ANNUAL REPORT

2018-2019

CBC/RADIO-CANADA'S COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY

As Canada's national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. To meet our responsibilities, we provide access on our corporate website to information about our activities and the way we manage our public resources.

HR COMPLIANCE

- Annual Review on Implementation of Section 41 of the *Official Languages Act* to Canadian Heritage
- Annual Review on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
- Annual Report on Employment Equity to Employment and Social Development Canada (ESDC)
- Annual Report on Multiculturalism to Immigration, Refugees and Citizenship Canada

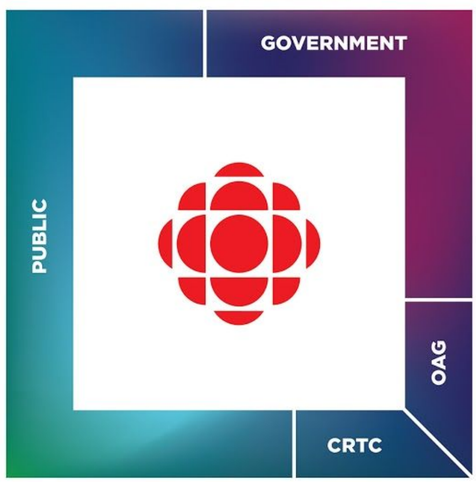
CORPORATE REPORTS

- Annual Report
- Quarterly financial reports
- Corporate Plan and Corporate Plan Summary
- CBC Pension Annual Report
- Public Accounts of Canada
- Accountability Plan
- The *Strategy 2020* Performance Report
- The Mandate and Vision Perception Survey
- Environmental performance reports
- Reports on the implementation of the *Access to Information Act* and *Privacy Act*, and on any disclosure of wrongdoings (under the *Public Servants Disclosure Protection Act*)

RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

POLICIES AND PRACTICES

- Journalistic Standards and Practices
- Code of Conduct



OMBUDS REPORTS

- Board must respond to Ombuds Reports and table responses with the CRTC

APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

OFFICE OF THE AUDITOR GENERAL (OAG)

- Annual OAG Attest Audit
- OAG Special Examinations

PROACTIVE DISCLOSURE

- Proactive Disclosure web pages (including posting of travel and hospitality expenses of the Chair and Executives, as well as Board meeting documents)

ANNUAL PUBLIC MEETING

REPORTING TO THE CRTC

- Periodic licence renewals
- Annual reporting to the CRTC covering each of the Corporation's licensed radio, television and discretionary services
- Official Language Minority Communities (OLMCs) reports

FINANCIAL HIGHLIGHTS

2018-2019 AT A GLANCE

REVENUE

2018-2019: $490M

2017-2018: $573M

TOTAL DECREASE:

$83M or 14.5%

Our revenue was lower mainly because last year's results included additional advertising and licensing revenue from broadcasting the PyeongChang 2018 Olympic Winter Games.

Excluding the impact of the PyeongChang 2018 Olympic Winter Games, our revenue from ongoing activities decreased by 1.9% primarily due to:

- lower royalties received this year for the retransmission of audiovisual programming; and
- the continued decline in subscribers on our discretionary television services.

These decreases in our ongoing revenue were partly mitigated by sustained growth in Radio-Canada's TV advertising revenue despite a soft market across Canada's conventional television broadcasting market.

GOVERNMENT FUNDING

2018-2019: $1,214M

2017-2018: $1,208M

TOTAL INCREASE:

$6M or 0.5%

Our operating appropriations remained consistent this year and include the government's reinvestment of $150 million announced in Budget 2016. The difference in total government appropriations recognized in income of 0.5% was due to changes in the receipt of salary inflation funding and the amount of capital funding recognized.

OUR EXPENSES

2018-2019: $1,754M

2017-2018: $1,831M

TOTAL DECREASE:

$77M or 4.2%

Our expenses decreased as last year's results included the rights and costs to broadcast the PyeongChang 2018 Olympic Winter Games.

Excluding the impact of the PyeongChang 2018 Olympic Winter Games on our results, our expenses from our ongoing activities were consistent with last year. We continued to make additional investments this year in our digital content and platforms.

For the year ended March 31	2019	2018	% change
Revenue	490,146	573,075	(14.5)
Government funding	1,213,729	1,207,749	0.5
Expenses	(1,754,102)	(1,830,896)	(4.2)
Results before other gains and losses	**(50,227)**	**(50,072)**	**0.3**
Net results under IFRS for the year	**(54,447)**	**(12,564)**	**N/M**
Budget Results for the year[1]	**(572)**	**65,304**	**N/M**

N/M = not meaningful

[1]Budget Results is a revised non-IFRS measure introduced this year. This measure considers only revenue or expenses included in our operating budget for the current fiscal year, and replaces the former non-IFRS measure "Results on a Current Operating Basis." A reconciliation of net results to Budget Results is provided in the *Year in Review - Our Results* section of this report. The comparative year has been updated to reflect the revised definition of our non-IFRS measure.

Net results under IFRS for the year were a loss of $54.4 million, compared to a loss of $12.6 million last year. The decrease in our results by $41.9 million is primarily due to non-operating gains and losses recognized last year. This included a $54.5 million net gain from selling our remaining investment in Sirius XM Canada Holdings Inc. (Sirius XM), and an $8.0 million non-cash loss from selling the Maison de Radio-Canada premises in Montreal. If we exclude these items, our **results before other gains and losses** were comparable with last year.

Budget Results for the year were a loss of $0.6 million compared to a gain of $65.3 million last year. This decrease of $65.9 million is primarily because last year's budget results included the proceeds from the Sirius XM share sale of $57.6 million and additional operating appropriations received for salary inflation funding. Our budget results are normally higher than our IFRS results which include certain non-cash expenses and other charges that are not included in our current operating budget.

Guy A. Lepage and Élia St-Pierre from the series *Bébéatrice* | Radio-Canada

BUSINESS HIGHLIGHTS

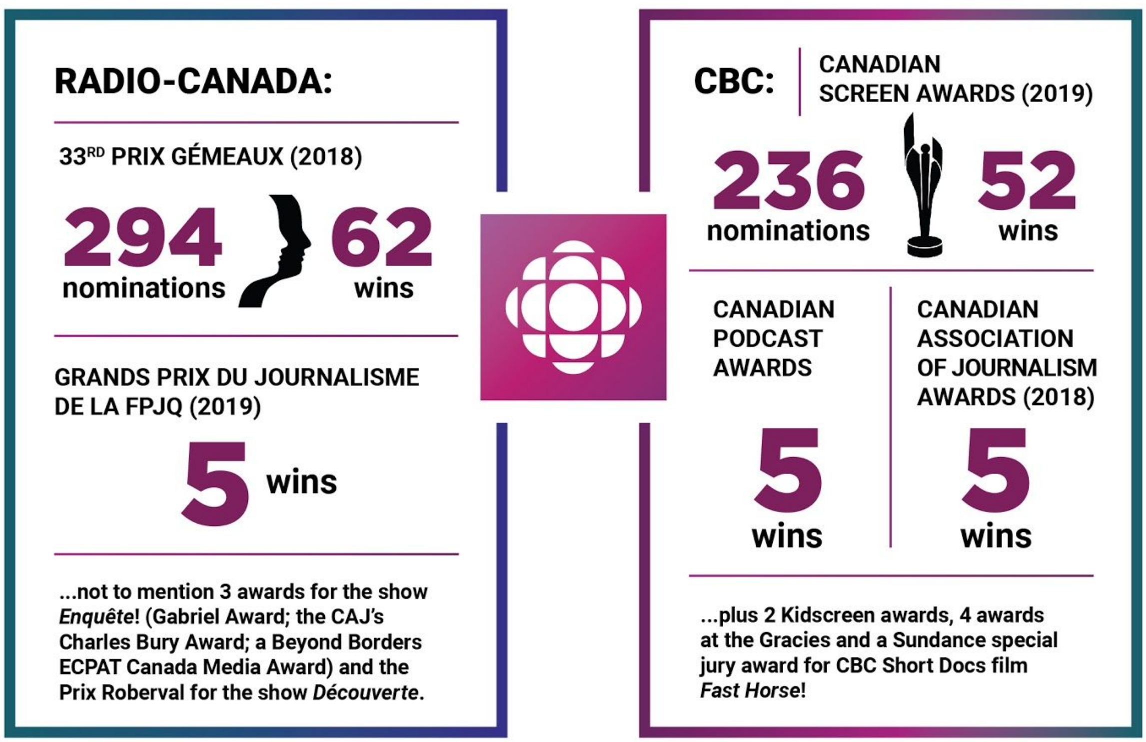
NEW STRATEGY

In May 2019, we launched our new strategic plan *Your Stories, Taken to Heart*. The new strategy is built on the successes of *Strategy 2020* and our existing services. It aims to increase and deepen audience engagement, and will guide our strategic direction up until 2022. For more information on how our new strategic plan will help us better position for the future, refer to the section entitled *Looking Ahead - Our New Strategic Plan 2019-2022*.

CONTENT AND SERVICES

AWARDS

We are thrilled with the recognition we've received this year!



GREAT CANADIAN CONTENT 24/7 WITH CBC

The launch of CBC Gem was a major highlight this year, offering over 4,000 hours of acclaimed Canadian programming and a selection of best-in-class content from around the world. CBC Gem provides live and on-demand access to CBC's full programming slate, the option to live stream CBC TV at any time, and access to 14 CBC channels, plus local newscasts from across the country. The streaming service also offers French-language programming for kids from ICI Radio-Canada.

At no cost to sign up, and ready when and where you are, the CBC Gem app is available across a number of platforms, and it is always accessible at cbcgem.ca. The app allows subscribers to resume watching shows on any device. Those who opt to upgrade to a premium membership can access ad-free video on-demand content, as well as a live stream of CBC News Network.

Fan of Canadian film? We are too. CBC has worked with Telefilm Canada to offer over 100 acclaimed Canadian feature films, and look for new additions from the National Film Board in the coming year. All this on top of some of the great cinema coming out of CBC Films. And we can't forget kids: CBC Gem is currently home to over 200 hours of advertising-free quality kids programming. We plan to double this number over the coming year, including original scripted series and a curated collection of Canadian and international shows to entertain young Canadians.

INNOVATION DRIVES RADIO-CANADA

This year was particularly eventful for ICI TOU.TV, as we launched an updated platform for our streaming video service and signed partnerships with major media players in the French-language market. Our strategy, offering a first look at exclusive content to our premium subscribers, has helped position ICI TOU.TV as a distinctive space to stream compelling French-language video content. We also developed a dedicated section for CBC TV English-language content.

In 2018-2019, Rad – Radio-Canada's digital journalism lab designed for younger audiences – made an impact through its original approach to reporting and strong presence on social networks. With a wide variety of story topics offering a fresh take on social issues, Rad is reaching new audiences in a rapidly evolving digital environment. The Rad team also received a Grafika award in the Special Project category for the art direction in its video segments about the 2018 Quebec election.

With the construction of the new Maison de Radio-Canada (MRC) picking up pace this year, we are now preparing all teams for the big move, whether through clean-up initiatives or the development of tools to work in a new open and collaborative environment. Centred on a state-of-the-art production and broadcasting infrastructure, the new MRC is designed to foster collaboration and creativity with a focus on public space.

TECHNOLOGY AND INFRASTRUCTURE

BROADCASTING FOR THE FUTURE

Moving to our new MRC in 2020 will mean huge changes, not only to CBC/Radio-Canada's physical work environment in Montreal, but to our production technology. In January 2019, CBC/Radio-Canada delivered its first broadcast using IP technology – a test of what will be the exciting new broadcasting system for us in Montreal. IP technology means video, audio and ancillary data signals are wrapped up into a single IP stream. Instead of sending video, audio and other data through physical wires from the cameras, computers and mics, these data streams will be sent to the control room via wireless technology. CBC/Radio-Canada will be the first in Canada to fully embrace this broadcast technology, making the new MRC the most advanced broadcast and production facility in Canada, helping us better deliver news and entertainment to Canadians.

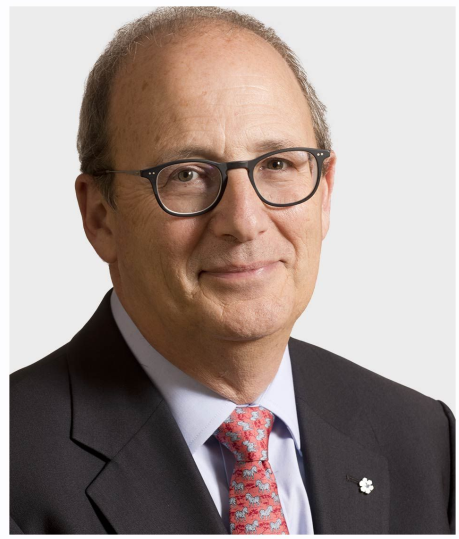
PEOPLE AND CULTURE

LIVING OUR DIVERSITY AND INCLUSION

June 2018 saw our first Corporation-wide Inclusion Month. Both regional and national events were held with the aim of opening up dialogue: what inclusiveness means at CBC/Radio-Canada, what we're doing to foster important conversations, and what still needs to be done to ensure we continue to develop a truly inclusive workplace that reflects a variety of perspectives and a diversity of experiences and backgrounds. Our corporate website now includes an updated Inclusion and Diversity section that explains how we've deepened our thinking around those areas. Instead of an exclusive focus on numbers and compliance, we are moving towards having an outlook that is so much more than a set of limited criteria.

MESSAGES

From the Chair



It has been my honour to Chair the Board of Directors for CBC/Radio-Canada during this past year of transformation and growth. With new faces on our Board of Directors, Canada's national public broadcaster continues to move forward with a strong sense of renewal. From the Board of Directors to the President and CEO and Senior Executive Team, the public broadcaster is committed to maintaining strong and accountable governance to allow our teams to do what they do best: provide the very best in news and entertainment to Canadians, wherever they are across the country.

In all that we do, CBC/Radio-Canada aims to strengthen the ties that unify Canadians. Whether through our superior content in both of Canada's official languages, our ability to bring regional content to Canadians across the country or our commitment to remaining Canada's source for trusted and relevant news, the public broadcaster strives to be a uniting force, while celebrating Canada's diverse and multi-faceted makeup.

The value of variety television programming like *Tout le monde en parle* or CBC Radio's *Cross Country Checkup* cannot be underestimated, while accountable news programming contributes to a stronger democracy. In this period in which the news media is facing unprecedented challenges to its business models, CBC/Radio Canada's role is more important than ever. While *Strategy 2020* sought to transform us into a sustainable and modern public broadcaster, giving us the infrastructure to provide the very best service to Canadians, the focus of the new three-year plan puts audiences first; effectively putting Canadians at the heart of everything we do.

Michael Goldbloom, C.M.
Chair, Board of Directors

From the President and CEO

It has been an enormously exciting first year for me at the helm of CBC/Radio-Canada. I feel privileged to be working for the public broadcaster at a time when our role as a trustworthy source of news, a committed presence in local storytelling, and an engine for creativity and diversity in Canadian programming has never been more important. And, I am humbled by the outstanding dedication, creativity and talent of our employees across the Corporation.

It has also been a year of change, and I warmly welcome new members of our senior leadership team and Board of Directors. As we wrapped up the goals of *Strategy 2020*, we can proudly say that, on average each month, 20.2 million Canadians turn to our digital platforms for compelling programming and as a trusted source of information, especially during significant news events. In the past year, I have travelled the country from St. John's to Iqaluit to Vancouver, and many places in between. What strikes me in all my encounters with Canadians is their real love and attachment to the work that we do; that work impacts their day-to-day lives, wherever they live, especially in Canada's more remote and northern communities.

On May 22, 2019, we launched our new three-year strategy: *Your Stories, Taken to Heart*. Our plan is to further engage Canadians by putting them at the heart of everything we do. Over the next three years, we will create more audience-driven, tailored content that connects Canadians to their communities, their country and the rest of the world. CBC/Radio-Canada's proximity to Canadians is our competitive advantage in relation to the global digital giants. We will bring the best content to our children and youth, helping to build a lifelong relationship between Canadians of all ages and their public broadcaster. We will continue to prioritize our services in local communities and to traditionally under-represented groups. We will strengthen our role as Canada's most trusted brand. This is our commitment to maintaining quality and integrity in our news and programming. Finally, we will take Canada to the world, exporting the very best of what we have to offer and ensuring that we take our rightful place on the world stage.

Looking back at this year of positive change, I am proud of our accomplishments, and I look forward to the exciting year ahead, sharing Canada's stories: *Your Stories, Taken to Heart*.

Catherine Tait
President and CEO

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In this management's discussion and analysis of financial condition and results of operations (MD&A), *we*, *us*, *our* and *the Corporation* mean CBC/Radio-Canada. Refer to CBC/Radio-Canada's audited consolidated financial statements for the year ended March 31, 2019 when reading this MD&A.

All amounts in this MD&A are in thousands of Canadian dollars, except where noted.

To help you better understand this MD&A, note the following:

SEASONALITY

The majority of our revenue comes from advertising, which follows seasonal patterns based on our programming schedule. It also varies according to market and general economic conditions, as well as schedule performance. Subscriber-based revenue is relatively more stable on a quarter-by-quarter basis. Operating expenses tend to follow a seasonal pattern because they are also influenced by the programming schedule. Government appropriations are recognized in income based on the annual budget, which reflects seasonal impacts on expenditures and revenue.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about strategy, objectives, and expected financial and operational results. Forward-looking statements are typically identified by words such as “may”, “should”, “could”, “would” and “will”, as well as expressions such as “believe”, “expect”, “forecast”, “anticipate”, “intend”, “plan”, “estimate” and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Management and Governance* section of this report. However, some risks and uncertainties are by definition difficult to predict and are beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

PERFORMANCE INDICATORS

We rely on data from both internal tools and third parties to measure our performance metrics. While these data are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in collecting this information, particularly as the media industry undergoes a digital transformation. For example, Canadians now consume media content on multiple devices from an ever-growing array of content providers. As media consumption habits change, we are together with audience measurement suppliers refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. As a result, changes in the way data are collected could result in certain information provided in future periods not being comparable with information disclosed in prior periods. Since some of these data are used to measure our strategic and operational indicators, we may be required to make adjustments to targets and historical results to enhance comparability of the data and follow industry best practices.

NON-IFRS MEASURE

This report includes the measure “Budget Results”, which does not have any standardized meaning according to International Financial Reporting Standards (IFRS). It is therefore unlikely to be comparable to similar measures presented by other companies. “Budget Results” replaces the non-IFRS measure “Results on a Current Operating Basis” used in previous years. The non-IFRS measure now excludes the gain or loss on disposal of property and equipment, and the results of our subsidiary. We believe this change will provide more meaningful information to our external readers because it is better aligned with how management monitors performance internally. There was no impact to previously reported IFRS results as a result of this change.

ABOUT US

WHO WE ARE	OUR MISSION	OUR VISION	OUR VALUES
We are Canada's national public broadcaster and we are guided by the *Broadcasting Act*.	CBC/Radio-Canada celebrates Canadian culture and supports democratic life through a wide range of content that informs, enlightens and entertains.	*Your Stories, Taken to Heart*	Integrity Creativity Relevance Inclusiveness

In a world of limitless global content, our mandate – to inform, enlighten and entertain – is more relevant now than ever before. The *Broadcasting Act* states that our programming should:

- Be predominantly and distinctively Canadian;
- Reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
- Actively contribute to the flow and exchange of cultural expression;
- Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;
- Strive to be of equivalent quality in English and in French;
- Contribute to a shared national consciousness and identity;
- Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and
- Reflect the multicultural and multiracial nature of Canada.

We are also required by section 46(2) of the *Act* to provide an international service, Radio Canada International (RCI). RCInet.ca is available in five languages: English, French, Spanish, Arabic and Mandarin.

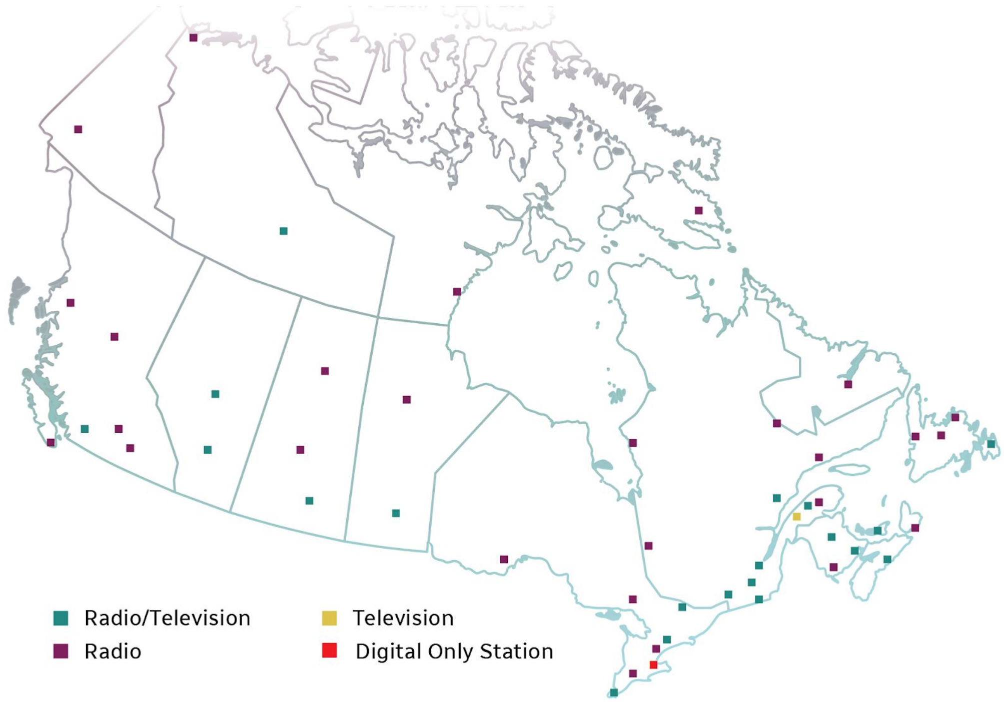
We are required to comply with licensing and other regulatory obligations established by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any requirements under the *Radiocommunication Act* that may apply to our use of the radiocommunication spectrum.

Our organizational values are at the core of how we work. They support our strategic plan and underpin the behaviours and culture needed to achieve our mission and vision. Our values articulate the best of what we already are and how we want to be recognized by Canadians, and they guide the implementation of our strategic initiatives.

OUR OPERATIONS

As of March 31, 2019, we employed 6,497 permanent employees, 383 temporary employees and 579 contract employees. Our employees come from a multitude of backgrounds and cultures. They are an integral part of our success in reflecting contemporary Canada.

As Canada's national public broadcaster, we are inspired daily by our mission, vision and values to connect all Canadians and to showcase our stories, culture, and news to Canada and to the world. Our head office is based in Ottawa. Our two main networks are based in Toronto (English) and Montreal (French), with community-based locations across the country, including 27 television stations, 88 radio stations and one digital-only station. We have five discretionary television channels and four Canada-wide radio networks, two in each official language. Internationally, we have seven permanent foreign bureaus and have the capacity to set up pocket bureaus in key locations as needed.



Source: Map of CBC/Radio-Canada This map shows the locations of our CRTC-licensed and affiliated radio and television stations across Canada, as well as our designated digital station. Note that digital services are also offered in the other stations. The map does not include our additional newsgathering locations and international news bureaus, whether permanent or pop-ups.

OUR SERVICES

We pay special attention to the needs and reflection of Canada's Indigenous peoples. Moreover, we offer programming in eight Indigenous languages (Chipewyan, Cree, Gwich'in, Inuktitut, Inuvialuktun, North Slavey, South Slavey and Tlicho) via CBC North. We offer six channels of CBC/Radio-Canada content across North America through a partnership with SiriusXM Satellite Radio. We also join forces with other francophone public broadcasters to broadcast French Canadian content internationally through TV5MONDE.

Season's launch ICI Ottawa-Gatineau | CBC/Radio-Canada

OUR OPERATING ENVIRONMENT

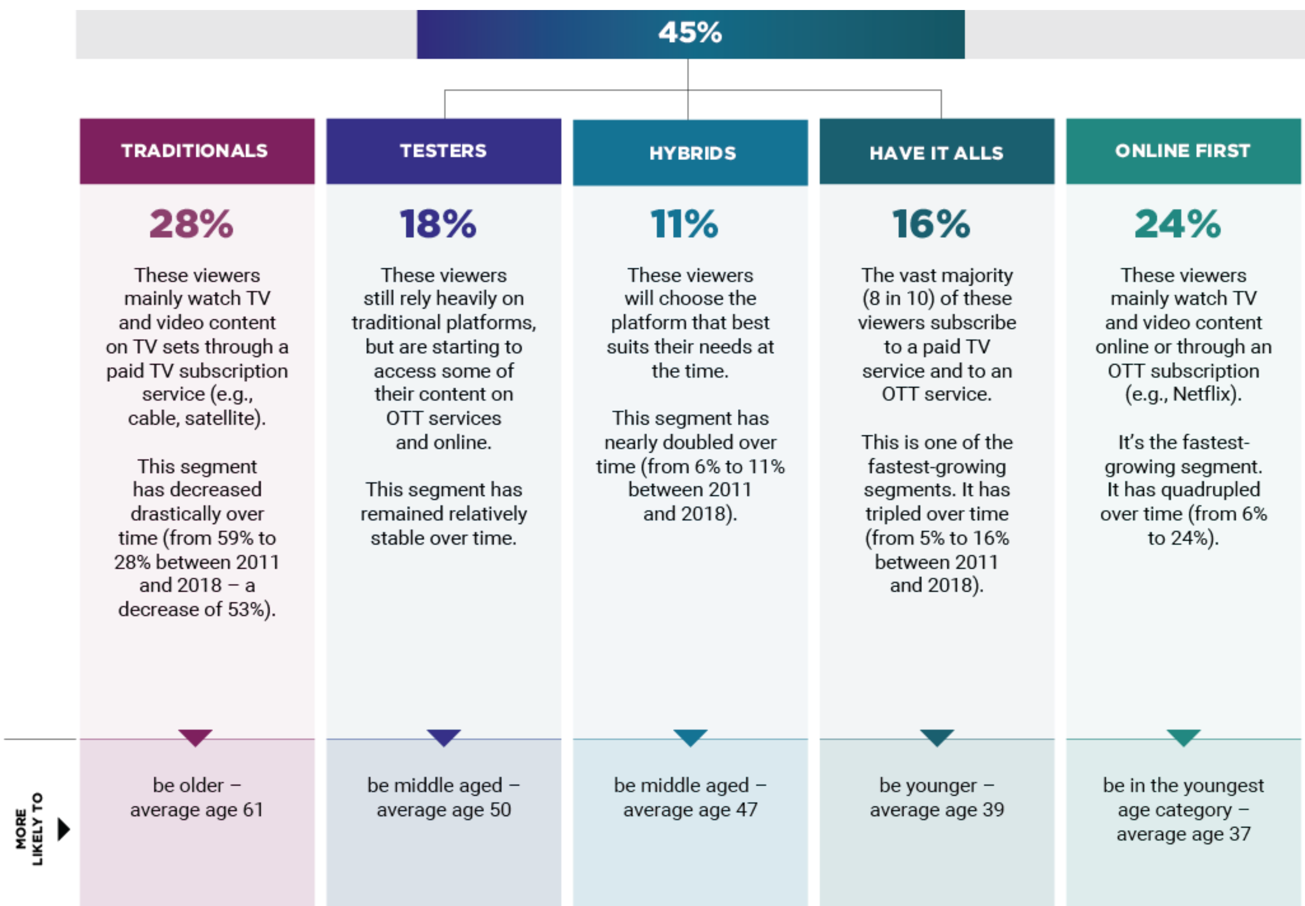
Technology enables Canadians to consume media content on multiple devices – television, radio, tablet, smartphone and laptop – from an ever-growing array of domestic and foreign content providers. By all accounts, competition for the attention of audiences is intensifying.

Rapid technological evolution impacts every aspect of the value chain from production to distribution to consumption. Media companies must continually innovate to capture the attention of audiences to maintain their relevance.

HOW AUDIENCES ARE ACCESSING CONTENT

Consumers have more options than ever when it comes to accessing TV and video content. Rather than a decline in usage, we are seeing a shift in how audiences are accessing that content. Understanding audience segments in the market is critical for media companies as they fight to reach and retain audiences over time.

NEARLY HALF OF ALL CANADIANS WATCH A COMBINATION OF TRADITIONAL AND ONLINE CONTENT



Source: MTM - Media Technology Monitor. See the report on Canadian Viewing Profiles for more information.
*Over-the-top (OTT) refers to paid streaming video services such as Netflix, Crave, Club Illico and Amazon Prime Video.

Younger Canadians pose a particular challenge. They are more connected, more mobile and more likely to consume content from around the world than any previous generation. To satisfy these younger Canadians, media organizations must continually innovate: that means creating video and TV content targeted to them; developing new content formats on new platforms; developing and producing compelling audio content for podcasts and streaming audio; and engaging with them in as many ways as possible.

WITH TRANSITION COMES OPPORTUNITY

CBC/Radio-Canada has an opportunity to play an even stronger role in creating and promoting compelling Canadian stories in a digital world. Through collaboration with industry partners, we intend to serve Canadian audiences on the platforms or distribution channels they choose. Our vision is also focused on promoting Canadian culture and voices to the world through international partnerships with other public broadcasters and global players.

There is also an opportunity to strengthen the quality of and access to trusted news and information for all Canadians. As the public broadcaster, maintaining and building trust with audiences is critical to our role going forward. As noted by PwC's Global Entertainment & Media Outlook, "the ability to build and sustain consumer trust is becoming a vital differentiator."[1] In the future, the most valuable media companies will be those that have built trust in their brand.

FOREIGN DIGITAL GIANTS

Today, large, foreign international players (e.g., Facebook, Amazon, Apple, Netflix, Spotify, Google and YouTube, together with emerging OTTs like Disney+ and CBS All Access) compete with domestic players for the attention of Canadian audiences. The globalization of information and entertainment content has fundamentally disrupted the Canadian media landscape. These foreign players are able to leverage the strength of a massive global base to flood domestic markets, including Canada, with appealing foreign content. The challenge is to ensure that Canadian stories and Canadian shared experiences are made available and are discoverable in a sea of foreign content choice.

FUNDING SUPPORTS AND REVENUE STREAMS

Audience fragmentation and the shift of advertising and subscription revenues to digital platforms have negatively affected traditional broadcasters. Digital revenues, though increasing, are not compensating for these declines. Audience consumption patterns, such as cord shaving, have reduced the revenues of cable, satellite and Internet Protocol Television (IPTV) companies.

Geographical barriers no longer protect the Canadian market. As competition for audiences' attention intensifies, foreign players are investing heavily in original content and driving up the cost to produce quality Canadian content.

Together, these funding pressures have created an urgent need to find new ways to fund the Canadian broadcasting system to ensure the creation of high-quality Canadian programming, including news, for the future.

DISCOVERING DOMESTIC CONTENT

In addition to funding and creating great Canadian content, Canadian audiences need to be able to discover this programming in a great big sea of digital choices. In a world of limitless choice, the challenge is to develop and implement measures that apply to all players operating in the Canadian broadcasting system – traditional, digital, domestic and foreign – to ensure that this content is discoverable to Canadian audiences.

ACCESSING AND USING DATA

Data analytics is a necessary core competency in a digital age. Digital information about Canadians' consumption of content is vital to improving their experience online and developing content that matches their preferences. The goal is to drive interest and user engagement with customized content. Misused, however, it can violate their privacy and undermine their trust.

Today, media organizations must use a variety of digital platforms such as Facebook, YouTube, Google and Netflix to distribute their content and reach their audiences. These digital platforms are an effective way to connect with Canadians, but result in the loss of access to information about how that content is used. These data offer valuable insights into content users' preferences and behaviours, and help media companies enhance the consumer experience.

1 Source: PwC, Global Entertainment & Media Outlook 2018–2022.

OUR ACCOUNTABILITY PLAN

Further to the commitment set out in Budget 2016, CBC/Radio-Canada is pleased to share with you an update on some of the ways it has been using the government's reinvestment in the public broadcaster to improve its services to Canadians.

OUR STRATEGIC PLAN - *STRATEGY 2020*

With *Strategy 2020*, we committed to transforming the public broadcaster into a digital media company and to reach more Canadians on the platforms and in the ways that they need. Our transformation has been impressive. There are now more than 20 million Canadians who reach us on our digital platforms each month.

Our next three-year strategy, *Your Stories, Taken to Heart*, builds on that transformation, but with a greater focus on our audiences. To customize their experience with their public broadcaster. To deepen their engagement with our content to build a lifelong relationship, which includes Canadian kids and youth. To reach them and connect them where they are – whether in local communities or in the communities of common interest that they create. To better reflect the realities of the changing population in our content and in our workforce. To amplify Canadian stories across the country and around the world.

This is how we are increasing our value to Canadians.

REINVESTING IN PUBLIC BROADCASTING

In Budget 2016, the federal government invested an additional $75 million in CBC/Radio-Canada for 2016-2017, rising to $150 million in the following years. As stated in the Budget document, "Reversing past cuts will enable the CBC/Radio-Canada to invest in its *Strategy 2020: A space for us all* priorities, leading to the creation of Canadian content which will be more digital, local and ambitious in scope."[2]

This funding continues to provide stability and important flexibility as we implement our digital strategy and invest in the future.

In 2018-2019 we allocated a portion of this funding to maintain our momentum on key strategic initiatives; approximately half for the creation of new content across all of our platforms and the remainder in support of our ongoing services to Canadians.

Here is what that has meant:

MAINTAINING OUR MOMENTUM ($34M IN 2017-2018 AND ONGOING), INCLUDING:

- Meeting the growing online expectations of Canadians by investing in digital expertise and creators. This ensures we continue:
    - Offering an enhanced service by better understanding audience needs and strengthening their connection and engagement with us.
    - Improving the digital user experience and better integrating our content with emerging technologies.
- Improving the services we offer by accelerating our Research and Development. This includes:
    - Adapting our content for new technologies like smart speakers and virtual reality.
    - Increasing data-driven insights at Radio-Canada with Vote Compass.
    - Increasing the accessibility of our digital content and platforms for Canadians with hearing, visual or physical impairments.
    - Making more of our digital content available for use by teachers and students through our education portal: Curio.ca.
- Strengthening innovation by connecting young creators and the wider tech community through events like CBC/Radio-Canada's public hackathons and Journée de l'innovation at Radio-Canada.
- Ensuring the financial stability of existing programs and services, including radio programs like *Unreserved* with Rosanna Deerchild and *Out in the Open* with Piya Chattopadhyay. We also continued offering more original weeknight programming on ICI PREMIÈRE such as *Les grands entretiens* and *On dira ce qu'on voudra*.

CREATION OF NEW CANADIAN CONTENT ($92M IN 2017-2018 AND ONGOING), INCLUDING:

- Enriching the quality of our television programming to meet audiences' appetite for unique Canadian content. Programs like *La grande traversée*, *Diggstown, Canada's Smartest Person Junior* and the arts-based documentary series *In The Making* have all benefited from this investment. It has allowed us to offer more original Canadian content – like a new season of the popular *Deuxième chance* – on ICI TÉLÉ.
- Creating unique, digital-first Canadian programs like *Les bogues de la vie*.
- Engaging younger audiences with digital projects like *Le monde est petit* and connecting them with journalism through the launch of the CBC Kids News platform – by kids, for kids.
- Enriching our OTT streaming platforms with premium content like *Plan B* and *Le monstre* on ICI TOU.TV EXTRA and *Luther* and *Fortitude* on CBC Gem.
- Bringing iconic Canadian cultural events and performances to Canadians like Radio-Canada's presentation of *The Nutcracker* (Les Grands Ballets).
- Showcasing more original Indigenous content like *Prix Wapikoni* and *L'appel du Nord*, as well as CBC Short Docs like *Retake, I Hold The Dehcho In My Heart* and the award-winning *Fast Horse*.
- Building on Canada's expertise in podcasting with new original podcasts like *Uncover: The Village, Front Burner*, *Cavale* and *Radical* and new audio books like *Paul dans le Nord* on ICI PREMIÈRE.
- Strengthening signature events that draw Canadians together like *Minuit moins une pour la planète* and the JUNO Awards.
- Deepening our connections with communities, especially official language minority communities, across the country with regional cultural programming like *Absolutely Canadian*, the play *Dehors* recorded from Winnipeg, *Conséquences* and *À la valdrague* from Acadie, and *Vraisemblable* from Ontario.
- Expanding unique digital content platforms like Zone Jeunesse on ICI TOU.TV, Rad, Espaces autochtones, Première PLUS and CBC Indigenous.
- Supporting more diverse storytelling through the Breaking Barriers Film Fund for under-represented Canadian filmmakers. Three feature films were selected for funding this year: *American Woman, Clifton Hill* and *Rustic Oracle*.
- Building a strong Canadian presence at TIFF, with eight films from the newly rebranded CBC Films hitting the festival, including *Mouthpiece*, *The Grizzlies* and *Falls Around Her.*
- Supporting the creation and promotion of francophone film with investments in films like *Matthias et Maxime*.

[2] Source: "Growing the Middle Class" Budget 2016, 22 March 2016 p. 186.

Marcie Diggs (Vinessa Antoine) on *Diggstown*, CBC's Halifax-based legal drama | CBC

ENHANCING OUR EXISTING SERVICES BY INVESTING IN KEY PROGRAMS AND SERVICES ($24M IN 2017-2018 AND ONGOING), INCLUDING:

- Ensuring ongoing support for the Indigenous Languages Archive Project based in Yellowknife – a priceless collection of decades of original interviews and content. We have eleven archivists working on eight Indigenous languages, and tens of thousands of hours of material have been digitized and catalogued since the launch of the project in 2017.
- Supporting the Archives Digitization Project to preserve Canadian content, stories and heritage and make the material more accessible and searchable through more consistent cataloguing, making it immediately available for re-use or re-purposing by our content creators.
- Continuing our support of Canadian music and new local talent with more live recordings of Canadian artists and broadcast initiatives like the *Canadian Songwriters Hall of Fame*, the multiplatform event ICI MUSIQUE *Révélations* and *Music Day* on CBC, an all-day celebration of Canadian music across all platforms leading up to the live broadcast of the 2019 JUNO Awards.
- Investing in ICI TOU.TV, ICI TOU.TV EXTRA and CBC Gem to enhance content and discoverability:
    - Launching new platforms featuring revamped designs and additional engaging functionalities.
    - Developing innovative partnerships between ICI TOU.TV and important video content producers in the French media landscape.
    - Expanding CBC Gem content by optimizing data and analytics to make content acquisition decisions and time new releases.
- Continuing our support for important radio programs like *White Coat, Black Art*, and sustaining *The Sunday Edition* as a three-hour program.
- Enhancing our foreign coverage on all platforms by using innovative pop-up bureaus, as well as targeted deployments.
- Strengthening our regional presence across the country by:
    - Expanding digital news coverage in communities 18 hours a day, 7 days a week, all year long.
    - Engaging audiences across all platforms by bringing broadcasts directly into communities more often, especially in remote communities in the North and outside of metropolitan areas (e.g. Nunavut, northern Ontario, lower St. Lawrence).
    - Training future professionals in digital journalism at our training centre in Regina, with special attention on reaching diverse communities.

As you can see, this reinvestment has been vital to our continued success in serving Canadians. In 2019-2020 we look forward to sharing how it will help us fulfill the five key priorities of our new strategy (see the *Looking Ahead: Our New Strategic Plan 2019-2022* section for more information).

MEASURING OUR PERFORMANCE

Measuring and assessing CBC/Radio-Canada's performance is an important part of *Strategy 2020*. We do this in two ways: by measuring the perceptions of Canadians and by tracking our success against specific measurable targets. The performance measurement framework covers four areas: Mandate and Vision (perception survey indicators), *Strategy 2020* (strategic indicators), Reinvestment impact indicators (reported annually), and Media Lines (operational indicators).

OUR PERFORMANCE – MANDATE AND VISION

As Canada's national public broadcaster, establishing metrics to track and assess the perception of our performance is essential to demonstrating our accountability to Canadians. The Mandate and Vision perception survey allows us to monitor Canadians' perceptions of their public broadcaster, and how well they believe our services fulfill both the Corporation's mandate and the vision of *Strategy 2020*. The data are collected via a survey conducted among representative samples of anglophone and francophone Canadians.[3]

Highlights based on the 2018-2019 survey results follow. More detailed results can also be found on our online interactive dashboard.

84%

use at least one CBC/Radio-Canada service in a typical month.

81% of Canadians believe it is very important for Canada to have a national public broadcaster like CBC/Radio-Canada.

69% of Canadians strongly agree that there is a clear need and role for CBC/Radio-Canada into the future.

65% OR MORE OF CANADIANS STRONGLY BELIEVE THAT CBC/RADIO-CANADA'S PROGRAMMING ...

- **70%** is of high quality
- **68%** reflects regions of Canada
- **66%** is informative
- **65%** supports the creation of original Canadian content

3 Source: Mission Metrics Survey, 2018-2019, TNS Canada (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in the fall and spring each year. Each result represents the percentage of Canadians who gave CBC/Radio-Canada top marks (i.e., 8, 9 or 10 on a 10-point scale).

OUR PERFORMANCE – *STRATEGY 2020*

The *Strategy 2020* Performance Report tracks the corporate-wide objectives of our current strategic plan. We established long-term targets in 2014 and 2015. Over the past five years up until 2018-2019, we tracked our progress towards them with short-term annual targets.

The eight indicators below measure progress in four key areas: audience/market, infrastructure, people and financial sustainability. Our goal is to increase our value and deepen our relationship with all Canadians. With this in mind, four of the eight indicators measure our connection to our audience/market. When we originally launched our strategy, by 2020 we wanted:

- Three out of four (75%) Canadians to consider one or more of our services to be very important to them (indicator 1);
- Canadians to continue to strongly agree that CBC/Radio-Canada's information programming reflects a diversity of opinions and covers issues in a fair and balanced way (indicator 2); and
- To increase our digital reach so that 18 million Canadians will use our digital platforms each month and to grow the number of digital interactions they have with our services (indicators 3 and 4).

To support our audience goals, we are transforming our infrastructure, including reducing our real estate footprint by 50% (indicator 5). We are also transforming our workplace, focusing on employee engagement (indicator 6) and better reflecting Canadian diversity (indicator 7). We are becoming more financially sustainable through cost reductions (indicator 8).

The *Strategy 2020* indicators are presented below.

INDICATORS	RESULTS 2017-2018	TARGETS 2018-2019	RESULTS 2018-2019	PERFORMANCE AGAINST TARGET
Audience/Market				
1. Importance to me (% very important)[4]	57.1%	58.8%	**58.0%**	◍
2. Information programming has diverse opinions and is objective (% who strongly agree)[4]	52.7%	55.0%	**53.1%**	○
3. Digital reach of CBC/Radio-Canada (millions)[5]	18.5	18.0	**20.2**	●
4. Monthly digital interactions with CBC/Radio-Canada (millions)[6]	159.1	145.2	**163.1**	●
Infrastructure				
5. Reduce real estate footprint (millions of rentable square feet)[7]	3.8	3.7	**3.7**	●
People				
6. Employee engagement (% proud to be associated)[8]	85.0%	87.0%	**87.0%**	●
7. Employee diversity (% of new employees)[9]	27.8%	25.4%	**29.8%**	●
Financial				
8. Achieve cost reduction target ($million)	$93.1	$104.0	**$104.0[10]**	●

● Target met or exceeded ◍ Target partially met ○ Target not met

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.

[4] Source: Mission Metrics Survey, TNS Canada. This is the percentage of Canadians who give us top marks (i.e., 8, 9 or 10 on a 10-point scale). The question for Importance to me (Indicator 1) is "Using a scale from 1 to 10, where 1 means 'Not Important At All' and 10 means 'Very Important' how important would you say the CBC is to you?" Information programming (Indicator 2) is the average of two questions: CBC/Radio-Canada's information programming "reflects a diversity of opinions on a wide range of issues" and "covers major issues in a fair and balanced way."
[5] Source: Unduplicated reach of CBC and Radio-Canada digital platforms. Comscore Media Metrix® Multi-Platform, Total Audience (desktop 2+, mobile 18+), Average of Monthly Unique Visitors from April 2018 to March 2019, Canada.
[6] Source: Comscore Media Metrix® Multi-Platform, Total Audience (desktop 2+, mobile 18+), Average of Monthly Visits from April 2018 to March 2019, Canada.
[7] Our rentable square feet (RSF) results exclude foreign offices (e.g., bureaus), transmission sites, parking lots and leases for the sole purpose of storage (i.e., no broadcasting activity).
[8] Source: Gallup Consulting, Dialogue 2018 Survey. This is the percentage of employees who are proud to be associated with CBC/Radio-Canada. This is measured as the percentage of employees who responded four to five on a scale of one to five in a representative survey of employees.
[9] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities. It is calculated as a percentage of new external hires for positions of 13+ weeks.
[10] Amount represents cumulative budget reduction on an annual basis.

Audience/Market

Indicator 1: CBC/Radio-Canada continues to be positively perceived by Canadians. Six out of ten Canadians strongly agree that we are important to them, a result that has gained almost one point since last year and nearly reached its 2018-2019 target.

Indicator 2: Perception results of our information programming remained relatively stable with one out of two Canadians strongly agreeing that our information programming has diverse opinions and is objective. This result, however, fell below target.

Indicator 3: Our digital reach continued to increase in 2018-2019, and exceeded its annual target. On average, each month, 20.2 million Canadians turned to our digital platforms for compelling programming content and as a source of information, especially during significant news events.

Indicator 4: Driven by the coverage of this year's major events such as the provincial elections, the Humboldt bus crash and SNC Lavalin among others, monthly digital interactions increased again this year to 163.1 million, exceeding its annual target.

Infrastructure

Indicator 5: We met our 3.7 million rentable square feet (rsf) target in 2018-2019 following the sale of our Calgary building in July and the reduction of space in Quebec City in September. A sizeable reduction in our real estate footprint is expected following the move from the current Maison de Radio-Canada premises into a new leased facility on a portion of the same site, scheduled for 2020.

People

Indicator 6: We met our employment engagement annual target of 87.0% as a result of continuous improvements in our organizational climate and work environment.

Indicator 7: With an annual result of 29.8% in 2018-2019, diversity of new employees was above target and was the highest annual result we have achieved since launching the initiative. Through continued implementation of our Diversity and Inclusion Plan, our vision is to be the media leader in drawing on the wealth of unique Canadian perspectives to shape our content, workplace and workforce.

Financial

Indicator 8: Cost reductions met the 2018-2019 target, with a cumulative $104.0 million of cost reductions achieved.

> At CBC/Radio-Canada, we have been successfully transforming the way we engage with Canadians since we launched our *Strategy 2020* in June 2014. We've become much more local, more digital and more ambitious in our programming. We've done all of this to bring more great Canadian content to our audiences. And Canadians are responding. More of them are engaging with us, and with each other, in ways they could not have imagined a few years ago. Our continued commitment is to remain a vibrant public space for all Canadians. As we wrap up *Strategy 2020*, we are excited about what's coming next.
>
> As this year marks the launch of our new strategic plan, our 2019-2020 performance measurement will be based on our new strategy. For more information, see the *Looking Ahead: Our New Strategic Plan 2019-2022* section.

REINVESTMENT IMPACT INDICATORS

In 2016-2017, we introduced two additional performance indicators with the intent to measure the incremental impact of the government's reinvestment on our digital presence. The first indicator measures the incremental performance of our digital services at the national level, and the second indicator assesses our incremental performance in local markets. Each indicator is measured against a baseline that represents our performance target before the government's reinvestment. The section below highlights our performance in these areas.

INDICATORS	2020 INCREMENTAL TARGET	2017-2018 RESULTS	2018-2019 RESULTS
1. Additional monthly digital interactions with CBC/Radio-Canada[11]	+ 5.1 M	+ 15.0 M	+ 18.6 M
2. Local Service – Additional monthly interactions with CBC/Radio-Canada[12]	+ 3.8 M	- 10.3 M	- 13.6 M

Note: Digital audience measurement cannot quantify the proportion of additional visits that is attributable solely to reinvestment.

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.

Additional monthly digital interactions with CBC/Radio-Canada (indicator 1): We targeted to record 5.1 million additional monthly digital interactions above the baseline by 2020. With a result of 18.6 million monthly interactions above the baseline, our most recent measurement for 2018-2019 indicates our national performance is well ahead of the 2020 incremental target. We attracted more Canadians and recorded more visits, driven by increased audience interest in our digital platforms, including our news offerings, CBC Gem and ICI TOU.TV.

Additional monthly digital interactions with CBC/Radio-Canada local services (indicator 2): We targeted to record 3.8 million additional digital interactions above the baseline for our local services by 2020. While our local services still receive over 60 million visits on average each month, our 2018-19 result indicates that our performance is trending below our expected visits. This is due to decreased referral traffic from social media, which impacted news publishers, and the CBC news site redesign in early 2018 which temporarily reduced web traffic. Under our new strategy, services to the regions continue to be a priority.

[11] Source: Comscore Media Metrix® Multi-Platform, Total Audience (desktop 2+, mobile 18+), Average of Monthly Unique Visits. Only captures visits made on desktops or mobile web browsers.

[12] Source: Comscore Media Metrix® Multi-Platform, Total Audience (desktop 2+, mobile 18+), Average of Monthly Unique Visits; Adobe SiteCatalyst, Average of Monthly Unique Visits. Only captures visits made on desktops or mobile web.

OUR PERFORMANCE – MEDIA LINES

We use Media Lines reporting to measure performance against our operational targets, which mostly focus on audience reach and share through our various platforms and revenue across all our services.

While the Corporation continues to monitor the performance of its discretionary television services, we have not reported our subscribers' results for competitive reasons.

RADIO-CANADA HIGHLIGHTS

DIGITAL FOOTPRINT

In 2018-2019, Radio-Canada continued to expand its digital footprint.

The year was particularly eventful for ICI TOU.TV and its EXTRA component, as we launched our updated platform with a range of new engaging features. We also signed groundbreaking partnerships with major media players in the French-speaking market to enrich the content offering for all of our audiences. Our programming strategy to focus on exclusive content and first-run series such as *Le monstre* has been a resounding success, with ICI TOU.TV and EXTRA increasing its subscriber base and viewing time this year.

Radio-Canada News and Current Affairs content is making its presence increasingly felt on digital platforms, thanks to innovative formats and the release this year of an enhanced version of the Radio-Canada Info app. Our provincial election coverage also benefited from data-driven insights and the contribution of Rad, Radio-Canada's digital journalism lab, which adopted a different format tailored to younger audiences. By exploring social issues such as degrowth, Rad makes an impact through its uniqueness and interactive approach on social networks.

In the same spirit, the Podium platform continues to amplify its reach by exploring the social and human side of sports stories. For instance, to mark International Women's Day, Marie-José Turcotte and Radio-Canada Sports brought together a number of sports personalities to reflect on the obstacles that women face in the sporting world.

RAD.ca | RAD

OPENING DOORS

We engaged with a number of community groups this year around different themes such as innovation, creativity and the Francophonie. The Hackathon held to develop personalization features for digital products was a huge success, with over 75 participants representing 14 different nationalities from six Canadian provinces and territories.

For the 11th year running, the annual ICI MUSIQUE *Révélations* event brought together up-and-coming musical talents and provided them with cross-platform visibility to help kick-start their careers. In March, the Une nuit en pyjama à Radio-Canada event welcomed parents and children into Montreal's Studio 42 for a night of camping "under the stars," highlighted by screenings of ICI TOU.TV kids content, such as *Marika* and *L'agent Jean*.

Radio-Canada connects French-speaking Canadians across the country and especially in minority language communities. In November, a Public Consultation Meeting was held in Ottawa and streamed live on Facebook. Focused on the challenges of reaching new audiences in Ontario, the event generated an enthusiastic response from the general public and Ontario's francophone production community.

CONTENT FOR EVERYONE

ICI PREMIÈRE and ICI ONTARIO launched *Vraisemblable*, a podcast series that tells the stories of Franco-Ontarian families, while ICI ARTV broadcast *Conséquences*, a new original scripted series shot and produced in the Acadian region. In conjunction with the Francophonie Month, Rad also worked with the Toronto, Ottawa, Moncton and Winnipeg teams to produce a series of reports on the issue of preserving the French language in Canada.

In addition, Radio-Canada airs more original content created and produced by Indigenous people, including the documentary *Du teweikan à l'électro* presented on ICI TÉLÉ and ICI ARTV. A brand-new Indigenous music stream was also launched on ICI MUSIQUE, while a documentary series on ICI TOU.TV highlighting the realities of Indigenous life rounded out the content offering. The Curio.ca platform is now available in all Quebec elementary and high schools, supporting the digital shift in the education sector.

RADIO-CANADA 2018-2019 RESULTS

INDICATORS	MEASUREMENTS	RESULTS 2017-2018	TARGETS 2018-2019	RESULTS 2018-2019	PERFORMANCE AGAINST TARGET
Radio					
ICI PREMIÈRE and ICI MUSIQUE	*All-day audience share*[13]	24.4%	23.7%	**26.5%**	●
Television					
ICI TÉLÉ	*Prime-time audience share*[14]	22.7%	21.8%	**22.9%**	●
ICI RDI, ICI ARTV, ICI EXPLORA	*All-day audience share*[15]	4.7%	4.4%	**4.9%**	●
Regional					
ICI PREMIÈRE	*Morning show audience share*[13]	21.6%	19.5%	**22.8%**	●
Téléjournal 18h	*Average minute audience*[15]	356 K	330 K	**354 K**	●
Digital					
Radio-Canada Digital Offering	*Monthly average unique visitors*[16]	4.1 M	4.1 M	**4.8 M**	●
Revenue[17]					
Conventional, discretionary, online		$218 M	$215 M	**$218 M**	●

● Target met or exceeded ● Target partially met ○ Target not met

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.

Radio

The strong performance of our radio services was attributed to reaching more listeners, as well as stable listening patterns. This year was exceptional for ICI PREMIERE, driven by the good performance of our morning programs and many of our flagship programs (*Médium large* and *Midi info*). Audience records were achieved in the Quebec City, Rimouski, Rouyn-Noranda and Sept-Îles markets.

On ICI MUSIQUE, the weekend show *C'est si bon* and the new releases *La chaîne musicale* and *Plus qu'un hit avec Philippe* performed particularly well.

Television

The success of some of our titles, such as the daily drama *District 31*, were factors leading to a stable share for ICI TÉLÉ.

The combined audience share for our discretionary services finished the year above target. ICI ARTV's focus on culture and a refreshed schedule strategy contributed to this strong performance.

[13] Source: Numeris, fall survey (diary), Francophones aged twelve years and older in Radio-Canada areas in which a Radio-Canada owned station is located, all-day audience share. Morning show: Monday-Friday, 6h–9h am.
[14] Source: Numeris, Portable People Meter (PPM), Francophones in Quebec, aged two years and older, ICI TÉLÉ regular season (September to April).
[15] Source: Numeris, Portable People Meter (PPM), Francophones in Quebec, aged two years and older, April to March.
[16] Source: Comscore Media Metrix® Multi-Platform, Total Audience (desktop 2+, mobile 18+), Average of Monthly Unique Visitors from April-March, Canada. Radio-Canada digital offering: Radio-Canada.ca, ici.tou.tv, icimusique.ca, rcinet.ca, ici.artv.ca, ici.exploratv.ca and rad.ca.
[17] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales). In 2017-2018, revenue from the PyeongChang 2018 Olympic Winter Games was excluded.

Regional

ICI PREMIÈRE's regional morning show results significantly exceeded target. Radio-Canada achieved first position in four markets this year: Quebec City, Ottawa-Gatineau Franco, Sherbrooke and Rimouski.

Téléjournal 18h's average minute audience is trending above target thanks to strong performances in several markets, including Montreal.

Digital

Radio-Canada's average monthly reach for its digital offering continued to grow. More and more Canadians access our content with their mobile devices and we are strengthening our presence on social networks.

Revenue

Radio-Canada managed to exceed its revenue target, as ICI TÉLÉ held its own in a challenging advertising market. ICI TOU.TV EXTRA's subscriber revenue is also up, due to the success of our digital strategy.

From Radio-Canada's documentary *Faire la paix avec la guerre*, two Canadian peacekeepers meet for the first time in the 25 years since their military tours to Bosnia | Radio-Canada

CBC HIGHLIGHTS

Tai Poole, Host of CBC podcast *Tai Asks Why* | CBC

OUTSTANDING CONTENT

This year CBC launched a number of television shows, including *Diggstown*, a Halifax-based drama and the first Canadian drama series to feature a Black female lead character. Other new offerings included the arts-based documentary series *In the Making*, and *Unspeakable*, which tells the story of Canada's tainted blood scandal of the early 80s. The newly rebranded CBC Films offered a strong presence at TIFF, with eight films hitting the festival, including *Mouthpiece*, *The Grizzlies* and *Falls Around Her*. These films are also available for wider public viewing on CBC Gem. Our Breaking Barriers Film Fund continues to ensure that more Canadian stories will hit the big screen. This year's JUNO Awards, held in London Ontario, celebrated the best in Canadian music with memorable performances from Cœur de Pirate, Bahamas and Hall of Fame inductee Corey Hart, among others.

CBC is also working with a number of distribution and international partners to bring Canadians a curated collection of best-in-class programming from around the world, including *Portlandia*, *Luther* and the classic, *Coronation Street*.

DELIVERING DIGITAL

CBC podcasts continue to enthrall audiences with downloads reaching 20.7 million this March alone; our agreement with Spotify is extending our reach even further.[18] The CBC Podcasts team won big at the 2019 Canadian Podcast Awards, capturing five wins for the series *Someone Knows Something*, *Tai Asks Why* and *Alone: A Love Story*, while CBC News podcast *Front Burner* was a big hit and was highlighted as a podcast to check out by the *The New York Times*. Our collection of digital content continues to grow with our Short Docs; which offer glimpses into life-changing moments (*OshKiKiShiKaw: A New Day*), long-time friendships (*Finding Fukue*) and life-affirming triumphs (*Prince's Tale*). CBC Gem continues to expand our offerings for all streaming audiences, with a special focus on increasing kids content. Work is also being done to improve user experience and find innovative ways to bring attention to our programming across all platforms.

CANADA'S SOURCE FOR TRUSTED NEWS

CBC/Radio Canada was once again noted as Canada's most trusted Media & Entertainment brand as we remain committed to our role as Canada's most trusted news source.[19] We recently updated our Journalistic Standards and Practices to ensure we adhere to the highest standards and best practices in all of our reporting, while welcoming our new Ombudsman, Jack Nagler, to the CBC.

This year, CBC brought it's award-winning journalism to more Canadians in more ways than ever. Whether catching a national broadcast on TV, streaming your local newscast on CBC Gem, catching an interview on You Tube, Alexa or Google Home, or just looking for a quick hit on Snapchat, CBC platform offerings continue to grow. We are also reaching out to younger audiences with the launch of our CBC Kids news platform. It is introducing great journalism to a new generation of news junkies: stories for kids, by kids, backed by the experience of CBC journalists.

Susan Ormiston, CBC senior correspondent for TV, radio and online, reporting from Russia | CBC

[18] Source: Sumo Logic (March 2019).
19 Gustavson Brand Trust Index 2019.

CBC 2018-2019 RESULTS

INDICATORS	MEASUREMENTS	RESULTS 2017-2018	TARGETS 2018-2019	RESULTS 2018-2019	PERFORMANCE AGAINST TARGET
Radio					
CBC Radio One and CBC Music 5-PPM Market Share	*All-day audience share in the 5-PPM Markets*[20]	12.8%	11.3%	**13.5%**	●
CBC Radio One National Reach	*Monthly Average National Reach*[21]	7.7 M	7.7 M	**7.7 M**	●
CBC Music National Reach	*Monthly Average National Reach*[20]	4.5 M	4.5 M	**4.6 M**	●
Television					
CBC Television	*Prime-time audience share*[20]	7.6%	5.6%	**5.0%**	○
CBC News Network	*All-day audience share*[20]	1.4%	1.2%	**1.4%**	●
Regional					
Television Local 6 PM News	*Average minute audience*[20]	269 K	230 K	**319 K**	●
CBC Radio One 5-PPM Market share	*Morning show audience share in the 5-PPM Markets*[19]	15.1%	14.7%	**17.1%**	●
CBC Radio One National Reach	*Morning show audience, Monthly Average National Reach*[20]	3.5 M	3.5 M	**3.6 M**	●
Digital					
CBC Digital Offering	*Monthly average unique visitors*[22]	16.1 M	15.6 M	**17.4 M**	●
Revenue[23]					
Conventional, discretionary, online		$295 M	$213 M	**$212 M**	◐

● Target met or exceeded ◐ Target partially met ○ Target not met

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.

Radio

It was a strong year for CBC Radio, with audience shares exceeding targets, driven by the growth in CBC Radio One morning shows across all markets and high audience levels for CBC Radio One. Reach for CBC Radio One and CBC Music met and exceeded their targets, respectively.

Television

The overall decline in CBC prime time share was a result of softer audiences in both summer and fall seasons despite a rebound due to stronger winter programming. CBC News Network's share was consistent with last year and ahead of target largely due to major news stories (e.g., SNC Lavalin).

[20] Source: Numeris, Portable People Meter (PPM), persons aged two years and older, in the Toronto, Vancouver, Calgary, Edmonton and Montreal-anglophone markets. Local Morning Shows: Monday-Friday 6:00-8:30am.
[21] Source: Numeris, Portable People Meter (PPM), persons aged two years and older.
[22] Source: Comscore Media Matrix® Multi-Platform, Total Audience (desktops 2+, mobile 18+), Average of Monthly Unique Visitors from April to March, Canada.
[23] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales). In 2017-2018, revenue from the PyeongChang 2018 Olympic Winter Games was included.

Regional

Local 6pm news experienced an overall growth in audience levels across the majority of markets and exceeded target largely as a result of stronger news stories throughout the year (e.g.,Toronto van attack, Danforth shooting, elections).

Digital

CBC properties had a strong year with audience growth driven by increased interest across our product suite, including CBC Gem and cbc.ca, and with the CBC News App exceeding its target.

Revenue

Results ended the year slightly below target due to lower-than-planned digital revenue and continued declines in subscriber revenue due to the ongoing cord-shaving trend.

The 410 on CBC Gem | CBC

MEASURING OUR CANADIAN CONTENT

Regulatory requirements for Canadian content on television are specified by the Canadian Radio-television and Telecommunications Commission (CRTC), which sets conditions of license for ICI TÉLÉ and CBC Television. As shown in the table below, in the current broadcast year-to-date and in the previous full broadcast year, ICI TÉLÉ and CBC Television exceeded the CRTC's Canadian content conditions of license, both over the whole day and in prime time.

	YEARLY CONDITIONS OF LICENSE	RESULTS SEP 1, 2016 TO AUG 31, 2017	RESULTS SEP 1, 2017 TO AUG 31, 2018
ICI TÉLÉ			
Broadcast day	75%	82%	**79%**
Prime time	80%	96%	**92%**
CBC Television			
Broadcast day	75%	81%	**82%**
Prime time	80%	87%	**87%**

ADDITIONAL REPORTING

We continue to report to parliament and Canadians through this report and our Corporate Plan Summary; to the CRTC through regulatory filings and licence renewals; and to Canadians through proactive disclosure of expenses and salaries and Access to Information, as well as over 15 reports and reviews on our website, including examinations by the Auditor General of Canada. This is how CBC/Radio-Canada demonstrates to Canadians that it is managing its resources effectively and delivering what it has promised. The Government of Canada's additional funding will provide the public broadcaster with the means to better face current and future challenges and pursue its own transformation to a new media environment. This reinvestment in CBC/Radio-Canada is all about creating more of the content that Canadians want and ensuring it is easy to find on platforms that are reliable, robust and intuitive. We look forward to sharing our progress with Canadians in the years ahead.


Marie-Maude Denis from *Enquête* and Charles Tisseyre, host of *Découverte* | Radio-Canada

LOOKING AHEAD - OUR NEW STRATEGIC PLAN 2019-2022

Your Stories, Taken to Heart

Putting Audiences First

Your Stories, Taken to Heart is our new three-year strategy. It builds on the success of our existing services and aims to increase and deepen audience engagement. Most importantly, it's all about you, our audience!

The more we can get to know you, the better we can serve you.

And, you deserve our best. Our best means taking your stories to heart. Doing so with creativity and integrity. And striving for inclusiveness and relevance every day in the stories we tell and share.

Our promise is to put you, our audiences, first; to prioritize our role as Canada's most trusted media brand; to earn your trust and work hard to keep it every day; and to build lifelong relationships with as many Canadians as we can. We're inspired to grow our lifelong engagement with you.

We are also going to address the financial challenges that everyone in our industry is facing. We will find new, innovative ways to increase the revenue we earn so that we counter the decline in revenue and ensure the stability of jobs and services in the future.

A Champion of Canadian Culture

Given the growing dominance of global digital companies that threaten to drown out the country's stories, as well as its news and information, we are committed to ensuring that Canadian culture thrives in the future:

- **We will be a champion for Canadian voices and stories** in a world where the proliferation of foreign content could all too easily drown these out.
- **We will be a beacon for truth and trust** against "fake news" and algorithms that put democracy and the respect for different perspectives at risk.
- **We will offer solutions** to the rising dominance of digital global players. We will implement a plan to help make Canadian culture a strong, global business.
- **We will continue to call for policy changes** so that digital companies — both foreign and domestic — that are profiting from Canadians' love of content, contribute to the creation of Canadian culture, as traditional broadcasting companies already do.

Mission

CBC/Radio-Canada celebrates Canadian culture and supports democratic life through a wide range of content that informs, enlightens and entertains.

Each and every decision we make over the life of this strategy will be made through the following principles:

Putting audiences, individuals and communities first

More than ever we will create audience-centric, audience-driven, tailored content and relevant experiences that connect Canadians to their communities, their country and the rest of the world.

Building a lifelong relationship with Canadians

We are going to strengthen our commitment to Canadians of all ages. That starts with more content for children that reflects their experiences and perspectives; that ignites and fuels their dreams and aspirations. It also means strengthening our services in local communities and to traditionally under-represented groups.

Strengthening our role as Canada's most trusted brand

Today we are the most trusted media brand in Canada. That trust is our most precious asset. We're going to build on that trust and use it to support better-informed communities and enlightened exchanges of ideas and perspectives.

Values

Relevance Creativity

Integrity **Inclusiveness**

Our priorities to better serve Canadians

1 Customized digital services

We will create the personal, relevant, and engaging experiences that Canadians expect. Our goal is to make sure all Canadians see themselves reflected in our digital services while connecting them to the many communities and voices that make our country great.

2 Engaging with young audiences

We will become a leader in bringing the best content to our children and youth with the goal of enriching their lives and engaging them with their country.

3 Prioritizing our local connections

This is the heart of our connection with Canadians. We will strengthen this connection with significant local and regional content that is relevant to people in their communities, and bring those communities to the rest of the country.

4 Reflecting contemporary Canada

We will reflect the range and richness of this country's diversity, celebrating our different perspectives and all the things that bring us together. We will do this in our staffing, as well as our content choices.

5 Taking Canada to the world

Anyone who watches Netflix or uses iTunes knows that today we live in a global market. If Canadian culture is going to be strong, it needs to be part of the global market from which Canadians now consume more content. We will ensure our country and Canadian creators are seen and heard the world over.

Key metrics

Digital reach
Engagement
Brand value
Diversity
Revenue

Business priority

- We will increase the revenue we earn and find new revenue opportunities to fund the things that are important to Canadians and ensure our financial health. *This won't change who we are or what we offer, but it means thinking in new ways, and that's what this strategy is all about.*

REPORTING UNDER OUR NEW STRATEGIC FRAMEWORK

OUR STRATEGIC KPIs

With the launch of a new strategic plan comes a new set of key performance indicators, which will focus on five priorities to position us for the future. These priorities, as summarized on the previous page, will shape our strategic initiatives for the next three years. The indicators in the table below will be used to measure and manage our progress on these priorities[24]. Targets are specific to the markets we operate in, and consider a number of factors (e.g., market realities, competition, service penetration rate).

INDICATORS	MEASUREMENTS	TARGETS 2019-2020
Customized digital services		
1. Digital reach of CBC/Radio-Canada	*Monthly average unique visitors*	**20.4 M**
2. Digital engagement with CBC/Radio-Canada	*Monthly average minutes per visitor*	**45 min/vis**
Engaging with young audiences		
3. Digital visits to CBC/Radio-Canada kids content	*Monthly average visits*	**1,487 K**
Prioritizing our local connections		
4. Digital engagement with CBC news/regions	*Monthly average minutes per visitor*	**27 min/vis**
5. Digital engagement with Radio-Canada info/regions	*Monthly average minutes per visitor*	**12 min/vis**
Reflecting contemporary Canada		
6. Employment equity representation	*% of CBC/Radio-Canada new hires*	**30.2%**

Celebrating great local programming at ICI Ottawa-Gatineau's rentrée in September 2018 | CBC/Radio-Canada

[24] Our fifth strategic priority - Taking Canada to the World - will be measured via internal KPIs.

OUR OPERATIONAL KPIs

Our programming remains at the core of our strategy. From arts and entertainment to news, sports to music, and local to national, we must provide our audiences with a wide range of high-quality and compelling content that informs, enlightens and entertains on all platforms.

In order to monitor our programming, we have built on our existing operating metrics by adding several new KPIs to measure our new strategic priorities. The new KPI framework – presented below – will be used to report on our performance to Canadians starting in 2019-2020.

RADIO-CANADA

INDICATORS	MEASUREMENTS	TARGETS 2019-2020
Customized digital services		
Digital reach	*Monthly average unique visitors*	**4.9 M**
Digital engagement	*Monthly average minutes per visitor*	**47 min/vis**
Engaging with young audiences		
Digital visits to kids content	*Monthly average visits*	**287 K**
Prioritizing our local connections		
Digital engagement with Radio-Canada info/regions	*Monthly average minutes per visitor*	**12 min/vis**
Reflecting contemporary Canada		
Employment equity representation	*% of Radio-Canada new hires*	**16.5%**
Television and Radio		
ICI TÉLÉ	*Prime-time audience share*	**22.9%**
ICI RDI, ICI ARTV, ICI EXPLORA	*All-day audience share*	**4.7%**
ICI PREMIÈRE and ICI MUSIQUE	*All-day audience share*	**26.5%**
Revenue		
Total revenue	Conventional, discretionary, online	**$216 M**

CBC

INDICATORS	MEASUREMENTS	TARGETS 2019-2020
Customized digital services		
Digital reach	*Monthly average unique visitors*	**17.4 M**
Digital engagement	*Monthly average minutes per visitor*	**37 min/vis**
Engaging with young audiences		
Digital visits to kids content	*Monthly average visits*	**1,200 K**
Prioritizing our local connections		
Digital engagement with CBC news/regions	*Monthly average minutes per visitor*	**27 min/vis**
Reflecting contemporary Canada		
Employment equity representation	*% of CBC new hires*	**39.2%**
Television and Radio		
CBC Television	*Prime-time audience share*	**5.3%**
CBC News Network	*All-day audience share*	**1.4%**
CBC Radio One and CBC Music	*All-day audience share in the 5-PPM markets*	**13.1%**
CBC Radio One and CBC Music	*Monthly average national reach*	**12.3 M**
Revenue		
Total revenue	Conventional, discretionary, online	**$210 M**

PEOPLE AND CULTURE

OUR WORKFORCE

As of March 31, 2019, we employed a total of 7,459 full-time equivalent employees (FTEs), of whom 6,497 were permanent, 383 were temporary and 579 were contract.

As required by the *Employment Equity Act*, we are committed to providing equal employment opportunities to the four designated groups while ensuring that our diversity and inclusion efforts strive to include a range of faces, voices, experiences and perspectives in our content and workplace.

Breakdown of designated groups among our workforce as of March 31, 2019

- 47.5% were women
- 2.2% were Indigenous people
- 2.8% were persons with disabilities
- 12.6% were visible minorities

YEAR IN REVIEW

OUR PEOPLE

The bargaining committees of CBC/Radio-Canada and the Syndicat des communications de Radio-Canada (SCRC) (a merger of three unions) came to a new collective agreement in September that will be in effect until 2021. Additionally, over 1200 Canadian Media Guild (CMG) members voted 80% in favour of ratifying a new collective agreement in March 2019.

This year also saw major changes to CBC/Radio-Canada's Senior Executive Team with new President and CEO Catherine Tait assuming the role in July 2018. Steven Guiton, Executive Vice-President of MTIS retired in December, with Daniel Boudreau assuming the role in February 2019. Heather Conway, Executive Vice-President of CBC announced her departure in December 2018, with Michel Bissonnette, Executive Vice-President of Radio-Canada temporarily assuming the role until Barbara Williams assumed the role in May 2019. Claude Galipeau took on the new role of Executive Vice-President, Corporate Development in January 2019, and finally, Monique Marcotte, Vice-President of People and Culture announced her retirement, effective July 2019, with Marco Dubé, formerly the Executive Director of the Office of the President and CEO, taking on the role.

LIVING OUR CORPORATE VALUES

On the heels of CBC/Radio-Canada's first Inclusion Month in June, CBC/Radio-Canada's President and CEO Catherine Tait launched our 2018-21 Diversity and Inclusion Plan at our Annual Public Meeting (APM) in Edmonton. The updated Plan sets out a new road map to better serve all Canadians by reflecting the full range of Canadian perspectives through our content, workplace culture and workforce. The new plan is the result of a consultative approach that reflects who we are now, what we'd like to achieve and how we plan to get there. In addition, the results of CBC/Radio-Canada's 4th Dialogue Employee Engagement Survey were published in December. This annual initiative provides employees the opportunity to share their views on our working environment, the value of their individual work and how they feel about where we are heading as an organization.

STRENGTHENING OUR ACCOUNTABILITY

We published our 2017-2018 annual reports on Official Languages, Multiculturalism and Employment Equity in December 2018, highlighting our recent initiatives aimed at promoting our two official languages across the country, raising awareness among employees about unconscious bias and strengthening our employment equity record. All three reports highlight the efforts of our community of employees, who continue to lead change, making CBC/Radio-Canada a stronger, more diverse and inclusive public broadcaster.

STRATEGY 2020 PERFORMANCE METRICS

Our performance results for this year are highlighted below:

PEOPLE INDICATORS	RESULTS 2017-2018	TARGETS 2018-2019	RESULTS 2018-2019	PERFORMANCE AGAINST TARGET
Employee engagement (% proud to be associated)	85.0%	87.0%	**87.0%**	●
Employee diversity (% of new employees)	27.8%	25.4%	**29.8%**	●

● Target met or exceeded ● Target partially met ○ Target not met

Refer to the Our Accountability Plan *section for explanations about our People results this year.*

OUTLOOK

We will be focused, going forward, on supporting the transformation of CBC/Radio-Canada through the implementation of a newly minted three-year People Strategy. The strategy is anchored around three key objectives: enabling greater workforce flexibility, innovating our talent management practices, and continuing to build a culture of trust and engagement. These efforts will be underpinned by the deployment of a new HR Information Management System – a large-scale, multi-year technology project – and the ongoing implementation of new collective agreements with the CMG and the SCRC.

CBC/Radio-Canada's 2018 Annual Public Meeting. From left to right: Michael Goldbloom, Andrew Chang, Padminee Chundunsing, Catherine Tait, Patricia Bitu Tshikudi, Myriam Fehmiu, James Makokis, Paul Sun-Hyung Lee | CBC/Radio-Canada

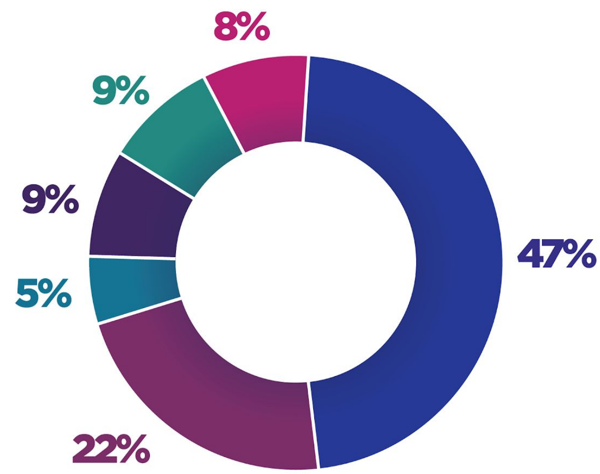
TECHNOLOGY AND INFRASTRUCTURE

OUR ASSETS

With 76 content production sites, the largest broadcast transmission network in the world (725 radio transmitters and 27 digital television transmitters distributed across 529 sites) and a real estate portfolio of 3.7 million square feet, CBC/Radio-Canada has a large portfolio of capital assets; $2.2 billion on a historical cost basis (with a net book value of $801 million) as at March 31, 2019.

CBC/Radio-Canada has a base capital appropriation from the Government of Canada of $92.3 million per year. In 2018-2019, we added to this amount by transferring an additional $16.7 million from our operating appropriation to satisfy payments on bonds used to finance the Canadian Broadcast Centre in Toronto. As required by subsection 54(4) of the *Broadcasting Act*, we present our capital budget to the Minister of Canadian Heritage in our Corporate Plan and then submit it to the government for approval.

OUR INFRASTRUCTURE COSTS BY ASSET TYPE



- Technical equipment ($1,014M, 47%)
- Buildings ($477M, 22%)
- Land ($108M, 5%)
- Leasehold improvements and capital projects in progress ($199M, 9%)
- Intangibles ($195M, 9%)
- Other ($158M, 8%)

YEAR IN REVIEW

NEW EXECUTIVE VICE PRESIDENT

Steven Guiton retired from his role at Executive Vice-President, MTIS in December 2018. Daniel Boudreau assumed the role in February 2019, joining CBC/Radio-Canada's Senior Executive Team and setting a new strategic direction for the public broadcaster's technology and infrastructure teams with a focus on supporting our traditional and digital broadcasting needs through targeted recruitment, innovation, information security and investment in technology.

REDUCING OUR REAL ESTATE FOOTPRINT

Beyond the new Maison de Radio-Canada (MRC) project in Montreal, CBC/Radio-Canada continued to reduce its overall real estate footprint with improvements to right-sized, leased facilities and further supports to enhance our new collaborative reality. The Ottawa consolidation project successfully wrapped up with the move of over 100 staff from our Carling Avenue building into the refreshed spaces in downtown Ottawa. Work also began on a facilities refresh in Regina and other locations across the country. CBC/Radio-Canada also expanded its partnership with BGIS for a national approach to building management services that will ensure financial savings can be reinvested into programming, not real estate.

STRATEGY 2020 PERFORMANCE METRICS

Our performance results for this year are highlighted below:

TECHNOLOGY AND INFRASTRUCTURE INDICATOR	RESULT 2017-2018	TARGET 2018-2019	RESULT 2018-2019	PERFORMANCE AGAINST TARGET
Reduce real estate footprint (million of rentable square feet)	3.8	3.7	**3.7**	●

● Target met or exceeded ● Target partially met ○ Target not met

Refer to the Our Accountability Plan *section for explanations about our Technology and infrastructure results this year.*

OUTLOOK

The completion of construction and move of staff into the new MRC in 2020 will represent a major achievement. We will also continue to seek out opportunities to modernize our work environments. Making the most of new technologies allows us to work with less square footage, further lowering the cost of occupancy and real estate risk at locations across the country. Continued technology modernization and innovation, improvements to workflows, better collaboration across technology teams, and balancing the needs of supporting necessary aging infrastructure with embracing new and more efficient technologies will remain our focus.

The new MRC in Montreal.

FINANCIAL SUSTAINABILITY

CBC/Radio-Canada is at an important juncture and we need a new financial model to support culture in Canada. The long-term prospects of the advertising market remain a concern. Advertising revenue from conventional TV will continue to be under pressure in the long run as advertisers continue to shift money to the big digital players and the competition for quality content around the globe remains fiercer than ever.

REVENUE AND OTHER SOURCES OF FUNDS

We have four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income:

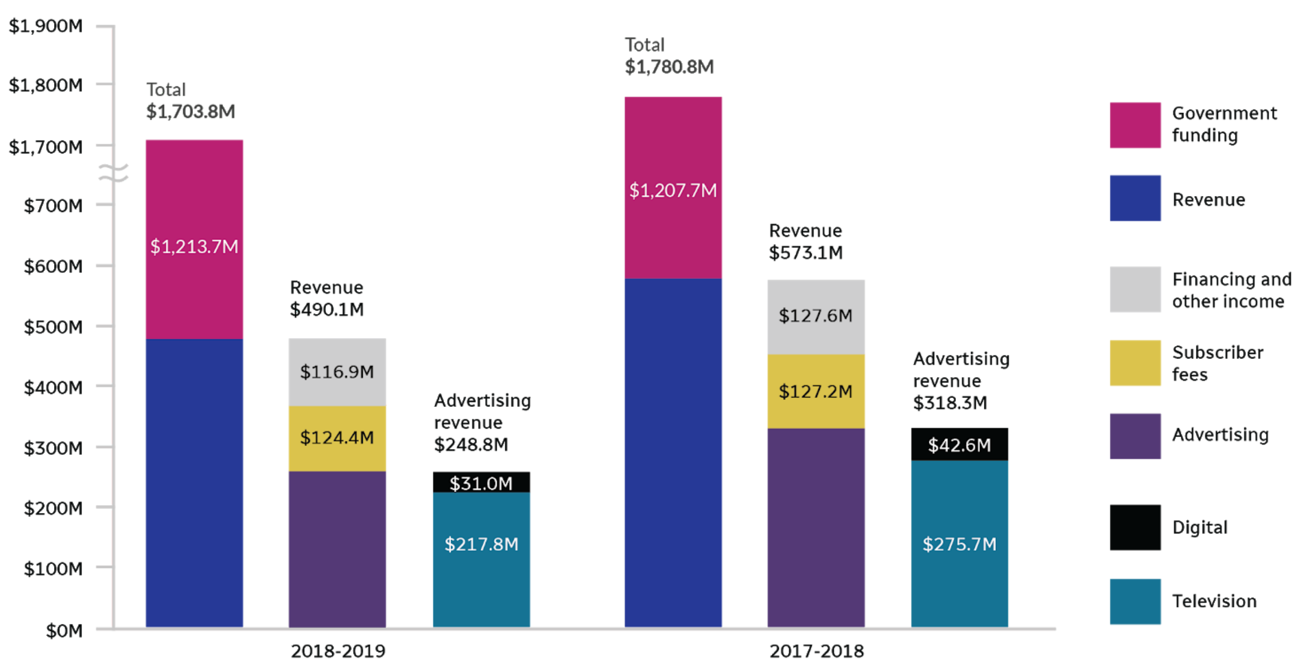
Government funding: This year, operating funding was $1,098.0 million, capital funding was $109.0 million and working capital was $4.0 million.

Advertising revenue: This includes both ongoing and Olympics-driven sales of advertising on our conventional television channels, digital platforms, discretionary television services and other platforms. Advertising revenue from broadcasting the Olympics can have a material impact on the Corporation's revenue.

Ongoing advertising revenue is decreasing as a proportion of our revenue and source of funds mainly as a result of the market's shift away from conventional advertising platforms. Despite being a rising source of revenue, digital advertising is not significant enough to offset the decline observed in TV advertising.

Subscriber fees: This is fees from our discretionary services: CBC News Network, *documentary*, CBC Gem, ICI EXPLORA, ICI ARTV, ICI RDI, ICI TOU.TV EXTRA and Curio.ca. Subscriber fees from our traditional platforms are experiencing downward pressure from the continuing cord-cutting and cord-shaving trends and the effects of recent regulatory changes enacted by the CRTC (affordable basic TV package, small TV packages, and pick-and-pay TV channels).

Financing and other income: This includes both ongoing and Olympics-driven income from activities such as the rental of real estate assets, content sales, leasing of space at our transmission sites, host broadcasting sports events such as the Olympic Games or World Championships and contributions from the Canada Media Fund.



FINANCIAL CONDITION, CASH FLOWS AND LIQUIDITY

We rely on parliamentary appropriations and the cash generated from our operations to fund our operating activities and our capital needs in an environment highly dependent on technology. Specifically, our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements, and revenue such as the sale of advertising on our various platforms. Our cash flows from operating, investing and financing activities for the year are summarized below.

Our cash balance at March 31, 2019 was $89.7 million, compared to $96.0 million on March 31, 2018.

CASH POSITION

	For the year ended March 31		
	2019	2018	% change
Cash - beginning of the year	**95,978**	**131,062**	**(26.8)**
Changes in the year			
Cash from operating activities	52,066	17,564	N/M
Cash used in financing activities	(45,256)	(55,231)	(18.1)
Cash (used in) from investing activities	(13,091)	2,583	N/M
Net change	**(6,281)**	**(35,084)**	**(82.1)**
Cash - end of the year	**89,697**	**95,978**	**(6.5)**

N/M = not meaningful

Cash from operating activities

Cash from operating activities includes cash inflows from our drawdowns of parliamentary appropriations for operating expenditures and working capital.

Cash from operating activities was $52.1 million this year, an increase of $34.5 million compared to last year. Cash from operations is impacted each year by fluctuations in working capital. This year our cash from operations increased mainly due to collections of advertising receivables associated with the broadcast of the PyeongChang 2018 Olympic Winter Games.

Cash used in financing activities

Cash used in financing activities was $45.3 million, $10.0 million less than last year. This decrease was primarily due to the end of a lease for satellite transponders in February 2018. Further details of our cash requirements for financing activities follows:

- Interest payments of $19.3 million (2017-2018: $22.3 million);
- Repayments of the Broadcast Centre Trust bonds of $18.0 million (2017-2018: $15.5 million);
- Payments of notes payable of $7.5 million (2017-2018: $7.1 million); and
- Payments to meet obligations under finance leases of $0.6 million (2017-2018: $10.3 million). These were lower by $9.7 million as our finance lease obligation for satellite transponders ended in February 2018.

Cash from (used in) investing activities

Cash from investing activities includes cash from our drawdowns of parliamentary appropriations for capital expenditures.

Cash used in investing activities was $13.1 million, an increase in use of $15.7 relative to last year. These cash requirements were mainly due to higher capital acquisitions made this year, most notably in relation to the new MRC. These cash outflows were partly offset by lower investments made in Canada Mortgage Bonds this year.

Borrowing Plan

The *Broadcasting Act*, section 46.1, confers on CBC/Radio-Canada the authority to borrow up to $220.0 million, or such greater amount as may be authorized by parliament, subject to approval of the Minister of Finance. Section 54.(3.1) of the *Act* requires that our borrowing plan be included in our Corporate Plan. Borrowing to meet working capital purposes is prohibited.

When we sold long-term accounts receivable in 2009 as part of our Financial Recovery Plan, which addressed the impact of the global economic slowdown and declining television advertising revenue, we provided a guarantee to investors to obtain the best possible value for selling the receivables. This guarantee was deemed to be borrowing. The outstanding amounts against the borrowing authority are as follows:

Total borrowing authority available:	220,000
Authority used as at March 31, 2019:	
Guarantee on accounts receivable monetization	(94,874)
Remaining authority	**125,126**

Under the *Broadcasting Act*, section 47.(1), we are an agent of the Crown and therefore have the constitutional immunities, privileges and prerogatives that are enjoyed by the Crown. The Crown is also fully liable and financially exposed for all our actions and decisions while we are operating within our mandate. Therefore, our assets and liabilities are the assets and liabilities of the Government of Canada.

The series *Le Monstre* tells the story of 18 year old Sophie (Rose-Marie Perreault), who saw her dreams of love transform into a terrible nightmare | Radio-Canada

YEAR IN REVIEW – OUR RESULTS

RESULTS UNDER IFRS AND BUDGET RESULTS

The following analysis provides a more detailed discussion of our financial performance.

	For the year ended March 31		
	2019	2018	% change
Revenue	490,146	573,075	(14.5)
Government funding	1,213,729	1,207,749	0.5
Expenses	(1,754,102)	(1,830,896)	(4.2)
Results before other gains and losses	**(50,227)**	**(50,072)**	**0.3**
Other gains and losses	(4,220)	37,508	N/M
Net results under IFRS for the year	**(54,447)**	**(12,564)**	**N/M**
Items not included in our operating budget			
Pension and other employee future benefits	60,860	52,492	15.9
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	790	22,412	(96.5)
Other provisions for non-cash items	(7,775)	2,964	N/M
Budget Results for the year[1]	**(572)**	**65,304**	**N/M**

N/M = not meaningful

[1]Budget Results is a non-IFRS measure. An explanation of Budget Results is provided below.

Net results under IFRS for the year

Net results under IFRS for the year were a loss of $54.4 million, a decrease of $41.9 million due mainly to:

- Lower revenue by $82.9 million (↓14.5%), mainly as a result of last year's results, including additional advertising and licensing revenue from broadcasting the PyeongChang 2018 Olympic Winter Games; and
- Last year's other gains and losses included a $54.5 million total gain from the sale of our interest in SiriusXM, partly offset by an $8.0 million non-cash loss on our disposal of the Maison de Radio-Canada (MRC) premises in Montreal.

These decreases were partly offset by:

- Lower expenses by $76.8M (↓4.2%) as last year's costs included additional production and right fees for broadcasting the PyeongChang 2018 Olympic Winter Games; and
- Higher government funding recognized in income this year by $6.0 million (↑0.5%).

Budget Results for the year

This year, we revised our non-IFRS measure definition to exclude the gain or loss on disposal of property and equipment, as well as the results of our subsidiary. This revised non-IFRS measure is titled "Budget Results," and it replaces the existing "Results on a Current Operating Basis." We believe this change will provide more meaningful information to our external readers because it is better-aligned with how management monitors performance internally. There was no impact to previously reported IFRS results as a result of this change.

CBC/Radio-Canada defines Budget Results as Net results under IFRS less the adjustments for revenue or expenses not included in our operating budget for the current fiscal year. This measure is used by management to help monitor performance and balance the Corporation's budget with parliamentary appropriations. We believe this measure provides useful complementary information to readers, while recognizing that it does not have a standard meaning under IFRS and will not likely be comparable to measures presented by other companies.

Adjustments include the elimination of non-cash pension and other employee future benefit costs, which represent the excess of the IFRS expense over the actual cash contribution for the period. Adjustments are also made for other non-cash items such as the depreciation, amortization and decommissioning of capital assets; the amortization of deferred capital funding; and non-budgetary annual leave.

Our **Budget Results for the year** decreased by $65.9 million this year to a loss of $0.6 million. Last year's Budget Results included the proceeds from the Sirius XM share sale of $57.6 million and additional operating appropriations received for salary inflation funding.

REVENUE

	For the year ended March 31		
	2019	2018	% change
Advertising			
English Services	112,526	178,103	(36.8)
French Services	136,226	140,179	(2.8)
	248,752	318,282	(21.8)
Subscriber fees			
English Services	66,586	68,016	(2.1)
French Services	57,869	59,194	(2.2)
	124,455	127,210	(2.2)
Financing, investment and other income			
English Services	45,333	51,736	(12.4)
French Services	24,242	28,480	(14.9)
Partner Services	47,364	47,367	(0.0)
	116,939	127,583	(8.3)
TOTAL	**490,146**	**573,075**	**(14.5)**

Our revenue decreased by $82.9 million (↓14.5%), as described below.

ADVERTISING (↓21.8%)

Our advertising revenue depends on the different events of significant importance we cover throughout the year, the overall health of the advertising market and the success of our programming schedule.

The $69.5 million decrease in advertising revenue this year resulted from:

Olympics	Most of the decrease in revenue is due to additional amounts recognized last year from our broadcast of the PyeongChang 2018 Olympic Winter Games.
Ongoing activities	Advertising revenue from our ongoing activities increased slightly overall, mostly as a result of higher conventional revenue from Radio-Canada. Radio-Canada outperformed a soft francophone advertising market as it benefited from both strong audiences and the delayed airing of some ICI TÉLÉ programming from the end of last year. This shift in scheduling was due to the broadcast of the PyeongChang 2018 Olympic Winter Games in early February. This increase was partly offset by lower CBC advertising revenue as audiences declined in the 25-54 demographic and there were lower digital advertising sales as a result of website redesign in the first half of the year.

SUBSCRIBER FEES (↓2.2%)

Our subscriber revenue is driven by the rates for our discretionary services and the size of our subscriber base, which has declined for our TV services when compared to the prior year due to the adverse effects of the cord-shaving trend affecting the cable industry.

Our subscriber revenue decreased by $2.8 million (↓2.2%) relative to last year. The main changes by type of discretionary services are highlighted below:

- CBC News Network, ICI RDI and ICI ARTV's revenue decreases resulted from subscriber base declines this year; and
- There was growth on our digital subscriber platforms. ICI TOU.TV EXTRA, Curio and CBC Gem.

FINANCING, INVESTMENT AND OTHER INCOME (↓8.3%)

Financing, investment and other income depends on the different events and transactions throughout the year as it includes production revenue from host broadcasting services and revenue from the sale of content. It also reflects revenue from our rentals, sponsorships and retransmission rights. More information about our revenue streams is provided in note 21 Revenue of our Consolidated Financial Statements.

The $10.6 million (↓8.3%) decrease in financing, investment and other income this year resulted from:

Olympics	There was no other income from the Olympics this year. Last year, other income was higher as we generated licensing revenue from the PyeongChang 2018 Olympic Winter Games.
Ongoing activities	Financing, investment and other income arising from our ongoing activities decreased this year mostly due to: • Lower production revenue of $5.2 million (↓13.1%) as last year's results included revenue from host broadcasting sports events such as the World Artistic Gymnastic Championships in fall 2017. In addition, we generated less revenue this year from renting out facilities to independent producers; • Lower retransmission rights income as last year's results included a $4.5 million favourable settlement; and • Lower sponsorship revenue of $2.6 million (↓60.3%) since last year we received sponsorships for special events such as Canada Day 150. These decreases were partly offset by higher leasing income of $0.9 million (↑3.1%) from renting out excess space in our buildings and increased financing income of $1.0 million (↑9.5%) due in part to higher interest rates.

Tantoo Cardinal as Mary Birchbark in *Falls Around Her* | CBC

OPERATING EXPENSES

	For the year ended March 31		
	2019	2018	% change
Television, radio and digital services costs			
English Services	901,442	982,189	(8.2)
French Services	760,139	747,870	1.6
	1,661,581	1,730,059	(4.0)
Other operating expenses			
Transmission, distribution and collection	61,511	68,332	(10.0)
Corporate management	10,837	9,690	11.8
Finance costs	20,173	22,815	(11.6)
	92,521	100,837	(8.2)
TOTAL	**1,754,102**	**1,830,896**	**(4.2)**

Our total operating expenses decreased by $76.8 million (↓4.2%) compared to last year, with the main variances noted below.

TELEVISION, RADIO AND DIGITAL SERVICES COSTS (↓4.0%)

Television, radio and digital services costs depend on the different events of importance we cover throughout the year and on our ongoing programming schedule. They represent the costs we incur in relation to the production of our programs, including the cost of our technical labour and facilities.

The 4.0% (↓$68.5 million) decrease in television, radio and digital services costs resulted from:

Olympics	Last year's costs were higher as they included additional programming rights and production costs for the broadcast of the PyeongChang 2018 Olympic Winter Games.
Ongoing activities	Our ongoing operating costs increased slightly this year, primarily due to: ● Higher digital expenses this year as we redesigned and expanded the digital content and services available, particularly on ICI.TOU.TV, and continue to enhance our digital capabilities and services; ● Higher expenses for local services as we covered provincial elections this year in Quebec and New Brunswick, and municipal campaigns in British Columbia and Ontario, and launched the Indigenous Unit and archives project; and ● Higher pension expenses by $8.5 million due to a change in actuarial assumptions. These increases were partly offset by lower TV programming expenses, in particular during the summer period. In addition, last year's costs include some programming costs for Canada 150 and Montreal 375.

OTHER OPERATING EXPENSES (↓8.2%)

Other operating expenses include costs related to the broadcasting of the Corporation's programs ("transmission, distribution and collection" and "payments to private stations"), corporate management costs, finance costs and the recognition of our share in the results of SiriusXM.

Other operating expenses decreased by $8.3 million (↓8.2%), mostly as a result of **lower transmission, distribution and collection costs** from reduced costs across the business, in particular in relation to our satellite transponders. **Finance costs** also continued to decrease, consistent with our expectations.

GOVERNMENT FUNDING

	For the year ended March 31		
	2019	2018	% change
Parliamentary appropriations for operating expenditures	1,097,822	1,110,262	(1.1)
Parliamentary appropriations for working capital	4,000	4,000	-
Amortization of deferred capital funding	111,907	93,487	19.7
TOTAL	**1,213,729**	**1,207,749**	**0.5**

***Parliamentary appropriations for operating expenditures** are recognized based on the amounts voted by parliament.*

*Capital funding is recorded as **deferred capital funding.** It is amortized and recognized as revenue over the same periods as the related property, equipment and intangible assets are used in CBC/Radio-Canada's operations.*

Parliamentary appropriations for operating expenditures decreased by $12.4 million (↓1.1%) in 2018-2019. Our overall base appropriation levels have remained unchanged and reflect the government's reinvestment of $150 million announced in Budget 2016. This year, operating funding received of $1,097.8 million was lower by 1.1% mainly because last year's operating appropriations included an additional amount as two years' of salary inflation funding was received.

Amortization of deferred capital funding was higher by $18.4 million (↑19.7%) mostly as a result of a change in accounting estimate. For further details about this change and its impact, refer to Note 2.B of our Consolidated Financial Statements for the year ended 2018-2019.

OTHER GAINS AND LOSSES

	For the year ended March 31		
	2019	2018	% change
Gain on sale of shares	-	54,462	N/M
Loss on disposal of property and equipment and intangibles	(4,220)	(16,954)	(75.1)
TOTAL	**(4,220)**	**37,508**	**N/M**

N/M = not meaningful

Other gains and losses reflect items that are not considered to be reflective of the standard activities of the Corporation such as the sale of an investment.

Other gains and losses decreased by $41.7 million overall. Last year's results included a $54.5 million gain on sale of shares from the sale of our remaining interest in SiriusXM following its privatization in May 2017.

The loss on disposal of $4.2 million recognized this year was mainly due to the write-down of software development costs of $3.9 million.

Last year, the $17.0 million loss on disposal was mainly due to:

- A non-cash loss of $8.0 million from selling the Maison de Radio-Canada premises;
- The write-down of software development costs of $4.8 million;
- The replacement of several components of the Toronto Broadcast Centre building; and
- The sale of a property in Halifax (Nova Scotia).

TOTAL COMPREHENSIVE INCOME (LOSS)

	For the year ended March 31		
	2019	2018	% change
Net results for the year	(54,447)	(12,564)	N/M
Other comprehensive income			
Remeasurements of defined benefit plans	244,965	98,187	N/M
Total comprehensive income for the year	**190,518**	**85,623**	**N/M**

N/M = not meaningful

Remeasurements of defined benefit plans are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each year.

Total comprehensive income recognized this year was $190.5 million, compared to $85.6 million in the prior year. In addition to our net results, total comprehensive income includes remeasurements of pension plan values as described above.

A gain of $245.0 million was recognized this year on remeasurements of defined benefit plans. This resulted from an $453.3 million higher return on plan assets than estimated in our actuarial assumptions, partly offset by an $208.3 loss on defined benefit obligations, primarily due to a 21 basis-point decrease in the discount rate used.

Last year, a gain of $98.2 million was recognized from remeasurements of our defined benefit plans. This resulted from an $281.5 million higher return on plan assets than estimated in our actuarial assumptions, partly offset by an $183.3 loss on defined benefit obligations as a result of a 22 basis-point decrease in the discount rate.

A scene from *The Grizzlies* | Shane Mahood, courtesy of Mongrel Media

SEASONALITY AND QUARTERLY FINANCIAL INFORMATION

The following table shows condensed financial data for the previous eight quarters. This quarterly information is unaudited, but has been prepared on the same basis as the annual Consolidated Financial Statements. We discuss the factors that caused our results to vary over the past eight quarters in the next section.

2018-2019

	Q1	Q2	Q3	Q4	Total
Revenue	113,383	108,455	137,261	131,047	490,146
Government funding	281,431	286,222	303,846	342,230	1,213,729
Expenses	(401,177)	(379,645)	(454,661)	(518,619)	(1,754,102)
Results before other gains and losses	**(6,363)**	**15,032**	**(13,554)**	**(45,342)**	**(50,227)**
Other gains and losses	(1,370)	3,438	(38)	(6,250)	(4,220)
Net results under IFRS for the period	**(7,733)**	**18,470**	**(13,592)**	**(51,592)**	**(54,447)**
Budget Results for the period[1]	**9,116**	**11,033**	**9,276**	**(29,997)**	**(572)**

2017-2018

	Q1	Q2	Q3	Q4	Total
Revenue	113,208	119,194	139,852	200,821	573,075
Government funding	238,767	292,517	303,550	372,915	1,207,749
Expenses	(395,255)	(389,352)	(458,189)	(588,100)	(1,830,896)
Results before other gains and losses	**(43,280)**	**22,359**	**(14,787)**	**(14,364)**	**(50,072)**
Other gains and losses	53,658	(8,062)	577	(8,665)	37,508
Net results under IFRS for the period	**10,378**	**14,297**	**(14,210)**	**(23,029)**	**(12,564)**
Budget Results for the period[1]	**32,170**	**21,991**	**10,638**	**505**	**65,304**

[1]Budget Results for the period is a revised non-IFRS measure introduced this year. This measure considers only revenue and expenses included in our operating budget for the current fiscal year and replaces the former non-IFRS measure "Results on a Current Operating Basis." A reconciliation of net results to Budget Results for the year is provided in the *Year in Review - Our Results* section of this report. All comparative periods have been updated to reflect the revised definition of our non-IFRS measure.

Our operating results are subject to seasonal fluctuations that materially impact quarter-to-quarter results. The seasonality of our **revenue** is reflective of general market, economic and viewership patterns affecting all conventional broadcasters. Revenue from our ongoing activities generated during the second quarter of the year is usually at its lowest level because the summer season attracts fewer TV viewers. In contrast, revenue from our ongoing activities in the third quarter is comparably higher as TV audiences are larger and more advertisers purchase airtime in anticipation of the holiday season.

Government funding is recognized in the Corporation's income based on budgeted net expenses for the quarter. Monthly and quarterly budgets are established from the annual budget approved by the Board of Directors at the beginning of each year and reflect expected funding for the year and seasonal impacts on expenditures and revenue.

Expenses from our ongoing activities also tend to follow a seasonal pattern because they are influenced by the programming schedule. Operating costs tend to be higher in the fourth quarter as the Corporation incurs costs preparing for the fall broadcast season and completes project deliverables due by the end of the fiscal year.

Other factors may impact net results from quarter to quarter. These may include foreign exchange gains or losses, changes to the fair value of derivative financial instruments, asset write-offs and sales. When appropriate, these are recorded as other gains and losses.

COMPARISON OF 2018-2019 AND 2017-2018 BY QUARTER

Quarter	Revenue	Expenses
Q1	Revenue from ongoing activities was stable (+0.2%) when compared to the first quarter last year. Our conventional advertising sales on ICI TÉLÉ remained strong; furthermore, we benefited from higher rental revenue from third parties. These strengths in the early part of the year were offset by lower CBC advertising revenue and the continued decline in subscribers on our discretionary television services across the business.	Expenses increased by 1.5% when compared to the same period last year, mainly as Radio-Canada enhanced its programming schedule on TV and online, and we continued to invest in local services and digital initiatives.
Q2	Second quarter revenue this year decreased by 9.0%. Our conventional and discretionary TV revenue continued to be impacted by both the ongoing softness of the Canadian advertising market and the cord-cutting and cord-shaving trends. In addition, last year's second quarter revenue included additional royalty revenue received on retransmission royalties.	Expenses in the second quarter decreased by 2.5%. This decrease was mostly driven by lower programming costs. Last year's second quarter included special programming for Canada 150 events and coverage. In addition, some shifts in the program schedule over the summer months resulted in lower costs recognized this year.
Q3	Third quarter revenue decreased by 1.9%. As the advertising market continues to shift towards digital platforms, our conventional advertising revenue remained challenged, primarily in our English markets.	Third quarter expenses in 2018-2019 were lower by 0.8%. This decrease was mostly driven by lower TV programming costs. These lower programming expenses were partly offset by continued investment in digital content and initiatives.
Q4	Lower revenue by 34.7% in the fourth quarter as last year's results included additional revenue from broadcasting the PyeongChang 2018 Olympic Winter Games.	Lower expenses in the fourth quarter by 11.8% as last year's expenses included broadcast rights and production costs for the PyeongChang 2018 Olympic Winter Games.

STRATEGY 2020 PERFORMANCE METRICS

Our performance results for this year are highlighted below:

$ FINANCIAL INDICATOR	RESULT 2017-2018	TARGET 2018-2019	RESULT 2018-2019	PERFORMANCE AGAINST TARGET
Achieve cost reduction target ($million)	$93.1	$104.0	**$104.0**	●

● Target met or exceeded ● Target partially met ○ Target not met

Refer to the Our Accountability Plan *section for explanations about our financial results this year.*

OUTLOOK

Our revenue continues to be exposed to the industry-wide softening of advertising markets and the shift of advertising away from traditional television to digital platforms. There is continued risk that our organization will not remain sustainable as we anticipate the Canadian conventional television advertising market will remain under pressure and the media industry will continue to be disrupted. In addition, we do not receive inflation funding on the goods and services portion of our budget. Without a solution, program spending in future years will have to be reduced to match available resources, and some services will have to be reduced.

The continued funding of salary inflation is a critical component of our financial strategy. This funding has yet to be confirmed for 2018-2019 and future years.

NEW STRATEGY

In spring 2019 we unveiled a three-year strategic plan, which is audience-focused, outward-looking and guided by our five key priorities: providing customized digital services, engaging with young audiences, prioritizing our local connections, reflecting contemporary Canada and taking Canada to the world.

OUR CULTURE, OUR DEMOCRACY: CANADA IN THE DIGITAL WORLD

On January 11, 2019, we submitted our recommendations for strengthening *Canadian culture and democracy: Canada in the digital world* to the government panel reviewing the *Broadcasting Act*, the *Telecommunications Act* and the *Radiocommunication Act*. Among our proposals, we recommend sufficient, predictable funding for the public broadcaster in order to allow us to fulfill our role in supporting culture and democracy.

OLYMPIC GAMES 2020-2024

On October 21, 2015, the International Olympic Committee (IOC) announced that we had been awarded the Canadian broadcast rights for the Beijing 2022 Olympic Winter Games and the Paris 2024 Olympic Games. We're now Canada's Olympic Network and official broadcaster for the next three Olympic Games, including Tokyo 2020, along with our broadcast partners Bell Media and Rogers Media.

CBC Toronto's Sounds of the Season, an annual charity drive in support of local food banks | CBC/Radio-Canada

RISK MANAGEMENT AND GOVERNANCE

RISK MANAGEMENT

We occupy an important place in the Canadian broadcasting system and face a unique set of risks to our plans and operations. Like all broadcasters, we must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. However, given our statutory mandate to serve all Canadians, we also face unique public expectations and financial challenges.

We maintain strong risk governance as we develop, implement and practice effective risk management to ensure risks and opportunities that impact strategies, objectives and operations are identified, assessed and managed appropriately.

Our Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among our Board of Directors, the Board's Audit Committee, our Senior Executive Team and our operational units.

1 BOARD	2 AUDIT COMMITTEE	3 SENIOR EXECUTIVE TEAM	4 MEDIA AND SUPPORT BUSINESS UNITS
The Board oversees our key risks at a governing level, approves major policies, and ensures that the processes and systems required to manage risks are in place.	The Audit Committee monitors key risks, discussing their status with management at quarterly meetings and ensuring that management has programs for evaluating the effectiveness of internal controls.	The Senior Executive Team identifies and manages risks, reports on our key risks to the Audit Committee and the Board, recommends policies, and oversees financial reporting and internal control systems.	Media and support business units initially identify and assess risks through the annual business plan process, and develop and execute detailed plans to manage risks. Risks are prioritized based on their potential impacts and their likelihood of occurring.

In addition, Internal Audit plans its audits in accordance with the results of the risk assessment process and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

The following table discusses the key risks we face.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
1. Financial Sustainability		
Our operating environment remains challenging as conventional television advertising and subscription revenue decline and the shift to digital business models continues, but not at the same financial pace. Audience consumption patterns such as cord shaving are reducing cable and satellite revenues. International streaming and continued audience fragmentation impact negatively on our revenue. Financial performance of the various Canadian media groups is putting downward pressure on prices and leading to a more aggressive approach to advertising volumes. Given that our government funding is not fully indexed for cost increases and traditional advertising and subscription revenues are declining, significant risks are posed to the sustainability of our legacy business.	Continue to invest in prime-time television which is still the biggest single driver of revenue for the Corporation, while managing the shift from legacy to digital services. Develop additional compelling, distinctly Canadian programming. Maximize our multiplatform/multiscreen strategy when broadcasting, acquiring or distributing content. Leverage new partnerships and accelerate focus on digital revenue opportunities. Play a leadership role in driving the advertising industry transformation around audience measurement and automation, and reinforce the value and effectiveness of television advertising. Monitor and control costs, and reallocate financial resources to strategic priorities. Continue to promote the values and importance of public broadcasting with key government decision makers.	The combined effect of lower revenues and cost increases reduce resources available for our strategic priorities. Adjust our strategic plan as necessary to respond to further advertising weakening and lower subscription revenue.
2. Changing Media Landscape		
Competition for the attention of audiences is intensifying. Various media groups, domestic and international, have significant financial strength and are investing heavily to capture the attention of audiences with quality content on various platforms. Our digital frameworks, including distribution methods and platforms, must be robust and scalable to withstand the continued accelerated adoption of new distribution methods, evolving audience and partner demands, and disruption in the media landscape. We must adapt to new realities, often outside traditional industry relationships.	Continue our focus on digital content. Create a harmonized OTT platform between CBC and Radio-Canada with a single data pool, competitive user experiences and functionality. Align performance measurement to incent optimal decisions by adapting indicators to audience content consumption patterns. Continually evolve our technology to meet audience expectations. Negotiate rights agreements to ensure access to popular content on feasible financial terms. Continue to develop and implement data management tools and strategies to enhance our ability to track, personalize and customize content for audiences.	The ability to serve audiences on the platforms or through the distribution channels they want will impact the overall consumption of our content and influence the public value of our services, our advertising and subscription revenue, and our relevance.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
3. Government's Cultural Policies Modernization and Regulatory Initiatives		
Our ability to deliver our mandate is challenged by the ongoing shift from traditional television to discretionary services and digital platforms, rapid technology evolution, changing media consumption habits, and industry fragmentation. The government is currently undergoing a review of the *Broadcasting Act*, the *Telecommunications Act* and the *Radiocommunication Act*. In January 2019, we provided our proposal for strengthening Canadian culture and democracy. The panel is scheduled to provide recommendations to government in early 2020. Competing priorities could lead the government to change our mandate, independence and/or business model, which could have a profound impact on the future of the organization and impact our opportunity to address our challenged business model. Our current CRTC licences expire August 31, 2020. There is a risk that the CRTC will impose additional obligations that would be inconsistent with the new strategy.	Promote and share our new strategic plan with stakeholders, both internally and externally. Continue to demonstrate our value and relevance to stakeholders and reinforce the need for adequate stable funding of the public broadcaster with all levels of government. Develop proactive and reactive communication plans, as required. Monitor and participate in the various processes launched by the government. Develop, implement or modify strategies and contingency plans, as required. The CRTC has stated that CBC/Radio-Canada's licence renewal will be launched this year. We are currently developing a strategy for CBC/Radio-Canada's licence renewal application that takes into account our traditional and online services and enables us to meet our statutory mandate.	The new strategic plan positions what we need to succeed now, as well as in an age beyond traditional broadcasting. It will ensure that the public media services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the shifts within our industry.
4. New Strategy Implementation Plan		
We presented our three-year plan to the Board in March 2019. The strategic plan is based on forward-looking assumptions. There is a risk that: ● we may not effectively implement or achieve the strategic and financial goals of the new plan; and ● we will be prevented from implementing part of our new strategy due to accelerated deterioration in our financial realities.	Implement the new strategic plan that was approved by the Board in March 2019. Develop a communications and brand campaign to support the launch of the new plan. Monitor the debate on our future and correct any misinformation. Develop performance criteria and measure achievement against the plan.	Successful implementation of the new strategy is critical to driving stakeholder support and enhancing our relevance.

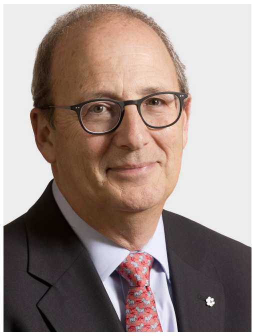
KEY RISKS	RISK MITIGATION	FUTURE IMPACT
5. Reputation and Brand Management		
CBC and Radio-Canada are among the most prominent and most discussed brands in the country. In addition, these are brands about which all Canadians feel justified rightly in having and expressing an opinion. At any time, an event or an incident, large or small, can touch a nerve and instigate a controversy of national proportions. There is a risk that negative perceptions of us may undermine credibility and stakeholder support.	Continue to reinforce our brands by acting responsibly and being accountable to increase our credibility and trustworthiness amongst Canadians. Continue to promote a safe, respectful and inclusive workplace through the Code of Conduct and mandatory training on ethics, the prevention of bullying and harassment, and unconscious bias. Implement a comprehensive issue management system that ensures a strong crisis management response and stresses transparency and decisive action.	Develop clear and transparent action plans to deal with critical issues to improve our credibility and stakeholder support.
6. Information Security		
Despite heightened awareness and attention to cyber security, the number, cost and complexity of cyber incidents for all companies worldwide continue to grow. While we are investing in managing information security risks, evolving cyber threats have the potential to significantly disrupt operations (e.g., capacity to be on air, availability of our digital services) and/or damage our brand. There is a risk that personal information is disclosed or used without clear consent.	Monitor and assess network security, cloud technologies and system vulnerabilities. Implement enhanced information security rules, guidelines and procedures, and increase staff awareness and training on information security topics and protection of personal information. Develop a new records management policy to impose classification obligations that address personal information. Train employees tasked with applying the new policy. Review and limit access to personal information. Develop protocols and adopt technologies that anonymize personal information when used in the pursuit of our strategic priority to customize content for audiences of our digital services.	Continue and refine identified strategies.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
7. Implementation of High-Profile Projects		
a) Maison de Radio-Canada (MRC) Project		
There is a risk that: • the project may not achieve expected operational efficiencies, meet construction timelines and technical requirements or stay within budget, leading to increased costs and impacting the attainment of strategic objectives; and • employees may not embrace change, which may erode engagement, morale and retention. There is a risk that negative perceptions over project transparency may undermine credibility and stakeholder support.	Maintain constructive business relationships with partners. Ensure tight project management: proactively monitor, assess and control risks, and establish realistic schedules and budgets, contingency plans, and adequate planning to minimize changes during execution. Enhance consultation and coordination with staff to help them prepare for the move to the new building. Obtain change management expertise on an as-needed basis to support our major change efforts. Ensure transparent communication to stakeholders about the economic benefits of the project.	Continue to monitor the project, especially the technical infrastructure and the reimagining of work processes and work spaces. Continue with transparent communication to stakeholders.
b) Human Resources (HR) System Project		
There is a risk that the planned HR system will not achieve desired objectives, be over budget or negatively impact payroll operations.	Put in place a strong governance structure to lead the HR system project. Establish strong stakeholder buy-in that supports the change and transformation approach. Prepare detailed request for proposal specifications and launch the process. Select the vendor in 2019-2020. Develop a change management plan to align with HR modernization projects.	Monitor the project planning, in particular for the technical infrastructure and the reimagining of work processes.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
8. Talent Management		
The recruitment, retention and engagement of a strong, diverse workforce is essential to achieve strategic objectives. There is a risk that negative workplace culture incidents, controversy and uncertainty may erode gains around staff engagement and morale, and create challenges in recruiting and retaining talent. Increased competition for digital talent and a gap in our compensation relative to the market impacts recruitment and retention.	Rollout annual engagement survey results and implement action plans to address areas of concern. Develop an action plan and road map for joint initiatives with the unions on workplace culture to address common issues. Continue implementation of the compensation strategy to phase in market adjustments to compensation. Implement year 2 of the 2018-2021 Diversity and Inclusion Plan.	Maintain our momentum to train people for this new digital world, train leaders to better support their teams and continue building a strong foundation of business skills across the Corporation.
9. Union Relations and Negotiations		
Negotiations for new collective agreements will soon begin with the Association of Professionals and Supervisors and the Association des réalisateurs. There is a risk of disruption to operations due to: ● jurisdictional claims between bargaining units, resulting in reduced flexibility; and ● labour stoppage.	Continue transparent communications to employees and unions, and involve employees in the development of strategic initiatives. Implement clear negotiation mandates that ensure flexibility in working conditions and reduce the jurisdictional barriers between bargaining units, where applicable. Develop a strategy to address jurisdictional claims by multiple unions. Update contingency plans in case of labour disruption.	Continue with union negotiations in process and start new negotiations as planned. Continue with identified strategies.

BOARD AND MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

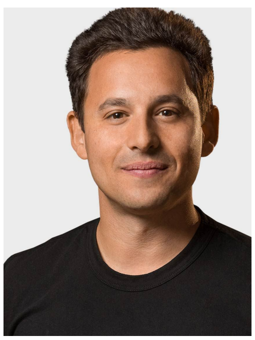


Michael Goldbloom [2]
Chairman of the Board
Lennoxville, QC

Catherine Tait [2]
President and CEO
Ottawa, ON

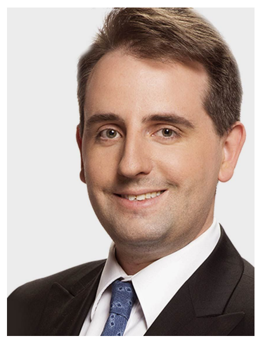
Guillaume Aniorté [2, 3, 4]
Montreal, QC

Edward W. Boyd [2, 4]
Toronto, ON

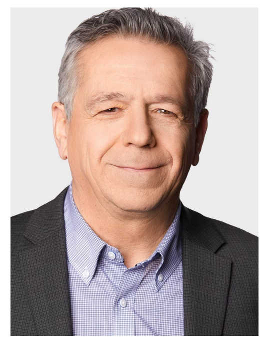


Harley Finkelstein [2, 3, 4]
Ottawa, ON

Suzanne Guèvremont [2, 3, 4]
Montreal, QC

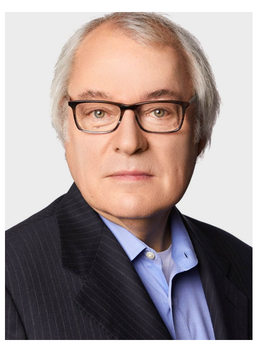


Rob Jeffery [1, 2]
Halifax, NS



René Légère [2, 4, 5]
Moncton, NB

Jennifer Moore Rattray [1, 2]
Winnipeg, MB



François R. Roy [1, 2, 5]
Montreal, QC

Sandra Singh [1, 2, 5]
Vancouver, BC

Marie Wilson [2, 3, 5]
Yellowknife, NWT

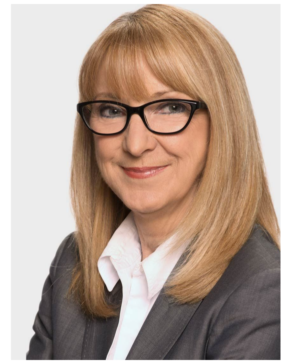
[1] Member of the Audit Committee
[2] Member of the Broadcasting Committees
[3] Member of the Technology and Infrastructure Committee
[4] Member of the Strategic Planning Committee
[5] Member of the Human Resources and Governance Committee

SENIOR EXECUTIVE TEAM

Catherine Tait
President and CEO

Michel Bissonnette
Executive Vice-President,
Radio-Canada

Daniel Boudreau
Executive Vice-President, Media Technology and Infrastructure Services

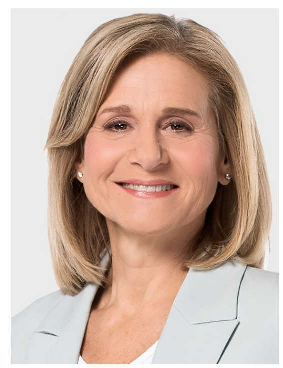


Sylvie Gadoury
Vice-President,
Legal Services,
General Counsel
and Corporate Secretary

Claude Galipeau
Executive Vice-President,
Corporate Development

Monique Marcotte
Vice-President,
People and Culture

Judith Purves
Executive Vice-President
and Chief Financial Officer



Barbara Williams
Executive Vice-President, CBC

COMMITTEE MANDATES

Audit Committee - Assists the Board in discharging its stewardship and oversight responsibilities by monitoring the integrity of our financial information that will be provided to Parliament and other stakeholders, our systems of internal controls and risk management (which management and the Board have established), the audit process, and our financial performance against business and corporate plans.

Broadcasting Committees - Assist the Board in discharging its stewardship and oversight responsibilities with respect to the fulfillment of our public broadcasting mandate. The Standing Committees on English and French Language Broadcasting are established pursuant to the *Broadcasting Act*.

Technology and Infrastructure Committee - Assists the Board in discharging its stewardship and oversight responsibilities with respect to our infrastructure assets, including real estate, fleet and transmission holdings, and broadcasting, telecommunications and technology solutions.

Strategic Planning Committee - Assists the Board in discharging its stewardship and oversight responsibilities with respect to the strategic direction of the Corporation.

Human Resources and Governance Committee - Assists the Board in discharging its stewardship and oversight responsibilities on matters relating to human resources strategies, compensation, corporate governance, the conduct of the Board's affairs and other related matters.

YEAR IN REVIEW

ACCESS TO INFORMATION AND PROACTIVE DISCLOSURE

In 2018-2019, we continued to work hard on the administration of the *Access to Information Act* (ATIA). We received 127 formal requests under the *Act*, down slightly from the 129 received the year before. Our average response time was reduced from 50 days to 40 over the last fiscal.

2018-2019 *Access to Information Act* highlights:

- 9,171 pages released in answer to 100 formal requests;
- 9,558 pages released in answer to 40 informal requests; and
- 2,248 pages released of Board of Directors meetings.

For a total of 20,977 pages.

The number of pages released in answer to informal requests went up by 26% from 7,607 in 2017-2018 to 9,558 in 2018-2019.

The Corporation's deemed refusal rate for 2018-2019 was 1.23%; it remained well within the Information Commissioner's threshold for an A rating.

At the same time, the Corporation continued its proactive disclosure practices by posting another 3,556 pages of records released in answer to closed ATIA requests of general interest on its public Impact and Accountability web page. The number of visits to this page increased from 3,200 in 2017-2018, to 5,369 during 2018-2019.

ANNUAL PUBLIC MEETING

Our Annual Public Meeting took place at the Art Gallery of Alberta and online on September 25, 2018. This year, we discussed the importance of diversity and inclusion in enriching our collective cultural experience and, ultimately, our democracy. Catherine Tait, President & CEO, and Michael Goldbloom, Chair of the Board of Directors, shared their vision for CBC/Radio-Canada. The President noted that her conversations with Canadians have made it clear that CBC/Radio-Canada's mandate to inform, enlighten and entertain Canadians is more relevant than ever. A future focus on digital will allow CBC/Radio-Canada to connect Canadians with each other, while also ensuring that Canadians who rely on TV and radio for their connections are not left behind. Michael Goldbloom, Chair of the Board of Directors, reinforced that one of CBC/Radio-Canada's most important roles is to bring people together, with platforms to inform and entertain, but also to exchange and learn about different perspectives and points of view. It's here that the public broadcaster differentiates itself from others, and how CBC/Radio-Canada truly serve as a public space for Canadians.

JOURNALISTIC STANDARDS AND PRACTICES

CBC/Radio-Canada has an extensive code of Journalistic Standards and Practices and editorial control mechanisms to guide employees and to ensure that our programming remains balanced and accurate, particularly in today's social media environment. You can view CBC/Radio-Canada's Journalistic Standards and Practices on our corporate website.

OMBUDS

Public complaints, expressions of concern or communications about News and Current Affairs programming are dealt with through the offices of both ombuds, Guy Gendron, the Radio-Canada Ombudsman, and Jack Nagler, taking over from previous CBC Ombudsman Esther Enkin in January 2019. Complainants dissatisfied with responses from programs may have their concerns resolved through the ombuds review process. The ombuds are completely independent of programming staff and programming management, and report directly to the President and CEO and, through the President and CEO, to the Board of Directors. The role of the ombuds is pivotal in strengthening our accountability and transparency to Canadians. Communications not directly related to our News and Current Affairs programming were forwarded to the relevant programming departments or Audience Relations.

	HANDLED COMPLAINTS, EXPRESSIONS OF CONCERN OR OTHER COMMUNICATIONS	WITHIN MANDATE OF BOTH OMBUDS	HANDLED LAST YEAR (2017-2018)
CBC (English Services)	4,069*	3,185	3,170
Radio-Canada (French Services)	1,931	1,349	1,297
TOTAL	**6,000**	**4,534**	**4,467**

* 2,145 of the total 4,069 complaints received by the CBC Ombudsman consisted of identical form emails regarding the issue of assisted death, claiming biased reporting and requesting redress on the part of CBC.

VALUES AND ETHICS COMMISSIONER

During her first two years as the Values and Ethics Commissioner, Diane Girard has focused on raising awareness of ethical issues such as conflicts of interest, outside activities that could be perceived as such, and respect in the workplace. She has met, and continues to meet with employees and managers of all levels in locations across the country. These meetings focused on answering their questions and hearing about their concerns, issues and suggestions. This continues to help her better understand the challenges faced by employees and managers, which in turn informs the work that the Commissioner undertakes and presents areas where possible improvements to practices can be recommended.

NUMBER OF REQUESTS FOR ADVICE RECEIVED APRIL 2018 TO MARCH 2019	**216**
NUMBER OF INTERNAL COMPLAINTS WITHIN MANDATE	**17**
NUMBER OF COMPLAINTS FROM THE PUBLIC WITHIN MANDATE	**13**
NUMBER OF MEETINGS WITH GROUPS OF MANAGERS AND EMPLOYEES	**50**

Additional projects the Commissioner undertook this year focused on continued awareness around conflicts of interest, with a new training scenario launched for employees. She also developed a new online system for declaring real and perceived conflicts of interest, and rollout to initial groups had begun at the end of the fiscal year, with continued rollout planned throughout the next fiscal year.

COMPLIANCE WITH THE *CANADIAN ENVIRONMENTAL ASSESSMENT ACT*

We use a risk-based approach to facilitate compliance with Sections 67-69 of the *Canadian Environmental Assessment Act*, 2012. As part of the established process, a project manager must complete a checklist for all physical activities prior to initiating a project. The checklist details the scope and description of the project and is our formal tool to ensure the project examines any potential adverse environmental impacts, including, but not limited to, asbestos, halocarbons, mould, fuel storage tanks, water or air quality, etc. The checklist also allows us to describe any appropriate action needed to minimize any effects identified. As per the process outlined above, no project completed this year was determined to result in a significant adverse environmental effect. It should be noted that CBC/Radio-Canada considers a physical activity as something that goes beyond normal maintenance, such as removing a wall, replacing equipment or excavating a parking lot. For the purposes of this approach, painting walls or maintaining equipment is considered maintenance work.

REVIEW OF THE *BROADCASTING ACT*

In January 2019, we submitted recommendations to the government-appointed panel as it prepared to undertake its review of the *Broadcasting Act*, the *Telecommunications Act* and the *Radiocommunication Act*. In our submission, we proposed support for three key initiatives:

- Strengthen public broadcasting as the cornerstone of Canadian culture;
- Strengthen the quality and access to trusted news and information for all Canadians; and
- Strengthen Canadian culture by ensuring that all companies who benefit from our market contribute to the sustainability of Canadian culture.

We also asked that both foreign and domestic digital companies, which are profiting from Canadians' love of content, contribute to the creation of Canadian culture, as traditional broadcasting companies already do, to address the current inequality. The panel is scheduled to provide recommendations to government in early 2020.

DIRECTOR COMPENSATION

The Chair of the Board and the President and CEO are compensated in accordance with the terms of the Order-in-Council appointing them. The President and CEO receives an annual salary as a senior executive of the Corporation, but no additional compensation to serve as a Director. The Chair of the Board receives an annual retainer (from $14,500 to $17,100) and a per diem fee (from $565 to $665) for meetings, travel time and special executive, analytical or representational responsibilities. The remuneration for directors (other than the CEO and the Chair) is established by a bylaw approved by the Minister of Canadian Heritage as summarized below:

MEETINGS		BOARD OF DIRECTORS	AUDIT COMMITTEE	OTHER COMMITTEES
Regular Meetings	Attendance in person (including meetings by video-conference)	For the first 6 regular meeting days: $2,000/day	For the first 6 regular meeting days: $1,300/day for members and $1,550 for the Chair	For the first 4 regular meeting days: $1,000/day for members and $1,250 for the Chair
		Thereafter: $625/day	Thereafter: $625/day	Thereafter: $625/day
	Participation by telephone	$625/day or $312.50/half-day	$250/day	$250/day
Conference Call Meetings		$250/day	$250/day	$250/day

Directors are entitled to receive only one meeting fee for each day of work (24 hours) even if they attend more than one meeting during that period.

Compensation data for our Directors is summarized in Note 29 Related parties to the annual Consolidated Audited Financial Statements.

Voix LGBTQ+, an affinity group within CBC/Radio-Canada | CBC/Radio-Canada

BOARD OF DIRECTORS' ATTENDANCE

In person | Video conference | Conference call

BOARD MEMBERS	BOARD			AUDIT COMMITTEE			BROADCASTING COMMITTEES			TECHNOLOGY & INFRASTRUCTURE COMMITTEE			STRATEGIC PLANNING COMMITTEE			HUMAN RESOURCES & GOVERNANCE		
	In person	Video conference	Conference call	In person	Video conference	Conference call	In person	Video conference	Conference call	In person	Video conference	Conference call	In person	Video conference	Conference call	In person	Video conference	Conference call
# of meetings	6		3	4		2	2			3			3		2	5		3
Michael Goldbloom	6/6		3/3				2/2											
Hubert T. Lacroix [1]	2/2						0/1											
Catherine Tait [2]	4/4		3/3				1/1											
Guillaume Aniorté	6/6		2/3				2/2			3/3			3/3		2/2			
Edward W. Boyd	6/6		3/3				2/2						3/3		2/2	2/2		
Harley Finkelstein	5/6		3/3				2/2			3/3			2/3		1/2			
Suzanne Guèvremont [3]	4/4		2/3				1/1			3/3			3/3		2/2			
Rob Jeffery	6/6		2/3	4/4		2/2	2/2											
René Légère	6/6		3/3				2/2						3/3		2/2	3/3		3/3
Marlie Oden [4]	2/2						1/1									2/2		
Jennifer Moore Rattray	6/6		2/3	4/4		2/2	2/2									2/2		
François R. Roy	5/6		3/3	4/4		2/2	2/2									4/5		3/3
Sandra Singh	5/6		2/3	2/2		1/1	1/2									3/3		2/3
Marie Wilson	6/6		3/3				2/2			3/3						3/3		3/3

[1] Hubert T. Lacroix's term ended December 21, 2017 (extended to June 30, 2018)

[2] Catherine Tait was appointed July 3, 2018

[3] Suzanne Guèvrement was appointed July 30, 2018

[4] Marlie Oden's term ended July 29, 2018

ACCOUNTING MATTERS

Our Consolidated Financial Statements for the year-ended March 31, 2019 were prepared in accordance with IFRS. They were approved by the Corporation's Board of Directors on June 19, 2019. Discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements.

ACCOUNTING DEVELOPMENTS

Two new accounting standards ("IFRS 9, *Financial Instruments*" and "IFRS 15, "*Revenue from Contracts with Customers*") were applied in our Consolidated Financial Statements for the year-ended March 31, 2019. Management is currently working on the final stages of the implementation of the new Lease Standard ("IFRS 16"), which became effective on April 1, 2019, and whose impact will be reflected in our Consolidated Financial Statements for the year ended March 31, 2020.

Refer to Note 3 of the Consolidated Financial Statements for the year ended March 31, 2019, for information pertaining to these recently adopted and pending accounting pronouncements.

KEY ACCOUNTING ESTIMATES AND CRITICAL JUDGMENTS

Our key significant accounting estimates and critical judgments are disclosed in the relevant notes to our Consolidated Financial Statements for the year ended March 31, 2019. The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Our critical accounting estimates and significant judgments are disclosed to, and discussed with, the Audit Committee on a regular basis.

TRANSACTIONS WITH RELATED PARTIES

TRANSACTIONS WITH DEFINED BENEFIT PLANS

We made employer contributions to defined benefit plans as discussed in Note 16. We also provided management and administrative services to our defined benefit pension plans.

FINANCIAL REVIEW

INTERNAL CONTROLS

The Corporation has an internal control program based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, which requires periodic reviews of key controls over financial reporting. This program is consistent with industry best practices, with an aim to maintain and strengthen policies and procedures that ensure the reliability of financial information and the safeguarding of assets.

A dedicated internal control team reviews and evaluates key internal controls over financial reporting on an ongoing basis. This program is supported by the Corporation's internal auditors who conduct audits and reviews (some of which relate to financial reporting and operations) identified using a risk-based approach and agreed upon through discussions with the Corporation and its Audit Committee.

In 2018-2019, the Corporation assessed the design and operating effectiveness of key internal controls over financial reporting. The assessment did not identify any material weaknesses in the operating effectiveness of the internal controls, but identified some opportunities for improvements for which management has developed an action plan. The Corporation will continue to address opportunities for improvement in the coming year.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements and all other information presented in this Annual Report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. Some of the information in the Consolidated Financial Statements is based on management's best estimates and judgment, and gives due consideration to materiality. These Consolidated Financial Statements have been properly prepared in accordance with International Financial Reporting Standards. Management considers that the financial statements fairly present the Corporation's financial position, results from operations and cash flows.

Management of the Corporation maintains books of account, records, financial and management controls, and information systems that are designed to provide reliable and accurate financial information on a timely basis. The controls are designed to provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, that the operations of the Corporation are carried out effectively, and that transactions are in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act*, and the bylaws of the Corporation.

The Corporation's Internal Auditor has the responsibility for assessing the Corporation's systems, procedures and practices. The Auditor General of Canada conducts an independent audit of the annual Consolidated Financial Statements and reports on his audit to the Minister of Canadian Heritage.

The Board of Directors' Audit Committee, consisting of independent Directors, reviews and advises the Board on the Consolidated Financial Statements and the Auditor General's report thereto. The Audit Committee oversees the activities of Internal Audit and meets with management, the internal auditor and the Auditor General on a regular basis to discuss the financial reporting process, as well as auditing, accounting and reporting issues.

Catherine Tait
President and Chief Executive Officer

Judith Purves,
Executive Vice-President and Chief Financial Officer

Ottawa, Canada
June 19, 2019

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Canadian Broadcasting Corporation and subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of income (loss), the consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Canadian Broadcasting Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act* and the by-laws of the Canadian Broadcasting Corporation.

In our opinion, the transactions of the Canadian Broadcasting Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRSs have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Canadian Broadcasting Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canadian Broadcasting Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

Riowen Abgrall

Riowen Yves Abgrall, CPA, CA
Principal
for the Interim Auditor General of Canada

Ottawa, Canada
19 June 2019

CONSOLIDATED FINANCIAL STATEMENTS

2018-2019

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at March 31	
(in thousands of Canadian dollars)	*NOTE*	**2019**	2018
ASSETS			
Current			
Cash	*4, 27*	89,697	95,978
Trade and other receivables	*5, 27*	142,387	205,311
Programming	*6*	283,464	259,516
Prepaid expenses		31,623	34,499
Promissory notes receivable	*7*	3,264	3,448
Investment in finance lease	*8*	3,630	3,394
Bonds receivable	*9, 27*	163,092	110,712
Derivative financial instruments	*27*	92	-
Assets classified as held for sale	*10*	133	283
		717,382	**713,141**
Non-current			
Property and equipment	*10*	773,289	746,838
Intangible assets	*11*	21,935	23,799
Assets under finance lease	*12*	5,414	6,016
Pension plan asset	*16*	497,601	302,025
Programming	*6*	32,892	42,984
Promissory notes receivable	*7*	31,352	34,616
Investment in finance lease	*8*	34,224	37,854
Deferred charges	*13*	41,781	38,670
Bonds receivable	*9, 27*	-	43,373
		1,438,488	**1,276,175**
TOTAL ASSETS		**2,155,870**	**1,989,316**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	*14*	119,257	110,886
Provisions	*15*	30,401	44,856
Pension plans and employee-related liabilities	*16*	186,063	129,117
Programming liability	*6*	5,659	15,151
Bonds payable	*17*	24,380	23,624
Obligation under finance lease	*18*	583	570
Notes payable	*19*	9,172	8,945
Deferred revenue	*20*	12,332	19,654
		387,847	**352,803**
Non-current			
Deferred revenue	*20*	10,584	16,820
Pension plans and employee-related liabilities	*16*	245,606	264,178
Programming liability	*6*	-	5,017
Bonds payable	*17*	186,724	204,682
Obligation under finance lease	*18*	5,177	5,745
Notes payable	*19*	71,570	79,329
Deferred capital funding	*22*	528,170	531,068
		1,047,831	**1,106,839**
TOTAL LIABILITIES		**1,435,678**	**1,459,642**
EQUITY			
Retained earnings		719,556	529,029
Total equity attributable to the Corporation		**719,556**	**529,029**
Non-controlling interests		**636**	**645**
TOTAL EQUITY		**720,192**	**529,674**
TOTAL LIABILITIES AND EQUITY		**2,155,870**	**1,989,316**

Commitments (NOTE 30)

The accompanying notes form an integral part of the consolidated financial statements.

APPROVED BY THE BOARD OF DIRECTORS

Michael Goldbloom

DIRECTOR

DIRECTOR

CONSOLIDATED STATEMENT OF INCOME (LOSS)

		For the year ended March 31	
(in thousands of Canadian dollars)	*Note*	**2019**	2018
REVENUE	*21*		
Advertising		248,752	318,282
Subscriber fees		124,455	127,210
Other income		105,833	117,437
Financing and investment income		11,106	10,146
		490,146	**573,075**
GOVERNMENT FUNDING	*22*		
Parliamentary appropriation for operating expenditures		1,097,822	1,110,262
Parliamentary appropriation for working capital		4,000	4,000
Amortization of deferred capital funding		111,907	93,487
		1,213,729	**1,207,749**
EXPENSES			
Television, radio and digital services costs		1,661,581	1,730,059
Transmission, distribution and collection costs[1]		61,511	68,332
Corporate management		10,837	9,690
Finance costs	*23*	20,173	22,815
		1,754,102	**1,830,896**
Results before other gains and losses		**(50,227)**	**(50,072)**
OTHER GAINS AND LOSSES			
Gain on sale of shares	*24*	-	54,462
Loss on disposal of property and equipment and intangibles	*10, 11*	(4,220)	(16,954)
		(4,220)	**37,508**
Net results for the year		**(54,447)**	**(12,564)**
Net results attributable to:			
The Corporation		(54,438)	(12,630)
Non-controlling interests	*2*	(9)	66
		(54,447)	**(12,564)**

The accompanying notes form an integral part of the consolidated financial statements.

[1]Transmission, distribution and collection costs now include Payments to private stations. Comparative figures have been updated accordingly.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	*NOTE*	For the year ended March 31 **2019**	2018
COMPREHENSIVE INCOME (LOSS)			
Net results for the year		(54,447)	(12,564)
Other comprehensive income (loss) - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	*16*	244,965	98,187
Total comprehensive income (loss) for the year		**190,518**	**85,623**
Total comprehensive income (loss) attributable to:			
The Corporation		190,527	85,557
Non-controlling interests	*2*	(9)	66
		190,518	**85,623**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2018		529,029	645	529,674
Changes in year				
Net results for the year		(54,438)	(9)	(54,447)
Remeasurements of defined benefit plans	16	244,965	-	244,965
Total comprehensive income for the year		**190,527**	**(9)**	**190,518**
Balance as at March 31, 2019		**719,556**	**636**	**720,192**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2017		443,472	579	444,051
Changes in year year				
Net results for the year		(12,630)	66	(12,564)
Remeasurements of defined benefit plans	16	98,187	-	98,187
Total comprehensive income for the year		**85,557**	**66**	**85,623**
Balance as at March 31, 2018		**529,029**	**645**	**529,674**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

		For the year ended March 31	
(in thousands of Canadian dollars)	*NOTE*	**2019**	2018
CASH FLOWS FROM (USED IN)			
OPERATING ACTIVITIES			
Net results for the year		(54,447)	(12,564)
Adjustments for:			
Loss on disposal of property and equipment and intangibles	*10, 11*	4,220	16,954
Gain on sale of shares	*24*	-	(54,462)
Financing and investment income	*21*	(11,106)	(10,146)
Finance costs	*23*	20,173	22,815
Change in fair value of financial instruments designated as at fair value through profit and loss	*27*	(92)	(186)
Depreciation and amortization	*10, 11, 12*	112,712	115,922
Change in deferred charges	*13*	(3,111)	(1,617)
Net change in programming asset	*6*	5,168	1,779
Amortization of deferred capital funding	*22*	(111,907)	(93,487)
Change in deferred revenue [non-current]	*20*	(6,329)	(3,529)
Change in pension plan asset	*16*	(195,576)	(40,304)
Change in pension plans and employee-related liabilities	*16*	229,605	99,327
Accretion of promissory notes receivable	*7*	-	(6)
Amortization of bond premium	*9*	977	994
Movements in working capital	*26*	61,779	(23,926)
		52,066	**17,564**
FINANCING ACTIVITIES			
Repayment of obligations under finance leases	*18*	(555)	(10,278)
Repayment of bonds	*17*	(17,958)	(15,490)
Repayment of notes	*19*	(7,474)	(7,136)
Interest paid		(19,269)	(22,327)
		(45,256)	**(55,231)**
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	*22*	109,009	107,821
Additions to property and equipment	*10*	(134,496)	(81,127)
Additions to intangible assets	*11*	(9,121)	(10,524)
Acquisition of bonds and other securities	*9*	(119,946)	(178,745)
Net proceeds from disposal of property and equipment	*10*	14,452	45,675
Net proceeds from disposal of shares	*24*	-	57,580
Collection of marketable securities	*9*	-	26,021
Collection of bonds receivable	*9*	109,844	21,000
Collection of promissory notes receivable	*7*	3,423	2,815
Collection of finance leases receivable	*8*	3,202	2,985
Interest received		10,542	9,082
		(13,091)	**2,583**
Change in cash		**(6,281)**	**(35,084)**
Cash, beginning of the year		**95,978**	**131,062**
Cash, end of the year		**89,697**	**95,978**

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

BUSINESS AND ENVIRONMENT

This Section sets out the Corporation's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. This section also shows new and future changes in accounting policies and whether they are effective in 2019 or later years. We explain how these changes are expected to impact the financial position and performance of the Corporation.

1. GENERAL INFORMATION

CBC/Radio-Canada (the Corporation) was first established by the 1936 Broadcasting Act. The Corporation, a federal Crown Corporation domiciled in Canada, is an agent of Her Majesty and all assets and liabilities are those of the Government. Its registered office is located at 181 Queen Street, Ottawa ON K1P 1K9. The Corporation is accountable to Parliament through the Minister of Canadian Heritage and in accordance with section 85(1.1) of the Financial Administration Act, the Corporation is exempt from certain sections from Divisions I to IV of Part X of this act.

As the national public broadcaster, the Corporation provides radio, television and digital services in both official languages, delivering predominantly and distinctly Canadian programming to reflect Canada and its regions to national and regional audiences.

These consolidated financial statements have been authorized for issuance by the Board of Directors on June 19, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the Accounting Standards Board (AcSB). The Corporation has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. These consolidated financial statements were prepared on a historical cost basis, except for pension plans and post-employment benefits which are measured on an actuarial basis.

All amounts are in Canadian dollars, which is our functional currency, and rounded to the nearest thousand, unless otherwise noted.

B. Basis of Preparation

This section includes certain of the Corporation's accounting policies that relate to these consolidated statements as a whole, as well as estimates and judgments it has made and how they affect the amounts reported in the consolidated financial statements. Management developed estimates and made critical judgments in the process of applying the Corporation's policies. These critical accounting estimates and judgments could have a significant effect on the amounts reported in these consolidated financial statements since materially different amounts could be reported under different conditions or using different assumptions. Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note, together with any related estimates and judgments.

i) Principles of Consolidation

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
The Corporation consolidates the financial statements of its subsidiary (Documentary Channel "*documentary*") and structured entities (the Broadcast Centre Trust and the CBC Monetization Trust) from the date it gained control. The subsidiary and structured entities are entities we continue to control. Control is achieved by having each of: ● Power over the investee through giving the Corporation the right to direct the relevant activities of the investee; ● Exposure, or rights, to variable returns from involvement with the investee; and ● The ability for the Corporation to exercise its power over the investee to affect the returns of the investee. The accounting policies of the subsidiary and structured entities are consistent with those of the Corporation. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Corporation's interests in the subsidiary that do not result in a loss of control are accounted for as equity transactions.	The Corporation consolidates the CBC Monetization Trust and the Broadcast Centre Trust, as it judges that it controls these investees, as defined in IFRS 10 *Consolidated Financial Statements*.

Information about the Corporation's Subsidiary and Structured Entities

Subsidiary

The Corporation's Canadian subsidiary is:

documentary	
OWNERSHIP	2019: 82% / 2018: 82%
PRINCIPAL ACTIVITY	Discretionary television service broadcasting documentaries
HOW THE CORPORATION HAS ACHIEVED CONTROL	Majority interest and active participation on documentary's Board of Directors and Board sub-committees.

Since *documentary*'s fiscal year end is August 31, additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

There are no significant restrictions imposed on the Corporation's ability to access or use assets and settle the liabilities of *documentary*. Specifically, there are no significant restrictions imposed on the Corporation or its subsidiary relating to their ability to transfer funds to their investors.

Consolidated Structured Entities

The Corporation has two structured entities:

The Broadcast Centre Trust (The "BCT") - In order to finance the construction of the Canadian Broadcasting Centre (the building), the BCT issued $400 million of bonds on January 30, 1997 maturing in May 2027, which are guaranteed by the rent payments for the premises occupied by the Corporation. The rent payable by the Corporation to the BCT covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the BCT. The BCT is:

- A lessee under a long-term lease with the Corporation for the land on which the building is located in Toronto and for which a one dollar rent was paid on October 1, 1988; and
- A lessor under a long-term sub-lease with the Corporation for the building.

The Corporation also guarantees, through its rent payments to the BCT, the bonds payable. See Note 17 for further details.

The Broadcast Centre Trust (the "BCT")	
NATURE OF TRUST	Charitable trust
HOW THE CORPORATION HAS ACHIEVED CONTROL	Entity designed to conduct a narrow well-defined activity of leasing on behalf of the CBC/Radio-Canada, with the Corporation having the ultimate decision making powers over relevant activities
OTHER INFORMATION	March 31 year-end

The CBC Monetization Trust - In 2003, the Corporation sold two parcels of land to Ontrea Inc. for the consideration of two promissory notes receivable. The CBC Monetization Trust was created in 2009 with the purpose of acquiring the Corporation's interest in the promissory notes receivable.

Through the CBC Monetization Trust, the Corporation has two promissory notes receivable and an investment in finance lease relating to the sale and rental of parcels of land. These receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable. See Notes 7, 8 and 19 for further information.

CBC Monetization Trust	
NATURE OF TRUST	Charitable trust
HOW THE CORPORATION HAS ACHIEVED CONTROL	CBC/Radio-Canada bears the majority of the risks associated with the collection of the Trust's receivables through the guarantee it has provided. Entity designed to conduct a narrow well-defined activity to monetizing long-term receivables as part of the Recovery Plan implemented to manage budgetary shortfalls in 2009-2010. Predefined contractual arrangement confers CBC/Radio-Canada the majority of decision making powers over relevant activities that expose the Corporation to variable returns.
OTHER INFORMATION	December 31 year-end Additional financial statements prepared for consolidation purposes.

The Corporation does not have interests in joint arrangements or unconsolidated structured entities.

During the current year, the Corporation has not provided, and has no current intention to provide, any further financial and other support to its consolidated structured entities.

ii) Operating Expenses

Television, Radio and Digital Services Costs

Television, radio and digital services costs are expensed when incurred or amortized and include all costs related to production of programs, including direct out-of-pocket expenditures, departmental and administration expenses, the cost of activities related to technical labour and facilities. A portion of the Corporation's indirect expenses that are attributable to the costs of generating programming (such as services provided by Human Resources, Finance and Administration, Building Management and other Shared Services, as well as a portion of depreciation and amortization) are also included in the related program costs. Television, radio and digital services costs also include other programming-related activities, such as Marketing and Sales, Merchandising and Communications.

Transmission, Distribution and Collection Costs

Transmission, distribution and collection costs are expensed when incurred and include all costs related to the broadcasting of the Corporation's programs, including direct out-of-pocket expenditures, departmental and administration expenses, and the cost of activities related to technical labour. A portion of the expenses that are attributable to the cost of transmission and distribution, such as services provided by Human Resources, Finance and Administration, Building Management, and other Shared Services, as well as a portion of depreciation and amortization are included in the related expenses.

iii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs. The Corporation's fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are:

Level 1 – Fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Fair value measurements derived from inputs that are directly (i.e. as prices) or indirectly (i.e. derived from prices) observable other than Level 1 inputs.

Level 3 – Fair value measurements derived from valuation techniques that require inputs which are both based on unobservable market data and significant to the overall fair value measurement.

iv) Asset Impairment

The carrying amounts of the Corporation's property and equipment, intangible assets, assets under finance leases and programming assets are reviewed at each reporting date at the cash-generating unit ("CGU") level to determine whether there is any indication of impairment. For the purpose of impairment testing, a CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Assets are tested at the CGU level when they cannot be tested individually.

Assets that are not yet available for use are tested for impairment at every reporting period regardless of whether an impairment indicator exists.

Under the Corporation's business model, no assets are considered to generate cash flows that are largely independent of the cash flows of other assets and liabilities. Instead, all assets interact to create the "broadcast network production operation" which includes real estate, equipment and intangible assets. These operations are funded by overall parliamentary appropriations, national and local advertising and other commercial revenue. Overall levels of cash flows reflect public policy requirements and decisions. They reflect budgetary funding provided to the Corporation in its entirety. If there are indicators of impairment present, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

v) Deferred Charges

Deferred charges are primarily composed of services paid in advance that will be received in a period that exceeds twelve months from the date of the Consolidated Statement of Financial Position.

vi) Regulatory Licenses

The Corporation holds licenses, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all its conventional television, radio and discretionary services. The Corporation is required to meet specific regulatory obligations in return for the privilege of holding these broadcasting licenses. The Corporation has elected to record these non-monetary grants at their nominal value of nil.

vii) Additional Significant Accounting Policies

To ease the reading of these consolidated financial statements, additional significant accounting policies, estimates and judgments (with the exception of those identified in Note 2 are disclosed throughout the notes, with the related financial disclosures. See table below for reference purposes:

ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT
Trade and Other Receivables (Note 5)	86	✓	✓
Programming (Note 6)	87	✓	✓
Property and Equipment (Note 10)	91	✓	✓
Intangible Assets (Note 11)	96	✓	✓
Assets under Finance Leases (Note 12)	98	✓	✓
Accounts payable and accrued liabilities (Note 14)	100	✓	
Provisions (Note 15)	101	✓	✓
Pension and Employee Related Liabilities (Note 16)	102	✓	✓

ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Deferred Revenue (Note 20)	114	✓	✓
Revenue (Note 21)	115	✓	
Government Funding (Note 22)	121	✓	✓
Finance Costs (Note 23)	122	✓	
Income Taxes (Note 25)	123	✓	✓
Financial Instruments (Note 27)	126	✓	
Related Parties (Note 29)	132	✓	
Commitments (Note 30)	135	✓	✓

viii) Change in Critical Accounting Estimate

During the year, the Corporation reviewed its methodology related to the amount of deferred capital funding it amortizes into income. The change made aims to simplify the approach and as a result, changes were made to the assumptions used.

When compared to the previous methodology, this change resulted in an increase in amortization of deferred capital funding of $15.8 million for 2018-2019. This was recorded in the Consolidated Statement of Income (Loss), with an offsetting decrease in the Corporation's deferred capital funding on the Consolidated Statement of Financial Position. Estimating the effect on future periods is impracticable, and therefore not disclosed.

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

The following new pronouncements issued by the IASB or the IFRS Interpretations Committee were adopted by the Corporation effective April 1, 2018:

IFRS 15 *Revenue from Contracts with Customer*s

On April 1, 2018, the Corporation adopted IFRS 15 *Revenue from Contracts with Customers* and all related amendments (the “new revenue standard”). The new revenue standard was applied to all contracts using the full retrospective approach. The adoption of the new revenue standard did not result in any significant changes to, or have a significant financial impact on the Corporation’s financial statements. Consequently, no transitional adjustments were made to retained earnings on April 1, 2017, comparative information was not restated and a third statement of financial position as at April 1, 2017 was not presented. The Corporation has updated its accounting policy for revenue to reflect key principles of the new revenue standard as described below. For more details about the Corporation’s updated Revenue accounting policies, refer to Note 21 *Revenue*. The new revenue standard replaces the existing standards IAS 11, IAS 18, and all revenue-related interpretations.

The core principle of the new standard is to recognize revenue that depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Corporation expects to be entitled to in exchange for those goods or services. Additionally, the standard changes the basis for deciding whether revenue is to be recognized over time or at a particular point in time and expands and improves disclosures about revenue.

The new revenue standard defines a five-step framework for recognizing revenue, which includes:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations identified in the contract.
5. Recognizing revenue when the performance obligation is satisfied.

New qualitative and quantitative disclosures, which are included in these consolidated financial statements, offer users greater clarity on the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts with customers.

For more information about the new revenue standard and our related estimates and judgments, refer to Note 21 *Revenue*.

IFRS 9 *Financial Instruments*

On April 1, 2018, the Corporation adopted IFRS 9 *Financial Instruments* which replaces IAS 39 *Financial instruments: recognition and measurement*, and all previously issued versions of IFRS 9. IFRS 9 measurement outcomes determine how a particular financial instrument is recognized and measured in an entity's financial statements.

There were no changes made to the Corporation's measurement of financial assets and financial liabilities as a result of adopting IFRS 9. The introduction of a new expected credit loss model, which mainly impacted our trade and other receivables, did not significantly impact the Corporation's financial statements.

Classifications of financial instruments have changed in accordance with IFRS 9 as outlined in the table below:

ASSET/LIABILITY	IAS 39 CLASSIFICATION	IFRS 9 CLASSIFICATION
Cash	Fair value through profit and loss	Fair value through profit and loss
Trade and other receivables	Loans and receivables	Amortized cost
Promissory notes receivable	Loans and receivables	Amortized cost
Bonds receivable	Held-to-maturity	Amortized cost
Investment in finance lease	Loans and receivables	Amortized cost
Derivative financial instruments	Held-for-trading	Fair value through profit and loss
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bonds payable	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Obligations under finance lease	Other liabilities	Amortized cost

The adoption of IFRS 9 did not have a significant impact on the consolidated financial statements and no transitional adjustments were required to retained earnings at April 1, 2018.

For more information about the revised Financial Instruments accounting policies, refer to Note 27 *Financial Instruments*.

B. Future Accounting Changes

The IASB issued the following new standard to replace existing standards which were not in effect and were not applied as at March 31, 2019. This new standard could potentially impact the consolidated financial statements of the Corporation.

<table>
<tr><th>STANDARD</th><th>IFRS 16 Leases</th></tr>
<tr><td>DESCRIPTION</td><td>Supersedes IAS 17 Leases and related Interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Eliminates the classification of leases as either operating or finance leases for a lessee, unless the lease term is 12 months or less or the underlying asset has a low value. All applicable leases are accounted for in a similar manner to finance leases under IAS 17. This standard will result in an expected increase in assets and financial liabilities recognized on the Statement of Financial Position.

Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained.</td></tr>
<tr><td>IMPACT</td><td>The Corporation has completed its assessment of accounting differences from adopting IFRS 16.

<u>Description of changes in accounting policy</u>

The most significant change from the adoption of IFRS 16 will be the balance sheet recognition of right-of-use (ROU) assets for operating leases, with a corresponding liability for lease obligations.

We will elect the following practical expedients and apply these consistently to all of our leases (including those for which we are a lessee or a lessor):
We will not reassess whether any expired or existing contracts are or contain leases.
We will not recognize a ROU asset or a lease liability for leases for which the lease term ends within 12 months of the date of initial application.
We will not apply IFRS 16 to short-term leases (i.e. 12 months or less) and low-value assets.
We will not elect to account for each lease component and any non-lease components as a single lease component for our real estate contracts.

<u>Quantification of the expected impact</u>

These changes are expected to have a material impact on the Corporation’s financial statements as of April 1, 2019, with the recognition of ROU assets and corresponding lease liabilities of $159.1 million.

No impact is expected on the Budget Results, our non-IFRS measure described in more detail in the (unaudited) MD&A section of this report.

The estimated impact of adopting IFRS 16 as of April 1, 2019, may be subject to change until the Corporation presents its first financial statements under the new standard.

We will not be required to make any adjustments on transition for existing leases in which we are a lessor. We will account for our new leases applying IFRS 16 from the date of initial application.</td></tr>
<tr><td>EFFECTIVE DATE</td><td>Effective April 1, 2019, the Corporation will use the modified retrospective approach as its transition method. The impact of adopting IFRS 16 will be reflected in the Corporation’s financial statements as of April 1, 2019, and comparatives will not be restated.</td></tr>
</table>

Supporting information

Upon adopting IFRS 16, the Corporation is expected to recognize lease liabilities in relation to leases which had been previously classified as operating leases under the prior lease Standard IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using our incremental borrowing rate. The borrowing rates used for IFRS 16 purposes have been defined using a reference rate reflective of the Corporation's credit risk quality. The weighted average incremental borrowing rate applied to these liabilities on April 1, 2019 is 2.45%.

	As of April 1, 2019 (in $M)
Operating lease commitments disclosed as of March 31, 2019	786.4
Less: Non-lease components	(423.4)
Less: Out of scope at the effective date	(283.9)
Add: Renewal options reasonably certain to be exercised	109.1
Add: Leases below commitments disclosure threshold, but in scope at the effective date	12.8
Add: Minimum lease payments on finance lease liabilities as of March 31, 2019	2.2
Gross lease liabilities at April 1, 2019	**203.2**
Less: Discounting	(38.3)
Lease liabilities at April 1, 2019	**164.9**
Less: Present value of finance lease liabilities at March 31, 2019	(5.8)
Additional lease liabilities as a result of the initial application of IFRS 16 as at April 1, 2019	**159.1**

ASSETS AND LIABILITIES

This section shows the assets used to fulfill the public broadcaster's mandate and the liabilities incurred as a result. On the following pages there are notes covering working capital, non-current assets and liabilities, the disposal of the Maison de Radio-Canada premises, provisions and pension.

4. CASH

	March 31, 2019	March 31, 2018
Cash on hand	539	748
Bank balances	89,158	95,230
Total cash	**89,697**	**95,978**

Interest revenue generated from bank balances and included in Financing and investment income totaled $3.5 million for the year (2018 - $2.4 million).

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent amounts the Corporation expects to collect from other parties. The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime.

ACCOUNTING POLICIES	**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**
Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less an allowance for doubtful accounts. The Corporation recognizes an allowance for doubtful accounts for receivables based on a lifetime expected credit loss determined in accordance with Note 27 *Financial Instruments*. Before accepting new advertising customers, the Corporation conducts a credit assessment. An external credit scoring agency may be used to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed at least once a year to determine whether adjustments are required. In addition, the Corporation monitors its customers throughout the year for any indications of deterioration in credit quality. When a trade receivable is uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited to the Consolidated Statement of Income (Loss) in television, radio and digital services costs expenses.	Determining when there is reasonable expectation that the Corporation will not be able to collect some of the amounts due requires judgment.

Supporting Information

	March 31, 2019	March 31, 2018
Trade receivables	129,607	191,249
Allowance for doubtful accounts	(506)	(1,106)
Other	13,286	15,168
	142,387	**205,311**

The decrease in trade receivables compared to the prior year is mostly due to higher advertising receivables related to the PyeongChang 2018 Olympic Winter Games in February 2018 that have been collected in 2018-2019. Trade receivables are subject to credit risk which is further discussed in Note 27 B.

6. PROGRAMMING

Programming consists of television and digital programs that require the Corporation's involvement during the production, and acquired license agreements for programming material.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Programming completed and in the process of production (excluding acquired license agreements) is recorded at cost less accumulated amortization and accumulated write-offs, on an individual basis. Costs include materials and services, labour and other direct expenses applicable to programming. A portion of the Corporation's indirect expenses that are attributable to the costs of generating programming (such as services provided by Human Resources, Finance and Administration, Building Management and other Shared Services, as well as a portion of depreciation and amortization) are also included in the related program costs. Programming comprises inventory programs produced with the involvement of the Corporation ("non-procured programming") and rights purchased from third parties ("procured programming"). Payments made under the terms of each acquired license agreement are recorded as either current or non-current programming. Non-procured programming is usually recorded as current since the programs are available for immediate use once completed, unless noted otherwise in the agreement. License agreements are recorded as current programming if the rights to broadcast start within the next twelve months and as non-current programming if the right to broadcast starts beyond twelve months. Non-current programming rights are transferred to current programming once they are expected to be broadcast within the next twelve months. Programming costs are recognized in television, radio and digital services costs on the Consolidated Statement of Income (Loss), according to the expense recognition schedule described in this section, or when deemed unusable, or when sold. The amortization of programming costs is subject to the following expense recognition schedule, which is based on intended use. The Corporation's intended use of programming is reviewed at each year-end. In determining intended use, the Corporation considers program contract terms, past audience experience, and future telecast plans. Costs of programs that are not considered to be recoverable are written off and recorded in the Consolidated Statement of Income (loss) as television, radio and digital services costs.	The Corporation is required to determine an appropriate amortization rate for each type of programming. Management's intended use for each program-type considers program contract terms, broadcast experience, past audience experience and future telecast plans when determining the expense recognition schedule for programming. There are a number of uncertainties inherent in estimating management's foreseeable use of its programming assets, particularly as they relate to assumptions regarding viewership patterns and consumption habits. Management periodically reviews amortization rates. Changes in these assumptions could result in adjustments to amounts recognized in the Consolidated Statement of Financial Position and Statement of Income (Loss). The Corporation has estimated the value of non-monetary consideration provided to Rogers Communications Inc. (Rogers) for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 6 B for more information.

Expense Recognition Schedule

For its conventional television programming with multiple telecasts, management uses the following recognition basis:

CATEGORY	DESCRIPTION	EXPENSES RECOGNITION SCHEDULE BY TELECAST	
		CBC rates	**Radio-Canada rates**
Movies	All movie genres	50% / 30% / 20%	45% / 20% / 20% / 15%
Series	Dramatic ongoing series (excluding strips[1])	70% / 20% / 10%	90% / 10%
	Comedy ongoing series (excluding strips[1])	75% / 25%	70% / 30%
	Specials, mini-series, and made for TV feature films	70% / 30%	70% / 30%
	Animated programs	70% / 30%	70% / 30%
Factual	Factual, informal education and game shows (excluding strips[1])	70% / 30%	70% / 30%
Documentaries	Includes all types of documentaries	50% / 30% / 20%	100%
Arts, Music and Variety	Arts, music and variety programs, and comedy specials	70% / 30%	65% / 35%
	Sketch comedy programs (excluding strips[1])	50% / 30% / 20%	70% / 30%
Youth	Youth and children drama programs Other youth programs Children - animated and pre-school programs	Evenly over each telecast up to a maximum of 5 telecasts	Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip from 1st run	Evenly over each telecast up to a maximum of 5 telecasts	N/A
Programs telecast as strips[1]	With the intent to strip after 2nd run	50% / 30% / 20%	N/A
Speciality television programming	Broadcast rights for periods up to 2 years	70% / 30%	Evenly over the contract period up to a maximum of 3 years
	Broadcast rights for periods over 2 years	50% / 30% / 20%	

N/A - Not applicable

[1] Method of broadcasting consecutive episodes.

In addition, digital programming expenses are recognized 100% once the program is made available online.

During this fiscal year, the Corporation made a change in the expense recognition schedule for the Drama genre, and for the Arts, Music and Variety genre. This impacted the Series and Art, Music and Variety categories. For French Services, dramatic ongoing series are now amortized 90%/10% (2018: 85%/15%), and Arts, music and variety programs, and comedy specials are now amortized 65%/35% (2018: 70%/30%).

These changes in estimate were determined through an analysis of the respective genre broadcast experience, audience results and management's intention for future telecasts. The total net impact of this change was not material as at March 31, 2019. Due to the nature of programming assets and fluctuations in the programming schedule, it is impracticable to estimate the effect of this change on future periods.

Supporting Information

A. Programming by Category

	March 31, 2019	March 31, 2018
Completed programs	143,227	115,696
Programs in process of production	89,414	78,888
Broadcast rights available for broadcast within the next twelve months	50,823	64,932
	283,464	**259,516**
Broadcast rights not available for broadcast within the next twelve months	32,892	42,984
	316,356	**302,500**

B. Movement in Programming

	March 31, 2019	March 31, 2018
Opening balance	302,500	326,434
Additions	1,116,210	1,114,224
Programs broadcast	(1,102,354)	(1,138,158)
Balance, end of year	**316,356**	**302,500**

Programs broadcast include programming write-offs for the year ended March 31, 2019 of $7.5 million (2018 – $7.9 million). Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series.

The Corporation has an agreement with Rogers Communications Inc. (Rogers) for the airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, the Corporation acquired the right to broadcast hockey in exchange for providing Rogers with facilities and production services, use of certain trademarks and with airtime to generate advertising revenue. The agreement is for a total of five years, ending in June 2019.

As the agreement is based on an exchange of non-monetary items, an estimate of the value of the five year broadcast license acquired was calculated based on the fair value of assets given-up and has been recorded as Programming in the Corporation's Consolidated Statement of Financial Position. The fair value of facilities, production services and trademarks to be used by Rogers was determined using market rates. The fair value of airtime provided to Rogers was determined using the Corporation’s advertising rate cards for the programs displaced as a result of airing hockey. An estimate of the corresponding costs associated with the provision of facilities and production services as well as deferred revenue was recorded in the liabilities of the Corporation's Consolidated Statement of Financial Position. The Corporation is recognizing these items in revenue and expenses over the five-year term of this agreement as games are aired and as related services are provided.

7. PROMISSORY NOTES RECEIVABLE

As at March 31, 2019, and through the CBC Monetization Trust, a structured entity, the Corporation holds two promissory notes receivable relating to the sale of parcels of land. These notes, which mature in May 2027, bear a fixed annual interest rate of 7.15%, with payments made in arrears in equal blended monthly instalments.

The notes have a carrying value of $34.6 million (March 31, 2018 – $37.7 million) and are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

The promissory note receivable from Sirius XM Canada Holdings Inc. that was non-interest bearing was fully repaid during Q1 2018-2019. The carrying amount at March 31, 2018, was $0.4 million.

The following table presents the contractual maturity profile of promissory notes receivable based on carrying value.

	March 31, 2019	March 31, 2018
Less than one year	3,264	3,448
Later than one year but not later than five years	15,589	14,548
More than five years	15,763	20,068
Total	**34,616**	**38,064**

Interest income included in current year's revenue and presented as financing income is $2.4 million (2018 – $2.6 million).

8. INVESTMENT IN FINANCE LEASE

The investment in finance lease, which is held by CBC Monetization Trust, relates to the rental of two parcels of land in Toronto that bear an implicit annual interest rate of 7.15% and with terms ending in May 2027. The lease receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
		March 31, 2019		March 31, 2018[1]
Less than one year	6,050	5,825	6,050	5,825
Later than one year but not later than five years	24,199	19,608	24,199	19,608
More than five years	21,761	12,421	27,811	15,815
Less: unearned financing income	(14,156)	-	(16,812)	-
Total	**37,854**	**37,854**	**41,248**	**41,248**

[1] The present value of minimum payments receivable as at March 31, 2018 has been revised.

Interest income included in current year's revenue and presented as financing income is $2.5 million (2018 – $2.7 million).

9. BONDS RECEIVABLE

The Corporation holds Canada Mortgage Bonds. These investments were made using primarily the monies received upon disposing of its interest in Sirius XM Canada Holdings Inc. and selling the existing Maison de Radio-Canada (MRC) premises.

The following table presents the contractual maturity profile of bonds receivable based on carrying value:

	March 31, 2019	March 31, 2018
Less than one year	163,092	110,712
Later than one year but not later than five years	-	43,373
Total	**163,092**	**154,085**

Interest income related to bonds receivable included in current year's revenue and presented as finance income is $2.2 million (2018 – $1.2 million).

10. PROPERTY AND EQUIPMENT

The majority of the Corporation's tangible assets are buildings and technical equipment. These assets are depreciated over their estimated useful lives.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Recognition and measurement Property and equipment are recorded at cost less accumulated depreciation. Costs include expenditures that are directly attributable to the acquisition of the items. The cost of assets constructed by the Corporation includes material, direct labour and related overheads. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion. Depreciation Depreciation of property and equipment is calculated using the straight-line method and rates are based on the estimated useful life of the property and equipment, beginning when an asset becomes available for its intended use. Where major parts of an asset have useful lives different from the asset as a whole, they have been componentized and depreciated according to the major components to which they pertain. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Leasehold improvements are capitalized and then depreciated over the shorter of the lease term and the asset's useful life. Assets held for sale The Corporation classifies an asset as held for sale if its carrying amount will be recovered principally through a sale rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. For assets with total expected sale proceeds of $4 million or more, Governor in Council's approval is required for these	The Corporation is required to estimate the expected useful lives of property and equipment. In determining the expected useful lives of these assets, the Corporation takes into account past experience, industry trends and specific factors, such as changing technologies and expectations for the in-service period of these assets. The appropriateness of useful lives of these assets and depreciation method are assessed annually, with the effect of any changes in estimate accounted for on a prospective basis. Changes to useful life estimates would affect future depreciation or amortization expenses and future carrying values of assets. Useful lives of property and equipment are included in the following table. When an item of property and equipment comprises individual components for which different depreciation methods or rates are appropriate, judgment is

assets to be classified as held for sale. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Derecognition The Corporation derecognizes an item of property and equipment on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sale net proceeds and the carrying amount of the asset, and is recognized as other gains and losses in the Consolidated Statement of Income (Loss).	used in determining the appropriate level of componentization.

Critical Accounting Estimates and Judgments (continued)

The useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Furnishings and office equipment	10 years
Computers (hardware)	
Servers	5 years
Personal computers	3 years
Automotive	
Specialized vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all-terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobiles and minivans	5 years

Supporting Information

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	March 31, 2019	March 31, 2018
Cost	1,948,688	1,924,744
Accumulated depreciation	(1,175,399)	(1,177,906)
	773,289	**746,838**

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2018[1]	111,790	483,295	70,430	1,069,788	155,784	33,657	1,924,744
Additions	-	-	-	10,691	10,492	124,179	145,362
Transfers (refer to Note 11)	-	9,108	1,036	23,422	2,759	(35,436)	889
Assets classified as held for sale	(313)	(8,011)	-	(426)	-	-	(8,750)
Disposals and write-offs	(3,731)	(7,832)	(1,571)	(89,528)	(10,895)	-	(113,557)
Cost as at March 31, 2019	**107,746**	**476,560**	**69,895**	**1,013,947**	**158,140**	**122,400**	**1,948,688**
Accumulated depreciation as at March 31, 2018[1]	-	(237,396)	(38,279)	(787,510)	(114,721)	-	(1,177,906)
Depreciation for the year	-	(27,256)	(3,582)	(61,463)	(13,018)	-	(105,319)
Reclassification of depreciation on assets classified as held for sale	-	4,432	-	398	-	-	4,830
Reclassification of depreciation on disposals and write-offs	-	5,777	1,571	86,752	8,896	-	102,996
Accumulated depreciation as at March 31, 2019	**-**	**(254,443)**	**(40,290)**	**(761,823)**	**(118,843)**	**-**	**(1,175,399)**
Net carrying amount as at March 31, 2019	**107,746**	**222,117**	**29,605**	**252,124**	**39,297**	**122,400**	**773,289**

[1] The cost and accumulated depreciation balances for land and buildings as at March 31, 2018 have been revised to reflect the remeasurement charge of $36.5 million that was recorded upon classifying Maison de Radio-Canada premises as held-for-sale in the prior year. It was sold and derecognized in the same period.

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2017	174,118	557,601	65,468	1,051,515	153,758	50,395	2,052,855
Additions	-	64	-	16,366	2,727	63,342	82,499
Transfers (refer to Note 11)	8	15,005	6,458	53,948	7,839	(80,009)	3,249
Assets classified as held for sale	(57)	(208)	-	(939)	-	-	(1,204)
Disposals and write-offs[1]	(62,279)	(89,167)	(1,496)	(51,102)	(8,540)	(71)	(212,655)
Cost as at March 31, 2018	**111,790**	**483,295**	**70,430**	**1,069,788**	**155,784**	**33,657**	**1,924,744**
Accumulated depreciation as at March 31, 2017	-	(260,831)	(35,503)	(780,043)	(110,571)	-	(1,186,948)
Depreciation for the year	-	(27,578)	(3,945)	(57,649)	(12,607)	-	(101,779)
Remeasurement charge[1]	(21,007)	(15,489)	-	-	-	-	(36,496)
Reclassification of depreciation on assets classified as held for sale	-	208	-	813	-	-	1,021
Reclassification of depreciation on disposals and write-offs[1]	21,007	66,294	1,169	49,369	8,457	-	146,296
Accumulated depreciation as at March 31, 2018	**-**	**(237,396)**	**(38,279)**	**(787,510)**	**(114,721)**	**-**	**(1,177,906)**
Net carrying amount as at March 31, 2018	**111,790**	**245,899**	**32,151**	**282,278**	**41,063**	**33,657**	**746,838**

[1] The cost and accumulated depreciation balances for land and buildings as at March 31, 2018 have been revised to reflect the remeasurement charge of $36.5 million that was recorded upon classifying Maison de Radio-Canada premises as held-for-sale in the prior year. It was sold and derecognized in the same period. Accordingly, "Disposals and write-offs" and "Reclassification of depreciation on disposals and write-offs" have been adjusted.

Refer to Note 30 A for contractual commitments for the acquisition of property and equipment.

The depreciation for the year has been recorded in the Corporation's Consolidated Statement of Income (Loss) as follows:

	For the year ended March 31	
	2019	2018
Television, radio and digital services costs	88,357	85,633
Transmission, distribution and collection costs	16,482	15,668
Corporate management	480	478
Total	**105,319**	**101,779**

B. Impairment and Other Charges

During the year, the Corporation recorded an impairment loss of $0.1 million in its Consolidated Statement of Income (Loss) on an asset held for sale.

Other than the impairment loss noted above, there were no other impairment losses recorded or reversed during the year ended March 31, 2019.

For the year ended March 31, 2018, a remeasurement charge of $36.5 million was incurred upon classifying the Maison de Radio-Canada (MRC) assets as held-for-sale. This charge was partially offset by the release of an associated deferred capital funding liability of $28.5 million. As a result, a charge net of capital funding of $8.0 million was recognized in the Consolidated Statement of Income (Loss) as of July 17, 2017. The sale of the MRC was subsequently completed on July 27, 2017. Refer to Note 13 for more details.

Following the sale of the existing MRC during 2017-2018, the Corporation is completing a review of the assets to be moved to the new MRC. Accelerated depreciation of $4.6M has been taken during the year ended March 31, 2019 to reflect a shortened remaining useful life for those assets that will not be moved to the new premises. These assets will be fully depreciated by the time the new building is ready, and subsequently derecognized.

C. Assets Classified as Held for Sale

Consistent with the Corporation's financial plan to reduce its real estate footprint, several properties were classified as held for sale for accounting purposes as at March 31, 2019 with a total carrying value of $0.1 million (March 31, 2018 - $0.3 million). These properties are expected to be sold on a site by site basis over the next twelve months.

D. Disposals

For the fiscal year ended March 31, 2019

During the fiscal year, the Corporation sold properties located in Calgary (Alberta) and Kitchener (Ontario) that were previously held for sale. The net proceeds on the sale of these assets were $14.0 million and resulted in a gain of $10.0 million. This gain was partly offset by a write-down of a land asset of $3.7 million.

The Corporation also recorded a loss of $1.4 million on the partial derecognition of a component of the Toronto Broadcast Centre building, which was replaced by a new one, a loss of $1.9 million on an un-repairable phone system and a loss of $1.9 million on various obsolete technical equipment.

For the fiscal year ended March 31, 2018

During 2017-2018, the Corporation disposed of the Maison de Radio-Canada premises as further discussed in Note 13. The Corporation also recorded a loss of $4.4 million for the partial derecognition of components of the Toronto Broadcast Centre building, which were replaced by new ones, and a gain of $1.9 million on the sale of the property in Halifax (Nova Scotia).

Other insignificant net gains and losses during the current and the previous fiscal years resulted from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

11. INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary assets without physical substance, represent future economic benefits and are controlled by the Corporation. The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use.

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>
Software acquired separately is recorded at cost at the acquisition date.
Expenditures relating to internally developed computer software applications are capitalized when the following criteria are met:

The applications are technically feasible;
The Corporation intends to complete the asset and to use it;
The Corporation has the ability to use the asset;
The development costs can be reliably measured;
The Corporation has the adequate technical, financial and other resources to complete the development of the asset and to use it; and
It is probable that the asset will generate future economic benefits.

The amount initially recognized for internally developed software is the total of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use.
Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred.
Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions on the Consolidated Statement of Income (Loss), for presentation purposes.
The Corporation derecognizes an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale net proceeds and the carrying amount of the asset and is recognized as other gains and losses in the Consolidated Statement of Income (Loss).
</td><td>
The Corporation uses judgment to determine whether expenditures it has made on intangible items meet the recognition criteria for capitalization. Since intangible assets are accounted for at cost and amortized on a straight-line basis over their estimated useful lives, the Corporation is required to estimate the expected useful lives of these assets.
In determining the expected useful lives of these assets, the Corporation takes into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets.
The appropriateness of useful lives of these assets and their amortization method are assessed annually with the effect of any changes in estimate being accounted for on a prospective basis.
Changes to useful life estimates would affect future amortization expenses and future carrying values of assets.
</td></tr>
</table>

Supporting Information

	March 31, 2019	March 31, 2018
Cost	194,802	192,141
Accumulated amortization	(172,867)	(168,342)
	21,935	**23,799**

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2018	146,885	44,157	1,099	192,141
Additions	-	1,884	7,974	9,858
Transfers (refer to Note 10)	959	1,897	(3,745)	(889)
Disposals and write-offs	(5,533)	(1,115)	340	(6,308)
Cost as at March 31, 2019	**142,311**	**46,823**	**5,668**	**194,802**
Accumulated amortization as at March 31, 2018	(140,370)	(27,972)	-	(168,342)
Amortization for the year	(1,151)	(5,640)	-	(6,791)
Reclassification of amortization on disposals and write-offs	1,186	1,080	-	2,266
Accumulated amortization as at March 31, 2019	**(140,335)**	**(32,532)**	**-**	**(172,867)**
Net carrying amount as at March 31, 2019	**1,976**	**14,291**	**5,668**	**21,935**

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2017	141,452	37,550	14,116	193,118
Additions	-	159	10,543	10,702
Transfers (refer to Note 10)	5,823	7,949	(17,021)	(3,249)
Disposals and write-offs	(390)	(1,501)	(6,539)	(8,430)
Cost as at March 31, 2018	**146,885**	**44,157**	**1,099**	**192,141**
Accumulated amortization as at March 31, 2017	(138,904)	(24,197)	-	(163,101)
Amortization for the year	(1,857)	(5,276)	-	(7,133)
Reclassification of amortization on disposals and write-offs	391	1,501	-	1,892
Accumulated amortization as at March 31, 2018	**(140,370)**	**(27,972)**	**-**	**(168,342)**
Net carrying amount as at March 31, 2018	**6,515**	**16,185**	**1,099**	**23,799**

Refer to Note 30 A for contractual commitments for the acquisition of intangible assets. This year, we derecognized software development costs for an amount of $3.9 million (2018 - $6.5 million).

There were no impairment losses recorded or reversed during the year ended March 31, 2019 (2018 – nil).

The amortization for the year has been recorded in the Corporation's Consolidated Statement of Income (Loss) as follows:

	For the year ended March 31	
	2019	2018
Television, radio and digital services costs	6,531	6,560
Transmission, distribution and collection	226	536
Corporate management	34	37
Total	**6,791**	**7,133**

12. ASSETS UNDER FINANCE LEASES

Assets under finance lease consist of a lease for leasehold improvements with an original lease term of seven years. During 2018-2019, the lease for satellite transponders accounted for as a finance lease expired. The assets were derecognized during the current fiscal year as they ceased being used at the end of August 2018.

ACCOUNTING POLICIES	**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**
Recognition and measurement Assets acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses. Depreciation Assets under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the related lease unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term.	The Corporation has determined that an arrangement for leasehold improvements constitutes a lease under IFRIC 4 *Determining whether an arrangement contains a lease* and that this lease meets the criteria of a finance lease. It is judged to be a finance lease because the Corporation has a right to use the leasehold improvements conveyed by the agreement for substantially all of the estimated economic useful life of the leased assets.

Supporting Information

	March 31, 2019	March 31, 2018
Cost - leasehold improvements	7,821	7,821
Cost - satellite transponders	-	119,897
Accumulated depreciation - leasehold improvement	(2,407)	(1,805)
Accumulated depreciation - satellite transponders	-	(119,897)
Net carrying amount	**5,414**	**6,016**

Depreciation for the year ended March 31, 2019, was $0.6 million (2018 – $7.0 million).

13. DISPOSAL OF MAISON DE RADIO-CANADA PREMISES

On July 27, 2017, the Corporation finalized the agreements for the two main components of the Maison de Radio-Canada (MRC) redevelopment project: the sale of the existing Maison de Radio-Canada building ("existing MRC") and the sale of the lot located on Montreal's René-Levesque Boulevard East ("lot") for the construction of the new broadcast centre ("new MRC").

The Corporation sold its existing MRC and the western part of its lot to Groupe Mach for net consideration of $42.2 million. CBC/Radio-Canada is currently leasing back the existing building from Groupe Mach until the new MRC is built.

The Corporation sold the eastern part of its lot to Broccolini Group for one dollar, as part of an overall transaction for the construction and leasing of the new MRC on this parcel of land. In exchange for the sale of this lot to Broccolini, the Corporation received non-cash consideration of $16.6 million in the form of future rent reductions on the lease of the new MRC. This non-cash consideration has been recorded in the Consolidated Statement of Financial Position as deferred charges. As part of its agreement with the Broccolini Group, CBC/Radio-Canada entered into a 30-year lease that will commence once the new build is ready for use.

The following tables detail the accounting impacts of these two transactions for the comparative year ended March 31, 2018. As part of these transactions, the Corporation classified the existing MRC as held-for-sale on July 14, 2017 and remeasured the existing MRC at fair value, less cost to sell. The overall net impact of this remeasurement was a loss (net of capital funding) of $8.0 million included under the "Loss on disposal of property and equipment and intangibles" line of the Corporation's Statement of Income (Loss) for the comparative year ended March 31, 2018.

Loss on the remeasurement of assets being sold to fair value less costs to sell:

Recognized in the comparative year ended March 31, 2018	Sale of premises to Groupe Mach[1]	Sale of land to Broccolini group[2]	Total
Proceeds from disposal	42,208	16,592	58,800
Disposition-related costs	(250)	(1,535)	(1,785)
Remeasured carrying value of assets being sold	**41,958**	**15,057**	**57,015**
Original carrying value of assets sold	78,019	15,491	93,510
Release of deferred capital funding	(28,500)	-	(28,500)
Original carrying value of assets and liabilities being sold	**49,519**	**15,491**	**65,010**
Net loss on remeasurement of assets being sold	**(7,561)**	**(434)**	**(7,995)**

Net gain on disposal of the MRC premises:

Recognized in the comparative year ended March 31, 2018	Sale of premises to Groupe Mach[1]	Sale of land to Broccolini group[2]	Total
Consideration received	42,208	-	42,208
Deferred non-cash consideration	-	16,592	16,592
Remeasured carrying value of assets sold	(41,958)	(15,057)	(57,015)
Disposition-related costs	(250)	(1,535)	(1,785)
Net gain (loss) on disposal of MRC premises	**-**	**-**	**-**

[1] The final transaction was signed by the legal entity Faubourg de la Gauchetière Inc.

[2] The final transaction was signed by the legal entity Société en Commandite La Nouvelle Maison.

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities mainly consist of amounts owed to suppliers and employees that have been invoiced or accrued.

ACCOUNTING POLICIES	**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**
Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.	There are no critical accounting estimates and judgments related to accounts payable and accrued liabilities.

	March 31, 2019	March 31, 2018
Trade payables	59,892	49,796
Accruals	53,416	59,174
Other	5,949	1,916
	119,257	**110,886**

15. PROVISIONS

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Provisions are recognized when: ● The Corporation has a present obligation (legal or constructive) as a result of a past event; ● It is probable that the Corporation will be required to settle the obligation; and ● A reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.	When it has been determined by management that the Corporation should record a provision, assumptions about the amount and likelihood of outflows and their timing are considered in determining a reliable estimate for the obligation. Factors affecting these assumptions include the nature of the provision, the existence of the claim amount, opinions or views of legal counsel and other advisors, experience in similar circumstances, and any management decision as to how the Corporation intends to handle the obligation.

Supporting Information

	Legal and other	Environmental	Total
Opening balance	44,489	367	44,856
Additional provisions recognized	14,758	-	14,758
Provisions utilized	(24,931)	(15)	(24,946)
Reductions resulting from remeasurement or settlement without cost	(4,267)	-	(4,267)
Balance, end of year	**30,049**	**352**	**30,401**

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief, and could result in significant expenditures. These claims consist mainly of copyright tariffs, grievances and other legal claims.

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation's consolidated financial statements. In addition, claims where cash outflows are not probable are considered as contingencies.

At March 31, 2019, the Corporation had legal and other provisions amounting to $30.0 million (March 31, 2018 – $44.5 million). The decrease in legal and other provisions is mainly due to the fact that past wage claims in relation to the Syndicat des communications de Radio-Canada (SCRC) are now included within employee-related liabilities after an agreement in principle was reached between the Corporation and SCRC at the end of September 2018. All matters are classified as current because, where estimable, the Corporation is working to resolve these matters within 12 months.

16. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

The Corporation provides pension and long-term service retirement benefits based on the length of service and final average earnings of its employees, and other defined benefit post-employment benefit plans to its employees such as post-employment life insurance.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
<u>Contributory defined benefit pension plan</u> The cost of the defined benefit retirement plans are determined on an actuarial basis using the projected unit credit method and management's best assumptions (such as the rate of compensation, inflation, retirement ages of employees and mortality of members), with actuarial valuations being carried out at the end of each annual reporting period. The components of defined benefit costs are categorized as follows: ● **<u>Service cost</u>** - includes current service cost and past service cost. The Corporation recognizes it as part of net results for the period. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized in the Consolidated Statement of Income (Loss) in the period of a plan amendment. ● **<u>Net interest expense or income</u>** - The Corporation recognizes it as part of net results for the period. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. These two components, in aggregate, are allocated between the various functions on the Consolidated Statement of Income. ● **<u>Remeasurements</u>** - comprises actuarial gains and losses and the return on plan assets (excluding interest). These are reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognized in other comprehensive income (loss) in the period in which they occur. Remeasurements recognized in other comprehensive income are never subsequently reclassified to net results. The Corporation transfers all remeasurements directly from other comprehensive income to retained earnings as a policy choice. The liability recognized in the Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate determined by reference to market yields at the end of the reporting period on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation. When the actuarial calculation results in a benefit asset to the Corporation, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan of the Corporation. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.	Accounting for defined benefit pension plans and other post-employment benefits (OPEB) requires that assumptions be made to help value benefit obligations and pension assets. The primary assumptions and estimates include the discount rates, health care cost trend rates, long-term rate of compensation increase, future pension increases and mortality of members. These assumptions are of a long-term nature, which is consistent with the nature of post-employment benefits. The Corporation uses the Fiera capital curve ('CIA curve') to determine the discount rate for calculating the defined benefit obligation. Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. A sensitivity analysis of these changes in primary assumptions is disclosed in Note 16 C.

OPEB AND EMPLOYEE BENEFITS OTHER THAN POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
<u>OPEB</u> Other post-employment benefits (OPEB) liabilities are recognized as follows: ● For long-term disability and workers' compensation when the event that obligates the Corporation occurs; ● For continuation of benefit coverage for employees on long-term disability and the non-contributory long-term benefit plan, the provision is determined on an actuarial basis using discount rates and assumptions consistent with those used for post-employment benefits and the related expense is recognized over the period the employees render the services. Actuarial gains (losses) and past service costs are recognized immediately in the Consolidated Statement of Income (Loss) in the period they occur. <u>Employee benefits other than post-employment benefits</u> The Corporation recognizes the expense relating to short-term benefits including short-term compensated absences as follows: ● For salaries, social security contribution, bonuses and vacations in the period the employees render the services; ● For employee health, dental and life insurance plans in the period the expenses are incurred; and ● For short-term non-accumulating compensated absences such as sick leave, parental leave, short-term disability and workers' compensation in the period the absence occurs. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.	There are no critical accounting estimates and judgments related to employee benefits other than those relating to the primary actuarial assumptions discussed previously.

TERMINATION BENEFITS

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the Corporation recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of a voluntary departure, the Corporation can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on the Corporation's ability to withdraw the offer exists. In the case of an involuntary departure, the Corporation can no longer withdraw an offer of termination benefits when it has communicated to the affected employees a plan of termination.	There are no critical accounting estimates and judgments related to termination benefits.

Supporting Information

A. Pension Plan Asset/Liability and Employee-Related Liabilities

Employee-related assets/liabilities recognized and presented in the Consolidated Statement of Financial Position are as follows:

	Current		Non-current	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Pension plan asset	**-**	**-**	**497,601**	**302,025**
Pension plan liability	-	-	123,026	117,520
Other post-employment plans	-	-	122,580	117,814
Vacation pay	62,194	60,080	-	-
Termination benefits	7,555	7,527	-	-
Salary-related liabilities	116,314	61,510	-	28,844
Total pension plans and employee-related liabilities	**186,063**	**129,117**	**245,606**	**264,178**

The amount included in the Consolidated Statement of Financial Position arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
			March 31, 2019			March 31, 2018
Fair value of plan assets	7,566,902	-	-	7,071,998	-	-
Defined benefit obligation	7,069,301	123,026	122,580	6,769,973	117,520	117,814
Net asset (liability) arising from defined benefit obligation	**497,601**	**(123,026)**	**(122,580)**	**302,025**	**(117,520)**	**(117,814)**

The Corporation maintains a contributory defined benefit pension plan and non-contributory long-term benefit plans as defined below:

Contributory defined benefit pension plan

The Canadian Broadcasting Corporation Pension Plan covers substantially all employees of the Corporation. The Plan is administered by the CBC Pension Board of Trustees, including the management of the Plan's assets and the payment of benefits promised to Plan members and their survivors. The Plan is federally regulated and is governed by the provisions of the *Pension Benefits Standards Act* (the "Act"), and other applicable regulations.

Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the Plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations. The amounts included in these consolidated financial statements reflect the latest funding valuation which was performed as of December 31, 2018. While this valuation has been completed, it has not yet been filed with the pension authorities.

The measurement date for the pension plan assets and the defined benefit obligation is March 31, 2019.

The risks associated with the Corporation's defined benefit plan are as follows:

- Funding risk: One of the primary risks that plan sponsors face is funding risk, which is the risk that the investment asset growth and contribution rates of the Corporation's pension plan will not be sufficient to cover the pension obligations, resulting in unfunded liabilities. When a funding deficit exists, regulatory authorities require that special payments be made over specified future periods.

  The major contributors to funding risk are the declines in discount rates and investments failing to achieve expected returns. In addition, the pension obligations are affected by non-economic factors like changes in member demographics.

  Funding risk is managed by monitoring and reviewing the funded ratio on an ongoing basis and ensuring that investment decisions are made in accordance with established investment policies and procedures and applicable legislation. The Statement of Investment Policies and Procedures (SIPP) is reviewed annually by the CBC Pension Board of Trustees with a view to provide the pension plan with a long-term rate of return sufficient to assist the plan in meeting funding objectives and the ongoing growth of pension obligations.

- Other risks: The plan assets are also subject to a variety of financial risks as a result of investment activities. These risks include credit risk, market risk (interest rate, currency risk and price risk) and liquidity risk. In addition, the defined benefit obligation and costs are subject to measurement uncertainty due to the use of actuarial assumptions (see below). The impact of these factors on the remeasurement of the pension benefit asset, and pension, other post-employment and other long-term benefit liabilities can be significant and volatile at times.

Unfunded non-contributory defined benefit pension plan

The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

Non-contributory long-term benefit plans

The Corporation provides the following long-term employee benefits to its employees:

- A non-contributory long-term benefit plan for certain employees hired prior to the various plan closure dates which vary by category of employees between April 1, 2005 and October 1, 2007. Under the plan, employees retiring with more than three years of service with the Corporation can choose to receive a cash award upon retirement or improve their pension benefits. The benefits are based on the length of pensionable service and on the salary rate at March 2005, July 2005 or at retirement/death, depending on the category of employees.
- Other employee future benefits such as long-term disability and workers' compensation, continuation of benefits coverage for employees on long-term disability and post-retirement life insurance.

The last actuarial valuations for the non-contributory long-term benefit plan and the continuation of benefits coverage plan were made as at December 31, 2018.

B. Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of determining the defined benefit obligation and pension benefit costs were:

Assumptions – annual rates	**March 31, 2019**	March 31, 2018
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.53%	3.75%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.32%	3.53%
Discount rate - long service gratuity	2.97%	3.24%
Discount rate - LTD benefit	2.97%	3.24%
Discount rate - life insurance	3.26%	3.47%
Mortality	CBC Pensioner mortality table based on CBC experience with CPM projection scale B	CBC Pensioner mortality table based on CBC experience with CPM projection scale B
Long-term rate of compensation increase, excluding merit and promotion	1.40% in 2019 and 2020 2.75% thereafter	1.40% in 2018 and 2019 2.75% thereafter
Health care cost trend rate	4.82% for 2019-2024, decreasing linearly to 4.36% in 2029 and grading down to an ultimate rate of 3.39% per annum in 2040 and thereafter	6.90% in 2018 declining to 4.50% over 10 years
Indexation of pensions in payment	1.86%	1.86%

C. Sensitivity Analysis

The sensitivity analysis of the significant actuarial assumptions would show the following changes in the present value of the defined benefit obligations:

	Pension plans		Other post-employment plans	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Discount rate sensitivity				
100 basis points higher	-13.6%	-13.4%	-7.5%	-7.3%
100 basis points lower	17.5%	17.3%	8.9%	8.6%
Expected rate of future salary increases				
100 basis points higher	2.6%	2.6%	4.7%	6.3%
100 basis points lower	-2.3%	-2.3%	-4.3%	-5.6%
Expected rate of future pension increases				
100 basis points higher	13.9%	14.1%	0.9%	0.5%
100 basis points lower	-11.4%	-11.5%	-0.8%	-0.4%
Mortality sensitivity				
Pensioners live an extra year	3.3%	3.2%	-1.5%	-1.5%
Pensioners die a year before	-3.3%	-3.3%	1.8%	1.7%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	1.7%	1.7%
100 basis points lower	N/A	N/A	-1.4%	-1.4%

N/A = not applicable

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the Consolidated Statement of Financial Position.

For the contributory defined benefit pension plan, an asset/liability modeling study is performed periodically to review the risk/reward associated with the existing long-term asset mix policy, analyze the risk/reward profile that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The most recent asset/liability study was completed in 2017.

Its main findings were:

- Maintain the value of the Plan's Liability Driven Investment (LDI)[1] strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities;
- Introduce a structure to systematically adjust the Plan's interest rate hedging ratio based on the level of interest rates;
- Maintain at existing levels the amount of return generating assets with higher return potential, such as equities, private investments and real estate and;
- Introduce a quantified risk tolerance for the Plan.

The Plan is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute a percentage of their pensionable salary. The Corporation provides the balance of the funding, as required, based on actuarial valuations.

D. Contribution Rate

The contribution rate for full-time employees is as follows:

	2018-2019	2017-2018
For earnings up to the maximum public pension plan earnings[1]		
April 1 to June 30	8.37%	7.68%
July 1 to March 31	8.37%	8.37%
For incremental earnings in excess of the maximum public pension plan earnings[1]		
April 1 to June 30	11.00%	10.10%
July 1 to March 31	11.00%	11.00%

[1] The maximum public pension earnings for 2019 is $57,400 (2018: $55,900, 2017: $55,300).

[1] LDI is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have the similar interest rate and inflation sensitivities as the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

E. Total Cash Payments

Cash payments for pension, other post-employment and other long-term benefits for the Corporation were as follows:

	For the year ended March 31	
	2019	2018
Benefits paid directly to beneficiaries	12,671	12,482
Employer regular contributions to pension benefit plans	54,794	53,824
Total cash payments for defined benefit plans	**67,465**	**66,306**

F. Maturity Profile

The maturity profile of the benefit plan obligation and other post-employment benefits for the Corporation is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Average duration of the benefit obligation	15.4 years	15.2 years	8.1 years	8.1 years
Active members	22.4 years	22.0 years	8.1 years	8.1 years
Deferred members	20.7 years	20.6 years	N/A	N/A
Retired members	11.0 years	10.9 years	7.5 years	7.9 years

N/A = not applicable

The Corporation expects to make a contribution of $53.5 million to the defined benefit pension plans during the next financial year. The current service cost-sharing between employees and employer for pension contributions for all members is 50:50.

G. Defined Benefit Obligation

Movements in the present value of the defined benefit obligation were as follows:

	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
		March 31, 2019		March 31, 2018
Opening defined benefit obligation	6,887,493	117,814	6,579,699	132,772
Current service cost	113,280	5,105	106,230	5,523
Interest cost	240,744	3,849	244,017	4,124
Contributions from employees	56,690	-	57,278	-
Remeasurements:				
Actuarial gains arising from changes in demographic assumptions	-	(488)	(73,510)	(10,566)
Actuarial losses (gains) arising from changes in financial assumptions	196,424	2,418	217,793	(2,592)
Actuarial losses arising from experience adjustments	6,667	6,553	52,016	1,035
Benefits paid	(308,971)	(12,671)	(296,030)	(12,482)
Closing defined benefit obligation	**7,192,327**	**122,580**	**6,887,493**	**117,814**

H. Fair Value of Plan Assets

Movements in the fair value of the plan assets were as follows:

	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
		March 31, 2019		March 31, 2018
Opening fair value of plan assets	7,071,998	-	6,733,325	-
Administration fees (other than investment management fees)	(7,100)	-	(6,600)	-
Interest income on plan assets	246,174	-	248,727	-
Return on plan assets, excluding interest income	453,317	-	281,474	-
Contributions from employees	56,690	-	57,278	-
Contributions from the Corporation	54,794	12,671	53,824	12,482
Benefits paid	(308,971)	(12,671)	(296,030)	(12,482)
Closing fair value of plan assets	**7,566,902**	**-**	**7,071,998**	**-**

The fair value of the plan assets can be allocated to the following categories:

		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2)	Not quoted market price in an active market (Level 3)	Total
					March 31, 2019
Fixed income	Cash and short-term investments	516,535	10,004	-	526,539
	Canadian bonds	-	2,172,890	941,972	3,114,862
	Fixed Income Alternatives	-	-	24,013	24,013
Equities	Canadian	360,584	240,793	-	601,377
	Global	1,448,505	322,985	-	1,771,490
Strategic	Property	32,676	-	648,524	681,200
	Private investments	-	-	736,147	736,147
	Hedge Funds	-	-	41,554	41,554
Other	Derivatives	(1,221)	98,006	-	96,785
	Securities sold under repurchase agreements	-	-	-	(55,807)
Total investment assets		**2,357,079**	**2,844,678**	**2,392,210**	**7,538,160**
Non-investment assets less liabilities		**-**	**-**	**-**	**28,742**
Fair value of plan assets		**2,357,079**	**2,844,678**	**2,392,210**	**7,566,902**

		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2)	Not quoted market price in an active market (Level 3)	Total
					March 31, 2018
Fixed income	Cash and short-term investments	80,761	219,724	-	300,485
	Canadian bonds	-	2,003,166	874,276	2,877,442
	Fixed Income Alternatives	-	-	13,246	13,246
Equities	Canadian	411,003	395,253	-	806,256
	Global	1,427,860	259,395	-	1,687,255
Strategic	Property	36,988	-	567,463	604,451
	Private investments	-	-	669,846	669,846
	Hedge Funds	-	-	45,755	45,755
Other	Derivatives	(547)	40,451	-	39,904
Total investment assets		**1,956,065**	**2,917,989**	**2,170,586**	**7,044,640**
Non-investment assets less liabilities		**-**	**-**	**-**	**27,358**
Fair value of plan assets		**-**	**-**	**-**	**7,071,998**

The fair values of the above fixed income and equity instruments are mostly determined based on quoted market prices in active markets whereas the fair values of strategic investments and derivatives are not based on quoted market prices in active markets. The actual return on plan assets was $764.7 million or 11.02% (2018 – $574.3 million or 8.68%).

I. Defined Benefit Plan Costs

Amounts recognized in the Consolidated Statement of Income (Loss) and in the Consolidated Statement of Comprehensive Income (loss) in respect to these defined benefit plans are indicated in the table below:

	For the year ended March 31	
	2019	2018
Current service cost	118,385	111,753
Administration fees (other than investment management fees)	7,100	6,600
Interest cost on defined benefit obligation	244,593	248,141
Interest income on plan assets	(246,174)	(248,727)
Other	3,222	889
Expense recognized in net results	127,126	118,656
Less:		
Remeasurements recognized in other comprehensive income (loss)	(244,965)	(98,187)
Total	**(117,839)**	**20,469**

Retained earnings include $912.9 million of cumulative actuarial gains as at March 31, 2019 (March 31, 2018 gains – $668.0 million).

The total expense recognized in net results has been recorded in the Corporation's Consolidated Statement of Income (Loss) as follows:

	For the year ended March 31	
	2019	2018
Television, radio and digital services costs	122,041	113,909
Transmission, distribution and collection	3,814	3,560
Corporate management	1,271	1,187
Total	**127,126**	**118,656**

For the year ending March 31, 2019, total employee benefits, which includes all salary and related costs, were $999.1 million (2018 - $997.3 million).

17. BONDS PAYABLE

The Broadcast Centre Trust (the "BCT") issued $400 million in secured bonds on January 30, 1997, which will mature in May 2027. The Corporation, through its relationship with the BCT, guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto.

The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $145.6 million (March 31, 2018 - $160.8 million). They bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of $16.5 million.

The following table presents the contractual maturity profile of the bonds payable based on carrying value:

	March 31, 2019	March 31, 2018
Less than one year	24,380	23,624
Later than one year but not later than five years	86,707	80,529
More than five years	100,017	124,153
Total	**211,104**	**228,306**

Interest expense related to bonds payable included in current year's expenses and presented as finance costs is $15.8 million (2018 – $17.1 million).

18. OBLIGATIONS UNDER FINANCE LEASES

Obligation under finance lease consists exclusively of leasehold improvements as at March 31, 2019. Obligation under the satellite transponders lease matured during last year. Payments made under finance lease are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The leasehold improvements lease has an effective interest rate of 3.23% as at March 31, 2019 and will expire in June 2022.

	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
		March 31, 2019		March 31, 2018
Less than one year	706	583	705	570
Later than one year but not later than five years	5,406	5,177	6,097	5,745
Less: future finance charges	(352)	-	(487)	-
Total	**5,760**	**5,760**	**6,315**	**6,315**

Interest expense related to obligations under finance leases and included in the current year's finance costs is $0.1 million (2018 – $0.4 million).

19. NOTES PAYABLE

The CBC Monetization Trust held notes payable which mature in May 2027 and bear interest at an annual rate of 4.688%. Blended semi-annual payments are made in May and November of each year.

The notes are redeemable at the CBC Monetization Trust's option in whole or in part from time to time before maturity, on not less than 30 days and not more than 60 days prior notice. The redemption price is the greater of the outstanding principal amount of the notes to be redeemed and the net present value of all scheduled semi-annual payments on the notes from the date of redemption to the date of maturity, using the Government of Canada yield plus 0.30% on such date, together, in each case, with accrued but unpaid interest to, but excluding, the redemption date. The notes payable are secured by the promissory notes receivable and the investment in finance lease described in Notes 7 and 8.

The following table presents the contractual maturity profile of the notes payable based on carrying value:

	March 31, 2019	March 31, 2018
Less than one year	9,172	8,945
Later than one year but not later than five years	34,984	33,363
More than five years	36,586	45,966
Total	**80,742**	**88,274**

Interest expense related to notes payable and included in current year's expenses as part of finance costs is $3.9 million (2018 – $4.3 million).

20. DEFERRED REVENUE

Deferred revenue are revenue received in advance for facilities and production services not yet provided. Deferred revenue also relates to rent-free periods granted on leases where the Corporation is a lessee, as well as payments received for services not yet rendered.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Recognition of revenue related to facilities and production services not yet provided and payments received for services not yet rendered is deferred until services have been rendered. Deferred revenue related to rent-free periods granted on leases are recognized in the Consolidated Statement of Income (Loss) on a straight-line basis over the terms of the agreements.	The Corporation has estimated the value of deferred revenue for the services owed to Rogers Communications Inc. (Rogers) for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 6 B for more information.

Supporting Information

	March 31, 2019	March 31, 2018
Opening balance	36,474	43,074
Deferred during the year	22,403	24,437
Recognized in net results during the year	(35,961)	(31,037)
Balance, end of year	**22,916**	**36,474**

INCOME, EXPENSES AND CASH FLOWS

This Section focuses on the results and cash flows of the Corporation. On the following pages you will find disclosures explaining the Corporation's revenue and government funding for the year, finance costs, income taxes and supplemental cash flow information.

21. REVENUE

As discussed in Note 3 A, we have applied the new revenue standard IFRS 15 as at April 1, 2018. The following provides a full set of disclosures under IFRS 15.

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>Revenue is recognized when control of the promised goods and services is transferred to the Corporation's customers in an amount that reflects the consideration expected in exchange for those goods and services. The Corporation's primary revenue streams are:
● Advertising;
● Subscriber fees;
● Production revenue;
● Program license sales, and;
● Retransmission rights.

The transaction price of a contract for any of these revenue streams can include fixed and variable consideration as well as, infrequently, non-monetary compensation that is measured at its fair value. If the Corporation cannot reasonably estimate the fair value of the non-monetary compensation, the Corporation measures the consideration received indirectly by reference to the stand-alone selling price of the goods or services transferred.

Consistent with other organizations in the industry, sale of advertising airtime are primarily made through agencies. These agencies typically remit their payment within 90 days. For other revenue streams, payment is typically received within 30 days, which are the Corporation's average credit terms.

Detailed accounting policies are presented below for each of the Corporation's main revenue stream.

<u>Arrangements with Multiple Performance Obligations</u>

The Corporation's contracts with customers may include multiple performance obligations. For such arrangements, the Corporation allocates the transaction price to each identified performance obligation based on its relative standalone selling price. The Corporation generally determines standalone selling prices based on the prices charged to customers of the same class in similar transactions.

<u>Practical expedients</u>

The Corporation has elected to use the following practical expedients:
● The Corporation has elected not to restate contracts that have been completed at the beginning of the earliest period presented.</td>
<td>Judgment is required in the identification of performance obligations in each of the major revenue streams.

Furthermore, judgment is required in the determination of the stand-alone selling price of some performance obligations for purposes of allocating the transaction price.

All of the above have the potential to result in a different timing of revenue recognition arising from the estimates and judgments made.

For more details about our critical judgments by revenue stream, refer to the tables below.</td></tr>
</table>

• The Corporation does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. • The Corporation does not adjust the amount of consideration for the effects of a significant financing component since the period between when the Corporation provides a service and obtains payment from a customer is usually one year or less.	

Supporting information

	For the year ended March 31	
	2019	2018
TV advertising[1] [2]	217,748	275,693
Digital advertising[2]	31,004	42,589
Subscriber fees	124,455	127,210
Production revenue[3]	34,693	39,906
Program license sales	25,020	28,071
Retransmission rights	5,398	8,752
Program sponsorship	1,681	4,232
Other services	4,582	4,416
Revenue from contracts with customers	**444,581**	**530,869**
Foreign exchange gain (loss)	421	(194)
Net gain (loss) from the change in fair value of financial instruments	92	(4)
Leasing income[4]	28,984	28,120
Financing and investment income	11,106	10,146
Other gains and losses	4,962	4,138
Other sources of income*	**45,565**	**42,206**
	490,146	**573,075**

* Out of scope of IFRS 15 - Revenue from Contracts with Customers.

[1] For the year ended March 31, 2019, TV advertising includes revenue from exchange of services of $2.2 million (2018 - $3.0 million).

[2] The decrease in advertising revenue compared to the prior year is mostly due to advertising sales related to the PyeongChang 2018 Olympic Winter Games in February 2018.

[3] For the year ended March 31, 2019, Production revenue includes revenue from exchange of services of $12.0 million (2018 - $13.7 million).

[4] Income stream formerly titled "Building and tower rentals".

Changes in Presentation

IFRS 15 was applied retrospectively, resulting in a change of classification for income streams previously recognized as revenue but now out of scope under IFRS 15. As a result, “Leasing income” (formerly titled “Building and tower rentals”) was reclassified to “Other sources of income” for the year ended March 31, 2018. In addition, a total of $3.1 million was reclassified from “Program license sales” to “Other gains and losses”, and a total of $1.0 million was reclassified from “Other services” to “Other gains and losses” for the year ended March 31, 2018.

ACCOUNTING POLICIES – ADVERTISING

NATURE OF PERFORMANCE OBLIGATIONS	HOW THE CORPORATION RECOGNIZES REVENUE
The Corporation offers advertising services through its television and digital platforms. Advertising sales revenue arises from the sale of advertising placements in exchange for monetary and/ or non-monetary compensation, based on negotiated rates with agencies and direct advertisers. Each advertising placement represents a performance obligation under advertising sales agreements. An advertising placement can either be provided in exchange for compensation or provided for free as part of a sales incentive.	Revenue from the **provision of advertising services** is recognized at the time the advertising placement has been broadcast and when the guaranteed level of audience or ratings has been achieved. When the guaranteed level of audience or ratings has not been achieved, the performance obligation is not satisfied until a compensational spot has been broadcast and when the guaranteed level of audience or ratings has been achieved. The standalone selling price of each advertising spot is determined based on observable inputs such as those listed in published rate cards.

Supporting information

For the year ended March 31

	2019	2018
Advertising revenue		
English market	112,526	178,103
French market	136,226	140,179
Total advertising revenue	**248,752**	**318,282**

ACCOUNTING POLICIES – SUBSCRIBER FEES

NATURE OF PERFORMANCE OBLIGATIONS	HOW THE CORPORATION RECOGNIZES REVENUE
The Corporation provides ongoing delivery of programming to: ● Cable, national direct to home satellite, or internet protocol television service providers (commonly referred to as Broadcast Distribution Undertakings or "BDUs") through discretionary channels subscriptions; and ● Individual customers through online monthly subscriptions. The performance obligations under subscription agreements consist of a right to access the programming which is provided on a monthly basis. For more information about our discretionary channels subscriptions, refer to the section *Financial Sustainability* of our MD&A (unaudited).	Discretionary channels subscriptions The performance obligation is satisfied as the Corporation makes its discretionary TV signal available to the BDU as required by the contract. Consideration consists of a fixed fee for the subscription period and at times also includes usage-based variable fees. The fixed fee is recognized as revenue on a straight-line basis because performance occurs evenly over the subscription period. The variable fees are recognized as revenue in the period the usage is incurred. Online subscriptions The performance obligation is satisfied as the Corporation makes its content available to customers online. Consideration consists of a fixed fee for the subscription period and revenue is recognized on a straight-line basis because performance occurs evenly over the subscription period.

Supporting information

For the year ended March 31

	2019	2018
Subscriber revenue		
English market	66,586	68,016
French market	57,869	59,194
Total subscriber revenue	**124,455**	**127,210**

ACCOUNTING POLICIES – OTHER INCOME

NATURE OF PERFORMANCE OBLIGATIONS	HOW THE CORPORATION RECOGNIZES REVENUE
Production revenue comprises mainly revenue from: • Facilities and services rental to independent producers in exchange for monetary and/ or non-monetary compensation. These service arrangements generally include the use of the Corporation's facilities, equipment as well as labour hours. • Host broadcasting services – The Corporation enters into agreements to sell broadcasting feeds to third party networks, most notably during major sporting events such as the Olympic Games. Services provided under a facilities and services rental contract or an host broadcasting arrangement are accounted for as a single performance obligation since the services are provided concurrently to the customer over the contract term.	**Production revenue** is recognized: • Over time as the independent producer simultaneously receive and consume the benefits of the facilities and services rental provided by the Corporation. The Corporation is compensated for each day of service based on agreed upon daily rates. Consideration for any additional services provided is recognized as revenue in the period it is provided. Revenue is recognized at the daily rate for each day of facilities and service rentals provided. • Over time as the broadcasting feed is provided to the customer in accordance with the contract terms. Consideration for host broadcasting services consists of fixed prices stated in the contract.
The Corporation's **sale of program licences** is earned when the Corporation enters into programming agreements to sell content in the domestic market and overseas. These licenses grant rights to third parties for them to use existing CBC/Radio-Canada's programs that have either ended (commonly referred to as "syndicated content") or are still in production (commonly referred to as "current content"). For both syndicated and current content licensing arrangements of a season of program, the bundle of license rights of individual episodes represent a single combined performance obligation since the licenses are delivered concurrently and the right to use has commenced for all licenses within a bundle.	**Licensing revenue** is recognized when the content is delivered and when the license term commences. Consideration consists of fixed prices stated in the contract for the content or license.
Leasing income arises when the Corporation enters into agreements with third parties to lease excess space within its buildings and/or transmission towers.	**Leasing income** is recognized on a straight-line basis over the term of the lease agreement and accounted for in accordance with IAS 17 *Leases*.

Supporting information

	For the year ended March 31	
	2019	2018
Other income		
Production revenue		
English market	18,226	21,378
French market	16,467	18,528
Total production revenue	**34,693**	**39,906**
Program license sales		
English market	17,806	19,233
French market	7,214	8,838
Total program license sales	**25,020**	**28,071**
Leasing income*	28,984	28,120
Retransmission rights	5,398	8,752
Program sponsorship	1,681	4,232
Other services	4,582	4,416
Other gains and losses*	4,962	4,138
Foreign exchange gain (loss)*	421	(194)
Net gain (loss) from the change in fair value of financial instruments*	92	(4)
	46,120	**49,460**
Total other income	**105,833**	**117,437**

* Out of scope of IFRS 15 - *Revenue from Contracts with Customers*

Contract Balances

Contract assets represent the Corporation's right to consideration in exchange for services that have already been transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets primarily comprise usage-based royalties from retransmission rights arrangements related to previously satisfied performance obligations. As a copyright owner of radio and TV programming, the Corporation is entitled to revenue from retransmission rights as distant signals are retransmitted in Canada or overseas. The Corporation's right to consideration is dependent upon the tariff set by the Copyright Board of Canada and the Corporation's share within various retransmission rights collectives.

Contract assets are presented under "Trade and Other Receivables" in the Consolidated Statement of Financial Position. Trade and Other Receivables include $11.1 million of contract assets as at March 31, 2019 (March 31, 2018 – $6.8 million). There was no impairment loss in relation to contract assets for the periods considered.

Contract liabilities primarily relate to cash payments received in advance of our performance, mostly related to our host broadcasting and program sponsorship revenue streams. Contract liabilities are presented as current liabilities under "Deferred Revenue" in the Consolidated Statement of Financial Position. Deferred Revenue include $2.1 million of contract liabilities as at March 31, 2019 (March 31, 2018 - $2.1 million).

Transaction price allocated to the remaining performance obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, excluding variable consideration allocated entirely to distinct services or performance obligations that will be satisfied in the future in revenue streams such as Subscriber Revenue. The Corporation has elected to apply the practical expedient to exclude amounts related to contracts that have an original expected duration of one year or less.

22. GOVERNMENT FUNDING

The Corporation receives a substantial portion of its funding from the Government of Canada.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognized as government funding in the Consolidated Statement of Income (Loss) in the fiscal year for which the appropriations were approved. Parliamentary appropriations for property and equipment and intangible assets that are subject to depreciation and amortization are recorded as deferred capital funding on the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) over the average useful life of assets acquired using the appropriations in a given year. Parliamentary appropriations for the purchase of land are recorded in the Consolidated Statement of Income.	The Corporation is required to make estimates in determining the amount of government funding to recognize in income related to capital expenditures. The amount recognized in income each year is based on the estimated useful lives and proportion of the Corporation's property and equipment, and intangible assets purchased using government funding for capital expenditures.

Supporting Information

A. Government funding received

Parliamentary appropriations approved and the amounts received by the Corporation are as follows:

	For the year ended March 31	
	2019	2018
Operating funding		
Base funding	1,114,500	1,125,752
Transfer to capital funding	(16,678)	(15,490)
Operating funding received	**1,097,822**	**1,110,262**
Capital funding		
Base funding	92,331	92,331
Transfer from operating funding	16,678	15,490
Capital funding received	**109,009**	**107,821**
Working capital funding	**4,000**	**4,000**
	1,210,831	**1,222,083**

Transfers to capital/from operating funding are consistent with business cases submitted for capital projects through operations and are usually partly offset by transfer of proceeds from the sale of capital assets where it has been deemed that the proceeds would be used in operations.

Total funding approved and received by the Corporation for the year is not the same as the total government funding presented in the Consolidated Statement of Income (Loss).

B. Deferred capital funding

During the current fiscal year, the Corporation changed its methodology used to determine the amount of deferred capital funding amortized into income. For additional information on the change, refer to Note 2 *Significant Accounting Policies*.

Capital Funding received is recorded as Deferred Capital Funding in the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) over the same basis and over the same periods as the assets acquired using the appropriations.

	March 31, 2019	March 31, 2018
Opening balance	531,068	545,234
Government funding for capital expenditures	109,009	107,821
Amortization of deferred capital funding	(111,907)	(93,487)
Release of deferred capital funding related to MRC[1]	-	(28,500)
Balance, end of year	**528,170**	**531,068**

[1] Refer to Note 13 *Disposal of Maison de Radio-Canada premises*.

23. FINANCE COSTS

Finance costs comprise the interest attributable to bonds payable, notes payable, obligations under finance leases and the accretion of liabilities.

ACCOUNTING POLICIES	**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**
Finance costs are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred using the effective interest method.	There are no critical accounting estimates and judgments related to finance costs.

Supporting Information

The Corporation's finance costs include the following:

	For the year ended March 31	
	2019	2018
Interest on bonds payable (Note 17)	15,837	17,063
Interest on notes payable (Note 19)	3,941	4,293
Interest on obligations under finance leases (Note 18)	190	450
Other non-cash finance costs	205	1,009
	20,173	**22,815**

24. GAIN ON SALE OF SHARES

On May 25, 2017, the Corporation sold its entire interest at $4.50 a share in its only associate, Sirius XM Canada Holdings (SiriusXM), a satellite radio communications company located and domiciled in Canada which offers a variety of content on a subscription basis across Canada, including 6 channels carrying the Corporation's programming.

The sale generated net proceeds of $57.6 million and resulted in the recognition of a gain in the comparative Consolidated Statement of Income (Loss) for the year ended March 31, 2018:

Net proceeds from sale of shares	57,579
Less: Carrying amount of investment sold	(3,117)
Gain recognized	**54,462**

The proceeds received from this transaction have been invested in Canada Mortgage Bonds. See Note 9 and Note 27 B.

The Corporation did not incur any contingent liabilities or commitments in relation to its associate.

25. INCOME TAXES

CBC/Radio-Canada is a prescribed federal Crown corporation under Reg. 7100 of the *Income Tax Act* (ITA) and is subject to federal income tax as a prescribed corporation for purposes of subsection 27(2) of the ITA. The Corporation's activities are not subject to provincial taxes.

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>Management uses the liability method of accounting for income taxes. Under this method, Deferred Income Tax Assets and Liabilities are recognized based on the estimated tax effect of temporary differences between the carrying value of assets and liabilities on the financial statements and their respective tax bases.

<u>Current tax</u>

Taxable net results differ from net results as reported in the Consolidated Statement of Income (Loss) because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to break even over the long term. The Corporation uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, a deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.</td><td>Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because the Corporation does not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure.</td></tr>
</table>

Supporting Information

A. Income Tax Recognized in Net Results

The income tax expense for the year can be reconciled to the income tax expense that would be computed by applying the Corporation's federal statutory tax rate of 25.00% (2018 – 25.00%) to accounting profit as follows:

	For the year ended March 31	
	2019	2018
Income tax provision at federal statutory rate	(13,612)	(3,141)
Permanent differences	(350)	(6,581)
Increase resulting from adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	13,962	9,722
Income tax expense recognized in net results	**-**	**-**

The tax rate used for the 2019 reconciliation above is the corporate tax rate payable by a corporation that is a prescribed Federal Crown Corporation under Part LXXI of the *Income Tax Regulations* and is subject to the provisions of the *Income Tax Act* (Canada). An adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences is reflected above.

B. Temporary Differences

	March 31, 2019	March 31, 2018
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:		
Accrued liabilities	36,067	50,419
Deferred revenue	8,142	-
Pension plan	(374,575)	(184,505)
Employee-related liabilities	122,580	117,836
Loss carry-forward	13,454	5,103
Non-current receivables and investments	974	1,058
Deferred income for tax purposes related to the sale of receivables	(29,091)	(32,607)
Property and equipment	(130,860)	(119,961)
Other	(17,978)	(17,361)
Total	**(371,287)**	**(180,018)**

The loss carry-forwards will begin to expire in 2037.

26. SUPPLEMENTAL CASH FLOW INFORMATION

A. Movements in Working Capital

	For the year ended March 31	
	2019	2018
Changes in Working Capital are comprised of:		
Trade and other receivables	63,636	(79,462)
Programming asset (current)	(23,948)	8,811
Prepaid expenses	2,876	8,114
Accounts payable and accrued liabilities	(3,235)	23,087
Provisions	(14,455)	14,276
Pension plans and employee-related liabilities (current)	53,719	4,779
Programming liability (current)	(9,492)	-
Deferred revenues (current)	(7,322)	(3,531)
	61,779	**(23,926)**

B. Changes in Liabilities Arising from Financing Activities

		Cash flows		Non-cash changes	
	April 1, 2018	Capital	Interest and Other changes	Other changes	March 31, 2019
Repayment of obligations under finance leases	6,315	(555)	(189)	189	5,760
Repayment of bonds	228,306	(17,958)	(15,081)	15,837	211,104
Repayment of notes	88,274	(7,474)	(3,999)	3,941	80,742
Distributions to non-controlling interests	645	-	-	(9)	636
Total liabilities from financing activities	**323,540**	**(25,987)**	**(19,269)**	**19,958**	**298,242**

OTHER

This section discloses the Corporation's information related to financial instruments, capital management, related parties and commitments.

27. FINANCIAL INSTRUMENTS

Outlined below are the Corporation's financial instruments and related financial risk management objectives, its policies and its exposure and sensitivity to financial risks.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
<u>Recognition</u> Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Classification and measurement of financial instruments: Financial assets are classified and subsequently measured at amortized cost or fair value through profit or loss based on both the Corporation's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Corporation's financial assets are classified and measured as follows: ● Financial assets held for the purpose of collecting contractual cash flows ("held to collect") that represent solely payments of principal and interest ("SPPI") are classified and measured at amortized cost; ● Financial assets that are not considered to be solely payments of principal and interest are classified and measured (see table below) at fair value through profit or loss ("FVTPL"); ● Financial liabilities are classified and measured at amortized cost. Derivative financial instruments are classified and measured at FVTPL. Impairment of financial assets: The new impairment model is an expected credit loss ("ECL") model which implies both an earlier recognition of impairment losses and a disclosure of more timely and forward-looking information. Additionally, it is no longer necessary for a loss event to occur before an impairment loss is recognized. The simplified approach is applied to trade receivables and contract assets that result from transactions within the scope of IFRS 15. Under the simplified approach, a loss allowance based on lifetime ECL is determined by historical loss rates, adjusted for current conditions and forward looking information, and applied to segments of receivable balances at each reporting date. The ECL for all other financial assets is determined by the present value of the cash shortfalls over the upcoming 12-month period.	There are no critical accounting estimates and judgments related to financial instruments.

Supporting Information

A. Classification and Risks - Overview

The Corporation's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk. The Corporation's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance. Risk management is carried out through financial management practices in conjunction with the Corporation's overall governance practices. The Board of Directors is responsible for overseeing the management of financial risk.

The Corporation's financial instruments, the classification, and the nature of certain risks to which they may be subject are as set out in the following table:

	Classification	Risks			
				Market risks	
		Credit	Liquidity	Currency	Interest rate
Measured at amortized cost					
Trade and other receivables	Amortized cost	X		X	
Promissory notes receivable	Amortized cost	X			X
Investment in finance lease	Amortized cost	X			X
Bonds receivable	Amortized cost	X			X
Accounts payable and accrued liabilities	Amortized cost		X	X	
Bonds payable	Amortized cost		X		X
Obligation under finance lease	Amortized cost		X		X
Notes payable	Amortized cost		X		X
Measured at fair value through profit and loss (FVTPL)					
Cash	FVTPL	X		X	X
Derivative financial instruments	FVTPL	X		X	

B. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation records allowances for potential credit losses based on an ECL model in accordance with IFRS 9. Actual losses have not exceeded management's expectations in the past. The maximum exposure to credit risk of the Corporation at March 31, 2019 and March 31, 2018 is the carrying value of these assets.

Cash

The Corporation has deposited cash with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or, subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be remote.

Trade and other receivables

Credit risk concentration with respect to trade and other receivables is limited and managed through a program of credit evaluation and by restricting the amount of customer credit where deemed necessary. Management does not believe that it is exposed to an unusual or significant level of credit risk.

The Corporation establishes an allowance for doubtful accounts that reflects the lifetime ECL of its trade receivables as permitted under IFRS 9 simplified approach. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. This is determined by considering the Corporation's historical loss rates by customer type, adjusted for current conditions and forward looking information. At each reporting period, the amount of expected credit losses is updated to reflect any significant changes in credit risk of trade and other receivables since inception. In making this assessment, the Corporation considers both quantitative and qualitative information that is reasonable and supportable, including historical credit loss experience, payments past due over average credit terms by customer type, and forward-looking information such as economic reports.

Consistent with others in the industry, the Corporation's trade and other receivables are mainly derived from the sale of advertising airtime through agencies. These agencies typically remit their payment over a period exceeding the Corporation's average credit term of 30 days. As such, a significant portion of the Corporation's trade receivables are past due but not impaired and the collection period is not necessarily an indicator of credit risk.

Since the Corporation is largely funded through parliamentary appropriations, it has determined that it is not subject to the concentration of credit risk typical of broadcasters who mostly rely on commercial revenue. The Corporation has no material concentration of credit risk with any single customer and mitigates the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers.

The Corporation does not hold any collateral or other credit enhancements on trade receivables.

The tables below provide an aging of our customer trade and other receivables and additional information related to the allowance for doubtful accounts.

	March 31, 2019	March 31, 2018
31 - 60 days	25,965	95,961
61 - 90 days	15,461	19,411
Over 90 days	19,032	8,004
Total	**60,458**	**123,376**

	March 31, 2019	March 31, 2018
Opening balance	(1,106)	(1,240)
Amounts written off during the year as uncollectible	713	689
Impairment losses reversed	(56)	227
Net increase in allowance for new impairments	(57)	(782)
Balance, end of year	**(506)**	**(1,106)**

<u>Promissory notes receivable and Investment in finance lease</u>
The Corporation's promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when the Corporation agreed to sell and rent several parcels of land to a wholly-owned subsidiary of the Ontario Teachers' Pension Plan. At the time of the transaction, the Corporation ensured that the counterparty met the criteria set out by the Corporation with regards to credit worthiness and risk, especially given the long-term nature of the receivables. The Corporation monitors the collection of the promissory notes receivable and rental payments associated with the investment in finance lease, which are collected on a monthly basis through the CBC Monetization Trust.

<u>Bonds receivable</u>
Under the *Broadcasting Act*, the Corporation is allowed to invest any money administered by it in bonds or other securities of, or guaranteed by, the Government of Canada. As such, the Corporation's bonds receivable are Canada Mortgage Bonds, which have a low credit risk. None of the held to maturity bonds are either past due or impaired.

<u>Derivative financial instruments</u>
The policy on currency risk requires that all significant forward contracts, options and other instruments used to economically hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks. The Corporation places its currency hedging business with different counterparties that meet this criterion.

C. Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations associated with financial liabilities.

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does not have the authority to obtain a line of credit or non-current debt without the prior approval of the Minister of Finance.

The following table presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	Carrying amount of liability at March 31, 2019	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable (Note 17)	211,104	280,829	33,039	132,155	115,635
Notes payable (Note 19)	80,742	97,520	11,473	45,892	40,155
Finance lease (Note 18)	5,760	6,112	706	5,406	-
	297,606	**384,461**	**45,218**	**183,453**	**155,790**

	Carrying amount of liability at March 31, 2018	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable (Note 17)	228,306	313,868	33,039	132,155	148,674
Notes payable (Note 19)	88,274	108,993	11,473	45,892	51,628
Finance lease (Note 18)	6,315	6,802	705	6,097	-
	322,895	**429,663**	**45,217**	**184,144**	**200,302**

D. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Corporation is mainly exposed to currency and interest rate risks.

During the current year, there were no changes to the Corporation's exposure to market risk and its objectives, policies and processes for managing market risk.

E. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to limited foreign exchange risk on revenue and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The policy on currency risk requires the Corporation to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

The Corporation's net foreign currency exposure is immaterial as at March 31, 2019 (2018 – immaterial).

F. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's notes receivable, bonds receivable, investment in finance lease, bonds payable, obligations under finance leases and notes payable bear fixed interest rates and, as such, are subject to interest rate risk because the fair value of the financial instruments will be affected by changes in the market rates. However, a change in fair value would not impact the profit or loss of the Corporation.

For its short-term cash balances, the Corporation has a policy of maximizing interest revenue. The Corporation may place its cash in interest bearing accounts with Schedule I Canadian banks. Consequently, the interest rate risk associated with the cash balances is directly tied to the movements of the Bank of Canada's Key Overnight Lending Rate and to the banks' prime rates. To manage interest rate risk, the Corporation deals with a number of banks to obtain competitive rates and to mitigate its exposure to any one particular investment vehicle.

G. Fair Value

The carrying values and fair values of the Corporation's remaining financial assets and financial liabilities are listed in the following table:

	March 31, 2019		March 31, 2018			
	Carrying values	Fair values	Carrying values	Fair values	Method[1]	Note
Financial instruments measured at fair value through profit and loss on a recurring basis:						
Cash	89,697	89,697	95,978	95,978	Level 1	(a)
Derivative financial instruments	92	92	-	-	Level 2	(c)
Financial assets	**89,789**	**89,789**	**95,978**	**95,978**		
Financial instruments measured at amortized cost:						
Bonds receivable (current)	163,092	163,976	110,712	111,068	Level 2	(b)
Trade and other receivables	142,387	142,387	205,311	205,311	Level 2	(a)
Promissory notes receivable (current)	3,264	3,264	3,448	3,448	Level 2	(a)
Investment in finance lease (current)	3,630	3,630	3,394	3,394	Level 2	(a)
Bonds receivable (non-current)	-	-	43,373	43,440	Level 2	(b)
Promissory notes receivable (non-current)	31,352	35,160	34,616	38,659	Level 2	(c)
Investment in finance lease (non-current)	34,224	39,833	37,854	43,519	Level 2	(c)
Financial assets	**377,949**	**388,250**	**438,708**	**448,839**		
Accounts payable and accrued liabilities	119,257	119,257	110,886	110,886	Level 2	(a)
Bonds payable (current)	24,380	24,380	23,624	23,624	Level 2	(a)
Obligation under finance lease (current)	583	583	570	570	Level 2	(a)
Notes payable (current)	9,172	9,172	8,945	8,945	Level 2	(a)
Bonds payable (non-current)	186,724	230,475	204,682	253,557	Level 2	(d)
Obligation under finance lease (non-current)	5,177	5,177	5,745	5,745	Level 2	(d)
Notes payable (non-current)	71,570	78,480	79,329	86,152	Level 2	(d)
Financial liabilities	**416,863**	**467,524**	**433,781**	**489,479**		

[1]Method refers to the hierarchy levels described in note 2 B. Each level is based on the availability of observable inputs used to measure the fair values of assets and liabilities.

There have been no transfers between levels during the year ended March 31, 2019.

(a) The fair values approximate their carrying value due to the current nature of these instruments.

(b) The fair values for bonds that trade in markets that are not considered to be active are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

(c) The fair values related to the various amounts receivable were determined using the expected future cash flows and discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects the credit worthiness of the various counterparties.

(d) The fair values related to the Corporation's various financial liabilities were determined using the expected future cash flows and were discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects the Corporation's credit worthiness.

28. CAPITAL MANAGEMENT

The Corporation is subject to Part III of the *Broadcasting Act*, which imposes restrictions in relation to borrowings and requires authorization from Parliament and approval from the Minister of Finance.

The Corporation defines capital that it manages as the aggregate of its equity, which is comprised of retained earnings.

The Corporation's objectives in managing capital are as follows:

- To safeguard its ability to continue as a going concern;
- To fund its asset base; and
- To fulfil its mission and objectives for the Government of Canada to the benefit of Canadians.

The Corporation manages its capital by reviewing formally, on a regular basis, the actual results against set budgets, and shares this information with its Audit Committee and Board of Directors. The Corporation's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis. The Corporation makes adjustments to its capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements.

The Corporation's objectives, policies and processes for managing capital are consistent with those in place as at March 31, 2018.

The Corporation is not subject to externally imposed capital requirements.

29. RELATED PARTIES

The related parties of the Corporation consist mainly of government departments, agencies, Crown Corporations, subsidiaries, key management personnel of the Corporation or close family members of these individuals, private companies over which the Corporation has significant influence, and the Corporate Pension Plan. The Corporation is related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations.

ACCOUNTING POLICIES	**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**
The Corporation enters into transactions with these related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and at market prices. These transactions are recorded at fair value by the Corporation. The Corporation has elected to take an exemption under IAS 24 *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government and other government related entities.	There are no critical accounting estimates and judgments related to related parties.

Supporting Information

These transactions are recorded at fair value by the Corporation. The following transactions were carried out with related parties:

A. Transactions with Related Parties Excluding Government-Related Entities

	For the year ended March 31			
	Rendering of services		Receipt of services	
	2019	2018	**2019**	2018
Associate	-	193	-	-
Other related entities[1]	111	113	1	-
	111	**306**	**1**	**-**

[1] Transactions with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

In addition, cash payments for the Corporation's contributions to the defined benefit plans are disclosed in Note 16 E.

The following balances were outstanding at the end of the year and are included in Trade and other receivables on the Consolidated Statement of Financial Position:

	Amounts owed by related parties	
	2019	2018
Other related entities[1]	(4)	-
	(4)	**-**

[1] Transactions with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

There are no amounts owing to related parties at March 31, 2019 (March 31, 2018 – nil). SiriusXM ceased being an associate on May 25, 2017 after the Corporation sold its interest in SiriusXM.

No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

Transactions with Government-Related Entities

CBC/Radio-Canada is a Federal Crown Corporation that operates in an economic environment dominated by entities directly or indirectly controlled by the federal government through its government authorities, agencies, affiliations and other organizations (collectively referred to as "government-related entities"). The Corporation has transactions with other government-related entities including but not limited to sales and purchases of goods and rendering and receiving of services.

Canada Mortgage Bonds

As described in Note 9, we invested $163.1 million in Canada Mortgage Bonds (CMB) during the year (March 31, 2018 - $154.1 million), of which $127.3 million relates to the proceeds received from disposing of our interest in Sirius XM Canada Holdings Inc. and selling the existing Maison de Radio-Canada premises (March 31, 2018 - $125.5 million). CMB are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by CMHC, another Crown Corporation, and backed by the Government of Canada.

B. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the President and CEO, the Vice-Presidents and the Board of Directors.

The remuneration of the President and CEO and the Vice-Presidents during the year was as follows:

	March 31, 2019	March 31, 2018
Short-term benefits[1]	4,200	4,567
Post-employment benefits[2]	1,883	1,968
Other benefits[3]	1,129	403
	7,212	**6,938**

[1] Short-term benefits include wages, salaries, social contributions, paid annual leave, short-term disability, incentive pay (if payable within twelve months of the end of the period) and other benefit packages (healthcare, life insurance, dental, accident insurance) for current employees.

[2] Post-employment benefits such as pensions and post-employment life insurance.

[3] Other benefits include long-term incentive pay, long-term disability, worker's compensation and termination benefits. Termination benefits are benefits that are payable as a result of the Corporation terminating employment before the normal retirement date or an employee's decision to accept an offer of voluntary departure. Termination benefits include termination payments, severance pay and long-service gratuity.

The total compensation paid to the members of the Board of Directors, excluding the President and CEO, during the year was $0.2 million (2018 – $0.2 million).

The remuneration of key management personnel is determined as follows:

- **Members of the Board of Directors**, except the President and CEO, receive meeting fees for Board and Committee meetings based on a fee schedule established by Corporations' by-laws (as approved by the Minister of Canadian Heritage). The Chair of the Board also receives an annual retainer.
- **The Vice-Presidents**' remuneration is approved by the Board of Directors upon recommendation of the Human Resources and Governance Committee, having regard to the performance of individuals and market trends.
- **The President and CEO** is compensated in accordance with the terms of the Order-in-Council appointing her.

30. COMMITMENTS

A commitment is an agreement that is enforceable and legally binding to either make or receive a payment in the future for the purchase or provision of goods and services. These amounts are not recognized in these consolidated financial statements since the Corporation is yet to receive or provide the goods or services contractually agreed.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
The Corporation is party to many leasing arrangements, which requires management to determine whether the lease is a finance lease or an operating lease. Leases in which the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases. Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leases in which the Corporation does not assume substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.	The determination that an arrangement to lease a portion of a building owned by the Corporation meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 *Investment Property*.

A. Program Related and Other

This note shows amounts to which the Corporation is contractually committed, but which do not meet the criteria for inclusion in the Consolidated Statement of Financial Position.

	March 31, 2019	March 31, 2018
Facilities management	25,549	69,354
Programming	197,356	215,206
Transmission and distribution	11,807	17,948
Maintenance and support	54,880	31,291
Property and equipment and intangibles[1]	39,324	81,383
Other	25,165	27,499
	354,081	**442,681**

[1] Property and equipment and intangibles include an amount of $3.0 million related to contractual commitments for the acquisition of intangible assets as at March 31, 2019 (March 31, 2018 - $0.9 million).

Future annual payments are as follows:

	March 31, 2019	March 31, 2018
Less than one year	189,125	205,076
Later than one year but not later than five years	158,701	212,442
More than five years	6,255	25,163
	354,081	**442,681**

Commitments related to bonds payable and notes payable are disclosed under Note 27 C.

B. Non-Cancellable Leases

Operating leases relate to leases of property, network distribution and equipment with remaining lease terms of between one and 30 years. Certain leases contain clauses allowing for the renewal/extension of the original term at market rates. The Corporation does not have an option to purchase any of the property, network distribution or equipment at the expiry of the lease periods.

Finance lease consist of leasehold improvements. The transponder lease matured during last year. Commitments related to finance lease are disclosed in Note 27 C.

The future aggregate minimum lease payments under non-cancellable leases are as follows:

	March 31, 2019	March 31, 2018
Less than one year	40,322	21,142
Later than one year but not later than five years	164,283	162,748
More than five years	581,783	628,105
	786,388	**811,995**

The amounts presented above include a total of $423.4 million (March 31, 2018 – $425.7 million) representing operating costs and property taxes payable.

The payments recognized as an expense for minimum lease payments in 2019 amounted to $28.3 million (2018 – $23.1 million).

C. Revenue-Generating Leases

Operating leases relate to buildings and transmission towers owned by the Corporation with remaining lease terms of between one to 91 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

	March 31, 2019	March 31, 2018
Less than one year	10,371	9,290
Later than one year but not later than five years	50,342	39,331
More than five years	336,881	345,100
	397,594	**393,721**

In addition to the amounts presented above, the Corporation expects to receive amounts related to operating expenses and property taxes under building leases for a total of $78.1 million (March 31, 2018 – $77.3 million).

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