CONSOLIDATED FINANCIAL STATEMENTS

2018-2019

TABLE OF CONTENTS – CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Commitments (NOTE 30)

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

APPROVED BY THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

CONSOLIDATED STATEMENT OF INCOME (LOSS)

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

BUSINESS AND ENVIRONMENT

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

1. GENERAL INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

B. Basis of Preparation

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

i) Principles of Consolidation

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

Information about the Corporation's Subsidiary and Structured Entities

Subsidiary

The Corporation's Canadian subsidiary is:

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

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

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

Consolidated Structured Entities

The Corporation has two structured entities:

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

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

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

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

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

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

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

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

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

ii) Operating Expenses

Television, Radio and Digital Services Costs

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

Transmission, Distribution and Collection Costs

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

iii) Fair Value Measurement

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

The three levels of the fair value hierarchy are:

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

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

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

iv) Asset Impairment

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

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

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

v) Deferred Charges

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

vi) Regulatory Licenses

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

vii) Additional Significant Accounting Policies

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

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

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

viii) Change in Critical Accounting Estimate

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

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

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

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

IFRS 15 *Revenue from Contracts with Customer*s

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

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

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

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

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

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

IFRS 9 *Financial Instruments*

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

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

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

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

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

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

B. Future Accounting Changes

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

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

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

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

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

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

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

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

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

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

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

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

Supporting information

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

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

ASSETS AND LIABILITIES

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

4. CASH

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

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

5. TRADE AND OTHER RECEIVABLES

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

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

Supporting Information

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

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

6. PROGRAMMING

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

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

Expense Recognition Schedule

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

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

N/A - Not applicable

[1] Method of broadcasting consecutive episodes.

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

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

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

Supporting Information

A. Programming by Category

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

B. Movement in Programming

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

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

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

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

7. PROMISSORY NOTES RECEIVABLE

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

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

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

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

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

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

8. INVESTMENT IN FINANCE LEASE

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

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

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

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

9. BONDS RECEIVABLE

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

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

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

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

10. PROPERTY AND EQUIPMENT

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

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

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

Critical Accounting Estimates and Judgments (continued)

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

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

Supporting Information

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

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

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

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

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

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

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

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

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

B. Impairment and Other Charges

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

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

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

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

C. Assets Classified as Held for Sale

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

D. Disposals

For the fiscal year ended March 31, 2019

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

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

For the fiscal year ended March 31, 2018

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

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

11. INTANGIBLE ASSETS

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

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>Software acquired separately is recorded at cost at the acquisition date.

Expenditures relating to internally developed computer software applications are capitalized when the following criteria are met:
● The applications are technically feasible;
● The Corporation intends to complete the asset and to use it;
● The Corporation has the ability to use the asset;
● The development costs can be reliably measured;
● The Corporation has the adequate technical, financial and other resources to complete the development of the asset and to use it; and
● It is probable that the asset will generate future economic benefits.

The amount initially recognized for internally developed software is the total of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use.

Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred.

Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions on the Consolidated Statement of Income (Loss), for presentation purposes.

The Corporation derecognizes an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale net proceeds and the carrying amount of the asset and is recognized as other gains and losses in the Consolidated Statement of Income (Loss).</td><td>The Corporation uses judgment to determine whether expenditures it has made on intangible items meet the recognition criteria for capitalization. Since intangible assets are accounted for at cost and amortized on a straight-line basis over their estimated useful lives, the Corporation is required to estimate the expected useful lives of these assets.

In determining the expected useful lives of these assets, the Corporation takes into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets.

The appropriateness of useful lives of these assets and their amortization method are assessed annually with the effect of any changes in estimate being accounted for on a prospective basis.

Changes to useful life estimates would affect future amortization expenses and future carrying values of assets.</td></tr>
</table>

Supporting Information

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

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

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

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

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

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

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

12. ASSETS UNDER FINANCE LEASES

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

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

Supporting Information

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

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

13. DISPOSAL OF MAISON DE RADIO-CANADA PREMISES

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

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

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

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

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

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

Net gain on disposal of the MRC premises:

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

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

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

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

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

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

15. PROVISIONS

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

Supporting Information

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

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

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

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

16. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

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

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

OPEB AND EMPLOYEE BENEFITS OTHER THAN POST-EMPLOYMENT BENEFITS

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td><u>OPEB</u>

Other post-employment benefits (OPEB) liabilities are recognized as follows:
For long-term disability and workers’ compensation when the event that obligates the Corporation occurs;
For continuation of benefit coverage for employees on long-term disability and the non-contributory long-term benefit plan, the provision is determined on an actuarial basis using discount rates and assumptions consistent with those used for post-employment benefits and the related expense is recognized over the period the employees render the services. Actuarial gains (losses) and past service costs are recognized immediately in the Consolidated Statement of Income (Loss) in the period they occur.
<u>Employee benefits other than post-employment benefits</u>

The Corporation recognizes the expense relating to short-term benefits including short-term compensated absences as follows:
For salaries, social security contribution, bonuses and vacations in the period the employees render the services;
For employee health, dental and life insurance plans in the period the expenses are incurred; and
For short-term non-accumulating compensated absences such as sick leave, parental leave, short-term disability and workers’ compensation in the period the absence occurs.
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.</td><td>There are no critical accounting estimates and judgments related to employee benefits other than those relating to the primary actuarial assumptions discussed previously.</td></tr>
</table>

TERMINATION BENEFITS

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the Corporation recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of a voluntary departure, the Corporation can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on the Corporation's ability to withdraw the offer exists. In the case of an involuntary departure, the Corporation can no longer withdraw an offer of termination benefits when it has communicated to the affected employees a plan of termination.</td><td>There are no critical accounting estimates and judgments related to termination benefits.</td></tr>
</table>

Supporting Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Unfunded non-contributory defined benefit pension plan</u>
The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

<u>Non-contributory long-term benefit plans</u>
The Corporation provides the following long-term employee benefits to its employees:

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

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

B. Significant Actuarial Assumptions

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

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

C. Sensitivity Analysis

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

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

N/A = not applicable

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

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

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

Its main findings were:

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

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

D. Contribution Rate

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

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

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

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

E. Total Cash Payments

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

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

F. Maturity Profile

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

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

N/A = not applicable

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

G. Defined Benefit Obligation

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

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

H. Fair Value of Plan Assets

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

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

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

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

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

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

I. Defined Benefit Plan Costs

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

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

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

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

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

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

17. BONDS PAYABLE

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

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

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

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

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

18. OBLIGATIONS UNDER FINANCE LEASES

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

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

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

19. NOTES PAYABLE

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

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

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

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

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

20. DEFERRED REVENUE

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

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

Supporting Information

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

INCOME, EXPENSES AND CASH FLOWS

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

21. REVENUE

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

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>
Revenue is recognized when control of the promised goods and services is transferred to the Corporation's customers in an amount that reflects the consideration expected in exchange for those goods and services. The Corporation's primary revenue streams are:

Advertising;
Subscriber fees;
Production revenue;
Program license sales, and;
Retransmission rights.

The transaction price of a contract for any of these revenue streams can include fixed and variable consideration as well as, infrequently, non-monetary compensation that is measured at its fair value. If the Corporation cannot reasonably estimate the fair value of the non-monetary compensation, the Corporation measures the consideration received indirectly by reference to the stand-alone selling price of the goods or services transferred.
Consistent with other organizations in the industry, sale of advertising airtime are primarily made through agencies. These agencies typically remit their payment within 90 days. For other revenue streams, payment is typically received within 30 days, which are the Corporation's average credit terms.
Detailed accounting policies are presented below for each of the Corporation's main revenue stream.
<u>Arrangements with Multiple Performance Obligations</u>
The Corporation's contracts with customers may include multiple performance obligations. For such arrangements, the Corporation allocates the transaction price to each identified performance obligation based on its relative standalone selling price. The Corporation generally determines standalone selling prices based on the prices charged to customers of the same class in similar transactions.
<u>Practical expedients</u>
The Corporation has elected to use the following practical expedients:

The Corporation has elected not to restate contracts that have been completed at the beginning of the earliest period presented.

</td><td>
Judgment is required in the identification of performance obligations in each of the major revenue streams.
Furthermore, judgment is required in the determination of the stand-alone selling price of some performance obligations for purposes of allocating the transaction price.
All of the above have the potential to result in a different timing of revenue recognition arising from the estimates and judgments made.
For more details about our critical judgments by revenue stream, refer to the tables below.
</td></tr>
</table>

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

Supporting information

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

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

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

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

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

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

Changes in Presentation

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

ACCOUNTING POLICIES – ADVERTISING

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

Supporting information

For the year ended March 31

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

ACCOUNTING POLICIES – SUBSCRIBER FEES

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

Supporting information

For the year ended March 31

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

ACCOUNTING POLICIES – OTHER INCOME

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

Supporting information

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

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

Contract Balances

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

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

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

Transaction price allocated to the remaining performance obligations

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

22. GOVERNMENT FUNDING

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

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

Supporting Information

A. Government funding received

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

For the year ended March 31

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

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

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

B. Deferred capital funding

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

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

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

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

23. FINANCE COSTS

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

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

Supporting Information

The Corporation's finance costs include the following:

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

24. GAIN ON SALE OF SHARES

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

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

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

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

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

25. INCOME TAXES

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

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. <u>Current tax</u> Taxable net results differ from net results as reported in the Consolidated Statement of Income (Loss) because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. <u>Deferred tax</u> As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to break even over the long term. The Corporation uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, a deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.	Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because the Corporation does not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure.

Supporting Information

A. Income Tax Recognized in Net Results

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

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

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

B. Temporary Differences

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

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

26. SUPPLEMENTAL CASH FLOW INFORMATION

A. Movements in Working Capital

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

B. Changes in Liabilities Arising from Financing Activities

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

OTHER

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

27. FINANCIAL INSTRUMENTS

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

<table>
<tr><th>ACCOUNTING POLICIES</th><th>CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</th></tr>
<tr><td>
<u>Recognition</u>

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Classification and measurement of financial instruments: Financial assets are classified and subsequently measured at amortized cost or fair value through profit or loss based on both the Corporation's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Corporation's financial assets are classified and measured as follows:

● Financial assets held for the purpose of collecting contractual cash flows ("held to collect") that represent solely payments of principal and interest ("SPPI") are classified and measured at amortized cost;

● Financial assets that are not considered to be solely payments of principal and interest are classified and measured (see table below) at fair value through profit or loss ("FVTPL");

● Financial liabilities are classified and measured at amortized cost.

Derivative financial instruments are classified and measured at FVTPL.

Impairment of financial assets: The new impairment model is an expected credit loss ("ECL") model which implies both an earlier recognition of impairment losses and a disclosure of more timely and forward-looking information. Additionally, it is no longer necessary for a loss event to occur before an impairment loss is recognized.

The simplified approach is applied to trade receivables and contract assets that result from transactions within the scope of IFRS 15. Under the simplified approach, a loss allowance based on lifetime ECL is determined by historical loss rates, adjusted for current conditions and forward looking information, and applied to segments of receivable balances at each reporting date. The ECL for all other financial assets is determined by the present value of the cash shortfalls over the upcoming 12-month period.
</td><td>There are no critical accounting estimates and judgments related to financial instruments.</td></tr>
</table>

Supporting Information

A. Classification and Risks - Overview

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

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

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

B. Credit Risk

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

Cash

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

Trade and other receivables

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

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

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

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

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

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

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

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

Promissory notes receivable and Investment in finance lease

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

Bonds receivable

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

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. The Corporation places its currency hedging business with different counterparties that meet this criterion.

C. Liquidity Risk

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

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

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

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

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

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

D. Market Risk

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

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

E. Currency Risk

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

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

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

F. Interest Rate Risk

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

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

G. Fair Value

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

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

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

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

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

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

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

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

28. CAPITAL MANAGEMENT

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

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

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

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

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

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

The Corporation is not subject to externally imposed capital requirements.

29. RELATED PARTIES

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

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

Supporting Information

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

A. Transactions with Related Parties Excluding Government-Related Entities

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

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

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

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

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

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

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

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

Transactions with Government-Related Entities

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

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

B. Compensation of Key Management Personnel

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

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

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

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

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

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

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

The remuneration of key management personnel is determined as follows:

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

30. COMMITMENTS

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

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

A. Program Related and Other

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

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

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

Future annual payments are as follows:

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

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

B. Non-Cancellable Leases

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

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

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

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

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

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

C. Revenue-Generating Leases

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

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

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

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

BC1-0708-9392
BC1E-PDF-1912-239X

Publication and distribution: Corporate
Communications CBC/Radio-Canada
181 Queen St.
PO Box 3220, Station C Ottawa, Ontario
Canada K1Y 1E4
613 288-6000
cbc.radio-canada.ca/en/contact-us
cbc.radio-canada.ca