



fonds|radio|star

**Annual Report
2006-2007**

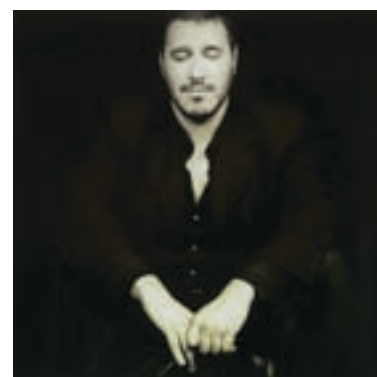


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Xavier Caféne, *Gisèle* (detail)



Fredric Gary Comeau, *Ève rêve* (detail)

Version française disponible sur www.fondsradiostar.com



Pépé, *100 % bœuf* (detail)



Mike Prévost, *Le love* (detail)



FONDS RADIOSTAR

Annual Report 2006-2007



Madrigaia, *Pléiades* (detail)

Kra-Z-Noise,
Kra-Z-Noise (detail)



Partners

629112 SASKATCHEWAN
ASTRAL MEDIA RADIO
CHUM
COGECO DIFFUSION
CORUS ENTERTAINMENT
GOLDEN WEST BROADCASTING
H.F. DOUGALL COMPAGNY
HALIBURTON BROADCASTING GROUP
HDL INVESTMENTS
LABBE MEDIA
NEWCAP
R.B. COMMUNICATIONS
RADIO-NORD COMMUNICATIONS
ROGERS BROADCASTING
STANDARD RADIO
VISTA BROADCAST GROUP
WESTMAN MEDIA COOPERATIVES





This has been a very active year, and an important year, for our young program. The Board of Directors and the management team worked tirelessly to adapt the Fonds RadioStar to the realities of today's recording industry.

The program underwent a major review, which was triggered by several factors. They include the growing number of applications for funding, the problem with defining the Significant Investment, and the difficulty in benchmarking the financial performance of the projects we fund, to name a few. Under the new program, we will only support recordings that meet minimum sales requirements.

The Board wished to reassert the program's aim of funding and making possible album marketing strategies and initiatives that go beyond standard and typical marketing efforts. As a result, record labels will be required to submit marketing plans that are original and that specify what they would do differently with the funding, which would cover two thirds of their additional marketing investments.

The Fonds RadioStar reaffirmed its primary mission, which is supporting emerging artists, by no longer giving funding to artists with career album sales exceeding 300,000 copies.

The program also went a step further in regarding live performance as an important part of a young artist's development, reserving a portion of the funding for live concert producers.

The Fonds RadioStar wants to support innovative projects guided by competent firms fostering the advancement of promising young artists.

Pierre Rodrigue
President

Fonds RadioStar

BACKGROUNDER

During the CRTC's 1997 Commercial Radio Policy Hearing, the Canadian Association of Broadcasters (CAB) recommended, as part of their proposal regarding concrete benefits resulting from transfers of ownership or control of radio undertakings, the establishment of a new Canadian music marketing and promotion fund. The proposal was entrenched in the CRTC's 1998 Policy on Commercial Radio (Public Notice CRTC 1998-41), allowing for 3% of the transaction value to be allocated to that fund when such transfers occur.

As requested by the CRTC, the CAB tabled, in September 2000, a proposal developed jointly with ADISQ outlining the structure and procedures of such a marketing fund, i.e. Fonds RadioStar, which was approved on November 9 of the same year. The CAB, in conjunction with representatives of Canadian industry, also presented a similar proposal for the English-speaking market, giving rise, in March 2001, to the Radio Starmaker Fund.

Since August 2001, the Fonds RadioStar has been supporting by way of financial contributions the marketing of French-language sound recordings in Canada. From the outset, the fund has been managed by the Fondation MUSICTION, under the direction of the Fonds RadioStar Board of Directors. The fund's program and rules, which are completely separate from those of MUSICTION, are managed independently.

OBJECTIVES

The fund's objectives are as follows:

- The purpose of the fund is to promote Canadian French-language music, referring requests for projects in a language other than French as well as instrumental music projects to the Radio Starmaker Fund.
- Funding is reserved for national marketing endeavours, i.e. aimed at the Canadian market.
- Designed primarily for emerging artists, the fund is intended "to advance the careers of Canada's rising stars producing popular Canadian content."
- Funding is allocated to artists through their record labels, provided these are Canadian owned and controlled, with the exception of Canadian artists residing outside Quebec, who are entitled to receive funding directly.
- Fonds RadioStar funding must constitute additional support, designed to complement existing funding from record labels as well as various public and private sources earmarked for the initial marketing phases.
- The fund's goal is to supply private radio broadcasters with quality, diversified francophone music.



Board of directors



Papillon, Pop rap (detail)

Fund management

General Management	Andrée Ménard
Program Coordination	Louise Chenail
Information	Jacinthe Roy
Administration	Nicole Rouabah
External Auditor	Denis Thérien CA

President

Pierre Rodrigue

Vice-president, Development and technologies
Astral Media Radio

Vice-president

Claude Larivée

CEO
Compagnie Larivée Cabot Champagne

Treasurer

Paul Dupont-Hébert

Vice-president, Entertainment
Zone 3

Secretary

Lilianne Randall

Music Director
Rythme FM Cogeco

Director

Yves-François Blanchet

President
Diffusion YFB

Director

Claude Laflamme

Vice-president
Corporate and Regulatory Affairs
Astral Media Radio

Director

Marc Ménard

Professor
École des médias UQAM

Director

Jacques Papin

Vice-president
Corus Quebec Network

Director

Jacques Primeau

President
Productions Jacques K. Primeau

Director

Michel Sabourin

President
Disques Atlantis



Magnolia, Magnolia (detail)



Changes made to the program



On June 8, the Board of Directors adopted new rules respecting the Fonds RadioStar program. These rules are the result of a major review that began in January 2007, and they will significantly alter the terms of the program as originally approved by the CRTC in November 2000. The new rules, or criteria, come into effect the financial year of 2007-2008.



Marie-Annick Lépine, *Au bout du rang* (detail)

These changes were made in compliance with the guiding principles of the program, as defined in the literature issued in connection with the program's setup, which are:

- Promoting diversified Canadian French-language music;
- Supporting the eligible Canadian emerging artists the program is intended for;
- Serving strictly as complementary funding to spending earmarked for the initial marketing phases of a project;
- Reserving funding for eligible applicants demonstrating a significant investment of their own.



These sweeping revisions to how the program works arise from the problems encountered by the previous version of the program, mainly:

- Contending with a dramatic increase in the number of applications in the last two years while the budget remains unchanged;
- The ineffectiveness of the entry-level criterion requiring recognized labels to release three albums in three years, which the majority of applicants are now able to achieve, resulting in a growing number of applications being rejected;
- The ineffectiveness and lack of fairness in using the Significant Investment idea as an entry-level requirement, as it is impossible to ascertain how much of the applicant's own investment might include funding from the Department of Canadian Heritage or SODEC;
- The absence of a benchmarking system that would eliminate or discourage prospective applicants that fail to meet the financial performance requirements of the program.



Damien Robitaille, *L'homme qui me ressemble* (detail)

Hence, the above issues triggered the introduction of new criteria for 2007-2008, namely:

- The Significant Investment criterion, one of the main entry-level requirements under the previous program, is replaced by minimum sales requirements. Access to funding is now essentially governed by these minimum sales requirements, which are based on music category and career album sales. The requirements for a first album are lower than for a second release, and so on. Equivalencies have been established for artists from French-speaking communities. This new criterion makes it possible to guarantee an applicant is in a position to make a significant initial investment and to determine a project's real potential for success.
- Receiving additional funding for a second marketing phase is also conditional upon achieving the required sales requirements, which are invariably higher than for the first phase.
- Funding is limited to 2/3 of the budget for eligible expenses that do not include all initial marketing related spending.
- Due to increasing demand for funding and in keeping with the program's mission to support emerging artists, performing artists with album sales of 300,000 copies or more are no longer eligible for the program.



Alexandre Belliard, *Demain la peur* (detail)

Financial results

Financial resources

Monies for the Fonds RadioStar and Radio Starmaker Fund come primarily, but not exclusively, from broadcaster contributions resulting from radio acquisition transactions, as required by the CRTC. A minimum of 3% of the value of such transactions must be disbursed to both of these two Canadian music marketing funds. For franco-phone market transactions, 80% of the 3% is directed to the Fonds RadioStar. In the case of transactions affecting the English-language market, the Fonds RadioStar receives 20% of benefits.

The CAB collects the 3% of the value of the transactions, and then redistributes these monies to both funds as per CRTC approved payment methods. Each year, the CAB contributes funds earmarked for the advancement of French-language music to the Fonds RadioStar.

These contributions totalled \$2,863,343 in 2006-2007. The combined total since 2001-2002 is \$15,256,582. Contributions to the Fonds RadioStar are expected to top \$25M by 2014.

Administration fees

The administration fees for this sixth financial year have been set at 12.6%. The administration fees for the fund's initial three years were 9.3% on average. As outlined in the document the CRTC approved in November 2000, by the end of the fund's existence, administration fees will not exceed more than 10% of broadcaster contributions.

Commitments and disbursements

Since the program's inception, 398 projects have been received and 333 projects have been accepted, for an approval rate of 84%. We received a record number of applications this year, i.e. 103 as opposed to 79 last year, representing a 30% increase. As result, the approval rate, which was 99% in 2005-2006, was 78% this year.

In 2006-2007, the Fonds RadioStar's financial commitments amounted to \$3,315,015, compared with \$3,104,566 the previous year and \$2,848,958 in 2004-2005. This constitutes an increase of 7% over the previous year. Average approved funding per project was higher this year, i.e. \$41,438, compared with \$39,802 in 2005-2006.

In 2006-2007, the Fonds RadioStar marketing fund disbursed \$2,827,781, compared with \$2,316,105 the previous year.



Alfa Rococo, Lever l'ancre [detail]

Applications and approvals							
	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	Total
Applications Submitted	103	79	64	53	46	53	398
Amount Requested	\$4,773,602	\$3,321,515	\$3,021,311	\$3,171,982	\$2,158,990	\$2,153,585	\$18,600,985
Applications Approved	80	78	63	43	33	36	333
Amount Offered	\$3,315,015	\$3,104,566	\$2,848,958	\$2,013,175	\$1,506,415	\$1,236,314	\$14,024,443
Amount Disbursed	\$2,827,781	\$2,316,105	\$2,331,725	\$1,311,619	\$1,038,105	\$501,276	\$10,326,611

Residual balance of funding commitments

Disbursements carried out during a financial year generally represent initial funding for projects approved during the year and final rounds of funding for projects approved in the past. Given the time required to market sound recordings, much like the approval period required by RadioStar, few projects are begun and finalized in the same financial year. This results in a residual balance of funding commitments at the end of each financial year. For the 2004-2005 financial year, that balance is \$1,880,564.

Disbursements by expenses

The applicants' expense reports for 2006-2007 show that most of the spending is reserved for live shows, totalling 15.6%. Television advertising and promotional material follow with 14.5% and 12.8% respectively. Finally, radio advertising disbursements account for 11.3%.

The proposal accepted by the CRTC stated that since Fonds Radiostar funds are strictly sourced from radio broadcasters, and since these broadcasters are actively involved in promoting the value of Canadian talent, a portion of sums received by the fund could be used to buy airtime on Canadian radio stations.

Expenses	Amount	%
Promotional material	\$343,588	12.8
Image production	267,945	10.0
POS displays	175,332	6.5
Posters	68,872	2.6
Media relations	246,938	9.2
Radio promotions	143,599	5.3
Regional promotions	22,789	0.8
Tour support	50,265	1.9
Live shows	420,781	15.6
Advertising		
Television	390,490	14.5
Radio	305,419	11.3
Print	173,048	6.4
Web & Website	82,453	3.1
TOTAL	\$2,691,519	100



Evaluation of results

Supporting new artists

In keeping with its objectives, the Fonds RadioStar has been primarily funding emerging artists. In 2006-2007, 40.9% of funding approved was for first albums from Canadian francophone artists and 27.2% was allocated to second releases, for a total of 68.1% of monies earmarked for new artists. 72.3% of funding since the fund's inception has gone to supporting first and second albums.



André, *Les derniers modèles de la mode masculine* (detail)

	2006-2007		2005-2006		2004-2005	
	Applications Approved	Amount Offered	Applications Approved	Amount Offered	Applications Approved	Amount Offered
1 st album	30	\$1,354,106	33	\$1,226,281	35	\$1,578,369
2 nd album	22	903,111	27	1,136,609	8	354,936
3 albums and above	28	1,057,798	18	741,676	20	915,653
Total	80	\$3,315,015	78	\$3,104,566	63	\$2,848,958



Christian Kit Goguen, *Christian Kit Goguen* (detail)

Regional allocations

In a bid to render the program even more accessible to artists living outside Quebec, the Board of Directors introduced during the 2004-2005 financial year new rules to offset the shortage of independent labels in French-speaking communities across Canada. This new component is for artists from communities where the francophone population is a minority and who produce and market their albums themselves. It complements the support currently available for recognized labels and emerging labels.

As with 2005-2006, three artists from outside Quebec who handled the marketing for their own albums obtained funding under this component in 2006-2007. Also, two artists from francophone communities in Canada received financial support through their respective labels.

Results 2006-2007

Applicant	Artist	Region	Amount \$
Avatar Music	Racine Linda	Quebec	30,982
Cie Larivée Cabot Champagne	Cowboys Fringants	Lanaudière	30,000
Cie Larivée Cabot Champagne	Ginette	New Brunswick	30,710
Cie Larivée Cabot Champagne	Lépine Marie-Annick	Lanaudière	28,103
Cie Larivée Cabot Champagne	Minière Jérôme	Montreal	30,090
Cie Larivée Cabot Champagne	Pépé	Quebec	50,000
Déjà Musique	Resther Jodie	Montreal	44,968
Déjà Musique	Resther Jodie	Montreal	50,000
Diffusion YFB	Lapointe Hugo	Lanaudière	50,000
Disques Anubis	André	Montreal	38,580
Disques Artic	Charest Geneviève	Gaspésie	50,000
Disques Artiste	Clan Destin	Charlevoix	50,000
Disques Artiste	Ève	Montréal	18,259
Disques Atlantis	Maktoub	Montreal	50,000
Disques Atlantis	Shock Stefie	Montreal	50,000
Disques Audiogramme	Bélanger Daniel	Montreal	30,000
Disques Audiogramme	Boulay Isabelle	Gaspésie	30,000
Disques Audiogramme	Desbois Urbain	Montreal	37,000
Disques Audiogramme	Jalbert Laurence	Gaspésie	30,000
Disques Audiogramme	Magnolia	Central Quebec	30,000
Disques Audiogramme	Robitaille Damien	Ontario	43,000
Disques Blow the fuse	Breastfeeders	Montreal	39,590
Disques Dare to Care	Tricot Machine	Mauricie	50,000
Disques Indica	Caféine Xavier	Outaouais	50,000
Disques Indica	Trois Accords	Central Quebec	30,000
Disques Indica	Vulgaires Machins	Eastern Townships	57,666
Disques Lunou	Dufault Luce	Outaouais	30,000
Disques Musicor	Bégin Émilie	Laurentides	50,000
Disques Musicor	Belliard Alexandre	Montréal	40,000
Disques Musicor	Fortin Marc-André	Saguenay-Lac-St-Jean	50,000
Disques Musicor	Thibert Marie-Élaine	Montreal	30,000
Disques Tox	Bourgeois Dave	North Shore	50,000
Disques Tox	Kra-Z-Noise	Montreal	50,000
Disques Tox	Philosonic	Chaudières-Appalaches	50,000
Disques Voxtone	Audet Viviane	Gaspésie	35,000
Districk Musik	Accrophone	Quebec	50,000

Applicant	Artist	Region	Amount \$
Districk Musik	CEA	Quebec	50,000
EDC Musique	De Grandpré Frédéric	Montreal	40,423
EDC Musique	Desjardins Boom	Abitibi-Témiscamingue	30,000
Équipe Spectra	Marjo	Montreal	30,000
Gestion Audrey de Montigny	de Montigny Audrey	Lanaudière	55,714
Gestion Son Image	Boucher Daniel	Montreal	30,000
Gestion Son Image	Lavoie Daniel	Manitoba	50,000
Gestion Son Image	Navet Confit	Quebec	49,259
Goguen Christian	Goguen Christian Kit	New Brunswick	32,410
L-A be	St-Aubin Brigitte	Central Quebec	50,000
Madrigaïa	Madrigaïa	Manitoba	26,875
Muipatayi David	ZPN	Ontario	50,880
Novem Communications	Dupré Marc	Laval	50,000
Orange Music	Clavet Deano	Montreal	34,580
Phaneuf Musique	Groulx Patrick	Outaouais	50,000
Prodat	Bilodeau Geneviève	Montreal	41,388
Prodat	De Larochelière Luc	Montreal	30,000
Productions Abuzive Musik	Sagacité	Quebec	50,026
Productions Benannah	Brocoli Annie	Montréal	30,000
Productions Byc	Vallières Vincent	Eastern Townships	31,068
Productions Byc	Vallières Vincent	Eastern Townships	61,280
Productions de l'Onde	Bori	Montreal	36,760



Applicant	Artist	Region	Amount \$
Productions de l'Onde	Côté Stéphane	Quebec	20,550
Productions J	Villeneuve Annie	Saguenay– Lac-Saint-Jean	30,000
Productions J	Marie-Mai	Montérégie	50,000
Productions Jacques K. Primeau	Les Denis Drolet	Laurentides	50,000
Productions Marie Bujold	Côté Stéphane	Quebec	10,000
Productions MCPOP6	Petites tounes	Several Regions	50,564
Productions Pierre Tremblay	Prévost Mike	Mauricie	46,924
Productions Unispec	Veille Amélie	Chaudières- Appalaches	75,142
Projectart	Laliberté Dany	Eastern Townships	59,558
Prûche Libre	Lévesque Marie-Marine	Montérégie	35,166
Sphère Musique	Carrier Anny	Quebec	50,000
Sphère Musique	Maisonnette France	Outaouais	50,000
Sphère Musique	Papillon	Quebec	50,000
Sphère Musique	Respectables	Quebec	50,000
Tacca Musique	Alfa Rococo	Montreal	39,130
Tacca Musique	Comeau Fredric Gary	New Brunswick	50,000
Tacca Musique	D'Amour France	Laurentides	10,870
Tacca Musique	Dumas	Central Quebec	50,000
Tacca Musique	Marin Steve	Gaspésie	50,000
Timi E	Castonguay Edouard	Bas- Saint-Laurent	32,500
Trilogie Musique	Gasse Manuel	Nordth Shore	50,000
Zone 3	Claude Dubois	Montreal	30,000

Total **3,315,015**



Vincent Vallières, *Repère tranquille* (detail)



Results 2005-2006

Applicant	Artist	Region	Amount \$	Applicant	Artist	Region	Amount \$
À l'Infini Communications	Blou	Nova Scotia	50,000	Disques Atlantis	Tessier Karine	Montréal	50,000
Carbone Musique	Thalie Lynda	Montreal	54,786	Disques Audiogramme	Déry Marc	Montreal	43,000
Cie Larivée Cabot Champagne	Charbonniers de l'enfer	Several Regions	49,748	Disques Audiogramme	Lapointe Pierre	Outaouais	25,000
Cie Larivée Cabot Champagne	Chick'n Swell	Central Quebec	19,899	Disques Audiogramme	Lapointe Pierre	Outaouais	50,000
Cie Larivée Cabot Champagne	Faubert Michel	Outaouais	29,937	Disques Audiogramme	Moffatt Ariane	Quebec	30,000
Cie Larivée Cabot Champagne	Painchaud Jonathan	Bas-Saint-Laurent – Gaspésie	10,000	Disques Belzébuth	Longue Distance	Several Regions	30,004
Cie Larivée Cabot Champagne	Pépé et sa guitare	Quebec	50,000	Disques Dare to Care	Malajube	Montreal	59,832
Cie Larivée Cabot Champagne	Volée d'castors	Several Regions	30,416	Disques Justin Time	Hellman Thomas	Quebec	39,176
C-Show Productions	Grandbois Darryn	Ontario	31,459	Disques Justin Time/ Gestion Nuland	Hellman Thomas	Quebec	7,000
Déjà Musique	Bédar Dany	Abitibi-Témiscamingue	30,000	Disques Justin Time/ Gestion Nuland	Hellman Thomas	Quebec	3,000
Déjà Musique	Corneille	Montreal	30,000	Disques Musicor	Bouchard Marie-Mai	Montréal	33,500
Déjà Musique	Gage	Montreal	50,000	Disques Musicor	Giroux Martin	Outaouais	33,500
Diffusion YFB	400 Lapins	Montreal	50,000	Disques Musicor	Lagacé Meggie	Montreal	33,000
Diffusion YFB	Lapointe Hugo	Lanaudière	26,667	Disques Musicor	Lapointe Stéphanie	Montréal	33,000
Diffusion YFB	Lavoie Mathieu	Montreal	50,000	Disques Musicor	Painchaud Jonathan	Bas-Saint-Laurent Gaspésie	23,500
Disques Artic	Aut' chose	Several Regions	50,000	Disques Musicor	Villeneuve Annie	Saguenay-Lac-St-Jean	33,500
Disques Artic	Charest Geneviève	Bas-Saint-Laurent – Gaspésie	30,064	Disques Passeport	Kaïn	Central Quebec	33,178
Disques Artiste	Artistes variés	Several Regions	50,000	Disques Passeport	Kaïn	Central Quebec	50,000
Disques Artiste	Artistes variés	Several Regions	50,000	Disques Tox	Qbanito	Montreal	40,522
Disques Artiste	Eve	Montréal	50,000	Disques Voxtone	Cai'man Fu	Mauricie	50,000
Disques Atlantis	Lacombe Sébastien	Montreal	50,000	Équipe Spectra	Perreau Yann	Lanaudière	10,000
				Foulespin Musique	Perreau Yann	Lanaudière	40,000
				Gestion Son Image	Robineault Élyse	Montreal	50,000
				Ici Musique	Breau Jean-François	New Brunswick	51,212

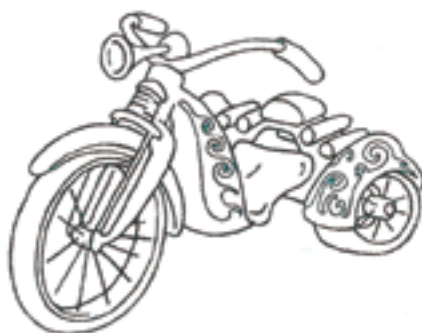


Vulgaires Machins, *Compter les corps* [detail]



Applicant	Artist	Region	Amount \$
L-A be	Cassiopée	Quebec	50,000
L-A be	Karlof Galovsky	Montreal	40,146
L-A be	Léopold Z	Montreal	30,930
Le Couteur Sandra	Le Couteur Sandra	New Brunswick	30,344
Management Encore	Chick'n Swell	Central Quebec	10,000
MP3 Disques	Daniel Cindy	Montreal	54,106
NG Productions	Mauvais sort	Several Regions	37,894
Novem Communications	Dupré Marc	Laval	50,000
Orange Music	Samina	Montreal	43,408
Prodat	Archambault Benoît	Montreal	50,000
Productions de l'Onde	Bori	Montreal	50,000
Productions de l'Onde	Wells Guy-Phillipe	Saguenay-Lac Saint-Jean	48,358
Productions Fly Decibels	Maharajah	Several Regions	35,910
Productions Jacques K. Primeau	Les Denis Drolet	Laurentides	70,000
Productions Jacques K. Primeau	Les Denis Drolet	Laurentides	30,000
Productions New Rock	Pistolets Roses	Several Regions	56,234
Productions Pierre Tremblay	Crila	Montreal	24,188
Productions Pierre Tremblay	Jean Daniel	Saguenay-Lac Saint-Jean	30,000
Productions Robishow	Robichaud Pierre	New Brunswick	51,838

Applicant	Artist	Region	Amount \$
Productions Solo	Campagne Solange	Saskatchewan	30,000
Slam Disques	Extério	Several Regions	49,729
Sphère Musique	Renaud Mélanie	Montréal	50,000
Sphère Musique	Respectables	Quebec	50,000
Studio Oui-Dire	Pelletier Claire	Bas-Saint-Laurent-Gaspésie	51,463
Tacca Musique	Gratton Antoine	Montreal	50,000
Tacca Musique	Jean Anik	Bas-Saint-Laurent-Gaspésie	50,000
Tacca Musique	Polémil Bazar	Quebec	50,000
Trafik Musique	Hughes Rick	Montreal	59,450
Volée d'castors	Volée d'castors	Lanaudière	10,000
Zone 3	Deschamps Martin	Lanaudière	50,000
Zone 3	Deschamps Martin	Lanaudière	49,154
Zone 3	Durand Catherine	Montreal	16,514
Zone 3	Néron Caroline	Montréal	50,000
Total			3,104,566



Petites tounes, *Dans le sous-sol* (détail)

Funding by music category



Navet Condit, LP1 (detail)

Alternative	Used here in the sense of an emerging genre
Country	Genre that groups together country and western music styles
Contemporary Folk	Musical genre covering the full range of new trends in folk music
Hip hop	Musical genre derived from new music trends that include rap and hip hop
Children's	Musical genre mostly geared toward kids
Urban	Musical genre derived from new music trends namely rooted in techno, house/dance, drum'n bass, jungle, tribal, ambient/trance/chill, trip hop, acid jazz and all electronica related genres
Worldbeat	Musical genre that groups together styles derived from, but not limited to, South America, Central America, Asia, Africa, the Middle East and Caribbean as well as aboriginal music
Pop rock	Musical genre that covers a wide range of styles, including acoustic rock, contemporary folk and folk rock
Pop	Over and above vocal performances, mainstream musical genre that covers easy listening to adult pop
Rock	Musical genre that covers music with a heavier, more accentuated beat
Traditional	Musical genre that houses roots music

As in 2005-2006, pop and pop rock projects accounted for the vast majority of the applications received and approved this year, representing 66% of the requests. This nevertheless represents a drop over the last two years. In 2004-2005, these two categories were the focus of 77.8% of the applications approved. Contemporary folk, rock and alternative music received 21.6% of funding this year, and funding for hip hop projects rose this year to 6.1% from 1.3% last year, all of which reflects the growing diversity of music genres being funded.

	2006-2007					2005-2006				
	Applications submitted	Amount requested	Applications approved	Amount offered	%	Applications submitted	Amount requested	Applications approved	Amount offered	%
Alternative	4	\$179,741	3	\$156,925	4.7	2	\$105,104	2	\$89,875	2.9
Country	2	63,000	2	62,500	1.9	2	85,754	1	51,838	1.7
Contemporary Folk	8	301,517	6	238,166	7.2	4	140,409	4	127,973	4.1
Hip Hop	4	213,682	4	200,906	6.1	1	43,000	1	40,522	1.3
Jazz	0	0	0	0	0	1	43,408	1	43,408	1.4
Children's	3	230,000	2	80,564	2.4	1	50,000	1	50,000	1.6
Worldbeat	2	79,980	2	76,875	2.3	1	51,463	1	51,463	1.7
Urban	2	84,269	1	30,090	0.9	1	33,000	1	33,000	1.1
Pop rock	15	758,819	13	574,852	17.3	20	823,472	20	777,917	25.0
Pop	53	2,354,039	40	1,574,547	47.5	34	1,363,522	34	1,309,382	42.2
Rock	7	346,611	7	319,590	9.7	7	397,775	7	351,130	11.3
Traditional	3	161,944	0	0	0	5	184,608	5	178,058	5.7
Total	103	\$4,773,602	80	\$3,315,015	100	79	\$3,321,515	78	\$3,104,566	100



Success stories



The Fonds RadioStar funded many 2006-2007 ADISQ and GAMIQ (Gala de l'alternative musicale indépendante du Québec).

AWARDS

Bédar Dany

Male Performer of the Year ADISQ

Charbonniers de l'enfer

Album of the Year – Traditional ADISQ

Chick'n Swell

Album of the Year – Comedy ADISQ

Kai'n

Musical Group of the Year ADISQ

Lapointe Pierre

Album of the Year – Pop ADISQ

Malajube

Songwriter of the Year ADISQ

Moffatt Ariane

Best New Artist ADISQ

Tricot Machine

Album of the Year – Alternative ADISQ

Vulgaires machines

Female Performer of the Year ADISQ

Xavier Caféïne

DVD of the Year ADISQ

Album of the Year – Pop Rock ADISQ

Best Album – Vocal GAMIQ

Best New Artist GAMIQ

Best Album – Punk GAMIQ

Best Album – Rock'n'Roll GAMIQ

Certifications

Some of these artists were also certified by the Canadian Recording Industry Association (CRIA), many for their first releases.



Certifications	CD	DVD
Gold	50,000	5,000
Platinum	100,000	10,000
Double Platinum	200,000	20,000
Triple Platinum	300,000	30,000
Diamond	1,000,000	100,000

Album certifications

Year	Artist	Album	Certification
2006	Artistes variés	Quand le country dit bonjour	Gold
2004	Bédar Dany	Fruits de ma récente nuit blanche	Platinum
2005	Bédar Dany	Écoute-moi donc	Platinum
2007	Bélanger Daniel	L'échec du matériel	Gold
2007	Boulay Isabelle	De retour à la source	Platinum
2003	Chicane	Ent'nous autres	Gold
2005	Corneille	Parce qu'on vient de loin	Platinum
2006	Cowboys Fringants	La Grand-Messe	Double Platinum
2004	Desjardins Boom	Boom Desjardins	Gold
2006	Dobacaracol	Soley	Gold
2004	Don Juan	Don Juan	Double Platinum
2006	Dumas	Le cours des jours	Gold
2006	Kai'n	Nulle part ailleurs	Platinum
2004	Lapointe Éric	Coupable	Platinum
2006	Lapointe Pierre	Pierre Lapointe	Platinum
2006	Lapointe Pierre	La forêt des mal-aimés	Platinum
2004	Le Bouthillier Wilfred	Wilfred Le Bouthillier	Double Platinum
2005	Loco Locass	Amour oral	Gold
2006	Mes Aïeux	En famille	Double Platinum
2003	Mix Mania	Mix Mania	Double Platinum
2005	Moffatt Ariane	Aquanaute	Platinum
2004	Pelchat Mario	Noël avec Jireh Gospel	Gold
2003	Quilico Gino	Noël	Gold
2004	Shock Stefie	Le décor	Gold
2005	Thibert Marie-Élaine	Marie-Élaine Thibert	Triple Platinum
2007	Thibert Marie-Élaine	Comme ça	Gold
2004	Toupin Marie-Chantal	Maudit bordel	Platinum
2006	Toupin Marie-Chantal	Non négociable	Platinum
2004	Trois Accords	Gros mammouth album trio	Platinum
2005	Villeneuve Annie	Quand je ferme les yeux	Platinum

DVD Certification

2007	Respectables	Live au Centre Bell	Gold
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Émily Bégin, *Émily Bégin* (detail)





Financial Statements 2006-2007



Auditor's Report

To the directors
of Fonds RadioStar

I have audited the balance sheets of Fonds RadioStar as at August 31, 2007 and 2006, as well as the statements of earnings and changes in net assets and the statements of cash flow for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion concerning these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. These standards require that I plan and perform an audit in such a way as to obtain reasonable assurance that the financial statements are free of material misstatements. An audit involves examining evidence supporting the amounts and disclosures that are contained in the financial statements, on a test basis. An audit also involves assessing the accounting principles used and the significant estimates made by management, and evaluating the overall presentation of the financial statements.

In my opinion, these financial statements present the financial position of the Organization as at August 31, 2007 and 2006 and the results of its operations and cash flow for the years then ended fairly in all material respects, in accordance with Canadian generally accepted accounting principles.



Denis Thérien
Chartered Accountant
September 11, 2007

Statements of Earnings and Changes in net assets

For the years ended august 31

	2007	2006
REVENUE		
Contributions from radio broadcasters	\$ 2,863,343	\$ 2,426,942
Management fees – CAB	(21,200)	(20,600)
	2,842,143	2,406,342
Interest	218,080	170,975
	3,060,223	2,577,317
EXPENDITURES		
Salaries and benefits	177,278	157,984
Legal and management fees	39,352	
Professional fees	11,047	9,262
Rent and other charges	39,883	37,628
Communications	51,785	33,828
Insurance	2,536	2,540
Meeting expenses	5,781	4,690
	327,662	245,932
Write-off of sales taxes from previous years	58,390	
	386,052	245,932
SURPLUS AVAILABLE FOR ASSISTANCE CONTRIBUTIONS	2,674,171	2,331,385
Assistance contributions	2,827,781	2,316,105
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(153,610)	15,280
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	4,206,761	4,191,481
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 4,053,151	\$ 4,206,761

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



Balance Sheets

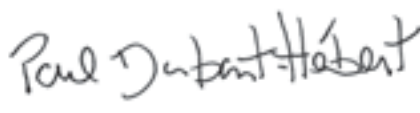
As at august 31

	2007	2006
ASSETS		
CURRENT		
Cash	\$ 24,055	\$ 420,938
Demand deposit, 4.34 %. maturing June 26, 2008	4,000,000	3,700,000
Accounts receivable (Note 4)	39,369	101,539
Prepaid expenses	1,797	1,624
	\$ 4,065,221	\$ 4,224,101
LIABILITIES		
CURRENT		
Accrued liabilities	\$ 12,070	\$ 17,340
NET ASSETS		
Unrestricted net assets	4,053,151	4,206,761
	\$ 4,065,221	\$ 4,224,101

APPROVED ON BEHALF OF THE BOARD



Pierre Rodrigue
President



Paul Dupont-Hébert
Treasurer

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



Statements of Cash Flow

For the years ended august 31

	2007	2006
OPERATING ACTIVITIES		
Contributions received from radio broadcasters	\$ 2,842,143	\$ 2,406,342
Interest received	215,860	145,395
	3,058,003	2,551,737
Assistance contributions paid	(2,821,781)	(2,329,470)
Purchase of goods and services paid	(147,854)	(98,837)
Employee salaries paid	(185,251)	(151,866)
	(3,154,886)	(2,580,173)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(96,883)	(28,436)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,120,938	4,149,374
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 5)	\$ 4,024,055	\$ 4,120,938

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

Notes accompanying the financial statements

For the years ended August 31, 2007 and 2006



STATUTES AND PURPOSE OF THE ORGANIZATION

Fonds RadioStar was incorporated on February 16, 2001 pursuant to Part II of the Canada Business Corporations Act.

The primary mandate of Fonds RadioStar, which is a non-profit organization, is to assist promising new talent by providing significant financial support for projects involving the promotion of recording companies that are likely to have a considerable impact on the careers of French-Canadian artists. The support that the Organization provides is complementary to existing assistance programs, and adds momentum to marketing efforts. Fonds RadioStar pays non-refundable contributions to eligible recording companies.



FINANCING OF THE ORGANIZATION

Fonds RadioStar products are generated by financial contributions from broadcast companies to the Canadian Association of Broadcasters (CAB).



SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian generally accepted accounting principles and the following significant policies:

Recognition of Revenue

Fonds RadioStar uses the deferral method for recording its contributions. Contributions to Fonds RadioStar and its Anglophone counterpart, Radio Starmaker Fund, originate from financial contributions that are required of broadcast companies by the Canadian Radio-television and Telecommunications Commission (CRTC) in connection with transactions involving the acquisition of broadcast companies. A minimum of 3% of these transactions must be paid to the two new Canadian music marketing funds.

Generally speaking, for transactions involving Francophone stations, 80% of the 3% is paid to Fonds RadioStar; and for transactions involving Anglophone stations, 20% of the 3% is paid to Fonds RadioStar. The Canadian Association of Broadcasters (CAB) collects 3% of the value of the transactions, which it redistributes to the two funds in accordance with the payment terms that are approved by the CRTC. These financial contributions are reported using a cash-based accounting system.

Income Taxes

Pursuant to the Income Tax Acts of Canada and Quebec, Fonds RadioStar is classified as a non-profit organization, and therefore, is not subject to income tax.

Contributed Services

Members of the Organization's Board of Directors attend Board meetings without monetary compensation. The value of the time donated by these individuals is not recorded in the financial statements, because it would be difficult to measure its fair market value.

Cash and cash equivalents

For cash flow purposes, cash and cash equivalents include cash and cash equivalents that are not restricted as to their use. Cash includes cash. Cash equivalents include term or demand deposits investments that are held for short-term cash requirements, but not those that are held for investment purposes. More precisely, they include investments for which the value will not change significantly and for which the maturity does not exceed three months from the date of acquisition.

Use of estimates

The presentation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

Notes accompanying the financial statements

For the years ended august 31, 2007 and 2006

4 ACCOUNTS RECEIVABLE

	2007	2006
Applicant – assistance contributions	\$7,365	\$13,365
Accrued interest	32,004	29,784
Sales taxes		58,390
	\$39,369	\$101,539

5 CASH AND CASH EQUIVALENTS AT END OF YEAR

Cash	\$24,055	\$420 938
Demand deposit	4,000,000	3 700 000
	\$4,024,055	\$4 120 938

6 RELATED PARTY TRANSACTIONS

During 2007, the Organization disbursed assistance contributions totalling \$385,932 (2006 : \$521,389). The parties are related due to the fact that their representatives are directors of the Organization. These related companies satisfy all of the criteria established by the Organization, and as such, they do not benefit from any particular statute or privilege over another through their representation on the Board of Directors.

Management declares that these transactions were executed under the same terms as transactions with non-related parties.

7 COMMITMENTS

Contributions

Fonds RadioStar is contractually committed to advance contributions totalling \$1,880,564 in 2007 (2006: \$1,873,419). Of this amount, \$240,733 (2006: \$375,333) represents commitments to related companies.

8 FINANCIAL INSTRUMENTS

Fair value

The carrying amount of financial instruments is equivalent to their fair value because of their short-term nature.

9 COMPARATIVE FIGURES

Comparative figures have been reclassified to conform to the presentation adopted for the current year.

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