

www.dvdestinations.com

www.riverdale.ca

www.pm4kids.com

www.exn.ca

www.sketchcom.com

www.cyberclub.tva.ca

www.ladiva.net

www.generationw.com

www.kaosmag.com

Bell Broadcast and New Media Fund 1998 Annual Report

www.metamorphoses.sympatico.ca

www.historytelevision.ca/seeds

www.parentsdaujourdhui.com

www.itseemslikeyesterday.com

www.empireofthebay.com

www.rcmpmarchwest.com



www.dish-it-out.com

www.monsterhome.com

www.jacobtwotwo.com

Objectives

To encourage the production of world-class Canadian content for the new media and broadcasting marketplace and to stimulate partnerships between new media and broadcast producers.

Eligible Applicants

Must be Canadians, and in the case of a company, must be Canadian-controlled.

Must be an independent producer or broadcaster-affiliated production company.

Eligible Projects

Must include both a new media component as well as a television component.

The television component must be certified Canadian under the rules of the CRTC.

The television component must have a broadcast licence commitment from a Canadian broadcaster.

The television component must be designated as a drama, variety, documentary, children's program or educational program.

Financial Participation

The new media component is eligible for a grant not to exceed 50% of the costs of production of the new media project, capped at \$250,000.

The broadcast component is eligible for a licence fee top-up of 50% of the broadcast fee paid directly by the broadcaster, capped at \$75,000.

2 Carlton Street, Suite 1709

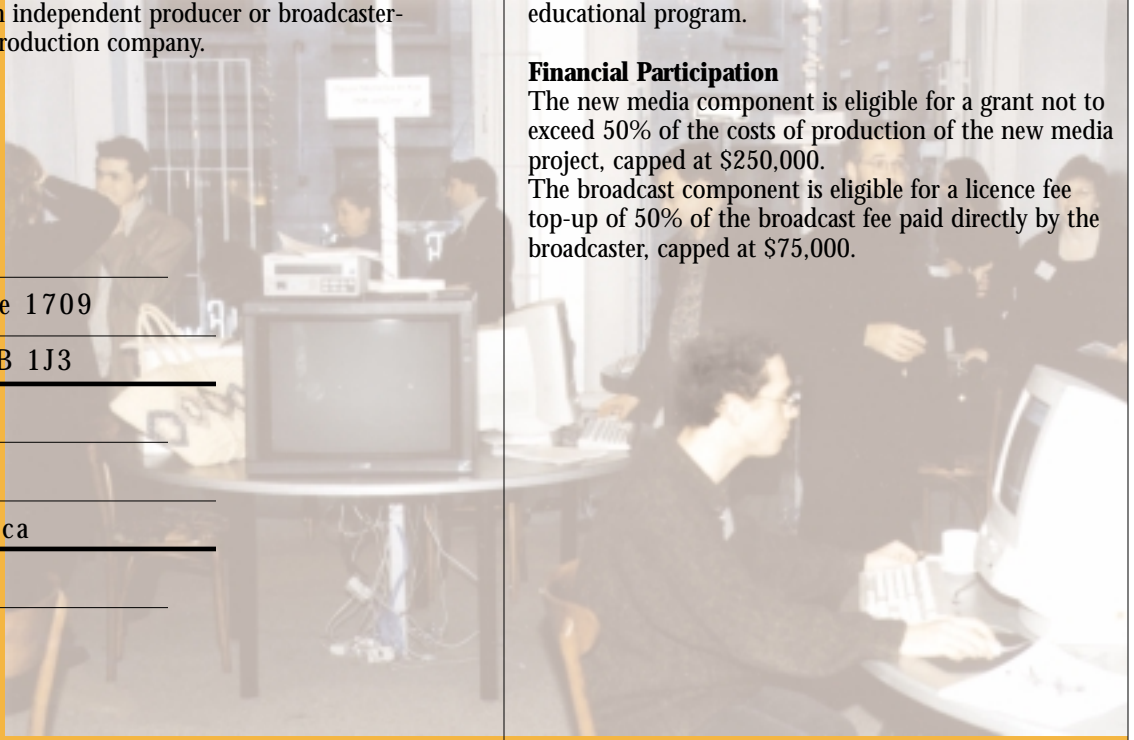
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email: bellfund@istar.ca

www.bell.ca/fund



photograph: Bell Fund demo of sites, Café Électronique, Montreal. December 3, 1998

**Administration**

The Bell Broadcast and New Media Fund is administered by the Independent Production Fund.

New in 1999

The Bell Fund becomes national. Eligible producers must be Canadian. Eligible projects may be carried out anywhere in Canada.

Deadlines for Application:

February 1, May 1, October 1

cover photograph: Popular Mechanics for Kids

Message From the Chair

Message From the Vice-Chair

The Bell Fund had its first full year of operation in 1998, committing more than \$3 million to the production of Canadian new media tied to broadcast television productions. Our annual report details an impressive list of English and French language productions covering a wide variety of subjects broadcast on a wide variety of channels. We are heartened by the recognition these are garnering, including an Imagina award at the Monte Carlo Television Festival. More important, the industry tells us that most of these projects would not have been possible without Bell Fund support.

The high quality of submissions has allowed us to raise the bar in our support for innovative and compelling new media products. We will continue to encourage higher creative and production values as the industry matures.

The financial profits from the Internet and its relatives are still largely in the future, and we continue to fine tune how best we can serve this not yet mature industry. This year, we are producing training materials that will help new media producers acquire the sophisticated financing expertise found in our television industry today.

We are pleased with our success in seeding so many proposals in the early days of the Bell Fund. Other Funds are now following our lead and increasing the money available to the new media industry. The Bell Fund intends to be a continuing player in this field. We are pleased to announce that we expect to make the Bell Fund a long-term permanent support for Canadian new media and television production. This will allow us to continue encouraging greater innovation and excellence in new media.

We thank the television and new media industries for working with us to ensure that our support remains relevant and look forward to an exciting year ahead.

Paul Hoffert

Paul Hoffert
Chair

The Bell Broadcast and New Media Fund is facilitating experimentation in internet-television applications. It is providing broadcasters and television producers with opportunities to expand beyond their traditional activities and to examine the strengths and weaknesses of the digital medium and how it impacts on television viewing behaviours. It is providing new media producers with the tools to explore the television world and to determine where they can play a role in extending the television viewer experience and provide enhanced forms of entertainment.

For viewers and users, the Bell Fund is helping to make "turning on" and "logging on" a whole new experience. A television program with a companion website is no longer a novelty - but creative and innovative web sites remain relatively elusive. This is where the Bell Fund comes in.

Bell Canada is committed to encouraging the growth of high quality content for the digital future. Through the Bell Fund, Bell Canada is not only providing much needed funding for these new enterprises, but we have also taken a leadership role in this new industry. The Bell Fund has provided professional feedback on projects, designed budget templates and financing standards, and created a comprehensive outline for a marketing plan. Most recently it has published a Handbook for new media producers. Bell Canada is extremely proud of the training role that the Bell Fund is playing in the industry.

We are excited by the partnerships the Bell Fund is generating and the potential the future holds.

Sheridan Scott

Sheridan Scott
Vice-Chair & Secretary

Bell Fund Board Members



1

Paul Hoffert, Chair [1]

Paul Hoffert is the immediate past Chair of the Ontario Arts Council, a Director of Smart Toronto, former Chair of the Academy of Canadian Cinema and Television, and an adjunct Professor at York University. The Financial Post magazine described him as one of the New Mandarins, along with Microsoft's Bill Gates. They said "Paul Hoffert's music wakes up Canadians every morning on CTV's Canada AM, but this member of the Canadian Rock & Roll Hall of Fame has been waking up the technology sector as well." He has paved the way for the information highway with projects such as Ivy, which tracks the electronic reproduction of digital property, and Intercom Ontario, a totally "wired" model community.



2

Sheridan Scott, Vice-Chair & Secretary [2]

Sheridan Scott is Vice President-Office of the President at Bell Canada. She is a communications lawyer and has occupied a number of senior positions in the broadcasting and telecommunications sectors at the CRTC, and Bell Canada. She is a board member Opera Lyra Ottawa, Canadian Women in Communications, and a member of the Digital Media Champion Group Growth Fund. She has also authored several articles on communications law.



3

Michèle Fortin [3]

Michèle Fortin was appointed Vice-President, French Television, Canadian Broadcasting Corporation, in June 1994. In the previous two years, she had been General Manager, Programming. Before joining the CBC, Fortin held several major positions with public and private organizations including Telefilm Canada and the Quebec Ministry of Education. A native Montrealer, Fortin holds a Master's in Public Administration from the University of California, Berkeley. She is a member of the Board of the North American National Broadcasters Association.



4

Sylvie Lalonde [4]

Sylvie Lalonde is Group Vice-President, Communications and Consumer Marketing for Bell Canada, Quebec. She began her career at Télémedia's CKAC in 1974 which she left in 1981 to found her own consultation company. From 1987 to 1994, she occupied several senior level positions at le Groupe Vidéotron and its affiliates, Télé-Métropole and Vidéoway Communications inc. Before joining Bell in 1997, she was the President and CEO of Consortium UBI. She sits on the Board of Medialinx.



5

Pierre Lampron [5]

Pierre Lampron is the President of the Société de développement des entreprises culturelles (SODEC). He is a member of the Board of the Fonds d'investissement de la culture et des communications, and of Consortium TV5 Québec-Canada. Previously, he played a key role in the establishment of the TV5 Consortium and the Access to Information laws and he was the Director of Telefilm's Paris office, with responsibility for the London office. He undertook various positions in the Quebec Ministry of Communications including Director General of Policy. The government of France recognized the value of his contributions to the film and audiovisual industries by making him a Chevalier des arts et des lettres.



6

Peter W. Pleckaitis, Treasurer [6]

Peter Pleckaitis is a Director in PricewaterhouseCoopers Infocom, Entertainment and Media management consulting. Previously, he was Vice President, New Media and Interactive Services at Bell Canada where he had responsibility for creating their new media programming vision across existing and emerging appliances and distribution platforms. He has over 100 programming credits and is the winner of the Technical Achievement Gemini Award for the High Definition Television Production of the 1991 Major League Baseball All Star Game.



7

Annabel Slight [7]

Annabel Slight is President of The Owl Children's Trust Inc., a not-for-profit foundation which has pioneered a number of multiple media initiatives. She executive produced several popular children's series including The Big Comfy Couch, Hello Mrs. Cherrywinkle, and OWL/TV for PBS. She is also the founder of OWL, Chickadee, Chirp and Canadian Tree House FAMILY magazines. She is the recipient of many awards including three for lifetime achievement.



8

Suzanne Steeves [8]

Suzanne Steeves has more than 16 years of experience in broadcasting and production in both the private and public sectors. Ms. Steeves joined Baton Broadcasting Incorporated in March of 1995 as Vice-President of Production and Distribution. In 1997, she was appointed Senior Vice President of Original Programming and Specialty Channels for Baton. In her role as head of all CTV Sports, she is responsible for CTV SportsNet, and continues to run Outdoor Life.

Management

Andra Sheffer, Executive Director, Independent Production Fund, Toronto
 Claire Dion, Associate Director, Independent Production Fund, Montréal
 Charles Zamaria, Financial Director, Independent Production Fund, Toronto

1998 Stats and Facts

The Challenge

The Bell Fund challenges producers of original television programming and of on-line Web projects to integrate their efforts and combine the creative materials for two traditionally distinct media. The objective is to enhance both the television viewers' experience and the user's Web experience. New media producers are being encouraged to push the technology envelope and to design sites which are highly interactive, unique, entertaining and informative. The Internet creations that have emerged with Bell Fund support are collecting awards, critical acclaim, impressive user numbers and audience raves. For all the producers involved, their projects have been a valuable learning experience that will hopefully lead to even more exciting content development for the Web.



Sketchcom



Empire of the Bay



Popular Mechanics for Kids



Dish It Out

17 projects received funding in the amount of \$3,288,181

- 17 new media productions received \$2,218,727
- 15 television productions received \$1,068,454
- 68% of all grant funds awarded supported new media projects
- 32% of all grant funds awarded supported associated television productions

14 Different Canadian Broadcasters Participated in joint Television and New Media Productions in 1998

- 3 for Société Radio-Canada
- 2 each for CBC, Discovery Channel, History Television and TVA
- 1 each for Canal Famille, The Comedy Network, Global, HGTV, Life Network, Télé-Québec, Teletoon, TFO and YTV

Ontario and Quebec-based Producers Shared Funding Equally

- Ontario productions received \$1,625,181 for 10 projects
- Quebec productions received \$1,663,000 for 7 projects
- 12 projects produced in English received \$2,046,016 (62% of all funds)
- 8 projects produced in French received \$1,242,165 (38% of all funds)
- 3 of the projects were bilingual

Bell Fund At-a-Glance: September 1997 - December 1998

Total # of Projects Funded 29		Total Amount of Funding \$5,240,141	
Category	# of Projects Funded	Amount of Funding \$	%
New Media	29	3,799,187	72.5
Television	22	1,440,954	27.5
English	23	3,323,407	63.0
French*	13	1,916,734	37.0

*Numbers include 7 bilingual projects.

1998 Productions

Broadcast Component

New Media Component

Génération W
57,000 visits in
2 months for
an average of
8 minutes
per visit

After Darwin/Après Darwin

Galafilm Inc.
Producer: Arnie Gelbart
Broadcaster: Discovery Channel/TFO
Documentary mini-series: 2 x 120 min.

The series focuses on the societal aspects of gene research presenting scientific experiments from Darwin to the double helix to today's China developing a genetically planned population control program.

After Darwin

Galafilm Multimedia Inc.
Producer: Arnie Gelbart

Scientific and social information site with extensive links to medical and academic professionals, presentation of moral and ethical issues, chat, discussion forum, video/audio clips.

Complètement Marteau

Productions Pixcom Inc.
Producer: Daniel Beauchesne
Broadcaster: Groupe TVA Inc.
Educational series: 26 x 30 min

Theoretical and applied home renovation techniques.

Complètement Marteau

Productions Pixcom Inc.
Producer: Jean-François Gagnon

Real-time decision-making assistance in home renovation projects. Personalized virtual handyman, case histories, video archives and information database.

Cyber Club

JPL Productions Inc.
Producer: Jean Guimond
Broadcaster: Groupe TVA Inc.
Educational series: 39 x 60 minutes

The cultural world of young adults is explored, focusing on computer games, the Internet and Cyberculture.

Cyber Club

JPL Productions Inc.
Technical Producer: Alain Thibault
Web site: www.cyberclub.tva.ca

Web site contains a weekly entertainment chronicle, video "exclusives", moderated chat room, special events and a "personals" file.

Dish It Out

Dish It Out Inc.
Producer: Mark Johnston
Broadcaster: Life / HGTV
Educational series: 26 x 30 minutes

Food and cooking show delivering practical information on how to make good food fast.

Dish It Out.Com

Digital Renaissance
Producer: Keith Clarkson
Web site: www.dish-it-out.com / CD ROM

In-depth look at recipes, celebrity chefs, nutrition, menu planning, etc. as well as interactive forums for sharing recipes and food-related concerns, newsletter, demonstrations.

Offset
Imagina Award
one of the most
innovative sites
of the year

Génération W, Série III

Cirrus Productions Inc.
Producer: Jacques Blain
Broadcaster: Canal Famille
Educational series: 26 x 30 minutes

The series popularizes computer science for 9-12 year-olds.

Génération W - Le Site

Cirrus Productions Inc.
Producer: Jacques Blain
Web site: www.generationw.com

The Web site provides participants with the opportunity to understand and experiment with the information presented on the television show.

Great Canadian Parks

Good Earth Productions Inc.
 Producer: Andrea Minty
 Broadcaster: Discovery Channel
 Documentary series: 13 x 30 min

The series explores the diverse natural histories within Canada's park system.

Great Canadian Parks On-line

Digital Wizards Inc.
 Producer: Diane Williamson

Parks information, searchable discussion forum, quiz, sighting and activities journal, and resource centre with links to related sites.

"Internet creations like Monster Home could help revolutionize the movie industry..." (Reuters)



Génération W



Jacob Two-Two Meets the Hooded Fang



Popular Mechanics for Kids



Monster By Mistake

The Great March / La Marche vers L'ouest

General Assembly Production Centre
 Producer: Marcel H. Clement
 Broadcaster: History Television
 MOW: 120 minutes

A television epic re-creating the 1874 march west of the RCMP and re-enacting segments of the trek.

The North-West Mounted Police March West

digg design
 Producer: Lee Atkinson
 Web site: www.rcmpmarchwest.com

Daily progress reports of the trek accompanied by streamed video and audio. Background information about the trek, "Quest" role-playing game.

HistoryLands

Good Earth Productions Inc.
 Producer: Mitchell Azaria
 Broadcaster: History Television
 Documentary series: 13 x 30 minutes

Documents Canada's most compelling historic sites.

HistoryLands Web site

Digital Wizards
 Producer: Diane Williamson
 Web site: www.historylands.com

In-depth research, visuals, and database to enhance the TV series and provide on-line resources for the study of Canadian heritage sites.

PMK
"A fabulous site that's loaded with cool downloads, fun games, and mind-blowing graphics... hyper fun!" (Yahooligans)

Jacob Two-Two Meets the Hooded Fang

Two Two Inc. (Shaftesbury Films)
 Producers: Christina Jenkins, Greg Dummett, Michael Donovan, Christopher Figg
 Broadcasters: CBC, Super Ecran
 MOW: 100 minutes

Based on the Mordecai Richler children's classic, Jacob is an ordinary boy who triumphs over adversity with the help of Child Power Masters.

Jacob Two-Two.Com

Digital Renaissance
 Producer: Michael Blondeau
 Web site: www.jacobtwtwo.com

Adventure stories, games, puzzles, music, forums and chats where children's imaginations will run free in "Post Liberation Slimers Isle."



HistoryLands Something from Nothing

Sketchcom

Le Kaosbar

Dish-it-Out
500 users
per day
spend an
average of
10 minutes
on the site

<p>Le Kaosbar Communications Kaomax Inc. Producer: Jean-Guy Jacques, Pierre Olivier Broadcaster: Télé-Québec Educational series: 26 x 30 min</p> <p>Based on an internet electronic magazine, the series uses technology and the virtual reality of the KAOSBAR to examine media literacy.</p>	<p>KAOS, le newsmagazine Communications Kaomax Inc. Producer: Jean-Guy Jacques, Pierre Olivier, L.Dansereau Web site: www.kaosmag.com</p> <p>Current affairs newsmagazine with active real-time audience participation; debates on hot issues, interactions with media stars, multifunction interactive game, electronic bulletin board, boutique, music and video clips.</p>
<p>Monster by Mistake Monster by Mistake Series Inc. (Cambium) Producer: Hasmi Giakoumis Broadcaster: YTV Children's series: 13 x 30 min.</p> <p>The adventures of an 8-year-old boy who is under a spell that has gone awry: he turns into a 7-foot monster whenever he sneezes.</p>	<p>Monster By Mistake – The Online Adventure Monster by Mistake Multimedia Inc. (Cambium) Producer: Hasmi Giakoumis Web site: www.monsterbymistake.com</p> <p>Web site is experienced from the viewpoints of different characters. Includes trivia games and puzzles, images and graphics, character information, discussion groups, newsletter, and customized visits.</p>
<p>Popular Mechanics for Kids SDA Productions Producer: Jonathan Finkelstein Broadcaster: Global Children's series: 22 x 30 minutes</p> <p>The mechanical world is examined from a kid's point of view and demystified.</p>	<p>Popular Mechanics for Kids Online Intellia Producer: Michael Lavoie Web site: www.pm4kids.com</p> <p>Further enhances understanding of topic with quizzes, demonstrations, experiments, sound and video gallery, links, real-time chats with hosts, and a teacher's support service.</p>
<p>Le Retour des Débrouillards SDA Productions Inc. Producer: Diane England Broadcaster: Société Radio Canada Documentary series: 26 x 30 minutes</p> <p>Series designed to arouse the scientific curiosity of children.</p>	<p>Les Débrouillards - Le Site Web SDA Productions Inc. Producer: Diane England</p> <p>A site designed for youth, by youth. A meeting place for the popularization and exchange of information about science, including a fan club and highlights from the television series.</p>
<p>Savoir Faire Savoir Faire Productions Inc. Producer: Michael Prini Broadcaster: HGTV Canada Educational series: 13 x 30 min.</p> <p>The definitive guide to entertaining with elegance and ease.</p>	<p>The Savoir Faire Party Planner SNAP! Media Corp. Producer: Raja Khanna, Michael Prini</p> <p>Customized searches of database with tips, tricks and recipes on how to plan and host themed events. Design your party plans, shop on-line, access related sites, newsletters, chat and discussion forums, glossary, wine selector and alcohol mix calculator.</p>

<p>SketchCom Abbott/Ferguson Productions Ltd. Producers: Roger Abbot, Don Ferguson Broadcaster: CBC series: 7 x 30 minutes</p> <p>Scripted comedy sketches by Canada's hottest new sketch comedy troupes.</p>	<p>SketchCom.com Origo.com Inc. Producers: Don Ferguson, Roger Abbott, Craig Thompson Web site: www.sketchcom.com</p> <p>On-line contest for funniest amateur comedy videos, up and coming sketches, troupe home page links, behind-the-scenes, on-line polling, interactive chats.</p>
<p>Something From Nothing Portfolio Entertainment Inc. Producers: Lisa Olfman, Joy Rosen Broadcaster: Teletoon Children's drama: 30 min.</p> <p>A story about tradition and family, based on the award-winning book by children's author Phoebe Gilman.</p>	<p>Something From Nothing Byte Size Media Producer: Jon Gour Web site: www.somethingfromnothing.com</p> <p>On-line "edutainment" games and activities for children 5 to 9.</p>
<p>YB Normal? Deer Park Communications Producer: Alan Resnick Broadcaster: The Comedy Network Comedy series: 13 x 30 min.</p> <p>Irreverent sketch comedy for youth featuring five young performers covering current events.</p>	<p>YB Normal? Deer Park Communications Producers: Tim O'Brien, David Brady</p> <p>Jitbark push software sends entertainment correlated to the user's profile. Jitbark will entertain on-line, commenting on the day's headlines, invading the computer screen at random. Fan questions, jokes, scripts, video clips, comedy troupe information.</p>

Financial Statements - Auditor's Report

We have audited the statement of financial position of Bell Broadcast and New Media Fund as at December 31, 1998 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Deloitte & Touche, L.L.P., Chartered Accountants, February 23, 1999

Statement of operations and changes in net assets year ended December 31, 1998

	1998	1997 (121 days)
	\$	\$
Revenues		
Contributions	5,000,000	2,000,000
Interest income	157,932	2,953
	5,157,932	2,002,953
Expenses		
Start-up costs	-	62,424
Operating	71,203	20,893
Administrative	81,926	64,749
	153,129	148,066
Excess of revenues over expenses before funding distributions	5,004,803	1,854,887
Funding distributions	2,086,606	143,382
Excess of revenues over expenses	2,918,197	1,711,505
Net assets, beginning of year	1,711,505	
Net assets, end of year	4,629,702	1,711,505

Statement of financial position as at December 31, 1998

	1998	1997
	\$	\$
Assets		
Cash	93,136	1,719,993
Investments	4,542,566	
	4,635,702	1,719,993
Liabilities		
Accounts payable and accruals	6,000	8,488
Net assets		
Unrestricted net assets	4,629,702	1,711,505
	4,635,702	1,719,993

Notes to the financial statements
year ended December 31, 1998

1. **General**

Bell Broadcast and New Media Fund was incorporated as a not-for-profit corporation under the *Canada Business Corporations Act* on September 2, 1997.

The Fund was established to encourage and increase the production of Canadian content for the domestic new media and broadcasting marketplace with a particular emphasis on encouraging the linkages between these two sectors and producing interactive content that reflects current and emerging industry needs and practices.

2. **Summary of significant accounting policy**

Income recognition

All contributions are received from Bell Canada and are recorded as received.

3. **Related party transactions**

During the year, the Fund paid professional fees of \$10,700 (1997 - \$5,350) to a Director. In addition, the Fund paid fees of \$16,050 (1997 - \$5,350) to the Independent Production Fund which administers the Fund.

4. **Statement of cash flows**

A statement of cash flows has not been presented as it would not result in additional information.

5. **Commitments**

During the year, the Fund committed itself to projects in the amount of \$3,288,181 (1997 - \$1,951,960) for a total of \$5,240,141 since its establishment. At the end of the year, the amounts which had not been distributed totaled \$3,010,153 (1997- \$1,808,578).

6. **Uncertainty due to the Year 2000 Issue**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Fund, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

7. **Comparative figures**

Certain figures for 1997 have been reclassified in order to conform to the presentation adopted in the current year.