

B.F.S
ENTERTAINMENT & MULTIMEDIA LIMITED

Monday, January 7, 2008

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Office of International Finance
Securities & Exchange Commission
Corporate Filing
450 Fifth Street, NW
Washington, DC 20549
USA

SEC EXEMPTION #82-4245



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SUPL

Dear Sir or Madam:

RE: Exemption #82-4245

We are submitting current public filings as required under rule 12g3-2(b).

Yours truly,

John Grzybowski
Chief Financial Officer
BFS Entertainment & Multimedia Limited

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Enclosures (4):

- Press release – December 27, 2007
- 2008 Second Quarter Interim Report and Related Materials – period ending November 3, 2007 (3)

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P R E S S R E L E A S E

Thursday, December 27, 2007

For Immediate Release

Stock Symbol: TSX Venture Exchange: BFS

**BFS ENTERTAINMENT & MULTIMEDIA LIMITED
ANNOUNCES SECOND QUARTER RESULTS**

BFS Entertainment & Multimedia Limited of Richmond Hill, Ontario announces its unaudited consolidated financial and operating results for the second quarter ended November 3, 2007.

Sales for the first six months were \$4,630,256 compared to \$5,505,457 last year, a 16% decrease. Net earnings for the first six months were \$150,504 (\$0.02 per share) compared to net earnings of \$424,916 (\$0.05 per share) for the same period last year.

Sales for the second quarter were \$2,679,554 compared to \$3,334,832 during the same quarter last year, a 20% decrease. Net earnings for the second quarter were \$93,794 (\$0.01 per share) compared to \$295,111 (\$0.04 per share) in the same quarter last year.

Denis B.E. Donnelly, President and CEO stated, "Our lower sales revenue and earnings compared to the prior year reflect the impact of a weaker United States dollar and a softer United States economy. The company is actively developing areas of growth within the direct to consumer division and is confident it will provide BFS with incremental revenue and increased earnings in 2008."

FINANCIAL HIGHLIGHTS*(unaudited and not reviewed by an auditor)*

	Twenty-six Weeks Ended Nov. 3, 2007	Twenty-six Weeks Ended Nov. 4, 2006	Thirteen Weeks Ended Nov. 3, 2007	Thirteen Weeks Ended Nov. 4, 2006
Sales	\$ 4,630,256	\$ 5,505,457	\$ 2,679,554	\$ 3,334,832
Earnings before income taxes	246,448	651,885	144,868	445,535
Income taxes	95,944	226,969	51,054	150,424
Net earnings	150,504	424,916	93,794	295,111
Basic and diluted earnings per share	\$ 0.02	\$ 0.05	\$ 0.01	\$ 0.04

BFS is a recognised independent manufacturer and distributor of home video with head office in Toronto, Ontario and sales office in Los Angeles, California.

BFS acquires exclusive rights to film and television programming for home video distribution and broadcast where applicable. Distribution rights are obtained by license, acquisition and co-production from various independent production and television broadcast companies. These programming rights are developed into home video products for North American distribution and where applicable, are licensed internationally.

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

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

(SEC Rule 12g exemption #82-4245)

For further information, please contact:

John Grzybowski, MBA, CA

Chief Financial Officer

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Tel (905) 884-2323

Fax (905) 884-8292

Corporate Website: www.bfsent.com

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS

I, Denis B.E. Donnelly, the President and Chief Executive Officer of BFS Entertainment & Multimedia Limited, certifies that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of BFS Entertainment & Multimedia Limited, (the issuer) for the interim period ending November 3, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: December 18, 2007

"signed" Denis B.E. Donnelly
President and Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS

I, John Grzybowski, the Chief Financial Officer of BFS Entertainment & Multimedia Limited, certifies that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of BFS Entertainment & Multimedia Limited, (the issuer) for the interim period ending November 3, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: December 18, 2007

"signed" John Grzybowski
Chief Financial Officer

Report to Shareholders

We are reporting our unaudited consolidated financial and operating results for the second quarter ended November 3, 2007. Sales for the first six months were \$4,630,256 compared to \$5,505,457 last year, a 16% decrease. Net earnings for the first six months were \$150,504 (\$0.02 per share) compared to net earnings of \$424,916 (\$0.05 per share) for the same period last year.

Sales for the second quarter were \$2,679,554 compared to \$3,334,832 during the same quarter last year, a 20% decrease. Net earnings for the second quarter were \$93,794 (\$0.01 per share) compared to \$295,111 (\$0.04 per share) in the same quarter last year.

Our lower sales revenue and earnings compared to the prior year reflect the impact of a weaker United States dollar and a softer United States economy. The company is actively developing areas of growth within the direct to consumer division and is confident it will provide BFS with incremental revenue and increased earnings in 2008

BFS is a recognised independent manufacturer and distributor of home video with head office in Toronto, Ontario and sales office in Los Angeles, California.

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

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



Denis B.E. Donnelly
Chairman, President & CEO
December 18, 2007

Shareholders and other individuals requesting copies of the Annual and Quarterly Reports should contact:

INVESTOR RELATIONS

BFS ENTERTAINMENT & MULTIMEDIA LIMITED

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B.F.S. | ENTERTAINMENT & MULTIMEDIA LIMITED



FOR THE SIX MONTH PERIOD
ENDED NOVEMBER 3, 2007



B F S ENTERTAINMENT & MULTIMEDIA LIMITED
Consolidated Statements of Cash Flows

SEC EXEMPTION #82-4245

<i>(Unaudited & not reviewed by an auditor)</i> For the period ended	<i>13 Weeks Ended</i>		<i>26 Weeks Ended</i>	
	Nov. 4, 2007	Nov. 5, 2006	Nov. 3, 2007	Nov. 4, 2006
Operating activities				
Net income	\$ 93,794	\$ 295,111	\$ 150,504	\$ 424,916
Items not affecting cash:				
Future income taxes	20	1,058	23,419	18,448
Amortization of capital assets	55,441	67,120	103,448	123,984
Amortization of deferred development costs	27,672	29,099	50,910	54,869
	176,927	392,388	328,281	622,217
Net changes in non-cash working capital balances (*)	(427,659)	(70,747)	(714,654)	49,855
Cash flows provided by (used in) operating activities	(250,732)	321,641	(386,373)	672,072
Financing activities				
Increase in bank borrowings	25,894	-	25,894	-
Proceeds from capital lease	74,913	-	74,913	43,547
Repayment of capital lease obligations	(18,391)	(10,688)	(32,575)	(18,873)
Cash flows provided by (used in) financing activities	82,416	(10,688)	68,232	24,674
Investing activities				
Additions to investment in productions	-	(15,708)	-	(29,172)
Additions to deferred development costs	(65,480)	(26,999)	(101,840)	(52,866)
Additions to capital assets	(184,793)	(40,472)	(228,108)	(122,379)
Cash flows used in investing activities	(250,273)	(83,179)	(329,948)	(204,417)
Net change in cash and cash equivalents	\$ (418,589)	\$ 227,774	\$ (648,089)	\$ 429,329
Cash and cash equivalents, beginning of period	1,418,589	1,133,496	1,648,089	868,941
Cash and cash equivalents, end of period	\$ 1,000,000	\$ 1,361,270	\$ 1,000,000	\$ 1,361,270
Components of net cash and cash equivalents				
Cash	\$ -	\$ 861,270	\$ -	\$ 861,270
Short-term investment	1,000,000	500,000	1,000,000	500,000
	\$ 1,000,000	\$ 1,361,270	\$ 1,000,000	\$ 1,361,270
(*) Components of the net changes in non-cash working capital balances related to operations				
Increase in accounts receivable	\$ (407,427)	\$ (469,488)	\$ (163,907)	\$ (484,170)
Increase in inventories	(205,351)	(237,689)	(79,466)	(164,981)
Decrease (increase) in prepaid video royalties	40,208	8,659	(61,847)	(141,685)
Increase in income taxes recoverable	(11,546)	-	(87,382)	-
Increase in prepaid expenses and deposits	(127,295)	(183,570)	(137,278)	(121,105)
Increase in accounts payable and accrued liabilities	283,752	844,728	11,583	936,028
Increase (decrease) in income taxes payable	-	(33,387)	(196,357)	25,768
	\$ (427,659)	\$ (70,747)	\$ (714,654)	\$ 49,855

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

B F S ENTERTAINMENT & MULTIMEDIA LIMITED
Consolidated Statements of Operations

<i>(Unaudited & not reviewed by an auditor)</i> For the period ended	13 Weeks Ended		26 Weeks Ended	
	Nov. 3, 2007	Nov. 4, 2006	Nov. 3, 2007	Nov. 4, 2006
Sales	\$ 2,679,554	\$ 3,334,832	\$ 4,630,256	\$ 5,505,457
Cost of goods sold	907,284	1,369,897	1,589,559	2,192,500
Gross profit	1,772,270	1,964,935	3,040,697	3,312,957
Selling expenses	689,366	637,476	1,221,485	1,153,259
Administrative expenses	668,507	788,641	1,165,193	1,352,167
Foreign exchange (gain) loss	176,222	(4,457)	239,146	(25,508)
Interest expense	10,194	1,521	14,067	2,301
Amortization	83,113	96,219	154,358	178,853
	1,627,402	1,519,400	2,794,249	2,661,072
Income before income taxes	144,868	445,535	246,448	651,885
Income taxes				
Current	51,054	149,366	72,525	208,521
Future	20	1,058	23,419	18,448
	51,074	150,424	95,944	226,969
Net income	\$ 93,794	\$ 295,111	\$ 150,504	\$ 424,916
Basic and diluted earnings per share (Note 3)	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.05

Consolidated Statements of Retained Earnings

<i>(Unaudited & not reviewed by an auditor)</i> For the period ended	13 Weeks Ended		26 Weeks Ended	
	Nov. 3, 2007	Nov. 4, 2006	Nov. 3, 2007	Nov. 4, 2006
Retained earnings – beginning of period	\$ 1,743,802	\$ 1,264,339	\$ 1,687,092	\$ 1,134,534
Net income	93,794	295,111	150,504	424,916
Retained earnings – end of period	\$ 1,837,596	\$ 1,559,450	\$ 1,837,596	\$ 1,559,450

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

Notes to Interim Consolidated Financial Statements (unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in these unaudited interim consolidated financial statements conform to those presented in the corporation's May 5, 2007 audited annual consolidated financial statements. These interim consolidated financial statements do not include all of the disclosures included in the annual consolidated financial statements and accordingly, should be read in conjunction with the annual consolidated financial statements.

The accompanying unaudited interim financial statements of the corporation have been prepared by and are the responsibility of the corporation's management.

The corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

2. BANK INDEBTEDNESS

As of November 3, 2007, the corporation had an operating line of credit in the amount of \$2,000,000 (May 5, 2007 – \$2,000,000) of which \$185,000 (May 5, 2007 - \$nil) 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 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.

3. CAPITAL STOCK

Authorized

Unlimited common shares

Issued – Common Shares

	Shares	Amount
Balance – beginning of year and end of period	7,828,333	\$ 2,110,316

B F S ENTERTAINMENT & MULTIMEDIA LIMITED
Consolidated Balance Sheets

SEC EXEMPTION #82-4245

As at	Unaudited November 3, 2007 <i>(Unaudited & not reviewed by an auditor)</i>		Audited May 5, 2007 <i>Audited</i>
Assets			
Current			
Cash and cash equivalents	\$ 1,000,000		\$ 1,648,089
Accounts receivable	1,008,492		844,585
Inventories	1,056,676		977,210
Prepaid video royalties	807,985		746,138
Income taxes recoverable	87,382		-
Prepaid expenses and deposits	317,385		180,107
	4,277,920		4,396,129
Investment in productions	100,000		100,000
Development costs	237,373		186,443
Capital assets	508,210		383,550
Future income taxes	122,095		145,514
	\$ 5,245,598		\$ 5,211,636
Liabilities			
Current			
Bank indebtedness	\$ 25,894		\$ -
Accounts payable and accrued liabilities	1,139,765		1,128,182
Income taxes payable	-		196,357
Capital lease obligations due within one year	57,618		44,057
	1,223,277		1,368,596
Capital lease obligations	74,409		45,632
	1,297,686		1,414,228
Shareholders' Equity			
Capital stock (Note 3)	2,110,316		2,110,316
Retained earnings	1,837,596		1,687,092
	3,947,912		3,797,408
	\$ 5,245,598		\$ 5,211,636

The accompanying notes are an integral part of the Interim Consolidated Financial Statements.

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

	2008	2007
Numerator:		
Net earnings available to common shareholders	\$ 150,504	\$ 424,916
Denominator:		
Weighted average shares for basic earnings per share	7,828,333	7,828,333
Weighted average shares for diluted earnings per share	7,828,333	8,078,333
Basic and diluted earnings per share	\$ 0.02	\$ 0.05

On September 19, 2006, the corporation received approval from the TSX Venture Exchange to purchase, pursuant to a normal course issuer bid expiring on September 20, 2007 a maximum of 412,283 common shares of the corporation for cancellation. Pursuant to the approval, the corporation has purchased no common shares for cancellation.

On September 17, 2007, the corporation received approval from the TSX Venture Exchange to purchase, pursuant to a normal course issuer bid expiring on September 20, 2008 a maximum of 412,283 common shares of the corporation for cancellation. Pursuant to the approval, the corporation has purchased no common shares for cancellation.

4. RELATED PARTY TRANSACTION

A subsidiary of the corporation has entered into a trademark licensing agreement with an enterprise controlled by the spouse of the controlling shareholder. This controlling shareholder is an executive having significant influence over the corporation. The agreement provides for the use of the BODHI LIFESTYLE™ trademark by the subsidiary over a five-year period commencing in August 2007, for which the corporation paid \$30,000 to offset legal and trademark registration costs incurred by the spouse's enterprise. The amount will be amortized on a straight line basis over the term of the agreement and the carrying value will be evaluated on a regular basis. As at November 3, 2007, development costs include an amount of \$28,500 resulting from this transaction. This transaction was carried out in the normal course of business and is measured at the exchange amount.



MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of the financial results of BFS Entertainment & Multimedia Limited should be read in conjunction with the unaudited financial statements and related notes for the period ending November 3, 2007 and the audited financial statements and related notes for the period ending May 5, 2007. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All information is presented in Canadian dollars.

This report may contain 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 activities, 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.

The information contained in this management's discussion and analysis report updates for the year ended May 5, 2007 for material changes that have taken place.

Additional information relating to BFS is filed at www.sedar.com. This management's discussion and analysis is dated December 18, 2007.

RESULTS FROM OPERATIONS

(unaudited and not reviewed by an auditor)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Nov. 3, 2007	Nov. 4, 2006	Nov. 3, 2007	Nov. 4, 2006
Sales	\$ 2,678,554	\$ 3,334,832	\$ 4,638,256	\$ 5,505,457
Cost of goods sold	907,284	1,369,897	1,589,559	2,192,500
Gross profit	1,772,270	1,964,935	3,048,697	3,312,957
Gross profit %	66%	59%	66%	60%
Selling and administrative expenses	1,357,873	1,426,117	2,386,678	2,505,426
Foreign exchange loss (gain)	176,222	(4,457)	239,146	(25,508)
Interest expense	10,194	1,521	14,067	2,301
Amortization	83,113	96,219	154,358	178,853
Net earnings	\$3,794	295,111	150,504	424,916
Basic and diluted earnings per share	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.05
Weighted average number of shares	7,828,833	7,898,833	7,828,833	7,898,833

Sales decreased to both corporate and direct to consumer customers during the last three months and six months when compared to the same periods in the prior year primarily as a result of the current softening of the United States economy and the currency impact from a stronger Canadian dollar against the United States dollar. Sales for the quarter were \$2,678,554 compared to \$3,334,832 during the same quarter last year, a 20% decrease over the prior year. Sales for the six months were \$4,638,256 compared to \$5,505,457 for the same period last year, a 16% decrease.

Gross profit for the quarter was \$1,772,270 (66% of sales) compared to \$1,964,935 (59% of sales) in the prior year. Gross profit for the six month period was \$3,048,697 (66% of sales) compared to \$3,312,957 (60% of sales) in the prior year. The gross margin increase was primarily due to material reductions in DVD replication costs.

Selling and administrative expenses for the quarter were \$1,357,873 (51% of sales) compared to \$1,426,117 (43% of sales) in the prior year, a decrease in the second quarter of \$68,244 over the previous year. Shipping costs decreased by \$12,745, salaries and benefits decreased by \$15,089, bad debts decreased by \$67,875, rent decreased by \$27,277, advertising and promotions and trade show costs increased by \$44,650 and other expenses increased by a net \$10,092 for the three months over the previous year.

Selling and administrative expenses for the six months were \$2,386,678 (52% of sales) compared to \$2,505,426 (46% of sales) in the prior year, a decrease in the six months of \$118,748 over the previous year. Advertising and promotions and trade show costs increased by \$88,886, shipping costs decreased by \$22,438, salaries and benefits increased by \$11,701, bad debts decreased by \$67,892, rent decreased by \$67,297 and other expenses decreased by a net \$61,708 for the six months over the previous year.

Amortization of capital assets and deferred development costs was \$83,113 for the quarter compared to \$96,219 in the prior year. Amortization for the six months was \$154,358 compared to \$178,853 in the previous year.

Earnings before income taxes in this quarter were \$144,868 compared to \$445,535 in the prior year. Earnings before income taxes for the six months were \$246,448 compared to \$651,885 in the prior year.

Net earnings for the quarter were \$93,794 or \$0.01 per share for this year, compared to \$295,111 or \$0.04 per share in the prior year. Net earnings for the six months were \$150,504 or \$0.02 per share for the year, compared to \$424,916 or \$0.05 per share in the prior year.

Weighted average number of shares outstanding for the six months and the second quarter was 7,828,833.

FINANCIAL CONDITION AS AT NOVEMBER 3, 2007

Selected data on financial condition

(Unaudited & not reviewed by an auditor)

	Thirteen Weeks Ended	
	Nov. 3, 2007	May 5, 2007
Cash and cash equivalents	\$ 1,000,000	\$ 1,648,089
Net working capital	3,054,643	3,027,533
Total assets	5,245,598	5,211,636
Total long-term liabilities	74,409	45,632
Total liabilities	1,297,686	1,414,228
Shareholders' equity	3,947,912	3,797,408

Total assets of the company at the end of the quarter increased to \$5,245,598 compared to \$5,211,636 at the prior year end.

Cash and cash equivalents decreased by \$648,089 from the prior year end to \$1,000,000 of which \$1,000,000 is invested in a prime-linked cashable GIC issued by the Royal Bank of Canada.

Accounts receivable increased by \$163,907 from \$844,585 at the prior year end due to normal seasonal increases in the last quarter.

Inventory increased by \$79,466 from \$977,210 at the prior year end due to sales seasonality and timing of catalogue mailings.

(continued on next page)

MANAGEMENT'S DISCUSSION AND ANALYSIS*(continued)*

Prepaid royalties for video products increased by \$61,847 from \$746,138 at the prior year end due to an increased activity of programme acquisition in this quarter.

Investment in productions remained unchanged at \$100,000 from the prior year.

Capital assets increased by \$124,660 from \$383,550 at the prior year end. Continuing capital expenditures for master tapes for the six months were \$91,067. Capital additions amounting to \$123,213 were incurred for new office furniture, computer software and computer hardware during the six months.

Total liabilities decreased by \$116,542 from \$1,414,228 at the prior year end primarily from the decrease in income taxes payable.

Shareholders' equity increased by \$150,504 from \$3,797,408 at the prior year end. The share capital as at November 3, 2007 was \$2,110,316 with 7,828,333 shares outstanding, which is unchanged from the prior year end.

Capital Requirements, Resources and Liquidity

At November 3, 2007, the Company had an operating line of credit of \$2,000,000 of which \$185,000 was outstanding. A registered general agreement providing a first charge over all accounts receivable, inventories and equipment, other than leased assets, has been provided as security for this operating line of credit.

On September 17, 2007, the corporation received approval from the TSX Venture Exchange to purchase pursuant to a normal course issuer bid expiring on September 20, 2008, a maximum of 412,283 shares of the corporation for cancellation. As at December 18, 2007, the Company has purchased no shares for cancellation.

Other**1. New BODHI LIFESTYLE™ division announced**

BFS announced on August 6, 2007 the formation of its BODHI LIFESTYLE™ Division, which will focus on Health and Wellness programming. BFS will target the BODHI LIFESTYLE™ Division at those with a growing awareness and desire for quality and longevity of life through the maintenance of an active and healthy lifestyle.

The BODHI LIFESTYLE™ Division will parallel the company's already successful business model in terms of business to business distribution of home video programmes, development of programmes through co-production and production and the expansion of our direct to consumer catalogue and e-commerce site. Other exciting opportunities will exist for the consumer division where BFS anticipates a substantial part of the revenue will be derived from expanded video and lifestyle products.

BFS will utilize its existing and successful distribution channels for its new genre of product, which will generate significant incremental revenues in the future. Health and Wellness is an enormous field with an ever-increasing level of consumer awareness. BFS has an excellent and proven track record in niche marketing and maintains a well-established business model with which to support this new growth opportunity.

The corporation has been looking for several years for the right acquisition fit and after careful consideration, its management realised the greatest opportunity lay in extending 'what we already do best'. BFS has the model and now has an extremely large niche to add to its portfolio with extensive opportunities. This will provide BFS with significant increases in earnings growth over the next few years.

The division is scheduled to launch officially in Spring 2008.

2. New e-commerce development agreement

The corporation has entered into an agreement with a leading provider of e-commerce retail technology and services for selling online. The agreement provides for the development of an enterprise-class retail e-commerce solution for the updated direct to consumer website.

The website development consulting services expenditures are to be approximately \$198,000 to update the direct to consumer website, which will be launched officially in Spring 2008.

3. Related party transaction

A subsidiary of the corporation has entered into a trademark licensing agreement with an enterprise controlled by the spouse of the controlling shareholder. This controlling shareholder is an executive having significant influence over the corporation.

The agreement provides for the use of the BODHI LIFESTYLE™ trademark by the subsidiary over a five-year period commencing in August 2007, for which the corporation paid \$30,000 to offset legal and trademark registration costs incurred by the spouse's enterprise. The amount will be amortized on a straight line basis over the term of the agreement and the carrying value will be evaluated on a regular basis.

As at November 3, 2007, development costs include an amount of \$28,500 resulting from this transaction. This transaction was carried out in the normal course of business and is measured at the exchange amount.

END