CBC/RADIO-CANADA

ANNUAL REPORT 2019-2020

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. In addition to these activities, we are currently developing an environmental sustainability plan that will be released during the next fiscal year.

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

RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

CORPORATE REPORTS

- Annual Report
- Quarterly financial reports
- Corporate Plan and Corporate Plan Summary
- CBC Pension Annual Report
- Public Accounts of Canada
- 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*)

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

VALUES AND ETHICS COMMISSIONER ANNUAL REPORT

- Reports on the implementation of our Code of Conduct and the Policy on Conflicts of Interest, and outlines how complaints regarding employee behaviour are handled

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, Board members 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 2019-2020 AT A GLANCE

REVENUE

2019-2020: $504M
2018-2019: $490M
TOTAL INCREASE
+$14M (+2.9%)

Our revenue was higher by 2.9% this year primarily due to:

- growth in digital advertising revenue and increases in subscribers on our digital platforms;
- additional content sales from new distribution agreements; and
- the recognition of retroactive royalties for retransmission rights.

These increases in our ongoing revenue were offset partly by declines in both advertising and subscription revenue on traditional platforms. Our conventional TV advertising revenue remained challenged and was affected further by the early impacts of COVID-19 during the last quarter.

GOVERNMENT FUNDING

2019-2020: $1,209M
2018-2019: $1,214M
TOTAL DECREASE
-$5M (-0.4%)

Our government appropriations received remained consistent this year. The change in total government appropriations recognized in income of 0.4% was due to the amount of capital funding recognized.

EXPENSES

2019-2020: $1,763M
2018-2019: $1,754M
TOTAL INCREASE
+$9M (+0.5%)

Our expenses were comparable with last year, increasing by 0.5%. This increase resulted from making additional investments in digital content and initiatives across our business, and from incurring additional costs this year to cover the federal election and to respond to the COVID-19 pandemic.

For the year ended March 31	2020	2019	% change
Revenue	504,413	490,146	2.9
Government funding	1,209,058	1,213,729	(0.4)
Expenses	(1,763,207)	(1,754,102)	0.5
Results before other gains and losses	**(49,736)**	**(50,227)**	**(1.0)**
Other gains and losses	(9,368)	(4,220)	N/M
Net results under IFRS for the year	**(59,104)**	**(54,447)**	**8.6**
Budget Results for the year[1]	**11,038**	**(572)**	**N/M**

N/M = not meaningful

[1] Budget Results is a non-IFRS measure. This measure considers only revenue or expenses included in, or funded by our operating budget. A reconciliation of net results to Budget Results is provided in the *Financial Sustainability* section of this report.

Net results under IFRS for the year were a loss of $59.1 million, compared to a loss of $54.4 million last year. The decrease in our net results under IFRS by $4.7 million (8.6%) was primarily due to non-operating losses recognized this year. This included a non-cash charge from the transfer of a building to the province of Saskatchewan in exchange for a long-term lease arrangement, as well as other net losses from the retirement of assets in the regular course of our operations. If we exclude these items, our results before other gains and losses were comparable to last year, at a loss of $49.7 million.

Budget Results for the year were $11.0 million compared to a loss of $0.6 million last year. The improved results this year largely reflect the growth in revenue. Our budget results are normally higher than the IFRS results, which include certain non-cash expenses not funded by our operating budget such as depreciation and non-cash pension expenses.

BUSINESS HIGHLIGHTS

Content and Services

In 2019-2020, CBC/Radio-Canada set out to tell Canadian stories, from the everyday, to the extraordinary. Guided by our 2019-2022 strategy *Your Stories, Taken to Heart*, we have been strengthening Canadians' emotional connection to their public broadcaster. From celebrating the international success of our content, to national and community coverage of the federal election, CBC/Radio-Canada was there. We continued to fight disinformation and our CEO led the formation of a new Global Task Force to promote the value of public service media in strengthening democracy. This has helped to ensure all Canadians continue to have a voice through us. Other audience-focused highlights include:

Customized digital services

Getting our audiences the content when and where they want it. This year:

- We launched CBC Listen and Radio-Canada's OHdio – audio and music content all in one simple destination.
- We added award-winning entertainment to stream on ICI TOU.TV and CBC Gem.

Engaging with young audiences

By bringing the best children and youth content to young audiences, this year:

- We expanded CBC Kids News and launched Radio-Canada's MAJ – news for and by kids.
- We broadcast more kids content on CBC and ICI Radio-Canada and expanded access to Curio.ca during the COVID-19 crisis to support kids and parents at home.
- We hosted the semi-final round of judging in Kids Programming for the 2019 International Emmy® Awards – putting the spotlight on Canadian and international youth content.

Prioritizing our local connections

To strengthen our connection with local and regional communities, this year:

- We targeted community coverage by local news teams during the 2019 federal election, bringing important local and national issues to the forefront.
- Radio-Canada expanded its newsgathering presence in Sherbrooke, Trois-Rivières and Saguenay.
- CBC set up "pop-up bureaus" in communities like Tsuut'ina Nation in Alberta, Winkler and Morden, Manitoba, and Stanley Mission in Saskatchewan.
- We launched a pilot project with the *Winnipeg Free Press* to share staffing and resources over the weekend, and helped support local newspapers.
- We continued work on the new Maison de Radio-Canada, a future community hub and accessible space open to all Canadians.

Reflecting contemporary Canada

Reflecting the range and richness of this country's diversity and perspectives, this year:

- We were named one of Canada's Top 100 Employers.
- We met our gender parity goals, announced new diversity commitments, and were recognized with a Platinum certification for gender parity by Women in Governance, and CBC committed to gender-balanced coverage in Sports.
- Radio-Canada launched *Synergies+* to help connect diverse talent with independent producers.
- CBC Indigenous launched Original Voices, a new online resource for Indigenous languages. Radio-Canada's *Espaces Autochones* continued to share incredible Indigenous French-language content.
- We partnered with The Canada Council for the Arts to invest in Canadian digital content creation and distribution.

Taking Canada to the world

To promote Canadian creators and keep Canadian culture strong, this year:

- We struck international content-sharing agreements with France Télévisions, the BBC, ZDF, ABC and others.
- Radio-Canada's *C'est comme ça que je t'aime* premiered at the 70th Berlinale festival.
- CBC's commissioned series like *Schitt's Creek*, *Kim's Convenience* and *Workin' Moms* were hits at home and abroad, garnering acclaim and an increasing international fan base.

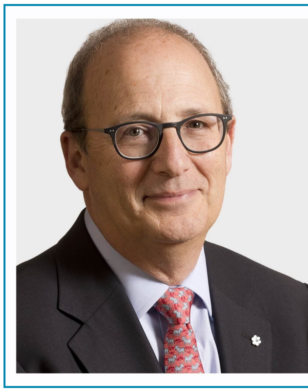
Keeping Canadians informed and entertained during COVID-19

CBC/Radio-Canada pivoted to ensure we could continue to serve Canadians in their hour of need. CBC and Radio-Canada offered no-cost access to their 24-hour news networks, CBC News Network and ICI RDI, and provided opportunities for viewers to ask us, and our experts, questions about the virus. We worked with global media partners to bring *One World: Together at Home* and the all-Canadian special *Stronger Together, Tous Ensemble* to Canadians. We helped provide critical support to Canadian content makers through access to the CBC Creative Relief Fund to ensure they can continue to tell their stories.

Dany Pilote, one of our cameramen, in the field during the COVID-19 pandemic.

MESSAGES

From the Chair



I am writing this message at a time when we – as individuals, as a nation and as a global community – are navigating uncharted waters.

We learn a lot about ourselves, each other and our institutions in times of crisis, and I believe that all Canadians can take pride in how our public broadcaster has responded to the unprecedented challenges brought on by the COVID-19 pandemic.

Continuing to inform, enlighten and entertain Canadians in the midst of a pandemic that has profoundly disrupted their lives and that has imposed significant restrictions on how our employees can do their work has been a daunting undertaking.

I can speak with confidence on behalf of the Board of Directors in saying how impressed we have been by the extraordinary inventiveness, resilience and determination of our employees throughout CBC/Radio-Canada.

The quality of their work has been evident in the exceptional levels of listeners, viewers and readers across the country.

Although we are all preoccupied by the pandemic, so much of what we accomplished this year predated the spread of COVID-19 and, as such, deserves to be highlighted as you will discover through this annual report. I am especially proud of the even stronger ties we have built with international public broadcasters and the constant focus on reflecting contemporary Canada, celebrating what makes our country unique.

While we work to champion and celebrate Canadian culture at home and abroad, CBC/Radio-Canada continues to place the highest value on ensuring Canadians have access to trusted news and information. This is more important than ever. To that end, I was pleased to co-chair an initiative with Canadian newspapers, exploring ways to support a more healthy media ecosystem so that Canadians have a wide range of sources for trusted information. That work continues.

Our Board of Directors is made up of a group of talented, dedicated individuals from across Canada. Each brings their individual background, experience and perspective to our discussions. I am grateful for their insights and value their contributions, which allow CBC/Radio-Canada to remain a vibrant modern public broadcaster.

I am confident that we will continue to meet the challenges that we will face in the months ahead as our workplaces and economy reopen to a new post-pandemic reality. As the public broadcaster that means managing changes in our programming, such as the postponement of the Olympics, but it also means managing our resources while continuing to focus on the key elements of our strategy.

I have no doubt that next year's message will be one of resilience, teamwork and challenges overcome.

We will get through this together.

Michael Goldbloom
Chairman of the Board

From the President and CEO

We kicked off the year at CBC/Radio-Canada with the launch of our new strategic plan, *Your Stories, Taken to Heart*, which aims to strengthen our connection as public broadcaster with all Canadians. And I am pleased to report that our new strategy has paved the way for greater success in our service to local communities, in our engagement with younger audiences, in our commitment to reflecting contemporary Canada, and in the ways that we provide all our services to Canadians on the media platforms of their choosing.

Our strategy shines a light on two of our most precious assets as Canada's public broadcaster – our proximity to Canadians and the trust they have in us. It also allows us to embrace an ambitious new goal: taking Canada to the world. This past year, we have forged important new partnerships with like-minded public broadcasters from around the world, including the ABC, the BBC, France Télévisions and Germany's ZDF. These alliances are critical if we are to expand the footprint of Canada's outstanding programming in an increasingly global marketplace for content. In that spirit, we saw the Radio-Canada TV drama *C'est comme ça que je t'aime* (*Happily Married*) selected for the 70th Berlin Film Festival – a first for a Canadian series. There was also the touching finale of *Schitt's Creek*, a CBC comedy beloved by millions of fans worldwide, which was particularly poignant as it brought together international audiences in the early days of the COVID-19 crisis.

This year was groundbreaking in terms of advancing our commitment to diversity and inclusion, both in front of and behind the camera. We know that Canadians want to see themselves reflected in their public broadcaster. We exceeded our goals with respect to gender parity and diversity in our workforce, and we made important new commitments to ensuring representation in the independent productions we commission. We are Canada's leading broadcaster in terms of gender parity in our commissioned original shows and, by 2025, we have set the goal that at least one of the key creative decision-making positions in all our scripted and factual commissioned programs will be held by a person from a diverse background.

Our previous strategy set the course for transforming CBC/Radio-Canada into a truly multiplatform media company, and our new strategy continues this commitment to remaining relevant to Canadians as their content consumption and media viewing habits change. To this end, we have turned our focus to younger audiences and improved discoverability across all our platforms. We expanded our digital offering for kids, with the addition of two news services geared to audiences 13 and under – CBC Kids News and Mon actualité du jour (MAJ). And both CBC and Radio-Canada consolidated their audio offerings, radio and podcasts, into single destinations – CBC Listen and Radio-Canada OHdio. The results speak for themselves. Today, 83% of Canadians use at least one of our services on a monthly basis.

Unfortunately, in the final weeks of the year, we were swept up by the COVID-19 pandemic – a crisis of unprecedented proportions for Canada and for the world. We took immediate actions to protect and bolster the coverage of critical information and trustworthy news, now a matter of life and death for many Canadians. From the outset of the pandemic, CBC/Radio-Canada has supported Canadians with the information they need; with educational content to keep their kids learning at home; and with much-needed doses of culture and entertainment in stressful times. We have provided our creators, athletes and cultural communities a lifeline when productions, live sporting events, and cultural gatherings have gone dark. And, most importantly, we have collaborated with many partners to connect every corner of the nation in celebrations of our music, our artists and our many cultures.

We ended an exciting year on a powerful note. Never before has the value of public broadcasting and the critical contribution it makes to our society during times of crisis been more evident. Whether through fact-checking misinformation about COVID-19; whether reporting 24/7 on the ever-evolving response of provinces or the federal government to the crisis; whether helping kids cope with its impact on their daily lives; whether providing more Canadian films, documentaries or entertainment programming for distraction; whether connecting Canadians virtually through a variety of new shows created on the fly – CBC/Radio-Canada has served Canadians in this crisis as it has never served before.

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, 2020 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 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. Refer to the *Financial Sustainability* section for more details.

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 pay special attention to the needs and reflection of Canada's Indigenous peoples. To this end, we offer programming in eight Indigenous languages (Chipewyan, Cree, Gwich'in, Inuktitut, Inuvialuktun, North Slavey, South Slavey and Tlicho) via CBC North.

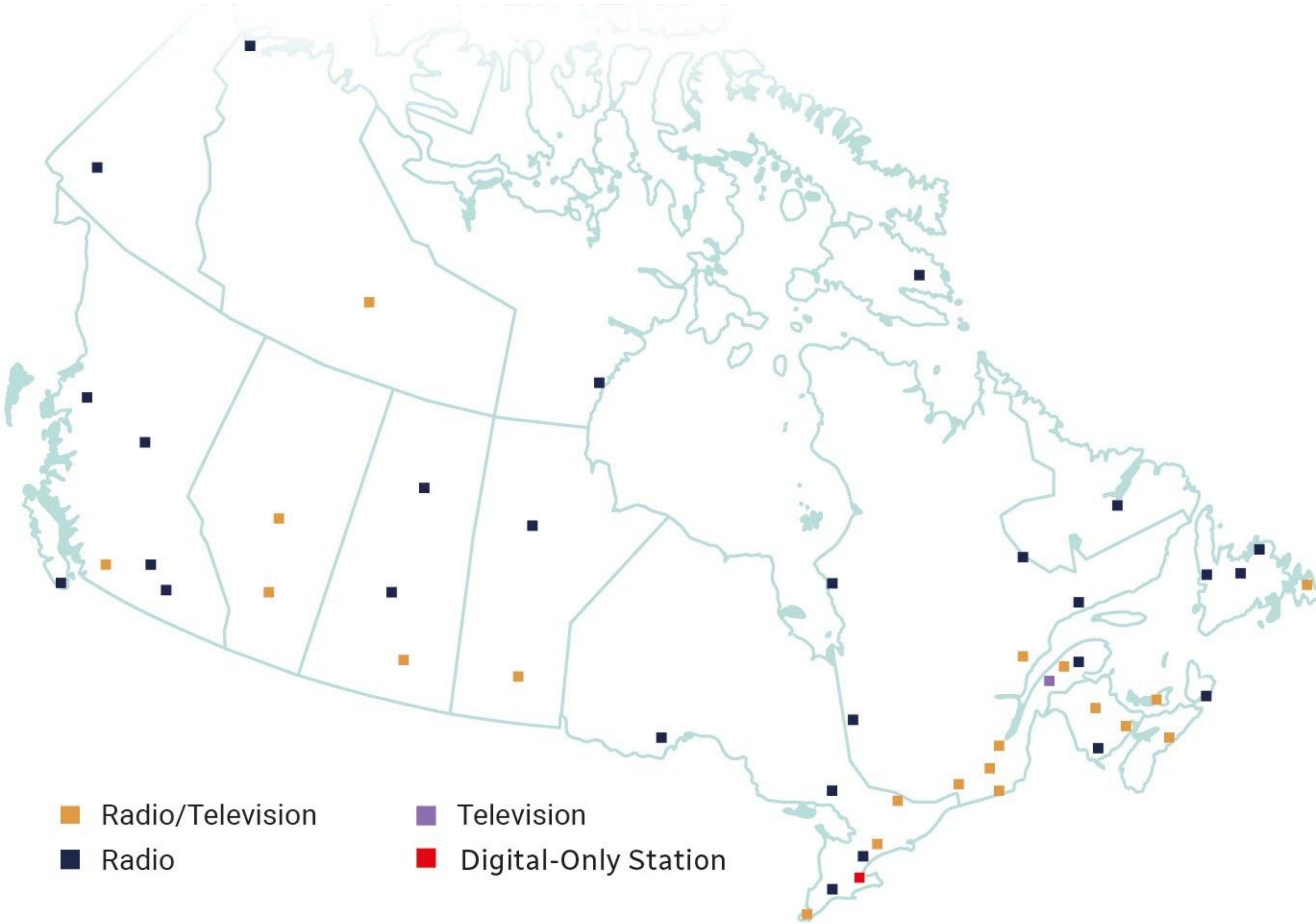
We are also required by section 46(2) of the *Act* to provide an international service, Radio Canada International (RCI). RCI (rcinet.ca) is available in five languages: English, French, Spanish, Arabic and Mandarin.

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, 2020, we employed 6,636 permanent employees, 384 temporary employees and 653 contract employees. Our employees come from a multitude of backgrounds and cultures. They are an integral part of our success in reflecting contemporary Canada.



This map shows the locations of our CRTC-licensed radio and television stations across Canada, as well as our designated digital station and our affiliate 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.

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 six permanent foreign bureaus, and we have the capacity to set up pocket bureaus in key locations as needed.

Our Services

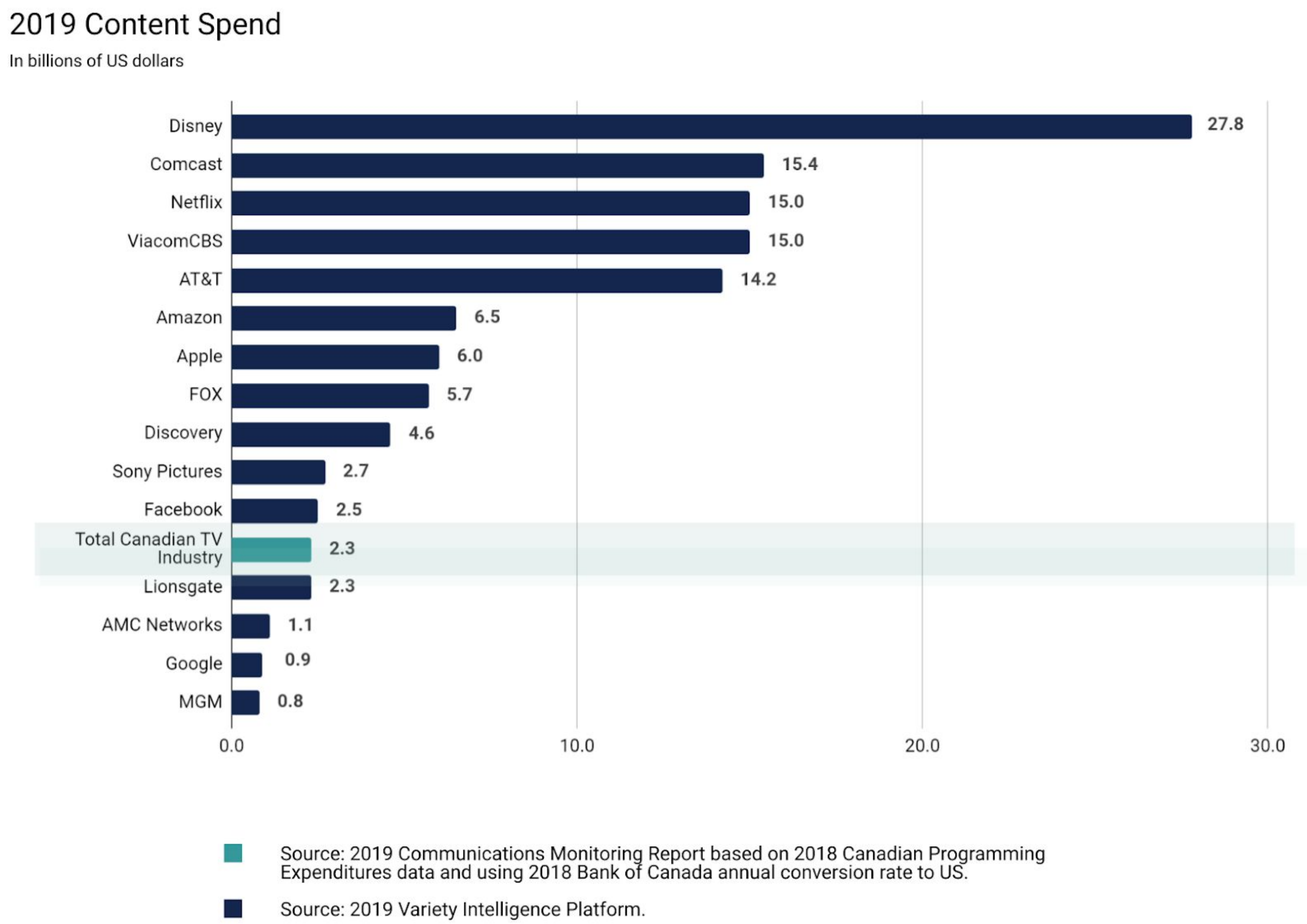
We offer six channels of audio content across North America through a partnership with SiriusXM Satellite Radio. We also join forces with other francophone public broadcasters to broadcast French Canadian content internationally through TV5MONDE.

Our Operating Environment

We exist to serve Canadians. As their media habits change, we adapt to reach them where they are, on the devices and platforms they use. While traditional platforms still account for a large share of media consumption, the digital shift is ongoing, accelerating and disrupting the industry. This shift is fragmenting audiences, and is impacting revenue, the cost of content creation and competition for talent, as well as peoples' trust in the content they access online. We are prepared to face these challenges head on.

A major source of distortion in the Canadian media industry comes from digital giants that have captured significant market shares, especially in the Subscription Video on Demand market. Global players like Netflix and Amazon Prime Video are dominating the market. New major players like Disney+ and Apple TV+ are also competing for audiences with high-quality global content, as are domestic providers such as Crave and Club illico and our ICI TOU.TV and CBC Gem.

In this environment, Canadians can choose from the best content from all over the world. The success of media players in this crowded field is determined by their content offering. Those who can leverage global subscription bases to monetize content investments and offer expensive and distinctive content have a significant competitive advantage.



In 2019, foreign streamers spent tens of billions of dollars on international content made available in Canada, while domestic players, as a whole, invested the equivalent of USD 2.3 billion. This has impacted our ability to compete for the best studios, stories and talent. We can't compete financially at this scale, so we need to focus our efforts where we have an edge: on distinctive Canadian storytelling that appeals to both domestic and foreign audiences.

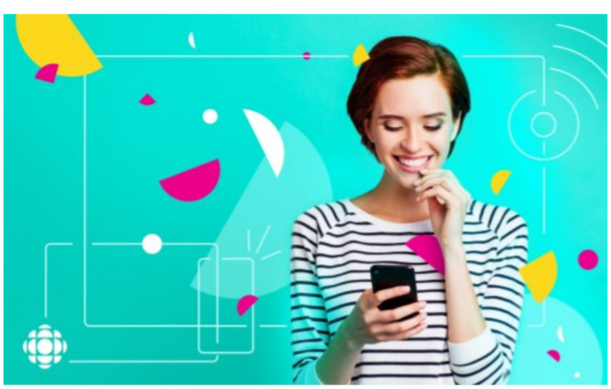
Countries around the world are also joining forces to respond to global competition in their respective markets. This includes the Alliance joint venture between France Télévisions, Zweites Deutsches Fernsehen (ZDF, Germany) and Rai (Italy), and Britbox, a collaboration between the British Broadcasting Corporation (BBC) and ITV in the UK. We have also partnered with other public broadcasters such as the BBC, France Télévisions, Australian Broadcasting Corporation (ABC) and ZDF to enhance both our international reach and the impact of our content.

True crime podcast series *HUNTING WARHEAD*, a unique international co-production between CBC Podcasts and Norway's *Verdens Gang* (VG) newspaper.

The National, CBC.

Trust in news and information has also been impacted by the digital shift. The rise of news accessed online, and specifically on social media, has increased disinformation. Overall, Canadians continue to trust traditional media over alternative options. Strengthening our role as Canada's most trusted media brand will be key moving forward. The loss of local news media in smaller communities is also of concern. Working closely with our private-sector partners, CBC/Radio-Canada is working to support the news ecosystem and a diversity of trusted Canadian sources.

Today, we serve Canadians on every device they use. However, the regulatory system has not yet adjusted to current viewing and listening habits, nor to the need for Canadian companies to be nimble in an increasingly digital environment. By working with the government to help modernize Canada's legislation and policies, we will have the tools to meet current and future challenges. This year, the Corporation participated in the federal government's Broadcasting and Telecommunications Legislative Review. Our submission, entitled *Our Culture, Our Democracy: Canada in the Digital World*, put forward recommendations for modernizing Canada's cultural legislation and proposed bold recommendations to ensure a strong public broadcaster that supports Canadian culture and democracy in the digital world and better supports the Corporation's programming mandate.



CRTC licence renewal.

Our CRTC licence renewal application proposes, for the first time, to account for all of the ways Canadians use our services on traditional and other media platforms. Our innovative new commitments are creating a bridge to the future. We are also proposing to offer more youth and local programming across our platforms; to consult Indigenous communities on content created by and for them; and to better reflect diversity and gender parity on our platforms and in our own workforce. The CRTC's public hearing for our licence renewal, originally planned for May 2020, was postponed due to the COVID-19 pandemic.

CBC/Radio-Canada is a modern, multiplatform media company. With our three-year strategy, we are well positioned to meet the challenges of the evolving broadcasting and communications environment.

MEASURING OUR PERFORMANCE

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 the Corporation's mandate. The data are collected via a survey conducted among representative samples of anglophone and francophone Canadians.

Highlights based on the 2020 survey results follow.

83% of Canadians use at least one of our services in a typical month

87% of Canadians say it is important for Canada to have a national public broadcaster like CBC/Radio-Canada

72% + 15%

85% of Canadians agree that there is a clear need and role for CBC/Radio-Canada into the future

69% + 16%

Top 3 overall perception scores
The vast majority of Canadians agree that CBC/Radio-Canada…

	Strongly Agree (8-10)	Agree (6-7)	Total
Is informative	66	21	87
Provides international news from a Canadian perspective	61	22	83
Is a trusted source of information	64	19	83

Top 3 programming scores
The vast majority of our users* agree that CBC/Radio-Canada's programming…

	Strongly Agree (8-10)	Agree (6-7)	Total
Is of high quality	68	23	91
Reflects regions of Canada	68	22	90
Reflects diversity of Canada	60	27	87

Strongly Agree (8-10) + **Agree (6-7)** = **Total**

Source: The Mandate and Vision perception survey, Leger's online panel (LEO), Spring 2020. Each perception result represents the percentage of Canadians who agree (i.e., 6 or 7 on a 10-point scale) and who strongly agree (i.e., 8, 9 or 10 on a 10-point scale) with each statement.

*Users of our main services (i.e., CBC TV, CBC Radio One, CBC.ca, ICI TÉLÉ, ICI PREMIÈRE or ICI Radio-Canada.ca).

Our Performance – *Your Stories, Taken to Heart*

Below are the Key Performance Indicators (KPI) that measure and track our progress with respect to our strategy, *Your Stories, Taken to Heart*, and its five strategic priorities: customized digital services, engaging with young audiences, prioritizing our local connections, reflecting contemporary Canada and taking Canada to the world.[1] These priorities are shaping our strategic initiatives for the next two years.

Targets are specific to the markets we operate in and consider a number of factors such as market realities, competition and service penetration rate. This year's targets and results outlined below are discussed further in the CBC and Radio-Canada sections on the following pages.

Targets for 2020-2021 have been established using our best estimates of the continued impact of the COVID-19 pandemic. Due to the unknown duration and severity of the pandemic, we are anticipating a greater level of measurement uncertainty and volatility in our performance metrics during 2020-2021. Updates on our performance against these targets will be provided in our quarterly reports.

CBC/Radio-Canada 2019-2020 results

INDICATORS	MEASUREMENTS	RESULTS 2018-2019	TARGETS 2019-2020	RESULTS 2019-2020	TARGET MET OR EXCEEDED	TARGETS 2020-2021
Customized digital services						
Digital reach of CBC/Radio-Canada[2]	*Monthly average unique visitors*	20.2M	20.4M	**21.7M**	✔	21.5M
Digital engagement with CBC/Radio-Canada[3]	*Monthly average minutes per visitor*	N/A	45 min/vis	**44 min/vis**		43 min/vis
Engaging with young audience						
Digital visits to CBC/Radio-Canada kids content[4]	*Monthly average visits*	N/A	1,487K	**1,938K**	✔	2,066K
Prioritizing our local connections						
Digital engagement with CBC News/Regions[3]	*Monthly average minutes per visitor*	N/A	27 min/vis	**25 min/vis**		25 min/vis
Digital engagement with Radio-Canada Info/Régions[3]	*Monthly average minutes per visitor*	N/A	12 min/vis	**15 min/vis**	✔	16 min/vis
Reflecting contemporary Canada						
Employment equity representation[5]	*% of new external hires*	29.8%	30.2%	**33.3%**	✔	38.4%

N/A = not applicable or not available

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

[1] The KPIs for *Your Stories, Taken to Heart* is the complete measurement framework for the Corporation, and replaces our KPIs and Accountability Plan from the previous strategic plan. Our fifth strategic priority – taking Canada to the world – is measured via an internal KPI.
[2] Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of CBC/Radio-Canada digital platforms.
[3] Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC/Radio-Canada digital platforms | CBC News/Regions | Radio-Canada Info/Régions, April to March, Canada.
[4] Source: Adobe Analytics, average of monthly visits to kids content on Zone Jeunesse, ICI TOU.TV, CBC Kids sites, CBC Kids News and CBC Gem, April to March. Due to measurement issues, visits to l'Appli des petits were only included from April to December 2019.
[5] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.

Customized digital services

Our digital reach continued to increase in 2019-2020, and exceeded its annual target, as Canadians turned to our digital platforms for compelling programming content and as a source of information, especially during significant news events like the federal election and the COVID-19 pandemic. With 21.7 million unique visitors per month, we continue to reach more Canadians through our digital platforms than ever before. As a result of Canadians spending more time on our digital platforms, digital engagement grew during the year and nearly reached its target.

Engaging with young audiences

Driven by the success of new youth offerings by CBC and Radio-Canada, traffic to our digital kids content significantly exceeded its target this year.

Prioritizing our local connections

Prioritizing our local connections and covering major news events from across the country – such as the provincial and federal elections, flooding, and COVID-19 – was a priority for us this year. Digital engagement for our news, info and regions sections exceeded target for Radio-Canada, but finished the year below target for CBC.

Reflecting contemporary Canada

The employment equity representation of our new employees exceeded target this year, and was the highest annual result we have achieved since launching the initiative. Throughout the Corporation, one out of three new hires came from a diverse group. Our continued implementation of our Diversity and Inclusion Plan across all of CBC/Radio-Canada's groups contributed to this success.

Patricia Bitu Tshikudi, host, *Le 6 à 9*, Radio-Canada Winnipeg.

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.

CBC Highlights

Content for everyone

Schitt's Creek, CBC.

This year CBC Television debuted a number of shows, including *Back in Time for Winter* and *Fortunate Son*, and bid farewell to the critically acclaimed *Schitt's Creek* after six seasons. CBC Listen – a new audio streaming service launched in the fall – has provided free access to Canadian content and award-winning podcasts, as well as radio shows and music playlists. On the podcast front, CBC podcasts accounted for almost 10 million downloads each month. In the fall we also announced a first for CBC: deals to adapt five original podcast series for television. These deals will bring both scripted content (*Someone Knows Something* and *Alone: A Love Story*) and unscripted content (*Uncover: The Village*, *Personal Best* and *Tai Asks Why*) from an increasingly popular new medium that is attracting younger and global audiences.

Prioritizing content for youth

Exploring everything from news and pop culture to sports, the CBC Kids News team covered some of the year's biggest stories. Arjun Ram stumped Kyle Lowry at the Toronto Raptors' press conference following their historic win and even got to go behind the scenes at a campaign stop during the federal election. When COVID-19 became the number one news story late in the year, CBC Kids News answered pressing questions from Canada's youth. On CBC Gem, we've increased our youth offering, including some great French-language content for young viewers, just as ICI TOU.TV has done with some English youth content on their platform. On CBC Television, we increased the hours of CBC Kids content broadcast in the mornings during the pandemic to ensure excellent kids content would be available to families until 11:00 a.m. every weekday morning. The aim is to help parents who are juggling multiple roles between working, homeschooling and entertaining families while staying home.

Reflecting Canada to Canadians

CBC is committed to our efforts to better reflect a wide range of experiences and perspectives from across the country. In the lead up to the federal election, CBC hosted a series of broadcast events that gave 20 undecided voters from across Canada five minutes to ask questions to each of the federal party leaders. The participants represented the diversity of the Canadian electorate regionally, racially and ethnically. As part of our election coverage, we also aired *Table Matters*, which brought a group of diverse Canadians together to talk about the issues that mattered to them. These true dinner table conversations were learning experiences for both the participants and audiences at home.

One of the guiding principles of our current corporate strategy is to reflect the range and richness of Canada's diversity in both our staffing and content. *Trickster* – an adaptation of Eden Robinson's novel series – will be part of the 2020 television lineup. This marks the first time CBC has developed a television show based on books by an Indigenous author and produced with an Indigenous creative team. In March, CBC Sports committed to gender-balanced coverage of sports and athletes' stories in its original content on all platforms. We also made a commitment to work toward parity in our on-air personalities, writers, producers and new hires.

Trickster, CBC.

CBC 2019-2020 results

INDICATORS	MEASUREMENTS	RESULTS 2018-2019	TARGETS 2019-2020	RESULTS 2019-2020	TARGET MET OR EXCEEDED	TARGETS 2020-2021
Customized digital services						
Digital reach[6]	*Monthly average unique visitors*	17.4M	17.4M	**18.2M**	✔	18.1M
Digital engagement[7]	*Monthly average minutes per visitor*	N/A	37 min/vis	**34 min/vis**		35 min/vis
Engaging with young audience						
Digital visits to kids content[8]	*Monthly average visits*	N/A	1,200K	**1,586K**	✔	1,687K
Prioritizing our local connections						
Digital engagement with CBC News/Regions[7]	*Monthly average minutes per visitor*	N/A	27 min/vis	**25 min/vis**		25 min/vis
Reflecting contemporary Canada						
Employment equity representation[9]	*% of new external hires*	N/A	39.2%	**42.6%**	✔	47.7%
Television and radio						
CBC Television[10]	*Prime-time audience share*	5.0%	5.3%	**5.1%**		5.0%
CBC News Network[10]	*All-day audience share*	1.4%	1.4%	**1.7%**	✔	1.7%
CBC Radio One and CBC Music[11]	*All-day audience share in the 5-PPM markets*	13.5%	13.1%	**15.7%**	✔	15.1%
CBC Radio One and CBC Music[12]	*Monthly average national reach*	N/A	12.3M	**12.2M**		12.2M
Revenue						
Total Revenue[13]	*Conventional, discretionary, online*	$212 M	$210M	**$211M**	✔	$184M

N/A = not applicable or not available

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. *Refer to page 17 for more information on our methodologies.*

[6] Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of CBC digital platforms.
[7] Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC | CBC News/Regions, April to March, Canada.
[8] Source: Adobe Analytics, average of monthly visits to kids content on CBC Kids sites, CBC Kids News and CBC Gem, April to March.
[9] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[10] Source: Numeris PPM, persons aged 2+, CBC Television: September to April (regular season); CBC News Network: April to March.
[11] Source: Numeris PPM, persons aged 2+ in the Toronto, Vancouver, Calgary, Edmonton and Montreal-anglophone markets.
[12] Source: Numeris PPM, persons aged 2+.
[13] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

Customized digital services

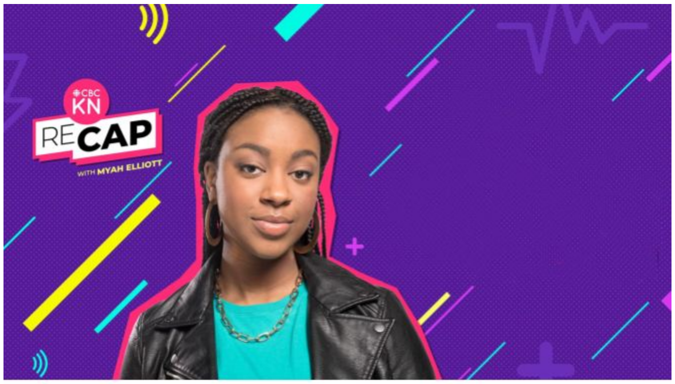
Digital reach exceeded target primarily from the coverage of the fall federal election and a heavy news cycle in the last quarter due to Ukraine International Airlines Flight 752 and the COVID-19 pandemic.

Engagement was up in the last quarter, as a result of improvements made to the overall video experience across all our platforms. These changes resulted in a surge in time spent in late March when CBC News Network was made available for free to all Canadians at the start of the pandemic. Momentum from the launch of CBC Listen earlier in the year meant audio streaming also began to contribute to performance late in the year.

Engaging with young audiences

CBC Kids exceeded its target throughout the year, and also saw increased traffic in March due to the COVID-19 pandemic.

An engaging content strategy and collaboration with our digital product team combined to create an offering that drew loyal audiences to all of our kids sites.



RECAP, cbckidsnews.ca

Prioritizing our local connections

Engagement with CBC News/Regions finished just below target. A focus on improving audience experience and having video more broadly available across the CBC News app and CBC.ca enabled us to significantly increase engagement late in the year, primarily from our coverage of the COVID-19 pandemic.

Reflecting contemporary Canada

We exceeded target due to various programs in place to implement and deliver on our Diversity and Inclusion Plan. Some examples of these initiatives included CBC Abilicrew Placements for Excellence (CAPE) and CBC Developing Diverse Emerging Leaders (DEL) program, which provided employees with tools and strategies to skilfully advance their careers.

Television and radio

CBC Television's prime-time share improved from last year, but did not achieve the target due to softer audiences in the fall, and despite a rebound in the last quarter with a strong winter programming schedule.

CBC News Network's share exceeded target, driven mostly by one-time major news events and stories such as the federal leaders' debate and federal election. In the fourth quarter, Canadians devoted more of their time to news programming given significant news events in January (Flight 752, Australian wildfires, Newfoundland and Labrador blizzard) and COVID-19.

CBC Radio saw its audience share exceed its target, driven by the growth in CBC Radio One, while CBC Music remained on par with last season.

Revenue

CBC marginally exceeded its revenue target due to digital advertising growth offsetting continued declines in discretionary TV subscribers and conventional advertising. This result was achieved despite a competitive environment and unpredictability in the last quarter.

Radio-Canada Highlights

Offering more across all platforms

Since launching the OHdio app in the third quarter of 2019-2020, we have expanded the scope and breadth of available content, allowing users to more fully customize the offering to better meet their individual interests and needs. From Alain Crevier's unique take on society in *Être*, to François Bellefeuille's *3.7 planètes* – where he uses comedy to make audiences think about their environmental footprint – the app offers something for everyone. In addition, ICI TOU.TV EXTRA continued to delight its audiences with exclusive French content like *Cerebrum*, *Fragile* and *C'est comme ça que je t'aime*.

Engaging young Canadians

With the aim of making the public broadcaster part of the day-to-day lives of young Canadians, Radio-Canada launched MAJ, an original multiplatform news offering for listeners 13 and younger. There is also new youth-focused content across all of our platforms, including *100 génies* – a quiz show that put 14 to17-year-olds from across the country to the test – broadcast in prime time on ICI TÉLÉ. *Alix et les Merveilleux*, broadcast on ICI TOU.TV, meanwhile, has fun online games available on our Zone des petits page and on the downloadable Appli des petits app. We continue to meet our younger audiences by hosting special events in the towns and cities where they live and through our Zone Jeunesse Tour, which brings our youth programming to life through interactive experiences.

Alix et les Merveilleux, ICI TÉLÉ.

Showcasing Canada's diversity

To truly reflect Canada to Canadians, we must reflect Canada's diversity in all of its richness. To that end, the *Synergies+* initiative brought together industry professionals to discuss how to promote diversity and inclusion in key creative positions. In addition, this year, Radio-Canada focused on Indigenous culture with the documentary *Rite de passage II*, which aired on ICI EXPLORA on National Indigenous Peoples Day. And, finally, with Femmes Expertes, we are committed to gender parity through our action plan.

5 degrés, ICI TÉLÉ.

Bringing Canada to Canadians and to the world

As part of its coverage of the 2019 federal election, Radio-Canada focused on the issues affecting communities in regions across the country. The Gémeaux Award-winning Rad travelled to Vancouver to examine the issues related to the city's affordable housing crisis and to the Yukon to report on the challenges facing the North because of climate change. We also offered entertaining content that showcased local communities, including *5 degrés* on ICI ARTV and the Chant'Ouest playlist, which features francophone artists from Western and Northern Canada. In support of our strategic priority to bring Canada to the world, Radio-Canada worked with Les Médias Francophones Publics (MFP) to create original content. ICI MUSIQUE proposed the creation of *Rapophonie* to showcase French-language hip hop from Canada and beyond. In addition, MFP correspondents are offering their insights and analysis of American politics on the new *Washington d'ici* podcast available on the OHdio app.

Radio-Canada 2019-2020 results

INDICATORS	MEASUREMENTS	RESULTS 2018-2019	TARGETS 2019-2020	RESULTS 2019-2020	TARGET MET OR EXCEEDED	TARGETS 2020-2021
Customized digital services						
Digital reach[14]	*Monthly average unique visitors*	4.8M	4.9M	**5.2M**	✔	5.1M
Digital engagement[15]	*Monthly average minutes per visitor*	N/A	47 min/vis	**52 min/vis**	✔	47 min/vis
Engaging with young audiences						
Digital visits to kids content[16]	*Monthly average visits*	N/A	287K	**352K**	✔	379K
Prioritizing our local connections						
Digital engagement with Radio-Canada Info/Régions[15]	*Monthly average minutes per visitor*	N/A	12 min/vis	**15 min/vis**	✔	16 min/vis
Reflecting contemporary Canada						
Employment equity representation[17]	*% of new external hires*	N/A	16.5%	**17.7%**	✔	21.7%
Television and radio						
ICI TÉLÉ[18]	*Prime-time audience share*	22.9%	22.9%	**23.5%**	✔	21.4%
ICI RDI, ICI ARTV and ICI EXPLORA[18]	*All-day audience share*	4.9%	4.7%	**5.2%**	✔	5.3%
ICI PREMIÈRE and ICI MUSIQUE[19]	*All-day audience share*	26.5%	26.5%	**25.5%**		25.5%
Revenue						
Total revenue[20]	*Conventional, discretionary, online*	$218 M	$216 M	**$217M**	✔	$184M

N/A = not applicable or not available

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Refer to page 17 for more information on our methodologies.

[14] Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of Radio-Canada digital platforms.
[15] Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to Radio-Canada | Radio-Canada Info/Régions, April to March, Canada.
[16] Source: Adobe Analytics, average of monthly visits to kids content on Zone Jeunesse and ICI TOU.TV, April to March. Due to measurement issues, visits to l'Appli des petits were only included from April to December 2019.
[17] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[18] Source: Numeris PPM, francophones in Quebec aged 2+, ICI TÉLÉ: September to April (regular season); ICI RDI, ICI ARTV and ICI EXPLORA: April to March.
[19] Source: Numeris fall survey (diary), francophones aged 12+ in areas in which a Radio-Canada owned station is located.
[20] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).

Customized digital services

Digital reach exceeded its annual target. The fiscal year featured coverage of the federal election in October and the COVID-19 pandemic in March.

Engagement was up and exceeded the target, driven largely by ICI TOU.TV and Radio-Canada.ca's Régions section. Visitors were increasingly loyal across all platforms (desktop, mobile and tablet).

Engaging with young audiences

Visits were up and ahead of target, driven by kids programming on ICI TOU.TV. The month of March built on the strong performance of our kids content throughout the year.

Prioritizing our local connections

Users' digital engagement with News and Regional Services content was up substantially and exceeded the target, thanks to the sustained growth of regional contents and the coverage of major events in 2019 and 2020 (floods in Quebec, the federal election and the COVID-19 pandemic).

Reflecting contemporary Canada

The last quarter's results allowed us to exceed the target, driven largely by new visible-minority hires. The successful communications campaigns and team outreach initiatives held in the fall were contributing factors.

Television and radio

ICI TÉLÉ's audience share was up over last year and exceeded the annual target. The increase in viewing time offset the decrease in reach.

The combined share of our discretionary channels was above our annual target, mostly due to ICI RDI and its news coverage throughout the year. ICI ARTV and ICI EXPLORA met their respective targets.

After posting record results in recent years, radio audience shares in our regional markets held relatively stable across the country.

Revenue

Increased subscription revenue and stable advertising revenue allowed us to achieve our annual target.

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, 2017 TO AUG 31, 2018	RESULTS SEP 1, 2018 TO AUG 31, 2019
ICI TÉLÉ			
Broadcast day	75%	79%	**79%**
Prime time	80%	92%	**91%**
CBC Television			
Broadcast day	75%	82%	**78%**
Prime time	80%	87%	**84%**

LOOKING AHEAD

CBC/Radio-Canada is continually adapting to market changes, as well as to the impacts of the global pandemic on Canada's cultural industry and our business model. Some of these impacts include likely changes to our regulatory framework; continued changes in media consumption habits; continued decline in commercial revenue; programming changes to fill the void left by the postponement of the Tokyo 2020 Olympic Games and NHL hockey; and financial pressures impacting not only media players but all sectors of the Canadian economy.

As we move into the second year of our *Your Stories, Taken to Heart* strategy, we will continue to make choices and address issues with an audience-first approach, ensuring Canadians can continue to turn to their national public broadcaster to be informed, enlightened and entertained.

Digital and multiplatform – We will continue to create the personal, relevant and engaging experiences that Canadians expect to ensure all Canadians see themselves reflected in our digital services, while connecting them to the many communities and voices that make our country great. CBC/Radio-Canada and the Canada Council for the Arts will move forward with Digital Originals, a new funding initiative to help artists, groups and arts organizations pivot their work to online audiences during the COVID-19 pandemic. The funding will directly benefit creators of original digital content.

Digital Originals funding initiative to support the Canadian arts community.

Canadian entertainment – We are supporting Canada's creative industry with the launch of the CBC Creative Relief Fund, an unprecedented initiative to provide timely, urgent support to Canadian creators in the face of the global pandemic.

Stronger Together, Tous ensemble.

Sports and signature events – We will continue to deliver and move projects forward in a flexible way, like *Stronger Together, Tous ensemble,* which had more than 11.5 million viewers while raising over 6 million dollars in support of Canada's food banks during the COVID-19 crisis. With our commitment to gender parity in sports coverage, CBC and Radio-Canada will be better positioned than ever to bring the next back-to-back Olympic games to Canadians in 2021 (Tokyo 2020) and early 2022 (Beijing 2022). We will also continue to broadcast signature Canadian events, including the JUNOS and Prix Gémeaux.

News and regions – As Canada's most trusted news source, our teams will continue to bring the stories that matter to our audiences. We will prioritize our local connections and value the role of local news in Canadians' lives.

Radio and audio – With our anticipated slate of podcasts being developed for television in the coming year, we will expose new audiences to great stories. We will also continue to focus on news-related and investigative podcasts.

Bringing Canada to the world – We will continue to leverage our existing content-sharing agreements with partner organizations around the world such as France Télévisions, ZDF, the BBC and ABC. We will seek out new opportunities to continue to bring Canadian stories to the world.

PEOPLE

Our Workforce

As of March 31, 2020, we employed a total of 7,673 employees, of whom 6,636 were permanent, 384 were temporary and 653 were contractual.

We continue to value the relationships between the public broadcaster and the organizations that represent so many of its employees. 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, 2020

- 48.7% were women
- 2.1% were Indigenous people
- 3.2% were persons with disabilities
- 14.1% were visible minorities

Year in Review

On April 1, 2019 a new collective agreement took effect between CBC/Radio-Canada and the Canadian Media Guild (CMG). This agreement will be in place until 2024. CBC/Radio-Canada and the Association of Professionals and Supervisors (APS) announced the extension of their collective agreement for a two-year period, through March 31, 2022. We also successfully negotiated a new agreement with the Association des Réalisateurs for a five-year term, from December 16, 2019 to December 16, 2024. We continue to strengthen the relationships between the public broadcaster and the organizations that represent so many of our valued employees.

This fall, our efforts to create a workplace of choice that reflects contemporary Canada were recognized. Canada's Top 100 Employers 2020 identified us as an organization with exceptional human resources programs and forward-thinking workplace policies.

Women in Governance recognized us as a gender parity leader with their highest level of certification. Women comprise almost half of our employees (48.7%). No other company our size or bigger in the Canadian media industry meets this level of representation.

In addition, this year the employment equity representation[21] of our new employees (33.3%) increased for another straight year, exceeding our target of 30.2%. This is our best annual result since we started measuring the index in 2015-2016. We acknowledge that more work is needed, and we are committed to better reflecting contemporary Canada in the makeup of our workforce, as outlined above in the breakdown of designated groups among our workforce.

We also relaunched the Senior Executive Team (SET) Committee on Diversity and Inclusion, now chaired by our President and CEO, making this a priority at the highest level.

To better support our employees, work has begun on a multi-year project to update our HR system to ensure that employees have access to a secure, intuitive system that supports their needs.

[21] Indigenous peoples and/or persons with disabilities and/or visible minorities.

The end of this fiscal year brought unique challenges to our employees, our organization and the country in general with the outbreak of COVID-19. Ensuring that employees were able to continue to perform their invaluable work during a global pandemic required flexibility and agility. We are committed to continuing to keep our employees safe, informed and supported through this unprecedented period of disruption.

Outlook

We will continue to support the organization and our employees during the COVID-19 pandemic and beyond, keeping the health, safety and wellness of our employees as our top priority throughout, and adapting our programs and services in response to the evolving needs of our staff. Our new virtual health care program, accessible to all employees, their families and retirees will continue to be offered. Our learning and development programs will continue to be adapted to our new ways of working. And our Employment Assistance Program will continue to provide tools, resources and tips to meet the unique challenges of the situation.

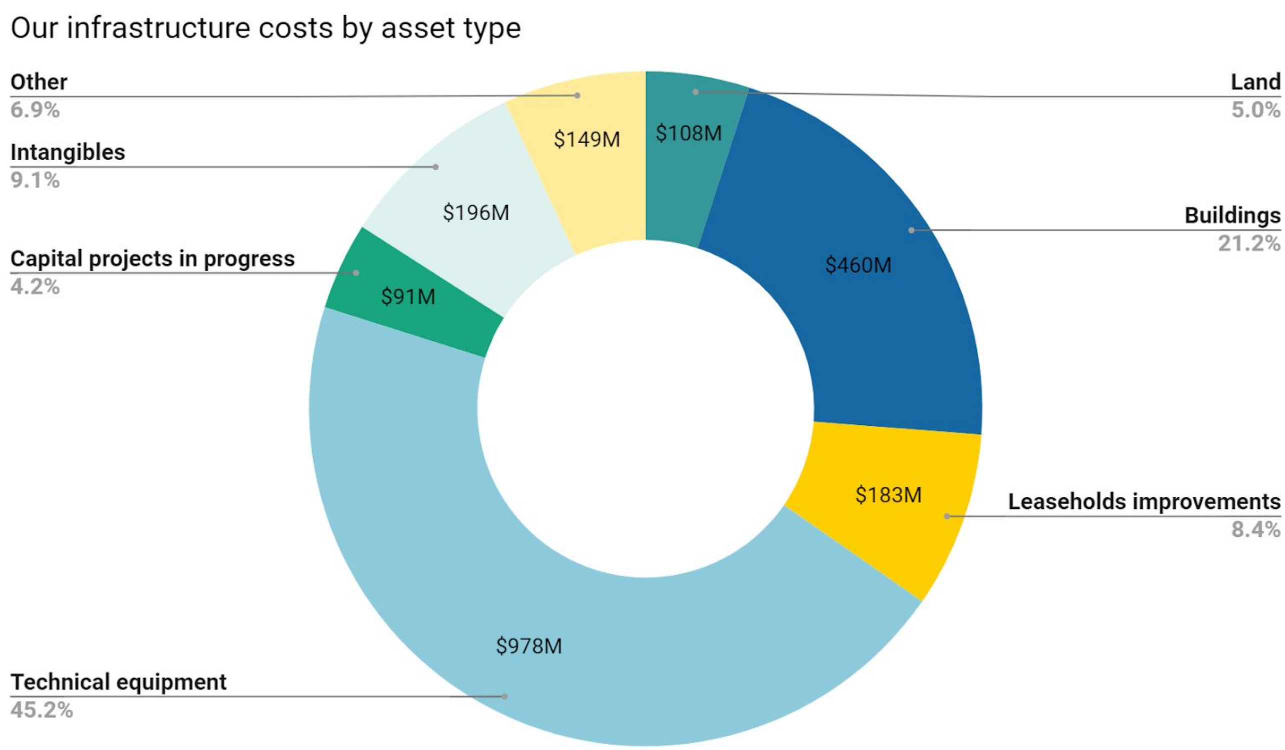
We will continue to strive to be a leader in the Canadian media industry with respect to diversity and inclusion by drawing on the wealth of unique Canadian perspectives to shape who we are and to ensure that Canadians see themselves more fully represented in the makeup of their public broadcaster. Strengthening relationships with our employee unions will remain an ongoing priority, and we will continue to encourage cooperation, respect and transparency to find common priorities and solutions to issues.

Pour emporter, ICI ARTV.

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 4.0 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 $823 million) as at March 31, 2020.



CBC/Radio-Canada has a base capital appropriation from the Government of Canada of $92.3 million per year. 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.

Year in Review

Structural changes to maximize efficiency

In 2019-2020 the internal structure of Media Technology and Infrastructure Services (MTIS) evolved to ensure a transparent, accountable and predictable approach to both technology and infrastructure. Several teams and key roles shifted under different reporting lines, ensuring MTIS was better positioned to enable business operations through our technology and infrastructure, as well as deliver on the important work of supporting media lines, getting content in front of our audiences across all platforms. Delivering our services in a secure manner that protects the integrity of our people, physical assets, networks and brand remains the top priority.

We also signed a new eight-year facility management contract with BGIS, bringing transparency, uniformity and sustainability on a national scale to our owned and leased facilities, as overseen by the Real Estate team.

New Maison de Radio-Canada

Work continued this year to prepare for our move into the new Maison de Radio-Canada (MRC) in 2020. This is a major construction project that involves the integration of fully IP-based broadcast technology, a first in North America. The flexibility and agility brought by IP and IT technologies in the new MRC allowed the project team to quickly reconfigure pre-installed equipment to allow remote-controlled operations at the outset of the COVID-19 crisis, allowing the project to proceed without significant delay thus far. CBC/Radio-Canada will be one of the first in the industry to implement end-to-end ST2110 IP broadcast technology in a multiplatform (TV/radio/digital) facility. More broadly, during the year, operational test phases were completed, and planning was undertaken to facilitate employees' moves.

New Maison de Radio-Canada, photo credit BLTA.

Supporting employees during COVID-19

At the outset of the COVID-19 crisis, then throughout the pandemic, Technology and Real Estate teams have been supporting all employees – those working remotely and those who continue to come to our workplaces every day. Enhanced cleaning under the purview of our new long-term facility management partner BGIS ensures the health and safety of those working onsite. Extra technical support and resources for those working remotely has meant that we are able to stay on-air all day, every day. As a part of our National Crisis Management Committee, MTIS worked with all components across CBC/Radio-Canada to find innovative and quick solutions to rapidly changing circumstances and challenges, including facilitating the mass transition to working remotely, handling an ever-increasing number of requests for live streams, and reconfiguring systems to support engineers and technicians working from home.

Outlook

Reporter Omar Dabaghi-Pacheco in the field, Ottawa.

A new Human Resources technology solution will be implemented by MTIS across the Corporation. The new Human Resources Information Management System (HRIMS) will serve two purposes: modernizing the overall People and Culture function and updating the technology to operate as an integrated, modern function that produces agile and flexible programs.

MTIS has also adapted to the new technology and infrastructure needs of CBC/Radio-Canada in light of COVID-19, implementing social distancing measures, thorough contingency plans to facilitate a gradual reintegration to the workplace that prioritizes the safety of our staff, and extensive protocols to support all technology needs associated with this massive transition to telework.

Finally, MTIS is continuing to move forward with the new MRC project, which will allow teams to begin moving into the new building in 2020.

FINANCIAL SUSTAINABILITY

CBC/Radio-Canada is at an important juncture. The long-term prospects of the advertising market remain a concern. Advertising revenue from conventional TV will continue to be under pressure as advertisers continue to shift dollars to the big digital players and the competition for quality content around the globe remains fiercer than ever. In order to maintain essential services to Canadians, the public broadcaster will need an updated legislative framework combined with sufficient long-term funding.

The economic fallout from the COVID-19 pandemic continues to evolve, and the impact on our advertising revenue is uncertain. While audience numbers are growing, demand for television advertising has decreased due to the economic impact of COVID-19 on advertisers, and will remain depressed in the near future. The Corporation has implemented a freeze on discretionary spending and company-wide cost-control initiatives to offset the expected revenue loss in the upcoming fiscal year.

Revenue and Other Sources of Funds

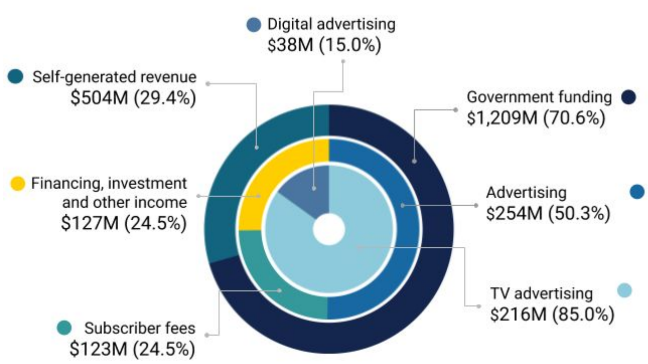
CBC/Radio-Canada has four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income:

Government funding: This year, operating funding was $1,098.1 million, capital funding recognized in income was $106.9 million and working capital was $4.0 million.

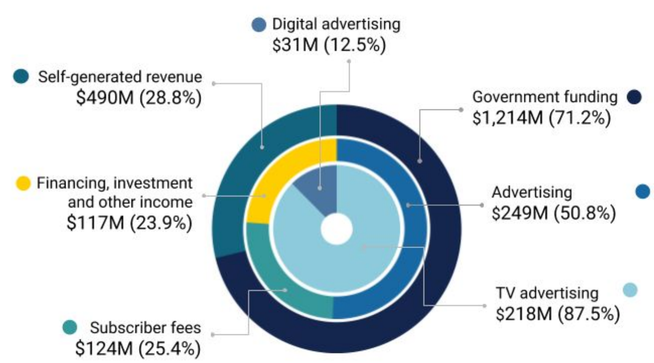
Advertising revenue: This includes ongoing sales of advertising on our conventional television channels, digital platforms, discretionary television services and other platforms. TV advertising revenue is decreasing as a proportion of our total source of funds mainly as a result of the market's shift away from conventional advertising platforms.

Subscriber fees: These are 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.

Financing and other income: This includes ongoing 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 World Championships and contributions from the Canada Media Fund.



2019-2020



2018-2019

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.

As a result of the COVID-19 pandemic, cash generated by operating activities could decrease. Management has implemented measures to limit cash outflows in order to ensure the Corporation has sufficient liquidity.

Our cash balance at March 31, 2020 was $72.4 million, compared to $89.7 million on March 31, 2019.

Cash position

For the year ended March 31	2020	2019	% change
Cash – beginning of the year	**89,697**	**95,978**	**(6.5)**
Changes in the year			
Cash from operating activities	9,222	52,066	(82.3)
Cash used in financing activities	(82,414)	(45,256)	82.1
Cash from (used in) investing activities	55,881	(13,091)	N/M
Net change	**(17,311)**	**(6,281)**	**N/M**
Cash – end of the year	**72,386**	**89,697**	**(19.3)**

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 $9.2 million this year, a decrease of $42.8 million compared to last year. Cash from operations is impacted each year by fluctuations in working capital. Cash from operations was higher in 2018-2019 because we collected advertising sales from broadcasting of the PyeongChang 2018 Olympic Winter Games.

Cash used in financing activities

Cash used in financing activities includes cash outflows for interest payments, repayments of the Broadcast Centre Trust bonds, payments of notes payable and payments to meet obligations under our leases.

Cash used in financing activities was $82.4 million, $37.1 million more than last year. This increase was mainly due to a presentation change this year with the adoption of IFRS 16, requiring lease payments to be classified as cash used in financing activities. These cash flows were previously presented in cash from operating activities.

Further details of our cash requirements for financing activities are as follows:

- Interest payments of $24.3 million (2018-2019: $19.3 million) of which $5.6 million relate to our interest charges on leases following the adoption of IFRS 16 this year;
- Repayments of the Broadcast Centre Trust bonds of $18.0 million (2018-2019: $16.7 million); and
- Payments of notes payable of $7.8 million (2018-2019: $7.5 million).

Cash from (used in) investing activities

Cash from (used in) investing activities includes cash from our drawdowns of parliamentary appropriations for capital expenditures.

Cash from investing activities was $55.9 million, an increase of $69.0 million relative to last year because several Canada Mortgage Bonds matured and were not reinvested, resulting in net cash flows of $85.7 million. These cash inflows were partly offset by higher capital acquisitions, most notably in relation to the new MRC.

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, 2020:	
Guarantee on accounts receivable monetization	(83,257)
Remaining authority	**136,743**

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.

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	2020	2019	% change
Revenue	504,413	490,146	2.9
Government funding	1,209,058	1,213,729	(0.4)
Expenses	(1,763,207)	(1,754,102)	0.5
Results before other gains and losses	**(49,736)**	**(50,227)**	**(1.0)**
Other gains and losses	(9,368)	(4,220)	N/M
Net results under IFRS for the year	**(59,104)**	**(54,447)**	**8.6**
Items not included in our operating budget			
Pension and other employee future benefits	57,232	60,860	(6.0)
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	10,890	790	N/M
Other provisions for non-cash items	2,020	(7,775)	N/M
Budget Results for the year[1]	**11,038**	**(572)**	**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 $59.1 million, a decrease of $4.7 million (↓ 8.6%) due to:

- Higher expenses by $9.1 million (↑ 0.5%) from additional investments in digital content and initiatives, and additional expenses to cover the federal election in October 2019 and the COVID-19 pandemic in March 2020;
- Lower government funding recognized in income this year by $4.7 million (↓ 0.4%); and
- Higher losses reported under "Other gains and losses" mostly due to a non-cash charge from transferring a building to the province of Saskatchewan in exchange for a long-term lease arrangement, as well as other net losses from the retirement of assets in the regular course of our operations.

These decreases were partly offset by higher revenue by $14.3M (↑ 2.9%) from the recognition of retroactive royalties from retransmission rights, growth in digital advertising and subscription revenue, and higher content sales.

Budget Results for the year

We define 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** improved by $11.6 million this year to a gain of $11.0 million. The improved results this year largely reflect the growth in revenue.

Revenue

For the year ended March 31	2020	2019	% change
Advertising			
English Services	115,789	112,526	2.9
French Services	137,965	136,226	1.3
	253,754	248,752	2.0
Subscriber fees			
English Services	63,610	66,586	(4.5)
French Services	59,856	57,869	3.4
	123,466	124,455	(0.8)
Financing, investment and other income			
English Services	47,325	45,333	4.4
French Services	24,493	24,242	1.0
Corporate Services	55,375	47,364	16.9
	127,193	116,939	8.8
TOTAL	**504,413**	**490,146**	**2.9**

Our revenue increased by $14.3 million (↑ 2.9%), as described below.

Advertising (↑ 2.0%)

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.

For the year ended March 31	2020	2019	% change
TV advertising	215,586	217,748	(1.0)
Digital advertising	38,168	31,004	23.1
TOTAL	**253,754**	**248,752**	**2.0**

The increase in advertising revenue this year resulted from stronger digital advertising sales for both CBC and Radio-Canada by $7.2 million (↑ 23.1%), driven by sustained growth on video and display.

This performance was partly offset by lower TV advertising revenue of $2.2 million (↓ 1.0%), especially on CBC News Network and ICI RDI as our discretionary TV advertising revenue remained particularly challenged. The outbreak of COVID-19 in March 2020 further eroded our TV advertising revenue.

Subscriber fees (↓ 0.8%)

Our subscriber revenue is driven by the rates for our discretionary services and 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.

For the year ended March 31	2020	2019	% change
Discretionary TV platforms	109,874	115,798	(5.1)
Digital platforms	13,592	8,657	57.0
TOTAL	**123,466**	**124,455**	**(0.8)**

Our subscriber revenue decreased by $1.0 million (↓ 0.8%) relative to last year. The main changes by type of discretionary service are highlighted below:

- CBC News Network, ICI RDI and ICI ARTV's revenue decreases resulted from subscriber base declines this year; and
- Our digital services continued to experience growth in subscriber numbers, most notably ICI TOU.TV EXTRA and CBC Gem.

Financing, investment and other income (↑ 8.8%)

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 19 Revenue *of our Consolidated Financial Statements.*

The $10.3 million (↑ 8.8%) increase in financing, investment and other income this year resulted mostly from:

- Additional retroactive royalties recognized this year by $8.6 million in relation to retransmission rights for 2016-2018; and
- Higher content sales by $2.3 million (↑ 9.3%) and from new international partnerships, such as with France Télévisions.

These increases were partly offset by lower production revenue from providing facilities services to independent producers.

Operating expenses

For the year ended March 31	**2020**	2019	% change
Television, radio and digital services costs[1]			
English Services	920,729	902,376	2.0
French Services	748,335	759,205	(1.4)
	1,669,064	1,661,581	0.5
Other operating expenses			
Transmission, distribution and collection	58,989	61,511	(4.1)
Corporate management	10,801	10,837	(0.3)
Finance costs	24,353	20,173	20.7
	94,143	92,521	1.8
TOTAL	**1,763,207**	**1,754,102**	**0.5**

[1] Television, radio and digital services costs were updated to reflect the current approach for allocating shared costs between English Services and French Services.

Our total operating expenses increased by $9.1 million (↑ 0.5%) compared to last year, with the main variances noted below.

Television, radio and digital services costs (↑ 0.5%)

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 $7.5 million (↑ 0.5%) increase in television, radio and digital services costs resulted from:

- Additional content investments made in the youth programming category, and on CBC Gem and ICI TOU.TV.
- Higher expenses on our digital audio strategy and other digital investments as we continue to work on personalizing our services and improving our audience experience.
- Higher expenditures to cover the provincial and federal elections, as well as the COVID-19 outbreak.

These increases were partly offset by lower programming costs on Radio-Canada in the first nine months of this year due to scheduling changes. At the start of last year, programming costs were higher due to the shift of some season finales to accommodate the broadcast of the PyeongChang Olympics.

Other operating expenses (↑ 1.8%)

Other operating expenses include costs related to the broadcasting of the Corporation's programs ("transmission, distribution and collection costs"), corporate management costs, and finance costs.

Other operating expenses increased by $1.6 million (↑ 1.8%), mainly due to the adoption of the new Lease Standard (IFRS 16). This resulted in the recognition of higher **finance costs** and lower **transmission, distribution and collection costs** as rent expenses are now treated as depreciation and interest for accounting purposes. In addition, reduced satellite and signal costs and staff vacancies also contributed to the decreased transmission, distribution and collection costs this year.

Government funding

For the year ended March 31	**2020**	2019	% change
Parliamentary appropriations for operating expenditures	1,098,114	1,097,822	0.0
Parliamentary appropriations for working capital	4,000	4,000	-
Amortization of deferred capital funding	106,944	111,907	(4.4)
TOTAL	**1,209,058**	**1,213,729**	**(0.4)**

***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 remained consistent with 2018-2019 levels. Our overall base appropriation levels have remained unchanged from last year.

Amortization of deferred capital funding was lower by $5.0 million (↓ 4.4%) consistent with our expectations.

Other gains and losses

For the year ended March 31	2020	2019	% change
Loss on disposal of property and equipment and intangibles	(9,368)	(4,220)	N/M
TOTAL	**(9,368)**	**(4,220)**	**N/M**

N/M = not meaningful

Other gains and losses decreased by $5.1 million overall. The loss of $9.4 million this year was mostly due to a non-cash charge from the transfer of a building to the province of Saskatchewan in exchange for a long-term lease arrangement, as well as other net losses from the retirement of assets in the regular course of our operations.

Last year's loss on disposal of $4.2 million was mainly due to the write-down of software development costs of $3.9 million.

Total comprehensive income (loss)

For the year ended March 31	2020	2019	% change
Net results for the year	(59,104)	(54,447)	8.6
Other comprehensive income (loss)			
Remeasurements of defined benefit plans	260,836	244,965	6.5
Total comprehensive income (loss) for the year	**201,732**	**190,518**	**5.9**

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 $201.7 million, compared to $190.5 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 $260.8 million was recognized this year on remeasurements of defined benefit plans. This resulted from a $395.5 million gain on defined benefit obligations, mostly driven by a 47 basis-point increase in the discount rate used and partly offset by a lower return on plan assets than estimated in our actuarial assumptions, resulting in a remeasurement loss of $134.7 million.

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

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. Analysis of our results by quarter is available in our quarterly reports available here.

	2019-2020				
	Q1	Q2	Q3	Q4	**Total**
Revenue	114,100	117,116	141,891	131,306	504,413
Government funding	274,224	303,525	288,848	342,461	1,209,058
Expenses	(398,932)	(398,760)	(453,368)	(512,147)	(1,763,207)
Results before other gains and losses	**(10,608)**	**21,881**	**(22,629)**	**(38,380)**	**(49,736)**
Other gains and losses	(1,802)	(5,718)	(1,063)	(785)	(9,368)
Net results under IFRS for the period	**(12,410)**	**16,163**	**(23,692)**	**(39,165)**	**(59,104)**
Budgetary Results for the period[1]	**3,073**	**24,296**	**1,872**	**(18,203)**	**11,038**

	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)**
Budgetary Results for the period[1]	**9,116**	**11,033**	**9,276**	**(29,997)**	**(572)**

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

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.

Outlook

CBC/Radio-Canada depends on both its parliamentary appropriation and a range of commercial revenue, including advertising, to support the programs and services it provides to Canadians. This diversified financial model is more important than ever as the continued disruption of the media business and the economic pressures related to the COVID-19 pandemic create challenges for all companies. Advertising revenue from conventional TV will continue to be under pressure as big digital players attract a larger share of this revenue. Digital streaming companies invest billions in quality content, which they can monetize on a global scale. In addition, we do not receive inflation funding on the goods and services portion of our budget.

Without additional funding, program spending in future years will have to be reduced to match available resources and some services will have to be reduced.

Modernizing of broadcasting legislation

The Government of Canada has committed to modernizing Canada's media legislation: the *Broadcasting Act*, the *Telecommunications Act* and the *Radiocommunication Act*. As CBC/Radio-Canada's mandate and many of its obligations are determined by the *Broadcasting Act*, any changes could affect our financial outlook. We are working with the government to ensure a media ecosystem that continues to support the public broadcaster and its ability to serve all Canadians.

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.

Due to the COVID-19 pandemic, the IOC announced that the Tokyo 2020 Olympic Games will be postponed by one year; the Games will now be held between July 23 and August 8, 2021. This will impact planned revenue and expenditures.

COVID-19

We expect that advertising revenue will be negatively impacted in the coming months as advertisers reduce expenditures to offset declining revenues as Canadian and global efforts are focused on containment of the COVID-19 outbreak.

Although audiences are up, the lack of demand from our advertisers is driving an advertising revenue decline. Advertisers are indicating they require a stabilization of their business revenue for at least a quarter before advertising spend can resume.

We will monitor revenue and expenditures and, in response, implement cost-containment strategies.

RISK MANAGEMENT AND GOVERNANCE

Risk Management

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

We apply 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 integrated into business processes across the Corporation. Responsibility for risk management is shared among the following groups.

1 BOARD	2 AUDIT COMMITTEE OF THE BOARD	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, our Internal Audit team 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. Pandemic risk - COVID-19		
Canadians are grappling with the impacts of the coronavirus. Canadian and global efforts are focused on containing the outbreak and preventing further spread, as well as providing financial support during the shelter-in-place orders. As Canada's public broadcaster, we provide essential services to Canadians including: ● Local, regional and national health and safety news and information. ● Much-needed educational and entertainment programming to families. ● Critical support to the country's creative community. The health and welfare of our workforce is of utmost concern. Protracted shelter-in-place and teleworking may impact employee mental health and stress, particularly among those employees with younger children as schools and daycares are closed. We continue to operate newsrooms across the country in order to ensure uninterrupted service to Canadians. Our essential operations and ability to fulfill our mandate may be at risk, as worsening conditions may reduce the number of employees available to continue operations. The Tokyo 2020 Olympic Games are postponed to July 2021, which is in fiscal 2021-2022. This delay has impacted planned revenue and expenditures for fiscal 2020-2021. Consumer and corporate demands for some goods and services are in decline due to shelter-in-place or social distancing directives. Advertising revenue will likely be negatively impacted as advertisers reduce expenditures to offset declining revenues. The planning for the reintegration to work sites phase will be complex. Municipal, provincial and federal jurisdictions may implement a phased removal of shelter-in-place orders and allow different sectors to return to work at different times. The future costs associated with social distancing in the workplace are as yet unknown.	Continue to mobilize the National Crisis Management Team to steer corporate response to the evolving situation. Continue to actively monitor and assess the situation and implement any necessary measures as new information becomes available. Continue updating and communicating detailed guides for all employees, news teams and managers, which include guidance on: ● Procedures around sickness, personal precautions (e.g., self-isolation, teleworking, social distancing) and answers to common questions. ● Procedures and supplies for staff assigned to news coverage, including personal protective equipment and monitoring of symptoms, as required. ● Enhanced Employee Assistance Plan communications and services (e.g., introduction of telemedicine service, webinars for various teleworking topics). Review and refresh business continuity plans to ensure they cover evolving extended public health emergency scenarios, including a potential second wave. Continue enhanced cleaning protocols in CBC/Radio-Canada facilities. Monitor revenue and expenditures and implement cost-containment strategies (reducing discretionary costs, delaying capital expenditures, other cost-saving initiatives). Create a phased, flexible, adaptable plan for the eventual return to work sites that can evolve as conditions change. To support Canada's creative industry during the ongoing pandemic, CBC launched **The CBC Creative Relief Fund** on April 1, 2020 to provide $2 million in development and production funding to Canadian creators. CBC/Radio-Canada and the Canada Council for the Arts announced the creation of **Digital Originals** on April 21, 2020, a new time-limited funding initiative to help artists, groups and arts organizations pivot their work to online audiences during the COVID-19 pandemic.	Continue to closely monitor the evolution of the virus and assess the impacts. Continue and refine identified strategies. Maintain ongoing communication with employees on the latest developments.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
2. Government’s cultural policies modernization and CRTC license renewal		
Our ability to deliver our mandate is challenged by the ongoing shift from traditional television to discretionary services and digital platforms, rapid technology changes, evolving media consumption habits, and industry fragmentation. The government has committed to modernizing the *Broadcasting Act*, the *Telecommunications Act* and the *Radiocommunication Act*. Since our mandate exists in the *Broadcasting Act*, any legislative changes could affect our services. Elements of the government’s mandate letters to ministers may also have implications for CBC/Radio-Canada and our service to Canadians. Competing priorities could lead the government to change our mandate, independence and business model, which could profoundly impact our future and our opportunity to address our challenged business model. Our CRTC licences are due to be renewed. There is a risk that the CRTC could impose additional obligations that would be inconsistent with our strategy.	Promote and share our 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 with the government. Work with the government on the next steps to help build a media ecosystem that puts audiences first and serves all Canadians. Retain flexibility when making operating decisions to enhance agility. Monitor and participate in the various processes launched by the government. Develop, implement or modify strategies and contingency plans, as required. Monitor the arguments made by the interveners, correct any misinformation and prepare for the CRTC licence renewal hearing, when rescheduled. Reinforce our position that the upcoming licences: ● Must grant us flexibility as the broadcasting system continues to evolve. ● Be consistent with our strategy.	Continue implementing our strategic plan, which outlines what we need to do 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.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
3. Changing media landscape		
Competition for 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 must be robust and scalable to withstand the 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 functionalities. Adapt our performance measurement indicators to optimize decision making based on audience consumption habits. Continue evolving our technology to meet audience expectations. Negotiate rights agreements to ensure access to high-quality content on feasible financial terms. Continue to develop and implement data management tools and strategies to enhance our ability to track and customize content for audiences.	Serve audiences on the platforms they want to increase engagement with our content and increase the public value of our services, advertising and subscription revenue, as well as our relevance.
4. Financial sustainability		
Our operating environment remains challenging as conventional television advertising and subscription revenues decline and the shift to digital business models continues but not at the same financial pace. Audience consumption patterns such as cord-cutting and cord-shaving are reducing cable and satellite subscription revenues. International streaming and continued audience fragmentation negatively impact our earned 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 traditional business.	Continue to invest in prime-time television, which is still the biggest driver of earned revenue for the company, while managing the shift from traditional to digital services. Develop additional compelling, distinctly Canadian programming. Maximize our multiplatform strategy when broadcasting, acquiring or distributing content. Continue to 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 value and importance of public broadcasting with key government decision makers.	Mitigate the effects of lower revenues and cost increases that reduce resources available for our strategic priorities. Adjust our strategic plan as necessary to respond to further advertising weakening and lower subscription revenue.

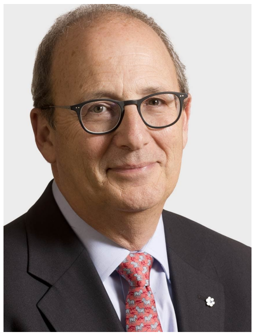
KEY RISKS	RISK MITIGATION	FUTURE IMPACT
5. Reputation and brand management		
CBC/Radio-Canada is among the most prominent and most discussed brands in the country. It is a sign of our importance that Canadians do not hesitate to express their opinions about their public broadcaster. At any time, our activities can generate public and media attention. There is a risk that negative perceptions of us, if unaddressed, could undermine credibility and public support.	Increase the credibility and trust Canadians have in us by acting responsibly and being accountable to Canadians. Continue to work with other public broadcasters to underscore the importance of public media in combating misinformation and democratic debate around the globe. Build a positive work culture by continuing to promote a safe, respectful and inclusive workplace through the *Code of Conduct* and mandatory training on topics, including ethics, the prevention of bullying and harassment, and unconscious bias. Ensure our issues management and crisis management is responsive, responsible, and supports transparency and decisive action.	Ensure that our behaviour improves our credibility and public support.
6. Information security		
The number, cost and complexity of cyber incidents for all companies worldwide continue to grow despite increased awareness and attention to cyber security. While we are managing information security risks, evolving cyber threats have the potential to significantly disrupt operations and 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. Enhance our information security rules, guidelines and procedures, and increase staff awareness and training on information security topics and protection of personal information. Implement a new records management policy to impose classification obligations that address personal information. Train employees tasked with applying the new policy. Develop protocols and adopt technologies that anonymize personal information.	Continue and refine identified strategies.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
7. Implementation of high-profile projects		
7.A. Maison de Radio-Canada (MRC) Project		
There is a risk that: ● The project may not achieve expected operational efficiencies, meet timelines or stay within budget, all of which would increase costs and impact the attainment of strategic objectives. ● Employees may not embrace change, which may erode engagement, morale and retention. ● Negative perceptions over project transparency may undermine credibility and stakeholder support.	Maintain constructive business relationships with partners. Ensure effective project management: proactively monitor, assess and control risks, and establish realistic schedules, budgets, and contingency plans to minimize changes during execution. Enhance consultation and coordination with staff to prepare them for the move to the new building. Ensure transparent communication to stakeholders about the economic benefits of the project.	Continue to monitor the project and communicate transparently with stakeholders.
7.B. Human Resources (HR) System Project		
There is a risk that the planned HR system project 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. Continue with detailed implementation plans (e.g., precise financial, business process and resource planning). Develop the implementation of a change management plan to align with HR modernization projects.	Monitor the project and its implementation.
8. Talent management		
The recruitment, retention and engagement of a strong, diverse workforce are essential to achieve strategic objectives. There is a risk that 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 impact recruitment and retention.	Roll out our 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 3 of the 2018-2021 Diversity and Inclusion Plan.	Maintain our momentum to engage the workforce, facilitate the transition to this new digital world, train leaders to better support their teams and continue building a strong foundation of business skills across the Corporation.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
9. Union relations and negotiations		
Conversations are underway with unions to implement new collective agreements. There is a risk of disruption to operations due to: ● Jurisdictional claims between bargaining units, resulting in reduced flexibility. ● 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 unions. Update contingency plans in case of labour disruption.	Continue with ongoing union conversations and with identified strategies.
10. Strategy implementation plan		
Our three-year strategic plan, *Your Stories, Taken to Heart*, was launched last year. There is a risk that: ● We may not effectively implement or achieve our strategic and financial goals. ● We will be prevented from implementing part of our strategy due to accelerated deterioration in our financial realities.	Continue to implement, monitor and refine the strategic plan. Continue to communicate our plan to stakeholders, both internally and externally. Monitor the debate on our future and correct any misinformation.	Implement our strategy successfully as it is critical to driving public support and enhancing our relevance.

Board and Management Structure

Board of Directors

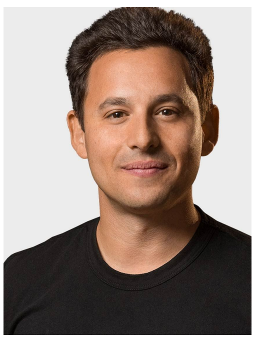


Michael Goldbloom [2]
Chairman of the Board
Lennoxville, QC

Catherine Tait [2]
President and CEO
Ottawa, ON

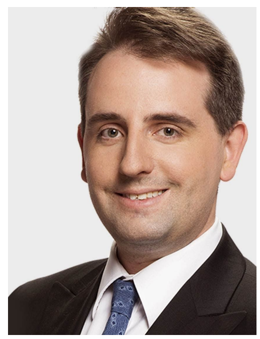
Guillaume Aniorté [2,3,4]
Montréal, QC

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

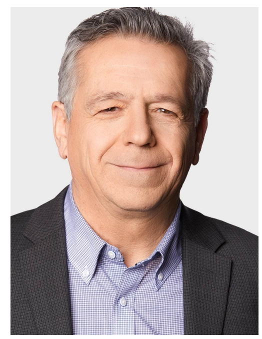


Harley Finkelstein [2,3,4]
Ottawa, ON

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

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

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

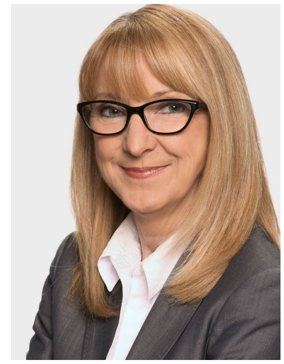
[1] Member of the Audit Committee
[2] Member of the Broadcasting Committees
[3] Member of the Technology and Infrastructure Committee
[4] Member of the Strategic Planning Committee
[5] Member of the Human Resources and Governance Committee

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

Marco Dubé
Vice-President, People and Culture

Judith Purves[22]
Executive Vice-President and Chief Financial Officer

Barbara Williams
Executive Vice-President, CBC

[22] Michael Mooney has been serving as Acting Executive Vice-President and Chief Financial Officer during Judith Purves's absence.

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

During 2019-2020 CBC/Radio-Canada maintained its A rating for the timeliness of its replies to formal Access to Information (ATI) requests, while processing more requests than the previous year when measured both in number of requests received and in number of pages treated.

During the year, CBC/Radio-Canada achieved a deemed refusal rate of 1.04%, down from 1.24% the year before. The threshold used by the Office of the Information Commissioner for an A rating is 5% or less. The number of requests answered during 2019-2020 increased by 56% from 100 in 2018-2019 to 156. Significantly, the number of pages processed in answer to these requests increased by 108% from 19,803 in 2018-2019 to 41,129.

2019-2020 *Access to Information Act* highlights:

- 17,539 pages released in answer to 156 formal requests;
- 7,553 pages released in answer to 32 informal requests;
- 5,079 pages released in answer to 34 requests of general interest; and
- 1,916 pages released in relation to nine Board of Directors meetings.

For a total of 32,087 pages.

Furthermore, the Corporation's commitment to proactive publication continued through 2019-2020. Going beyond legislated requirements contained in the *Access to Information Act*, and in addition to the monthly proactive posting of senior management travel and hospitality expenses, CBC/Radio-Canada released more than 5,000 pages of records in answer to 34 ATI requests of general interest to Canadians that were added to our public Impact and Accountability web page. This figure is an increase of 42% over 2018-2019. The Corporation also continued proactively releasing records presented at meetings of its Board of Directors, posting an additional 1,916 pages, related to nine meetings.

Annual Public Meeting

Our annual public meeting (APM) took place on June 18, 2019 in CBC/Radio-Canada's Studio 60 at our Halifax Station, the first held in one of CBC/Radio-Canada's studios since 2014. To engage our audiences, we invited members of the public to come and discuss our new strategy *Your Stories, Taken to Heart*. Audience members on location and across Canada participated in a question and answer session about the future of the public broadcaster. The event was broadcast live on social media and YouTube. The APM marked the final piece in a series of meetings with the public held in locations across Canada with President and CEO Catherine Tait, including Vancouver, Yellowknife, Calgary, Banff and Regina.

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, the CBC Ombudsman. 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	HANDLED LAST YEAR (2018-2019)
CBC (English Services)	6,675	6,123	3,693
Radio-Canada (French Services)	1,982	1,254	1,931
TOTAL	**8,657**	**7,377**	**5,624**

Values and Ethics Commissioner

As CBC/Radio-Canada's Values and Ethics Commissioner since 2017, Diane Girard has focused on raising awareness of ethical issues such as conflicts of interest, outside activities that could be perceived as conflicts and respect in the workplace. In 2019-2020, she held 51 meetings with employees and managers in 11 different offices across the country. These meetings help her to more fully understand the challenges faced by employees and managers, and help to inform her work, including suggesting possible improvements to practices and policies.

NUMBER OF REQUESTS FOR ADVICE RECEIVED APRIL 2019 TO MARCH 2020	293
NUMBER OF INTERNAL COMPLAINTS WITHIN MANDATE	19
NUMBER OF COMPLAINTS FROM THE PUBLIC WITHIN MANDATE	18
NUMBER OF MEETINGS WITH GROUPS OF MANAGERS AND EMPLOYEES	51

The Commissioner undertook additional projects this year, including a new online training scenario for employees covering confidential information. The Commissioner also launched a new online portal for the declaration and follow-up of situations that constitute, or could be perceived as, conflicts of interest. This new tool aims to encourage a more systematic approach to the declaration and analysis of potential conflicts of interest. All senior level managers and executive assistants were asked to submit a mandatory declaration using the new system, and a total of 629 declarations had been submitted from this group, representing a 95% rate of return, by end of March 2020. For all other employees, declarations are required only when a situation constitutes or could be perceived as a conflict, even if not the case: by year end, 248 employees had submitted a declaration using the new system.

Compliance with the *Canadian Environmental Assessment Act*

CBC/Radio-Canada uses 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 the initiation of the 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 in the 2019-2020 fiscal 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.

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. 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.

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

Compensation data for our Directors is summarized in Note 26 *Related parties* to the annual Consolidated Audited Financial Statements.

Board of Directors Attendance

In person | Video conference | Conference call

BOARD MEMBERS	BOARD			AUDIT COMMITTEE			BROADCASTING COMMITTEES			TECHNOLOGY AND INFRASTRUCTURE COMMITTEE			HUMAN RESOURCES AND GOVERNANCE COMMITTEE		
	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	5	1	3	3	1		2			4			2		
Michael Goldbloom	5/5	1/1	3/3				2/2								
Catherine Tait	5/5	1/1	2/3				2/2								
Guillaume Aniorté	5/5	1/1	3/3				2/2			4/4					
Edward W. Boyd	5/5	1/1	3/3				2/2								
Harley Finkelstein	3/5	0/1	2/3				0/2			2/4					
Suzanne Guèvremont	5/5	1/1	3/3				2/2			4/4					
Rob Jeffery	5/5	1/1	3/3	3/3	1/1		2/2								
René Légère	5/5	1/1	2/3				2/2						2/2		
Jennifer Moore Rattray	5/5	1/1	1/3	3/3	1/1		2/2								
François R. Roy	4/5	1/1	2/3	2/3	1/1		1/2						2/2		
Sandra Singh	4/5	1/1	1/3	3/3	1/1		2/2						2/2		
Marie Wilson	5/5	1/1	3/3				2/2			4/4			2/2		

ACCOUNTING MATTERS

Our Consolidated Financial Statements for the year ended March 31, 2020 were prepared in accordance with IFRS. They were approved by the Corporation’s Board of Directors on June 18, 2020. Discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements.

Accounting Developments

The new accounting standard IFRS 16 Leases was applied 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, 2020 for information pertaining to this recently adopted accounting standard.

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, 2020. 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 15. 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 2019-2020, 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.

Effective April 1, 2019 the Corporation adopted IFRS 16 *Leases*. The Corporation implemented changes to the relevant business processes and related control activities. There were no other changes in our internal control over financial reporting during the year ended March 31, 2020, which were identified in connection with management's evaluation that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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 her 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

Michael Mooney
Acting Executive Vice-President and Chief Financial Officer

Ottawa, Canada
June 18, 2020

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 2020, 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 2020, 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, except for the change in the method of accounting for leases as explained in Note 3 to the consolidated financial statements, 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 Auditor General of Canada

Ottawa, Canada
18 June 2020

CONSOLIDATED FINANCIAL STATEMENTS

2019-2020

TABLE OF CONTENTS - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

			As at March 31
(in thousands of Canadian dollars)	*NOTE*	**2020**	2019
ASSETS			
Current			
Cash	*4,24*	72,386	89,697
Bonds receivable	*5,24*	85,680	163,092
Promissory notes receivable	*6*	3,498	3,264
Trade and other receivables	*7,24*	138,398	142,387
Programming	*8*	319,475	283,464
Prepaid expenses		37,215	31,623
Investment in finance lease	*9*	3,878	3,630
Derivative financial instruments	*24*	1,410	92
Assets classified as held for sale	*10*	46	133
		661,986	**717,382**
Non-current			
Property and equipment	*10*	797,997	773,289
Intangible assets	*11*	24,861	21,935
Right-of-use (ROU) assets	*12*	358,501	5,414
Pension plan asset	*15*	689,590	497,601
Promissory notes receivable	*6*	27,855	31,352
Programming	*8*	79,966	32,892
Investment in finance lease	*9*	30,346	34,224
Deferred charges		29,142	41,781
		2,038,258	**1,438,488**
TOTAL ASSETS		**2,700,244**	**2,155,870**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	*13*	115,968	119,257
Provisions	*14*	29,745	30,401
Pension plans and employee-related liabilities	*15*	200,609	186,063
Programming liability	*8*	-	5,659
Financial obligations	*16*	34,607	33,552
Lease liabilities	*17*	18,296	583
Deferred revenue and other liabilities	*18*	17,092	12,332
		416,317	**387,847**
Non-current			
Deferred revenue and other liabilities	*18*	36,715	10,584
Pension plans and employee-related liabilities	*15*	234,492	245,606
Financial obligations	*16*	230,823	258,294
Lease liabilities	*17*	330,063	5,177
Deferred capital funding	*20*	529,910	528,170
		1,362,003	**1,047,831**
TOTAL LIABILITIES		**1,778,320**	**1,435,678**
EQUITY			
Retained earnings		921,214	719,556
Total equity attributable to the Corporation		**921,214**	**719,556**
Non-controlling interests		**710**	**636**
TOTAL EQUITY		**921,924**	**720,192**
TOTAL LIABILITIES AND EQUITY		**2,700,244**	**2,155,870**

Contingent liabilities (NOTE 14) and Commitments (NOTE 27)
The accompanying notes form an integral part of the consolidated financial statements.

APPROVED BY THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

CONSOLIDATED STATEMENT OF INCOME (LOSS)

(in thousands of Canadian dollars)	*NOTE*	For the year ended March 31 2020	2019
REVENUE	*19*		
Advertising		253,754	248,752
Subscriber fees		123,466	124,455
Other income		116,310	105,833
Financing and investment income		10,883	11,106
		504,413	**490,146**
GOVERNMENT FUNDING	*20*		
Parliamentary appropriation for operating expenditures		1,098,114	1,097,822
Parliamentary appropriation for working capital		4,000	4,000
Amortization of deferred capital funding		106,944	111,907
		1,209,058	**1,213,729**
EXPENSES			
Television, radio and digital services costs		1,669,064	1,661,581
Transmission, distribution and collection costs		58,989	61,511
Corporate management costs		10,801	10,837
Finance costs	*21*	24,353	20,173
		1,763,207	**1,754,102**
Results before other gains and losses		**(49,736)**	**(50,227)**
OTHER GAINS AND LOSSES			
Loss on disposal of property and equipment and intangibles	*10,11*	(9,368)	(4,220)
Net results for the year		**(59,104)**	**(54,447)**
Net results attributable to:			
The Corporation		(59,178)	(54,438)
Non-controlling interests	*2*	74	(9)
		(59,104)	**(54,447)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	*NOTE*	For the year ended March 31 2020	2019
COMPREHENSIVE INCOME (LOSS)			
Net results for the year		(59,104)	(54,447)
Other comprehensive income (loss) - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	*15*	260,836	244,965
Total comprehensive income (loss) for the year		**201,732**	**190,518**
Total comprehensive income (loss) attributable to:			
The Corporation		201,658	190,527
Non-controlling interests	*2*	74	(9)
		201,732	**190,518**

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, 2019		719,556	636	720,192
Changes during the year				
Net results for the year		(59,178)	74	(59,104)
Remeasurements of defined benefit plans	*15*	260,836	-	260,836
Total comprehensive income for the year		**201,658**	**74**	**201,732**
Balance as at March 31, 2020		**921,214**	**710**	**921,924**

(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 during the year				
Net results for the year		(54,438)	(9)	(54,447)
Remeasurements of defined benefit plans	*15*	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**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Canadian dollars)	NOTE	For the year ended March 31 2020	2019
CASH FLOWS FROM (USED IN)			
OPERATING ACTIVITIES			
Net results for the year		(59,104)	(54,447)
Adjustments for:			
Loss on disposal of property and equipment and intangibles	10,11	9,368	4,220
Financing and investment income	19	(10,883)	(11,106)
Finance costs	21	24,353	20,173
Change in fair value of financial instruments designated as fair value through profit and loss	24	(1,318)	(92)
Depreciation and amortization	10,11,12	117,913	112,712
Change in deferred charges		12,639	(3,111)
Net change in programming asset	8	(46,375)	5,168
Amortization of deferred capital funding	20	(106,944)	(111,907)
Change in deferred revenue and other liabilities [non-current]	18	27,146	(6,329)
Change in pension plan asset	15	(191,989)	(195,576)
Change in pension plans and employee-related liabilities	15	256,615	229,605
Amortization of bond premium	5	336	977
Movements in working capital	23	(22,535)	61,779
		9,222	**52,066**
FINANCING ACTIVITIES			
Payment of lease liabilities	17	(32,346)	(555)
Repayment of financial obligations	16	(25,786)	(25,432)
Interest paid		(24,282)	(19,269)
		(82,414)	**(45,256)**
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	20	108,684	109,009
Additions to property and equipment and intangible assets	10,11	(146,433)	(143,617)
Acquisition of bonds receivable	5	(184,514)	(119,946)
Net proceeds from disposal of property and equipment	10	246	14,452
Collection of financial assets	5,6,9	268,141	116,469
Interest received		9,757	10,542
		55,881	**(13,091)**
Change in cash		**(17,311)**	**(6,281)**
Cash, beginning of the year		**89,697**	**95,978**
Cash, end of the year		**72,386**	**89,697**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 policies and whether they are effective in 2020 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, We, Us, Our) 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. Our 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, we provide 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 18, 2020.

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 Canada. We have consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect except for the application of IFRS 16 *Leases*, effective April 1, 2019. See Note 3A for further details. 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.

Changes in Presentation

Starting this year, the format of the Consolidated Statement of Financial Position has been modified to better reflect the liquidity of short term financial assets. As such, Bonds receivable and Promissory notes receivable are now presented before Trade and other receivables.

The Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows have also been streamlined to improve the clarity and relevance of the consolidated financial statements. As a result, Bonds payable and Notes payable have now been combined into a single line, "Financial obligations". For further details, refer to Note 16.

In addition, collection of bonds receivable, promissory notes receivable and finance lease receivable have been regrouped under a single line, "Collection of financial assets" under the Consolidated Statement of Cash Flows. For the year ended March 31, 2019, $109.8 million, $3.4 million and $3.2 million, respectively, were reclassified from bonds receivable, promissory notes receivable and finance lease receivable to Collection of financial assets for a total of $116.5 million.

B. Significant Items impacting the Current Year

Adoption of IFRS 16 *Leases*

On April 1, 2019, we adopted IFRS 16 *Leases* ("IFRS 16") using the modified retrospective approach under which comparative information has not been restated and continues to be reported under IAS 17 and related interpretations.

The adoption of IFRS 16 had a significant impact on our consolidated financial statements that resulted in:

- An increase in our:
  - non-current assets since we now recognize right-of-use (ROU) assets for leases previously classified as operating leases under IAS 17; and
  - current and non-current liabilities since all lease payments are now recognized as financial liabilities ("lease liabilities") that represent our obligation to make future lease payments;
- A change in the timing and presentation of lease-related expenses in our consolidated results;
- A change in the terminology used under IFRS 16. We use the term "ROU asset" and "lease liability" which are presented separately on the Consolidated Statement of Financial Position; and
- Additional disclosures on the nature of our leases. See Notes 12 and 17 for further details.

See Note 3.A of these consolidated financial statements for more details.

New Agreement for *Hockey Night in Canada* (*HNIC*)

During the year, a new agreement was signed with Rogers Communications Inc. (Rogers) for the airing of *HNIC* for Saturday night and playoff hockey. Under this seven year agreement, we acquired a licence to broadcast hockey in exchange for providing Rogers airtime to generate advertising revenue and the use of certain trademarks. See Note 8 for further details.

Recognition of a ROU Asset and Lease Liability for the New Maison de Radio-Canada (MRC) Building

During the year, the Broccolini Group substantially completed the construction of the new MRC building and we began to lease the premises. As a result, we recorded a $206.4 million asset and a $187.0 million lease liability for the 30 year lease with Broccolini Group after completing a $10.0 million prepayment.

COVID-19 pandemic

The COVID-19 pandemic has impacted certain financial information and related estimates and judgments disclosed in these financial statements. We reviewed the March 31 2020 statement of financial position, and results of operations for the year then ended, for all known effects of the pandemic. The most critical areas of review and any resulting impacts include:

Programming assets
The COVID-19 pandemic resulted in certain programming activities being delayed or cancelled. As a result of cancellations, a total of $3.1M was written off from programming inventory. Program delays such as the postponement of the 2020 Tokyo Summer Olympics to 2021 resulted in certain programming rights being reclassified from ‘current’ to ‘non-current’.

Advertising Sales and Trade receivables
Our main source of advertising revenue is derived from agreements with large agencies. The global advertising industry will be affected by the economic slowdown resulting from the COVID-19 pandemic since this industry is closely linked to macroeconomic activity. Management is monitoring the credit ratings of large advertising agencies. At the date of the financial statements, no significant changes to risk ratings were made that impacted expected credit-losses (ECL).

Fair value of plan assets
Global equity markets have experienced significant volatility and weakness since the start of the pandemic. A sustained economic slowdown could impact actuarial assumptions and pension plan valuations. At the date of the financial statements, no significant changes to actuarial assumptions were made, and the net pension plan position had not been adversely impacted.

C. Basis of Preparation

This section includes accounting policies that relate to the basis of preparation of these consolidated statements as a whole. It also describes estimates Management developed and critical judgments made in the process of applying our policies, and how they affect the amounts reported in the consolidated financial statements. These critical accounting estimates and judgments could have a significant effect on the amounts reported since materially different amounts could result from 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
We consolidate the financial statements of our subsidiary (Documentary Channel "*documentary*") and structured entities (the Broadcast Centre Trust and the CBC Monetization Trust) from the date we gained control. The subsidiary and structured entities are entities we continue to control. Control is achieved by having each of the following: ● Power over the investee through giving us 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 us to exercise our power over the investee to affect the returns of the investee. The accounting policies of the subsidiary and structured entities are consistent with our accounting policies. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in our interests in the subsidiary that do not result in a loss of control are accounted for as equity transactions.	We consolidate the CBC Monetization Trust and the Broadcast Centre Trust, as we judge that we control these investees, as defined in IFRS 10 *Consolidated Financial Statements*.

Information about our Subsidiary and Structured Entities

Subsidiary

Our Canadian subsidiary is *documentary*:

documentary	
Ownership	2020: 82% / 2019: 82%
Principal Activity	Discretionary television service broadcasting documentaries
How we 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 our reporting period are prepared for consolidation purposes.

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

Consolidated Structured Entities

We have 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 that we occupy. The rent payable by us 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 us 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 us for the building.

Through our rent payments to the BCT, we also guarantee the bonds payable. See Note 16 for further details.

The Broadcast Centre Trust	
Nature of Trust	Charitable trust
How we Achieved Control	Entity designed to conduct a narrow well-defined leasing activity on our behalf, while management holds ultimate decision making powers over relevant activities
Other Information	March 31 year-end

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

Through the CBC Monetization Trust, we have two promissory notes receivable and an investment in finance lease relating to the sale and rental of parcels of land. These notes receivables are pledged as collateral for their total carrying value to our borrowings through notes payable. See Notes 6, 9 and 16 for further information.

CBC Monetization Trust	
Nature of Trust	Charitable trust
How we Achieved Control	We bear the majority of the risks associated with the collection of the Trust's receivables through the guarantee we have 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 gives us the majority of decision making powers over relevant activities that expose us to variable returns.
Other Information	December 31 year-end Additional financial statements prepared for consolidation purposes.

We do not have interests in joint arrangements or unconsolidated structured entities.

During the current year, we have not provided, and have no current intention to provide, any further financial and other support to our 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 the 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 our indirect expenses that are attributable to the costs of generating programming (such as services provided by People and Culture, Finance and Administration, Media Technology and Infrastructure Services (MTIS), 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 our 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 People and Culture, Finance and Administration, MTIS, 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 as 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. Our 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 our property and equipment, intangible assets, ROU assets 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 our 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 us 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 our Consolidated Statement of Financial Position.

vi) Regulatory Licenses

We hold licenses, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all our conventional television, radio and specialty services. We are required to meet specific regulatory obligations in return for the privilege of holding these broadcasting licenses and have 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	ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT
Trade and Other Receivables (Note 7)	82	✓	✓	Deferred Revenue and Other Liabilities (Note 18)	111	✓	✓
Programming (Note 8)	83	✓	✓	Revenue (Note 19)	112	✓	
Property and Equipment (Note 10)	87	✓	✓	Government Funding (Note 20)	117	✓	✓
Intangible Assets (Note 11)	91	✓	✓	Finance Costs (Note 21)	118	✓	
Right-of-Use (ROU) Assets (Note 12)	93	✓	✓	Income Taxes (Note 22)	119	✓	✓
Accounts Payable and Accrued Liabilities (Note 13)	94	✓		Financial Instruments (Note 24)	122	✓	
Provisions (Note 14)	95	✓	✓	Related Parties (Note 26)	128	✓	
Pension and Employee Related Liabilities (Note 15)	96	✓	✓	Commitments (Note 27)	130	✓	✓
Lease Liabilities (Note 17)	109	✓	✓				

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

We adopted the following new pronouncements issued by the IASB or the IFRS Interpretations Committee effective April 1, 2019:

IFRS 16 *Leases*

On April 1, 2019, we adopted IFRS 16. IFRS 16 supersedes IAS 17 *Leases* and related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 removes the distinction between operating and finance leases under lessee accounting and requires the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value. The requirements for lessor accounting have remained largely unchanged.

We adopted this Standard using the modified retrospective approach under which the comparative information has not been restated and continues to be reported using IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease*. At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted using an estimated incremental borrowing rate as of April 1, 2019. The associated ROU assets are measured at the lease liability amount on April 1, 2019, resulting in no adjustment to the opening balance of retained earnings.

We elected to use the following practical expedients on transition and applied these consistently to all of our leases:

- We have not reassessed whether any expired or existing contracts identified as leases under IAS 17 and IFRIC 4 are, or contain leases under IFRS 16.
- We used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- We did not recognize a ROU asset or a lease liability for leases for which the lease terms ends within 12 months of the date of initial application.
- We elected to rely on our assessment of whether leases are onerous under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative to performing an impairment review.
- We excluded initial direct costs from the measurement of the ROU assets at the date of initial application.

In addition, we elected to use the following practical expedients when applying IFRS 16 for the first-time and going forward:

- We elect not to recognize a ROU asset or a lease liability for short-term leases that have a lease term of 12 months or less.
- We elect not to recognize a ROU asset or a lease liability for low-value assets (i.e. assets below $5,000 as defined by the Corporation).

<u>Description of Changes in Accounting Policy</u>

i) Leases where we are a lessee – Key changes and practical expedients

(a) Leases previously classified as operating leases under IAS 17

The most significant change from the adoption of IFRS 16 is the balance sheet recognition of ROU assets for all leases where we are a lessee, and a liability for lease obligations. As a result, we changed our accounting policy for leases as detailed in Notes 12 and 17. In addition, the details of accounting policies under IAS 17 and IFRIC 4, applied in the comparative period, remain disclosed in Notes 12 and 17 if they are different from IFRS 16.

Several key judgments and estimates were made such as assessing whether an arrangement contains a lease, determining the lease term, calculating an estimate of an incremental borrowing rate and determining the stand alone selling price of lease and non-lease components.

(b) Leases previously classified as finance leases under IAS 17

The carrying amounts of the lease previously classified as finance under IAS 17 are now presented within ROU assets and current and non-current lease liabilities.

ii) Leases where we are a lessor

No adjustments were required on transition to IFRS 16 for existing leases in which we are a lessor.

iii) Sale and Leaseback

Under IFRS 16, we continue to account for the sale and leaseback transaction of the old Maison de Radio-Canada (MRC) premises as a sale-and-leaseback transaction. We sold the old MRC and the western part of its lot to Groupe Mach on July 27, 2017 and have since been leasing back the existing building from Groupe Mach until the new MRC facilities are ready for use by all employees. As a result we recognized a ROU asset and lease liability for the leaseback on April 1, 2019.

Financial Impact of Applying IFRS 16

The adoption of IFRS 16 resulted in the recognition of ROU assets of $153.8 million and lease liabilities of $159.1 million as at April 1, 2019, as shown in the table below. The difference between the ROU assets and lease liabilities recognized is due to lease incentives and rent prepayments balances offset to the ROU assets on transition to IFRS 16.

Leases in the Statement of Financial Position	**April 1, 2019**
Non-current assets	
Right-of-use assets – Land	2,290
Right-of-use assets – Buildings	130,618
Right-of-use assets – Technical equipment	20,873
Total	**153,781**
Liabilities	
Current liabilities – Lease liabilities	12,359
Non-current liabilities – Lease liabilities	146,733
Total	**159,092**

When measuring lease liabilities, we discounted lease payments using an estimated incremental borrowing rate as at April 1, 2019. The weighted average rate of incremental borrowing rates applied was 2.45%. Below is a reconciliation of the balance of our 2018-2019 year-end operating lease commitments to our opening lease liabilities recognized as of April 1, 2019 following the initial application of IFRS 16:

	As of April 1, 2019
Operating lease commitments disclosed as of March 31, 2019	786,388
Less: Non-lease components	(423,430)
Less: Out of scope at the effective date	(283,939)
Add: Renewal options reasonably certain to be exercised	109,146
Add: Leases below commitments disclosure threshold, but in scope at the effective date	12,856
Add: Minimum lease payments on finance lease liabilities as of March 31, 2019	2,186
Gross lease liabilities at April 1, 2019	**203,207**
Less: Discounting	(38,340)
Lease liabilities at April 1, 2019	**164,867**
Less: Present value of finance lease liabilities at March 31, 2019	(5,762)
Additional lease liabilities as a result of the initial application of IFRS 16 as at April 1, 2019	**159,105**

The impact of adopting IFRS 16 is included in notes 12, 17, 23 and 24.

B. Future Accounting Changes

At the date of this report, there were no future accounting standards or amendments issued by the IASB that are expected to significantly impact our consolidated financial statements.

ASSETS AND LIABILITIES

This section shows the assets used to fulfill our mandate and the liabilities incurred as a result. On the following pages there are notes covering working capital, non-current assets and liabilities, provisions and pension.

4. CASH

	March 31, 2020	March 31, 2019
Cash on hand	671	539
Bank balances	71,715	89,158
Total	**72,386**	**89,697**

Interest revenue generated from bank balances and included in Financing and investment income totaled $3.8 million for the year (2019 - $3.5 million).

5. BONDS RECEIVABLE

We hold Canada Mortgage Bonds in order to fund future commitments. These investments were made using primarily the monies received upon disposing of our interest in Sirius XM Canada Holdings Inc. and selling the old Maison de Radio-Canada (MRC) premises.

All of our bonds receivable have a contractual maturity profile of less than one year, for a total of $85.7 million as at March 31, 2020 (March 31, 2019 - $163.1 million).

Interest income related to bonds receivable included in the current year's revenue and presented as finance income was $1.7 million (March 2019 - $2.2 million). The decrease in bonds receivable compared to last year-end was mainly due to the redemption of some of our bonds that matured in June 2019.

6. PROMISSORY NOTES RECEIVABLE

At March 31, 2020, through the CBC Monetization Trust, a structured entity, we hold 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 $31.4 million (March 31, 2019 – $34.6 million) and are pledged as collateral for their total carrying value to our borrowings through notes payable.

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

	March 31, 2020	March 31, 2019
Less than one year	3,498	3,264
Later than one year but no later than five years	16,704	15,589
More than five years	11,151	15,763
Total	**31,353**	**34,616**

Interest income included in current year's revenue and presented as financing income was $2.2 million (2019 - $2.4 million).

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent amounts we expect to collect from other parties. Our trade and other receivables are mainly derived from the sale of broadcast advertising and subscriptions.

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. We recognize an allowance for doubtful accounts for receivables based on a lifetime expected credit loss determined in accordance with Note 24 *Financial Instruments*. Before accepting new advertising customers, we conduct 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, we monitor our 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 we will not be able to collect some of the amounts due requires judgment.

Supporting Information

	March 31, 2020	March 31, 2019
Trade receivables	125,639	129,607
Allowance for doubtful accounts	(384)	(506)
Other	13,143	13,286
	138,398	**142,387**

Trade receivables are subject to credit risk which is further discussed in Note 24 B.

8. PROGRAMMING

Programming consists of programs that require our 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 our indirect expenses that are attributable to the costs of generating programming (such as services provided by People and Culture, Finance and Administration and Media Technology and Infrastructure Services (MTIS), as well as a portion of depreciation and amortization) are also included in the related program costs. Programming comprises inventory programs produced with our involvement ("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 amortization schedule described in this section, or when deemed unrecoverable. The amortization of programming costs is subject to the following amortization schedule, which is based on intended use. Our intended use of programming is reviewed at each year-end. In determining intended use, we consider 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.	We are 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 amortization 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). We have estimated the value of non-monetary consideration provided to *Rogers for Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 8 B for more information.

Amortization Schedule

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

CATEGORY	DESCRIPTION	AMORTIZATION SCHEDULE BY TELECAST	
		CBC rates	**Radio-Canada rates**
Movies	All movie genres	60% / 40%	30% / 25% / 25% / 20%
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 Entertainment	Factual entertainment, informal education and game shows (excluding strips[1])	80% / 20%	70% / 30%
Documentaries	Standalone documentaries Documentary series	50% / 30% / 20% 50% / 30%/ 20%	100% 70% / 30%
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 Broadcast rights for periods over 2 years	70% / 30% 50% / 30% / 20%	Evenly over the contract period up to a maximum of 3 years

N/A - Not applicable

[1] Method of broadcasting consecutive episodes.

In addition, digital programming is amortized at 100% once the program is made available online.

During this fiscal year, we reviewed the amortization rates for the Movies, Factual Entertainment and Documentaries genres. In order to do so, we carried out an analysis of the respective genre broadcast experience, audience results and management's intention for future telecasts. While we updated some of our rates, none of these changes in accounting estimates resulted in a material impact for the year ended March 31, 2020. 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, 2020	March 31, 2019
Completed programs	178,875	143,227
Programs in process of production	100,712	89,414
Broadcast rights available for broadcast within the next twelve months	39,888	50,823
	319,475	**283,464**
Broadcast rights not available for broadcast within the next twelve months	79,966	32,892
	399,441	**316,356**

B. Movement in Programming

	March 31, 2020	March 31, 2019
Opening balance	316,356	302,500
Additions	1,198,534	1,116,210
Programs broadcast	(1,115,449)	(1,102,354)
Balance, end of year	**399,441**	**316,356**

Programs broadcast include programming write-offs for the year ended March 31, 2020 of $7.9 million (2019 – $7.5 million). Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series. Additional write-offs of $3.1 million were also made this year as a result of COVID-19. Refer to Note 2.B for more details.

During the year, we signed a new agreement with Rogers for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, we acquired a licence to broadcast hockey in exchange for providing Rogers airtime to generate advertising revenue and the use of certain trademarks. The agreement is for seven years with optional cancellation clauses after the third year.

As no monetary amounts are to be exchanged, an estimate was calculated for the fair value of a seven year broadcast licence acquired, and this has been recorded as Programming in our consolidated financial statements. An estimate of the corresponding deferred revenue has been recorded in the liabilities of our consolidated financial statements. We will recognize these items in revenue and expenses over the seven-year term of this agreement.

9. 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. These receivables are pledged as collateral for their total carrying value to our borrowings through notes payable.

	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
		March 31, 2020		March 31, 2019
Less than one year	6,050	5,825	6,050	5,825
Less: unearned financing income	(2,172)	-	(2,420)	-
	3,878	**5,825**	**3,630**	**5,825**
Later than one year but no later than five years	24,199	19,608	24,199	19,608
More than five years	13,108	8,228	21,761	12,421
Less: unearned financing income	(6,961)	-	(11,736)	-
	30,346	**27,836**	**34,224**	**32,029**
Total	**34,224**	**33,661**	**37,854**	**37,854**

Interest income included in the current year's revenue and presented as financing income was $2.2 million (2019 - $2.5 million).

10. PROPERTY AND EQUIPMENT

ACCOUNTING POLICIES

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 we constructed include 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 us 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

We classify 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 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

We derecognize 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).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We are required to estimate the expected useful lives of our property and equipment. In determining the expected useful lives of these assets, we take 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 expenses and future carrying values of assets. Useful lives of property and equipment are included in the table below.

When an item of property and equipment comprises individual components for which different depreciation methods or rates are appropriate, judgment is 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
Automobile and minivans	5 years
Leasehold improvements	The lesser of the lease term and the economic useful life of the asset

Supporting Information

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	March 31, 2020	March 31, 2019
Cost	1,967,166	1,948,688
Accumulated depreciation	(1,169,169)	(1,175,399)
Total	**797,997**	**773,289**

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2019	107,746	476,560	69,895	1,013,947	158,140	122,400	1,948,688
Additions	-	21	-	12,631	5,375	106,398	124,425
Transfers (refer to Note 11)	-	10,032	116,403	8,711	7,697	(138,159)	4,684
Assets classified as held for sale	44	(12)	-	16	-	-	48
Disposals and write-offs	-	(27,011)	(3,559)	(57,549)	(22,560)	-	(110,679)
Cost as at March 31, 2020	**107,790**	**459,590**	**182,739**	**977,756**	**148,652**	**90,639**	**1,967,166**
Accumulated depreciation as at March 31, 2019	-	(254,443)	(40,290)	(761,823)	(118,843)	-	(1,175,399)
Depreciation for the year	-	(26,568)	(4,344)	(51,916)	(12,053)	-	(94,881)
Reclassification of depreciation on assets classified as held for sale	-	12	-	(5)	-	-	7
Reclassification of depreciation on disposals and write-offs	-	20,347	3,049	55,274	22,434	-	101,104
Accumulated depreciation as at March 31, 2020	**-**	**(260,652)**	**(41,585)**	**(758,470)**	**(108,462)**	**-**	**(1,169,169)**
Net carrying amount as at March 31, 2020	**107,790**	**198,938**	**141,154**	**219,286**	**40,190**	**90,639**	**797,997**

	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. It was sold and derecognized in the same period.

Refer to Note 27.A for contractual commitments for the acquisition of property and equipment.

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

For the year ended March 31	**2020**	2019
Television, radio and digital services costs	78,979	88,357
Transmission, distribution and collection costs	15,462	16,482
Corporate management costs	440	480
Total	**94,881**	**105,319**

B. Impairment and Other Charges

During the year, there were no impairment losses in our Consolidated Statement of Income (Loss) on assets held for sale (2019 - 0.1 million).

There were no other impairment losses recorded or reversed during the year ended March 31, 2020 (2019 - nil).

C. Assets Classified as Held for Sale

Consistent with our financial plan to reduce our real estate footprint, properties were classified as held for sale for accounting purposes as at March 31, 2020 with a total carrying value of $0.1 million (March 31, 2019 - $0.1 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, 2020

During the fiscal year, we transferred a building to the province of Saskatchewan in exchange for a long-term lease arrangement. This resulted in a derecognition charge of $4.6 million. We also recorded a loss of $1.8 million on the continued partial derecognition of a component of the Toronto Broadcast Centre building and a loss of $1.5 million on various obsolete technical equipment.

Other insignificant net gains and losses during the year ended March 31, 2020 resulted from the disposal or retirements of equipment as part of our normal asset refresh cycle.

For the fiscal year ended March 31, 2019

During 2018-2019, we 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.

We 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.

11. INTANGIBLE ASSETS

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

ACCOUNTING POLICIES

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;
- We intend to complete the asset and to use it;
- We have the ability to use the asset;
- The development costs can be reliably measured;
- We have 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 our 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 in our Consolidated Statement of Income (Loss), for presentation purposes.

We derecognize 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 our Consolidated Statement of Income (Loss).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We use judgment to determine whether expenditures we 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, we are required to estimate the expected useful lives of these assets.

In determining the expected useful lives of these assets, we take 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.

Supporting Information

	March 31, 2020	March 31, 2019
Cost	196,327	194,802
Accumulated amortization	(171,466)	(172,867)
Total	**24,861**	**21,935**

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2019	142,311	46,823	5,668	194,802
Additions	-	1,014	13,279	14,293
Transfers (refer to Note 10)	1,087	7,956	(13,727)	(4,684)
Disposals and write-offs	(3,894)	(4,190)	-	(8,084)
Cost as at March 31, 2020	**139,504**	**51,603**	**5,220**	**196,327**
Accumulated amortization as at March 31, 2019	(140,335)	(32,532)	-	(172,867)
Amortization for the year	(1,009)	(5,667)	-	(6,676)
Reclassification of amortization on disposals and write-offs	3,894	4,183	-	8,077
Accumulated amortization as at March 31, 2020	**(137,450)**	**(34,016)**	**-**	**(171,466)**
Net carrying amount as at March 31, 2020	**2,054**	**17,587**	**5,220**	**24,861**

	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**

Refer to Note 27.A for contractual commitments for the acquisition of intangible assets.

This year, there were no impairment losses recorded or reversed (2019 - nil) and we did not derecognize software development (2019 - $3.9 million).

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

For the year ended March 31	**2020**	2019
Television, radio and digital services costs	6,356	6,531
Transmission, distribution and collection costs	288	226
Corporate management costs	32	34
Total	**6,676**	**6,791**

12. RIGHT-OF-USE (ROU) ASSETS

As discussed in Note 3.A, we applied the new lease standard IFRS 16 as at April 1, 2019.

ROU assets consist primarily of real estate leases for the rental of office space and technical equipment to carry our transmission activities. The lease of office space typically runs for periods between 2 and 37 years, and lease of technical equipment (including transmission assets) for 5 to 35 years.

ACCOUNTING POLICIES (POLICY APPLICABLE AS OF APRIL 1, 2019)

Recognition and measurement
Contracts are considered to be a lease when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset when all of the following apply:

- It conveys the right to control the use of an identified asset. If the supplier has a substantive substitution right, then the asset is not identified;
- We will obtain substantially all of the economic benefits from the use of the asset; and
- We can direct the use of the identified asset.

ROU assets are initially measured at cost which comprise the initial measurement of the lease liability (see Note 17) plus any lease payments made at or before the commencement date and any initial direct costs less any incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. IAS 36 is applied to determine whether the ROU asset is impaired.

Our lease terms will include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We use judgment to determine if a contract is a lease at inception and to assess its term.

The determination of the lease term corresponds to the non-cancellable period and options of renewal or termination which are reasonably certain. We seek to exercise renewal options or not to exercise termination options in new leases when an economic incentive is available in our leasing arrangement.

Supporting Information

	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,270	333,527	4,813	17,891	**358,501**
Depreciation charge for the year	344	11,551	602	3,859	**16,356**

Additions to the ROU assets during the year ended March 31, 2020 were $215.7 million.

Comparative Information

As of March 31, 2019, we had an asset under finance lease consisting of a lease for leasehold improvements with an original lease term of seven years recognized on the Statement of Financial Position.

	March 31, 2019
Cost	7,821
Accumulated depreciation	(2,407)
Net carrying amount	**5,414**

For this lease previously classified as a finance lease under IAS 17, the carrying amount of the ROU asset at April 1, 2019 has been determined as the carrying amount of the leased asset under IAS 17 immediately before that date.

13. 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 or judgments related to accounts payable and accrued liabilities.

Supporting Information

	March 31, 2020	March 31, 2019
Trade payables	54,198	59,892
Accruals	50,499	53,416
Other	11,271	5,949
Total	**115,968**	**119,257**

14. PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING POLICIES

Provisions are recognized when:

- We have a present obligation (legal or constructive) as a result of a past event;
- It is probable that we 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

When it has been determined by management that we 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 we intend to handle the obligation.

Supporting Information

	Legal and other	Environmental	Total
Opening balance	30,049	352	30,401
Additional provisions recognized	8,826	346	9,172
Provisions utilized	(4,641)	(173)	(4,814)
Reductions resulting from remeasurement or settlement without cost	(4,762)	(252)	(5,014)
Balance, end of year	**29,472**	**273**	**29,745**

Various claims and legal proceedings have been asserted or instituted against us. Some of these claims demand large monetary damages or other forms 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 where the outcome cannot be determined with certainty or the cash outflows are not probable are considered to be a contingency, with no provision recorded on our consolidated financial statements.

At March 31, 2020, we had legal and other provisions amounting to $29.5 million (March 31, 2019 – $30.0 million). All matters are classified as current because, where estimable, we are working to resolve these matters within 12 months.

15. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

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

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Contributory defined benefit pension plan 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: ● **Service cost** - includes current service cost and past service cost. We recognize 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. ● **Net interest expense or income** - recognized 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 in our Consolidated Statement of Income. ● **Remeasurements** - comprises actuarial gains and losses and the return on plan assets (excluding interest). These are reflected immediately in our 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. We transfer all remeasurements directly from other comprehensive income to retained earnings as a policy choice. The liability recognized in our 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, 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 of our plans. 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. We use 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 15 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 our Consolidated Statement of Income (Loss) in the period they occur. <u>Employee benefits other than post-employment benefits</u> We recognize 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 we have 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 or 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
We recognize termination benefits at the earlier of the following dates: (a) when we can no longer withdraw the offer of those benefits; and (b) when we recognize 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, we can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on our ability to withdraw the offer exists. In the case of an involuntary departure, we can no longer withdraw an offer of termination benefits when we have communicated to the affected employees a plan of termination.	There are no critical accounting estimates or judgments related to termination benefits

Supporting Information

A. Pension Plans Asset/Liabilities and Employee-Related Liabilities

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

	Current		Non-current	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Pension plan asset	-	-	**689,590**	**497,601**
Pension plans liability	-	-	120,375	123,026
Other post-employment plans	-	-	114,117	122,580
Vacation pay	68,136	62,194	-	-
Termination benefits	6,231	7,555	-	-
Salary-related liabilities	126,242	116,314	-	-
Total pension plans and employee-related liabilities	**200,609**	**186,063**	**234,492**	**245,606**

The amount included in our Consolidated Statement of Financial Position arising from our obligation in respect of our 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, 2020			March 31, 2019
Fair value of plan assets	7,470,541	-	-	7,566,902	-	-
Defined benefit obligation	6,780,951	120,375	114,117	7,069,301	123,026	122,580
Net asset (liability) arising from defined benefit obligation	**689,590**	**(120,375)**	**(114,117)**	**497,601**	**(123,026)**	**(122,580)**

We maintain 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 (the "Plan") covers substantially all our employees. 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 and we provide 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, 2019. While this valuation has been completed, it has not yet been filed with the pension authorities.

The measurement date for the Plan's assets and the defined benefit obligation is March 31, 2020.

The risks associated with our 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 our 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 Plan with a long-term rate of return sufficient to assist the Plan in meeting its funding objectives and the ongoing changes in pension obligations.

- Other risks: The Plan's 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 plans

We also maintain unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

Non-contributory long-term benefit plans

We provide the following long-term employee benefits to our 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 us 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 plans 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, 2020**	March 31, 2019
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.32%	3.53%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.79%	3.32%
Discount rate - long service gratuity	3.48%	2.97%
Discount rate - LTD benefit	3.48%	2.97%
Discount rate - life insurance	3.75%	3.26%
Mortality	CBC 2019 Pensioner mortality table based on CBC experience with CPM projection scale B	CBC 2014 Pensioner mortality table based on CBC experience with CPM projection scale B
Long-term rate of compensation increase, excluding merit and promotion	1.50% in 2020 and 2021 2.75% thereafter	1.40% in 2019 and 2020 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	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
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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate sensitivity				
100 basis points higher	-13.0%	-13.6%	-7.2%	-7.5%
100 basis points lower	16.8%	17.5%	8.6%	8.9%
Expected rate of future salary increases				
100 basis points higher	2.0%	2.6%	5.1%	4.7%
100 basis points lower	-1.7%	-2.3%	-4.6%	-4.3%
Expected rate of future pension increases				
100 basis points higher	13.5%	13.9%	1.0%	0.9%
100 basis points lower	-11.1%	-11.4%	-0.8%	-0.8%
Mortality sensitivity				
Pensioners live an extra year	3.1%	3.3%	-1.5%	-1.5%
Pensioners die a year before	-3.1%	-3.3%	1.7%	1.8%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	1.9%	1.7%
100 basis points lower	N/A	N/A	-1.6%	-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 our 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 2019.

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 and we provide the balance of the funding, as required, based on actuarial valuations.

D. Contribution Rate

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

	March 31, 2020	March 31, 2019
For earnings up to the maximum public pension plan earnings*		
April 1 to June 30	8.37%	8.37%
July 1 to March 31	8.13%	8.37%
For incremental earnings in excess of the maximum public pension plan earnings*		
April 1 to June 30	11.00%	11.00%
July 1 to March 31	10.69%	11.00%

*The maximum public pension earnings for 2020 is $58,700 (2019: $57,400, 2018: $55,900)

E. Total Cash Payments

Our cash payments for pension, other post-employment and other long-term benefits were as follows:

For the year ended March 31	**2020**	2019
Benefits paid directly to beneficiaries	14,958	12,671
Employer regular contributions to pension benefit plans	56,454	54,794
Total cash payments for defined benefit plans	**71,412**	**67,465**

[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.

F. Maturity Profile

The maturity profile of our benefit plans obligation and other post-employment benefits is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Average duration of the benefit obligation	14.8 years	15.4 years	7.8 years	8.1 years
Active members	21.8 years	22.4 years	7.9 years	8.1 years
Deferred members	19.6 years	20.7 years	N/A	N/A
Retired members	10.7 years	11.0 years	6.7 years	7.5 years

N/A = not applicable

We expect to make a contribution of $56.3 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, 2020		March 31, 2019
Opening defined benefit obligation	7,192,327	122,580	6,887,493	117,814
Current service cost	124,783	5,398	113,280	5,105
Interest cost	236,484	3,685	240,744	3,849
Contributions from employees	61,423	-	56,690	-
Remeasurements:				
Actuarial (gains)/losses arising from changes in demographic assumptions	106,831	1,943	-	(488)
Actuarial (gains)/losses arising from changes in financial assumptions	(531,049)	(4,531)	196,424	2,418
Actuarial losses arising from experience adjustments	30,856	-	6,667	6,553
Benefits paid	(320,329)	(14,958)	(308,971)	(12,671)
Closing defined benefit obligation	**6,901,326**	**114,117**	**7,192,327**	**122,580**

H. Fair Value of Plan Assets

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

	Funded pension plan	Other post-employment plans	Funded pension plan	Other post-employment plans
	March 31, 2020		March 31, 2019	
Opening fair value of plan assets	7,566,902	-	7,071,998	-
Administration fees (other than investment management fees)	(7,000)	-	(7,100)	-
Interest income on plan assets	247,736	-	246,174	-
Return on plan assets, excluding interest income	(134,645)	-	453,317	-
Contributions from employees	61,423	-	56,690	-
Contributions from the Corporation	56,454	14,958	54,794	12,671
Benefits paid	(320,329)	(14,958)	(308,971)	(12,671)
Closing fair value of plan assets	**7,470,541**	**-**	**7,566,902**	**-**

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, 2020
Investment assets					
Fixed income	Cash and short-term investments	513,198	5,158	-	518,356
	Canadian bonds	-	2,280,996	975,715	3,256,711
	Fixed income alternatives	-	-	38,650	38,650
Equities	Canadian	161,161	282,888	-	444,049
	Global	1,497,464	351,322	-	1,848,786
Strategic	Property	18,401	-	742,581	760,982
	Private investments	-	-	746,248	746,248
	Hedge funds	-	-	46,735	46,735
Other	Derivatives	-	1,908	-	1,908
Total investment assets		**2,190,224**	**2,922,272**	**2,549,929**	**7,662,425**
Investment liabilities					
Fixed income	Securities sold under repurchase agreements	-	(76,994)	-	(76,994)
Other	Derivatives	-	(145,841)	-	(145,841)
Total investment liabilities		**-**	**(222,835)**	**-**	**(222,835)**
Non-investment assets less liabilities		**-**	**-**	**-**	**30,951**
Fair value of plan assets		**2,190,224**	**2,699,437**	**2,549,929**	**7,470,541**

This year, we changed how we present the fair value of plan assets in order to provide readers with more relevant information. Our investment assets and investments liabilities are now presented separately whereas they were netted off in prior years. This change resulted in a reclassification of $58.3 million from net investment assets to investment liabilities as at March 31, 2019.

		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
Investment assets					
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	-	99,313	-	99,313
Total investment assets		**2,358,300**	**2,845,985**	**2,392,210**	**7,596,495**
Investment liabilities					
Fixed income	Securities sold under repurchase agreements	-	(55,807)	-	(55,807)
Other	Derivatives	(1,221)	(1,307)	-	(2,528)
Total investment liabilities		**(1,221)**	**(57,114)**	**-**	**(58,335)**
Non-investment assets less liabilities		**-**	**-**	**-**	**28,742**
Fair value of plan assets		**2,357,079**	**2,788,871**	**2,392,210**	**7,566,902**

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 $159.0 million or 2.14% (2019 - $764.7 million or 11.02%).

I. Defined Benefit Plans Costs

Amounts recognized in our Consolidated Statement of Income (Loss) and in our 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	**2020**	2019
Current service cost	130,181	118,385
Administration fees (other than investment management fees)	7,000	7,100
Interest cost on defined benefit obligation	240,169	244,593
Interest income on plan assets	(247,736)	(246,174)
Other	(469)	3,222
Expense recognized in net results	129,145	127,126
Less:		
Remeasurements recognized in other comprehensive income (loss)	(260,836)	(244,965)
Total	**(131,691)**	**(117,839)**

Retained earnings include $1,173.8 million of cumulative actuarial gains as at March 31, 2020 (March 31, 2019 gains – $912.9 million).

The total expense recognized in net results has been recorded in our Consolidated Statements of Income (Loss) as follows:

For the year ended March 31	**2020**	2019
Television, radio and digital services costs	123,979	122,041
Transmission, distribution and collection costs	3,874	3,814
Corporate management costs	1,292	1,271
Total	**129,145**	**127,126**

For the year ending March 31, 2020, total employee benefits, which includes all salary and related costs were $1,014.5 million (2019 - $999.1 million).

16. FINANCIAL OBLIGATIONS

Financial obligations consist of bonds payable and notes payable.

	March 31, 2020	March 31, 2019
Current Financial Obligations		
Bonds Payable	25,194	24,380
Notes Payable	9,413	9,172
	34,607	**33,552**
Non-Current Financial Obligations		
Bonds Payable	167,389	186,724
Notes Payable	63,434	71,570
	230,823	**258,294**
Total Financial Obligations	**265,430**	**291,846**

A. Bonds Payable

The Broadcast Centre Trust (the "BCT") issued $400 million in secured bonds on January 30, 1997, which will mature in May 2027. Through our relationship with the BCT, we guarantee the bonds payable with rent payments for the premises we occupy in Toronto.

The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $131.1 million (March 31, 2019 - $145.6 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, 2020	March 31, 2019
Less than one year	25,194	24,380
Later than one year but not later than five years	93,359	86,707
More than five years	74,030	100,017
Total	**192,583**	**211,104**

Interest expense related to bonds payable included in current year's expenses and presented as finance costs was $14.5 million (2019 - $15.8 million).

B. 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 6 and 9.

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

	March 31, 2020	March 31, 2019
Less than one year	9,413	9,172
Later than one year but no later than five years	36,685	34,984
More than five years	26,749	36,586
Total	**72,847**	**80,742**

Interest expense related to notes payable and included in the current year's expenses as part of finance costs was $3.6 million (2019 - $3.9 million).

17. LEASE LIABILITIES

As discussed in Note 3.A, we applied the new lease standard IFRS 16 as at April 1, 2019.

ACCOUNTING POLICIES (POLICY APPLICABLE AS OF APRIL 1, 2019)	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Recognition and measurement

Lease liabilities are calculated as the present value of the remaining lease payments as of the commencement date. As our leases do not provide an implicit rate, we use an estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. We remeasure the lease liability (and make a corresponding adjustment to the related ROU asset) whenever the lease term has changed, there is a change in the assessment of exercise of a purchase option, the lease payments change due to changes in an index or a rate or a lease contract is modified and when the lease modification is not accounted for as a separate lease.

Lease payments associated with short-term leases (defined as leases with a term of 12 months or less) and leases of low value assets are recognized as an expense under “Television, radio and digital services costs” and “Transmission, distribution and collection costs” on a straight line basis over the term of the lease.

Lease payments included in the measurement of the lease liability comprise of the following payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate; and
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured using the effective interest method. The finance cost is charged to our Consolidated Statement of Income (loss) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

For a contract that contains a lease component and one or more additional lease or non-lease components, we allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The determination of the discount rate used to calculate the lease liability is based on an estimated incremental borrowing rate at the commencement of the contract and/or at the effective date of a lease modification, as applicable.

Supporting Information

	March 31, 2020
Land	2,198
Buildings	321,270
Leasehold improvements	5,195
Technical equipment	19,696
Total	**348,359**

Comparative Information

As of March 31, 2019, we had an obligation under finance lease consisting of a lease for leasehold improvements with an original lease term of seven years recognized in our Statement of Financial Position.

	March 31, 2019
Obligation under finance lease – Current	583
Obligation under finance lease – Non-Current	5,177
Total	**5,760**

For this lease previously classified as a finance lease under IAS 17, the carrying amount of the lease liability at April 1, 2019 has been determined as the carrying amount of the lease liability under IAS 17 immediately before that date.

Maturity Analysis

	March 31, 2020
Contractual undiscounted cash flows	
Less than one year	27,498
One to five years	99,854
More than five years	354,513
Total undiscounted lease liabilities at March 31, 2020	**481,865**
Lease liabilities included in the Statement of Financial Position at March 31, 2020	**348,359**

Amounts recognized in our Consolidated Statement of Income (loss)

For the year ended March 31, 2020:

- There were no significant expenses or commitments made related to short-term leases;
- There were no significant expenses related to leases of low-value assets; and
- There were no gains (losses) arising from sale and leaseback transactions.

Amounts recognized in our Statement of Cash Flows

For the year ended March 31, 2020, total cash outflow for leases amounted to $37.2 million. Interest expense related to lease liabilities included in current year's expenses and presented as finance costs was $5.6 million (2019 - $0.2 million).

Some of the real estate leases in which we are the lessee contain variable lease payments that are linked to an index or rate. These types of payments are common in the real estate industry.

18. DEFERRED REVENUE AND OTHER LIABILITIES

Deferred revenue and other liabilities relate to considerations received in advance for facilities, production, and other services not yet provided.

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.	We estimated the value of deferred revenue for the services owed to Rogers for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 8 B for more information.

Supporting Information

	March 31, 2020	March 31, 2019
Opening balance	22,916	36,474
Revenue deferred during the year	64,181	22,403
Revenue recognized in net results during the year	(33,290)	(35,961)
Balance, end of year	**53,807**	**22,916**

INCOME, EXPENSES AND CASH FLOWS

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

19. REVENUE

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Revenue is recognized when control of the promised goods and services is transferred to our customers in an amount that reflects the consideration expected in exchange for those goods and services. Our 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 we cannot reasonably estimate the fair value of the non-monetary compensation, we measure 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, sales 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 our average credit terms.

Detailed accounting policies are presented below for each of our main revenue streams.

Arrangements with Multiple Performance Obligations
Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate the transaction price to each identified performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers of the same class in similar transactions.

Practical expedients
We have elected to use the following practical expedients:

- We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.
- We do not adjust the amount of consideration for the effects of a significant financing component since the period between when we provide a service and obtain payment from a customer is usually one year or less.

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.

Supporting Information

For the year ended March 31	2020	2019
TV advertising[1]	215,586	217,748
Digital advertising	38,168	31,004
Subscriber fees	123,466	124,455
Production revenue[2]	33,539	34,693
Program license sales	27,339	25,020
Retransmission rights	14,000	5,398
Program sponsorship	1,455	1,681
Other services	4,030	4,582
Revenue from contracts with customers	**457,583**	**444,581**
Foreign exchange (loss) gain	(608)	421
Net gain from the change in fair value of financial instruments	1,318	92
Leasing income	33,919	28,984
Financing and investment income	10,883	11,106
Other gains and losses	1,318	4,962
Other sources of income*	**46,830**	**45,565**
	504,413	**490,146**

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

[1] For the year ended March 31, 2020, TV advertising included revenue from exchange of services of $1.9 million (2019 - $2.2 million).

[2] For the year ended March 31, 2020, Production revenue included revenue from exchange of services of $12.5 million (2019 - $12.0 million).

ACCOUNTING POLICIES - ADVERTISING

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
We offer advertising services through our 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	2020	2019
Advertising revenue		
English services	115,789	112,526
French services	137,965	136,226
Total advertising revenue	**253,754**	**248,752**

ACCOUNTING POLICIES – SUBSCRIBER FEES

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
We provide ongoing delivery of programming to: ● Cable, national direct to home satellite, or internet protocol television service providers (commonly referred as Broadcast Distribution Undertakings or "BDUs") through discretionary channel 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 we make our 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 we make our 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	2020	2019
Subscriber revenue		
English services	63,610	66,586
French services	59,856	57,869
Total subscriber revenue	**123,466**	**124,455**

ACCOUNTING POLICIES - OTHER INCOME

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE 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 our facilities, equipment as well as labour hours. • Host broadcasting services – We enter 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 receives and consumes the benefits of our facilities and services rental. We are 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.
Our **sale of program licences** is earned when we enter 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 programs, 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 we enter 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 IFRS 16 - *Leases*.

Supporting Information

For the year ended March 31	2020	2019
Other income		
Production revenue		
English services	16,992	18,226
French services	16,547	16,467
Total production revenue	**33,539**	**34,693**
Program license sales		
English services	19,466	17,806
French services	7,873	7,214
Total program license sales	**27,339**	**25,020**
Leasing income*	33,919	28,984
Retransmission rights	14,000	5,398
Program sponsorship	1,455	1,681
Other services	4,030	4,582
Other gains and losses*	1,318	4,962
Foreign exchange (loss) gain*	(608)	421
Net gain from the change in fair value of financial instruments*	1,318	92
	55,432	**46,120**
Total other income	**116,310**	**105,833**

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

Contract Balances

Contract assets represent our 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, we are entitled to revenue from retransmission rights as distant signals are retransmitted in Canada or overseas. Our right to consideration is dependent upon the tariff set by the Copyright Board of Canada and our share within various retransmission rights collectives.

Contract assets are presented under “Trade and Other Receivables” in our Consolidated Statement of Financial Position. Trade and Other Receivables include $9.1 million of contract assets as at March 31, 2020 (March 31, 2019 – $11.1 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 host broadcasting and program sponsorship revenue streams. Contract liabilities are presented as current liabilities under “Deferred Revenue” in our Consolidated Statement of Financial Position. Deferred Revenue include $7.7 million of contract liabilities as at March 31, 2020 (March 31, 2019 - $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. We have elected to apply the practical expedient to exclude amounts related to contracts that have an original expected duration of one year or less.

20. GOVERNMENT FUNDING

We receive a substantial portion of our 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 our 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 in our Consolidated Statement of Financial Position, with income being recognized in our 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 our Consolidated Statement of Income.	We are 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 our 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 we received are as follows:

For the year ended March 31	2020	2019
Operating funding received		
Base funding	1,114,467	1,114,500
Net transfer to capital funding	(16,353)	(16,678)
Operating funding received	**1,098,114**	**1,097,822**
Capital funding received		
Base funding	92,331	92,331
Net transfer from operating funding	16,353	16,678
Capital funding received	**108,684**	**109,009**
Working capital funding	**4,000**	**4,000**
	1,210,798	**1,210,831**

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.

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

B. Deferred capital funding

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

	March 31, 2020	March 31, 2019
Opening balance	528,170	531,068
Government funding for capital expenditures	108,684	109,009
Amortization of deferred capital funding	(106,944)	(111,907)
Balance, end of year	**529,910**	**528,170**

21. FINANCE COSTS

Finance costs comprise the interest attributable to bonds payable, notes payable, lease liabilities and the accretion of liabilities.

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

Supporting Information

Finance costs include the following:

For the year ended March 31	2020	2019
Interest on financial obligations (Note 16)	18,095	19,778
Interest on lease liabilities (Note 17)	5,559	190
Other non-cash finance costs	699	205
	24,353	**20,173**

22. 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*. Our activities are not subject to provincial taxes.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
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. Current tax Taxable net results differ from net results as reported in our 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. Our liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, we operate within a specific operating structure to match cash expenses with available resources, and to break even over the long term. We use appropriations only to the extent required to fund our operating expenses, and may not borrow to fund working capital shortfalls. Therefore, we do 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 our consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.	Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because we do not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure.

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 our federal statutory tax rate of 25.00% (2019 – 25.00%) to accounting profit as follows:

For the year ended March 31	2020	2019
Income tax provision at federal statutory rate	(14,776)	(13,612)
Permanent differences	1,614	(350)
Increase resulting from adjustments to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	13,162	13,962
	-	-

The tax rate used for the 2020 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

For the year ended March 31	2020	2019
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability		
Accrued liabilities	34,418	36,067
Lease liabilities	348,359	-
Deferred revenue	-	8,142
Pension plans	(569,215)	(374,575)
Employee-related liabilities	114,117	122,580
Loss carry-forward	48,360	13,454
Non-current receivables and investments	1,552	974
Deferred income for tax purposes related to the sale of receivables	(26,611)	(29,091)
Property and equipment	(155,799)	(130,860)
Right-of-use (ROU) assets	(346,204)	-
Other	(20,305)	(17,978)
Total	**(571,328)**	**(371,287)**

The loss carry-forwards will begin to expire in 2036.

23. SUPPLEMENTAL CASH FLOW INFORMATION

A. Movements in Working Capital

For the year ended March 31	**2020**	2019
Changes in Working Capital are comprised of:		
Trade and other receivables	4,768	63,636
Programming asset	(36,011)	(23,948)
Prepaid expenses	(6,184)	2,876
Accounts payable and accrued liabilities	4,428	(3,235)
Provisions	(656)	(14,455)
Pension plans and employee-related liabilities	7,642	53,719
Programming liability	(5,659)	(9,492)
Deferred revenue and other liabilities	9,137	(7,322)
	(22,535)	**61,779**

B. Changes in Liabilities Arising from Financing Activities

		Cash flows		Non-cash changes	
	April 1, 2019	Capital	Interest and other changes	Other changes	**March 31, 2020**
Repayment of lease liabilities*	5,760	(32,346)	(5,556)	380,501	348,359
Repayment of financial obligations	291,846	(25,786)	(18,725)	18,095	265,430
Distributions to non-controlling interests	636	-	-	74	710
Total liabilities from financing activities	**298,242**	**(58,132)**	**(24,281)**	**398,670**	**614,499**

*As part of the adoption of IFRS 16, lease payments are now recognized as financial liabilities ("lease liabilities") that represent our obligation to make future lease payments.

OTHER

This section discloses information related to our financial instruments, capital management, related parties, commitments and subsequent events.

24. FINANCIAL INSTRUMENTS

Outlined below are our financial instruments and related financial risk management objectives, our policies and our exposure and sensitivity to financial risks.

ACCOUNTING POLICIES

Recognition
Financial assets and financial liabilities are recognized when we become 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. Our 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The measurement of the expected credit loss ("ECL") allowance for our financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

Supporting Information

A. Classification and Risks Overview

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

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

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

B. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. We record 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. Our maximum exposure to credit risk at March 31, 2020 and March 31, 2019 is the carrying value of these assets.

Cash

We have 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.

We established an allowance for doubtful accounts that reflects the lifetime ECL of our trade receivables as permitted under IFRS 9 simplified approach. We have a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. This is determined by considering our 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, we consider 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, our 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 our average credit term of 30 days. As such, a significant portion of our trade receivables are past due but not impaired and the collection period is not necessarily an indicator of credit risk.

Since we are largely funded through parliamentary appropriations, we have determined that we are not subject to the concentration of credit risk typical of broadcasters who mostly rely on commercial revenue. We do not have a material concentration of credit risk with any single customer and mitigate the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers.

We do 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, 2020	March 31, 2019
31 - 60 days	24,321	25,965
61 - 90 days	13,700	15,461
Over 90 days	16,906	19,032
Total	**54,927**	**60,458**

	March 31, 2020	March 31, 2019
Opening balance	(506)	(1,106)
Amounts written off during the year as uncollectible	281	713
Impairment losses reversed	-	(56)
Net increase in allowance for new impairments	(159)	(57)
Balance, end of year	**(384)**	**(506)**

Promissory notes receivable and Investment in finance lease

Our promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when we 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, we ensured that the counterparty met our criteria with regards to credit worthiness and risk, especially given the long-term nature of the receivables. We monitor 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.

Bonds receivable

Under the *Broadcasting Act*, we are allowed to invest any money administered by it in bonds or other securities of, or guaranteed by, the Government of Canada. As such, our 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.

Derivative financial instruments

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. We place our currency hedging business with different counterparties that meet this criterion.

C. Liquidity Risk

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

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

We do 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 our financial liabilities based on the expected cash flows from the date of our Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows. Refer to Note 3A for more details on the impact of our adoption of IFRS 16 *Leases*.

		Contractual cash flows			
	Carrying amount of liability at March 31, 2020	**Total**	Within 1 Year	2 to 5 Years	Over 5 Years
Financial Obligations (Note 16)	265,430	333,838	44,512	178,047	111,279
Lease Liabilities (Note 17)	348,359	481,865	27,498	99,854	354,513
Total	**613,789**	**815,703**	**72,010**	**277,901**	**465,792**

		Contractual cash flows			
	Carrying amount of liability at March 31, 2019	**Total**	Within 1 Year	2 to 5 Years	Over 5 Years
Financial Obligations (Note 16)	291,846	378,349	44,512	178,047	155,790
Lease Liabilities (Note 17)	5,760	6,112	706	5,406	-
Total	**297,606**	**384,461**	**45,218**	**183,453**	**155,790**

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. We are mainly exposed to currency and interest rate risks.

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. We are 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 us to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

We mitigate this risk by entering into forward exchange contracts. Accordingly, we have limited sensitivity to changes in foreign exchange rates.

In terms of net foreign currency exposure, we are mostly exposed to the US dollar (expressed in Canadian equivalent dollars) as follows:

	March 31, 2020	March 31, 2019
Cash	1,300	2,032
Trade and other receivables	350	419
Accounts payable and accrued liabilities	(7,137)	(3,457)
Net exposure	**(5,487)**	**(1,006)**

Exposure to other foreign currencies is immaterial (2019 – 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. Our 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 our profit or loss.

For our short-term cash balances, we have a policy of maximizing interest revenue. We may place our 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, we deal with a number of banks to obtain competitive rates and to mitigate our exposure to any one particular investment vehicle.

G. Fair Value

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

	March 31, 2020		March 31, 2019			
	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	72,386	72,386	89,697	89,697	Level 1	(a)
Derivative financial instruments	1,410	1,410	92	92	Level 2	(c)
Financial assets	**73,796**	**73,796**	**89,789**	**89,789**		
Financial instruments measured at amortized cost:						
Bonds receivable (current)	85,680	86,090	163,092	163,976	Level 2	(b)
Promissory notes receivable (current)	3,498	3,498	3,264	3,264	Level 2	(a)
Trade and other receivables	138,398	138,398	142,387	142,387	Level 2	(a)
Investment in finance lease (current)	3,878	3,878	3,630	3,630	Level 2	(a)
Promissory notes receivable (non-current)	27,855	31,682	31,352	35,160	Level 2	(c)
Investment in finance lease (non-current)	30,346	36,216	34,224	39,833	Level 2	(c)
Financial assets	**289,655**	**299,762**	**377,949**	**388,250**		
Accounts payable and accrued liabilities	115,968	115,968	119,257	119,257	Level 2	(a)
Financial obligations (current)	34,607	34,607	33,552	33,552	Level 2	(a)
Financial obligations (non-current)	230,823	279,374	258,294	308,955	Level 2	(d)
Financial liabilities	**381,398**	**429,949**	**411,103**	**461,764**		

[1]Method refers to the hierarchy levels described in Note 2.C. 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, 2020.

(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 our 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 our credit worthiness.

25. CAPITAL MANAGEMENT

We are 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.

We define capital that we manage as the aggregate of our equity, which consists of retained earnings.
Our objectives in managing capital are as follows:

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

We manage our capital by reviewing formally, on a regular basis, the actual results against set budgets, and share this information with its Audit Committee and Board of Directors. Our overall strategy with respect to capital management includes the balancing of our operating and capital activities with our funding on an annual basis. We make adjustments to our capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and our working capital requirements.

Our objectives, policies and processes for managing capital are consistent with those in place at March 31, 2019.

We are not subject to externally imposed capital requirements.

26. RELATED PARTIES

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

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
We enter 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. We record these transactions at fair value. We have 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 or judgments related to related parties.

Supporting Information

We recorded transactions with related parties at fair value.

A. Transactions with Related Parties Excluding Government-Related Entities

The transactions carried out with related parties were at fair value and are not significant.

In addition, cash payments for our contributions to the defined benefit plans are disclosed in Note 15 E.

There are no amounts owing to related parties at March 31, 2020 (March 31, 2019 – nil) and no expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. Transactions with Government-Related Entities

We are 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"). We have 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, $85.7 million was invested in Canada Mortgage Bonds (CMB) during the year (March 31, 2019 - $163.1 million), of which $41.8 million relates to the proceeds received from selling the existing Maison de Radio-Canada premises (March 31, 2019 - $127.3 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.

Contract with other Government-Related Entity
We will be designing and implementing a free virtual language learning platform for all Canadians, in support of bilingualism. We have received $4.9 million from the Government of Canada for the provision of services required to create this new platform which we recorded as deferred revenue. Through the program, Canadians will have access to a virtual learning environment, materials based on current events in Canada, Canadian cultural and artistic content, educational resources to help learners progress from a basic to an advanced level, and stimulating teaching tools to improve second-language comprehension and expression.

C. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling our activities. 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, 2020	March 31, 2019
Short-term benefits[1]	4,384	4,200
Post-employment benefits[2]	2,294	1,883
Other benefits[3]	437	1,129
	7,115	**7,212**

[1]Short-term benefits include wages, salaries, social security 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 and 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 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, severances and long-service gratuity.

The total compensation paid to members of the Board of Directors, excluding the President and CEO, during the year was $0.2 million (2019 - $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.

27. 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 we have yet to receive or provide the goods or services contractually agreed.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
We are a lessor in several leasing arrangements, which requires management to determine whether the lease is a finance lease or an operating lease. To classify each lease, management assesses whether the lease transfers substantially all the risks and rewards of ownership. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. We recognize lease payments received under operating leases as income on a straight-line basis over the lease term under "Other income". When we are an intermediate lessor, we account for our interest in the head lease and the sub-lease separately. We assess the lease classification of a sub-lease with reference to the right-of-use (ROU) asset arising from the head lease. If an arrangement contains lease and non-lease components, we apply IFRS 15 to allocate the consideration in the contract.	The determination that an arrangement to lease a portion of a building that we own 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 we are contractually committed, but which do not meet the criteria for inclusion in our Consolidated Statement of Financial Position.

	March 31, 2020	March 31, 2019
Facilities Management	84,845	25,549
Programming	170,273	197,356
Transmission and distribution	25,321	11,807
Maintenance and support	69,912	54,880
Property and equipment and intangibles[1]	13,230	39,324
Other	77,993	25,165
	441,574	**354,081**

[1]Property and equipment and intangibles include an amount of $2.6 million related to contractual commitments for the acquisition of intangible assets as at March 31, 2020 (March 31, 2019 - $3.0 million)

Future annual payments as of March 31, 2020 are as follows:

	March 31, 2020	March 31, 2019
Less than one year	172,310	189,125
Later than one year but not later than five years	205,310	158,701
More than five years	63,954	6,255
	441,574	**354,081**

Commitments related to financial obligations are disclosed in Note 24 C.

B. Non-Cancellable Leases

Following the adoption of IFRS 16 on April 1, 2019, the lease component of obligations to lessors is now recognized on the Consolidated Statement of Financial Position and presented under "Lease liabilities". The non-lease component of these obligations and operating leases outside the scope of the new standard are presented below.

As at March 31, 2020, future aggregate payments under non-cancellable leases are as follows:

	March 31, 2020	March 31, 2019[1]
Less than one year	19,738	13,585
Later than one year but not later than five years	71,361	77,534
More than five years	324,394	333,783
	415,493	**424,902**

[1] Commitments under non-cancellable leases as at March 31, 2019 have been revised to exclude the lease component of future payments.

The amounts presented above include a total of $412.8 million (2019 - $422.4 million) representing operating costs and property taxes payable.

C. Revenue-Generating Leases

Operating leases relate to buildings and transmission towers that we own with remaining lease terms between one to 90 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, 2020	March 31, 2019
Less than one year	11,515	10,371
Later than one year but not later than five years	52,699	50,342
More than five years	339,576	336,881
	403,790	**397,594**

In addition to the amounts presented above, we expect to receive amounts related to operating expenses and property taxes under building leases for a total of $78.0 million (March 31, 2019 - $78.1 million).

28. SUBSEQUENT EVENTS

Since early 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to Canadian businesses and worldwide, resulting in an economic slowdown.

In Canada, the government has responded with an aggressive economic stimulus plan designed to combat the economic fallout from the COVID-19 pandemic while the Bank of Canada has stepped in with monetary interventions to keep capital flowing in financial markets.

In addition to the impacts of the pandemic which occurred during the financial year ended March 31, 2020, adjustments have been made for all subsequent events that occurred between April 1, 2020 and the issuance of these financial statements. Refer to Note 2.B. Significant Items impacting the Current Year for a summary of impacts on the financial statements.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Corporation for future periods.