



**B. Eligibility to Report**

This survey covers all businesses **engaged, during the reporting period, in film, video or audio-visual distribution** including all businesses engaged in the **wholesale distribution of videocassettes and DVD (digital videodiscs)** to other wholesalers or to retail outlets. It excludes secondary distributors such as retail video stores, booking agencies and film libraries. To assist us in properly classifying your firm, please answer the following questions.

2. During the reporting period, did this establishment:

a) receive sales, rental or licensing revenue from the **distribution** of films, videos or audio-visual material to any of the theatrical, television, home video or non-theatrical markets?  
 021 1  Yes 3  No

b) receive sales or rental revenue from the **wholesale distribution** of consumer grade pre-recorded videocassettes and DVD either to other wholesalers or to retail rental and sales outlets?  
 022 1  Yes 3  No

If you answered "No" to both (a) and (b), please describe briefly the nature of your business activity:

S022 \_\_\_\_\_

then sign the Certification in Question 13 and return the questionnaire immediately using the postage-paid envelope.

If you answered "Yes" to either (a) or (b), please complete this questionnaire and return it within 21 days of receipt using the postage-paid envelope.

**C. Business Profile**

3. Please indicate the **legal status** of your firm. (check (✓) one box only).

030 1  Unincorporated organization – Sole proprietorship 4  Government board, agency, crown corporation or department  
 2  Unincorporated organization – Partnership 5  Other (please specify)  S030 \_\_\_\_\_  
 3  Incorporated organization

4. Please indicate the **country** in which the ultimate **controlling interest** of your establishment is held. (Check (✓) one box only.) (See definitions on page 6)

035 1  Canada 5  Other (e.g. countries not listed or 50/50 control between two countries) (please specify)  S035 \_\_\_\_\_  
 2  United States

5. Please indicate the annual average number of employees of your firm or if employment is stable, report the usual number of employees. (For average annual employment, add the number of employees for each month and divide by 12.) (see definitions on page 6)

Full-time employees  202 Part-time employees  203 Working proprietors (unincorporated firms only)  200

**D. Financial and Sales Information – Please read the following questions carefully (Declare all figures in Canadian dollars)**

**NOTE:** Companies involved **only in the wholesaling of videocassettes and DVD** to other wholesalers or to retail outlets should proceed directly to question 6 (d). Other companies should **report only distribution revenue in question 6 (a)**. Revenue from videocassette and DVD wholesaling activities should be reported separately in question 6 (d).

6. a) Report your **revenue** received from the distribution of film, video, or other audio-visual productions to their **primary intended markets** (windows) in Canada and abroad. Include fixed rentals and productions released on percentage or commission basis.

Primary Market	Canadian Productions (see instructions on page 6)	Non-Canadian Productions	Total
	Revenue Canadian \$ (omit cents)	Revenue Canadian \$ (omit cents)	Total Revenue Canadian \$ (omit cents)
Domestic Theatrical (theatres)	500	510	520
Pay and specialty television	501	511	521
Conventional television	502	512	522
Home video (exclude videocassette and DVD wholesaling)	503	513	523
Non-theatrical (please specify) _____	504	514	524
Exports (foreign clients)	565	557	558
<b>Total</b>	<b>605</b>	<b>615</b>	<b>625</b>

b) Of your revenue from the distribution of Canadian productions to foreign clients (exports, box 565), please provide the percentage breakdown according to their **primary intended market** (window).

Theatrical	570	%
Television (includes conventional, pay and specialty television)	576	%
Other (please specify) <input type="checkbox"/> S577 _____	577	%
<b>Total</b>	<b>100%</b>	

c) Of the **total revenue from non-Canadian productions (box 615)**, please indicate the percentage earned for US productions (US suppliers or licensors) .....  %

d) Please report your revenue from the **wholesaling of pre-recorded videocassettes and DVD (digital videodiscs)** in Canada and abroad.

Market	Canadian Productions Revenue Canadian \$ (omit cents)	Non-Canadian Productions Revenue Canadian \$ (omit cents)	Total Total Revenue Canadian \$ (omit cents)
Pre-recorded videocassettes and DVD			
Domestic	545	547	548
Exports (foreign clients)	566	567	568
<b>Total</b>	<b>635</b>	<b>636</b>	<b>637</b>

e) Of the total revenue from the wholesaling of videos reported in box 637, please provide the percentage breakdown by format.

Pre-recorded videocassettes	593	%
DVD	594	%
<b>Total</b>	<b>100%</b>	

Please complete the following income statement for the reporting period. Report negative amounts in brackets.

**7. Revenue**

a) Distribution of titles (should equal box 625, question 6 a))	Canadian \$ (omit cents)	631
b) <b>Wholesale of pre-recorded videocassettes and DVD</b> to retail outlets or to other wholesalers (including distributors selling videocassettes and DVD to wholesalers i.e., middlemen or sales agents) (should equal box 637, question 6 d)	Canadian \$ (omit cents)	634
c) Other operating revenue ( <i>please specify</i> ) (include revenue from retail sales)	Canadian \$ (omit cents)	638
<input type="text" value="S638"/>	Canadian \$ (omit cents)	
d) <b>Total operating revenue</b> (sum of boxes 631, 634 and 638)	Canadian \$ (omit cents)	640
e) Non-operating revenue ( <b>include</b> subsidies, grants, interest, returns from investments, etc.) ( <i>please specify</i> )	Canadian \$ (omit cents)	643
<input type="text" value="S643"/>	Canadian \$ (omit cents)	
f) <b>Total revenue</b> (sum of boxes 640 and 643)	Canadian \$ (omit cents)	645

**8. Distribution and Operating Expenses**

a) Salaries and wages, excluding employee benefits (see definitions on page 6)	647
b) Employee benefits (see definitions on page 6)	648
c) Fees paid to contract workers	649
d) Licensing costs ( <b>include</b> the cost of acquiring distribution rights, royalties, sub-agent or sub-distributors' commissions, guaranties or other fees. <b>Exclude</b> producer's share or advances paid, and report this amount in question 9.)	650
→ Canadian productions (see definitions for boxes 500 - 605 on page 6) .....	651
→ Non-Canadian productions .....	653
e) Duplication, dubbing, sub-titling and print costs	654
f) Advertising and promotion	652
g) Videocassette and DVD wholesaling – cost of goods sold (see definitions on page 6)	673
h) Depreciation and amortization (see definitions on page 6)	672
i) Interest expenses (bank loans, real estate mortgages, accounts payable) (see definitions on page 6)	679
j) All other distribution and operating expenses ( <i>please specify</i> ) (see definitions on page 6)	
<input type="text" value="S679"/>	
k) <b>Total distribution and operating expenses</b> (sum of boxes 647 to 679)	680

9. Please report the producer's share or advances paid .....

**International Transactions**

**Royalties and licence fees** are receipts or payments in the form of distribution or sub-distribution rights fees, royalties and licence fees (including advances and guarantees) for the use of creative works and images to which film and video ownership rights apply.

**Cultural services** are services unique to film and video distribution activities. These services are integral to and/or directly supportive of the distribution of film and video. They may include audio-visual, post-production and laboratory services such as film processing and printing, video duplication, subtitling, dubbing, and services associated with the production of programs for broadcast or for film or video distribution.

**Advertising** covers the design, creation and marketing of advertisements by advertising agencies; placing advertisements in newspapers, journals, radio, TV and other media, including the purchase and sale of advertising space; participation in trade fairs and other promotional outlays, including posters, promotional artworks for video packages, telemarketing or delivery of marketing materials.

**Other** includes equipment rentals, computer, management, accounting, and insurance services, and other film distribution services not elsewhere specified.

Please report **all external service transactions** (net of taxes) including those financed by government in Canada (for example by Telefilm Canada) or by other sources in Canada. **Do not include merchandise imports and exports, freight and shipping transactions, travel, interest or profit/loss.**

**10. Receipts from non-residents (Canadian \$)**

Please report the following film, video and audio-visual distribution revenues received from foreign sources:

Foreign source	Royalties and licence fees	Outright sale of rights	Cultural services	Advertising	Other	Total
	Revenue Canadian \$ (omit cents)	Revenue Canadian \$ (omit cents)	Revenue Canadian \$ (omit cents)	Revenue Canadian \$ (omit cents)	Revenue Canadian \$ (omit cents)	Revenue Canadian \$ (omit cents)
United States	700	710	720	730	740	750
United Kingdom	701	711	721	731	741	751
France	702	712	722	732	742	752
All other countries (please specify)	708	718	728	738	748	758
<b>Total</b>	<b>709</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**11. Payments to non-residents (Canadian \$)**

Please report the following film, video and audio-visual distribution and operating expenses paid directly to foreign sources:

Foreign source	Royalties and licence fees	Outright purchase of rights	Cultural services	Advertising	Other	Total
	Payments Canadian \$ (omit cents)	Payments Canadian \$ (omit cents)	Payments Canadian \$ (omit cents)	Payments Canadian \$ (omit cents)	Payments Canadian \$ (omit cents)	Payments Canadian \$ (omit cents)
United States	760	770	780	790	810	820
United Kingdom	761	771	781	791	811	821
France	762	772	782	792	812	822
All other countries (please specify)	768	778	788	798	818	828
<b>Total</b>	<b>769</b>	<b>779</b>	<b>789</b>	<b>799</b>	<b>819</b>	<b>829</b>

12. a) Please report the number of locations operating in Canada during the reporting period.

040

Does this report cover the operations of locations in more than one province?

045 1  Yes ▶ If yes, in how many different provinces does your firm have locations? 046

3  No ▶ If no, please proceed to Question 12 b).

b) What was the first year that this company began operation (year of birth)?

F003



## DEFINITIONS

When exact information is not readily available from your records, please provide your best estimates. The following guide items are provided for questions requiring further clarification.

**Film, Video and Audio-Visual Distributors** are businesses or persons acting as the middleman in the film and video industry between producers and exhibitors. These businesses or persons obtain rights (geographic or territorial rights) to films, manufacture videocassettes through duplication and packaging, promote and market films, arrange for their exhibition and collect and disburse revenues to any profit participants.

**Videocassette Wholesalers** are engaged in the wholesale distribution of videocassettes to retail outlets that in turn rent or sell to the general public. Videocassette wholesalers normally purchase packaged cassettes from distributors and re-sell to video retailers. Wholesalers do not buy rights to films.

### QUESTION AND BOX

4. box 035
- Controlling interest** is the ability of an individual, a group of individuals or a company to determine the operating and financial policies of the reporting organization including the ability to select the majority of the reporting organization's directors.
- Ultimate control** is determined by tracing ownership links to the final parent company. In a situation where the first parent company is in fact controlled by another company which may reside in a different country, control is assigned to the country of the last or final parent.
5. boxes 202, 203 and 200
- A paid employee** is any person drawing pay for services rendered, or for paid absence, and for whom you, as the employer, are required to complete a Canada Revenue Agency T-4 form.
- Full or part-time employees** INCLUDE executives of incorporated companies but EXCLUDE working proprietors of unincorporated firms, who should be reported in box 200.
6. boxes 500 to 605, 570 to 577, 545, 566 and 635
- Classify as "**Canadian**" those productions meeting **any one** of the following criteria:
- 1) a production certified for 30% capital cost allowance since 1988. Prior to 1988 the allowance was 100%;
  - 2) a production certified under the Film or Video Production Tax Credit (1995);
  - 3) a production produced with the financial assistance of Telefilm Canada;
  - 4) a production made in Canada by Canadians prior to the Capital Cost Allowance Program;
  - 5) a production by the National Film Board (NFB);
  - 6) an official co-production recognized under a treaty between Canada and another country;
  - 7) a production certified by the Canadian Radio-television and Telecommunications Commission (CRTC);
  - 8) a production produced with the financial assistance of the Canada Council for the Arts; the CBC/Radio-Canada; The Nova Scotia Film Development Corporation; La société générale des industries culturelles du Québec (SOGIC); Manitoba Film and Sound; Saskatchewan Film Development Corporation (Saskfilm); Alberta Motion Picture Development Corporation; British Columbia Film; Ontario Media Development Corporation (formerly Ontario Film Development Corporation); or New Brunswick Film.
8. (a), box 647
- Salaries and wages** include commissions, bonuses and vacation pay and salaries of working executives of incorporated companies. **Excluded** are employee benefits, withdrawals by working proprietors of unincorporated firms and fees to contract workers.
8. (b), box 648
- Employee benefits** include employers' contributions to pension, medical and unemployment insurance plans and workers' compensation plans.
8. (g), box 652
- Videocassette and DVD wholesaling – Cost of goods sold** is obtained by adding together opening inventory plus purchases and subtracting closing inventory. Include in purchases the net purchases of videocassettes and DVD (gross value less returns, adjustments and discounts) at delivered price, including goods transferred to this establishment from other establishments within the firm. Include freight, insurance, buying-agent commissions, import duties and other related costs. Also include the cost of videocassette and DVD components and semi-finished goods purchased for in-house manufacture, duplication, and sale in the videocassette and DVD wholesale market. **Please report the cost of goods sold for your videocassette and DVD wholesaling activities only.**
8. (h), box 673
- Depreciation** includes charges in the current year and amortization of building, equipment and leasehold improvements.
8. (i), box 672
- Interest and bank charges** include costs incurred on bank loans, accounts payable, loans and notes payable and the interest cost of real estate mortgages.
8. (j), box 679
- All other distribution and operating expenses** include occupancy costs (heat, light, rent, insurance, property taxes, etc.); administrative costs (legal and accounting costs, management or consulting fees, office supplies, association dues, travel and entertainment); other miscellaneous distribution and operating expenses, e.g. rental or leasing of machinery and equipment, shipping, non-videocassette cost of goods sold, etc.