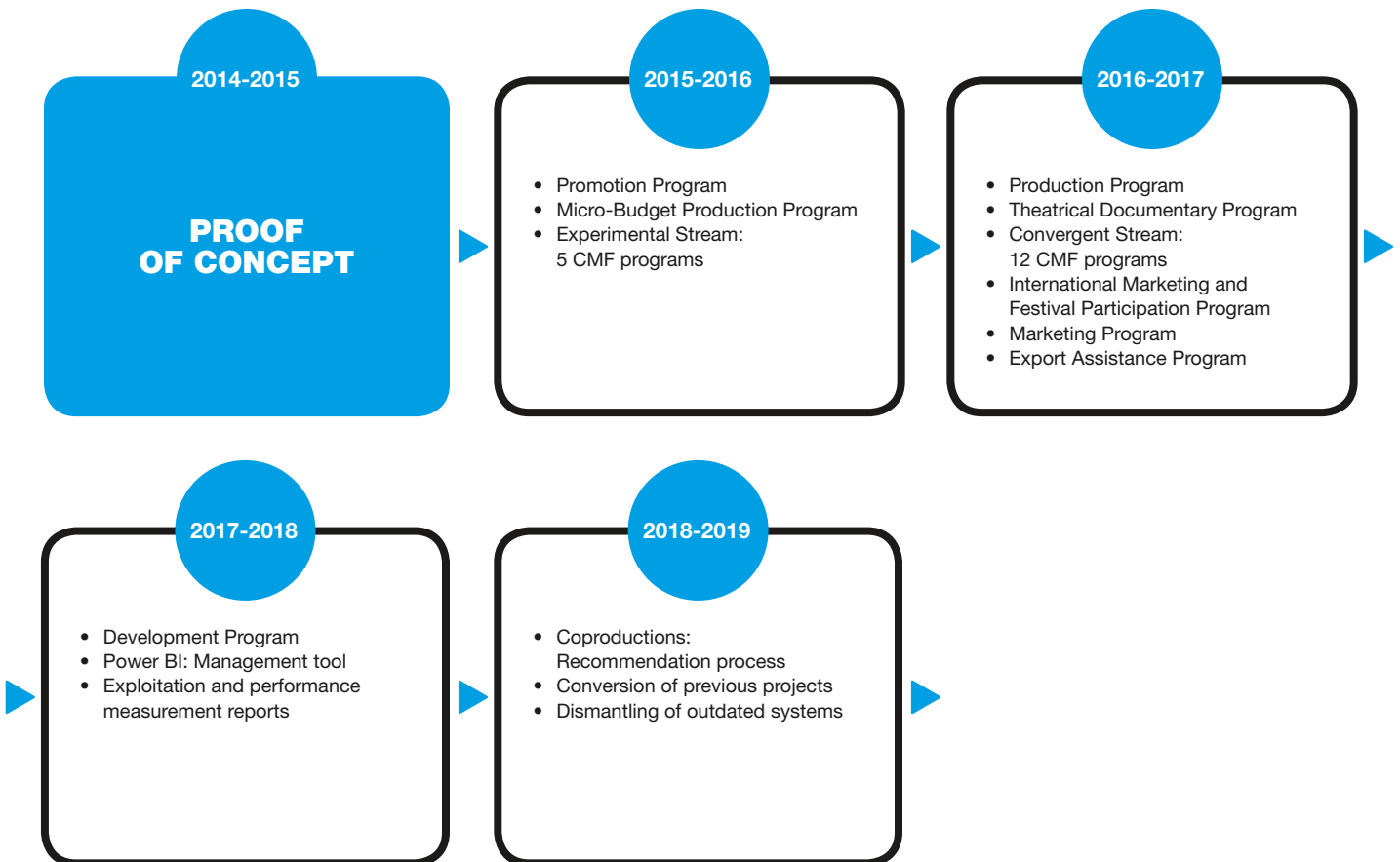
15. Certain historical data have been restated to comply with the presentation adopted in 2017-2018.

# Dialogue

## TECHNOLOGY AT THE SERVICE OF OUR CLIENTS

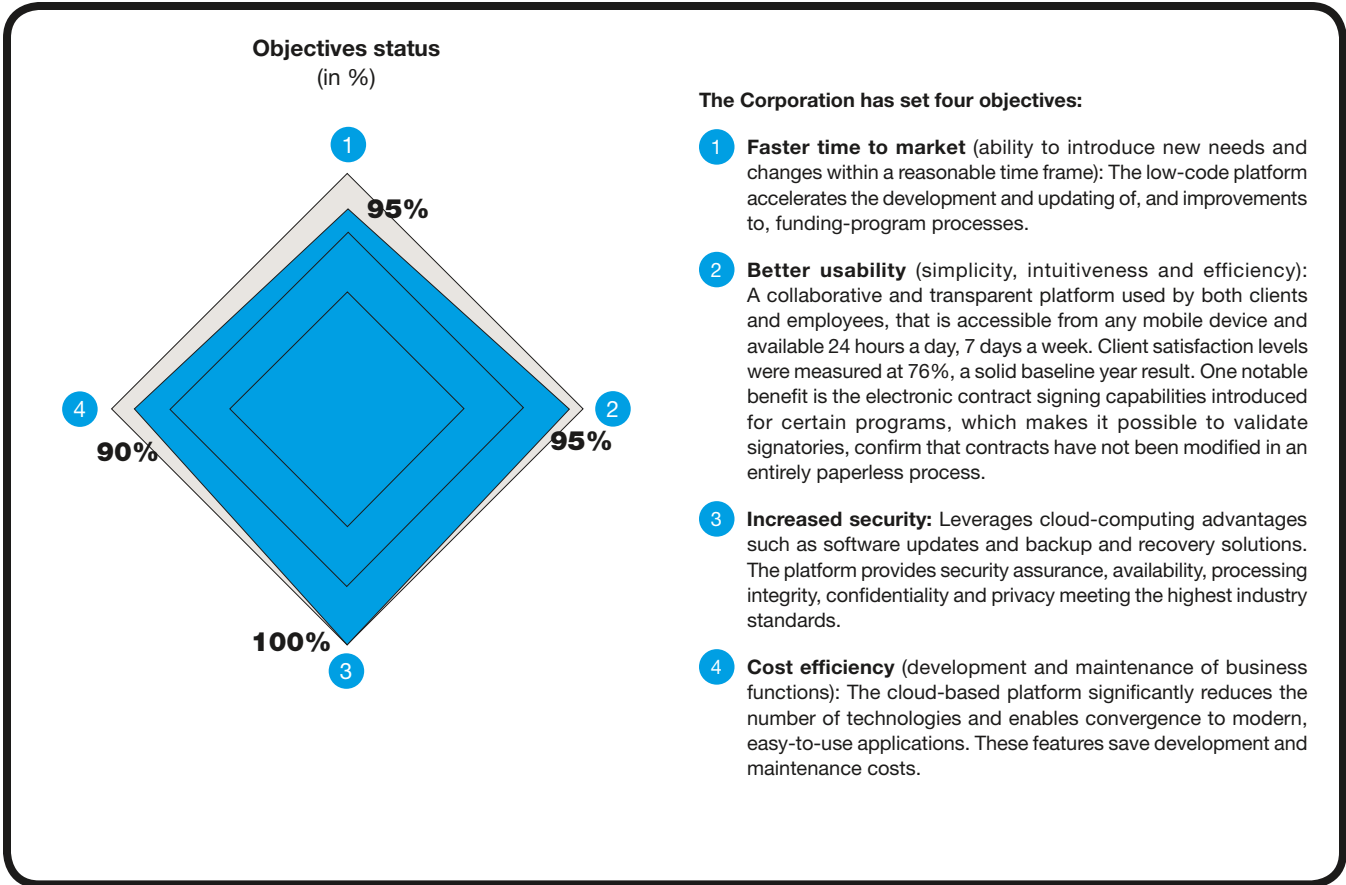
The new service platform for managing all our funding programs is a modern and easy-to-use system. In particular, it enables the organization to create value for its clients by being focused on their business needs and by being an efficient administrator. Dialogue is used by clients primarily for submitting project funding applications, as well as for processes related to funding decisions, the establishment of contracts and drawdowns provided for in agreements. Moreover, for the purposes of contractual remittances, Dialogue allows for the transmission of revenues from the commercial exploitation of content.

**Dialogue** is a major project – a catalyst for the organization’s digital transformation – involving all sectors of the organization and managed by the information technology sector. Based on a proof of concept exercise conducted in 2014-2015, this shared project between Telefilm and CMF was subsequently defined in fiscal 2015-2016 with a budget of \$5.6 million, with CMF contributions amounting to approximately 44% of the project. Deployment of Dialogue is expected to be completed by the end of the 2018-2019 fiscal year, with a slight cost overrun of around 4%. Having the two organisations running on the same platform enables cost savings related to the development of processes common to both Telefilm and CMF funding programs. The following illustration shows the roll-out of Telefilm and CMF funding programs in Dialogue:



The Corporation has adopted a platform based on several emerging technologies and identified areas for improvement in order to derive maximum benefit from the choice of technology, as illustrated below:

OPTIMIZE	INTEGRATE	MEASURE
<ul style="list-style-type: none"> <li>Streamline and standardize funding program processes</li> <li>Review information needs</li> <li>Reduce information assets</li> <li>Reduce the number of technologies to maintain</li> </ul>	<ul style="list-style-type: none"> <li>Use the platform as a communication source with clients</li> <li>Coordinate the contribution of clients and employees by business process</li> <li>Automate tasks without added value</li> <li>Interact on multiple platforms</li> </ul>	<ul style="list-style-type: none"> <li>Access information in real time</li> <li>Improve decision-making, process and time management through an interactive data-visualization tool</li> <li>Reduce process and report development time</li> </ul>

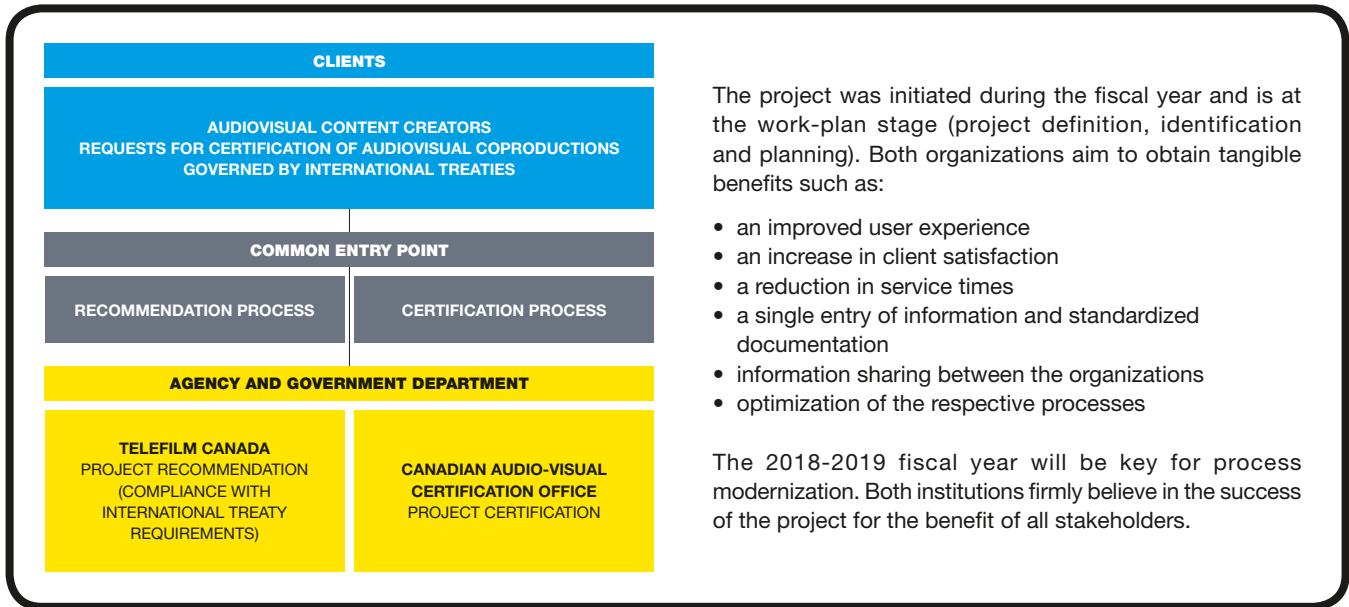


**IMPROVING ADMINISTRATION TO BETTER SERVE THE INDUSTRY**

Through its [Creative Canada Policy Framework](#) document, the Department of Canadian Heritage mandated Telefilm and the Canadian Audio-Visual Certification Office (CAVCO) to modernize the delivery of services to the industry with respect to the recommendation and certification processes for audiovisual coproductions governed by international treaties, administered respectively by Telefilm and CAVCO.

Canadian Heritage reaffirms its confidence in the institutions in its portfolio and demonstrates its leadership by setting certain objectives:

- Streamline the application process for producers applying to both organizations
- Streamline administration and reduce formalities
- Take action to reduce waiting times for Canadian producers



The project was initiated during the fiscal year and is at the work-plan stage (project definition, identification and planning). Both organizations aim to obtain tangible benefits such as:

- an improved user experience
- an increase in client satisfaction
- a reduction in service times
- a single entry of information and standardized documentation
- information sharing between the organizations
- optimization of the respective processes

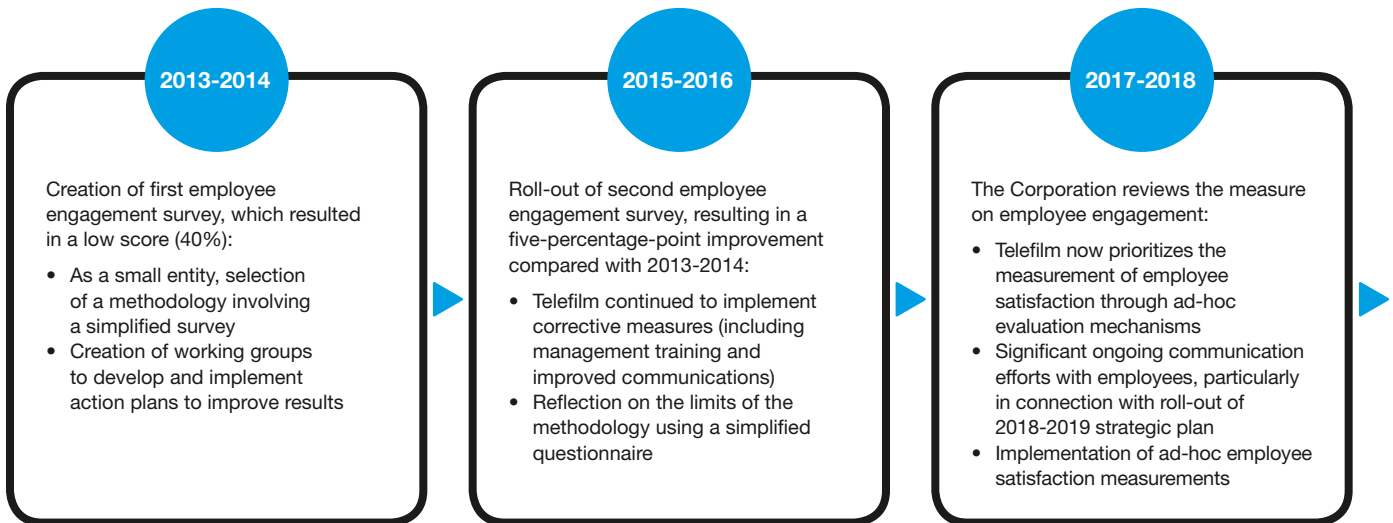
The 2018-2019 fiscal year will be key for process modernization. Both institutions firmly believe in the success of the project for the benefit of all stakeholders.




**OUR DRIVING FORCE – OUR EMPLOYEES**

The Corporation has initiated changes in its human resources management by optimizing the positioning of its human resources sector through a new HR identity.

Telefilm employees are and remain one of our main driving forces; they are educated, experienced, diverse and willingly take part in the organization’s evolution. Against a backdrop of promoting, accountability, recognition, retention and understanding of organizational strategy and productivity that Telefilm considered it important to measure employee engagement.



A human resources approach that fosters employee satisfaction:



**The Corporation is implementing a learning plan to maintain and develop employee skills.** The priorities of the plan are updated annually to address the various organizational issues. Here are some examples:

- Co-development sessions: Joint problem-solving and leadership skills development training. Enables the development of organizational skills, promotes employee participation, leadership competencies and knowledge sharing.
- Client service: Training offered to front-line employees combined a conference on client service in digital mode and a workshop on “How to work differently in collaborative mode,” and culminated in a feedback session.
- Dialogue: Training developed in working groups, offered with respect to various implementations and employees targeted by new processes and/or functionalities.
- Explore all Power BI functionalities: Training for employees who need to analyze data and are looking for a powerful business intelligence tool.

## RECOGNITION

The Corporation acknowledges the importance of recognition, whether group or individual, formal or informal in nature. Valuing employees is important to ensuring their commitment. Here are a few examples:

- Celebration of years of service: The Corporation recognizes significant milestones in employees' careers and holds annual ceremonies in its offices to celebrate years of service and formally recognize employees.
- Creation of Spencer Awards<sup>16</sup>: For the first time, the Corporation recognized the contribution of the most deserving employees by honouring them in three distinct categories: Innovation/Creativity, Collaboration and Excellence.
- National Public Service Week (NPSW): The Corporation recognized employees for their public service and contributions. This recognition was expressed through four themes: workplace excellence, Aboriginal diversity, health and zero tolerance.

## SATISFACTION MEASURES

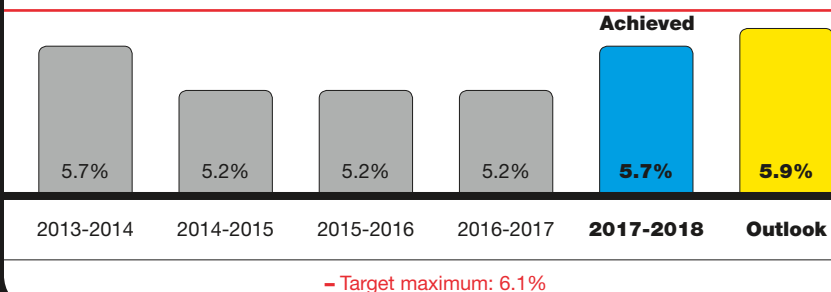
The Corporation encourages its employees to foster collaboration, engagement and organizational performance. Measuring employee satisfaction will be the norm at Telefilm. For example, employees were asked to take part in several surveys during the year, at Telefilm's or its business partners' initiative:

- Survey on topics of interest related to human resources
- Survey on the celebration of years of service and the Spencer Awards
- Survey on commuting and modes of transportation to the head office and experience in Telefilm's head office building

Telefilm strives for efficiency in the administration of funding programs under its control. As a performance measure, the organization uses an indicator that measures operating and administrative expenses as a percentage of program spending: **the management expense ratio**<sup>17</sup>.

The increase in the management expense ratio from 5.2% to 5.7% was due to the following:

- ↗ \$1.6 million in operating and administrative expenses
- ↘ \$19.5 million in CMF funding programs (subject to CMF services agreement)



The Corporation attained a management expense ratio of 5.7%. This result is satisfactory, in line with our financial forecasts and below the established target. The Corporation is a stakeholder in a changing ecosystem, and achieving a ratio comparable to the previous year was not feasible for the 2017-2018 fiscal year and is not expected for 2018-2019.

16. The Spencer Awards were named in honour of Telefilm's founder and first Executive Director, Michael Spencer. 2017-2018 Spencer Award recipients: Innovation/Creativity: Carolyn Pennell; Collaboration: Virginie Wallers, Zoé Shum, Hélène Comstock; Excellence: Andréanne Pronovost.

17. Program expenditures include Telefilm's industry support expenses (\$106.3 million) and CMF funding programs (\$343.2 million) that are not included in our financial statements.



Moreover, in keeping with sound administration, the Corporation transferred \$0.5 million in administrative budget savings to funding programs in fiscal 2017-2018.

 	<p>The Corporation places great importance on the principles of excellence and continuous improvement and strives to be transparent in the presentation of operational and financial information.</p> <p>Telefilm is proud to be the 2017 Gold award winner (Crown corporations category) of the CPA's Awards of Excellence in Corporate Reporting with its 2015-2016 annual report, <b>Celebrating 50 Years of Talent</b>.</p>
	<p><b>Special Examination by the Auditor General of Canada</b></p> <p>The <a href="#">Financial Administration Act</a> requires that the Corporation undergo a special examination at least once every 10 years. Telefilm's last special examination was tabled with the Corporation's Board of Directors in June 2010.</p> <p>To this end, the Office of the Auditor General of Canada will soon carry out a special examination which is a type of performance audit that encompasses all aspects of the Corporation:</p> <ul style="list-style-type: none"> <li>• The Auditor General will issue an opinion on whether the systems and practices that were selected for examination are providing the organization with reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.</li> <li>• The Auditor General's work will start in the fall of 2018 and the report is expected to be tabled by the end of the 2019-2020 fiscal year.</li> </ul>
	<p>The <b>Dialogue platform</b> development project will wrap up in 2018-2019, after five years of development. The platform will be complemented by value-added functionalities such as Telefilm's international coproduction recommendation process, client default management, corporate score and Success Index calculations, and required functionalities for goods and services procurement.</p> <p>The 2018-2019 fiscal year is a pivotal period:</p> <ul style="list-style-type: none"> <li>• <b>Data conversion:</b> With the conversion of data and implementation of all functionalities, Dialogue will be a one-stop platform for all Telefilm and Canada Media Fund clients and Telefilm employees.</li> <li>• <b>Roles:</b> The Dialogue project team will have to modify its role so as to ensure the platform's evolution and the optimization of processes and functionalities developed.</li> </ul>
	<p>The services agreement with the <b>Canada Media Fund</b> was renewed for a year.</p> <p>Furthermore, the Canada Media Fund and Telefilm have agreed to develop more areas for collaboration in order to better leverage funds, best serve the industry and optimize impact. Areas of focus include innovation, research, industry outreach sessions and promotion of Canadian content and talent.</p>

## FINANCIAL REVIEW

The purpose of the financial review is to present information supplemental to the financial statements and to report on the organization's past performance and future prospects. Management makes estimates and assumptions that affect the amounts shown in the financial statements; these elements are disclosed in Note 2 to the financial statements, Significant Accounting Policies. Adoption of new accounting standards, as described in Note 2 to the financial statements, did not result in a significant impact on the results and the financial position of the Corporation.

Certain figures from previous fiscal years have been reclassified to conform to the presentation adopted in 2017-2018. Some figures shown have been rounded. Variances requiring an explanation are based on thresholds set by the Audit and Finance Committee.

### HIGHLIGHTS

- At \$106.3 million, industry support was at its highest level since 2010-2011
- Administrative budgetary savings of \$0.5 million were transferred to funding programs
- \$6.1 million in supplemental parliamentary appropriation funding

<i>In thousands of dollars</i>	2017-2018	2016-2017	Variance \$
Development of the Canadian audiovisual industry	84,101	78,397	5,704
Promotional support in Canada and abroad	22,158	23,241	(1,083)
	<b>106,259</b>	101,638	4,621
Operating and administrative expenses	25,723	24,142	1,581
	<b>131,982</b>	125,780	6,202
Revenues	23,915	28,803	(4,888) <sup>①</sup>
	<b>108,067</b>	96,977	11,090
Parliamentary appropriation	103,572	97,454	6,118 <sup>②</sup>
Surplus (deficit) for the year	<b>(4,495)</b>	477	(4,972)

### VARIANCES

<sup>①</sup>	<b>Revenues</b>	↘ \$4.9 million	Reached an exceptional level last year, due particularly to investment revenues and recoveries stemming from several international coproductions.
<sup>②</sup>	<b>Parliamentary appropriation</b>	↗ \$6.1 million	Increase in government funding, as announced in the 2016 federal budget and a non-recurring transfer of \$2.5 million from the Department of Canadian Heritage for initiatives aimed at making Canada shine on the international stage.

**ASSISTANCE EXPENSES**

As expected, assistance expenses rose by more than \$4.6 million over the previous fiscal year to reach \$106.3 million, the highest level since fiscal 2010-2011.

<i>In thousands of dollars</i>	Budget	2017-2018	2016-2017	Budget		Variance		
				\$	%	\$	%	
Production	63,322	<b>70,960</b>	68,075	(7,638)	(12)	2,885	4	①
Development	7,825	<b>7,091</b>	6,283	734	9	808	13	②
Talent to Watch	4,000	<b>2,040</b>	2,198	1,960	49	(158)	(7)	③
Theatrical documentary	2,000	<b>1,698</b>	98	302	15	1,600	1,633	④
Eurimages	1,500	<b>1,388</b>	1,088	112	7	300	28	⑤
Coproductions (Recommendations)	492	<b>524</b>	455	(32)	(7)	69	15	
Innovation – Production	1,000	<b>400</b>	200	600	60	200	100	⑥
	80,139	<b>84,101</b>	78,397	(3,962)	(5)	5,704	7	
Promotion – National activities	8,136	<b>8,011</b>	7,788	125	2	223	3	
Marketing	10,780	<b>6,864</b>	9,980	3,916	36	(3,116)	(31)	⑦
Promotion – International activities	5,185	<b>6,253</b>	4,062	(1,068)	(21)	2,191	54	⑧
International marketing	1,150	<b>742</b>	679	408	35	63	9	⑨
Innovation – Promotion	1,000	<b>216</b>	629	784	78	(413)	(66)	⑩
Export assistance	800	<b>72</b>	103	728	91	(31)	(30)	⑪
	27,051	<b>22,158</b>	23,241	4,893	18	(1,083)	(5)	
	107,190	<b>106,259</b>	101,638	931	1	4,621	5	

**VARIANCES**

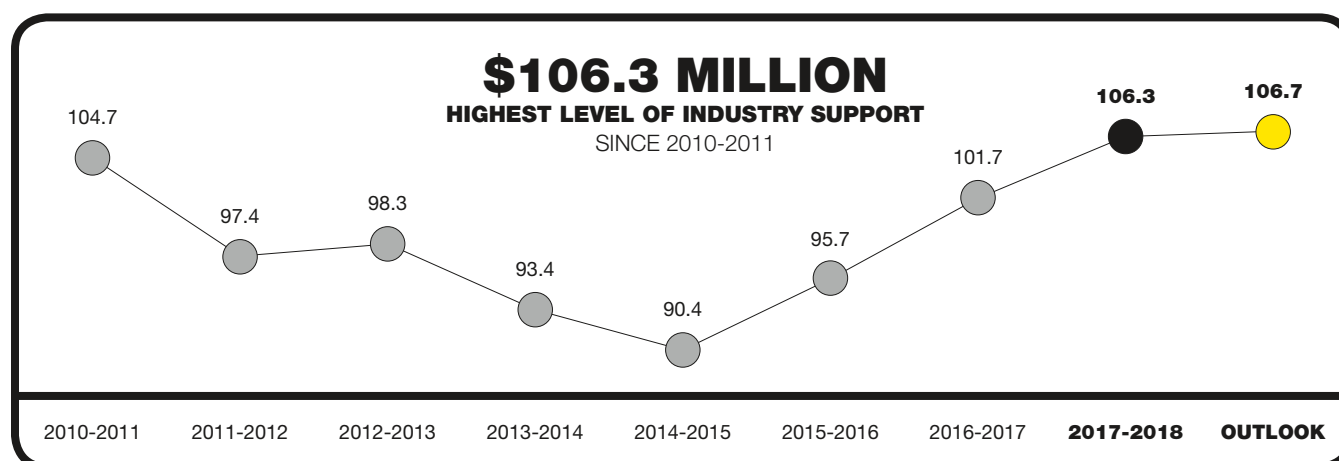
①	<b>Production</b>	Current fiscal $\nearrow$ than budget	\$7.6 million	Budgetary reallocation of funds from the Talent to Watch and Marketing programs. In addition, a sum of \$1.5 million granted by Canadian Heritage to fund international coproductions.
②	<b>Development</b>	Current fiscal $\nearrow$ than prior fiscal	\$0.8 million	Toward the achievement of the gender-parity goal, additional targeted group added to provide access of supplementary funding for screenplays written and produced by women.
③	<b>Talent to Watch</b>	Current fiscal $\searrow$ than budget	\$2.0 million	Funding increase for this program delayed to fiscal 2018-2019.
④	<b>Theatrical documentary</b>	Current fiscal $\searrow$ than budget	\$0.3 million	Some project contracts were transferred to the next fiscal year.
		Current fiscal $\nearrow$ than prior fiscal	\$1.6 million	The delayed opening of the program on the new Dialogue platform caused low demand levels in the previous fiscal year.
⑤	<b>Eurimages</b>	Current fiscal $\nearrow$ than prior fiscal	\$0.3 million	Last year marked Canada's first year as a member of Eurimages. The contribution for fiscal 2017-2018 covers a full year, whereas the contribution in 2016-2017 was pro-rated.
⑥	<b>Innovation – Production</b>	Current fiscal $\searrow$ than budget	\$0.6 million	Telefilm is reviewing how to better communicate expectations for and deploy its Innovation Program in order to trigger the launch of truly innovative projects.
		Current fiscal $\nearrow$ than prior fiscal	\$0.2 million	

## MANAGEMENT DISCUSSION AND ANALYSIS

7	<b>Marketing</b>	Current fiscal $\searrow$ than budget	\$3.9 million	Some films were expected to be successful upon release and thus did not require financial support from Telefilm. Also, there was an important decline in the number of films financed through the Marketing program (72 in 2017-2018 compared to 87 in fiscal 2016-2017).
		Current fiscal $\searrow$ than prior fiscal	\$3.1 million	
8	<b>Promotion – International activities</b>	Current fiscal $\nearrow$ than budget	\$1.1 million	An amount of \$1 million was added following a transfer from the Department of Canadian Heritage, making it possible for Canada to be present at new festivals, notably in India and China. The scope of other events was expanded, such as Canada's presence at the European Film Market in Berlin, where Canada was Country of Honour, the deployment of Canada Now in the United Kingdom, USA and Mexico and the holding of Eye on TIFF screenings in Paris and London.
		Current fiscal $\nearrow$ than prior fiscal	\$2.2 million	
9	<b>International marketing</b>	Current fiscal $\searrow$ than budget	\$0.4 million	Spending is difficult to predict, given that it depends on the selection of Canadian films at international festivals. During the fiscal year, fewer Canadian films were selected at major festivals.
10	<b>Innovation – Promotion</b>	Current fiscal $\searrow$ than budget	\$0.8 million	Telefilm is reviewing how to better communicate expectations for and deploy its Innovation Program in order to trigger the launch of truly innovative projects.
		Current fiscal $\searrow$ than prior fiscal	\$0.4 million	
11	<b>Export assistance</b>	Current fiscal $\searrow$ than budget	\$0.7 million	The program is now in its second year and demand for funding has yet to meet expectations. Additional promotional efforts are needed to raise awareness of the program among targeted groups.

**Outlook**

- For 2018-2019, the Talent to Watch Program will see a significant rise in its budget, with an increase of \$2.3M.
- The Theatrical Exhibition Program will be launched in 2018-2019. This program is intended to support the programming of Canadian films in theatres across Canada and to foster public access to these works.



**OPERATING AND ADMINISTRATIVE EXPENSES**

Operating and administrative expenses are slightly up (7%) compared to the last fiscal year, mainly due to salaries and employee benefits, which comprise about 70% of these expenses.

<i>In thousands of dollars</i>	Budget	2017-2018	2016-2017	Budget		Variance	
						Prior year	
				\$	%	\$	%
Salaries and employee benefits	18,382	<b>17,964</b>	16,659	418	2	1,305	8
Professional services	1,823	<b>1,895</b>	1,873	(72)	(4)	22	1
Rent	1,855	<b>1,852</b>	1,798	3	-	54	3
Information technology	1,690	<b>1,628</b>	1,669	62	4	(41)	(2)
Amortization and write-down of tangible assets	760	<b>818</b>	486	(58)	(8)	332	68 <sup>1</sup>
Travel	546	<b>691</b>	694	(145)	(27)	(3)	- <sup>2</sup>
Office expenses	568	<b>677</b>	689	(109)	(19)	(12)	(2) <sup>3</sup>
Publications	330	<b>198</b>	274	132	40	(76)	(28) <sup>4</sup>
	25,954	<b>25,723</b>	24,142	231	1	1,581	7

**VARIANCES**

<sup>1</sup> <b>Amortization</b>	Current fiscal $\nearrow$ than prior fiscal	\$0.3 million	Amortization linked to capitalization during the fiscal year of \$3.3 million in assets, mostly related to the Dialogue platform.
<sup>2</sup> <b>Travel</b>	Current fiscal $\nearrow$ than budget	\$0.1 million	Travel within Canada and abroad that had not been fully budgeted, such as trips related to Eurimages working sessions.
<sup>3</sup> <b>Office expenses</b>	Current fiscal $\nearrow$ than budget	\$0.1 million	Unbudgeted purchase of computers, computer equipment and leasing costs for facilities used for various consultations (diversity, parity and harassment).
<sup>4</sup> <b>Publications</b>	Current fiscal $\searrow$ than budget	\$0.1 million	Expected administrative budgetary savings, tied to a number of promotional activities that were accounted for as assistance expenses for promotion of Canadian talent.

Each year, budgetary savings allow us to reinvest funds in the audiovisual industry. In 2017-2018, \$0.5 million<sup>18</sup> of administrative budgetary savings were transferred to funding programs.

18. The budget surplus is calculated using a modified cash basis accounting method.

## GOVERNMENT FUNDING AND REVENUES

Total revenues were higher than budgeted and higher than last year's revenues. The Corporation's main source of funding is the parliamentary appropriation, which accounts for 81% of total revenues.

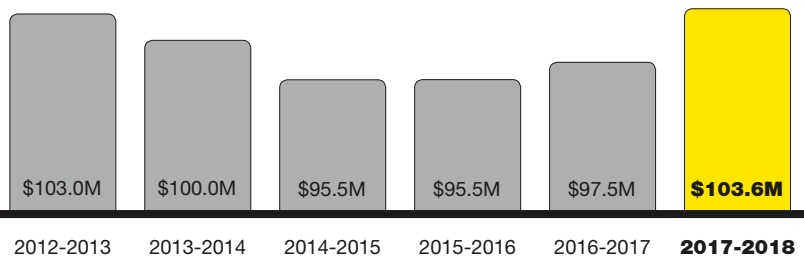
In thousands of dollars	Budget	2017-2018	2016-2017	Budget		Variance	
						Prior year	
				\$	%	\$	%
Parliamentary appropriation	100,454	103,572	97,454	3,118	3	6,118	6
Investment revenues and recoveries	10,000	10,733	14,000	733	7	(3,267)	(23)
Management fees from the CMF	9,553	9,397	10,984	(156)	(2)	(1,587)	(14)
Talent Fund	2,165	2,470	2,572	305	14	(102)	(4)
Contributions to promotional activities	1,200	1,212	1,133	12	1	79	7
Interest and other revenues	100	103	114	3	3	(11)	(10)
	123,472	127,487	126,257	4,015	3	1,230	1

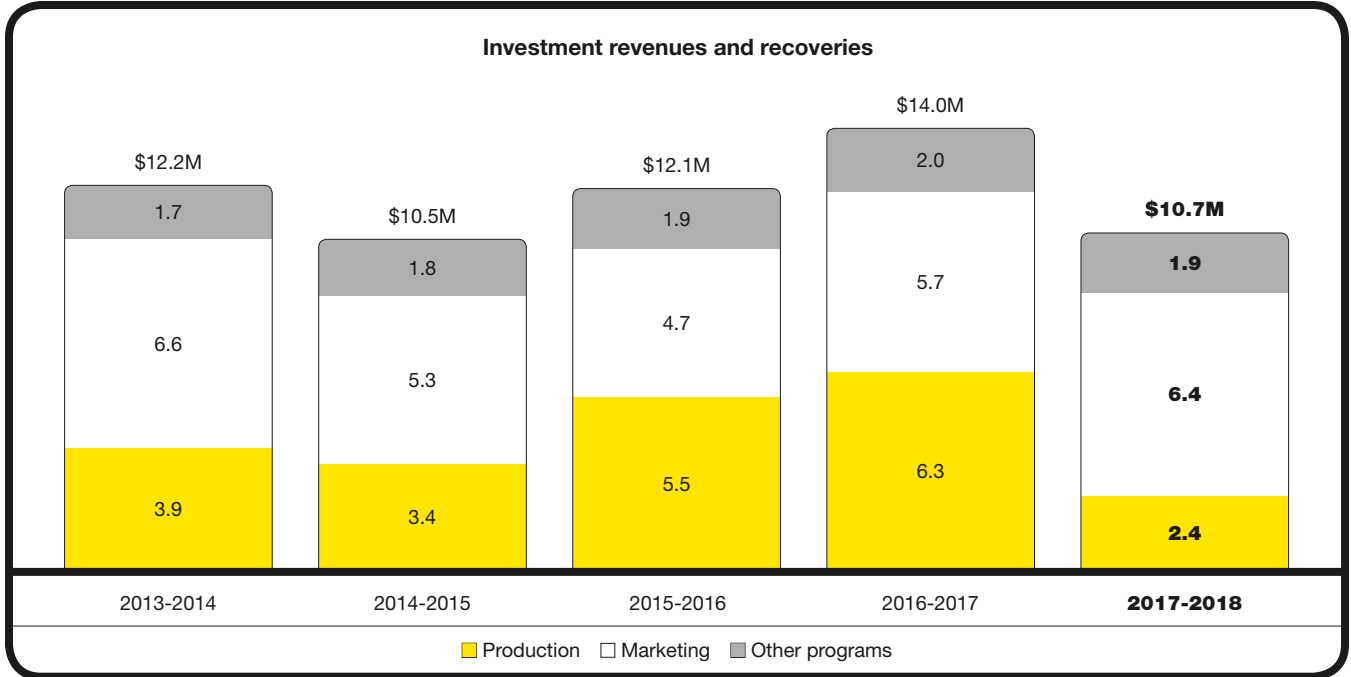
## VARIANCES

① <b>Investment revenues and recoveries</b>	Current fiscal $\searrow$ than prior fiscal	\$3.3 million	Last year's revenues were exceptionally high, bolstered by a number of major international coproductions, among them <i>Room</i> and <i>Brooklyn</i> .
② <b>Management fees from the CMF</b>	Current fiscal $\searrow$ than prior fiscal	\$1.6 million	Decrease in the amount invoiced for the Dialogue platform.
③ <b>Talent Fund</b>	Current fiscal $\nearrow$ than budget	\$0.3 million	Only amounts provided for in the contribution agreements are included in the budget, given that donations are difficult to assess.

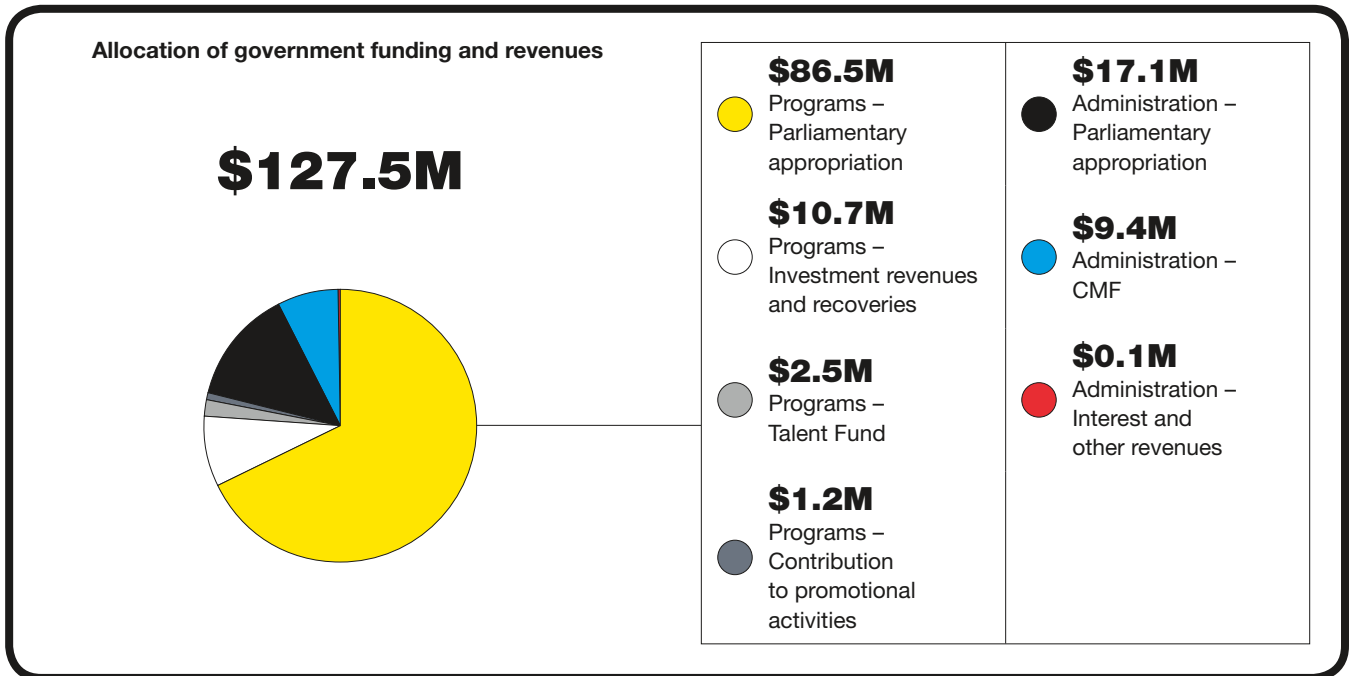
- Recurring increase by \$5 million, as announced in the 2016 federal budget.
- Non-recurring transfer of \$2.5 million from the Department of Canadian Heritage for initiatives aimed at making Canada shine on the international stage.

### Parliamentary appropriation funding





The following chart shows the breakdown of our funding sources:



**Reconciliation of cost of operations and parliamentary appropriation**

The Corporation receives most of its funding through an annual parliamentary appropriation. Items recognized in the Statement of Operations and the Statement of Financial Position may have been funded through a parliamentary appropriation approved in either a previous or the current fiscal year. Some of the items in the reconciliation calculation cannot be linked directly to the financial statements.

<i>In thousands of dollars</i>	<b>2017-2018</b>	2016-2017
<b>Cost of operations</b>	<b>131,982</b>	125,780
Adjustments affecting the use of parliamentary appropriation:		
Assistance expenses funded by accumulated investment revenues and recoveries	<b>(5,742)</b>	(7,404)
Assistance expenses adjustment where parliamentary appropriation eligibility criterias have been met	<b>(10,858)</b>	(7,561)
Contributions to promotional support activities	<b>(1,212)</b>	(1,133)
Assistance expenses funded by the Talent Fund	<b>(1,688)</b>	(2,892)
Prepaid expenses	<b>(686)</b>	(90)
Loan	<b>-</b>	(410)
Operating expenses funded by the CMF	<b>(9,397)</b>	(10,984)
Acquisitions of property and equipment	<b>2,124</b>	2,798
Salary recovery for payment in arrears transition	<b>(49)</b>	(23)
Write-down of tangible assets	<b>(71)</b>	-
Amortization	<b>(747)</b>	(486)
Operating and administrative expenses funded by interest	<b>(103)</b>	(114)
Employee future benefits	<b>19</b>	(27)
<b>Parliamentary appropriation authorized</b>	<b>103,572</b>	97,454



**FINANCIAL POSITION AS AT MARCH 31, 2018**

The Corporation's leading asset is a Due from Consolidated Revenue Fund, representing 90% of the financial assets, which is the equivalent of cash on hand and is used mainly for the payment of the Financial assistance program obligations.

<i>In thousands of dollars</i>	<b>2017-2018</b>	2016-2017	Variance	
			\$	%
<b>Financial assets</b>				
Due from Consolidated Revenue Fund	<b>66,421</b>	61,709	4,712	8
Cash – Talent Fund	<b>1,465</b>	649	816	126 <b>①</b>
Accounts receivable	<b>2,469</b>	2,977	(508)	(17) <b>②</b>
Receivable from the CMF	<b>2,952</b>	3,262	(310)	(10) <b>③</b>
Loan	<b>240</b>	240	–	–
<b>Liabilities</b>				
Accounts payable and accrued liabilities	<b>2,949</b>	3,234	(285)	(9) <b>④</b>
Deferred revenues – Talent Fund	<b>9</b>	–	9	–
Financial assistance program obligations	<b>55,292</b>	45,172	10,120	22 <b>⑤</b>
Liabilities for employee future benefits	<b>764</b>	783	(19)	(2)
<b>Net financial assets</b>	<b>14,533</b>	19,648	(5,115)	(26)
<b>Non-financial assets</b>				
Tangible capital assets	<b>5,968</b>	4,662	1,306	28 <b>⑥</b>
Prepaid expenses	<b>1,589</b>	2,275	(686)	(30) <b>⑦</b>
<b>Accumulated surplus</b>	<b>22,090</b>	26,585	(4,495)	(17)

**VARIANCES**

<b>① Cash – Talent Fund</b>	↗ \$0.8 million	Several contracts signed during the last quarter for which the first payment was not made.
<b>② Accounts receivable</b>	↘ \$0.5 million	Collection of major accounts receivable from clients since March 31, 2017.
<b>③ Receivable from the CMF</b>	↘ \$0.3 million	Higher receivable at March 31, 2017 for the Dialogue platform.
<b>④ Accounts payable and accrued liabilities</b>	↘ \$0.3 million	Last fiscal, a larger amount of deferred revenues was recorded for non-recurring events held during the first quarter.
<b>⑤ Financial assistance program obligations</b>	↗ \$10.1 million	Increase in contractual commitments for the fiscal year, mainly in the last quarter, strongly correlated with overall increase in amount of assistance expenses.
<b>⑥ Tangible capital assets</b>	↗ \$1.3 million	Capitalization of \$2.1 million, mostly in development costs for the Dialogue platform, decreased by \$0.7 million in amortization.
<b>⑦ Prepaid expenses</b>	↘ \$0.7 million	Mostly license fees paid during fiscal 2018-2019 rather than in March 2018.

**CASH FLOW**

The Corporation uses the indirect method to report its cash flow, which is managed through the Receiver General of Canada and through a separate bank account for the Talent Fund.

<i>In thousands of dollars</i>	2017-2018	2016-2017
Operating activities	7,836	6,586 <sup>1</sup>
Capital activities	(2,308)	(2,363)
Cash, beginning of year	62,358	58,135
Cash, end of year	67,886	62,358

**VARIANCE**

<sup>1</sup> <b>Operating activities</b>	↗ \$1.3 million	Operating activities generate positive cash flow, particularly from income deriving from investment revenues and recoveries.
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**Outlook**

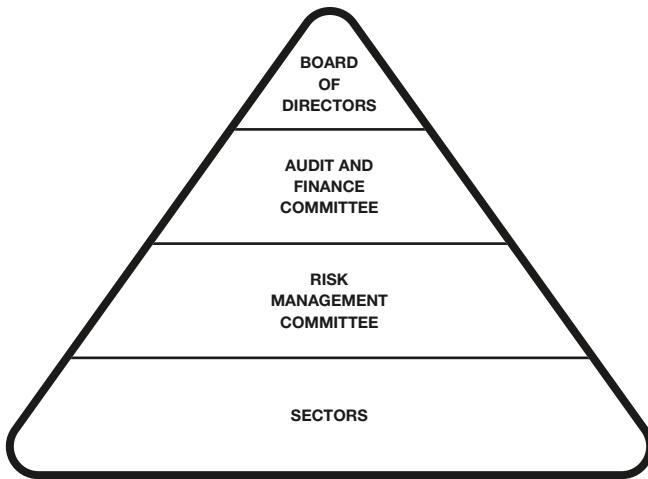
- The initial development period of the Dialogue platform will end in fiscal 2018-2019. Telefilm has planned \$0.5M in its budget to complete this phase.

## MANAGEMENT DISCUSSION AND ANALYSIS

## SUMMARY OF PAST FISCAL YEARS

<i>In millions of dollars</i>	Outlook 2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
<b>RESULTS</b>									
<b>Assistance expenses</b>									
Production	62.8	71.0	68.1	57.7	58.7	63.4	64.9	64.4	68.3
Development	7.6	7.1	6.3	5.8	7.8	9.2	9.2	7.7	9.6
Talent to Watch	6.3	2.0	2.2	1.9	1.4	1.0	–	–	–
Theatrical documentary	2.0	1.7	0.1	1.1	0.7	0.7	0.6	0.9	0.7
Eurimages	1.5	1.4	1.1	–	–	–	–	–	–
Coproduction (Recommendations)	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.6	0.6
Innovation – Production	1.0	0.4	0.2	–	–	–	–	–	–
Training	–	–	–	–	–	–	–	–	0.5
Promotion – National activities	8.0	8.0	7.8	6.9	6.4	6.3	6.6	6.8	6.7
Marketing	8.5	6.9	10.0	17.5	10.7	8.7	12.7	13.3	14.2
Promotion – International activities	5.1	6.3	4.0	3.8	3.7	3.3	3.3	3.4	3.6
International marketing	1.0	0.7	0.7	0.5	0.5	0.4	0.5	0.3	0.5
Innovation – Promotion	1.0	0.2	0.6	–	–	–	–	–	–
Export assistance	0.8	0.1	0.1	–	–	–	–	–	–
Theatrical exhibition	0.6	–	–	–	–	–	–	–	–
	106.7	106.3	101.7	95.7	90.4	93.4	98.3	97.4	104.7
<b>Operating and administrative expenses</b>	26.9	25.7	24.1	24.5	23.7	25.4	26.5	27.9	27.9
<b>Government funding and revenues</b>									
Parliamentary appropriation	101.9	103.6	97.5	95.5	95.5	100.0	103.0	105.7	105.7
Investment revenues and recoveries	10.0	10.7	14.0	12.1	10.5	12.2	12.5	11.6	9.5
Management fees from the Canada Media Fund	10.2	9.4	11.0	10.0	10.0	9.8	10.1	10.0	9.6
Talent Fund	2.1	2.5	2.6	2.7	1.8	0.1	–	–	–
Contributions to promotional support activities	1.0	1.2	1.1	0.7	0.9	0.8	0.9	1.0	0.9
Interest and other revenues	0.1	0.1	0.1	0.1	0.3	0.1	0.2	0.1	0.3
	125.3	127.5	126.3	121.1	119.0	123.0	126.7	128.4	126.0
<b>Surplus / (Deficit)</b>	(8.3)	(4.5)	0.5	0.9	4.9	4.2	1.9	3.1	(6.6)
<b>FINANCIAL POSITION</b>									
<b>Financial assets</b>									
Due from Consolidated Revenue Fund		66.4	61.7	57.1	47.6	49.1	45.6	41.1	37.2
Cash – Talent Fund		1.5	0.6	1.0	0.5	0.2	–	–	–
Accounts receivable		2.5	3.0	2.3	4.2	3.1	2.6	4.0	3.8
Receivable from the Canada Media Fund		3.0	3.3	3.3	3.3	2.7	3.0	2.6	3.0
Loan		0.2	0.2	0.7	0.7	–	–	–	–
<b>Liabilities</b>									
Accounts payable and accrued liabilities		2.9	3.2	2.7	2.3	2.0	2.1	1.6	1.8
Deferred revenues – Talent Fund		–	–	–	0.2	–	–	–	–
Special termination benefits		–	–	–	–	–	0.3	0.1	–
Financial assistance program obligations		55.3	45.2	39.6	32.3	35.8	33.7	33.9	34.1
Liabilities for employee future benefits		0.8	0.8	0.7	0.8	1.0	2.3	2.0	2.1
<b>Net financial assets</b>		14.6	19.6	21.4	20.7	16.3	12.8	10.1	6.0
<b>Non-financial assets</b>									
Tangible capital assets		6.0	4.7	2.3	2.6	1.8	1.6	2.2	3.3
Prepaid expenses		1.5	2.3	2.4	1.9	2.2	1.7	1.9	1.8
<b>Accumulated surplus</b>		22.1	26.6	26.1	25.2	20.3	16.1	14.2	11.1

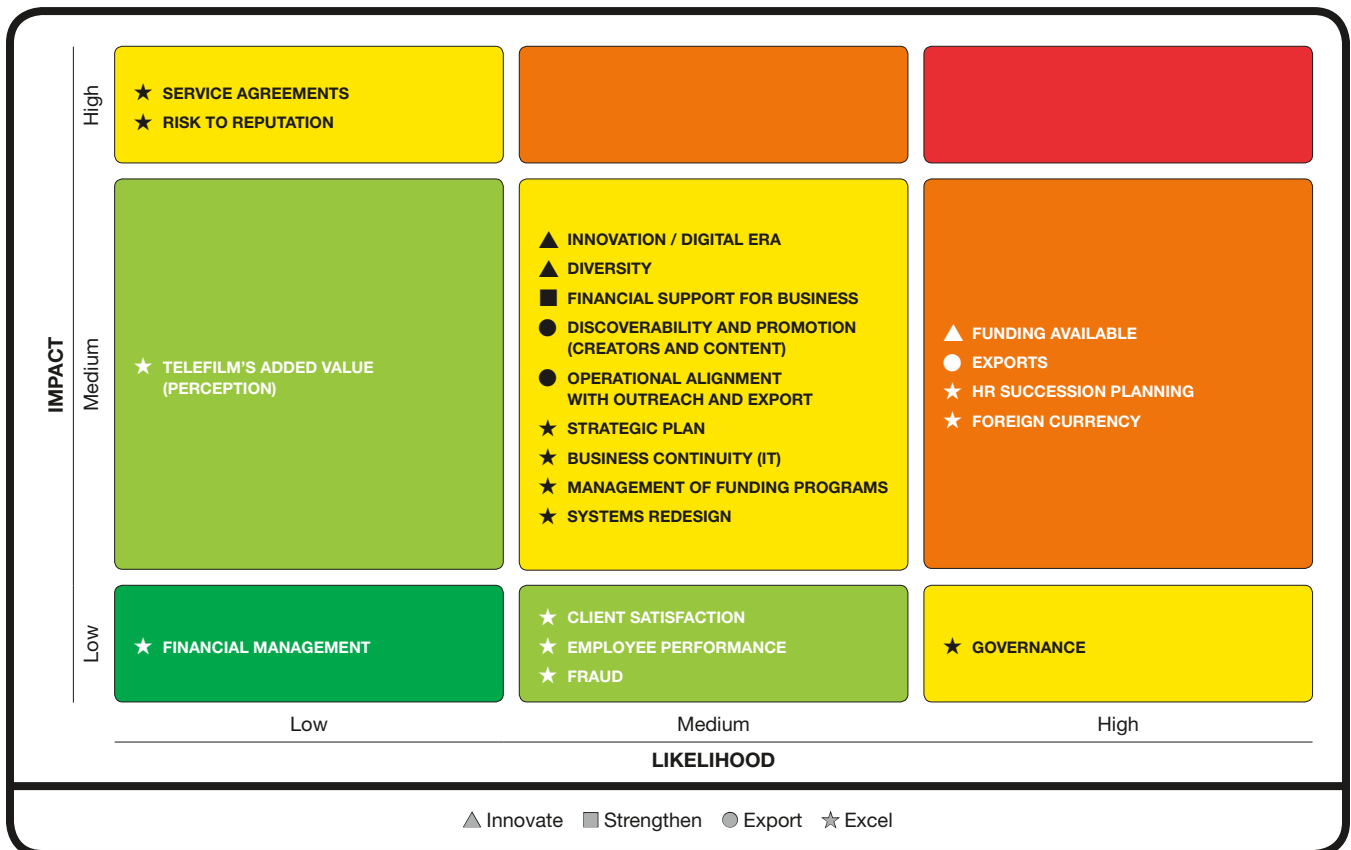
# RISK MANAGEMENT



Telefilm uses an integrated risk management approach that ensures risks are considered at all stages of the business cycle—from the strategic planning process to ongoing business operations—and throughout all levels of the organization. Focus is placed on identifying and mitigating risks that could impede the delivery of our strategic plan priorities.

The Risk Management Committee is responsible for identifying and evaluating risks and ensuring adequate mitigation measures are in place. The committee is chaired by the Executive Director and composed of all members of the Management Committee. Risks are reviewed biannually, and management takes into account both internal and external factors and their potential impact. The Executive Director reports on risk assessment to the Audit and Finance Committee.


















Telefilm uses the following matrix to disclose the expected residual risks. The matrix provides a clear vision of the stakes, their evolution and the importance of the mitigating measures in alleviating negative impacts. The Risk Management Committee is currently monitoring more than 20 risks. Telefilm has reviewed the risks associated with the four major orientations—Innovate, Strengthen, Export, Excel—set out in its new strategic plan. These risks include:



Telefilm’s risk identification methodology provides a comprehensive understanding of all risks and of their various components, making it possible to develop specific action plans aimed at reducing residual risk. Risk assessment takes into account the following:








- Inherent risk
- Risk components
- Risk scenarios, implications and impacts
- Mitigation measures and attenuation factors
- Residual risk trend
- Risk velocity

The following table highlights a few risks monitored during this fiscal year.

<b>Risk identification</b>				
Low risk      High risk				
RISKS	COMPONENTS	SCENARIOS / IMPACTS	MITIGATION MEASURES	RESIDUAL RISK
<b>Funding available</b>	Indicators: <ul style="list-style-type: none"> <li> Ratio of private sector to Telefilm investment (film production)</li> <li> Ratio of private sector to Telefilm investment (promotion)</li> <li> Increase in parliamentary appropriation</li> <li> Expiry of Talent Fund funding agreements – Bell and Corus</li> <li> Talent Fund – contributions from private donors</li> </ul>	Available funding does not offset inflation (27% since 2001)  Imbalance in amount of funding available among/from provinces  Films destined for export require greater budgetary investment  Pressure from interest groups  Lack of commitment from business and philanthropic communities in support of Talent Fund  Lack of awareness of the Talent Fund from public and business  Expiry of Talent Fund funding agreements (Bell and Corus in 2021)	Increase in parliamentary appropriation  Shift to coproduction, where private funding is more important  Project selection criteria that include market participation  Use of Telefilm’s Accumulated surplus  Talent Fund upcoming action plan  Upcoming funding from a new philanthropic partner	
<b>Diversity</b>	<ul style="list-style-type: none"> <li> Measurement relative to language target</li> </ul> Measures: <ul style="list-style-type: none"> <li> Gender parity (key roles)</li> <li> Gender parity (\$)</li> <li> Indigenous diversity</li> <li> Regional diversity (\$)</li> </ul>	Emergence of, and growing pressure from, interest groups  Problems/issues identified and methods established to address these need engaging communication with stakeholders  Lack of projects received to meet diversity objectives  Lack of buy-in and engagement from stakeholders regarding diversity objectives  Difficulty reconciling financial rules requirements with diversity objectives	Development Program eligibility criteria adapted to better reflect diversity: better support for emerging talent, women, Indigenous communities and OLMC  Development and monitoring of performance indicators  Quarterly monitoring to Management Committee to become a systematic process  Outreach sessions held with industry across Canada	

**Risk identification**

Low risk      High risk

RISKS	COMPONENTS	SCENARIOS / IMPACTS	MITIGATION MEASURES	RESIDUAL RISK
<b>Exports</b>	<ul style="list-style-type: none"> <li> Gross sales abroad</li> <li> No. of coproductions funded</li> <li> No. of coproductions recommended (film &amp; TV)</li> <li> Ratio of private sector funding to Telefilm investment in film production</li> <li> Export Assistance Program utilisation</li> </ul>	<p>Companies may lack:</p> <ul style="list-style-type: none"> <li>• skills and financial resources for exporting</li> <li>• information on foreign markets</li> </ul> <p>Industry has little interest in exporting, does not use / is not aware of export-support programs</p> <p>Established and emerging foreign markets are content-eager and offer strong growth potential</p> <p>Upsurge in coproduction funding applications and budgetary pressure due to enthusiasm for coproduction</p>	<p>Export strategy underway</p> <p>Promotion of Telefilm's funding programs:</p> <ul style="list-style-type: none"> <li>• International Marketing Program</li> <li>• Export Assistance Program</li> </ul> <p>Presence at international festivals and markets</p> <p>Canada's membership in Eurimages</p> <p>Telefilm's coproduction department</p>	
<b>Strategic plan</b>	<p>Performance measurement framework for strategic plan</p>	<p>Defines performance measurement framework</p> <p>Corporate projects and employee objectives need alignment with strategic priorities</p> <p>Interpretation and understanding of strategic plan varies among employees, managers, the Board, the industry</p> <p>Difficulty in completing/ moving forward with projects</p> <p>Roles and responsibilities related to strategic needs need to be defined</p> <p>Strategic function is not prioritized</p> <p>Resources assigned to strategy are insufficient</p> <p>Redesign of the strategic sector may impair our strategic capacity</p>	<p>New strategic plan is defined and launched</p> <p>Strategic plan monitoring performed by the Board</p> <p>New plan presented to employees and industry</p> <p>Management Committee assigned responsibility for strategic function</p> <p>Evaluation of partnerships to gather business intelligence</p>	

# COMMUNITY INVOLVEMENT

In addition to a strong passion for Canadian film, television and media content, Telefilm's employees contribute to various causes that have a positive and meaningful impact on their communities, organizing efforts in each of the four offices, from coast to coast. These efforts take many forms each year, with several agencies and organizations counting on our ongoing support. For this fiscal year, overall donations amounted to more than \$10,000 for the following initiatives:



**United Way  
Centraide**

#### United Way

For many years, Telefilm employees have participated in the Government of Canada's Workplace Charitable campaign and, over time, one thing has remained constant — generosity. During the past 10 years, employees have raised more than **\$235,000 in donations** for the United Way (Centraide), Health Partners (Partenaires Santé) and other organizations across the country. To encourage contributions, dedicated employee committees have used creative strategies, from dares to bake sales.



#### Montreal Diet Dispensary

Fiscal 2017-2018 marked the 15<sup>th</sup> year in which Montréal employees organized La Grande Bouffe Telefilm, a day-long sale of meals and treats prepared and donated by Telefilm employees in conjunction with a silent auction held during the event, which benefits the Montreal Diet Dispensary. The Dispensary's mission is to offer nutritional and social support to pregnant women in need and to assist them to deliver and raise healthy children. This cause is dear to the hearts of Telefilm employees, who every year roll up their sleeves a little higher to help newborns get a good start in life.



#### Second Harvest Hero

Employees located in our Toronto office have been involved with the Second Harvest Hero Workplace Fundraiser for the past 14 years, contributing food and making financial donations. The Second Harvest initiative provides fresh, healthy food that would otherwise go to waste, to people in need all across Toronto. The 2017 campaign had **over 150 companies**, schools and community groups in the Greater Toronto Area raising funds for the food rescue program.

# TALENT FUND

FONDS DES TALENTS

Telefilm Canada created the Talent Fund in 2012 to help diversify funding sources for the Canadian audiovisual industry and to ensure the industry's growth and sustainability. The Fund allows corporations as well as individuals to support the industry through donations and partnerships.

## VISION

The Talent Fund ensures that emerging Canadian talent is increasingly visible across the globe. Additionally, it offers Canadian filmmakers access to stable, reliable and permanent sources of funding.

## OBJECTIVE

The goal of the Talent Fund is to raise \$25 million over five years for the production and promotion of Canadian works by promising, emerging talent as well as by renowned, established filmmakers.

## MISSION

The Talent Fund primarily supports the discovery and career progression of emerging Canadian talent in the audiovisual industry.

## RECOGNITION FOR THE TALENT FUND

Since its launch, the Talent Fund has received strong support from notable Canadian organizations and corporations, including its principal partners Bell Media and Corus Entertainment, the Canadian Chamber of Commerce and other foundations and individual donors.

THE TALENT FUND CELEBRATED ITS  
**5<sup>TH</sup> ANNIVERSARY**  
DURING FISCAL YEAR 2017-2018

SINCE ITS LAUNCH, THE FUND HAS RAISED  
**MORE THAN**  
**\$15 MILLION**  
FOR THE CANADIAN PRODUCTION INDUSTRY!

THESE FUNDS SUPPORTED THE PRODUCTION AND PROMOTION OF  
**75 CANADIAN TITLES**  
WHICH HAVE WON OVER 100 AWARDS AROUND THE WORLD.



## HIGHLIGHTS

In fiscal 2017-2018, The Talent Fund continued to seek new ways to make Canadian talent shine and leverage additional support. Most notably:

- \$2.5 million was raised thanks to our principal partners, Bell Media and Corus Entertainment, to corporate donations and to generous individual donors.
- Thanks to the Talent Fund, Telefilm has committed to more than doubling the level of assistance it provides to emerging filmmakers by funding 50 projects annually through the Talent to Watch Program.
- The Talent Fund supported initiatives, both at home and abroad, focusing on increasing discoverability and export opportunities for Canadian talent as part of the Canada 150 celebrations.
- Talent to Watch projects shone on the national and international scenes, including *Black Cop*, by Cory Bowles which picked up a Canadian Screen Award, and *Les faux tatouages*, by Pascal Plante, which won accolades at the Berlinale, at Slamdance and at the Festival du nouveau cinéma de Montréal.
- The Talent Fund website underwent a significant redesign in order to better communicate the Fund's role, drive contributions and best represent Canada's promising emerging talent.

## HOW THE FUND SUPPORTS TALENT



The Fund promotes the discovery and progression of talent in three ways:

1

### FUNDING FOR A FIRST FEATURE FILM

The Talent Fund provides support to Telefilm's Talent to Watch Program (formerly the Micro-Budget Production Program), an innovative program designed to enable emerging talent to produce and distribute a first and second feature. The major goals of the program, which now receives substantial funding from the Talent Fund, are to:

- help emerging talent kick-start their careers;
- encourage innovation and emphasize the use of digital platforms and online audience engagement tools;
- reach creators from all regions of Canada and encourage participation from diverse groups, including Indigenous Canadian filmmakers, members of official language minority communities (OLMC) and minority groups;
- foster mentorship from previous recipients to new cohorts with the aim of increasing success; and
- establish an automatic stream for successful directors of short films and an automatic second feature financing stream for filmmakers who have produced internationally recognized first features.

## 2

**RECOGNITION FOR PROJECTS OF MERIT**

Feature film projects of merit that demonstrate, in an exemplary way, Telefilm's fundamental objective to SEE BIGGER are selected from across the country. This support allows Telefilm to offer recognition to the industry, promoting the excellence of Canadian content directly to consumers.

## 3

**SUPPORT FOR THE PROMOTION OF CANADIAN CONTENT AND TALENT**

The Talent Fund promotes Canadian content and talent by encouraging the use of innovative marketing strategies and multiplatform distribution strategies and by better showcasing emerging talent at home and on the international stage. The Fund's support helps to establish new initiatives that focus on creating awareness for Canadian talent and maximizing the impact of existing promotional activities. Furthermore, Telefilm's social media platforms serve to reinforce these efforts. In this vein, in 2017-2018 the Fund:

- promoted Canadian talent at events and initiatives held both in Canada and on the international scene, which also serve to encourage fundraising efforts. Events and initiatives that received support included:
  - a reception at the Consulate General of Canada in Los Angeles hosted by Consul General James Villeneuve, gathering Canadians nominated at the 2018 Academy Awards, including talents involved with the films *The Breadwinner*, *The Shape of Water*, *Blade Runner 2049* and *Arrival*, in addition to Talent Fund donors and emerging talent;
  - two social media promotional activities sponsored by the Talent Fund, one featuring Canadian Screen Award finalists and the second Canadian talent featured at the Berlin International Film Festival, which drew 1 million and 200,000 views respectively;
  - the Via Rail On Board Entertainment initiative—created by Via Rail and partners Les films Séville, Telefilm and the Talent Fund—during which Canadian films were viewed 150,000 times;
  - the Sprint Pré-Gala discoverability initiative for films in nomination at the Gala Québec Cinéma, where films were viewed nearly 50,000 times; and
  - the Gala Prends ça court, which received support for the first time and awarded 46 prizes to homegrown talent.
- continued to provide Talent to Watch Program recipients with additional funding to hire an external digital and social media expert to support the marketing of each project;
- made a selection of films funded through the Talent to Watch Program available on Telefilm's RENDEZ-VOUS CANADA iTunes boutique; and
- supported diverse voices, with one project made by filmmakers from official-language minority communities and three projects made by Indigenous filmmakers.

To support the promotion of Canadian content and talent, the Talent Fund celebrates Canadian films at high-profile international events. A notable event this year was the evening hosted by philanthropists Paul and Carol Hill during the Palm Springs International Film Festival.

## TALENT FUND ADVISORY COMMITTEE

The Fund is led by an Advisory Committee of business and community leaders from across the country and chaired by Hartley T. Richardson. Committee members have demonstrated their profound dedication to the Fund's success, for which Telefilm and its stakeholders are truly grateful. Following are the members of the committee:



**Hartley T. Richardson**  
C.M., O.M., LL.D  
Chair, Talent Fund  
Advisory Committee  
President & CEO,  
James Richardson  
& Sons, Limited  
(Manitoba)



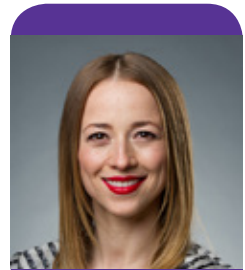
**David Aisenstat**  
Owner & CEO,  
Keg Restaurants Ltd.  
(British Columbia)



**John Bitove**  
CEO, Obelysk Inc.  
(Ontario)



**Mark Dobbin**  
Founder & President,  
Killick Capital Inc.  
(Newfoundland  
and Labrador)



**Karine Vanasse**  
Actor and Talent  
Fund ambassador



**Margaret Anne Fountain**  
Philanthropist and  
art activist  
(Nova Scotia)



**Dr. Anil Gupta**  
Medical Director of  
Clinical Cardiology,  
Trillium Health Centre  
(Ontario)



**Carol R. Hill**  
Director of  
Communications  
for Harvard  
Developments Inc.,  
A Hill Company  
(Saskatchewan)



**Peter Hudson**  
Founder and CEO  
HTG Sports Services  
(Ontario)



**Christine Magee**  
Co-Founder and  
Co-Chair of  
Sleep Country  
(Ontario)



**Michael Phelps**  
Chairman  
Dornoch Capital Inc.  
(British Columbia)



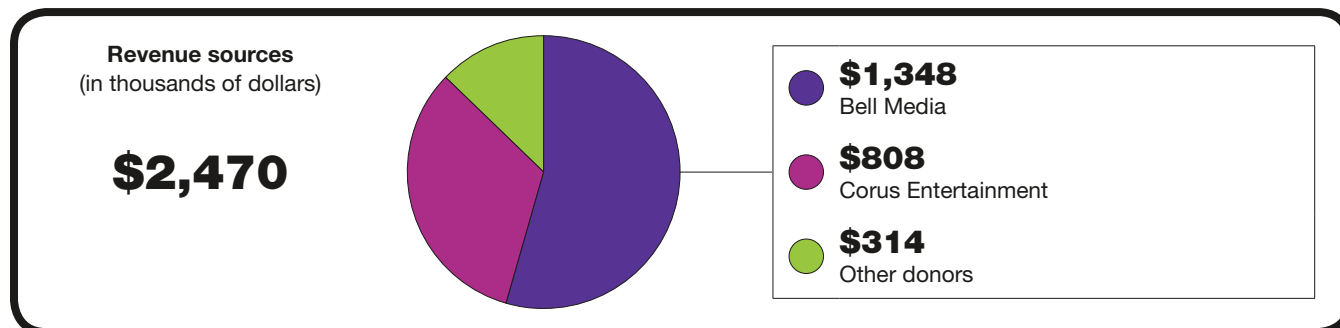
**Sandi Treliving**  
Philanthropist and board  
member of the Centre  
for Addiction and Mental  
Health Foundation  
(British Columbia)

## TALENT FUND FINANCIAL REVIEW<sup>19</sup>

### REVENUES

During the 2017-2018 fiscal year, the Talent Fund recorded \$2,470,000 in revenues:

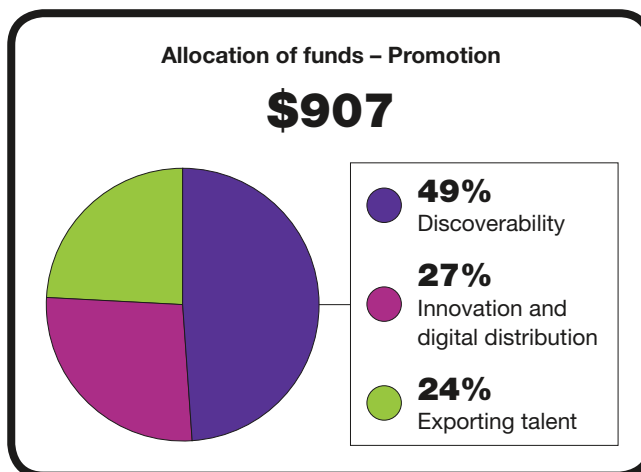
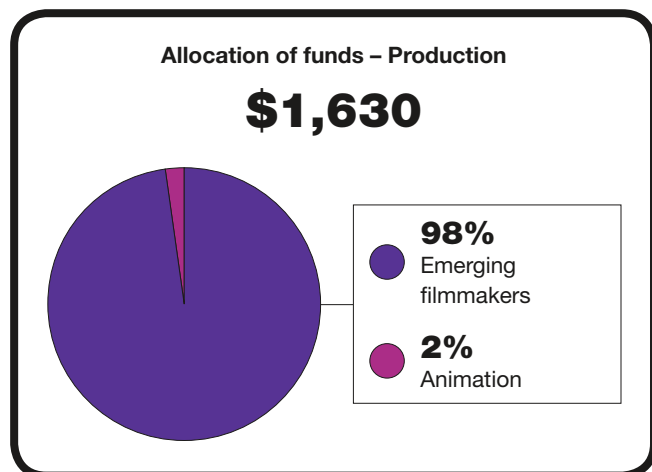
- \$1,348,000 from Bell Media and \$808,000 from Corus Entertainment, as per the long-term tangible benefit funding agreements signed with both entities;
- \$314,000 in contributions from 71 private donors.



### INVESTMENTS

The Talent Fund allocated \$2,537,000 of financing for the production and promotion of projects, as follows:

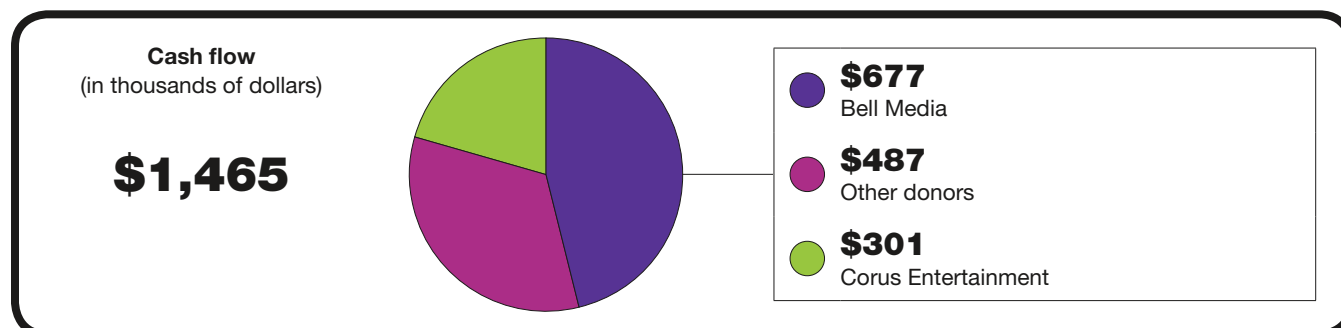
- In 2017-2018, the Talent Fund financed 85% of the Talent to Watch Program;
- During fiscal 2017-2018, the Fund placed great emphasis on discoverability activities.



19. All financial figures are rounded. For complete analysis, see Note 3 to the financial statements.

TALENT FUND

Finally, to cover previously committed funding obligations, the Talent Fund maintained a balance of close to \$1,465,000, assigned as follows:



EXPENSES

During fiscal 2017-2018, Telefilm funded \$252,000 for the benefit of the Talent Fund, covering canvassing expenses and fundraising activities; as such, every dollar contributed to the Talent Fund directly benefited the Canadian film industry.



FILMS (PRODUCTION AND PROMOTION STAGES) AND PROMOTIONAL EVENTS SUPPORTED BY THE TALENT FUND

PRODUCTION			
MICRO-BUDGET		ANIMATION	
<ul style="list-style-type: none"> <li>Della &amp; Goliath</li> <li>Entropic</li> <li>Fall Back Down</li> <li>Gratteux</li> <li>Homecoming</li> <li>Honeymoon</li> <li>How to Bee</li> </ul>	<ul style="list-style-type: none"> <li>Miranda?</li> <li>P6HUT</li> <li>Pass Through</li> <li>Pour mieux t'aimer</li> <li>Quand l'amour se creuse un trou</li> <li>Réservoir</li> </ul>	<ul style="list-style-type: none"> <li>Scattered and Small</li> <li>The Warden</li> <li>Tokens</li> <li>Wharf Rats</li> </ul>	<ul style="list-style-type: none"> <li>Ville Neuve</li> </ul>
PROMOTION			
DISCOVERABILITY	INNOVATION AND DIGITAL DISTRIBUTION	EXPORTING TALENT	
<ul style="list-style-type: none"> <li>Pixel Animation et Cartoon Connection</li> <li>Support for La Course des Régions pancanadienne event</li> <li>Promotion of Canadian talent and films on CTVM.info</li> <li>Nouveau cinéma de Montréal Film Festival</li> <li>Prends ça court! Gala</li> <li>Canadian Screen Awards promotional campaign</li> <li>Sprint Pre-Gala promotional campaign</li> <li>Macro Kino and Gala Kino Program</li> <li>Ottawa screening of The Great Northern Candy Drop</li> <li>Quebec Cinema Prize – CEGEP</li> <li>Canadian Screen Awards</li> <li>Saguenay Regard sur le court métrage</li> </ul>	<ul style="list-style-type: none"> <li>Talent to Watch Program for emerging talent – digital and social media distribution support</li> <li>Canada 150 iTunes initiative – digitization and translation support</li> <li>Talent To Watch Program for emerging talent – digital and marketing Bootcamp</li> </ul>	<ul style="list-style-type: none"> <li>Canadian Toast to the Oscars</li> <li>Palm Springs International Film Festival</li> <li>Festival international du film d'animation d'Annecy and its market (MIFA)</li> <li>Partnership with Unifrance's online My French Film Festival</li> <li>South by South West (SXSW)</li> <li>European Film Market and Berlinale 2018 promotional campaign from The Destination Office</li> </ul>	



▶ *The Talent to Watch Program offers our partners an ideal opportunity to take part in an amazing journey and share a passion we care deeply about: fostering the discovery of emerging Canadian talents and their career progression.*

– Hartley T. Richardson, Chair of the Talent Fund



▶ *This is a great opportunity to highlight micro-budget productions, a stream that, we believe, will play an increasingly important role in the feature film category, especially in the comedy genre.*

– Eli Batalion, writer-director and producer, *Appiness* (Quebec).



▶ *Having access to funding through Telefilm's Talent Fund is priceless. But the most important thing is having the chance to support one another, for filmmakers and creators to share ideas in a personal way.*

– Patti Larsen, director and co-writer, *The Lovely Witches Club* (Prince Edward Island)



▶ *What an inspiring and informative experience! It's amazing that we were able to bring our art to life and receive so much support throughout the process. We're very fortunate to have Telefilm by our side! Thank you so much!*

– Corey Loranger, producer, *Abigaëlle et le date coaching* (Alberta)



▶ *Support from the Talent Fund allowed us to make *Les faux tatouages* the way we wanted to make it, without having to compromise, with total artistic freedom—it was the ideal creative environment to complete a debut project that fully matched our ambition.*

– Pascal Plante, writer-director, *Les faux tatouages* (Québec)



▶ *The Talent Fund enabled our team to create something—with no creative limitations. The fact our work is now on the world market is something we couldn't have imagined possible a few years ago.*

– Cory Bowles, director, *Black Cop* (Nova Scotia)

# GOVERNANCE



Telefilm is a Crown corporation subject to the *Telefilm Canada Act* as well as to certain provisions of the *Financial Administration Act* (FAA). To ensure that the Corporation operates with a certain measure of independence, Parliament has chosen to exempt Telefilm from the application of most articles found in Part X of the FAA. In compliance with the FAA, Telefilm's Chair submits to the Minister of Canadian Heritage an annual report on the activities and results of the fiscal year, the Corporation's financial statements, as well as the related audit report from the Office of the Auditor General of Canada. The annual report is reviewed and approved by the members of Telefilm's Board of Directors.

88

MEMBERS  
OF THE BOARD

93

MANAGEMENT  
COMMITTEE



## BOARD OF DIRECTORS

The Board of Directors supervises the management of Telefilm's activities and business with the objective of enabling the organization to fulfill its mandate in an optimal manner. It comprises six members, appointed by the Governor in Council, as well as the Government Film Commissioner, who is appointed as per the provisions of the *National Film Act*. The Governor in Council designates one of the members of the Corporation to serve as chairperson of the Corporation during pleasure. In accordance with the *Telefilm Canada Act*, Board members must meet at least six times during the year.

The Board fulfills its management role and has defined its fiduciary responsibilities through a mandate that covers, among other things:

- corporate strategy;
- human resources and performance evaluation;
- internal controls and financial matters;
- governance and communications; and
- environment, security and protection.

The Board follows exemplary governance practices to ensure that its meetings are planned, structured and effective. The Board ensures that management systems and practices in effect meet the Board's needs and provide it with the necessary confidence regarding the integrity of information generated. The Executive Director attends all Board meetings, and certain managers are invited to speak on specific matters that require in-depth consideration. Generally, meetings are held at the head office in Montréal. In most cases, a meeting is followed by an in-camera session so that members may discuss issues without the presence of senior management.

Fiscal 2017-2018 was particularly busy, and the Board was called on to deliberate on a number of topics of major importance to the organization. These included, among others:

- discussions with the Minister of Canadian Heritage on Telefilm's role within the audiovisual industry;
- the positioning of the Corporation with regard to the "#Metoo" movement, which resulted in the Corporation playing a leadership role in the development of guidelines that were endorsed by several industry partners;
- discussions with the Privy Council Office on the appointment of Members and of Telefilm Canada's Executive Director; and
- the adoption of a new strategic plan for 2018-2020.

Number of  
meetings held

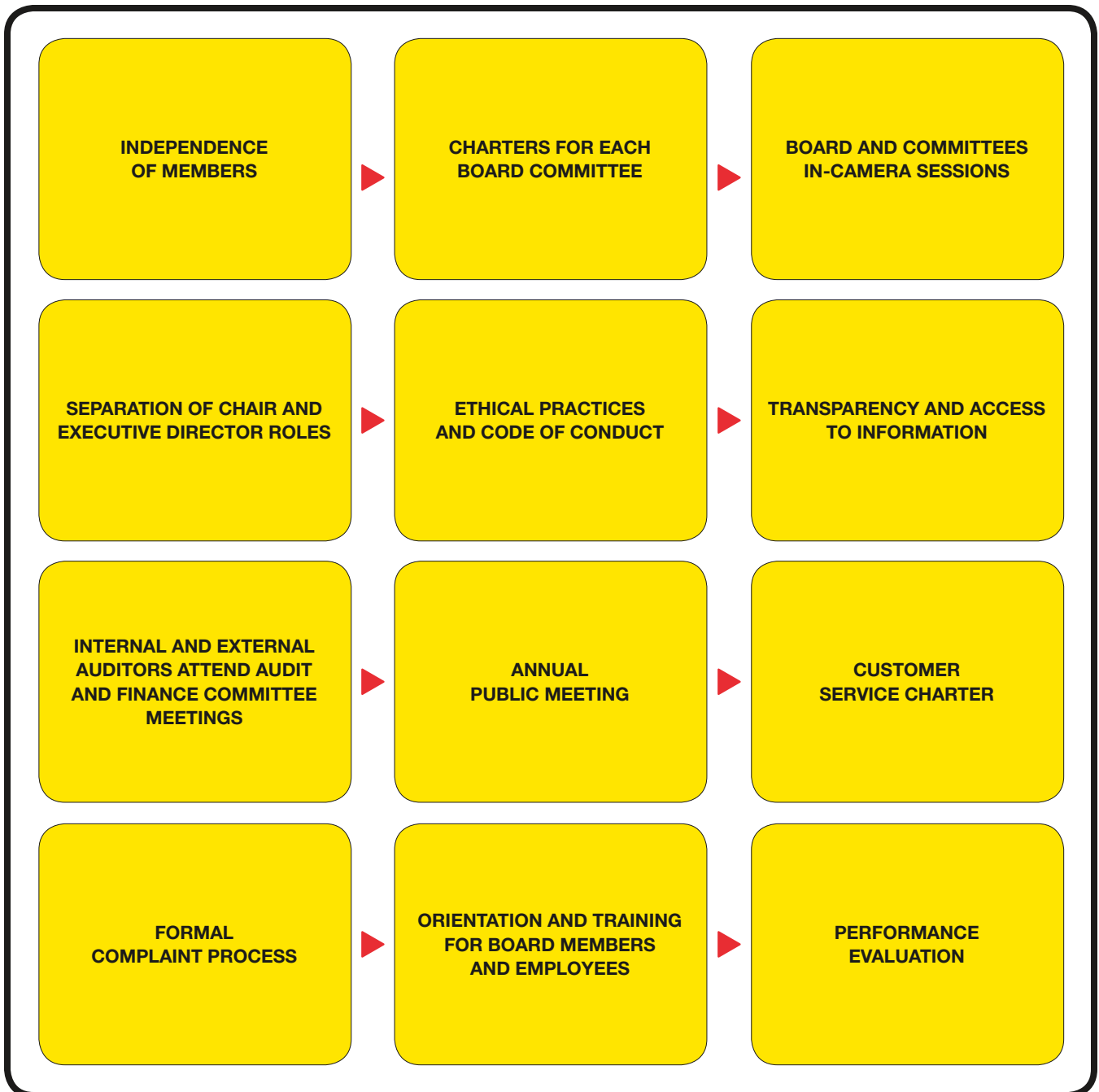
6

## INDEPENDENCE OF THE BOARD

Section 5 of the *Telefilm Canada Act* ensures that all members remain independent by providing that no person who has any pecuniary interest in the audiovisual industry, directly or indirectly and individually or as a shareholder, partner or otherwise, is eligible to be appointed or to hold office as a member. Coupled with this guarantee of independence is the members' obligation, under the Corporation's By-Law 1, to disclose to the Chair any private interest which might otherwise place them in a situation of conflict of interest with their official duties and to abstain from voting on any resolution that would place them in a conflict of interest situation. All members are also required to submit an annual declaration of interest. Furthermore, members are subject to the provisions of the *Conflict of Interest Act*. Finally, all members are independent of the Management Committee.



## TELEFILM'S BEST PRACTICES IN GOVERNANCE



## MEMBERS OF THE BOARD<sup>20,21</sup>

### BIOGRAPHICAL NOTES



**G. Grant Machum, LL.B.**  
Acting Chair of the Board<sup>22</sup>  
and Chair of the Nominating,  
Evaluation and Governance  
Committee

**Appointment date**  
May 2008

**Length of current term**  
Five years, ending in  
February 2020

**Experience**

- Lawyer, partner at Stewart McKelvey
- Employment law and corporate governance
- Past Chair of NSCAD University (Nova Scotia College of Art & Design)
- Member of various boards
- Community fundraiser



**Ram Raju**  
Member

**Appointment date**  
May 2010

**Length of current term**  
Five years, ending in May 2020

**Experience**

- Internet entrepreneur and angel investor in technology startups
- Internet entrepreneur in digital media and management
- Vice-President, Canadian Association of Campus Computer Stores
- Former Professor of Information Systems, Dalhousie University



**Corey Anne Bloom, CPA,**  
CA, CA-EJC, CFF, CFE  
Chair, Audit and  
Finance Committee<sup>23</sup>

**Appointment date**  
October 2013

**Length of current term**  
Five years, ending in  
September 2018

**Experience**

- Chartered Accountant, specialist in Forensic Accounting and Certified Fraud Examiner
- Chaired the International Board of Regents of the Association of Certified Fraud Examiners and led the fraud advisory services practice as well as the forensic IT practice of a large accounting and consulting firm
- Experienced in fraud investigations, forensic accounting, dispute resolution, litigation support, IT forensics and auditing

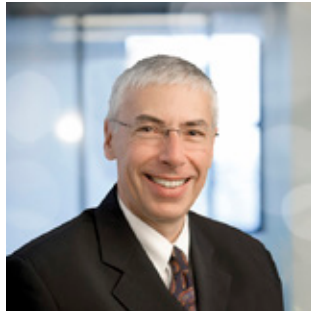
20. For longer versions of members' biographical notes, please consult the Board section on Telefilm's website.

21. Members shown here were in office as at March 31, 2018.

22. G. Grant Machum became Acting Chair of the Board on October 12, 2017.

23. Corey Anne Bloom was appointed Chair of the Audit and Finance Committee on February 26, 2018. Prior to this, she had served as Acting Chair of the committee since March 16, 2017.

**BIOGRAPHICAL NOTES**



**Claude Joli-Cœur, LL.L.**

Ex-officio member

**Appointment date**

November 2014

**Length of current term**

Five years, ending in  
November 2019

**Experience**

- Lawyer
- Film Commissioner and Chair of the National Film Board of Canada
- Senior executive in charge of the National Film Board of Canada's business affairs and legal services, strategic planning, government relations and corporate communications
- Specialist in entertainment law and international coproduction
- Board member of the Canadian Retransmission Collective



**Marie-Linda Lord, Ph.D.**

Chair of the Strategic Planning and Communications Committee

**Appointment date**

June 2015

**Length of current term**

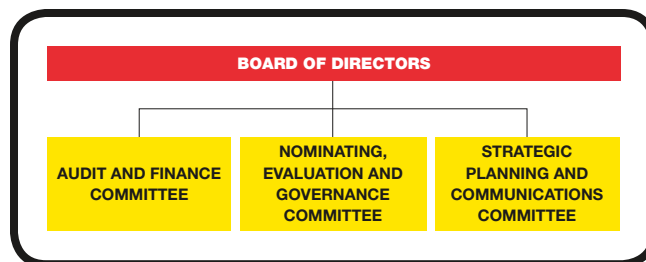
Five years, ending in June 2020

**Experience**

- Professor-researcher, writer and journalist
- Vice-President of Student and International Affairs at the Université de Moncton
- Vice-President of the Réseau francophone des femmes responsables dans l'enseignement supérieur et la recherche with the Agence universitaire de la Francophonie
- Served as Director of the Institut d'études acadiennes, Chair of Acadian Studies, and full professor at the Université de Moncton
- Served as Chair and member of TV5 Québec Canada's Board of Directors
- Recipient of the Queen Elizabeth II Diamond Jubilee Medal

## CHANGES TO THE BOARD OF DIRECTORS

Board appointments and renewals are made by the Governor in Council. Except for the Government Film Commissioner, all members are part-time public office-holders. This year marked the end of Michel Roy's term as the Corporation's Chair, his term ending on October 11, 2017. The position of Chair has been vacant since that date. G. Grant Machum became Acting Chair of the Board on October 12, 2017, as per the terms of the *Telefilm Canada Act*.



## THE BOARD AND ITS COMMITTEES

The Board has established three committees to help it fulfill its responsibilities. Each committee has its own charter and is composed of at least three members, whose membership is reviewed annually. The committees serve to address issues that require specific expertise. Committees make recommendations to the Board on matters that fall within their areas of competence. Committees regularly invite senior managers to attend meetings, a practice that fosters alignment with the Corporation's objectives. Board members who do not sit on a given committee are not required to attend committee meetings.

### AUDIT AND FINANCE COMMITTEE

#### Chair

Corey Anne Bloom

#### Members<sup>24</sup>

Marie-Linda Lord

G. Grant Machum<sup>25</sup>

NUMBER OF MEETINGS HELD

4

The committee assists members of the Board by addressing issues of a financial nature as well as those relating to risk management.

The committee's responsibilities are set forth in a charter and include, among other things:

- the production of financial information;
- the monitoring of risk management and management of internal controls;
- the monitoring of auditors; and
- the committee's performance.

Representatives of the Office of the Auditor General of Canada; internal auditors; the Executive Director; the Director, Administration and Corporate Services; and the Controller are invited to all meetings. Managers present information and the various issues are discussed.

During the fiscal year, the committee reviewed the organization's budgets and financial statements, as it does each year. The committee also engaged with internal auditors with respect to the results of various audits, including those bearing on operational security and the payroll process. Finally, during the fiscal year, the committee recommended the adoption of a new signing charter as well as the implementation of a declaration form for related-party transactions in compliance with the PS 2200 accounting standard.

24. Michel Roy stopped sitting on the Audit and Finance Committee when his term with the Board ended, on October 11, 2017

25. G. Grant Machum was appointed to the Audit and Finance Committee on October 5, 2017.

## **NOMINATING, EVALUATION AND GOVERNANCE COMMITTEE**

### **Chair**

G. Grant Machum

### **Members**

Marie-Linda Lord  
Ram Raju<sup>26</sup>

NUMBER OF  
MEETINGS HELD

**5**

This committee assists the Board mainly on issues relating to human resources management.

The committee's responsibilities are set forth in a charter and include, among other things:

- general practices related to human resources;
- the composition and evaluation of the Board, and evaluation of the Executive Director;
- governance issues; and
- the committee's performance.

In addition, the committee reviews, as needed, topics of interest such as performance evaluation, the Compensation Policy and the Policy on Incentive Programs.

The committee had a very busy year, given that it was tasked with, among other things, engaging the services of a recruitment firm in connection with the hiring of the Corporation's Executive Director. The committee also discussed the implementation of the recruitment process with the Privy Council Office and also took part in selection interviews. In addition, the committee continued its discussions on the approach the Corporation needs to develop on such issues as diversity and the "#Metoo" movement. Finally, the Committee began work on a corporate governance review.

## **STRATEGIC PLANNING AND COMMUNICATIONS COMMITTEE**

### **Chair**

Marie-Linda Lord

### **Members<sup>27</sup>**

Ram Raju  
Corey Anne Bloom<sup>28</sup>

NUMBER OF  
MEETINGS HELD

**4**

The responsibilities of this committee are set forth in a charter and include, among others, those bearing on:

- short- and long-term strategic planning processes;
- issues related to communications; and
- the committee's performance.

During the fiscal year, the committee followed up with senior management on the implementation of the 2016-2018 strategic plan. The Committee also followed up on delivery of events in connection with Telefilm Canada's 50<sup>th</sup> anniversary. Finally, the committee was in a position to recommend the adoption of the 2018-2020 strategic plan to the Board.

26. Ram Raju was appointed to the Nominating, Evaluation and Governance Committee on October 5, 2017.

27. Michel Roy stopped sitting on the Strategic Planning and Communications Committee when his term with the Board ended, on October 11, 2017.

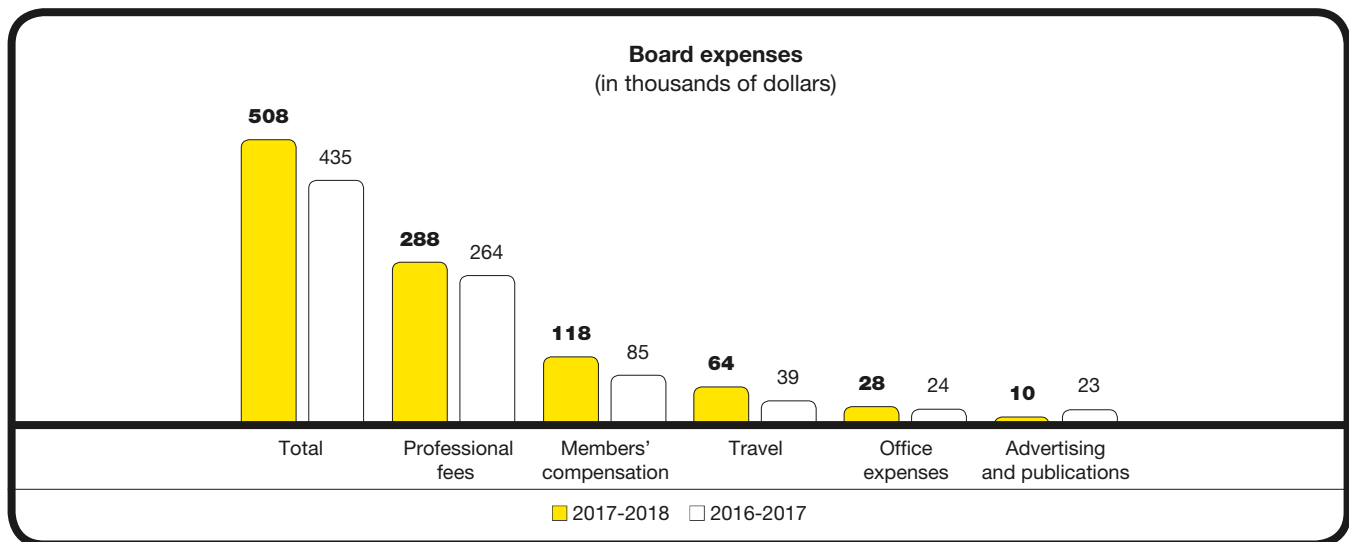
28. Corey Anne Bloom was appointed to the Strategic Planning and Communications Committee on October 5, 2017.

**BOARD MEETINGS: COMPENSATION AND ATTENDANCE**

Board members<sup>29</sup> are remunerated for their attendance at meetings and for other activities inherent to their duties. Compensation is aligned with guidelines governing remuneration of part-time public office-holders appointed to Crown corporations by the Governor in Council. The Corporation pays a yearly honorarium, determined by the Governor in Council, to the Board Chair. The Corporation also grants all directors (including the Chair) a per-diem allowance for Board and committee meeting preparation and for each day they attend meetings. Amounts are paid as per the following pay scales:

- Chair's annual remuneration: between \$7,100 and \$8,400;
- Per-diem allowance: between \$310 and \$375.

The following graph shows expenses incurred by the Board and its committees in relation to, among other things, internal auditing work, the Annual Public Meeting and the holding of meetings.



The following table outlines members' attendance at various committee meetings:

	<b>Board of Directors</b> 6 members 6 meetings	<b>Audit and Finance Committee</b> 3 members 4 meetings	<b>Nominating, Evaluation and Governance Committee</b> 3 members 5 meetings	<b>Strategic Planning and Communications Committee</b> 3 members 4 meetings
<b>G. Grant Machum</b>	6	2	5	–
<b>Michel Roy<sup>30</sup></b>	3	2	2	2
<b>Ram Raju</b>	5	–	2	4
<b>Corey Anne Bloom</b>	5	4	1	2
<b>Claude Joli-Coeur</b>	3	–	1	1
<b>Marie-Linda Lord</b>	6	3	4	4

29. As an officer within the federal public administration and ex-officio member of the Board of Directors, the Government Film Commissioner is not entitled to compensation.

30. Michel Roy attended meetings of the board and its committees until the end of his term on October 11, 2017.

## DECISION-MAKING COMMITTEE

In accordance with the *Telefilm Canada Act*, the Executive Director, appointed by the Governor in Council, is the Corporation's chief executive officer. In this capacity, the Executive Director is responsible for leading and controlling management of the Corporation.

Fiscal 2017-2018 marked the end of Carolle Brabant's term as the Corporation's Executive Director, her mandate ending on March 14, 2018. The position of Executive Director has remained vacant since Ms. Brabant's departure. Jean-Claude Mahé, formerly Director, Public and Governmental Affairs, was appointed Interim Executive Director on March 26, 2018. During the period in which the position of Executive Director remains vacant and is filled on an interim basis, a Decision-Making Committee has been put in place and will serve as a decision-making body for all matters that may be prove especially challenging in connection with the management of Telefilm. The Decision-Making Committee is composed of the Acting Executive Director; the Director, Administration and Corporate Services; the Director, Legal Services and Access to Information; and the Director, Project Financing.

## MANAGEMENT COMMITTEE<sup>31</sup>

The Management Committee is the primary instrument for discussion of strategic, planning and organizational matters. This committee addresses all issues pertaining to the Corporation's policies and directions.

The committee's membership consists of the Acting Executive Director and the directors responsible for all the Corporation's activities. The Acting Executive Director chairs the committee. The committee's decisions are taken by unanimous agreement.

Number of  
meetings held

**35**

### MANAGEMENT COMMITTEE

OPERATIONAL  
COMMITTEE

HUMAN RESOURCES  
COMMITTEE

RISK MANAGEMENT  
COMMITTEE

APPEAL  
COMMITTEE

31. The members of the Management Committee shown here were in office as at March 31, 2018.

**Committee member****Jean-Claude Mahé,**

Acting Executive Director

**Appointment date**

March 2018

**Term ended**

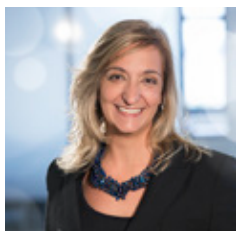
Until such time as an Executive Director of Telefilm Canada is appointed

**Responsibilities**

- Responsible for the Corporation's management and results
- In collaboration with the Board, defines the strategic directions and ensures their implementation
- Ensures the provision of services for the development and promotion of the Canadian audiovisual industry at home and abroad
- Chairs the Management Committee, Risk Management Committee and Appeal Committee

**Experience**

- Mr. Mahé holds a Bachelor of Education degree and began his career with Telefilm as a consultant before being hired as Director, Communications and Public Affairs.
- He worked for almost two decades at the National Film Board, where he rose to hold such important positions as Director of Communications and Secretary to the Board.
- Throughout his long and distinguished career, Mr. Mahé has been dedicated to educational issues. He was awarded the Meritorious Service Cross (Civil Division) by the Governor General of Canada for his work in the defense of French-language education in Canada.

**Committee member****Francesca Accinelli,**

Director, National Promotion and Communications

**Responsibilities**

- Responsible for corporate and promotional communication strategies, with a focus on social media campaigns
- Responsible for managing national promotional campaigns, ensuring initiatives increase visibility and promoting Canadian talent to the general public
- Responsible for strengthening and enhancing Telefilm's branding

**Experience**

- Ms. Accinelli holds a Bachelor of Fine Arts, with a focus on film studies. She joined Telefilm in 2006 as the Deputy Director, English Market, of the Canadian Television Fund program administrator (now the Canada Media Fund Programs Administrator), and was subsequently promoted Director, English Market, in 2008.
- She began her career as a cultural administrator and theatre producer, managing both the production and promotion of plays, and then moved on to television production, working on TV series and movie-of-the-week formats produced for Alliance Atlantis, among other companies.



**Committee member**

**Roxane Girard**, CPA, CA, MBA  
Director, Business Affairs  
and Coproduction

**Responsibilities**

- Responsible for the administration of funding agreements, delivery of regional and national events as well as the provision of services related to the agreement with the Canada Media Fund
- Responsible for audiovisual coproduction recommendations
- Chairs the Operational Committee

**Experience**

- Ms. Girard is a Chartered Accountant by training and holds a Master of Business Administration degree.
- She joined Telefilm Canada in 2006 as Director, French Market, of the Canadian Television Fund Program Administrator (now the Canada Media Fund Programs Administrator), and was subsequently promoted to National Director. She joined the Management Committee in 2015 as Director of Business Affairs and Coproduction.
- Ms. Girard worked in film production before joining the Société de développement des entreprises culturelles du Québec (SODEC), where she was General Manager, Enterprise Funding, and sat on the Board of Directors. She has more than 20 years of experience in the audiovisual industry.

**Committee member**

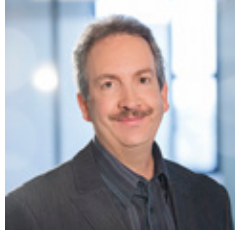
**Stéphane Odesse**, LL.B., D. Fisc.  
Director, Legal Services and  
Access to Information and  
Corporate Secretary

**Responsibilities**

- Responsible for applying and interpreting Telefilm Canada's governing legislation and regulations as well as addressing questions pertaining to governance and funding agreements
- Responsible for setting legal standards and policies

**Experience**

- Mr. Odesse holds a Bachelor of Laws degree and a Specialized Graduate Diploma in Taxation, and is a member of the Barreau du Québec and the Canadian Bar Association.
- He has been providing legal services to Telefilm since 1994, and was promoted to Director of Legal Services in 2002. He has also been serving as Corporate Secretary since October 2003.
- Before joining Telefilm, Mr. Odesse practiced commercial law, corporate law and copyright law for many years. He also participates in several legal bodies, including the Association des secrétaires et chefs de contentieux du Québec, the Association des juristes pour l'avancement de la vie artistique and the Association Littéraire et Artistique Internationale (ALAI).

**Committee member****Denis Pion**

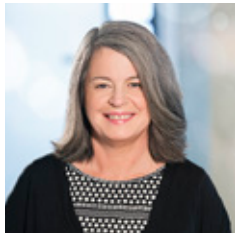
Director, Administration  
and Corporate Services

**Responsibilities**

- Responsible for administrative duties related to finance, human resources, information technology and material resources
- Responsible for administering the service agreement with the Canada Media Fund
- Chairs the Human Resources Committee

**Experience**

- Mr. Pion holds a bachelor degree in computer science and joined Telefilm in 1991 in a consulting role.
- Subsequently he was promoted to Director, Technology and Information Systems and subsequently promoted as Director, Information, Performance and Risk. In April 2010, he was appointed Director, Administration and Corporate Services and joined the Management Committee.

**Committee member****Marielle Poupelin**


Director, International Promotion

**Responsibilities**

- Responsible for the promotional strategy that aims to increase the visibility and availability of Canadian talent, companies and works on the international scene
- Responsible for developing initiatives that position content at international festivals and for stimulating international sales and coproductions
- Responsible for developing international relations and partnerships

**Experience**

- Ms. Poupelin holds a degree in administration. In 2004, she joined Telefilm as an investment analyst as part of the feature film selecting team, and in 2010 was promoted as Deputy Director, Coproduction. From 2016 to 2018, she served as Acting Director, International Promotion before being appointed Director, International Promotion on March 8, 2018.
- Ms. Poupelin began her career working in film production in France and moved to Canada in 1990, where she continued working in film and TV production.

Committee member	Responsibilities
 <p><b>Michel Pradier</b> Director, Project Financing</p>	<ul style="list-style-type: none"> <li>• Responsible for funding programs</li> <li>• Leads the team responsible for project funding decisions</li> <li>• Acts as representative during information and consultation sessions with the industry</li> </ul>
<b>Experience</b>	
<ul style="list-style-type: none"> <li>• Mr. Pradier holds a certificate in computer science. He began at Telefilm as a financial analyst for the film and television units and became head of the television unit before being promoted interim Director of the Quebec regional office in 2001. He was subsequently promoted as Director, Project Financing and joined the Management Committee.</li> <li>• Before starting his career in the public sector, Mr. Pradier spent more than 10 years developing his expertise in film and media production. He also held the positions of executive and financial analyst in the departments of investment and tax credit at the SODEC.</li> </ul>	

<p><b>Vacant position</b> Director, Public and Governmental Affairs</p>	<ul style="list-style-type: none"> <li>• Responsible for all issues related to government policies and for liaising with the Department of Canadian Heritage and other government departments</li> <li>• Responsible for implementing promotion and networking activities that help forge ties among the Canadian audiovisual industry, public spheres and the business community</li> <li>• Responsible for the Talent Fund</li> </ul>
<p><b>Self-directed team</b> Strategy and Research</p>	<ul style="list-style-type: none"> <li>• Takes part in the development and implementation of organizational strategy and provides support for and follow-up of the strategic plan</li> <li>• Responsible for implementing and delivering on research plans and ensuring their communication</li> </ul>

**SUBCOMMITTEES**<sup>32</sup>

The Corporation has also set up subcommittees that provide in-depth consideration of specific topics having varying degrees of complexity. Subcommittee minutes are circulated at each Management Committee meeting, thus ensuring that information is well communicated. The subcommittees have decision-making powers enabling them to resolve operational issues.

**OPERATIONAL COMMITTEE****Chair**

Roxane Girard

**Members**Denis Pion, Michel Pradier,  
Stéphane Odesse, Marielle PoupelinNUMBER OF  
MEETINGS HELD**23**

The Operational Committee is composed of the Director, Administration and Corporate Services; the Director, Project Financing; the Director, Business Affairs and Coproduction; and at least two members of the Management Committee, who are appointed for six-month renewable terms. The committee's responsibilities are set forth in a charter.

The committee is responsible for decision-making involving the application of Telefilm Canada's various guidelines, as well as all issues, interpretation of or particular situations related to Telefilm Canada's operations and administration or situations that depart from normal practice.

**HUMAN RESOURCES COMMITTEE****Chair**

Denis Pion

**Members**

Stéphane Odesse, Roxane Girard

NUMBER OF  
MEETINGS HELD**9**

The Human Resources Committee is composed of two members of the Management Committee, who are appointed for six-month renewable terms, as well as the Director, Administration and Corporate Services. The committee's responsibilities are set forth in a charter.

The committee supports Telefilm in matters involving the application and interpretation of Human Resources policies; in the determination of exceptions to these policies; and in response to situations that depart from normal practice.

A representative of the Human Resources Department is invited to take part in all committee meetings.

32. Subcommittee members shown here were in office as at March 31, 2018.

**RISK MANAGEMENT COMMITTEE****Chair<sup>33</sup>**

Jean-Claude Mahé

**Members**

Francesca Accinelli, Marielle Poupelin, Roxane Girard, Stéphane Odesse, Denis Pion, Michel Pradier, one employee from the Strategy and Research Department, on a rotational basis

NUMBER OF  
MEETINGS HELD

**2**

The Risk Management Committee is composed of all members of the Management Committee and is responsible for the Corporation's overall risk management strategy.

The committee charter sets forth members' responsibilities, which include, among other duties:

- identifying and categorizing risks;
- assessing the impact of risks; and
- identifying appropriate risk mitigation measures.

The committee is also responsible for the overall implementation of the risk management process.

**APPEAL COMMITTEE****Chair<sup>33</sup>**

Jean-Claude Mahé

**Members**

Denis Pion, Stéphane Odesse, Michel Pradier, two members, who change based on the subject of the appeal

NUMBER OF  
MEETINGS HELD

**0**

The Appeal Committee is composed of members of the Decision-Making Committee and two members of the Management Committee, who are appointed for six-month renewable terms. The committee's responsibilities and operations are set forth in a charter.

The committee reviews decisions that are appealed:

- by clients, in the matter of all decisions pertaining to them; and
- by employees, in the matter of decisions made by the Human Resources Committee.

A committee member who is involved in an issue submitted to the committee for consideration must abstain from participating in any deliberation related to the issue at hand.

33. Carolle Brabant chaired the committee until the end of her term, on March 14, 2018.

## COMPENSATION AND MEETING ATTENDANCE

All members of the Management Committee are full-time employees of the Corporation. The Executive Director's compensation is set by the Privy Council Office. The salary scale for other committee members ranges from \$117,027 to \$212,677, with the average salary being \$156,101.

The following table lists the attendance of Management Committee members at various meetings:

	<b>Management Committee</b> 9 members 35 meetings	<b>Operational Committee</b> 5 members 23 meetings	<b>Human Resources Committee</b> 3 members 9 meetings	<b>Risk Management Committee</b> 9 members 2 meetings	<b>Appeal Committee</b> 6 members No meetings
<b>Jean-Claude Mahé</b> Acting Executive Director <sup>34</sup>	32	9	6	2	–
<b>Carolle Brabant</b> Executive Director <sup>35</sup>	31	–	2	2	–
<b>Francesca Accinelli</b> Director, National Promotion and Communications	29	9	4	2	–
<b>Marielle Poupelin</b> Director, International Promotion	26	6	4	1	–
<b>Roxane Girard</b> Director, Business Affairs and Coproduction	29	22	4	2	–
<b>Stéphane Odesse</b> Director, Legal Services and Access to Information	31	10	5	2	–
<b>Denis Pion</b> Director, Administration and Corporate Services	34	20	9	2	–
<b>Michel Pradier</b> Director, Project Financing	25	17	6	–	–
<b>Employees on rotational basis</b> Strategy and Research Department <sup>36</sup>	33	1	–	2	–

34. Jean-Claude Mahé, formerly Director, Public and Governmental Affairs, was appointed Acting Executive Director on March 26, 2018.

35. Carolle Brabant's term as Executive Director of Telefilm Canada ended on March 14, 2018.

36. Cumulative attendance of employees representing the team, on a rotational basis over a three-month period.

## AUDITING

The Corporation's financial statements are audited annually by the Office of the Auditor General of Canada. In addition, the FAA requires that the Auditor General conduct a special examination of the Corporation at least once every 10 years, the most recent review having been conducted in 2010. The results of this review are available on the [Corporation's website](#). The FAA also requires that Telefilm conduct internal audits. The Corporation assigns this task to an outside firm, whose reports are submitted to the Audit and Finance Committee. The following audit assignments were carried out during the fiscal year:

- Review of new processes;
- Operational security;
- Signing Charter and risk analysis criteria relating to dossiers; and
- Review of payroll process.

## PERFORMANCE EVALUATION

Performance evaluation is a key process that helps identify good performance while fostering a culture of continuous improvement. To this end, the Board members, Executive Director<sup>37</sup> and all personnel were subject to an annual assessment.

- Assessment of the Board and its committees is governed by a performance assessment policy specific to the Board. This assessment process looks at, among other things, Board membership, members' knowledge, the Board's responsibilities and its workings. In addition to this evaluation, each Board committee is assessed individually.
- The Executive Director's performance assessment, which is conducted by the Nominating, Evaluation and Governance Committee and then subject to Board approval, is governed by the Privy Council Office's [Performance Management Program Guidelines – Chief Executive Officers of Crown Corporations](#). Evaluation criteria focus on assessing results in various areas of activity including, among others, policies and programs, management, stakeholder relations, leadership and corporate results.
- Performance of the Management Committee and each of its subcommittees is assessed by committee members and by the Executive Director. In the event the Executive Director position is vacant or held on an acting basis, the performance of each subcommittee is assessed by its members.
- Finally, employee performance evaluations are conducted twice a year in accordance with the Corporation's Policy on Performance Evaluation. The assessment process focuses on, among other things, the achievement of set objectives for the fiscal year, expected proficiency levels, expectations pertaining to job responsibilities, and learning goals.

## ORIENTATION AND TRAINING

Training is an essential part of maintaining best practices of corporate governance, and it enables Board members to perform their duties in an optimal manner. To this end, Board members are given an opportunity to participate in seminars and courses as well as in training based on the requirements of their duties and an assessment of their needs. The Corporation also expects that employee skills be developed and improved, and achieves this through a professional development training plan whose purpose is to provide employees with the skills needed to achieve the Corporation's strategic plan. See more details in the Administrator section.

37. Given that she acted as Executive Director for most of fiscal 2017-2018, Carolle Brabant was subject to an annual performance review. Conversely, Jean-Claude Mahé, as Acting Executive Director, was not subject to an annual review by the Board given that he was appointed to the position only five days before the end of the fiscal year.

## ETHICS AND INTEGRITY

Ethics and integrity are important values for Telefilm Canada, and as such the Corporation endeavours to promote exemplary ethical practices, year after year. Telefilm Canada's Code of Conduct, which encompasses the Treasury Board's [Values and Ethics Code for the Public Sector](#), Telefilm Canada's Code of Values and its Policy on Conflict of Interest and Post-Employment, is binding on all employees. Respecting Telefilm Canada's Code of Conduct is a condition of employment for all employees, regardless of the position they hold. The Code is available to the public at large upon request.

Each year, employees must undergo mandatory training on their obligations pertaining to ethics, information security, transparency, privacy and prevention of conflicts of interest. Following this training, all employees are assessed on their knowledge of the issues to ensure that they fully understand their obligations.

Furthermore, employees are also required to annually sign a statement declaring that they undertake to comply with the Corporation's internal policies and guidelines, notably in matters pertaining to ethical behaviour and conflict of interest. Finally, all persons appointed by Order in Council—the Chair, Board members and the Executive Director—are subject to the *Conflict of Interest Act*.

## FORMAL COMPLAINTS

Telefilm has a formal complaint process for its clients that supplements existing mechanisms included in the [Customer Service Charter for Telefilm Canada's Clients](#). During fiscal 2017-2018, one new formal complaint was filed under this procedure. Furthermore, in accordance with the [Public Servants Disclosure Protection Act](#), Telefilm employees and members of the public may disclose wrongdoing that they think has been committed, or that they believe is about to be committed, by following the process set out on the [website](#) of the Office of the Public Sector Integrity Commissioner of Canada. In this respect, no complaints or disclosures of wrongdoing were submitted during the fiscal year.

## COMMUNICATION

### Liaison with the Government of Canada

The Corporation uses a structure that fosters effective strategic linkage with the Department of Canadian Heritage and other federal and provincial departments and agencies. To this end, the Public and Governmental Affairs sector acts as a special intermediary for all questions related to government policy.

### Annual Public Meeting

In compliance with the FAA, the Corporation held its Annual Public Meeting in November 2017, in Toronto, and presented its achievements for the 2016-2017 fiscal year. The public and members of the industry and media were given the opportunity to, among other things, interact with the Acting Chair of the Board, G. Grant Machum, and with the Executive Director at the time of the Meeting, Carolle Brabant. Details of Telefilm's achievements are available on its [website](#), as is the Corporation's complete [annual report](#).

## TRANSPARENCY AND ACCESS TO INFORMATION

At Telefilm Canada, we believe that transparency and access to information are pillars of the public's confidence and trust in our institution. Accordingly, we strive to ensure that all employees and consultants working at the Corporation are aware of and understand the importance of the right of access to information and their obligations under the *Access to Information Act*.



# FINANCIAL STATEMENTS FISCAL YEAR ENDED MARCH 31, 2018



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# MANAGEMENT REPORT

The financial statements of Telefilm Canada (hereafter the “Corporation”) are the responsibility of management and have been approved by the Board of Directors of the Corporation. These financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies are disclosed in Note 2 to the financial statements. Where appropriate, the financial statements include estimates based on the experience and judgment of management. Management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent with the financial statements.


Management maintains accounting, financial, information and management control systems, together with management practices, designed to provide reasonable assurance that reliable and relevant information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that operations are carried out effectively. The internal control systems are periodically reviewed by the Corporation’s internal auditors. These systems and practices are also designed to provide reasonable assurance that transactions are in accordance with Part VIII of the *Financial Administration Act*, chapter F-10 of the Revised Statutes of Canada 1970, as it read immediately before September 1, 1984, as if it had not been repealed and as if the Corporation continued to be named in Schedule C to that Act, with the relevant sections of Part X of the *Financial Administration Act*, with the *Telefilm Canada Act* and with the by-laws and policies of the Corporation.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting as stated above. The Board exercises its responsibilities through the Audit and Finance Committee, which consists of directors who are not officers of the Corporation. The Committee reviews the quarterly financial statements, as well as the annual financial statements and related reports and may make recommendations to the Board of Directors with respect to these and/or related matters. In addition, the Committee periodically meets with the Corporation’s internal and external auditors, as well as with management, to review the scope of their audits and to assess their reports.

The external auditor, the Auditor General of Canada, conducts an independent audit of the financial statements, and reports to the Corporation and to the Minister of Canadian Heritage.

Montréal, Canada

June 19, 2018



**Jean-Claude Mahé**  
Acting Executive Director



**Denis Pion**  
Director – Administration and Corporate Services



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

## REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Telefilm Canada, which comprise the statement of financial position as at 31 March 2018, and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and 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 public sector accounting standards, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Telefilm Canada as at 31 March 2018, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of Telefilm Canada that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, the *Telefilm Canada Act* and the by-laws of Telefilm Canada.

**Tina Swiderski**, CPA auditor, CA  
Principal  
for the Auditor General of Canada

19 June 2018  
Montréal, Canada

# STATEMENT OF OPERATIONS

Year ended March 31

<i>In thousands of Canadian dollars</i>	Schedules and notes	2018 Budget	2018	2017
<b>Assistance expenses</b>				
Development of the Canadian audiovisual industry				
Production programs		63,322	70,960	68,075
Development program		7,825	7,091	6,283
Talent to Watch program		4,000	2,040	2,198
Theatrical documentary program		2,000	1,698	98
Contribution to the Council of Europe's cultural fund, Eurimages		1,500	1,388	1,088
Administration of recommendations for audiovisual treaty coproduction		492	524	455
Innovation program – Production		1,000	400	200
		80,139	84,101	78,397
Promotional support in Canada and abroad				
Promotion program and national promotional activities		8,136	8,011	7,788
Marketing program		10,780	6,864	9,980
International promotional activities		5,185	6,253	4,062
International marketing program		1,150	742	679
Innovation program – Promotion		1,000	216	629
Export assistance program		800	72	103
		27,051	22,158	23,241
		107,190	106,259	101,638
<b>Operating and administrative expenses</b>	A	25,954	25,723	24,142
<b>Cost of operations</b>		133,144	131,982	125,780
<b>Revenues</b>				
Investment revenues and recoveries		10,000	10,733	14,000
Management fees from the Canada Media Fund	B	9,553	9,397	10,984
Talent Fund	3	2,165	2,470	2,572
Contributions to promotional support activities		1,200	1,212	1,133
Interest and other revenues		100	103	114
		23,018	23,915	28,803
<b>Net cost of operations before government funding</b>		110,126	108,067	96,977
<b>Government funding</b>				
Parliamentary appropriation		100,454	103,572	97,454
<b>Surplus (deficit) for the year</b>		(9,672)	(4,495)	477
<b>Accumulated surplus, beginning of year</b>		26,585	26,585	26,108
<b>Accumulated surplus, end of year</b>		16,913	22,090	26,585

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

# STATEMENT OF FINANCIAL POSITION

As at March 31

<i>In thousands of Canadian dollars</i>	Notes	2018	2017
<b>Financial assets</b>			
Due from Consolidated Revenue Fund	5	66,421	61,709
Cash – Talent Fund	3	1,465	649
Accounts receivable	4 and 5	2,469	2,977
Receivable from the Canada Media Fund	6	2,952	3,262
Loan	7	240	240
		<b>73,547</b>	68,837
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5	2,949	3,234
Deferred revenues – Talent Fund	3	9	–
Financial assistance program obligations	8	55,292	45,172
Liabilities for employee future benefits	9	764	783
		<b>59,014</b>	49,189
<b>Net financial assets</b>		<b>14,533</b>	19,648
<b>Non-financial assets</b>			
Tangible capital assets	10	5,968	4,662
Prepaid expenses		1,589	2,275
		<b>7,557</b>	6,937
<b>Accumulated surplus</b>		<b>22,090</b>	26,585

Contractual rights (Note 12), commitments (Note 13) and contingencies (Note 14)

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

Approved by the Board:



**G. Grant Machum**  
Acting Chair

# STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended March 31

<i>In thousands of Canadian dollars</i>	2018 Budget	2018	2017
<b>Surplus (deficit) for the year</b>	(9,672)	<b>(4,495)</b>	477
<b>Tangible capital asset transactions</b>			
Amortization	760	<b>747</b>	486
Acquisitions	(2,563)	<b>(2,124)</b>	(2,798)
Write-down of tangible capital assets	-	<b>71</b>	-
<b>Other transactions</b>			
Acquisitions of prepaid expenses	(1,000)	<b>(1,589)</b>	(2,275)
Use of prepaid expenses	2,200	<b>2,275</b>	2,365
<b>Decrease in net financial assets</b>	(10,275)	<b>(5,115)</b>	(1,745)
<b>Net financial assets, beginning of year</b>	19,648	<b>19,648</b>	21,393
<b>Net financial assets, end of year</b>	9,373	<b>14,533</b>	19,648

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

# STATEMENT OF CASH FLOWS

Year ended March 31

<i>In thousands of Canadian dollars</i>	2018	2017
<b>Operating activities</b>		
Surplus (deficit) for the year	(4,495)	477
Items not affecting cash:		
Increase (decrease) in liabilities for employee future benefits	(19)	27
Amortization of tangible capital assets	747	486
Write-down of tangible capital assets	71	–
Loan conversion	–	410
	(3,696)	1,400
Changes in non-cash financial items:		
Decrease (increase) in accounts receivable	508	(654)
Decrease in receivable from the Canada Media Fund	310	41
Increase (decrease) in accounts payable and accrued liabilities	(101)	135
Increase (decrease) in deferred revenues – Talent Fund	9	(2)
Increase of financial assistance program obligations	10,120	5,576
Decrease in prepaid expenses	686	90
	7,836	6,586
<b>Capital activities</b>		
Cash outflows to acquire tangible capital assets	(2,308)	(2,363)
<b>Increase in due from Consolidated Revenue Fund and cash – Talent Fund</b>	<b>5,528</b>	<b>4,223</b>
<b>Due from Consolidated Revenue Fund and cash – Talent Fund, beginning of year</b>	<b>62,358</b>	<b>58,135</b>
<b>Due from Consolidated Revenue Fund and cash – Talent Fund, end of year</b>	<b>67,886</b>	<b>62,358</b>
<b>Additional information presented in operating activities</b>		
Interest received	80	81
Change in accounts payable and accrued liabilities for capital projects	184	(435)

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

# NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

## < 1 >

### **AUTHORITY AND ACTIVITIES**

The Corporation was established in 1967 by the *Telefilm Canada Act*. The mandate of the Corporation is to foster and promote the development of the Canadian audiovisual industry. The Corporation may also act through agreements with the Department of Canadian Heritage for the provision of services or the management of programs relating to the audiovisual or sound recording industries.

The Corporation is a Crown corporation subject *inter alia* to Part VIII of the *Financial Administration Act*, chapter F-10 of the Revised Statutes of Canada 1970, as it read immediately before September 1, 1984, as if it had not been repealed and as if the Corporation continued to be named in Schedule C to that Act. The Corporation is also subject to certain provisions of Part X of the *Financial Administration Act*.

The Corporation is not subject to income tax laws.

## < 2 >

### **SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (CPSAS). The significant accounting policies followed by the Corporation are as follows:

#### **A. Measurement uncertainty**

The preparation of financial statements in accordance with CPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses and revenues during the reporting period. The most significant items for which estimates are used are the allowance for bad debts, the useful life of tangible capital assets, liabilities for employee future benefits and contingencies. Actual results could differ from those estimates and such differences could be material.

#### **B. Assistance expenses**

Assistance expenses represent all forms of assistance granted by the Corporation to develop the Canadian audiovisual industry and support Canadian content in Canada and abroad. They are carried out mainly through investments, forgivable advances, grants and contributions. Financial assistance granted is recognized as government transfers. The Corporation recognizes financial assistance in the statement of operations as assistance expenses in the year in which the expense is authorized and the recipient meets the eligibility criteria. The Corporation recognizes the balances it has contractually committed to disburse as financial assistance program obligations.

Investments in productions entitle the Corporation to copyright ownership, and advances are generally carried out by awarding project development, production, and distribution and marketing assistance contracts. Certain advances are convertible into investments in lieu of repayment. When this occurs, the advance is converted into an investment through assistance expenses.



## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****C. Revenues****i. Investment revenues and recoveries**

Investment revenues and recoveries of advances made in production represent a percentage of production revenues stipulated in agreements and contractually payable to the Corporation. Recoveries are also derived from the repayment of other forgivable advances granted whose contractual conditions have been met. These amounts are recorded on an accrual basis while bad debt losses are accounted for through assistance expenses.

**ii. Management fees**

Management fees represent the reimbursement of costs incurred when administering and delivering Canada Media Fund funding programs. Fees are recorded on an accrual basis.

**iii. Contributions to promotional support activities**

Contributions to promotional support activities are recorded on an accrual basis.

**iv. Interest and other revenues**

Interest and other revenues are recorded on an accrual basis.

**D. Government funding**

The Corporation obtains funding through a parliamentary appropriation. As this funding is free of any stipulation limiting its use, it is recorded as government funding in the statement of operations up to the authorized amount where eligibility criteria have been met.

**E. Talent fund**

The Talent Fund (the "Fund") was created in March 2012 and its operations are an integral part of the Corporation's activities. The aim of the Fund is to support and promote Canadian works and talent through the Corporation's programs. The Fund's revenues are received from individuals and companies. These revenues are deposited into a separate bank account and recorded under Cash – Talent Fund in the statement of financial position. Revenues may or may not be subject to external restrictions with respect to language, genre and program. Revenues free from external restrictions are recognized in the statement of operations in the fiscal year during which they are received whereas revenues subject to external restrictions are recognized in the statement of operations in the fiscal year during which they are used for the stated purpose. Unused revenues subject to external restrictions are presented as deferred revenues in the statement of financial position. Under the *Telefilm Canada Act*, investment revenues and recoveries generated by projects funded by the Fund are made available to the Corporation to cover all assistance expenses.

**F. Due from Consolidated Revenue Fund**

Due from Consolidated Revenue Fund includes the Corporation's aggregate banking transactions, which are processed by the Receiver General for Canada.

**G. Cash – Talent Fund**

Cash – Talent Fund consists of the cash balance from revenues received. This cash is used to finance projects and activities supported by the Fund.

**H. Loan**

The Corporation granted a loan to production companies. The loan is recognized at the lower of amortized cost and net recoverable amount, depending on the degree of collectibility and risk of loss. Interest income is recorded when earned, as per the effective interest method.

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****I. Financial instruments**

The Corporation's financial instruments are all recorded at cost or amortized cost in the statement of financial position. Financial assets consist of assets that could be used to settle existing liabilities or fund future activities. At every year-end, the Corporation evaluates whether there is any objective evidence of impairment of financial assets or groups of financial assets. The Corporation performs an individual analysis of its financial assets to determine the allowance for bad debts. Factors taken into consideration to assess impairment are the age of the receivable, payment history and compliance with the current repayment agreement, if any. If such evidence exists, the carrying amount of the financial instrument as well as the related allowance is reduced to account for this loss in value.

The Corporation holds the following financial assets, some of which are recorded net of allowance for bad debts:

- Cash – Talent Fund;
- Accounts receivable, other than taxes to be recovered;
- Receivable from the Canada Media Fund;
- Loan.

Financial liabilities consist of:

- Accounts payable and accrued liabilities;
- Deferred revenues – Talent Fund;
- Financial assistance program obligations.

**J. Liabilities for employee future benefits****i. Pension plan**

Eligible employees of the Corporation benefit from the Public Service Pension Plan, a contributory-defined benefit plan constituted under an act and sponsored by the Government of Canada. Contributions to the plan are made by both employees and the Corporation. This pension plan provides benefits based on years of service, up to a maximum of 35 years and at an annual rate of 2% per year of pensionable service times the average earnings of the best five consecutive years. The benefits are coordinated with the Canada Pension Plan and Quebec Pension Plan benefits and are indexed to inflation. Employer contributions are based on the Public Service Pension Plan and reflect the full cost for the Corporation. This amount is based on a multiple of employee contributions and may change over time depending on the Plan's financial position. The Corporation's contributions are recognized during the year in which the services are rendered and represent its total pension benefit obligation. The Corporation is not required to make contributions in respect of any actuarial deficiencies of the Public Service Pension Plan.

**ii. Severance benefits**

Eligible employees were entitled to severance benefits as stipulated in their conditions of employment and the cost of these benefits was recognized in the statement of operations in the year in which they were earned. The severance benefit obligation was calculated based on management's assumptions and best estimates of future salary changes, employee age, years of service and the probability of departure due to resignation or retirement. Following the Treasury Board Secretariat's request, in September 2013 the Corporation decided to terminate these benefits. Since March 31, 2014, severance benefits are no longer accumulated and have been paid to most employees. The obligation is adjusted at fiscal year-end to reflect the current salary of employees who have decided to defer payment to the time of employment termination or retirement.

**iii. Sick leave**

Employees are entitled to sick leave as stipulated in their conditions of employment. Unused sick leave accrues but cannot be converted into cash. The cost of sick leave is recognized in the statement of operations in the year it is earned. The obligation is calculated on a present value basis using assumptions based on management's best estimates of the probability of use of accrued sick leave, future salary changes, employee age, the probability of departure, retirement age and the discount rate. These assumptions are reviewed annually.

**iv. Parental leave**

Employees are entitled to parental leave as stipulated in their conditions of employment. The Corporation tops up employees' employment insurance benefits up to a set percentage of their gross salary. The Corporation recognizes a liability for the entire duration of the parental leave at the time employees submit an application and sign the agreement as stipulated by their conditions of employment.

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### K. Tangible capital assets

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their respective useful lives using the following rates or periods:

Assets	Rates/periods
Leasehold improvements	Terms of the leases
Technological equipment	20%
Furniture	10%
Software	Between 10% and 25%

Tangible capital assets related to work in progress are not subject to amortization. When work in progress is completed, the tangible capital asset portion is reclassified to the appropriate line item of tangible capital assets and is amortized in accordance with the Corporation's policy.

### L. Related party transactions

Related party transactions are accounted at exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The Corporation does not account for the estimated cost of services rendered without charges by a commonly controlled entity.

### M. Adoption of new accounting standards

The Public Sector Accounting Board (PSAB) issued five new accounting standards effective for fiscal years beginning on or after April 1, 2017. On April 1, 2017, the Corporation adopted Section PS 3380 "Contractual Rights", which defines and establishes disclosure requirements on contractual rights. The adoption of this Section resulted in the addition of Note 12 on contractual rights. The Corporation also adopted the new accounting standards for related party disclosures (PS 2200), assets (PS 3210), contingent assets (PS 3320) and inter-entity transactions (PS 3420). The adoption of these standards did not result in a significant impact on the results and the financial position of the Corporation, nor on the disclosures included in the Corporation's financial statements.

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

**TALENT FUND**

The transactions specific to the Talent Fund are shown in the tables below:

	Other donors	Bell Media	Corus Entertainment	Total 2018	Total 2017
<b>REVENUES</b>					
Donations	314	–	–	314	416
Contributions received	–	1,357	808	2,165	2,165
Contributions receivable	–	–	–	–	(11)
Deferred revenues	–	(9)	–	(9)	2
	314	1,348	808	2,470	2,572
<b>ASSISTANCE EXPENSES</b>					
Production programs	–	10	18	28	216
Talent to Watch program	381	772	577	1,730	1,229
Promotion program and national promotional activities	–	449	40	489	326
Innovation program – Promotion	–	77	–	77	250
International promotional activities	–	40	173	213	208
	381	1,348	808	2,537	2,229
Surplus (deficit) for the year	(67)	–	–	(67)	343
Accumulated surplus (deficit), beginning of year	242	–	–	242	(101)
<b>Accumulated surplus, end of year</b>	175	–	–	175	242

For fiscal year ended March 31, 2018, the Corporation incurred \$251,600 in expenses related to business development and promotion of the Fund (\$248,500 for the previous fiscal year). The contributions of Bell Media and Corus Entertainment are subject to external restrictions.

	Other donors	Bell Media	Corus Entertainment	Total 2018	Total 2017
<b>DEFERRED REVENUES</b>					
<b>Balance, beginning of year</b>	–	–	–	–	2
Contributions received	–	1,357	808	2,165	2,165
Contractual commitments recognized in revenues	–	(1,348)	(808)	(2,156)	(2,167)
<b>Balance, end of year</b>	–	9	–	9	–
<b>CASH – TALENT FUND</b>					
<b>Balance, beginning of year</b>	230	323	96	649	985
Receipts	339	1,357	808	2,504	2,556
Contractual payments under financial assistance programs	(82)	(1,003)	(603)	(1,688)	(2,892)
<b>Balance, end of year</b>	487	677	301	1,465	649

As at March 31, 2018, the Talent Fund is contractually committed to pay a total amount of \$1,279,235 (\$432,300 for the previous fiscal year).

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

# < 4 >

## ACCOUNTS RECEIVABLE

	March 31, 2018	March 31, 2017
Accounts receivable related to investment revenues and recoveries	769	886
Taxes to be recovered	957	1,256
Other accounts receivable	743	835
	<b>2,469</b>	<b>2,977</b>

# < 5 >

## RESTRICTED ASSETS AND LIABILITIES – CANADA NEW MEDIA FUND

Under contribution agreements with the Department of Canadian Heritage applicable to fiscal 2007-2008 and thereafter, all future receipts from projects previously funded via the Canada New Media Fund are to be returned to the Receiver General for Canada. The last related agreement with the Department of Canadian Heritage expired on March 31, 2010. These assets and liabilities are therefore subject to an external restriction.

	March 31, 2018	March 31, 2017
Due from Consolidated Revenue Fund	-	-
Accounts receivable	-	62
Accounts payable and accrued liabilities	-	62

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

# < 6 >

## RECEIVABLE FROM THE CANADA MEDIA FUND

The Corporation administers the Canada Media Fund funding programs and as such, charges the Fund management fees. Further, as part of their respective mandates, the two organizations carry out certain promotional activities in collaboration.

	March 31, 2018	March 31, 2017
Management fees receivable	2,834	3,212
Other amounts receivable	118	50
	<b>2,952</b>	<b>3,262</b>

# < 7 >

## LOAN

The Corporation has a lending agreement with production companies for which the principal balance is \$240,400 as of March 31, 2018 (\$240,400 as of March 31, 2017). The loan bears interest at the Royal Bank of Canada's prime rate plus 2.00%, computed on a daily basis. It is repayable based on the amounts to which the borrowers are entitled on future audiovisual productions. Repayment of interest is quarterly and started in August 2017. The loan has no guarantees and early repayment is possible at any time, without benefit or penalty.

# < 8 >

## FINANCIAL ASSISTANCE PROGRAM OBLIGATIONS

The Corporation is contractually committed to disburse sums under its financial assistance programs. The following table presents the expected payments in future years:

	2019	2020	Total March 31, 2018	Total March 31, 2017
<b>Contracts signed in fiscal:</b>				
2014 and prior years	903	–	903	1,327
2015	598	–	598	1,064
2016	2,765	–	2,765	7,427
2017	9,625	75	9,700	35,354
2018	37,905	3,421	41,326	–
	51,796	3,496	<b>55,292</b>	45,172

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.



## LIABILITIES FOR EMPLOYEE FUTURE BENEFITS

	Severance benefits	Sick leave	Parental leave	Total
<b>Balance as at March 31, 2016</b>	130	580	46	756
Cost for services rendered during the year	4	94	94	192
Benefits paid during the year	–	(110)	(55)	(165)
<b>Balance as at March 31, 2017</b>	134	564	85	783
Cost for services rendered during the year	3	107	99	209
Benefits paid during the year	(28)	(112)	(88)	(228)
<b>Balance as at March 31, 2018</b>	<b>109</b>	<b>559</b>	<b>96</b>	<b>764</b>

### A. Severance benefits obligation

The Corporation provided severance benefits to its eligible employees based on the nature of the departure, years of service and final salary at end of employment. This plan had no assets and a deficit equal to the accrued benefit obligation. These benefits ceased to accumulate as of March 31, 2014 as a result of the Corporation's decision to terminate these benefits. During the year, the obligation was adjusted to reflect the current salary of employees who have decided to defer payment to the time of employment termination or retirement. The benefits will be paid from future parliamentary appropriations.

### B. Sick leave obligation

The Corporation provides employees with sick leave benefits based on their salary and the sick leave entitlements they accrue over their years of service. Employees can carry entitlements forward but not convert them into cash. This plan has no assets and a deficit equal to the accrued benefit obligation.

To calculate the sick leave obligation, the Corporation uses an average daily salary of \$309 (\$295 in 2017), a 2.84% rate of salary increase (2.60% in 2017), a 3.00% annual average utilization rate (3.00% in 2017), a 2.19% discount rate (1.80% in 2017) and a 10.00% departure rate (10.00% in 2017). Benefits will be paid from future parliamentary appropriations and other funding sources.

### C. Parental leave obligation

The Corporation tops up gross employment insurance benefits to 93.00% of the employee's gross salary. Benefits will be paid from future parliamentary appropriations.

### D. Pension plan

The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of employees' required contributions. The required employer contribution rate for 2018 is based on employees' start date. For start dates before January 1, 2013, the Corporation's contribution rate is 1.01 times the required employee contribution rate (1.15 times in 2017); for start dates after December 31, 2012, the Corporation's contribution rate is of 1.00 times the required employee contribution rate (1.11 times in 2017). Total contributions of \$1,696,600 are recognized as an expense in 2018 in salaries and employee benefits (2017 – \$1,625,300).

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

## &lt; 10 &gt;

**TANGIBLE CAPITAL ASSETS**

	Leasehold improvements	Technological equipment and furniture	Software	Work in progress	Total
<b>COST</b>					
<b>Balance as at March 31, 2016</b>	4,764	1,104	16,153	463	22,484
Acquisitions	-	-	1,251	1,547	2,798
Disposals	-	(12)	(20)	-	(32)
Transfers	-	-	428	(428)	-
<b>Balance as at March 31, 2017</b>	4,764	1,092	17,812	1,582	25,250
Acquisitions	-	56	1,841	227	2,124
Write-down	-	-	-	(71)	(71)
Transfers	-	92	1,419	(1,511)	-
<b>Balance as at March 31, 2018</b>	<b>4,764</b>	<b>1,240</b>	<b>21,072</b>	<b>227</b>	<b>27,303</b>
<b>ACCUMULATED AMORTIZATION</b>					
<b>Balance as at March 31, 2016</b>	(4,211)	(969)	(14,954)	-	(20,134)
Amortization	(70)	(79)	(337)	-	(486)
Disposals	-	12	20	-	32
<b>Balance as at March 31, 2017</b>	(4,281)	(1,036)	(15,271)	-	(20,588)
Amortization	(70)	(56)	(621)	-	(747)
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>(4,351)</b>	<b>(1,092)</b>	<b>(15,892)</b>	<b>-</b>	<b>(21,335)</b>
<b>Net carrying amount as at March 31, 2017</b>	483	56	2,541	1,582	4,662
<b>Net carrying amount as at March 31, 2018</b>	<b>413</b>	<b>148</b>	<b>5,180</b>	<b>227</b>	<b>5,968</b>

During the fiscal year, the Corporation carried out a write-down on work in progress for software of \$71,000 (write-off on fully depreciated software and furniture in the amount of \$32,000 in 2017).



## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

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## FINANCIAL INSTRUMENTS

### A. Fair value

Cash – Talent Fund, accounts receivable other than taxes to be recovered, receivable from the Canada Media Fund, loan, accounts payable and accrued liabilities, deferred revenues – Talent Fund and financial assistance program obligations are in the normal course of the Corporation's operations.

These financial instruments are measured at cost or amortized cost. Given that the Corporation holds no derivatives or equity instruments, no fair value measurement is required. Accordingly, the Corporation has not prepared a statement of remeasurement gains and losses.

### B. Financial risk management objectives and policy

The Corporation is exposed to various financial risks arising from its operations. Management of financial risks is overseen by the Corporation's management. The Corporation does not enter into financial instrument contracts, such as derivatives, for speculative purposes.

#### i. Interest rate risk

Interest rate risk is defined as the Corporation's exposure to a loss in interest revenue or an impairment loss on financial instruments resulting from a change in interest rate. As substantially all the Corporation's financial instruments are short term, any change in interest rate would not have a material impact on the Corporation's financial statements. The Corporation's interest rate risk exposure is not significant.

#### ii. Liquidity risk

The Corporation is exposed to liquidity risk as a result of its financial liabilities: accounts payable and accrued liabilities, deferred revenues – Talent Fund and financial assistance program obligations (Note 8). The following table shows the contractual maturities of accounts payable and accrued liabilities:

	March 31, 2018	March 31, 2017
1-30 days	2,673	2,962
31-90 days	-	-
91 days to 1 year	276	272
Total carrying amount and contractual cash flows	2,949	3,234

The Corporation believes that current and future cash flows from operations and access to additional cash from parliamentary appropriations will be adequate to meet its obligations. Under the oversight of senior management, the Corporation manages its cash resources based on expected cash flow.

#### iii. Credit risk

The financial instruments that could expose the Corporation to a credit concentration risk consist mainly of accounts receivable other than taxes to be recovered, receivable from the Canada Media Fund and the loan.

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

**11. FINANCIAL INSTRUMENTS (CONT.)****Accounts receivable**

There is no concentration of accounts receivable from any client in particular, due to the nature of the client base and its geographic coverage. The Corporation is therefore protected against credit risk concentration. As at March 31, 2018, the maximum credit risk exposure to accounts receivable other than taxes to be recovered is equal to their carrying amount. The Corporation holds no security in respect of its claims. Accounts receivable, other than taxes to be recovered, by maturity and the related allowance for bad debts are detailed as follows:

	March 31, 2018	March 31, 2017
Current – 30 days	1,108	981
31 – 90 days	20	291
91 days and over	1,082	1,049
<b>Gross accounts receivable</b>	<b>2,210</b>	<b>2,321</b>
Allowance for bad debts		
Balance, beginning of year	600	603
Bad debt expense	140	22
Debts written off and collections	(42)	(25)
<b>Balance, end of year</b>	<b>698</b>	<b>600</b>
<b>Net accounts receivable</b>	<b>1,512</b>	<b>1,721</b>

**Receivable from the Canada Media Fund**

The Receivable from the Canada Media Fund does not give rise to credit risk exposure given that the funds are to be recovered from a granting agency under the jurisdiction of the Department of Canadian Heritage. Management fees are invoiced on a quarterly basis and the amount is payable 30 days following the invoice date.

**Loan**

There is no reason to believe that the loan presents any particular credit risk as the Corporation deems the fulfillment of conditional repayment clauses probable.

# < 12 >

**CONTRACTUAL RIGHTS**

The Corporation has signed contribution agreements with Bell Media and Corus Entertainment for the Talent Fund. Future revenues are \$5,219,000 (\$7,384,000 in 2017) and will be received as follows:

	2019	2020	2021	Total
Bell Media	1,357	714	714	2,785
Corus Entertainment	808	808	818	2,434
	2,165	1,522	1,532	5,219

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

# < 13 >

## COMMITMENTS

The Corporation has entered into long-term leases for the rental of office space and equipments and for access to the cloud platform for its operations. Future payments amount to \$11,774,000 (\$13,048,000 in 2017) and are payable as follows:

	Total
2019	1,845
2020	2,139
2021	1,906
2022	1,802
2023 and thereafter	4,082
	11,774

# < 14 >

## CONTINGENCIES

Various lawsuits have been brought against the Corporation in the normal course of operations. Management estimates that the final outcome of these lawsuits should not have a significant impact on the financial statements. Accordingly, no provision has been recognized in the Corporation's accounts.

# < 15 >

## RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations as well as its key management personnel, close family members of these and the entities subject to the control of these individuals. The Corporation's transactions with these entities are in the normal course of operations. These transactions are recognized at exchange amount, except for audit of the financial statements, without valuable consideration, which is not recognized in the Statement of Operations.

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

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## **COMPARATIVE FIGURES**

Certain figures from the fiscal year ended March 31, 2017 have been reclassified to conform to the presentation adopted for the fiscal year ended March 31, 2018.

# < 17 >

## **BUDGET INFORMATION**

Budget figures have been provided for comparison purposes and were approved by the Board of Directors. Certain amounts have been reclassified to conform to the presentation adopted for the fiscal year ended March 31, 2018.

## NOTES TO FINANCIAL STATEMENTS

Fiscal year ended March 31, 2018

The amounts shown in the accompanying tables to the financial statements are expressed in thousands of Canadian dollars unless otherwise indicated.

## SCHEDULES A AND B

### OTHER INFORMATION

#### A. OPERATING AND ADMINISTRATIVE EXPENSES

	2018 Budget	2018	2017
Salaries and employee benefits	18,382	17,964	16,659
Professional services	1,823	1,895	1,873
Rent, taxes, heating and electricity	1,855	1,852	1,798
Information technology	1,690	1,628	1,669
Amortization and write-down of tangible capital assets	760	818	486
Travel and hospitality	546	691	694
Office expenses	568	677	689
Advertising and publications	330	198	274
	25,954	25,723	24,142

#### B. COSTS OF CANADA MEDIA FUND PROGRAMS

Eligible costs for management fees are defined in the services agreement with the Canada Media Fund. During the fiscal year, the Corporation invoiced a total amount of \$9,397,137 (\$10,983,887 in 2017) for the administration of Canada Media Fund programs, including \$2,666,213 (\$2,779,532 in 2017) for the departments in support of operations.

	2018 Budget	2018	2017
<b>Salaries and employee benefits</b>			
Management, administration and delivery	5,719	5,649	5,786
Shared services departments	1,065	954	830
<b>Departments in support of operations</b>	2,666	2,995	2,947
<b>Other costs</b>	103	128	1,588
	9,553	9,726	11,151

#### Management, administration and program delivery and shared services departments

Fees for management, administration and program delivering consist of salary costs attributable to fund managers, operational support administrative employees and employees specialized in program delivery activities. Costs of shared services departments arise from salaries and employee benefits relating to departments servicing all programs, namely Finance, and Information, Performance and Risk.

#### Departments in support of operations

These costs consist of costs incurred to support all employees assigned to management, administration and program delivery, as well as employees providing shared services. They consist of costs relating to human resources, information technology and material resources departments. These costs mainly comprise salaries, professional services, rent and information technology costs. These costs do not include tangible capital asset amortization expense.

#### Other costs

Other costs arise from operating costs, other than salaries and amortization, generated by management, administration and program delivery, as well as shared services departments and acquisition costs of certain tangible capital assets.

# ADDITIONAL INFORMATION



## 108

### FILMS FUNDED THROUGH THE PRODUCTION PROGRAM

#### DIRECTORS WITH 2 FILMS OR FEWER

1. 13 Miles
2. A Swingers Weekend
3. À tous ceux qui ne me lisent pas
4. Ababa and Pingua
5. American Hangman
6. Angélique's Isle<sup>38</sup>
7. Another Kind of Wedding<sup>38</sup>
8. April in Autumn
9. Astronaut
10. Avant qu'on explose
11. Bella Ciao!
12. Black Conflux
13. Blood Quantum
14. Carmilla: The Movie
15. Code 8
16. Come True
17. Dérive<sup>38</sup>
18. Edge of the Knife
19. Elliot the Littlest Reindeer
20. Genèse
21. G.L.O.
22. Goalie
23. Gold
24. Hammer
25. Historic Homes of the Future
26. Hopeless Romantic<sup>38</sup>
27. Ice Blue
28. Identités
29. I'm Not a Bad Person
30. Into Invisible Light<sup>38</sup>
31. Kayak to Klemtu
32. Knuckleball
33. La Course des Tuques / Snowtime! 2
34. La femme de mon frère
35. Le suicide d'Emma Peeters (Coprod. Belgium)
36. Lemonade (Coprod. Romania)
37. Les salopes ou le sucre naturel de la peau
38. Love Jacked (Coprod. South Africa)
39. Natalie
40. Nobody Famous
41. Noël en boîte
42. Once There Was a Winter<sup>38</sup>
43. Pachamama (Coprod. France, Luxembourg)
44. Pogey Beach
45. Possessor (Coprod. United Kingdom)
46. Rebirth 8:37
47. Red Eye
48. Red Snow
49. Riot Girls
50. Rustic Oracle
51. Sedna, "Empress of the Sea"
52. Sin La Habana
53. Sympathie pour le diable (Coprod. France)
54. The Body Remembers When the World Broke Open (Coprod. Norway)
55. The Crescent
56. The Day Between
57. The New Romantic<sup>38</sup>
58. The Rest of Us
59. The Seven Last Words
60. Touched<sup>38</sup>
61. Trench 11<sup>38</sup>
62. Une colonie
63. Venus<sup>38</sup>
64. Ville Neuve<sup>38</sup>
65. When the Storm Fades

#### DIRECTORS WITH 3 FILMS OR MORE

66. 1991
67. 14 jours, 12 nuits
68. Anatomy of Violence
69. Antigone
70. Cash Nexus
71. Dans la brume (Coprod. France)
72. Dreamland (Coprod. Belgium, Luxembourg)
73. Falls Around Her
74. Gut Instinct
75. HERO – Inspired By The Life and Times of Ulric Cross
76. Hochelega, Terre des âmes<sup>38</sup>
77. Innocent
78. Justice dot Net (Coprod. Ireland, Luxembourg)
79. Kingsway
80. Kuessipan
81. La Bolduc<sup>38</sup>
82. La chute de l'empire américain
83. La disparition des lucioles
84. La grande noirceur
85. L'amour
86. Les rois mongols<sup>38</sup>
87. Level 16
88. Lucky Day (Coprod. France)
89. Man Running
90. Meditation Park<sup>38</sup>
91. Monoceros
92. Mouthpiece
93. One Day in the Life of Noah Piugattuk
94. Pauvre Georges ! (Coprod. Belgium, France)
95. Répertoire des villes disparues
96. Roobha
97. Secrets from the Russian Tea Room (Coprod. Denmark)
98. Song of Names (Coprod. United Kingdom)
99. Spinster
100. Splinters
101. Supergrid<sup>38</sup>
102. The Corruption of Divine Providence
103. The Cuban
104. The Hummingbird Project (Coprod. Belgium)
105. The Incredible 25<sup>th</sup> Year of Mitzi Bearclaw
106. Through Black Spruce<sup>38</sup>
107. Troisièmes noces (Coprod. Belgium, Luxembourg)
108. Tulips, Love, Honour and a Bike (Coprod. Netherlands)

38. Films also funded in a previous fiscal year.



# 17

## FILMS FUNDED THROUGH THE TALENT TO WATCH PROGRAM

### DIRECTORS WITH 2 FILMS OR FEWER

- |                    |                                     |                         |
|--------------------|-------------------------------------|-------------------------|
| 1. Della & Goliath | 7. How to Bee                       | 13. Réservoir           |
| 2. Entropic        | 8. Miranda ?                        | 14. Scattered and Small |
| 3. Fall Back Down  | 9. P6HUT                            | 15. The Warden          |
| 4. Gratteux        | 10. Pass Through                    | 16. Tokens              |
| 5. Homecoming      | 11. Pour mieux t'aimer              | 17. Wharf Rats          |
| 6. Honeymoon       | 12. Quand l'amour se creuse un trou |                         |



# 16

## FILMS FUNDED THROUGH THE THEATRICAL DOCUMENTARY PROGRAM

### DIRECTORS WITH 2 FILMS OR FEWER

1. Pipe Dreams
2. Take Light

### DIRECTORS WITH 3 FILMS OR MORE

- |   |                                    |
|---|------------------------------------|
| 3. Death, Art & Rock'n'Roll                         | 10. Mad Dog & the Butcher, le film |
| 4. La terre vue du coeur                            | 11. Primas                         |
| 5. Le cheval oublié: souvenirs d'un soldat canadien | 12. Rêveuses de villes             |
| 6. Le sang du pélican                               | 13. Send Us Your Brother           |
| 7. Lepage au soleil                                 | 14. The Invisible Heart            |
| 8. Libération conditionnelle                        | 15. The Rick Kelly Project         |
| 9. Long Time Running                                | 16. Tomorrow's Power               |



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## FILMS FUNDED THROUGH THE MARKETING PROGRAM

- |   |  |  |  |
|---|--|--|--|
| 1. Adventures in Public School                        | 19. Grand Unified Theory                           | 38. Les scènes fortuites                             | 56. Sundowners   |
| 2. All You Can Eat Bouddha                            | 20. Great Great Great                              | 39. Let There Be Light                               | 57. Sur la lune de nickel  |
| 3. An American Dream: The Education Of William Bowman | 21. Hochelaga, Terre des âmes                      | 40. Living Proof                                     | 58. The Breadwinner  |
| 4. Anatomy of Violence                                | 22. Hunting Pignut                                 | 41. Lost Solace                                      | 59. The Child Remains  |
| 5. Another Kind of Wedding                            | 23. Indian Horse                                   | 42. Meditation Park                                  | 60. The Crescent   |
| 6. Blood Honey  | 24. Innocent                                       | 43. My Enemy, My Brother                             | 61. The Death (and Life) of Carl Naardlinger                       |
| 7. Boost  | 25. Isla Blanca                                    | 44. Nelly et Simon : Mission Yéti                    | 62. The Death and Life of John F. Donovan                          |
| 8. Brown Girl Begins                                  | 26. Junior majeur                                  | 45. Nous sommes les autres                           | 63. The Lockpicker   |
| 9. Carmilla: The Movie                                | 27. La chute de Sparte                             | 46. Origami  | 64. The Man Who Invented Christmas                                 |
| 10. Charlotte a du fun                                | 28. La petite fille qui aimait trop les allumettes | 47. Phoenix Wilder: And The Great Elephant Adventure | 65. The Space Between  |
| 11. Chien de garde                                    | 29. La résurrection d'Hassan                       | 48. Pieds nus dans l'aube                            | 66. The Unseen   |
| 12. Clara   | 30. La terre vue du coeur                          | 49. Population Zero                                  | 67. Todd & The Book of Pure Evil: The End of The End <sup>39</sup> |
| 13. Dead Shack  | 31. Le commun des mortels                          | 50. Pour vivre ici                                   | 68. Trench 11  |
| 14. Don't Talk to Irene                               | 32. Le trip à trois                                | 51. Québec My Country Mon Pays                       | 69. Un sac de billes   |
| 15. Double peine                                      | 33. Les affamés <sup>39</sup>                      | 52. Radius   | 70. Venus  |
| 16. Drone   | 34. Les dépossédés                                 | 53. Room For Rent                                    | 71. We're Still Together   |
| 17. Et au pire, on se mariera                         | 35. Les faux tatouages                             | 54. Sled Dogs  | 72. Y'est où le paradis  |
| 18. Gear  | 36. Les lettres de ma mère                         | 55. Suck it Up                                       |  |
|   | 37. Les rois mongols                               |  |  |

39. Films also funded in a previous fiscal year.





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## CANADIAN FILM FESTIVALS FUNDED THROUGH THE PROMOTION PROGRAM

- |   |   |  |  |
|---|---|--|--|
| 1. Available Light Film Festival  | 24. Festival du film de l'Outaouais                                 | 42. Kingston Canadian Film Festival  | 61. Sommets du cinéma d'animation de Montréal      |
| 2. Blood in the Snow Canadian Film Festival                                 | 25. Festival du film et de la vidéo autochtone de Montréal          | 43. Les Percéides – Festival international de cinéma et d'art de Percé             | 62. St. John's International Women's Film Festival |
| 3. Buffer Festival  | 26. Festival du film international de Baie-Comeau                   | 44. Lumière Art at Night Festival - Canadian Shorts Screenings                     | 63. T.O. Webfest                                   |
| 4. Calgary International Film Festival                                      | 27. Festival du nouveau cinéma de Montréal                          | 45. Lunenburg Doc Fest   | 64. The Vancouver Queer Film Festival              |
| 5. Calgary Underground Film Festival (CUFF)                                 | 28. Festival international de cinéma Vues d'Afrique                 | 46. Montreal International Animation Film Festival – Animaze                       | 65. The Yellowknife International Film Festival    |
| 6. Canadian Film Fest   | 29. Festival international de films Fantasia incluant Frontières    | 47. Mosaic International South Asian Film Festival                                 | 66. Toronto International Film Festival (TIFF)     |
| 7. Caribbean Tales Youth Film Festival                                      | 30. Festival international du cinéma francophone en Acadie          | 48. NORTHWESTFEST  | 67. Toronto LGBT Film Festival                     |
| 8. Carrousel international du film de Rimouski                              | 31. Festival international du film Black de Montréal                | 49. Open Roof Festival   | 68. Toronto Reel Asian International Film Festival |
| 9. Charlottetown Film Festival  | 32. Festival international du film pour enfants de Montréal (FIFEM) | 50. Ottawa International Animation Festival  | 69. Vancouver Asian Film Festival                  |
| 10. Cinéfest Sudbury International Film Festival                            | 33. Festival international du film sur l'art                        | 51. Planet in Focus : International Environmental Film Festival                    | 70. Vancouver International Film Festival (VIFF)   |
| 11. Cinéfranco – Francophone International Film Festival                    | 34. FIN Atlantic International Film Festival                        | 52. POP Montréal   | 71. Vancouver Web Festival                         |
| 12. CinéMadawaska   | 35. Freeze Frame: International Film Festival for Kids of All Ages  | 53. Prince Edward Island Film, Food, & Idea Festival                               | 72. Victoria Film Festival                         |
| 13. Cinémental  | 36. Gimli Film Festival   | 54. Reel 2 Real International Film Festival for Youth                              | 73. Whistler Film Festival                         |
| 14. DEDfest – All Woman Jury Initiative                                     | 37. Gimme Some Truth Documentary Festival                           | 55. ReelWorld Film Festival  | 74. Winnipeg Aboriginal Film and Video Festival    |
| 15. Devour Food Film Festival   | 38. Halifax Independent Filmmakers Festival (HIFF)                  | 56. Regard – Festival international du court métrage au Saguenay / Marché du court | 75. Yorkton Film Festival                          |
| 16. DOXA Documentary Film Festival  | 39. Hot Docs – Canadian International Documentary Festival          | 57. Rencontres internationales du documentaire de Montréal                         |  |
| 17. Dreamspeakers Film Festival   | 40. Images Festival   | 58. Rendez-vous du cinéma québécois  |  |
| 18. Edmonton International Film Festival (EIFF)                             | 41. imagineNATIVE Film + Media Arts Festival                        | 59. Rendez-vous du cinéma québécois et francophone de Vancouver                    |  |
| 19. Emerging Lens Cultural Film Festival                                    |   | 60. Silver Wave Film Festival  |  |
| 20. FAVA Fest   |   |  |  |
| 21. Female Eye Film Festival  |   |  |  |
| 22. Festival du cinéma international en Abitibi-Témiscamingue Rouyn-Noranda |   |  |  |
| 23. Festival de cinéma de la ville de Québec                                |   |  |  |



**3**

**FILMS FUNDED THROUGH EXPORT ASSISTANCE PROGRAM**

1. Below Her Mouth
2. The Other Half
3. The Skyjacker's Tale



**CANADIAN INDUSTRY PRESENCE AT**

**39**

**INTERNATIONAL FILM FESTIVALS, MARKETS AND EVENTS**

- |  |  |  |  |
|--|--|--|--|
| 1. Academy Awards                      | 13. Clermont-Ferrand International Short Film Festival                       | 21. International Film Festival of India (IFFI)      | 31. Palm Springs International Film Festival   |
| 2. ACE Producers                       | 14. Festival de Cannes   | 22. International Film Festival Rotterdam & Cinemart | 32. Rencontres de coproduction francophone     |
| 3. An Evening with Canada' Stars       | 15. Festival international du film d'animation d'Annecy et son marché (MIFA) | 23. Karlovy Vary International Film Festival         | 33. San Sebastian International Film Festival  |
| 4. Beijing International Film Festival | 16. Festival Scope   | 24. Kidscreen Summit                                 | 34. Shanghai International Film Festival       |
| 5. Berlinale / European Film Market    | 17. Game Developers Conference   | 25. Locarno International Film Festival              | 35. South by South West (SXSW)                 |
| 6. Bogotà Audiovisual Market (BAM)     | 18. Guanajuato International Film Festival                                   | 26. Los Cabos International Film Festival            | 36. Sundance Film Festival                     |
| 7. Busan International Film Festival   | 19. Hong Kong International Film & TV Market (FILMART)                       | 27. Miami International Film Festival                | 37. Sunny Side of the Doc                      |
| 8. Canada Now China                    | 20. Independent Filmmaker Project (IFP)                                      | 28. MIPCOM   | 38. Toronto International Film Festival (TIFF) |
| 9. Canada Now Germany                  |  | 29. MIPTV  | 39. Venice International Film Festival         |
| 10. Canada Now Mexico                  |  | 30. MyFrenchFilmFestival.com                         |  |
| 11. Canada Now UK                      |  |  |  |
| 12. Canada Now USA                     |  |  |  |

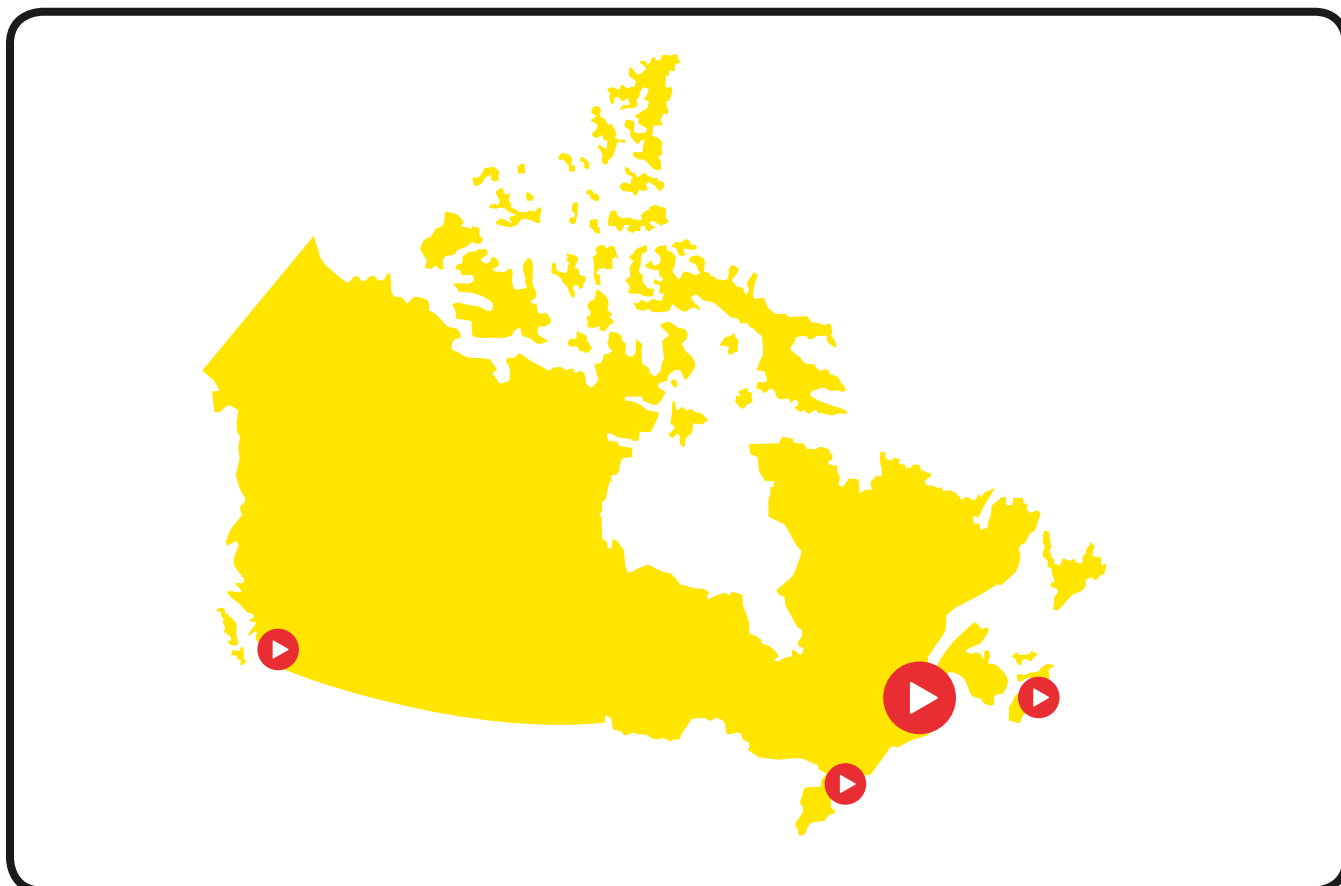


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## FILMS FUNDED THROUGH THE INTERNATIONAL MARKETING PROGRAM

- |   |                               |  |                                       |
|---|-------------------------------|--|---------------------------------------|
| 1. 1:54   | 22. Dolphin Man               | 47. Mobile Homes                             | 71. The Breadwinner                   |
| 2. A Little Wisdom  | 23. Eye on Juliet             | 48. Moon Babies                              | 72. The Chamber                       |
| 3. Abu  | 24. Fauve                     | 49. My Camino                                | 73. The Child Remains                 |
| 4. Accidence  | 25. First Light               | 50. My Dead Dad's Porno Tapes                | 74. The Competition                   |
| 5. Adventures in Public School  | 26. For Nonna Anna            | 51. Never Steady, Never Still                | 75. The Forbidden Room                |
| 6. All You Can Eat Bouddha  | 27. Geek Girls                | 52. No Visible Trauma                        | 76. The Man Who Invented Christmas    |
| 7. Allure   | 28. Hochelaga, Terre des âmes | 53. Peak Oil                                 | 77. The New Romantic                  |
| 8. AmeriKa  | 29. Hollow in the Land        | 54. Porcupine Lake                           | 78. The Omerta                        |
| 9. Anote's Ark  | 30. Home                      | 55. Primas                                   | 79. The Oslo Diaries                  |
| 10. Another Kind of Wedding   | 31. Indian Horse              | 56. Radius                                   | 80. The Sun At Midnight               |
| 11. Black Cop   | 32. Jerusalem the Quarters    | 57. Relapse                                  | 81. The Things You Think I'm Thinking |
| 12. Black Kite  | 33. Juggernaut                | 58. Romantic Road                            |                                       |
| 13. Brooklyn King   | 34. King Tide                 | 59. Rumble: The Indians Who Rocked the World | 82. There is a House Here             |
| 14. C'est le cœur qui meurt en dernier  | 35. Kiss and Cry              | 60. Rupture                                  | 83. Trouble Women                     |
| 15. Ceux qui font les révolutions à moitié n'ont fait que ce creuser un tombeau | 36. Le cyclotron              | 61. Rustic Oracle                            | 84. Untitled Molly McGlynn Project    |
| 16. Chained   | 37. Le dernier souffle        | 62. Shadow Nettes                            | 85. We Forgot to Break Up             |
| 17. Charlotte a du fun  | 38. Lemonade                  | 63. Shooting War                             | 86. Werewolf                          |
| 18. Cielo   | 39. Les démons                | 64. Slap Happy                               | 87. What Keeps You Alive              |
| 19. Crème de menthe   | 40. Les faux tatouages        | 65. Song of Granite                          | 88. What Walaa Wants                  |
| 20. Dead Shack  | 41. Les rois mongols          | 66. Stockholm                                | 89. Who You Know                      |
| 21. Dim the Fluorescents  | 42. Luk'Luk'l                 | 67. Suck it Up                               | 90. Window Horses                     |
|   | 43. M/M                       | 68. Sur la lune de nickel                    | 91. Withdrawn                         |
|   | 44. Maudie                    | 69. Ta peau si lisse                         |                                       |
|   | 45. Mermaids                  | 70. Tadoussac                                |                                       |
|   | 46. Milk                      |  |                                       |

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