

Consolidated Statement of Financial Position

<i>(Canadian \$)</i>			
<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
ASSETS			
Current			
Cash (NOTE 6)	64,277	63,224	53,170
Trade and other receivables (NOTE 7)	177,331	173,598	194,656
Programming (NOTE 8)	166,104	163,658	178,243
Merchandising inventory	811	1,089	1,703
Prepaid expenses (NOTE 9)	113,370	138,361	148,215
Promissory notes receivable (NOTE 10)	2,158	2,023	1,897
Net investment in finance lease (NOTE 11)	2,499	2,351	2,214
Derivative financial instruments (NOTE 30)	133	-	-
Asset classified as held for sale	234	154	-
	526,917	544,458	580,098
Long-term			
Property and equipment (NOTE 12)	1,047,988	1,080,595	1,088,189
Intangible assets (NOTE 13)	28,435	39,687	47,725
Assets under finance lease (NOTE 14)	48,242	56,242	55,591
Pension plan (NOTE 17)	-	148,769	-
Long-term receivables	-	-	10,090
Promissory notes receivable (NOTE 10)	49,903	51,765	53,788
Net investment in finance lease (NOTE 11)	54,077	56,577	58,928
Deferred charges	7,806	3,003	16,467
Investment in associate (NOTE 15)	6,208	17	7,260
	1,242,659	1,436,655	1,338,038
TOTAL ASSETS	1,769,576	1,981,113	1,918,136
LIABILITIES			
Current			
Accounts payable and accrued liabilities (NOTE 16)	124,638	124,146	126,348
Provisions (NOTE 21)	39,062	35,572	55,817
Pension plans and employee-related liabilities (NOTE 17)	129,850	136,512	125,323
Bonds payable (NOTE 18)	20,093	19,642	19,223
Financial liability related to the monetization of receivables	-	10,337	10,174
Obligations under finance lease (NOTE 19)	9,945	9,343	7,300
Notes payable (NOTE 20)	7,794	7,625	6,514
Deferred revenues	3,511	3,825	2,185
Option liability (NOTE 15)	1,875	-	-
Derivative financial instruments (NOTE 30)	11	715	297
	336,779	347,717	353,181
Long-term			
Investment in associate (NOTE 15)	-	1,417	1,417
Deferred revenues	2,587	2,726	2,303
Pension plans and employee-related liabilities (NOTE 17)	333,207	210,268	329,907
Bonds payable (NOTE 18)	288,533	299,237	309,179
Financial liability related to the monetization of receivables	-	-	10,221
Obligations under finance lease (NOTE 19)	54,206	64,136	65,676
Notes payable (NOTE 20)	118,885	124,453	129,757
Deferred capital funding (NOTE 25)	574,027	602,025	632,221
	1,371,445	1,304,262	1,480,681
Equity			
Retained earnings	60,996	32,187	91,669
Accumulated other comprehensive income (loss)	-	5,000	(7,675)
Total equity attributable to the Corporation	60,996	326,871	83,994
Non-controlling interests	356	2,263	280
TOTAL EQUITY	61,352	329,134	84,274
TOTAL LIABILITIES AND EQUITY	1,769,576	1,981,113	1,918,136
Commitments (NOTE 28)			

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

APPROVED BY THE
BOARD OF DIRECTORS:

Consolidated Statement of Income (Loss)

<i>(Canadian \$)</i>	For the year ended March 31	
<i>(in thousands of dollars)</i>	2012	2011
REVENUE (NOTE 22)		
Advertising	375,725	367,700
Specialty services (NOTE 23)	167,754	158,108
Other income	136,344	127,497
Financing income	9,141	9,032
	688,964	662,337
EXPENSES		
Television, radio and new media services costs	1,586,150	1,559,221
Specialty services (NOTE 23)	134,228	133,934
Transmission, distribution and collection	72,768	78,646
Corporate management	11,423	11,683
Payments to private stations	2,766	3,018
Finance costs (NOTE 24)	33,455	35,042
(Profit) loss on investment in associate	(21)	12,675
	1,840,769	1,834,219
Operating loss before Government funding and non-operating items	(1,151,805)	(1,171,882)
GOVERNMENT FUNDING (NOTE 25)		
Parliamentary appropriation for operating expenditures	1,028,047	1,031,581
Parliamentary appropriation for working capital	4,000	4,000
Amortization of deferred capital funding	130,270	131,760
	1,162,317	1,167,341
Net results before non-operating items	10,512	(4,541)
NON-OPERATING ITEMS		
Dilution gain from merger transaction (NOTE 15)	25,775	-
Dividend income from merger transaction (NOTE 15)	5,094	-
Net loss on disposal of property and equipment	(517)	(2,859)
	30,352	(2,859)
Net results for the year	40,864	(7,400)
Net results attributable to:		
The Corporation	40,940	(7,361)
Non-controlling interests	(76)	(39)
	40,864	(7,400)

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

Consolidated Statement of Comprehensive Income (Loss)

(Canadian \$)
(in thousands of dollars)

	For the year ended March 31	
	2012	2011
COMPREHENSIVE INCOME		
Net results for the year	40,864	(7,400)
Other comprehensive income (loss)		
Actuarial gains (losses) on defined benefit plans	(30,185)	237,563
Net unrealized gain on available-for-sale financial assets	94	12,675
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from merger transaction	(5,094)	-
Total comprehensive income (loss) for the year	(265,951)	242,838
Total comprehensive income (loss) attributable to:		
The Corporation	(265,875)	242,877
Non-controlling interests	(76)	(39)
	(265,951)	242,838

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

Consolidated Statement of Changes in Equity

(Canadian \$)
(in thousands of dollars)

	For the year ended March 31, 2012				
	Retained earnings	Total accumulated other comprehensive income	Total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2011	321,871	5,000	326,871	2,263	329,134
Changes in year					
Net results for the year	40,940	-	40,940	(76)	40,864
Actuarial losses on post-retirement benefit plans	(30,185)	-	(30,185)		(30,185)
Net unrealized gain on available-for-sale financial assets	-	94	94	-	94
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from merger transaction	-	(5,094)	(5,094)	-	(5,094)
Put option related to shares held in a subsidiary	-	-	-	(1,875)	(1,875)
Issuance of shares by a subsidiary	-	-	-	44	44
Balance at March 31, 2012	60,996	-	60,996	356	61,352
	Retained earnings	Total accumulated other comprehensive income	Total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at April 1st, 2010	91,669	(7,675)	83,994	280	84,274
Changes in year					
Net results for the year	(7,361)	-	(7,361)	(39)	(7,400)
Actuarial gains on post-retirement benefit plans	237,563	-	237,563	-	237,563
Net unrealized gain on available-for-sale financial assets	-	12,675	12,675	-	12,675
Addition through acquisition	-	-	-	2,022	2,022
Balance at March 31, 2011	321,871	5,000	326,871	2,263	329,134

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

Consolidated Statement of Cash Flows

(Canadian \$)

(in thousands of dollars)

For the year ended March 31

	2012	2011
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net results for the year	40,864	(7,400)
Adjustments for:		
Net loss on disposal of property and equipment	517	2,859
Interest revenue	(9,141)	(9,032)
Finance costs	33,455	35,042
Change in fair value of financial instruments designated as at fair value through profit and loss	(837)	418
Depreciation of property and equipment	120,389	119,730
Amortization of intangible assets	16,963	17,887
Depreciation of assets under finance lease	8,000	7,401
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from merger transaction	(5,094)	-
(Profit) loss on investment in associate	(21)	12,675
Dilution gain from merger transaction	(25,775)	-
Change in deferred charges	(4,803)	13,464
Amortization of deferred capital funding	(130,270)	(131,760)
Change in long-term receivables	-	(410)
Change in deferred revenues [long-term]	(139)	423
Change in financial liability related to the monetization of receivables	(10,500)	(279)
Change in pension plan asset	148,769	88,794
Change in pension plans and employee-related liabilities [current]	(61)	(2,878)
Change in pension plans and employee-related liabilities [long-term]	(178,876)	(119,639)
Change in non-controlling interests	44	2,022
Accretion of promissory notes receivable	(194)	-
Movements in working capital (NOTE 27)	16,129	49,513
	19,419	78,830
FINANCING ACTIVITIES		
Repayment of obligation under finance lease	(9,324)	(7,569)
Repayment of bonds	(9,941)	(9,233)
Repayment of notes	(5,404)	(4,897)
Interest paid	(33,603)	(34,177)
	(58,272)	(55,876)
INVESTING ACTIVITIES		
Parliamentary appropriations for capital funding (NOTE 25)	102,272	101,564
Acquisition of property and equipment	(98,568)	(116,136)
Acquisition of intangible assets	(5,801)	(9,838)
Return of capital-investment in associate	9,855	-
Net cash outflow on investment in subsidiary	-	(2,750)
Proceeds from disposal of property and equipment	10,279	1,254
Collection of promissory notes receivable	5,079	1,722
Collection of finance lease receivables	1,958	1,825
Dividend received	5,094	-
Interest received	9,738	9,459
	39,906	(12,900)
Change in cash	1,053	10,054
Cash, beginning of the year	63,224	53,170
Cash, end of the year	64,277	63,224

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

Notes to the Consolidated Financial Statements for the Year Ended March 31, 2012

(Canadian \$)

1. General Information

CBC/Radio-Canada (the Corporation) is a federal Crown Corporation domiciled in Canada and subject to federal corporate income tax by virtue of the Income Tax Act (Canada) and the Regulations thereto. The address of the Corporation's registered office is 181 Queen Street, Ottawa ON K1P 1K9. CBC/Radio-Canada is not subject to any provincial corporate income taxes but is subject to sales taxes at both the federal and provincial levels.

As the national public broadcaster, the Corporation provides radio, television and new media services in both official languages, delivering predominantly and distinct 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 20, 2012.

2. Changes in Accounting Policies

A. Policies Used in Annual Financial Statements

The Accounting Standards Board (AcSB) confirmed in February 2008 that International Financial Reporting Standards (IFRS) would replace Canadian generally accepted accounting principles (Canadian GAAP) for publicly accountable enterprises, for financial periods beginning on and after January 1, 2011. Under the Public Sector Accounting Standards, the Corporation is classified as an "other government organization." As such, the Corporation was required to assess the most appropriate basis of accounting. After assessing various factors, the Corporation determined that IFRS constitutes the most appropriate basis of accounting. Accordingly, the Corporation has adopted IFRS effective April 1, 2011.

As described above, the Corporation's current annual consolidated financial statements are its first financial statements prepared using IFRS and IFRS 1 *First Time Adoption of International Financial Reporting Standards*. In preparing the Corporation's first annual financial statements, the Corporation has used the standards in effect as at March 31, 2012.

An explanation of how the transition to IFRSs has affected the reported financial position and financial performance of the Corporation is provided in Note 5 Transition to IFRS.

2. Changes in Accounting Policies (Continued)

B. Future Accounting Changes

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation. The Corporation is currently assessing the potential impact of each pronouncement on its consolidated financial statements.

IFRS 7 Amendments to IFRS 7 *Financial Instruments: Disclosures*

IFRS 7 was amended in October 2010 to provide additional disclosure on the transfer of financial assets including the possible effects of any residual risks that the transferring entity retains. These amendments are effective for annual reporting periods beginning after July 1, 2011.

IFRS 9 *Financial Instruments*

IFRS 9, issued in November 2009 and amended in October 2010, is part of a multi-step project to replace current IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has adopted an approach based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets and liabilities. On December 16, 2011, the IASB published amendments that defer the mandatory effective date for IFRS 9 and require certain additional disclosures to annual periods beginning on or after January 1, 2015.

IFRS 10 *Consolidated Financial Statements*

IFRS 10 replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation-Special Purpose Entities*. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This Standard will become effective for annual periods beginning on or after January 1, 2013.

IFRS 11 *Joint Arrangements*

IFRS 11, issued in May 2011, supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. IFRS 11 focuses on the rights and obligations of a joint arrangement, rather than its legal form as is currently the case under IAS 31. The standard addresses inconsistencies in the reporting of joint arrangements by requiring the equity method to account for interests in jointly controlled entities. IFRS 11 will become effective for annual periods beginning on or after January 1, 2013.

2. Changes in Accounting Policies (Continued)

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It aims at enabling users of financial statements to evaluate the nature of, and risk associated with, the Corporation's interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. IFRS 12 will become effective for annual periods beginning on or after January 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13 defines fair value, sets out in a single framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurement. This Standard will become effective for annual periods beginning on or after January 1, 2013.

IAS 1 Amendments to IAS 1 Presentation of financial statements

IAS 1 was amended in June 2011 to retain the "one or two statement" approach at the option of the entity, and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be "recycled" through profit and loss (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through other comprehensive income items under IFRS 9). These amendments will become effective for annual periods beginning on or after July 1, 2012.

IAS 12 Amendments to IAS 12 Income Taxes

IAS 12 was amended in December 2010 to provide an exception to the general principle in IAS 12 that the measurement of deferred tax assets and liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of the asset. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2012.

IAS 19 Amendments to IAS 19 Employee Benefits

IAS 19 was amended in June 2011 to eliminate the option to defer the recognition of gains and losses, to amend the presentation of changes in the defined benefit obligation and plan assets on the Statement of Comprehensive Income (Loss), to require the net interest to be calculated by using a high quality corporate bond yield, as well as to improve disclosure about the risks arising from defined benefit plans. These amendments are effective for annual periods beginning on or after January 1, 2013. The Corporation expects the implementation of this standard to result in a higher net interest expense recognized in net results with a corresponding decrease in other comprehensive income.

IAS 28 Investments in Associates and Joint Ventures

IAS 28 was amended in 2011 and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 is effective for annual periods beginning on or after January 1, 2013.

3. Significant Accounting Policies

A. Statement of Compliance

The Corporation has prepared these consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the Accounting Standards Board (AcSB). These are the Corporation's first audited consolidated financial statements prepared in accordance with IFRS, and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied.

B. Basis of Preparation

i. Subsidiaries and Special Purpose Entities

The consolidated financial statements include the accounts of the Corporation, its subsidiaries, ARTV and Documentary Channel (*documentary*), and two special purpose entities, the Broadcast Centre Trust and the CBC Monetization Trust. These entities are deemed to be controlled by the Corporation.

In the case of the subsidiaries, control is presumed to exist when: the Corporation owns, directly or indirectly, more than half of the voting power of an entity; has power over more than half of the voting rights by virtue of an agreement with other investors; has the power to govern the financial and operating policies of the entity under an agreement; has the power to appoint or remove the majority of the members of the board of directors; has the power to obtain benefits from the entity's activities; or has the power to cast the majority of votes at meetings of the board of directors.

The Corporation is deemed to be the primary beneficiary of the Broadcast Centre Trust and, as such, is deemed to be in control of the Broadcast Centre Trust. For the CBC Monetization Trust, control exists because the Corporation has guaranteed the collection of the CBC Monetization Trust's receivables.

The financial statements of subsidiaries and special purpose entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries and special purposes entities are consistent with those of the Corporation.

Non-controlling interests in the equity of the Corporation's subsidiaries are included in Equity. Non-controlling interests in subsidiaries are identified separately from the Corporation's equity therein. The interest of non-controlling shareholders that represent current ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of a liquidation may be initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

3. Significant Accounting Policies (Continued)

Changes in the Corporation's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the Corporation.

ii. Associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in investments accounted for using the equity method are initially recognized at cost. The carrying value of the Corporation's interest in an entity is adjusted for the Corporation's share of income, other comprehensive income and distributions of the entity. The accounting policies of associates are consistent with those of the Corporation.

When the Corporation's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the associate.

When the Corporation transacts with an associate of the Corporation, profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Investments are assessed for indicators of impairment at the end of each reporting period. Any impairment loss is recognized when the net carrying amount is not recoverable and exceeds its fair value.

C. Government Funding

The Corporation receives a substantial portion of its funding from the Government of Canada. Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognized as revenues in the Consolidated Statement of Income (Loss) in the fiscal year for which the appropriations were approved.

Parliamentary appropriations for property and equipment, intangible assets and assets under finance lease that are subject to depreciation are recorded as deferred capital funding on the Consolidated Statement of Financial Position, and are amortized on the same basis and over the same periods as the related property and equipment and intangible assets and assets under finance lease.

Parliamentary appropriations for the purchase of land are recorded in the Consolidated Statement of Income (Loss).

3. Significant Accounting Policies (Continued)

D. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable arising from the rendering of services and sale of goods in the ordinary course of the Corporation's activities. Revenue is net of discounts. Revenue includes advertising, specialty services, other income and financing income, and is recognized when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Corporation, and specific criteria have been met for each of the Corporation's activities described below.

i. Advertising revenues

Revenues from the sale of advertising airtime are recognized when the advertisement has been broadcast, the Corporation has no remaining obligations and collectability is reasonably assured.

ii. Specialty services

Revenues from specialty services include the sale of advertising airtime by specialty channels, subscriber revenues, and the sale of programs by the specialty channels to third-party broadcasters.

Revenues from the sale of advertising airtime are recognized when the advertisement has been broadcast, the specialty service has no remaining obligations, and collectability is reasonably assured.

Revenues from program sales and subscriber fees are recognized when the delivery has occurred, or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.

iii. Other income

Other income includes revenues from the leasing of space, facilities and services; commercial production sales; program sponsorship; retransmission rights; host broadcaster's activities; goods sales; and contributions from the Local Programming Improvement Fund (LPIF). These are recognized when the delivery has occurred or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.

Rental income from the leasing of space, facilities and services is recognized in the Consolidated Statement of Income (Loss) on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognized as other income.

Revenue from the sale of services is recognized when the service has been delivered and the receipt of the income is probable. Where the delivery is over a period of time and an indeterminate number of acts, the revenue is recognized on a straight line basis. Examples of services sold include commercial production sales, program sponsorship and other services revenues.

Retransmission rights and LPIF contributions are recognized on an accrual basis in accordance with the substance of the relevant agreements.

Revenue from the sale of goods is recognized when the risks and rewards of ownership of the goods have been passed to the customer and the Corporation has released all managerial involvement surrounding the goods.

3. Significant Accounting Policies (Continued)

iv. Financing Income

Financing income includes interest revenue from bank accounts, notes receivable and on the net investment in finance lease. Interest revenue from notes receivable and the net investment in finance leases is recognized using the effective interest method, whereas bank interest is recognized as it is earned.

E. Television, Radio and New Media Services Costs

Television, radio and new media services costs include all costs related to the production of programs, including direct out-of-pocket expenditures, departmental and administration expenses, the cost of activities related to technical labour and facilities. A portion of the expenses that are attributable to the cost 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 expenses. Television, radio and new media services costs also include programming-related activities, such as Marketing and Sales, Merchandising and Communications.

F. Finance costs

Finance costs comprise the interest attributable to bonds payable, the financial liability related to the monetization of receivables, obligations under finance lease and notes payable. Finance costs are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred using the effective interest method.

G. Programming

Programming consists of internally produced television programs, externally produced television programs that require the Corporation's involvement during the production, and acquired licence agreements for programming material.

Programming completed and in the process of production (excluding acquired licence 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. Programming costs are recognized in television, radio and new media services costs on the Consolidated Statement of Income (Loss), according to the expense recognition schedule, or when deemed unusable, or when sold.

Payments made under the terms of each acquired licence agreement are either recorded as prepaid expenses or as programming, depending on whether the programming recognition criteria indicated below have been met. If not initially met, licence agreements are recorded as prepaid expenses. They are transferred to programming when the following criteria are met: cost is determined, material is accepted and the program is available for broadcast. Costs are charged to operations according to the expense recognition schedule, or when deemed unusable or when sold.

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 new media services costs.

3. Significant Accounting Policies (Continued)

The amortization of programming costs is subject to the following expense recognition schedule, which is based on past broadcast experiences, audience results and future telecast plans. For programs with multiple telecasts, management uses the following recognition basis:

Category	Expense recognition schedule by telecast
Movies	50%/ 30%/ 20%
Dramatic series, comedy series, animated programs, mini-series (excluding strips ¹)	70%/ 30%
Family series	50%/ 30%/ 20%
Other drama series telecast as strips	Evenly over each telecast up to a maximum of five telecasts
Arts, music and variety (excluding strips)	70%/ 30%
Arts, music and variety series telecast as strips	50%/ 30%/ 20%
Documentaries	CBC Television: 70%/ 30% Télévision de Radio-Canada: 100%
Documentaries telecast as strips	Evenly over each telecast up to a maximum of five telecasts
Factual, information education and game shows (excluding strips)	70%/ 30%
Factual, information education and game shows telecast as strips	Evenly over each telecast up to a maximum of five telecasts
Children – animated and pre-school programs	Evenly over each telecast up to a maximum of five telecasts
Youth and children drama programs	70%/ 30%
Other youth programs	33%/ 33%/ 34%

¹ Method of broadcasting consecutive episodes.

H. Property and Equipment and Assets Under Finance Lease

The cost of property and equipment and assets under finance lease at April 1, 2010, the opening balance sheet date under IFRS, was determined by reference to its cost, except for certain real estate land and buildings, which were measured at fair value. Cost includes expenditures that are directly attributable to the acquisition of the items.

Depreciation of property and equipment is calculated on the straight-line method using rates based on the estimated useful life of the property and equipment, and begins 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 categories 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.

3. Significant Accounting Policies (Continued)

Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term. Assets under finance leases are treated in the same manner as owned assets.

Leasehold improvements are capitalized and then depreciated over the shorter of the lease term or the asset's useful life.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

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
Microcomputers	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

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 proceeds and the carrying amount of the asset, and is recognized as a non-operating item in the Consolidated Statement of Income (Loss).

I. Intangible Assets

The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use.

Software acquired separately is recorded at cost at the acquisition date.

3. Significant Accounting Policies (Continued)

Expenditures relating to internally developed computer software applications are capitalized to the extent that the project is technically feasible, the Corporation intends to and has sufficient resources to complete development and to use or sell the asset, development costs can be measured reliably, and it is probable that the asset will generate future economic benefits. The amount initially recognized for internally developed software is the sum 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 estimated useful life and amortization method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

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 proceeds and the carrying amount of the asset and is recognized as a non-operating item in the Consolidated Statement of Income (Loss).

J. Asset Impairment

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

Internally generated software that is not yet available for use is 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 revenues. Overall levels of cash flow 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.

The Corporation measures recoverability in terms of the service potential which represents the value in use to the Corporation of the assets held by the Corporation. The level of service provided by CBC/Radio Canada to which the programming rights and internally developed software assets contribute is determined largely by the Corporation's public service mandate.

3. Significant Accounting Policies (Continued)

K. Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

i. Classification of Financial Instruments

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash	Fair value through profit or loss	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Promissory notes receivable	Loans and receivables	Amortized cost
Long-term receivables	Loans and receivables	Amortized cost
Long-term investments ¹	Available-for-sale	Fair value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Financial liability related to the monetization of receivables	Other liabilities	Amortized cost
Bonds payable	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Derivatives	Held for trading	Fair value

¹ Only investments in which the Corporation does not exercise significant influence.

ii. Effective Interest Method

The effective interest method is a method of calculating the amortized cost of an asset or debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the asset or debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income and expense is recognized on an effective interest basis for asset or debt instruments other than those financial instruments classified as at FVTPL.

iii. Financial Assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. Significant Accounting Policies (Continued)

iv. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in "Other income" or "Finance costs," respectively, in the Consolidated Statement of Income (Loss). The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

v. Available for Sale Financial Assets (AFS)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Changes in the carrying amount of AFS financial assets are recognized in other comprehensive income. Where the investment is disposed of, the cumulative gain or loss previously accumulated is reclassified to profit or loss.

Dividends on AFS equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established.

vi. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. Significant Accounting Policies (Continued)

vii. Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- breach of contract, such as a default or delinquency in interest or principal payments
- significant financial difficulty of the issuer or counterparty
- It becomes probable that the counterparty will enter bankruptcy
- There are noted recent changes in the credit rating of the counterparty
- There are known anomalies or negative economic trends in industries in which a significant portion of outstanding debtors operate

In addition, for AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a group of receivables could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments past the average credit terms as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. Significant Accounting Policies (Continued)

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

viii. Derecognition of Financial Assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

ix. Financial Liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in "Other income" or "Finance costs," respectively, in the Consolidated Statement of Income (Loss). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

x. Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

xi. Derivative Financial Instruments

The Corporation enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Corporation does not apply hedge accounting to its derivatives.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The resulting gain or loss is recognized in Consolidated Statement of Income (Loss) immediately.

3. Significant Accounting Policies (Continued)

The fair values of derivatives financial instruments are presented in the Consolidated Statement of Financial Position; the positive fair values are reported as derivative financial assets and the negative fair values are reported as derivative financial liabilities.

Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the host contracts are not measured at FVTPL.

L. Trade and Other Payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost.

M. Provisions

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.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on the assets associated with that contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

N. Contingencies

Contingent liabilities are not recognized in the Consolidated Statement of Financial Position. They may arise from uncertainty as to the existence of a liability, or represent an existing liability in respect of which settlement is not probable or, in rare cases, the amount cannot be reliably measured. A liability is recognized when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

3. Significant Accounting Policies (Continued)

O. Post-Employment Benefits

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.

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 expected long-term rate of return on plan assets, rate of compensation, inflation, retirement ages of employees, and mortality of members.

The current period service costs, the interest cost on the accrued benefit obligation and the expected investment return on plan assets are recognized in net results in the period they are incurred. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized immediately to the extent that the benefits are already vested, and otherwise are amortized on a straight-line basis over the average period until the benefits become vested. These components, in aggregate, are allocated between the various functions on the Consolidated Statement of Income (Loss).

Actuarial gains and losses are recognized in other comprehensive income as they occur. Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation.

The present value of the defined benefit obligations are calculated using discount rates 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 total of any unrecognized past service costs and 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.

P. Employee Benefits Other than Post-Employment

i. Short-term benefits and short-term compensated absences

The Corporation recognizes the expense relating to short-term benefits 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.

3. Significant Accounting Policies (Continued)

The liability associated with these benefits is not discounted due to its short term nature.

ii. Other long-term employee benefits

Other long-term employee benefits 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.

iii. Termination benefits

The Corporation recognizes a liability and expense for termination benefits arising from involuntary departures when it is demonstrably committed to a plan to terminate the employment of an employee or group of employees before the normal retirement date.

Termination benefits for voluntary departures are recognized as an expense if the Corporation has made an offer of voluntary departure, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Q. Asset Classified as Held for Sale

An asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. An asset held for sale is measured at the lower of its previous carrying amount and fair value less costs to sell.

R. Leasing

Leases in which the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which the Corporation does not assume substantially all the risks and rewards of ownership are classified as operating leases.

i. The Corporation as a lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

3. Significant Accounting Policies (Continued)

ii. The Corporation as a lessee

An asset acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses.

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.

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.

S. Deferred Revenues

Deferred revenues primarily relate to rent-free periods granted on leases where the Corporation is a lessee. Deferred revenues are recognized in the Consolidated Statement of Income (Loss) on a straight-line basis over the whole lease period.

T. 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.

U. Foreign Currencies

The consolidated statements are presented in Canadian dollars (\$), which is the Corporation's functional and presentation currency.

Transactions in a currency other than the Corporation's functional currency are translated into the functional currency at the foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate at the Consolidated Statement of Financial Position date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the date of the transaction.

V. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

The tax currently payable is based on taxable net results for the year. Taxable net results differs 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.

3. Significant Accounting Policies (Continued)

ii. Deferred tax

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, the expected deferred tax asset or liability is not recognized in the financial statements as long as these specified operating conditions are met at the end of the reporting period.

W. Merchandising Inventory

Merchandising inventory is stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Cost is determined on an average cost basis and includes other costs incurred in bringing the inventory to its present location and condition.

X. 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 related parties, private companies over which the Corporation has significant influence, and the Corporation pension plan. The list of public entities in the national sphere of government was provided by the Government of Canada on their website www.canada.gc.ca.

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.

Y. Regulatory Licenses

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

4. Key Sources of Estimation Uncertainty and Critical Judgements

A. Key Sources of Estimation Uncertainty

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses recorded during the period.

The critical estimates and assumptions utilized in preparing the Corporation's consolidated financial statements affect the assessment of pension plans and employee-related liabilities, estimated useful lives of property and equipment, intangibles and programming, provisions associated with legal claims and other contingencies.

In making estimates and using assumptions, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates in these consolidated financial statements. Estimates are regularly reviewed by management and changes in those estimates are recognized prospectively by including them in the Consolidated Statement of Income (Loss) in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. Actual results could significantly differ from those estimates.

As mentioned in the above paragraph, when accounting for defined benefit pension plans, assumptions are made in determining the valuation of benefit obligations and the future performance of plan assets. The primary assumptions and estimates include the discount rate and the expected return on plan assets. Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. Differences between the actual and expected return on plan assets would also impact the amounts recognized in Other Comprehensive Income.

The following table illustrates such impacts:

Year ended March 31, 2012		
Impact of changes in assumptions	Amounts recognized in net operating results	Amounts recognized in Other Comprehensive Income
Discount rate		
Impact of a 1% increase	(\$11.3) million	(\$657) million
Impact of a 1% decrease	\$5.3 million	\$832 million
Expected return on plan assets		
Impact of a 1% increase	(\$45) million	N/A
Impact of a 1% decrease	\$45 million	N/A
Actual return on plan assets		
Impact of a 1% gain (greater return)	N/A	(\$45) million
Impact of a 1% loss (lower return)	N/A	\$45 million

4. Key Sources of Estimation Uncertainty and Critical Judgements (Continued)

B. Critical Judgements

The critical judgements that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Corporation's consolidated financial statements are as follows:

- That the Corporation exercised significant influence over Canadian Satellite Radio Holdings Inc. from the date of the merger transaction up to March 26, 2012, despite holding less than 20% voting control;
- The determination that the Corporation bears the majority of the risk associated with the collection of the CBC Monetization Trust receivables through the guarantee it has provided and as such, should consolidate this entity;
- The determination that an arrangement for satellite transponders constitutes a lease under IFRIC 4 and the determination that both this lease and the one related to a mobile production vehicle meet the criteria of a finance lease;
- The determination 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; and
- The determination of the components related to the Corporation's property and equipment.

Determinations of critical judgements are reassessed at each reporting date.

5. Transition to IFRS

A. Transition to IFRS

The Corporation has applied IFRS 1 in preparing these consolidated financial statements. The accounting policies set out in Note 3 have been applied in preparing the consolidated financial statements for the year ended March 31, 2012, the comparative information presented in these consolidated financial statements for the year ended March 31, 2011, and in the preparation of an opening IFRS consolidated statement of financial position at April 1, 2010 (the date of the Corporation's opening balance sheet under IFRS).

In preparing its opening IFRS statement of financial position, the Corporation has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Corporation's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

In preparing these consolidated financial statements in accordance with IFRS 1, the Corporation has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS.

B. Exemptions from Full Retrospective Application Elected by the Corporation

The Corporation has elected to apply the following optional exemptions from full retrospective application:

i. Business combinations exemption

The Corporation elected not to apply IFRS 3 *Business Combinations*, retrospectively to business combinations prior to the date of transition.

ii. Fair value as deemed cost exemption

Under IFRS, the Corporation has elected to apply the fair value as deemed cost exemption in IFRS 1 to certain land and building assets as at the date of transition.

iii. Employee benefits exemption

The Corporation has elected to use the exemption provided by IFRS 1 to recognize all cumulative actuarial gains and losses at the date of transition and to provide historical disclosure of the defined benefit obligations, plans assets and experience adjustments only from transition date.

iv. Leases

The Corporation has elected to take the option to apply the IFRS 1 exemption in relation to IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, which allowed the Corporation to determine whether an arrangement existing at the date of transition to IFRS contained a lease on the basis of facts and circumstances existing at that date.

v. Borrowing costs

The Corporation has elected to apply IAS 23 from April 1, 2010, to alleviate the need to retrospectively restate for borrowing costs directly attributable to the acquisition of qualifying assets.

5. Transition to IFRS (Continued)

	April 1, 2010							IFRS
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Long-term Investment ⁵	Provisions ⁶	
<i>(in thousands of dollars)</i>		(i)	(ii)	(iii)	(iv)	(v)	(vi)	
Liabilities								
Current								
Accounts payable and accrued liabilities	176,497	-	-	92	-	-	(50,241)	126,348
Provisions	-	-	-	-	-	-	55,817	55,817
Pension plans and employee-related liabilities	130,899	-	-	-	-	-	(5,576)	125,323
Bonds payable	19,223	-	-	-	-	-	-	19,223
Financial guarantee	10,419	-	-	(10,419)	-	-	-	-
Financial liability related to the monetization of receivables	10,174	-	-	-	-	-	-	10,174
Obligations under finance lease	-	-	7,300	-	-	-	-	7,300
Notes payable	-	-	-	6,514	-	-	-	6,514
Deferred revenues	2,185	-	-	-	-	-	-	2,185
Derivative financial instruments	297	-	-	-	-	-	-	297
	349,694	-	7,300	(3,813)	-	-	-	353,181

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related liabilities

⁵ Long-term investments - fair value adjustment

⁶ Reclassification of provision from accounts payable and accrued liabilities and pension plans and employee-related liabilities

5. Transition to IFRS (Continued)

April 1, 2010								
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Long-term Investment ⁵	Provisions ⁶	IFRS
<i>(in thousands of dollars)</i>		(i)	(ii)	(iii)	(iv)	(v)	(vi)	
Liabilities								
Long-term								
Investment in associate	1,417	-	-	-	-	-	-	1,417
Deferred revenues	2,303	-	-	-	-	-	-	2,303
Pension plans and employee-related liabilities	4,127,732	-	-	-	(82,825)	-	-	3,299,907
Bonds payable	309,179	-	-	-	-	-	-	309,179
Financial liability related to the monetization of receivables	10,221	-	-	-	-	-	-	10,221
Obligations under finance lease	-	-	65,676	-	-	-	-	65,676
Notes payables	-	-	-	129,757	-	-	-	129,757
Deferred capital funding	632,221	-	-	-	-	-	-	632,221
	1,368,073	-	65,676	129,757	(82,825)	-	-	1,480,681
Equity								
Retained earnings	(138,017)	162,377	(17,385)	(5,806)	82,825	7,675	-	91,669
Accumulated other comprehensive income (loss)	-	-	-	-	-	(7,675)	-	(7,675)
Total equity attributable to the Corporation	(138,017)	162,377	(17,385)	(5,806)	82,825	-	-	83,994
Non-controlling interests	280	-	-	-	-	-	-	280
Total Equity	(137,737)	162,377	(17,385)	(5,806)	82,825	-	-	84,274
Total Liabilities and Equity	1,580,030	162,377	55,591	120,138	-	-	-	1,918,136

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related liabilities

⁵ Long-term investments - fair value adjustment

⁶ Reclassification of provision from accounts payable and accrued liabilities and pension plans and employee-related liabilities

5. Transition to IFRS (Continued)

	March 31, 2011						
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Provisions ⁵	IFRS
<i>(in thousands of dollars)</i>		(i)	(ii)	(iii)	(iv)	(vi)	
Assets							
Current							
Cash	59,001	-	-	4,223	-	-	63,224
Trade and other receivables	173,390	-	-	208	-	-	173,598
Programming	163,658	-	-	-	-	-	163,658
Merchandising inventory	1,089	-	-	-	-	-	1,089
Prepaid expenses	138,361	-	-	-	-	-	138,361
Promissory notes receivable	-	-	-	2,023	-	-	2,023
Net investment in finance lease	-	-	-	2,351	-	-	2,351
Asset classified as held for sale	154	-	-	-	-	-	154
	535,653	-	-	8,805	-	-	544,458
Long-term							
Property and equipment	925,775	154,820	-	-	-	-	1,080,595
Intangible assets	39,687	-	-	-	-	-	39,687
Assets under finance lease	7,704	-	48,538	-	-	-	56,242
Pension plans	-	-	-	-	148,769	-	148,769
Promissory notes receivable	-	-	-	51,765	-	-	51,765
Net investment in finance lease	-	-	-	56,577	-	-	56,577
Deferred charges	3,003	-	-	-	-	-	3,003
Investment in associate	17	-	-	-	-	-	17
	976,186	154,820	48,538	108,342	148,769	-	1,436,655
Total Assets	1,511,839	154,820	48,538	117,147	148,769	-	1,981,113

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related liabilities

⁵ Reclassification of provision from accounts payable and accrued liabilities and pension plans and employee-related liabilities

5. Transition to IFRS (Continued)

	March 31, 2011						IFRS
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Provisions ⁵	
(in thousands of dollars)		(i)	(ii)	(iii)	(iv)	(vi)	
Liabilities							
Current							
Accounts payable and accrued liabilities	151,220	-	-	307	-	(27,381)	124,146
Provisions	-	-	-	-	-	35,572	35,572
Pension plans and employee-related liabilities	144,703	-	-	-	-	(8,191)	136,512
Bonds payable	19,642	-	-	-	-	-	19,642
Financial guarantee	9,811	-	-	(9,811)	-	-	-
Financial liability related to the monetization of receivables	10,337	-	-	-	-	-	10,337
Obligations under finance lease	1,540	-	7,803	-	-	-	9,343
Notes payable	-	-	-	7,625	-	-	7,625
Deferred revenues	3,825	-	-	-	-	-	3,825
Derivative financial instruments	715	-	-	-	-	-	715
	341,793	-	7,803	(1,879)	-	-	347,717
Long-term							
Investment in associate	1,417	-	-	-	-	-	1,417
Deferred revenues	2,726	-	-	-	-	-	2,726
Pension plans and employee-related liabilities	411,350	-	-	-	(201,082)	-	210,268
Bonds payable	299,237	-	-	-	-	-	299,237
Obligations under finance lease	6,263	-	57,873	-	-	-	64,136
Notes payables	-	-	-	124,453	-	-	124,453
Deferred capital funding	609,428	(7,403)	-	-	-	-	602,025
	1,330,421	(7,403)	57,873	124,453	(201,082)	-	1,304,262
Equity							
Retained earnings	(167,638)	162,223	(17,138)	(5,427)	349,851	-	321,871
Accumulated other comprehensive income	5,000	-	-	-	-	-	5,000
Total equity attributable to the Corporation	(162,638)	162,223	(17,138)	(5,427)	349,851	-	326,871
Non-controlling interests	2,263	-	-	-	-	-	2,263
Total Equity	(160,375)	162,223	(17,138)	(5,427)	349,851	-	329,134
Total Liabilities and Equity	1,511,839	154,820	48,538	117,147	148,769	-	1,981,113

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related liabilities

⁵ Reclassification of provision from accounts payable and accrued liabilities and pension plans and employee-related liabilities

5. Transition to IFRS (Continued)

D. Consolidated Statement of Loss Reconciliation

For the year ended March 31, 2011								
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Long-term Investment ⁵	Presentation ⁶	IFRS
<i>(in thousands of dollars)</i>		(i)	(ii)	(iii)	(iv)	(v)	(vii)	
Revenue								
Advertising	367,700	-	-	-	-	-	-	367,700
Specialty services	152,971	-	-	-	-	-	5,137	158,108
Other income	127,771	(103)	-	(608)	-	-	437	127,497
Financing income	1,506	-	-	7,526	-	-	-	9,032
	649,948	(103)	-	6,918	-	-	5,574	662,337
Expenses								
Television, radio and new media services costs	1,476,778	-	(3,898)	-	(27,358)	-	113,699	1,559,221
Specialty services	133,273	-	(2,863)	-	(963)	-	4,487	133,934
Depreciation of property and equipment	112,656	7,454	7,053	-	-	-	(127,163)	-
Amortization of intangible assets	17,887	-	-	-	-	-	(17,887)	-
Transmission, distribution and collection	54,573	-	(5,269)	-	(902)	-	30,244	78,646
Corporate management	12,804	-	-	226	(240)	-	(1,107)	11,683
Payments to private stations	3,018	-	-	-	-	-	-	3,018
Finance costs	23,557	-	4,730	6,313	-	-	442	35,042
Loss on investment in associate	5,000	-	-	-	-	7,675	-	12,675
	1,839,546	7,454	(247)	6,539	(29,463)	7,675	2,715	1,834,219
Operating loss before Government funding and non-operating items	(1,189,598)	(7,557)	247	379	29,463	(7,675)	2,859	(1,171,882)

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related expenses

⁵ Long-term investments - fair value adjustment

⁶ Change in presentation of the Consolidated Statement of Income (Loss)

5. Transition to IFRS (Continued)

For the year ended March 31, 2011								
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Long-term Investment ⁵	Presentation ⁶	IFRS
<i>(in thousands of dollars)</i>		(i)	(ii)	(iii)	(iv)	(v)	(vii)	
Government Funding								
Parliamentary appropriation for operating expenditures	1,031,581	-	-	-	-	-	-	1,031,581
Parliamentary appropriation for working capital	4,000	-	-	-	-	-	-	4,000
Amortization of deferred capital funding	124,357	7,403	-	-	-	-	-	131,760
	1,159,938	7,403	-	-	-	-	-	1,167,341
Net results before non-operating items	(29,660)	(154)	247	379	29,463	(7,675)	2,859	(4,541)
Non-operating items								
Net loss on disposal of property and equipment	-	-	-	-	-	-	(2,859)	(2,859)
	-	-	-	-	-	-	(2,859)	(2,859)
Net results for the year	(29,660)	(154)	247	379	29,463	(7,675)	-	(7,400)
Net results attributable to:								
The Corporation	(29,621)	(154)	247	379	29,463	(7,675)	-	(7,361)
Non-controlling interests	(39)	-	-	-	-	-	-	(39)
	(29,660)	(154)	247	379	29,463	(7,675)	-	(7,400)

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related expenses

⁵ Long-term investments - fair value adjustment

⁶ Change in presentation of the Consolidated Statement of Income (Loss)

5. Transition to IFRS (Continued)

E. Consolidated Statement of Comprehensive Income (Loss) Reconciliation

	For the year ended March 31, 2011						
	Canadian GAAP	PE and DCF ¹	Lease ²	SPE ³	Pension ⁴	Long-term Investment ⁵	IFRS
<i>(in thousands of dollars)</i>		(i)	(ii)	(iii)	(iv)	(v)	
Comprehensive Income							
Net results for the year	(29,660)	(154)	247	379	29,463	(7,675)	(7,400)
Other comprehensive income							
Actuarial gains on defined benefit plans	-	-	-	-	237,563	-	237,563
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from a merger transaction	5,000	-	-	-	-	7,675	12,675
Total comprehensive income (loss) for the year	(24,660)	(154)	247	379	267,026	-	242,838
Total comprehensive income (loss) attributable to:							
The Corporation	(24,621)	(154)	247	379	267,026	-	242,877
Non-controlling interests	(39)	-	-	-	-	-	(39)
	(24,660)	(154)	247	379	267,026	-	242,838

¹ Property and equipment and deferred capital funding

² Transponders under finance lease

³ Consolidation of Special Purpose Entities

⁴ Pension plans and employee-related expenses

⁵ Long-term investments - fair value adjustment

5. Transition to IFRS (Continued)

F. Explanations to the Reconciliation Tables

i. Property and equipment

Under IFRS, the Corporation has elected to apply the fair value deemed cost exemption in IFRS 1 to certain real estate land and buildings. The fair value deemed cost as of the date of transition is \$588.9 million. The effect of this election was to increase Property and equipment by \$162.4 million at April 1, 2010. As a result of the change in asset values caused by the deemed cost election, the gain on disposal of assets for the year ended March 31, 2011, was decreased by \$0.1 million. Also, as per IAS 16, the Corporation identified the significant components for each individual asset class and determined the respective useful lives of each component. This change impacted the Corporation's buildings, and increased Depreciation expense by \$7.5 million for the year ended March 31, 2011.

As a result of these changes, the reconciliations in this note reflect an increase in the amortization of deferred capital funding as of March 31, 2011 by \$7.4 million and a resulting decrease in deferred capital funding by \$7.4 million to reflect the impact of the new depreciation methodology related to the componentization of assets under IFRS.

ii. Lease

As a result of the application of IFRIC 4 at the transition date, an agreement to lease satellite capacity was determined to be a finance lease under IFRS. As a result, the Corporation recognized Assets under finance lease of \$55.6 million, and an Obligation under finance lease (short and long-term) of \$7.3 million and \$65.7 million, respectively. Net results for the year ended March 31, 2011, were also impacted: Depreciation expense increased by \$7.1 million; Finance costs increased by \$4.7 million; Television, radio, and new media services costs decreased by \$3.9 million; Specialty services expenses decreased by \$2.9 million; and Transmission, distribution and collection expense decreased by \$5.3 million.

iii. Consolidation of Special Purpose Entities

Unlike GAAP, there is no accounting concept of a Qualified Special Purpose Entity (QSPE) under IFRS. Instead, an entity must apply the guidelines provided by IAS 27 *Consolidated and Separate Financial Statements*, as well as SIC 12 *Consolidation - Special Purpose Entities*. In following these guidelines, the Corporation has concluded that it bears the majority of the risk associated with the collection of the receivables through the guarantee it has provided. In addition, the management structure of the CBC Monetization Trust meets the "autopilot" criteria outlined in SIC 12. As a result, the Corporation has consolidated the CBC Monetization Trust under IFRS.

iv. Pension plans and employee-related liabilities and expenses

In addition to the transitional adjustment required by the Corporation's election under IFRS 1 related to employee benefits, other retrospective adjustments to the Corporation's pension plans and employee-related liabilities were required in order to comply with IAS 19 *Employee Benefits*. These adjustments, which were related to the discount rates used in determining the total benefit obligations and a change in the attribution period of post-employment retirees' benefits, decreased the total liability by \$134.7 million, which was partly offset by the \$51.9 million increase caused by the Corporation's IFRS 1 election, for a net decrease of \$82.8 million.

As a result of the adoption of IAS 19, Other comprehensive income for the year ended March 31, 2011 increased by \$237.6 million due to the recognition of actuarial gains earned during the period. This adjustment was recorded directly through Retained earnings. Also for the year ended March 31, 2011, pension plans and employee-related expenses were decreased by \$29.5 million.

5. Transition to IFRS (Continued)

v. Long-term investments - fair value adjustment

The Class C shares that were held by the Corporation as part of its investment in Sirius Canada were treated as available-for-sale financial instruments and measured at cost as there was no quoted market price. IFRS demands that a valuation be made, unless the range in estimates is considered to be too great as to render them unreliable. The impact of this valuation was offset against the Class A shares held by the Corporation, creating no impact on the opening net balance in the Corporation's investment in Sirius Canada Inc. However, the impact of revaluing the Class C shares was recorded through Other comprehensive income (loss), while the impact on the Class A shares was recorded through Net results. The net impact on Total comprehensive income (loss) was nil.

vi. Reclassification of provision from accounts payable and accrued liabilities and pension plans and employee related liabilities

IAS 1 *Presentation of financial statements* specifically requires a separate line on the Consolidated Statement of Financial Position for the provisions that have been recorded by the Corporation. As such, amounts have been reclassified from Accounts payable and accrued liabilities to the newly created line Provisions.

vii. Change in presentation of the Consolidated Statement of Income (Loss)

The Corporation has chosen to classify its expenses on its Consolidated Statement of Income (Loss) by function as opposed to nature, with depreciation and amortization expenses reallocated accordingly to the other expense types.

In addition, losses on disposal of equipment are now presented on a separate line on the Consolidated Statement of Income (Loss) in the Non-operating items section of the statement. Previously, the amounts were included in Revenue as part of Other income.

viii. Statement of Cash flows

As a result of accounting policy choices made by the Corporation under IAS 7 *Statement of Cash Flows*, the presentation of certain items on the Consolidated Statement of Cash Flows has changed, namely the presentation of dividends received as an investing activity (as opposed to an operating activity as required under Canadian GAAP) and the reclassification from operating activities of interest paid to financing activities and interest received to investing activities. In addition, the previously discussed changes affecting the Consolidated Statement of Financial Position and the Consolidated Statement of Income (Loss) have also changed certain amounts previously presented in the Consolidated Statement of Cash Flows.

6. Cash

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Cash in hand	860	862	896
Bank balances	63,417	62,362	52,274
	64,277	63,224	53,170

Interest revenue generated from bank balances and included in Financing income totalled \$1.9 million for the year (2011 - \$1.5 million).

7. Trade and Other Receivables

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Trade receivables	163,871	158,643	182,776
Allowance for doubtful accounts	(1,979)	(1,103)	(2,725)
Other	15,439	16,058	14,605
	177,331	173,598	194,656

Credit terms average 30 days. The Corporation recognizes an allowance for doubtful accounts for receivables where there is objective evidence of impairment. Objective evidence is determined in accordance with Note 3K vii.

Before accepting any new customer, the Corporation reviews the credit application submitted by the customer. 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 every three years to determine whether adjustments are required.

There are no customers who represent more than five per cent of the total balance of trade receivables.

Trade receivables disclosed above include amounts (see Note 7A) that are past due at the end of the reporting period for which the Corporation has not recognized an allowance for doubtful accounts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Consistent with others in the industry, the Corporation makes most of its conventional advertising sales 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.

The Corporation does not hold any collateral or other credit enhancements over these balances.

7. Trade and Other Receivables (Continued)

A. Age of Trade Receivables that are Past Due but not Impaired

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
31- 60 days	36,182	42,647	31,007
61- 90 days	25,381	15,737	19,196
91- 120 days	17,736	13,387	14,031
Total	79,299	71,771	64,234

B. Movement in Allowance for Doubtful Accounts

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011
Balance at beginning of the year	(1,103)	(2,725)
Amounts written off during the year as uncollectible	181	-
Amounts recovered during the year	144	-
(Increase) decrease in allowance for doubtful accounts	(1,201)	1,622
Balance at end of the year	(1,979)	(1,103)

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

8. Programming

A. Programming by Genre

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Programs completed - externally produced	83,203	78,340	84,661
Programs completed - internally produced	7,770	6,993	7,019
Externally produced programs in process of production	34,500	33,446	43,431
Internally produced programs in process of production	11,545	7,622	10,068
Broadcast rights available for broadcast	29,086	37,257	33,064
	166,104	163,658	178,243

B. Movement in Programming

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011
Opening balance	163,658	178,243
Additions	1,013,491	1,015,784
Programs Broadcast	(1,011,045)	(1,030,369)
	166,104	163,658

Programming includes amounts for television programs including specialty services.

The programming write-offs for 2012 represent \$7.7 million (2011 - \$7.2 million). Programming write-offs are mainly due to terminated projects, programs not telecasted in the past two years, programming not suitable for telecast or pilots not progressing into a series.

9. Prepaid expenses

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Programming rights	95,809	103,451	110,676
Service agreements	17,561	34,910	37,539
	113,370	138,361	148,215

10. Promissory Notes Receivable

Through the CBC Monetization Trust, a special purpose entity, the Corporation has 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 per cent, with payments made in arrears in equal blended monthly instalments. The notes have a carrying value of \$51.8 million (March 31, 2011 - \$53.8 million, April 1, 2010 - \$55.7 million) and are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of receivables by the ultimate debtors until 2027.

The Corporation also holds, as a result of the Sirius Canada Inc. merger transaction (see Note 15), a promissory note receivable that is non-interest bearing and is expected to be repaid within the next six years. The carrying amount at March 31, 2012, is \$0.3 million (March 31, 2011 and April 1, 2010 - nil).

Future minimum payments receivable under the term of the notes are as follows:

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	5,567	2,158	5,567	2,023	5,567	1,897
Later than one year but not later than five years	22,270	9,613	22,270	8,972	22,270	8,374
More than five years	57,005	40,290	62,169	42,793	67,737	45,414
Less: unearned financing income	(32,781)	-	(36,218)	-	(39,889)	-
Present value of minimum payments receivable	52,061	52,061	53,788	53,788	55,685	55,685

Interest revenue included in current year's revenues and presented as financing income is \$3.6 million (2011 - \$3.7 million).

10. Promissory Notes Receivable (Continued)

Present value of minimum payments receivable:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Included in the Consolidated Statement of Financial Position as promissory notes receivable:			
current	2,158	2,023	1,897
long-term	49,903	51,765	53,788
	52,061	53,788	55,685

11. Net Investment in Finance Lease

The net investment in finance lease, which is held by CBC Monetization Trust, relates to the rental of two parcels of land in Toronto that bear a fixed annual interest rate of 7.15 per cent 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 the notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of the finance lease by the ultimate debtors until 2027.

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	6,050	2,499	6,050	2,351	6,050	2,214
Later than one year but not later than five years	24,199	10,143	24,199	9,456	24,199	8,815
More than five years	64,110	43,934	70,160	47,121	76,210	50,113
Less: unearned financing income	(37,783)	-	(4,148)	-	(45,317)	-
Present value of minimum lease payments receivable	56,576	56,576	58,928	58,928	61,142	61,142

Interest revenue included in current year's revenues and presented as financing income, is \$3.7 million (2011 - \$3.8 million).

Present value of minimum lease payments receivable:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Included in the Consolidated Statement of Financial Position as net investment in finance lease:			
current	2,499	2,351	2,214
long-term	54,077	56,577	58,928
	56,576	58,928	61,142

12. Property and Equipment

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Cost	2,215,122	2,271,790	2,255,139
Accumulated depreciation	(1,167,134)	(1,191,195)	(1,166,950)
	1,047,988	1,080,595	1,088,189

<i>(in thousands of dollars)</i>	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost at March 31, 2011	179,982	508,003	44,800	1,315,115	141,158	82,732	2,271,790
Additions	1,195	6,822	1,547	47,427	10,435	31,142	98,568
Transfers	63	11,982	542	59,346	3,363	(75,296)	-
Asset classified as held for sale	-	-	-	(3,724)	(2,308)	-	(6,032)
Disposals and write-offs	(40)	(1,798)	(1)	(130,464)	(13,323)	(3,578)	(149,204)
Cost at March 31, 2012	181,200	525,009	46,888	1,287,700	139,325	35,000	2,215,122
Accumulated depreciation at March 31, 2011	-	(86,790)	(18,609)	(984,429)	(10,1367)	-	(1,191,195)
Depreciation for the year	-	(32,845)	(2,641)	(70,988)	(13,915)	-	(120,389)
Reverse depreciation on asset classified as held for sale	-	-	-	3,490	2,308	-	5,798
Reverse depreciation on disposals	-	707	1	125,031	12,913	-	138,652
Accumulated depreciation at March 31, 2012	-	(118,928)	(21,249)	(926,896)	(100,061)	-	(1,167,134)
Net carrying amount at March 31, 2012	181,200	406,081	25,639	360,804	39,264	35,000	1,047,988

12. Property and Equipment (Continued)

<i>(in thousands of dollars)</i>	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost at April 1, 2010	180,065	504,019	44,243	1,344,230	140,982	4,1600	2,255,139
Additions	-	4,923	366	37,868	11,622	61,357	116,136
Transfers	-	756	32	15,869	3,568	(20,225)	-
Assets acquired through business combination	-	-	159	331	463	-	953
Asset classified as held for sale	(45)	(965)	-	-	-	-	(1,010)
Disposals	(38)	(730)	-	(83,183)	(15,477)	-	(99,428)
Cost at March 31, 2011	179,982	508,003	44,800	1,315,115	141,158	82,732	2,271,790
Accumulated depreciation at April 1, 2010	-	(56,159)	(15,876)	(991,181)	(103,734)	-	(1,166,950)
Depreciation for the year	-	(3,1821)	(2,639)	(72,637)	(12,633)	-	(119,730)
Accumulated depreciation added through business combination	-	-	(94)	(275)	(395)	-	(764)
Reverse depreciation on asset classified as held for sale	-	856	-	-	-	-	856
Reverse depreciation on disposals	-	334	-	79,664	15,395	-	95,393
Accumulated depreciation at March 31, 2011	-	(86,790)	(18,609)	(984,429)	(101,367)	-	(1,191,195)
Net carrying amount at March 31, 2011	179,982	421,213	26,191	330,686	39,791	82,732	1,080,595
Net carrying amount at April 1, 2010	180,065	447,860	28,367	353,049	37,248	41,600	1,088,189

The contractual commitments for the acquisition of property and equipment are \$16.0 million in 2012 (2011 - \$14.3 million).

B. Impairment

i. Halifax Project

During 2011-2012, the Corporation decided to cancel its initiative to redevelop the CBC | Radio-Canada building in Halifax and consolidate all of its Halifax-based operations. The project was planned to be completed by February 2014.

The majority of the project costs incurred to date, primarily consisting of Real Estate costs, were deemed non-recoverable and a write-off of \$3.6 million was included in net loss on disposal of property and equipment in the Consolidated Statement of Income (Loss) for the year ended March 31, 2012 (2011 - nil). Recoverable assets purchased amounted to \$0.4 million and were transferred to other capital initiatives.

ii. Analogue Television Transmission

The switch from analog transmission to digital over-the-air television occurred August 31, 2011 for mandatory sites identified by the CRTC, in decision 2010-16. In markets where digital transmitters were rolled out, the Corporation has the obligation to cease analog transmission. To reflect the impact of the reduced useful life of these assets, the Corporation recorded an additional expense of \$2.6 million in 2012 (2011 - \$7.3 million), in its Consolidated Statement of Income (Loss).

12. Property and Equipment (Continued)

C. Asset Classified as Held For Sale

With the increased requirements for high-definition broadcasting, the Corporation no longer utilizes a standard-definition mobile unit. As such the Corporation has listed this unit for sale and intends to dispose of it within the next twelve months. This mobile unit has a net carrying amount of \$0.2 million at March 31, 2012.

In November 2011, the Corporation disposed of a parcel of land it no longer utilized in Brossard (Quebec) that was classified as held for sale at March 31, 2011. The property was previously used for its AM broadcasting transmitter; however, this use ceased with the conversion from AM to FM in the Montreal market. The sale of this property resulted in a net gain on disposition of \$8.5 million and was included in net loss on disposal of property and equipment in the Consolidated Statement of Income (Loss) for the current year.

13. Intangible Assets

A. Cost and Accumulated Amortization

The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use. The intangible assets carrying amounts are as follows:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Cost	150,807	145,187	135,602
Accumulated amortization	(122,372)	(105,500)	(87,877)
	28,435	39,687	47,725

13. Intangible Assets (Continued)

<i>(in thousands of dollars)</i>	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost at March 31, 2011	136,579	2,209	6,399	145,187
Additions	1,713	1,853	2,235	5,801
Transfers	220	6,534	(6,754)	-
Disposals	(181)	-	-	(181)
Cost at March 31, 2012	138,331	10,596	1,880	150,807
Accumulated amortization at March 31, 2011	(105,437)	(63)	-	(105,500)
Amortization for the year	(15,476)	(1,487)	-	(16,963)
Reverse amortization on disposals	91	-	-	91
Accumulated amortization at March 31, 2012	(120,822)	(1,550)	-	(122,372)
Net carrying amount as at March 31, 2012	17,509	9,046	1,880	28,435

<i>(in thousands of dollars)</i>	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost at April 1, 2010	133,465	-	2,137	135,602
Additions	2,113	2,095	5,630	9,838
Transfers	1,265	103	(1,368)	-
Disposals	(264)	11	-	(253)
Cost at March 31, 2011	136,579	2,209	6,399	145,187
Accumulated amortization at April 1, 2010	(87,877)	-	-	(87,877)
Amortization for the year	(17,824)	(63)	-	(17,887)
Reverse amortization on disposals	264	-	-	264
Accumulated amortization at March 31, 2011	(105,437)	(63)	-	(105,500)
Net carrying amount as at March 31, 2011	31,142	2,146	6,399	39,687
Net carrying amount as at April 1, 2010	45,588	-	2,137	47,725

B. Impairment

There were no indicators of impairment during 2012 and as such, no impairment expense was recorded (2011 - nil).

14. Assets Under Finance Lease

Assets under finance lease consist of two leases for mobile equipment and satellite transponders. The terms of these two leases are five and 17 years respectively.

<i>(in thousands of dollars)</i>	M arch 31, 2012	M arch 31, 2011	April 1, 2010
Automotive (cost)	619	619	-
Technical equipment (cost)	7,434	7,434	-
Transmission equipment (cost)	119,897	119,897	119,897
Accumulated depreciation – automotive	(53)	(23)	-
Accumulated depreciation – technical equipment	(1,244)	(326)	-
Accumulated depreciation – transmission equipment	(78,411)	(71,359)	(64,306)
Net carrying amount	48,242	56,242	55,591

Depreciation for the year ended March 31, 2012 was \$8.0 million (2011 - \$7.4 million). For more information on the related obligations, refer to Note 19.

15. Subsidiaries, Special Purpose Entities and Associates

A. Subsidiaries and Special Purpose Entities Undertakings

i. The Documentary Channel

The Corporation owns an 82 per cent partnership interest in The Documentary Channel (*documentary*), a specialty service broadcasting documentaries. Accordingly, The Documentary Channel (*documentary*) financial results are consolidated in the Corporation's books. The subsidiary's fiscal year end is August 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

ii. ARTV

ARTV is a French-language arts and entertainment specialty channel that has been broadcasting since September 2001 via cable and satellite. The Corporation owns 85 per cent of ARTV and, accordingly, consolidates their financial results in the Corporation's consolidated financial statements. The subsidiary's fiscal year end is August 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

The Corporation completed the acquisition on July 12, 2010, through the purchase of 2,750,000 shares of ARTV from the Société de télédiffusion du Québec ("Télé-Québec") for a cash consideration of \$1 per share, increasing its equity interest from 62 per cent to 85 per cent. Even though the Corporation owned 62 per cent in ARTV before this acquisition, it did not control ARTV activities as 66 2/3 per cent of the voting shares were required to assume control. With this purchase, the Corporation now holds control of ARTV which is consolidated in the Corporation's financial statements since the date of acquisition. The business was acquired to participate fully in a channel largely broadcasting Radio-Canada's content.

15. Subsidiaries, Special Purpose Entities and Associates (Continued)

The following table summarizes the fair value of the assets acquired and liabilities assumed as of July 12, 2010:

<i>(in thousands of dollars)</i>	Fair value
Cash	(376)
Trade and other receivables	2,630
Programming	9,106
Prepaid expenses and other current assets	133
Current assets	11,493
Computer hardware and property	189
Deferred charges	1,679
Deferred tax asset	179
Long-term assets	2,047
Total assets acquired	13,540
Payables, accruals and provisions	(2,320)
Total liabilities assumed	(2,320)
Net assets acquired	11,220

At the acquisition date, the book values and fair values of the assets and liabilities acquired were identical and the amount of non-controlling interests measured at the proportionate share of ARTV's recognized net assets was of \$1.7 million. The Corporation has recorded its share of ARTV's net results since July 12, 2010.

In June 2011, the Corporation and the other shareholder in ARTV revised the shareholder agreement to reflect the new ownership structure. As part of this amendment, a clause was added to the agreement that would allow the minority shareholder to compel the Corporation to purchase all of their outstanding shares, pending all necessary regulatory approvals, for the same consideration that was originally paid to purchase those shares, which equates to \$1 per share. As at March 31, 2012, the Corporation has recorded a liability in relation to this option of \$1.9 million (March 31, 2011 - nil) to reflect the 1,875,000 shares in ARTV currently held by the minority shareholder that can be put to the Corporation at any time. This option is considered to be short-term in nature given the on-demand characteristic associated with the option.

15. Subsidiaries, Special Purpose Entities and Associates (Continued)

iii. The Broadcast Centre Trust

The Broadcast Centre Trust (the TBC Trust) is a charitable trust that is a lessee under a long-term lease with the Corporation for the land on which the Canadian Broadcasting Centre (the building) is located in Toronto. The rent during the term is the sum of one dollar, paid on October 1, 1988. The TBC Trust is also a lessor under a long-term sub-lease with the Corporation for the Canadian Broadcasting Centre. In order to finance the construction of the building, the TBC Trust issued \$400 million of bonds on January 30, 1997, which are guaranteed by the rent payments for the premises occupied by the Corporation. The rent payable by the Corporation to the TBC Trust covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the TBC Trust. The TBC Trust is a special purpose entity that is controlled by the Corporation and, accordingly, the financial results of the TBC Trust are consolidated in the Corporation's books.

iv. CBC Monetization Trust

In 2003, the Corporation sold two parcels of land to Ontrea Inc., a wholly owned subsidiary of Ontario Teachers' Pension Plan Board in exchange for two promissory notes receivable. At that time, the Corporation also renegotiated two land leases with WSIB and Cadillac Fairview and entered into a concurrent lease with the Trust for the two land leases. The CBC Monetization Trust was created during 2009 with the purpose of acquiring the Corporation's notes receivable and interest in the lease receivables. The Corporation has determined that it bears the majority of the risk associated with the collection of the Trust's receivables through the guarantee it has provided. As such this entity is consolidated by the Corporation.

B. Associates

i. Initial Investment in Sirius Canada Inc.

The Corporation previously held a 40 per cent voting interest and a 25 per cent equity interest in Sirius Canada Inc. (Sirius) through its investment in Class A Common Shares, originally obtained in exchange for a nominal amount of cash. Given that the Corporation's voting interest exceeded 20 per cent, the Corporation judged that it had significant influence over Sirius and applied equity accounting to its investment in Class A shares.

As a separate investment, the Corporation had invested a further \$12 million in Class C Preferred Shares, which were entitled to cumulative dividends at a rate of 8 per cent per annum on the redemption price and were redeemable at any time by Sirius. These shares were classified as available-for-sale and recorded at fair value.

ii. Description of Sirius and Canadian Satellite Radio Holdings Inc. Merger

On June 21, 2011, Sirius and Canadian Satellite Radio Holdings Inc. (CSR), the parent company of XM Canada, completed a merger of the two companies. Pursuant to the arrangement between the Corporation, Sirius XM Radio Inc., Slight Communications (collectively referred to as the Vendors), Canadian Satellite Radio Holdings Inc. (pre-merger CSR) and Sirius the Vendors sold all of the issued and outstanding shares of Sirius, in exchange for the equivalent of 71,284,578 Class A Subordinate Voting Shares of CSR providing the Vendors with control of 58 per cent of the equity in the newly-merged CSR (CSR). All previously existing Sirius shares were redeemed and cancelled.

15. Subsidiaries, Special Purpose Entities and Associates (Continued)

In exchange for its Sirius Class A shares, the Corporation received 53,570,361 Class B Voting Shares of CSR, which are equivalent to 17,856,787 Class A Subordinate Shares of CSR and represents a 14.54 per cent equity participation and a 19.95 per cent voting interest. The Corporation also received a promissory note with a face value of \$1.5 million for dividends on the Class A shares, which was applied against the carrying value of the shares.

In exchange for the redemption of the Sirius Class C Shares, the Corporation received cash consideration amounting to \$14.9 million and non-interest bearing promissory notes with a total face value of \$2.2 million, which was treated as a combination of dividend income and return of capital. This consideration of \$17.1 million represented the fair value of the Class C shares at the date of the transaction and included the cumulative accrued and unpaid dividends of these shares amounting to \$5.1 million. These dividends had not been previously accrued to the value of the shares as the dividends had not been declared by Sirius prior to the merger transaction. These dividends have been accounted for as dividend income in the Consolidated Statement of Income (Loss).

As at March 31, 2012, the Corporation has a seat on the Board of Directors and holds a 21.66 per cent voting interest in CSR. The Corporation holds the power to participate in the financial and operating policy decisions of CSR through board representation, its voting interest and its ongoing business relationship with CSR. As such, the Corporation judges that it exerts significant influence and will continue to apply equity accounting to its investment in CSR.

The 21.66 per cent voting interest represents an increase from the voting interest that was held by the Corporation at the time of the merger, which was 19.95 per cent. This increase is the result of a secondary share issuance whereby two shareholders of CSR, neither of which were the Corporation, converted a number of Class B shares into Class A shares and then, subsequently, sold these Class A shares to the public. As no new shares have been issued from treasury, the Corporation's equity interest was unaffected. However, due to each Class B share having the same voting rights as a Class A share, the conversion of three Class B shares in exchange for each Class A share received by the CSR shareholders resulted in an increase in the Corporation's voting rights.

iii. Accounting Impact of the Sirius and CSR Merger Transaction on the Corporation

The reverse take-over and retention of significant interest resulted in the following:

- A non-cash dilution gain of \$25.8 million was recognized, representing the gain on the disposed interest of 10.51 per cent and the Corporation's proportionate share of CSR's Class B share issuance, net of the Corporation's portion of pre-merger Sirius unrecognized losses and equity adjustments.
- A value of \$5.8 million was attributed to the Class B shares obtained, which is calculated as being the difference in the Corporation's reduction in ownership in Sirius and the Corporation's share of the proceeds on the issuance of the new Class B shares.

iv. Impact of Post-Merger CSR Results

Following the merger CSR's fiscal year end is August 31, which differs from that of the Corporation. IAS 28, *Investments in Associates* limits the difference between the end of the reporting period of an associate and that of the investor to no more than three months. As such, the Corporation has included its portion of the interim results of CSR for the period up to February 29, 2012, which falls within the allowed three month window. This corresponds to the latest information available for CSR that can be disclosed publicly. The investment value at March 31, 2012 of \$6.2 million includes \$0.4 million related to the Corporation's share of CSR net results and equity movements up to February 29, 2012.

15. Subsidiaries, Special Purpose Entities and Associates (Continued)

v. Financial Information

The following is the summarized financial information for the Corporation's investments:

<i>(in thousands of dollars)</i>	Ownership interest as at:			Carrying value as at:		
	March 31 2012	March 31, 2011	April 1, 2010	March 31 2012	March 31, 2011	April 1, 2010
CSR - Class B	14.51%	-	-	6,191	-	-
ARTV ¹	-	-	62%	-	-	7,243
Other	-	-	-	17	17	17
Total assets	-	-	-	6,208	17	7,260
Sirius - Class A ²	-	25%	25%	-	(18,417)	(5,742)
Sirius - Class C	-	-	-	-	17,000	4,325
Total liabilities	-	-	-	-	(1,417)	(1,417)

¹On July 12, 2010, the Corporation acquired additional shares of ARTV for an amount of \$2.75 million. The Corporation now owns 85 per cent of ARTV and is therefore consolidating ARTV in the accounts of the Corporation.

²At March 31, 2011 and April 1, 2010, the Corporation's proportionate share of unrecognized losses in Sirius were \$5.4 million and \$14.9 million, respectively.

The fair value of the Corporation's investment in CSR at March 31, 2012, is \$53.6 million (March 31, 2011 and April 1, 2010 - nil) and was determined using the closing market price of CSR Class A shares at March 31, 2012.

The following tables present the summarized financial information for CSR:

<i>(in thousands of dollars)</i>	2012 ¹	2011 ²
Revenue	211,045	164,539
Net income	7,264	17,734

¹Amounts for the year ended March 31, 2012, include results for the combined CSR/Sirius entity up until February 29, 2012.

²Amounts for the year ended March 31, 2011, include results for Sirius up until March 31, 2011.

<i>(in thousands of dollars)</i>	March 31, 2012¹	March 31, 2011²	April 1, 2010
Assets	397,158	69,382	45,277
Liabilities	354,367	145,394	135,903

¹Amounts at March 31, 2012 include results for the combined CSR/Sirius entity as at February 29, 2012.

²Amounts at March 31, 2011 include results for Sirius as at March 31, 2011.

There are no significant restrictions imposed on CSR relating to their ability to transfer funds to their investors.

16. Accounts Payable and Accrued Liabilities

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Trade payables	54,925	53,280	57,641
Accruals	65,243	69,542	67,159
Other	4,470	1,324	1,548
	124,638	124,146	126,348

17. Pension Plans and Employee-Related Assets/Liabilities

Employee-related assets/liabilities are as follows:

<i>(in thousands of dollars)</i>	Current			Long-term		
	March 31, 2012	March 31, 2011	April 1, 2010	March 31, 2012	March 31, 2011	April 1, 2010
Accrued pension benefit asset	-	-	-	-	148,769	-
Accrued pension benefit liability	-	-	-	175,813	68,462	188,751
Employee future benefits	-	-	-	157,223	14,1616	140,948
Vacation pay	57,099	57,416	58,845	-	-	-
Workforce reduction	6,310	12,956	12,308	-	-	-
Salary-related liabilities	66,441	66,140	54,170	171	190	208
	129,850	136,512	125,323	333,207	210,268	329,907

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. 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 Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an actuarial valuation, which have been made at least on a triennial basis and will be required on an annual basis going forward under new regulatory requirements. The amounts included in these financial statements reflect the latest funding valuation which was performed as of December 31, 2011. While this valuation has been completed, it has yet to be filed with the pension authorities.

17. Pension Plans and Employee-Related Assets/Liabilities (Continued)

The Corporation maintains a non-contributory long-term benefit plan for certain employees hired before April 1, 2005, July 1, 2005 or October 11, 2005, depending on the category of employees. 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. The Corporation also provides 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 2009.

The measurement date for the pension plan assets and the defined benefit obligation is March 31, 2012.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Assumptions – annual rates	March 31, 2012	March 31, 2011	April 1, 2010
Assumptions for the calculation of pension benefit costs:			
Expected long-term rate of return on plan assets	6.50%	6.50%	6.25%
Discount rate	5.25%	5.25%	5.25%
Assumptions for the calculation of the benefit obligation			
Discount rate – pension	4.25%	5.25%	5.25%
Discount rate – employee termination benefit	4.00%	5.00%	5.00%
Discount rate – LTD benefits	3.75%	5.00%	4.75%
Discount rate – post-employment benefit	4.25%	5.25%	5.25%
Long-term rate of compensation increase, excluding merit and promotion	2.75%	2.75%	2.75%
Health care cost trend rate	7.00% per annum until 2019, 4.50% thereafter	7.00% per annum until 2019, 4.50% thereafter	7.00% per annum until 2019, 4.50% thereafter
Indexation of pensions in payment	1.65%	1.65%	1.65%

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:

(in thousands of dollars)	March 31, 2012			March 31, 2011			April 1, 2010		
	Funded pension plan	Unfunded pension plans	Other post-retirement plans	Funded pension plan	Unfunded pension plans	Other post-retirement plans	Funded pension plan	Unfunded pension plans	Other post-retirement plans
Benefit obligation	5,184,634	81,993	156,917	4,414,441	68,462	141,234	4,323,211	65,286	140,490
Fair value of plan assets	5,090,814	-	-	4,563,210	-	-	4,199,746	-	-
Deficit (surplus)	93,820	81,993	156,917	(148,769)	68,462	141,234	123,465	65,286	140,490
Less:									
Unamortized unvested past service costs	-	-	(306)	-	-	(382)	-	-	(458)
Net liability (asset) arising from defined benefit obligation	93,820	81,993	157,223	(148,769)	68,462	141,616	123,465	65,286	140,948

17. Pension Plans and Employee-Related Assets/Liabilities (Continued)

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

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	4,482,903	141,234	4,388,497	140,490
Current service cost	72,541	6,761	65,693	6,535
Interest cost	231,924	7,120	226,918	7,056
Contributions from employees	41,186	-	37,630	-
Actuarial losses (gain)	667,400	15,056	-	(153)
Benefits paid	(244,327)	(13,254)	(235,835)	(12,694)
Vested past service cost ¹	15,000	-	-	-
Closing defined benefit obligation	5,266,627²	156,917	4,482,903³	141,234

¹Estimated cost of changes to certain minimum benefit requirements in the Pension Benefits Standards Act affecting the CBC/Radio-Canada Pension Plan. This cost is a one-time charge to the Consolidated Statement of Income (Loss) in the fiscal year ending March 31, 2012.

²The accrued benefit obligations for the funded plan and for the unfunded plans are \$5,184,634 and \$81,993 respectively

³The accrued benefit obligations for the funded plan and for the unfunded plans are \$4,414,441 and \$68,462 respectively.

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

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	4,563,210	-	4,199,746	-
Expected return on plan assets	291,938	-	268,354	-
Actuarial gains	379,386	-	237,563	-
Contributions from employees	41,186	-	37,630	-
Contributions from the Corporation	59,421	13,254	55,752	12,694
Benefits paid	(244,327)	(13,254)	(235,835)	(12,694)
Closing fair value of plan assets	5,090,814	-	4,563,210	-

The Corporation expects to make a contribution of \$59.7 million to the defined benefit plans during the next financial year.

17. Pension Plans and Employee-Related Assets/Liabilities (Continued)

Amounts recognized in comprehensive income in respect to these defined benefit plans are indicated in the table below.

<i>(in thousands of dollars)</i>	2012	2011
Current service cost	79,302	72,228
Interest on obligation	239,044	233,974
Expected return on plan assets	(291,938)	(268,354)
Actuarial loss (gain)	1,255	(153)
Unamortized unvested past service costs	(76)	(76)
Vested past service cost	15,000	-
Expense recognized in net results	42,587	37,619
Plus:		
Actuarial losses (gains) recognized in other comprehensive income (loss)	301,815	(237,563)
Total amounts recognized in comprehensive income (loss)	344,402	(199,944)

The cumulative actuarial losses recognized in Other Comprehensive Income (Loss) represent \$64.3 million as of March 31, 2012 (2011 gain - \$237.6 million).

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

<i>(in thousands of dollars)</i>	2012	2011
Television, radio and new media services costs	39,109	34,594
Specialty services	1,849	1,584
Transmission, distribution and collection	1,222	1,081
Corporate management	407	360
Total	42,587	37,619

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The Corporation's assessment of the expected returns is based on historical return trends and analysts' forecast of the market returns for the asset over the life of the related obligations. The actual return on plan assets for the period was \$671.3 million or 14.9 per cent (2011 - 12.3 per cent).

The assets of the plan have been invested as follows:

	March 31, 2012	March 31, 2011	April 1, 2010
Fixed income	53%	50%	49%
Canadian equities	12%	15%	12%
Global equities	20%	20%	25%
Strategic [†]	15%	15%	14%
	100%	100%	100%

[†] Strategic investments include real estate, private placements, hedge funds and infrastructure funds.

17. Pension Plans and Employee-Related Assets/Liabilities (Continued)

The following table summarizes the defined benefit plans' experience gains and losses:

<i>(in thousands of dollars)</i>	2012		2011	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Experience losses (gains) on defined benefit obligations ¹	7,412	(150)	-	10
Experience losses (gains) on plan assets	(379,386)	-	237,563	-
	(371,974)	(150)	237,563	10

¹ Experience losses (gains) due to plan experience but excluding impact of changes in assumptions

For the year ending March 31, 2012, the total expense related to employee benefits incurred by the Corporation was \$981.5 million (2011 - \$949.8 million).

18. Bonds Payable

The Corporation, through its relationship with the Broadcast Centre Trust, guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto. The Broadcast Centre Trust issued \$400 million in secured bonds on January 30, 1997. The bonds are secured by the assets of Canadian Broadcast Centre, which have a carrying value of \$230.3 million (March 31, 2011 - \$241.0 million). These bonds bear a fixed interest rate of 7.53 per cent annually and require blended semi-annual payments of \$16.5 million, which will retire the following principal amounts:

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
Less than one year	33,039	20,093	33,039	19,642	33,039	19,223
Later than one year but not later than five years	132,155	51,682	132,155	47,999	132,155	44,579
More than five years	346,907	236,851	379,946	251,238	412,985	264,600
Less: future finance charges	(203,475)	-	(226,261)	-	(249,777)	-
Present value of minimum payments	308,626	308,626	318,879	318,879	328,402	328,402

Interest expense related to bonds payable included in current year's expenses and presented as finance costs is \$22.8 million (2011 - \$23.5 million).

18. Bonds Payable (Continued)

Present value of minimum payments:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Included in the Consolidated Statement of Financial Position as bonds payable:			
current	20,093	19,642	19,223
long-term	288,533	299,237	309,179
	308,626	318,879	328,402

19. Obligations under Finance Leases

Obligations under finance lease include satellite transponders and mobile equipment.

	Effective Interest rate	Ending Date
Transponder lease	6.8 per cent per annum	February 18, 2018
Mobile equipment lease	2.95 per cent per annum	January 28, 2016

The Corporation has an option to purchase the mobile equipment for a nominal amount at the end of the lease term.

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than one year	13,760	9,945	13,760	9,343	12,030	7,300
Later than one year but not later than five years	53,021	44,468	54,751	43,465	48,120	34,774
More than five years	10,024	9,738	22,055	20,671	34,084	30,902
Less: future finance charges	(12,654)	-	(17,087)	-	(21,258)	-
Present value of minimum lease payments	64,151	64,151	73,479	73,479	72,976	72,976

Interest expense related to obligations under finance lease included in current year's expenses and presented as finance costs is \$4.4 million (2011 - \$4.8 million).

Present value of minimum lease payments:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Included in the Consolidated Statement of Financial Position as obligation under finance lease:			
current	9,945	9,343	7,300
long-term	54,206	64,136	65,676
	64,151	73,479	72,976

20. Notes Payable

The notes payable, held by the CBC Monetization Trust, a special purpose entity of the Corporation, mature in May 2027 and bears interest at an annual rate of 4.688 per cent. 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 percent 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 net investment in finance lease described in Notes 10 and 11.

Principal payments are scheduled as follows:

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
Less than one year	11,473	7,794	11,473	7,625	10,517	6,514
Later than one year but not later than five years	45,892	25,096	45,892	23,933	45,892	22,824
More than five years	120,466	93,789	131,939	100,520	143,412	106,933
Less: future finance charges	(51,152)	-	(57,226)	-	(63,550)	-
Present value of minimum payments	126,679	126,679	132,078	132,078	136,271	136,271

Interest expense included in current year's expenses and presented as finance costs is \$6.1 million (2011 - \$6.3 million).

Present value of minimum payments:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Included in the Consolidated Statement of Financial Position as notes payable:			
current	7,794	7,625	6,514
long-term	118,885	124,453	129,757
	126,679	132,078	136,271

21. Provisions

<i>(in thousands of dollars)</i>	March 31, 2012			March 31, 2011		
	Claims and legal proceedings	Environmental	Total	Claims and legal proceedings	Environmental	Total
Balance, beginning of year	35,272	300	35,572	55,817	-	55,817
Additional provisions recognized	13,045	-	13,045	9,190	300	9,490
Reductions resulting from re-measurement or settlement without cost	(6,314)	-	(6,314)	-	-	-
Reductions resulting from payments	(3,241)	-	(3,241)	(29,735)	-	(29,735)
Balance, end of year	38,762	300	39,062	35,272	300	35,572

A. Claims and legal proceedings

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 real estate valuation and related municipal taxes, 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. At March 31, 2012, the Corporation had provisions amounting to \$38.8 million (March 31, 2011 - \$35.3 million; April 1, 2010 - \$55.8 million) in respect of legal claims. All matters are classified as current as where estimable the Corporation expects them to be resolved within 12 months.

The Corporation has not recorded any provision in relation to onerous contracts.

B. Environmental liabilities

At March 31, 2012, the Corporation had provisions totalling \$0.3 million for two environmental matters. One former AM transmission site in Rimouski has Polychlorinated Biphenyls (PCB) concentrations exceeding permitted levels determined by the Ministère du Développement durable, de l'Environnement et des Parcs (MDDEP). Additionally, remediation work is required at the Corporation's Mont Logan property to clean-up oil contaminants found in ground samples from the site's former transmission tower and associated building.

Costs associated with remediation work at these two sites are estimated at \$0.2 million, and \$0.1 million, respectively. Both matters are subject to ministry approvals and other environmental reviews. The Corporation expects clean-up on the properties to begin within 12 months.

C. Contingencies

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. Litigations are subject to many uncertainties and the outcome of individual matters is not always predictable. Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. No amounts have been recorded in relation to contingent liabilities.

22. Revenue

The Corporation recognized revenue from the following sources:

<i>(in thousands of dollars)</i>	2012	2011
Advertising	375,725	367,700
Building, tower, facility and service rentals	46,493	48,160
Production revenue	17,633	17,366
Digital programming	5,736	8,376
Retransmission rights	7,572	6,468
Program sponsorship	5,433	4,928
Other services	4,864	3,148
Total Rendering of services	463,456	456,146
Total Specialty Services	167,754	158,108
Total Financing income	9,141	9,032
Contribution from the Local Programming Improvement Fund (LPIF)	45,755	36,718
Contra revenues other than advertising	2,152	2,750
Gain (Loss) on foreign exchange rates	(325)	1
Net gain (loss) from fair value of financial instruments	1,031	(418)
Total Revenue	688,964	662,337

23. Specialty Services

The Corporation operates CBC News Network (CBC NN) and the Réseau de l'information de Radio-Canada (RDI), under CRTC licence conditions that require the reporting of incremental costs and revenues. **bold** is also reported on an incremental cost basis. On an incremental basis, only expenses that are charged directly to the specialty services are reported. Indirect costs for support services are not allocated to specialty services and expenses relating to pension plans and employee related liabilities are recognized only when the related benefits are paid by the specialty services. In accordance with IFRS, however, the Corporation has included in the financial results of the specialty services the portion of earned pension plans and employee related liabilities relating to their respective employees.

On March 28, 2012, the Corporation launched a new specialty channel, Explora. The new channel did not generate any material revenue or incur material operating expenses prior to March 31, 2012.

23. Specialty Services (Continued)

<i>(in thousands of dollars)</i>	2012					Total Specialty Services
	CBC NN	RDI	bold	documentary ²	ARTV ²	
Revenue	84,437	56,022	4,047	5,644	17,604	167,754
Expenses including pension plans and employee related liabilities	(68,991)	(43,594)	(3,906)	(3,625)	(14,112)	(134,228)
Total	15,446	12,428	141	2,019	3,492	33,526
Repayments for capital acquisitions ¹	(3,615)	(2,753)	-			
Pension plans and employee related liabilities	(572)	(448)	(11)			
Total on an incremental costs basis	11,259	9,227	130			

<i>(in thousands of dollars)</i>	2011					Total Specialty Services
	CBC NN	RDI	bold	documentary ²	ARTV ²	
Revenue	81,655	54,773	4,146	5,385	12,149	158,108
Expenses including pension plans and employee related liabilities	(72,154)	(43,526)	(3,835)	(3,564)	(10,855)	(133,934)
Total	9,501	11,247	311	1,821	1,294	24,174
Repayments for capital acquisitions ¹	(2,500)	(2,043)	-			
Pension plans and employee related liabilities	(559)	(438)	(11)			
Total on an incremental costs basis	6,442	8,766	300			

¹ Capital expenditures for the acquisition of equipment and software to introduce, maintain and expand the specialty services are made by the Corporation from its capital appropriation with an approved corporate repayment plan for recovery from the specialty services' revenues. Those repayments are funded from the accumulated excess revenues over expenses.

² Consolidated entities

24. Finance Costs

The Corporation's finance costs include the following:

<i>(in thousands of dollars)</i>	2012	2011
Interest on bonds payable	22,786	23,516
Interest on notes payable	6,074	6,313
Interest on obligations under finance lease	4,432	4,771
Interest on financial liability related to the monetization of receivables	163	442
	33,455	35,042

25. Government Funding

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

<i>(in thousands of dollars)</i>	2012	2011
Operating funding		
Base funding	977,988	980,814
Additional non-recurring funding for programming initiatives	60,000	60,000
Transfer to capital funding	(9,941)	(9,233)
Operating funding received	1,028,047	1,031,581
Capital funding		
Base funding	92,331	92,331
Transfer from operating funding	9,941	9,233
Capital funding received	102,272	101,564
Working capital funding	4,000	4,000
	1,134,319	1,137,145

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). Capital Funding received is recorded as Deferred Capital Funding in the Consolidated Statement of Financial Position and is amortized and recognized on the same basis and over the same periods as the related property, equipment, intangible assets and equipment under capital lease.

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011
Balance, beginning of year	602,025	632,221
Government funding for capital expenditures	102,272	101,564
Amortization of deferred capital funding	(130,270)	(131,760)
Balance, end of year	574,027	602,025

26. Income Taxes

A. Income tax recognized in profit or loss

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 26.13 per cent (2011 - 27.63 per cent) to accounting profit as follows:

<i>(in thousands of dollars)</i>	2012	2011
Income tax provision (recovery) at federal statutory rate	10,676	(2,044)
Permanent differences	(1,277)	1,466
Increase (decrease) resulting from:		
Adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	(9,399)	578
Income tax expense recognized in profit or loss	-	-

The tax rate used for the 2012 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). The Corporation's activities are not subject to provincial taxes. An adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences is reflected above.

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 draws and 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, the expected deferred tax asset or liability is not recognized in the financial statements as long as these specified operating conditions are met at the end of the reporting period.

26. Income Taxes (Continued)

B. Temporary Differences

<i>(in thousands of dollars)</i>	M arch 31, 2 0 12	M arch 31, 2 0 11	A pril 1, 2 0 10
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:			
Accrued liabilities	22,000	24,108	15,856
Pension plan	175,812	(80,308)	188,752
Employee-related liabilities	157,396	141,808	141,156
Loss carry-forward	112,120	103,192	108,356
Long-term receivables and investments	18,005	20,108	19,344
Programming	(172)	(628)	(712)
Deferred income for tax purposes related to the sale of receivables	(53,000)	(56,564)	(60,108)
Property and equipment	(262,947)	(260,846)	(172,228)
Other	(6,547)	5,952	(11,688)

The loss carry-forwards will begin to expire in 2015.

27. Movements in Working Capital

<i>(in thousands of dollars)</i>	2 0 12	2 0 11
Changes in Working Capital are comprised of:		
Trade and other receivables	(3,749)	21,205
Programming	(2,446)	24,580
Merchandising inventory	278	614
Prepaid expenses	24,991	9,854
Promissory notes receivable	(12)	(9)
Accounts payable and accrued liabilities	492	(2,202)
Provisions	3,490	(20,245)
Deferred revenues	(314)	1,638
Pension plans and employee-related liabilities	(6,601)	14,067
Notes payable	-	11
	16,129	49,513

28. Commitments

A. Program-related and Other

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Sports rights	182,887	280,331	379,750
Procured programs, film rights and co-productions	74,219	68,499	89,610
Property and equipment	15,987	14,342	9,419
Other	379,793	432,305	436,679
	652,886	795,477	915,458

Future annual payments as of March 31, 2012, are as follows:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Less than one year	207,190	192,751	177,245
Later than one year but not later than five years	314,065	429,880	524,674
More than five years	13,163	172,846	213,539
	652,886	795,477	915,458

28. Commitments (Continued)

B. The Corporation as a Lessee - Operating Leases

Operating leases relate to leases of property, network distribution and equipment with lease terms of between one and 47 years. Certain leases contain clauses allowing for the renewal/extension of the original term. The Corporation does not have an option to purchase any of the property, network distribution or equipment at the expiry of the lease periods.

As at March 31, the Corporation had total commitments under operating leases, which consists mainly of property leases, network distribution leases and equipment leases.

Non-cancellable operating lease commitments:

<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
Less than one year	19,414	19,972	27,962
Later than one year but not later than five years	67,707	65,482	64,193
More than five years	75,466	85,050	95,610
	162,587	170,504	187,765

The payments recognized as an expense for minimum lease payments in 2012 amounted to \$22.1 million (2011 - \$31.2 million)

C. The Corporation as a Lessor - Operating Leases

Operating leases relate to buildings and transmission towers owned by the Corporation with lease terms of between 1 to 97 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.

Non-cancellable operating lease receivables as at March 31, 2012 were \$10.1 million for less than one year; \$20.4 million for later than one year but no later than five years and \$23.5 million for more than five years.

29. Related Parties

The Corporation enters into transactions with 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 following transactions were carried out with related parties:

A. Transactions with Related Parties Excluding Government-Related Entities

<i>(in thousands of dollars)</i>	Rendering of services		Receipt of services		Pension contributions	
	2012	2011	2012	2011	2012	2011
Associate	3,852	3,604	2	9	-	-
Other related entities	-	-	-	20	-	-
Corporate Pension Plan	-	-	-	-	59,421	55,752
	3,852	3,604	2	29	59,421	55,752

The following balances were outstanding at the end of the year:

<i>(in thousands of dollars)</i>	Amounts owed by related parties			Amounts owed to related parties		
	March 31, 2012	March 31, 2011	April 1, 2010	March 31, 2012	March 31, 2011	April 1, 2010
Associate	446	195	329	-	-	-
Other related entities	-	-	-	-	23	-
	446	195	329	-	23	-

The amounts outstanding are unsecured and will be settled in cash. 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.

B. Other Transaction with Associate

On June 21, 2011 the Corporation exchanged its interests in Sirius for shares in CSR pursuant to the reverse take-over of CSR by Sirius. The reverse take-over and retention of significant influence in the CSR combined entity caused the Corporation to recognize a non-cash dilution gain of \$25.8 million. This amount is made up of a gain on the disposed interest in the amount of \$3.3 million as well as the Corporation's proportionate share of CSR's share issuance amounting to \$22.5 million. In addition, the Corporation recognized \$5.1 million in dividend income related to redemption of the original \$12.0 million investment the Corporation had in Sirius Class C shares. Finally, the Corporation received a promissory note in connection with dividends declared on the Class A shares of the associate. More information on this transaction is provided in Note 15 to the consolidated financial statements.

29. Related Parties (Continued)

C. 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.

These transactions are conducted in the ordinary course of the Corporation’s activities on terms comparable to those with other entities that are not government-related. The Corporation has established procurement policies, pricing strategy and approval process for purchases and sales of products and services which are independent of whether the counterparties are government-related entities or not.

For the year ended March 31, 2012, the aggregate amount of the Corporation’s significant transactions with other government-related entities amounted to \$0.8 million of its rendering of services (2011 - \$0.4 million) and \$1.4 million of its purchase of goods and services (2011 - \$1.1 million). There were no individually significant transactions during the year ended March 31, 2012 (2011 - none).

D. 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 Senior Executive Team (SET) and all members of the Board of Directors.

Senior Executive Team

The remuneration of the Senior Executive Team during the year was as follows:

<i>(in thousands of dollars)</i>	2012	2011
Short-term benefits ⁽¹⁾	4,419	4,521
Post-employment benefits ⁽²⁾	1,086	1,126
Other long-term benefits ⁽³⁾	88	-
Termination benefits ⁽⁴⁾	841	1,152
	6,434	6,799

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

²Post-employment benefits include pensions and post-employment life insurance.

³Other long-term benefits include long-term incentive pay, long-term disability and worker’s compensation.

⁴Termination benefits include 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.

29. Related Parties (Continued)

Board of Directors

Members of the Board of Directors, except the President and CEO, receive meeting fees for attendance in person at the Board and Committee meetings based on a fee schedule.

Total compensation paid to the Board of Directors, excluding the President and CEO, during the year was \$0.2 million (2011 - \$0.2 million). Additional data on meetings attended by the Board members is provided in the section *Board of Directors Attendance* of the Annual Report.

The remuneration of key management personnel is as follows:

- The President and CEO and the Chair of the Board of Directors' remuneration is in accordance with the terms of the Order-in-Council appointing him/her;
- Members of the Board of Directors remuneration is in accordance with the Corporations' by-laws;
- SET members' remuneration, excluding the President and CEO, is approved by the Board of Directors upon recommendation of the Human Resources and Compensation Committee, having regard to the performance of individuals and market trends.

30. Financial Instruments

A. Fair Value

The fair values of cash, trade and other receivables, the short-term portion of the promissory notes receivable, accounts payable and accrued liabilities, the short-term portion of the bonds payable, financial liability related to the monetization of receivables, the short-term portion of the obligations under finance lease and the short-term portion of the notes payable approximate their carrying value due to the short-term nature of these instruments.

30. Financial Instruments (Continued)

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

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010		Method ¹	Note
	Carrying values	Fair values	Carrying values	Fair values	Carrying values	Fair values		
Financial instruments measured at fair value:								
Derivative financial asset instruments	80	80	-	-	-	-	Level 1	(a)
Derivative financial asset instruments – stock options	53	53	-	-	-	-	Level 2	(b)
Derivative financial liability instruments	11	11	715	715	297	297	Level 1	(a)
Long-term investments – non-voting Class C shares	-	-	17,000	17,000	4,325	4,325	Level 2	(b)
Financial instruments measured at amortized cost:								
Long-term receivables	-	-	-	-	10,090	9,400		(c)
Promissory notes receivable (long-term)	49,903	58,764	51,765	56,775	53,788	57,600		(c)
Net investment in finance lease (long-term)	54,077	64,999	56,577	62,594	58,928	63,400		(c)
Bonds payable (long-term)	288,533	396,127	299,237	382,250	309,179	389,100		(d)
Financial liability related to the monetization of receivables (long-term)	-	-	-	-	10,221	10,157		(d)
Obligations under finance lease (long-term)	54,206	58,955	64,136	68,634	65,676	71,000		(d)
Notes payable (long-term)	118,885	132,835	124,453	128,045	129,757	130,100		(d)

¹Method refers to the hierarchy levels described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 - quoted prices in active markets for identical assets or liabilities instruments
- Level 2 - directly observable market inputs other than Level 1 inputs
- Level 3 - inputs that are not based on observable market data (unobservable inputs)

(a) The fair value is based on quoted forward market prices at the end of the reporting period.

(b) The estimated fair value is determined using discounted projected future cash flows.

(c) The fair values related to the various amounts receivable were determined using the expected future cash flows and discounted using rates that reflect 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 Government bond rates with similar terms and characteristics.

30. Financial Instruments (Continued)

B. Capital Risk Management

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

The Corporation is not subject to externally imposed capital requirements. The Corporation is, however, 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's objectives in managing capital are 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, 2011.

C. Categories of Financial Instruments

<i>(in thousands of dollars)</i>	M arch 31, 2 0 12	M arch 31, 2 0 11	A pril 1, 2 0 10
Financial assets			
Fair value through profit or loss (FVTPL)			
Cash	64,277	63,224	53,170
Derivative financial instruments	133	-	-
Loans and receivables	229,392	227,386	260,431
Available-for-sale financial assets	17	17,017	4,342
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Held for trading	11	715	297
Other liabilities	559,943	585,440	611,414

30. Financial Instruments (Continued)

D. Financial Risk Management

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

E. 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 exposed to all of these risks.

The Corporation's exposure to market risk and its objectives, policies and processes for managing market risk are consistent with those in place as at March 31, 2011.

i. 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 revenues 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 as at March 31, 2012 (expressed in Canadian equivalent dollars) is as follows:

(in thousands of dollars)	March 31, 2012			March 31, 2011			April 1, 2010		
	\$US	Euros	GBP	\$US	Euros	GBP	\$US	Euros	GBP
Cash	1,107	239	295	2,344	260	136	500	708	1,007
Trade and other receivables	540	348	109	670	350	241	1,586	401	157
Accounts payable and accrued liabilities	(2,480)	(129)	(626)	(1,755)	(170)	(259)	(2,254)	(183)	(303)
Net exposure	(833)	458	(222)	1,259	440	118	(168)	926	861

Based on the net exposure as at March 31, 2012, and assuming all the other variables remain constant, a hypothetical five per cent change in the Canadian dollar against the US dollar, the Euro and the GBP would not have a significant impact on the Corporation's net results.

30. Financial Instruments (Continued)

ii. Interest Rate Risk

Interest 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 bonds payable, notes payable and financial liability related to the monetization of receivables 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 and loss of the Corporation.

For its short-term cash balances, the Corporation has a policy of maximizing interest revenues. The Corporation may invest in marketable securities with terms to maturity of less than one year. To be compliant with the *Broadcasting Act*, these securities must be fully guaranteed by the Government of Canada (e.g. Canada treasury bills). The Corporation may also 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. Given that the prevailing interest rates on treasury bills and other similar investments have not been favourable, the Corporation did not have any such investments as at March 31, 2012 (March 31, 2011 - nil).

iii. Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Maximum risk resulting from financial instruments is equivalent to their fair value.

F. 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 has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Corporation is exposed to credit risk through its cash and investments, accounts receivable, forward exchange contracts, promissory notes receivable and investment in finance lease.

The maximum exposure to credit risk of the Corporation at March 31, 2012, March 31, 2011 and April 1, 2010, is the carrying value of these assets.

30. Financial Instruments (Continued)

i. Cash and investments

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.

ii. Trade and other receivables

The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited by following a program of credit evaluation and by limiting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk. As at March 31, 2012, March 31, 2011 and April 1, 2010, no single client had balances representing a significant portion of the Corporation's trade receivables. See Note 7 for more information.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a specific allowance for receivables where there is objective evidence that the receivable is not recoverable. This is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience. An additional general allowance is recognized where there are known anomalies or negative economic trends in industries in which a significant portion of outstanding debtors operate.

The Corporation's allowance for doubtful accounts amounted to \$2.0 million in 2012 (2011 - \$1.1 million; 2010 - \$2.7 million). See Note 7 for more information.

iii. Forward exchange contracts

The policy on currency risk requires that all significant forward contracts, options and other instruments used to hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks. To this end, the Corporation has qualified five counterparties meeting this criterion (three Canadian chartered banks, One subsidiary of a foreign bank and 1 credit union), with which it places all its currency hedging business.

<i>(in thousands of dollars)</i>	March 31, 2012		March 31, 2011		April 1, 2010	
	Notional	Fair values	Notional	Fair values	Notional	Fair values
Forward exchange contracts-\$US ¹	17,463	68	23,251	(715)	18,651	(297)

¹The forward contracts rates are between 0.995 and 1.003 for forward contracts in US dollars and the maturity dates are between May 2012 and February 2013.

30. Financial Instruments (Continued)

iv. Promissory notes receivable and Net investment in finance lease

The Corporation's promissory notes receivable and net 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 net investment in finance lease, which are collected on a monthly basis through the CBC Monetization Trust.

G. 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 long-term 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.

<i>(in thousands of dollars)</i>	Carrying amount of liability at March 31, 2012	Contractual cash flows	Within 1 Year	2 to 5 Years	6 to 9 Years	Over 9 Years
Bonds payable	308,626	512,101	33,039	132,155	132,155	214,752
Notes payable	126,679	177,831	11,473	45,892	45,892	74,574
Finance lease – Transponders	57,873	70,174	12,030	48,120	10,024	-
Finance lease – Mobile equipment	6,278	6,631	1,730	4,901	-	-

<i>(in thousands of dollars)</i>	Carrying amount of liability at March 31, 2011	Contractual cash flows	Within 1 Year	2 to 5 Years	6 to 9 Years	Over 9 Years
Bonds payable	318,879	545,140	33,039	132,155	132,155	247,791
Notes payable	132,078	189,304	11,473	45,892	45,892	86,047
Finance lease – Transponders	65,676	82,205	12,030	48,120	22,055	-
Finance lease – Mobile equipment	7,803	8,361	1,730	6,631	-	-

30. Financial Instruments (Continued)

<i>(in thousands of dollars)</i>	Carrying amount of liability at April 1, 2010	Contractual cash flows	Within 1 Year	2 to 5 Years	6 to 9 Years	Over 9 Years
Bonds payable	328,402	578,180	33,039	132,156	132,156	280,829
Notes payable	136,271	199,821	10,517	45,892	45,892	97,520
Finance lease – Transponders	72,976	94,235	12,030	48,120	34,085	-

There are no expected future cash flow requirements for the derivative financial instruments and the financial guarantee.

31. Subsequent Event

On April 4, 2012, the Corporation announced a three-year financial plan that includes various restructuring initiatives. This plan is being implemented to address financial pressures inherent in funding the business and proceeding with the Corporation's strategic priorities, as well as in response to the government-wide Deficit Reduction Action Plan. The government has announced a reduction in the Corporation's annual appropriations of \$115.0 million which will be phased in over a 3-year period. An initial reduction of \$27.8 million is scheduled for 2012-2013, followed by a \$69.6 million reduction for 2013-2014 prior to the full reduction of \$115.0 million applied in 2014-2015.

The financial plan announced on April 4, 2012, includes new revenue and cost reduction initiatives to allow the Corporation to continue to match its planned operating expenses with available resources.

The restructuring initiatives within the Corporation's financial plan include workforce reductions to better align staffing levels with the programming and services to be offered by the Corporation on a long-term basis. The Corporation estimates its costs in connection with workforce reductions, comprising of severance, benefits continuation and outplacement services, will total approximately \$17.0 million in 2012-2013. Further costs will be incurred in future years and these costs will be accrued when the Corporation becomes demonstrably committed and the amounts are estimable.

The Corporation has also announced as part of the financial plan that it will cease shortwave transmission of RCI programming, and accelerate the shutdown of remaining analogue television transmitters. As a result of ceasing these transmission and distribution services, the Corporation expects to incur additional one-time costs including impairment charges, site restoration and equipment disposal fees, contract termination fees, and other related costs. At this time, the Corporation is unable to estimate the total amount of charges in connection with these activities as it is in the process of evaluating its facilities and equipment at all impacted locations.