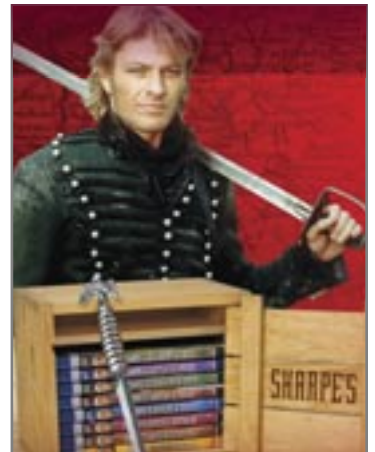
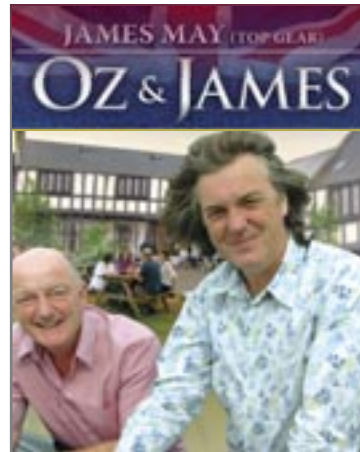
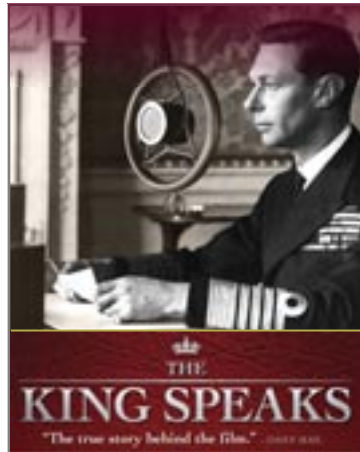
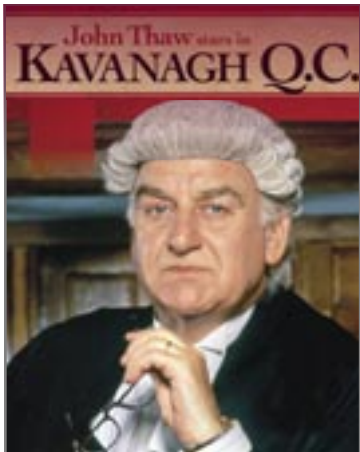




B·F·S

ENTERTAINMENT
& MULTIMEDIA
LIMITED

2011 ANNUAL REPORT



COLLECTABLES
DIRECT INC.

B·F·S
FILM & TELEVISION
PRODUCTIONS INC.

B·F·S
VIDEO

ops:daisy
TELEVISION PRODUCTIONS INC.

**AMERICAN
TIME
TREASURES**

BODHI
lifestyle shop™

Subsidiaries and Divisions of
BFS Entertainment & Multimedia Limited

www.bfsent.com

www.bfsproductions.com

www.collectablesdirect.com

www.bodhishop.com

- 3 Corporate Profile
- 3 Chairman's Report
- 3 Financial Highlights
- 3 Common Share and Price Information
- 4 Management's Discussion and Analysis
- 8 Management's Responsibility for Financial Statements
- 9 Auditors' Report
- 10 Consolidated Financial Statements
- 13 Notes to Consolidated Financial Statements
- 19 Shareholders Information



www.bfsent.com
www.bfsproductions.com
www.collectablesdirect.com
www.bodhishop.com

DVD
BLU-RAY
DISTRIBUTION
PRODUCTION
E-COMMERCE

CORPORATE PROFILE

BFS is a recognised independent North American entertainment company focusing on the acquisition, distribution and production of film and television media with head office in Toronto, Ontario.

Programming includes classic dramas, mystery, comedy, sports, documentaries and health and wellness and is sold under the BFS, American Home Treasures and Bodhi Lifestyle™ brands. North American retail distribution is through national retailers, distributors, mail order companies and BFS' direct to consumer division with 73% of the business in the United States.

The Company's strategy is to continue to acquire new programming and to expand its proprietary programme development, international distribution and direct to consumer delivery.

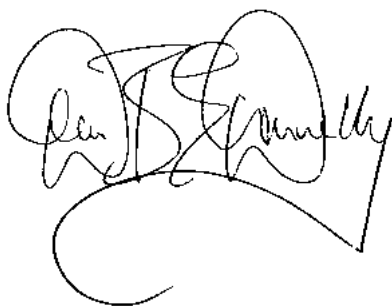
ENVIRONMENTAL COMMITMENT

BFS believes that good corporate governance includes responsibility for the impact that it has on the environment and our commitment to a clean and sustainable environment for the needs of our children and future generations. BFS is committed to employing sustainable eco-business practices and we continually effectuate new measures to reduce consumption and waste in order to help the environment. Where possible, we use a new line of DVD packaging made entirely of environmentally friendly materials; it is recyclable and biodegradable when composted. It is printed using vegetable based inks and recycled board, the disc tray is a starch based fibre material and the shrink wrap is derived from plants.

MESSAGE FROM THE CHAIRMAN

Sales decreased 7% this year compared to the previous year primarily due to a reduction in sales to one of BFS' major distributors. This and the falling value of the United States dollar versus the Canadian dollar contributed to the current year's losses. We are confident that our new 2012 licensed programming and expanded direct to consumer offerings will improve BFS' outlook for 2012 and beyond.

On behalf of the Board of Directors, I wish to thank our shareholders, employees and suppliers for their continued support and look forward to a successful fiscal 2012.



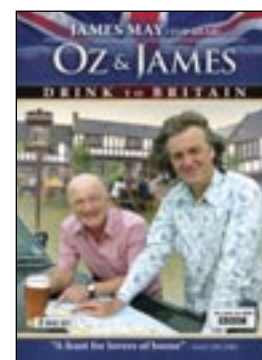
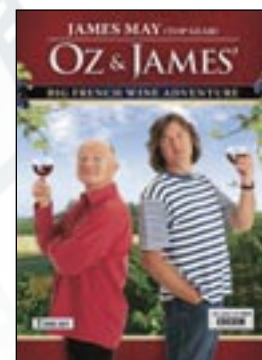
Denis B.E. Donnelly
Chairman, President and Chief Executive Officer

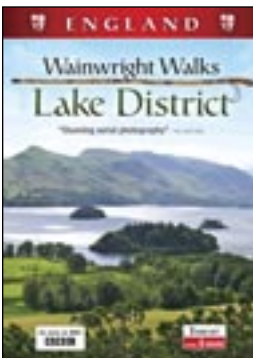
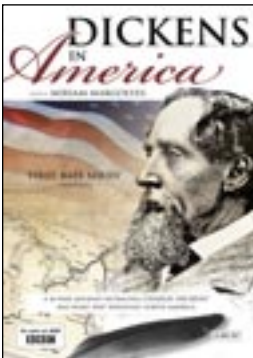
FINANCIAL HIGHLIGHTS

	May 7, 2011	May 1, 2010
Sales	\$ 11,622,876	\$ 12,515,414
Net income (loss)	(226,984)	113,602
Shareholders' equity	3,904,690	4,131,674
Property and equipment additions	294,008	323,521
Total assets	6,237,641	6,533,617
Earnings (loss) per share	\$ (0.03)	\$ 0.02

COMMON SHARE AND PRICE INFORMATION

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Average number of shares outstanding	7,524,333	7,524,333	7,524,333	7,524,333
Trading volume	-	144,300	223,350	281,513
Share price (high)	\$ 0.21	0.21	0.21	0.265
Share price (low)	\$ 0.21	0.19	0.18	0.205





MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of the financial results of BFS Entertainment & Multimedia Limited ("BFS" or the "Company") for the fifty-three weeks ended May 7, 2011 should be read in conjunction with and is qualified by the consolidated financial statements and related notes for the fifty-three weeks ended May 7, 2011 ("the Financial Statements"), which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All of the information presented herein is expressed in Canadian dollars.

This report contains forward-looking statements, including statements regarding the future success of our business strategies and future market opportunities. These statements are neither promises nor guarantees, but involve known and unknown risks and uncertainties that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed in or implied by these forward-looking statements. These risks include risks related to our sales growth, operating results, industry and products as well as other factors discussed below and elsewhere in this report. Readers should not place undue reliance on any such forward-looking statements, which speak only as of the date they were made. We disclaim any obligation to publicly update or revise such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Additional information relating to BFS is filed with SEDAR at www.sedar.com.

This management's discussion and analysis is dated August 15, 2011.

OVERVIEW

BFS is a recognised independent North American entertainment company focusing on the acquisition, distribution and production of film and television media with head office in Toronto, Ontario.

Programming includes classic dramas, mystery, comedy, sports, documentaries and health and wellness and is sold under the BFS, American Home Treasures and Bodhi Lifestyle™ brands. North American retail distribution is through national retailers, distributors, mail order companies and BFS' direct to consumer division and e-commerce websites.

The Company's strategy is to continue to acquire new programming and to expand its proprietary programme development, international distribution and direct to consumer delivery.

The Company's strategies include:

- To achieve significant increases in sales and cash flows.
- To continue to seek and acquire new programming content.
- To expand current distribution channels.
- To develop BFS proprietary programming and production.

RESULTS FROM OPERATIONS

Selected Annual Information of Operations Data	Fiscal Years Ending	
	May 7, 2011	May 1, 2010
Sales	\$ 11,622,876	\$ 12,515,414
Cost of goods sold	4,521,628	4,950,891
Gross profit	7,101,248	7,564,523
Gross profit percentage	61%	60%
Selling and administrative expenses	6,900,452	6,658,908
Foreign exchange loss	111,789	430,991
Interest expense	28,727	27,863
Amortization	352,034	359,462
Net income (loss)	(226,984)	113,602
Basic and diluted earnings (loss) per share	\$ (0.03)	\$ 0.02
Weighted average number of shares	7,524,333	7,524,333

Sales for the year were \$11,622,876, compared to \$12,515,414 in the prior year, a decrease of 7%. Sales to one of the Company's major distributors were down for the year when compared to the previous year. Sales to the United States represented 73% of sales, compared to 80% in the prior year.

Gross profit for the year was \$7,101,248 (61% of sales), compared to \$7,564,523 (60% of sales) in the prior year.

Selling and administrative expenses for the year were \$6,900,452 (59% of sales), compared to \$6,658,908 (53% of sales) in the prior year. Selling and administrative expenses increased by \$241,544 over the previous year.

Advertising and promotion costs increased by \$128,629 due to increased quantities and timing of catalogue mailings; salaries and benefits increased by \$85,245 due to the addition of operations staff; shipping and order processing costs increased by \$53,607 due to increased direct to consumer sales volumes and other expenses decreased by \$25,937.

Amortization of property and equipment and intangible assets was \$352,034, compared to \$359,462 in the prior year.

Net loss was \$226,984 or \$0.03 per share for the year, compared to a net profit of \$113,602 or \$0.02 per share in the prior year. The weighted average number of shares outstanding for this year was 7,524,333, unchanged from the previous year.

FOURTH QUARTER

Sales for the fourth quarter were \$2,534,701, compared to \$3,233,224 during the same quarter last year, a decrease of 22%. Sales to one of the Company's major distributors were down for the quarter when compared to the previous year.

Gross profit for the quarter was \$1,665,487 (66% of sales), compared to \$1,909,620 (59% of sales) in the prior year.

Selling and administrative expenses for the quarter were \$1,836,961 (72% of sales), compared to \$1,623,997 (50% of sales) in the prior year. Selling and administrative expenses increased by \$212,964 over the previous year.

Advertising, promotions and catalogue selling costs increased by \$223,032 primarily due to increased quantities and timing of catalogue mailings. Other expenses decreased by \$10,068 in the aggregate.

Amortization of property and equipment and intangible assets was \$92,496, compared to \$126,468 in the prior year.

Net loss was \$265,060 (\$0.04 per share), compared to a net income of \$75,303 (\$0.01 per share) for the same period last year.





UNAUDITED QUARTERLY FINANCIAL DATA

<i>(unaudited) (in dollars)</i>	Sales	Net income (loss)	Basic and diluted earnings (loss) per share
2011			
First quarter	2,476,796	(31,853)	(0.00)
Second quarter	3,472,258	140,476	0.02
Third quarter	3,139,121	(70,547)	(0.01)
Fourth quarter	2,534,701	(265,060)	(0.04)
Full year	11,622,876	(226,984)	(0.03)
2010			
First quarter	2,316,575	(151,830)	(0.02)
Second quarter	3,484,977	186,442	0.02
Third quarter	3,480,638	3,687	0.00
Fourth quarter	3,233,224	75,303	0.01
Full year	12,515,414	113,602	0.02

FINANCIAL CONDITION AS AT MAY 7, 2011

Selected data on financial position	Fiscal Years Ending	
	May 7, 2011	May 1, 2010
Cash	\$ 373,070	\$ 248,666
Net working capital	2,949,440	3,246,953
Total assets	6,237,641	6,533,617
Bank indebtedness	900,000	1,180,000
Total long-term liabilities	72,168	-
Total liabilities	2,332,951	2,401,943
Shareholders' equity	3,904,690	4,131,674

Total assets of the Company this year amount to \$6,237,641, compared to \$6,533,617 in the prior year.

Accounts receivable decreased to \$1,436,387 from \$2,029,375 in the prior year due to reduced sales to one of the Company's distributors in the fiscal year when compared to the previous year.

Inventory decreased to \$1,612,493 from \$1,745,247 in the prior year as a result of improved inventory management.

Prepaid royalties for video products increased to \$1,322,576 from \$1,288,754 in the prior year due to a continuing programme acquisition plan to well position the Company for future revenue growth.

Investment in productions increased to \$168,269 from \$100,836 in the prior year as a result of new productions initiated during the period.

Intangible assets decreased to \$191,646 from \$231,761 in the prior year. Additions to website development were \$39,976 during the year.

Property and equipment increased to \$601,340 from \$474,197 in the prior year. Continuing capital expenditures for master tapes of \$183,756 were made this year, compared to \$200,455 in the prior year. Capital additions were incurred during the year for automotive of \$77,995, office computer hardware of \$22,660 and a capital lease of \$106,079, which included computer hardware, computer software and warehouse equipment.

Total liabilities decreased to \$2,332,951 from \$2,401,943 in the prior year primarily from a decrease in bank indebtedness of \$280,000, an increase in accounts payable and accrued liabilities of \$122,129 and an increase in capital lease obligations of \$106,079.

Shareholders' equity decreased to \$3,904,690 from \$4,131,674 in the prior year. The share capital as at May 7, 2011 was \$2,078,226, unchanged from the prior year. There were 7,524,333 shares outstanding as at May 7, 2011, unchanged from the prior year.

On September 16, 2010, the Company received approval from the TSX Venture Exchange to purchase, pursuant to a normal course issuer bid expiring on September 21, 2011, a maximum of 401,883 common shares of the Company for cancellation. Pursuant to the approval, the Company has purchased no common shares for cancellation.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Minimum annual payments due in fiscal years ending	Total	Payment due by period			After 5 years
		Less than 1 year	1-3 years	4-5 years	
Capital lease	\$ 106,079	\$ 33,911	\$ 72,168	\$ -	-
Building lease	791,762	186,297	558,891	46,574	-
Website commitment	247,146	82,382	164,764	-	-
Total contractual obligations	\$ 1,144,987	\$ 302,590	\$ 795,823	\$ 46,574	-

The capital lease obligation is related primarily to computer software, computer hardware and warehouse equipment. This obligation bears interest at a rate of 5% per annum.

Operating lease commitments represent the future minimum lease payments under leases primarily for the Company premises. The three-year website commitment consists of a minimum annual subscription fee and monthly managed and hosting fees.

CAPITAL REQUIREMENTS, RESOURCES AND LIQUIDITY

At year-end, the Company had an operating line of credit of \$1,500,000 of which \$900,000 was outstanding. Effective May 7, 2011, the Company was in breach of one of its financial covenants with its lender. The lender has, however, agreed to waive its right to claim breach of covenant for the period ending May 5, 2012.

We believe that our current cash will provide us with sufficient capital to meet our stated operating goals. We would expect that any significant new acquisitions would require additional funding.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In 2006, the Accounting Standards Board of Canada announced that accounting standards in Canada are to converge with International Financial Reporting Standards ("IFRS"). In May 2007, the CICA published an updated version of its "Implementation Plan for Incorporating International Financial Reporting Standards into Canadian Generally Accepted Accounting Principles" ("GAAP"). This plan includes an outline of the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian GAAP with IFRS. In February 2008, the CICA confirmed the changeover date from current Canadian GAAP to IFRS to be January 1, 2011. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies which must be addressed. Senior management has commenced a detailed assessment of each standard, including identifying the differences between the Company's current policies and those under IFRS and determining the financial implications that result from the adoption of these new standards. Project plans are also being developed to address the information technology and data system impacts, disclosure controls and procedures and internal controls over financial reporting.

BUSINESS RISKS AND UNCERTAINTIES

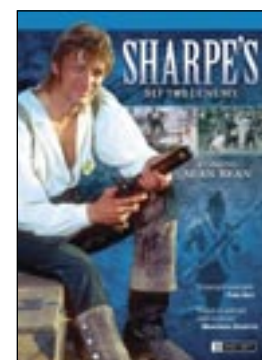
Our ability to generate sales and profit from our business is dependent on a number of risks. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties, including those we do not know about now or that we currently believe are immaterial, may also adversely affect our ability to generate sales and profit.

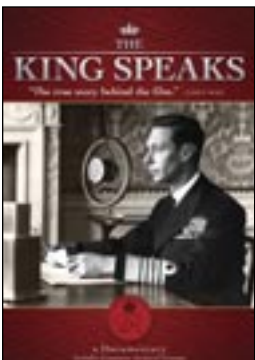
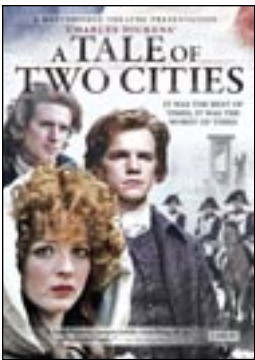
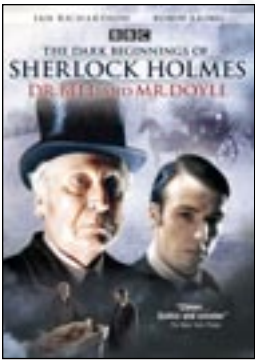
Foreign Currency

The Company's products are sold to Canadian customers in Canadian funds and to United States customers in United States funds. Increases in the value of the Canadian dollar relative to the United States dollar could adversely affect the Company's results of operations.

The Company conducts a significant portion of its operations with companies and/or customers in the United States. As at May 7, 2011, the Company had approximately US\$1,500,000 (2010 - US\$2,200,000) of financial instrument assets and US\$800,000 (2010 - US\$500,000) of financial instrument liabilities denominated in foreign currencies.

Assuming the strengthening of the Canadian dollar against the United States dollar at May 7, 2011, a \$0.01 increase in the Canadian dollar/United States dollar exchange rate would increase equity and net income by \$4,500 (2010 - \$11,500). Conversely, a \$0.01 decrease in the Canadian dollar/United States dollar exchange rate would have the opposite effect.





Dependency on Intellectual Property

The Company enters into exclusive distribution arrangements with producers and television companies to secure the distribution rights for their programmes. The Company typically agrees to advance cash to the licensors for each title licensed. These cash advances are set up as a prepaid advance and are recovered by the Company from the proceeds on the sale of the product. The recovery of such advances and related mastering costs is dependent on the success of the marketing and sale of each title by the Company. The success of the title is not determinable until the time that consumer acceptance can be measured after the title has been released.

Dependency on Key Personnel

The success of BFS is dependent on members of its senior management team. The experience of this team will be a contributing factor to BFS' success and growth. The loss of one or more of the members of the management team might have a material adverse effect on the Company's operations and business prospects.

Risks Associated with Overstock Exchanges

Consistent with industry practice in certain circumstances, the Company allows customers to return product for exchange. The Company restricts the amount of the return to an agreed upon allowance. There can be no assurance that such product returns will in the future exceed what has been previously experienced by the Company and as a result, it may have a material adverse effect on future operating results.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements and all information contained in this annual report are the responsibility of management, who are satisfied with the integrity and objectivity of the information contained therein. The statements have been prepared in accordance with policies and procedures established by management and conform to Canadian generally accepted accounting principles, reflecting management's best estimates and judgements.

In management's opinion, these consolidated financial statements reflect fairly the financial position of the Company, the results of its operations and the changes in cash flow. The Company's procedures and related internal control systems are designed to provide reasonable assurance that the assets are safeguarded and reliable financial records are maintained.

Collins Barrow Toronto LLP, Chartered Accountants, as the shareholders' auditors, have audited the consolidated financial statements and their report appears here. Their opinion is based on an examination conducted in accordance with Canadian generally accepted auditing standards, which includes a review of the Company's accounting policies and procedures and where appropriate, a limited review of the Company's internal control systems. They obtain sufficient audit evidence to provide reasonable assurance that the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian generally accepted accounting principles.

The Audit Committee, which consists of non-executive directors, meets with management and the external auditors to review the Company's consolidated financial statements before recommending the statements to the Board of Directors for approval.

Denis B.E. Donnelly
Chairman, President and Chief Executive Officer

John P. Grzybowski, MBA, CA
Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of BFS Entertainment & Multimedia Limited

We have audited the accompanying consolidated financial statements of BFS Entertainment & Multimedia Limited, which comprise the consolidated balance sheets as at May 7, 2011 and the consolidated statements of operations, retained earnings and cash flows for the fifty-three weeks ended May 7, 2011 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 consolidated financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

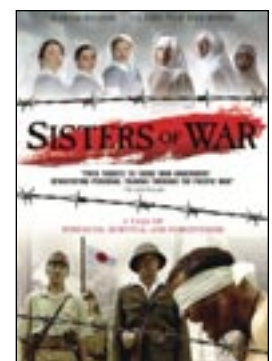
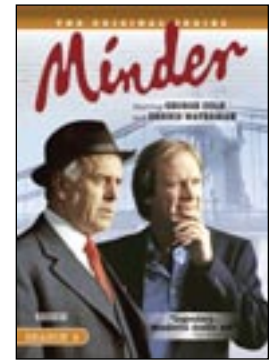
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BFS Entertainment & Multimedia Limited as at May 7, 2011 and its financial performance and its cash flows for the fifty-three weeks ended May 7, 2011 in accordance with Canadian generally accepted accounting principles.

Other matters

The financial statements of BFS Entertainment & Multimedia Limited for the fifty-two weeks ended May 1, 2010, were audited by another auditor who expressed an unmodified opinion on those statements on June 29, 2010.

Collins Barrow Toronto LLP

Collins Barrow Toronto LLP
Licensed Public Accountants
Chartered Accountants
August 15, 2011
Toronto, Ontario

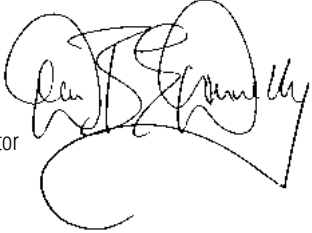


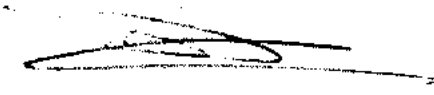
CONSOLIDATED BALANCE SHEETS

<i>as at</i>	May 7, 2011	May 1, 2010
Assets		
Current		
Cash	\$ 373,070	\$ 248,666
Accounts receivable	1,436,387	2,029,375
Inventories	1,612,493	1,745,247
Prepaid video royalties	1,322,576	1,288,754
Prepaid expenses and deposits	289,838	238,585
Income taxes recoverable	110,077	-
Future income taxes (Note 9)	65,782	98,269
	5,210,223	5,648,896
Investment in productions	168,269	100,836
Intangible assets (Note 4)	191,646	231,761
Property and equipment (Note 5)	601,340	474,197
Future income taxes (Note 9)	66,163	77,927
	\$ 6,237,641	\$ 6,533,617
Liabilities		
Current		
Bank indebtedness (Note 6)	\$ 900,000	\$ 1,180,000
Accounts payable and accrued liabilities	1,326,872	1,204,743
Income taxes payable	-	8,455
Capital lease obligations due within one year (Note 7)	33,911	8,745
	2,260,783	2,401,943
Capital lease obligations (Note 7)	72,168	-
	2,332,951	2,401,943
Shareholders' Equity		
Capital stock (Note 8)	2,078,226	2,078,226
Contributed surplus	9,587	9,587
Retained earnings	1,816,877	2,043,861
	3,904,690	4,131,674
	\$ 6,237,641	\$ 6,533,617

See accompanying notes to consolidated financial statements

These consolidated financial statements are approved by and on behalf of the Board of Directors:

Director 

Director 

CONSOLIDATED STATEMENTS OF OPERATIONS

<i>For the period ended</i>	May 7, 2011 <i>fifty-three weeks</i>	May 1, 2010 <i>fifty-two weeks</i>
Sales	\$ 11,622,876	\$ 12,515,414
Cost of goods sold	4,521,628	4,950,891
Gross profit	7,101,248	7,564,523
Expenses		
Selling	3,979,921	3,633,130
Administrative	2,920,531	3,025,778
Foreign exchange loss	111,789	430,991
Interest (Note 6)	28,727	27,863
Amortization of intangible assets	83,696	86,525
Amortization of property and equipment	268,338	272,937
	7,393,002	7,477,224
Income (loss) before income taxes	(291,754)	87,299
Income taxes (recovery) (Note 9)		
Current	(109,021)	3,155
Future	44,251	(29,458)
	(64,770)	(26,303)
Net income (loss)	\$ (226,984)	\$ 113,602
Basic and diluted net earnings (loss) per share (Note 8)	\$ (0.03)	\$ 0.02

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

<i>For the period ended</i>	May 7, 2011 <i>fifty-three weeks</i>	May 1, 2010 <i>fifty-two weeks</i>
Retained earnings – beginning of period	\$ 2,043,861	\$ 1,930,259
Net income (loss)	(226,984)	113,602
Retained earnings – end of period	\$ 1,816,877	\$ 2,043,861

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>For the period ended</i>	May 7, 2011 <i>fifty-three weeks</i>	May 1, 2010 <i>fifty-two weeks</i>
Operating activities		
Net income (loss)	\$ (226,984)	\$ 113,602
Items not affecting cash:		
Future income taxes (recovery)	44,251	(29,458)
Amortization of intangible assets	83,696	86,525
Amortization of property and equipment	268,338	272,937
Stock-based compensation	-	9,587
	169,301	453,193
Net changes in non-cash working capital balances (Note 10)	644,264	(1,350,959)
Cash flows provided by (used in) operating activities	813,565	(897,766)
Financing activities		
Increase (decrease) in bank indebtedness	(280,000)	1,025,000
Repayment of capital lease obligations	(8,745)	(41,433)
Cash flows provided by (used in) financing activities	(288,745)	983,567
Investing activities		
Additions to investment in productions	(67,433)	(50,836)
Additions to intangible assets	(38,975)	(25,156)
Additions to property and equipment	(294,008)	(323,521)
Cash flows used in investing activities	(400,416)	(399,513)
Net change in cash	124,404	(313,712)
Cash, beginning of period	248,666	562,378
Cash, end of period	\$ 373,070	\$ 248,666

See accompanying notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fifty-Three Weeks Ended May 7, 2011 and the Fifty-Two Weeks Ended May 1, 2010

1 | NATURE OF OPERATIONS

BFS Entertainment & Multimedia Limited (the "Company") was incorporated under the laws of Ontario on February 4, 1980.

The Company is a recognised independent distributor of home videos. The Company markets and distributes a specialty line of home videos throughout North America. Under exclusive North American license agreements, the Company sells its products through various channels, including retailers, distributors, mail order houses, as well as its own specialized mail order catalogue and e-commerce websites.

2 | ACCOUNTING POLICIES

The significant accounting policies of the Company and its subsidiaries conform with Canadian generally accepted accounting principles and are summarized below:

(a) Basis of presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, BFS Entertainment Limited (U.S. company), Collectables Direct Inc., Collectables Direct Inc. (U.S. company) and Oopsadaisy Television Productions Inc.

In addition to the above, the Company owns a majority interest in BFS Film & Television Productions Inc. ("BFS F&T"). On June 1, 2010, BFS F&T entered into a shareholders' agreement with Kip Spidell. Upon signing the agreement, Mr. Spidell received 62 common shares in the capital of BFS F&T. The shareholders' agreement further provided for the issuance of additional common shares to Mr. Spidell as follows: 63 shares on the first anniversary of the agreement; 62 shares on the second anniversary and 63 shares on the third anniversary of the agreement. Provided Mr. Spidell receives all of the shares allotted to him pursuant to the terms of the shareholders' agreement, he will hold 25% of the issued and outstanding shares in the capital of BFS F&T by June 1, 2013.

All significant intercompany transactions and balances have been eliminated. Comparative figures in the 2010 consolidated financial statements have been reclassified to conform with the basis of presentation used in 2011.

(b) Management estimates

The preparation of these consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The allowance for doubtful accounts, returns for overstock exchanges, net realisable value of inventory, prepaid video royalties, investment in productions, amortization, impairment of intangible assets, property and equipment and the valuation of future income taxes are subject to significant estimates. Actual amounts could differ from these estimates.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

(d) Accounts receivable

Accounts receivable are carried at amounts due, net of a provision for amounts estimated to be uncollectable and net of an allowance for estimated returns for overstock exchanges of \$328,874 (2010 - \$445,527).

(e) Inventories

Inventories of DVDs and other merchandise are valued at the lower of cost, determined on a first-in, first-out basis and net realisable value and include an allowance for estimated returns for overstock exchanges. The amount of inventories recognized as an expense during the fiscal period was \$3,562,194 (2010 - \$3,734,252). The Company increased the allowance for inventory obsolescence in the year by \$20,770 (2010 - \$13,415) and reduced the allowance by \$49,827 (2010 - \$121,006) with the disposition of obsolete inventory during the year.

(f) Prepaid video royalties

The Company makes advance royalty payments to secure its video license agreements. These payments are treated as prepaid video royalties and are expensed as part of cost of goods sold when sales are made. The prepaid video royalties are considered to be impaired if their carry values exceed their fair value. An allowance is provided for any impairments to prepaid video royalties.

(g) Investment in productions

Investment in productions includes the direct production costs of a completed production which has been produced by the Company and productions in progress and development. Production costs are written off at the earlier of the date they are determined not to be recoverable or when abandoned. Production costs are amortized using the individual-film-forecast method, whereby these costs are amortized in the proportion that current year's revenue bears to management's estimate of ultimate revenue expected to be recognized from the exploitation, exhibition or sale of the productions. These costs have not yet been amortized as there has been no revenue from sale of productions.

(h) Intangible assets

Intangible assets include trademarks, computer software, licensing agreement and website development costs. These assets are recorded at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the estimated useful life of the assets at the following annual rates:

Trademarks	40 years
Computer software	2 years
Licensing agreements	5 years
Website development	4 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fifty-Three Weeks Ended May 7, 2011 and the Fifty-Two Weeks Ended May 1, 2010

(continued)

(i) Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is provided for over the estimated useful life of the assets at the following annual rates (with the first year amortized at the full annual rate) and methods:

Office and warehouse equipment	20% – declining balance
Computer hardware	30% – declining balance
Leasehold improvements	Straight-line over the term of the lease
Master tapes	4 years – straight-line
Automotive	5 years – straight-line after deducting a 20% residual value at the end of 5 years

Assets under capital leases:

Computer hardware, computer software and warehouse equipment	Straight-line over the term of the related leases
--	---

(j) Revenue recognition

Revenue is derived from the sale of video products and merchandise, net of allowance of estimated returns. Revenue is recorded when the products are shipped to customers and collectability is reasonably assured.

Revenue from the sale of productions is recognised when there is persuasive evidence of a sale with fixed or determinable fee, the production is complete and delivered, the licensing period has begun and collection is reasonably assured.

(k) Future income taxes

The Company uses the liability method to record income taxes. Future income tax assets and liabilities are determined based on the differences between the financial reporting and tax value of assets and liabilities and are measured using the substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future income tax assets or liabilities are expected to be settled or realised.

(l) Foreign currency translation

The temporal method is used to translate the transactions and balances of the Company that are denominated in foreign currencies. Under this method, monetary assets and liabilities and non-monetary items carried at market values are translated at the year-end exchange rate; other non-monetary items are translated at their historical exchange rate. Revenue and expenses are translated at weighted average exchange rates, except for amortization, which is translated at the historical exchange rate applicable to the related assets. Exchange gains and losses are recognised in earnings.

(m) Stock-based compensation

The Company recognises the value of stock options earned during the year as a compensation expense. The fair value of stock options is determined using the Black-Scholes option pricing model. Once fair value is measured, the value is expensed over the period options vest and contributed surplus will be increased by the corresponding amount. No stock options were granted during the year.

(n) Earnings per share

Earnings per share is calculated using the weighted average number of shares outstanding during the fiscal period. Diluted earnings per share is calculated using the treasury method.

(o) Impairment of long-lived assets

Long-lived assets comprising of investment in productions, intangible assets and property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with its expected future net undiscounted cash flows from use together with its residual value. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the assets exceeds their fair value.

(p) Financial instruments

CICA Handbook section 3855, Financial Instruments - Recognition and Measurement, requires that all financial assets and liabilities be carried at fair value in the consolidated balance sheet, except for loans and receivables, financial assets held to maturity and non-trading liabilities. The latter are carried at amortized cost using the effective interest method. Changes in the fair value of financial instruments carried at fair value are charged or credited to the consolidated statement of operations for the current year except for available-for-sale assets.

This standard requires the Company to make certain elections, upon initial adoption, regarding the accounting policy to be used to account for each financial instrument. This standard also requires that the transaction costs incurred in connection with the issuance of financial instruments either be capitalized and presented as a reduction of the carrying value of the related financial instrument or expensed as incurred. If the transaction costs are capitalized, they must be amortized to income using the effective interest method.

The Company has classified its assets and liabilities as follows:

Assets/liabilities	Category	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bank indebtedness	Other liabilities	Amortized cost
Capital lease obligations	Other liabilities	Amortized cost

The Company's financial instruments measured at fair value on the balance sheet consist of cash and are measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fifty-Three Weeks Ended May 7, 2011 and the Fifty-Two Weeks Ended May 1, 2010

(continued)

(q) Comprehensive income

The Company had no other comprehensive income during the year; accordingly, a statement of comprehensive income has not been presented.

3 | RECENTLY ISSUED ACCOUNTING ANNOUNCEMENTS

(a) Business combinations

In October 2008, the CICA issued Handbook Section 1582, "Business Combinations", concurrently with CICA Handbook Section 1601, "Consolidated Financial Statements" and CICA Handbook Section 1602, "Non-controlling Interest", Section 1582, which replaces CICA Handbook Section 1581, Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601, which replaces CICA Handbook Section 1600, carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company's interim and annual consolidated financial statements commencing on May 8, 2011 with earlier adoption permitted as of the beginning of a fiscal year. The new standards would only apply to the Company if it enters into a business combination. The Company is currently evaluating the impact of these standards on its consolidated financial statements.

(b) International Financial Reporting Standards

In 2006, the Accounting Standards Board of Canada announced that accounting standards in Canada are to converge with International Financial Reporting Standards ("IFRS"). In May 2007, the CICA published an updated version of its "Implementation Plan for Incorporating International Financial Reporting Standards into Canadian Generally Accepted Accounting Principles" ("GAAP"). This plan includes an outline of the key decisions that the CICA will need to make as it implements the Strategic Plan for publicly accountable enterprises that will converge Canadian GAAP with IFRS. In February 2008, the CICA confirmed the changeover date from current Canadian GAAP to IFRS to be fiscal years beginning after January 1, 2011. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies which must be addressed. Senior management has commenced a detailed assessment of each standard, including identifying the differences between the Company's current policies and those under IFRS and determining the financial implications that result from the adoption of these new standards. Project plans are also being developed to address the information technology and data system impacts, disclosure controls and procedures and internal controls over financial reporting.

4 | INTANGIBLE ASSETS

(in dollars)	Cost	Accumulated Amortization	Net May 7, 2011	Cost	Accumulated Amortization	Net May 1, 2010
Trademarks	33,738	12,669	21,069	33,738	11,825	21,913
Licensing agreements	30,000	22,500	7,500	30,000	16,500	13,500
Computer software	404,223	401,920	2,303	447,649	437,312	10,337
Website development	337,817	177,043	160,774	298,841	112,830	186,011
	805,778	614,132	191,646	810,228	578,467	231,761

5 | PROPERTY AND EQUIPMENT

(in dollars)	Cost	Accumulated Amortization	Net May 7, 2011	Cost	Accumulated Amortization	Net May 1, 2010
Office and warehouse equipment	377,707	332,741	44,966	369,580	315,879	53,701
Computer hardware	674,309	638,113	36,196	544,524	515,476	29,048
Leasehold improvements	110,721	102,335	8,386	108,196	99,540	8,656
Automotive	136,415	31,174	105,241	58,420	11,684	46,736
Master tapes	3,399,013	3,098,542	300,471	3,215,257	2,889,166	326,091
	4,698,165	4,202,905	495,260	4,295,977	3,831,745	464,232
Assets under capital leases:						
Computer hardware, computer software and warehouse equipment	106,080	-	106,080	74,913	64,948	9,965
	4,804,245	4,202,905	601,340	4,370,890	3,896,693	474,197

During the fiscal period, amortization on property and equipment amounted to \$258,373 (2010 - \$232,628) and amortization on assets under capital leases amounted to \$9,965 (2010 - \$40,309).

6 | BANK INDEBTEDNESS

As at May 7, 2011, the Company had an operating line of credit in the amount of \$1,500,000 (May 1, 2010 - \$1,500,000) of which \$900,000 (May 1, 2010 - \$1,180,000) was outstanding at that date. The outstanding portion of the line of credit bears interest at the bank prime rate plus 0.5% per annum payable monthly. A general security agreement providing a first charge over all accounts receivable, inventories and equipment, other than leased assets, has been pledged as security for this operating line of credit. Effective May 7, 2011, the Company was in breach of one of its financial covenants with its lender. The lender has, however, agreed to waive its right to claim breach of covenant for the period ending May 5, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fifty-Three Weeks Ended May 7, 2011 and the Fifty-Two Weeks Ended May 1, 2010

(continued)

7 | LEASE OBLIGATIONS

The following is a summary of the Company's lease obligations due in future fiscal years:

<i>(in dollars)</i>	Capital Lease	Building Lease	Website Commitment
2012	37,993	186,297	82,382
2013	37,993	186,297	82,382
2014	37,993	186,297	82,382
2015	-	186,297	-
2016	-	46,574	-
Thereafter	-	-	-
	113,979		
Less interest portion	7,900		
Present value of minimum lease payments	106,079		
Less amounts due within one year	33,911		
	72,168	791,762	247,146

The capital lease bears interest at a rate of 5% per annum. During the year, the Company paid interest totaling \$183 (2010 - \$2,622) on its capital lease obligations.

The Company is required to pay all realty taxes and certain other occupancy costs for the building operating lease.

The three-year e-commerce commitment consists of a minimum annual subscription fee and monthly managed and hosting fees.

8 | CAPITAL STOCK

Authorized:

Unlimited Common shares

Issued:

	Shares	Amount
Balance – beginning and end of year, May 1, 2010 and May 7, 2011	7,524,333	\$ 2,078,226

On September 16, 2010, the Company received approval from the TSX Venture Exchange to purchase, pursuant to a normal course issuer bid expiring on September 21, 2011, a maximum of 401,883 common shares of the Company for cancellation. Pursuant to the approval, the Company has purchased no common shares for cancellation to May 7, 2011.

Stock option plan:

As of May 7, 2011, the Company has a stock option plan for directors, officers and employees enabling them to purchase common shares of the Company. A total of 750,000 common shares of the Company have been reserved for options under this plan. Each option entitles the holder to purchase one common share of the Company. As at May 7, 2011, there were 100,000 options outstanding expiring in November 2012 at an exercise price of \$0.50.

In November 2009, the Company granted a senior employee 100,000 options to purchase common shares at an exercise price of \$0.50 per share which were fully vested on the issue date. The fair value of each option granted was \$0.09587.

The fair value was estimated on the date of this grant using the Black-Scholes fair value option-pricing model and the following assumptions:

Dividend yield (%)	0
Expected volatility (%)	101.3
Risk-free interest rate (%)	1.62
Weighted average expected life (years)	3

The Company records stock-based compensation expense upon the issuance of stock options granted as an administrative expense. Using the fair value method, stock-based compensation expense associated with stock options was \$nil for the year (2010 - \$9,587).

The following table sets out the stock option plan as at May 7, 2011 and May 1, 2010 and changes during the periods then ended:

Number of options	May 7, 2011	May 1, 2010
Options outstanding, beginning of year	100,000	-
Granted	-	100,000
Options outstanding, end of year	100,000	100,000
Options vested, end of year	100,000	100,000

Weighted average exercise price	May 7, 2011	May 1, 2010
Options outstanding, beginning of year	\$ 0.50	\$ -
Granted	-	0.50
Options outstanding, end of year	\$ 0.50	\$ 0.50

Remaining weighted average contractual life of the stock options outstanding as at May 7, 2011 was 1.5 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fifty-Three Weeks Ended May 7, 2011 and the Fifty-Two Weeks Ended May 1, 2010

(continued)

Earnings per share:

The following table sets out the computation of basic and diluted earnings per share:

	May 7, 2011	May 1, 2010
Numerator:		
Net income (loss) available to common shareholders	\$ (226,984)	\$ 113,602
Denominator:		
Weighted average shares for basic earnings (loss) per share	7,524,333	7,524,333
Weighted average shares for diluted earnings (loss) per share	7,524,333	7,573,374
Basic and diluted earnings (loss) per share	\$ (0.03)	\$ 0.02

9 | INCOME TAXES

Income Tax Expense

The following table reconciles the statutory Federal and Provincial income tax rates to the effective income tax rate on the income (loss) before income taxes:

	May 7, 2011	May 1, 2010
Income (loss) before income taxes	\$ (291,754)	\$ 87,299
Combined basic Federal and Provincial statutory rates	29.81%	32.34%
Combined basic Federal and Provincial income tax provision at statutory rates	\$ (86,972)	\$ 28,232
Reassessment and adjustment of prior year's tax provision	1,731	35,943
Non-deductible expenses	10,659	-
Timing differences between CCA and amortization	(6,721)	20,374
Timing differences between accounting and tax reserves	(2,848)	(5,641)
Deductions of capitalized costs	-	(67,642)
Other	19,381	(37,569)
Income taxes (recovery)	\$ (64,770)	\$ (26,303)
Effective income tax rate expressed as a percentage	22.20	(30.12)

Future income tax asset

	May 7, 2011	May 1, 2010
Difference between accounting and tax reserves	\$ 65,782	\$ 98,269
Capital and intangible assets	66,163	77,927
	\$ 131,945	\$ 176,196

10 | STATEMENT OF CASH FLOWS

Net changes in non-cash working capital balances:

	May 7, 2011	May 1, 2010
Decrease (increase) in accounts receivable	\$ 592,988	\$ (322,313)
Decrease (increase) in inventories	132,754	(10,592)
Decrease (increase) in prepaid video royalties	(33,822)	(96,617)
Increase in income taxes recoverable	(110,077)	-
Increase in prepaid expenses and deposits	(51,253)	(124,294)
Increase (decrease) in accounts payable and accrued liabilities	122,129	(564,840)
Decrease in income taxes payable	(8,455)	(232,303)
	\$ 644,264	\$ (1,350,959)

During the fiscal period, the Company paid interest of approximately \$28,727 (2010 - \$27,863) and income taxes of approximately \$39,593 (2010 - \$337,481).

11 | RELATED PARTY INFORMATION

During fiscal 2008, the Company entered into a trademark licensing agreement with an enterprise controlled by a related party of the controlling shareholder. This controlling shareholder is an executive of BFS Entertainment & Multimedia Limited having significant influence over the Company. The agreement provides for the use of the BODHI LIFESTYLE™ trademark by Collectables Direct Inc. over a five-year period commencing in August 2007, for which the Company paid \$30,000 to offset legal and trademark registration costs incurred by the related party's enterprise. The amount is amortized on a straight-line basis over the five-year term of the agreement and the carrying value will be evaluated on a regular basis.

12 | SEGMENTED INFORMATION

The Company operates in the home entertainment industry in North America and sells primarily to customers in the United States. Sales to customers in the United States and Canada amounted to approximately \$8,562,000 (2010 - \$9,970,000) and \$3,061,000 (2010 - \$2,545,000) respectively.

The Company sells DVDs and non-DVD products (gifts, jewellery, books and other collectables). The revenue from DVDs accounted for 83.5% (2010 - 88.2%) and 16.5% (2010 - 11.8%) for non-DVD products. The information to segment the expenses, assets and profit is not available and shared between both segments and is therefore unallocated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fifty-Three Weeks Ended May 7, 2011 and the Fifty-Two Weeks Ended May 1, 2010

(continued)

13 | FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments include cash, bank indebtedness, accounts receivable, accounts payable and accrued liabilities and capital lease obligations.

The fair value of cash, bank indebtedness, accounts receivable and accounts payable and accrued liabilities approximates carrying value due to their current nature. The fair value of the capital lease obligations has been estimated based on quoted market prices for same or similar instruments and in management's opinion, approximates carrying value.

Financial risk management

The Company's activities expose it to a variety of financial risks, including risks related to currency, interest rate, credit and liquidity.

Interest rate risk

The Company's interest rate risk is limited to the fluctuation of floating rates on its outstanding operating line. Since interest rates on the capital lease obligations are fixed, it is management's opinion that the interest rate exposure is not significant. The Company has considered, but does not use derivative financial instruments to reduce its exposure to interest rate risk on its cash.

Currency risk

The Company conducts a significant portion of its operations with companies and/or customers in the United States. As at May 7, 2011, the Company had approximately US\$1,500,000 (2010 - US\$2,200,000) of financial instrument assets and US\$800,000 (2010 - US\$500,000) of financial instrument liabilities denominated in foreign currencies.

Assuming the strengthening of the Canadian dollar against the United States dollar at May 7, 2011, a \$0.01 increase in the Canadian dollar/United States dollar exchange rate would increase equity and net income by \$4,500 (2010 - \$11,500). Conversely, a \$0.01 decrease in the Canadian dollar/United States dollar exchange rate would have the opposite effect.

Credit risk

Concentration of credit risk arises when a group of customers have a similar characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. For the Company, significant concentrations of credit risk are related to industries and geographic location. The Company's accounts receivable are primarily due from United States based companies in the distribution and sale of home entertainment products.

Direct to consumer payments are received by way of credit card or cheques. Corporate sales are provided on credit to the Company's customers in the normal course of business; however, the Company is exposed to limited credit risk with respect to its accounts receivable. Exposure to credit risk varies due to the composition of individual balances. Monitoring of customers and balances is performed regularly and allowances are provided for any potentially uncollectable accounts receivable.

The Company's operations consist of supplying home videos to large distributors. Sales to one customer represented approximately 4% of total sales (2010 - 19%). The above customer represented approximately 46% of accounts receivable at May 7, 2011 (May 1, 2010 - 68%).

The aging of accounts receivable commencing from the due date of each customer's trade credit terms was as follows:

<i>as at</i>	May 7, 2011	May 1, 2010
Current - within trade credit terms	\$ 517,735	\$ 1,302,561
1 to 60 days overdue	210,144	658,945
61 to 90 days overdue	45,484	67,869
Greater than 90 days overdue	663,024	-
	\$ 1,436,387	\$ 2,029,375

During the fiscal period, an addition to the allowance for doubtful accounts was \$20,726 (2010 - \$nil). As at May 7, 2011, the closing balance was \$20,726 (May 1, 2010 - \$nil).

The aging of accounts payable and other liabilities are as follows:

<i>as at</i>	May 7, 2011	May 1, 2010
Due 1 year and less	\$ 2,260,783	\$ 2,401,943
Due 1 year and less than 3 years	72,168	-
	\$ 2,332,951	\$ 2,401,943

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they come due. The Company manages liquidity risk by monitoring sales volumes and cash receipts to ensure sufficient cash flows are generated from operations to meet the liabilities when they become due. Management monitors consolidated cash flows on a weekly basis, regularly prepares cash flow forecasts and annually through the budget process. The Company believes its current cash flows from operations will continue to meet current and foreseeable financial requirements.

14 | CAPITAL DISCLOSURES

The Company considers its capital to be its shareholders' equity. As at May 7, 2011, the Company's capital was \$3,904,690 (May 1, 2010 - \$4,131,674). The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a low to moderate tolerance level for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including capital leases and bank debt and raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. Effective May 7, 2011, the Company was in breach of one of its financial covenants with its lender. The lender has, however, agreed to waive its right to claim breach of covenant for the period ending May 5, 2012.

SHAREHOLDERS INFORMATION

BOARD OF DIRECTORS

David E. Chapman, Partner
Bresver, Grossman, Scheininger & Chapman LLP
Toronto, Ontario

Denis B.E. Donnelly
Chairman of the Board
President and Chief Executive Officer
BFS Entertainment & Multimedia Limited
Aurora, Ontario

Michael McGee^{1,2}
Managing Director - Investments
Werklund Capital Corporation
Calgary, Alberta

Warren Palitz^{1,2}
Private Investor
Haddonfield, NJ, USA

Mark C. Shoniker^{1,2}
Executive
Shoniker & Co.
Toronto, Ontario

¹ | Member of the Audit Committee

² | Member of the Compensation Committee

OFFICERS

Denis B.E. Donnelly
President and Chief Executive Officer

John P. Grzybowski, MBA, CA
Chief Financial Officer

David E. Chapman
Secretary

AUDITORS

Collins Barrow Toronto LLP
Toronto, Ontario

LEGAL COUNSEL

Bresver, Grossman, Scheininger & Chapman LLP
Toronto, Ontario
Stikeman Elliott LLP, Toronto, Ontario
Lawrence Graham, London, England

STOCK EXCHANGE LISTING

TSX Venture Exchange
Trading Symbol: BFS

TRANSFER AGENT

CIBC Mellon Trust Company
Toronto, Ontario

BANKERS

RBC Royal Bank, Media & Entertainment
Toronto, Ontario

CORPORATE HEADQUARTERS

360 Newkirk Road
Richmond Hill, Ontario
Canada L4C 3G7
Tel (905) 884-2323 Fax (905) 884-8292
E-Mail: ir@bfsent.com
Website: www.bfsent.com

ANNUAL MEETING

The Annual Meeting of the Company's Shareholders will be held on Tuesday, September 20, 2011 at 2:00 p.m. in the boardroom at BFS Entertainment & Multimedia Limited 360 Newkirk Road Richmond Hill, Ontario Canada L4C 3G7

All Images © BFS Video, British Broadcasting Corporation, Australian Broadcasting Corporation, ITV Global Entertainment Limited, Digital Rights Group Limited, FremantleMedia Enterprises, Target Entertainment Group, Minotaur International Limited, DCD Rights Limited, Entertainment One, Portman Media Assets Limited, ALL3MEDIA International Limited, Electric Sky, Zodiac Rights, High Point Films & Television Ltd.



ENTERTAINMENT
& MULTIMEDIA
LIMITED

BFS ENTERTAINMENT & MULTIMEDIA LIMITED
360 Newkirk Road, Richmond Hill, Ontario, Canada L4C 3G7
T 905.884.2323 F 905.884.8292 www.bfsent.com

2011 ANNUAL REPORT



This document is printed with Vegetable Based Inks on FSC certified, Acid Free and Elemental Chlorine Free paper containing 50% recycled content, including 25% post consumer waste.