CBC/RADIO-CANADA

ANNUAL REPORT

2020-2021

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

As Canada's national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. Our corporate website provides information about our activities and the way we manage our public resources. In addition, we will be launching a five-year corporate environmental sustainability strategy in June 2021. It builds on the environmental performance reporting we've been doing since 2008, to further embed sustainability in our roles and responsibilities, processes, and decision making.

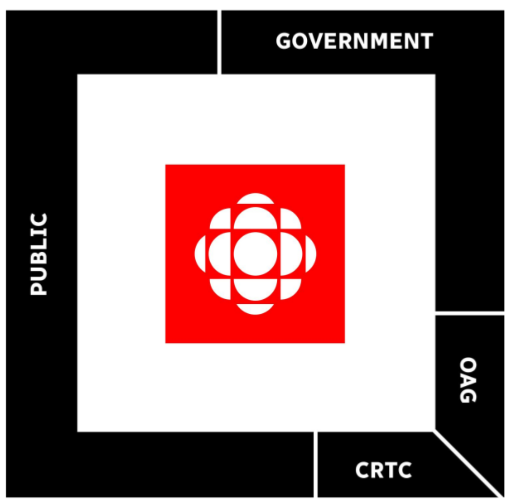
HR COMPLIANCE
- Annual Review on Implementation of Section 41 of the *Official Languages Act* to Canadian Heritage
- Annual Review on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
- Annual Report on Employment Equity to Employment and Social Development Canada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

RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

POLICIES AND PRACTICES
- Journalistic Standards and Practices
- Code of Conduct
- Corporate policies

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

VALUES AND ETHICS COMMISSIONER ANNUAL REPORT
- Reports on the implementation of our Code of Conduct and the Policy on Conflicts of Interest, and outlines how complaints regarding employee behaviour are handled



CORPORATE REPORTS
- Annual Report
- Quarterly financial reports
- Corporate Plan and Corporate Plan Summary
- CBC Pension Annual Report
- Public Accounts of Canada
- Environmental performance reports
- Reports on the implementation of the *Access to Information Act* and *Privacy Act*, and on any disclosure of wrongdoings (under the *Public Servants Disclosure Protection Act*)

APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

OFFICE OF THE AUDITOR GENERAL (OAG)
- Annual OAG Attest Audit
- OAG Special Examinations

PROACTIVE DISCLOSURE
- Travel and hospitality expenses of the Chair, Board members and Executives
- Board meeting documents

ANNUAL PUBLIC MEETING

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

2020-2021 AT A GLANCE

Financial Highlights

REVENUE

2020-2021: $504M
2019-2020: $504M
TOTAL DECREASE
$0M (-0.1%)

Despite the challenging conditions created by the COVID-19 pandemic, overall revenue was stable this year.

Revenue from our traditional platforms decreased due to the pandemic's adverse impacts on the Canadian TV advertising market and the industry-wide decline in subscriptions to discretionary TV services. The migration of audiences to our digital platforms helped offset this decrease.

The pandemic also led to the cancellation of many cultural and sporting events, which decreased demand for our production services. The recognition of one-time retroactive royalties for retransmission rights in the last quarter further mitigated the pandemic's negative impact on our overall revenue.

GOVERNMENT FUNDING

2020-2021: $1,394M
2019-2020: $1,209M
TOTAL INCREASE
+$185M (+15.3%)

Government funding recognized in income increased by 15.3%, primarily due to the receipt of retroactive salary inflation funding for fiscal years back to 2018-19. Our base operating appropriation for 2020-21 remained consistent with the prior year.

To assist with anticipated liquidity risks during the pandemic, we were also advanced $36.7M in appropriations from next fiscal year (2021-22). This advance has been included in government funding recognized in income, and next year's appropriations will be reduced by this amount.

EXPENSES

2020-2021: $1,728M
2019-2020: $1,763M
TOTAL DECREASE
-$35M (-2.0%)

Our expenses decreased by 2.0% this year.

Our programming expenses decreased slightly as we adjusted our content offer as a result of changes, delays and cancellations caused by the pandemic. We also continued to invest in video and audio content for our digital platforms.

Other operating expenses were stable, as operational savings offset incremental costs to ensure the health and safety of our employees.

For the year ended March 31	**2021**	2020	% change
Revenue	503,944	504,413	(0.1)
Government funding	1,394,346	1,209,058	15.3
Expenses	(1,728,093)	(1,763,207)	(2.0)
Results before other gains and losses and taxes	**170,197**	**(49,736)**	**N/M**
Other gains and losses	3,046	(9,368)	N/M
Results before income taxes	**173,243**	**(59,104)**	**N/M**
Income tax expense	(31,149)	-	N/M
Net results under IFRS for the year	**142,094**	**(59,104)**	**N/M**
Budget Results for the year[1]	**175,033**	**11,038**	**N/M**

N/M = not meaningful

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

Net results under IFRS for the year were a gain of $142.1 million, compared to a loss of $59.1 million last year. The $201.2 million increase in our net results under IFRS was primarily due to higher recognition of government funding by $185.3 million. This year's results include a gain resulting from a non-monetary transaction in which we exchanged software licences, while last year's results included a non-cash charge from the transfer of a building to the province of Saskatchewan in exchange for a long-term lease arrangement and other net losses from the retirement of assets in the regular course of operations. If we exclude these items, our results before other gains and losses and taxes increased by $219.9 million. The increase in our net results was partially offset by the recognition of a $31.1 million income tax expense.

Budget Results for the year were $175.0 million compared to $11.0 million last year. The improved results largely reflect the increase in government funding recognized this year. Our Budget Results are normally higher than the net results under IFRS, because this non-IFRS measure excludes non-cash expenses not funded by our operating budget, such as depreciation and non-cash pension expenses.

Business Highlights

In 2020-21, CBC/Radio-Canada continued to serve Canadians when they needed us most. We provided vital information about the ongoing pandemic, reported on national and international stories, including domestic and foreign elections, and brought breaking news to our audiences, always from a uniquely Canadian perspective. Our strategy *Your Stories, Taken to Heart*, which has been extended an additional two years to cover 2019-24, continued to guide us as we worked to serve our audiences and maintain their trust. Highlights from this unique year include:

1 Customized digital services

- Compelling new video content on the CBC Gem and ICI TOU.TV platforms.
- New Canadian and international music, podcasts and other audio content added to the CBC Listen and Radio-Canada OHdio platforms.
- CBC Lite, a low-bandwidth product that offers text-based CBC News content, ensuring access for audiences in rural and remote areas where broadband internet is not the norm.
- The new food-focused online service Mordu, which brings together all of Radio-Canada's gourmet offerings on one platform.

2 Engaging with young audiences

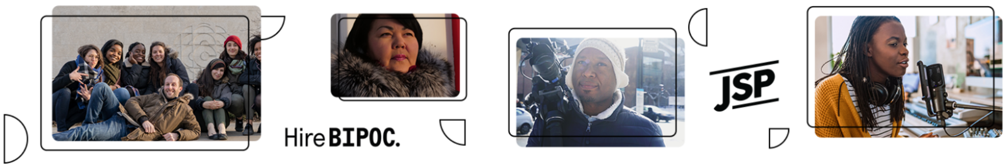
- Radio-Canada's MAJ and CBC Kids News covered the pandemic, ensuring kids had access to the age-appropriate information they needed to understand and stay informed.
- Great new and returning kids content, including *Six degrés*, *L'effet secondaire* and *Marika* on ICI TOU.TV and *Detention Adventure, Dino Ranch* and *Endlings* on CBC Gem.
- Curio.ca, CBC/Radio-Canada's educational platform for all grade levels, from primary through post-secondary, was made available for free at the beginning of the pandemic until the end of the 2020 school year to help ensure students had access to quality educational content when schools were closed.

3 Prioritizing our local connections

- The launch of Radio-Canada's Vidéojournal Abitibi-Témiscamingue: a new daily regional video news service on Facebook, where Canadians access much of their news, and of Empreintes, an entirely digital, pan-Canadian project to collect regional stories that showcase the experiences of Canadians.
- The restructuring of CBC North under the management of an Indigenous leader.
- The launch of the Local News Matters directory to support a healthy local news ecosystem across Canada.

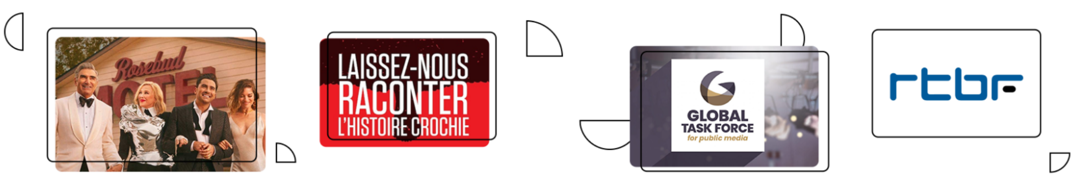
- CBC's "Make the Season Kind" holiday drive, through which our local stations celebrated the kindness of others with special programming, storytelling and a virtual coming together in support of local charities, with record-breaking results.

4 Reflecting contemporary Canada



- Continued focus on improving representation in all our content, including:
  - Tracking representation of on-air guests.
  - Supporting key industry initiatives like Access Reelworld and HireBIPOC to improve access to key production roles for Black, Indigenous and People of Colour, and working with Telefilm and the Canada Media Fund to better coordinate our responses to Black and Indigenous racism across our industry.
  - Funding for and a partnership with the Canadian Journalism Foundation to launch new CBC/Radio-Canada fellowships for Black journalists.
  - News teams undertaking a reflection on the Journalistic Standards and Practices (JSPs) through a diversity and inclusion lens.[1]
- Several internal initiatives to address systemic racism under the leadership of the Diversity and Inclusion working group, including:
  - The launch of "Be Heard," a platform where employees can anonymously and confidentially report acts of racism that they have experienced or witnessed in the workplace.
  - Committing the necessary financial, human and time resources toward our target that no less than 50 per cent of all new hires for executive and senior management positions be from under-represented groups.

5 Taking Canada to the world



- Working with public broadcasters around the world to combat disinformation and promote the value of public media as chair of the Global Task Force for public media.
- A new partnership with RTBF to feature our content in the Belgian francophone market (e.g., *District 31*, *Ruptures*, *Trop* and *Les bogues de la vie*), and enrich ICI TOU.TV EXTRA with Belgian web series, documentaries and magazine programs.
- Season 6 of *Schitt's Creek*, making Emmy Awards history as the first show to sweep in all major comedy categories and gaining praise for its inclusive and LGBTQ2+ positive storylines.
- CBC/Radio-Canada's podcasts, which continued their success both nationally and internationally like CBC's *Uncover*, and Radio-Canada's *Laissez-nous raconter : L'histoire crochie*, which won the best francophone podcast outside of France at the Paris Podcast Festival.

[1] Further details about our diversity and inclusion initiatives can be found in the *Measuring our Performance* section, under *Radio-Canada highlights* and *CBC highlights*, and in the *People* section.

MESSAGES

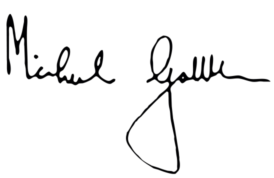
From the Chair

On behalf of the Board of Directors of CBC/Radio-Canada, I am delighted to share the outstanding results of the national public broadcaster in what has been an enormously challenging year for all of us. Canadians turned to CBC/Radio-Canada in record numbers, across all our platforms, as our teams stepped up coverage, information and entertainment programming to help them weather the crisis. Most importantly, we witnessed in action the critical role that the public broadcaster plays at the local, regional and national levels.

CBC/Radio-Canada has provided life-saving information in communities across the country, while also reporting on major domestic and international events that affect Canadians' lives. From provincial elections in New Brunswick, B.C., Saskatchewan, P.E.I. and Newfoundland & Labrador to the tragedies in Nova Scotia and the Iranian airplane disaster, our teams have been there covering the news with sensitivity and in-depth analysis. They raised awareness of the issues surrounding anti-Black, anti-Indigenous and anti-Asian racism, as well as the obstacles to equity and inclusion in our society. Through CBC Kids News and MAJ, young Canadians had access to content aimed at helping them make sense of the pandemic, answer social justice questions and get more information about other topics that concern them. In an effort to strengthen our Canadian news ecosystem during an unprecedented year of media closures, CBC/Radio-Canada also launched the Local News Matters directory, to encourage Canadians to support local journalism in their communities.

As Chair of the Board, I wish to express my appreciation for the work and dedication of our three departing Directors, Harley Finkelstein, Edward W. Boyd and Rob Jeffery. Three new members were appointed to the Board: Sandra Mason, Rita Shelton Deverell and Bill Tam. Together, the Board of Directors is committed to supporting the Corporation's work and service to Canadians at all times, and especially during this crisis. We also endorse senior management's efforts to make the public broadcaster more inclusive and to protect the physical and mental health of CBC/Radio-Canada employees. In these tough times, we are proud of the dedication of our employees and honoured to serve Canadians.

Innovation, creativity, resilience and relentless dedication to excellence in journalism are our greatest strengths. And it's what will allow us to continue serving Canadians together, today and in the future.



Michael Goldbloom
Chair of the Board

From the President and CEO

2020 has been an extraordinary year. While the unprecedented challenges of the COVID-19 pandemic have forced us apart physically, they have also brought us together as a country. Canadians have stepped up to help relatives, friends and neighbours, and to support their local communities. At CBC/Radio-Canada, we are proud to have been able to share those stories, and to keep Canadians connected, informed and entertained during this difficult year.

The role of our journalists in ensuring Canadians get the facts they need has never been so important, or so valued. For the entire year, 80 per cent of our workforce worked from home, maintaining the quality of our programming and finding creative solutions to produce our content. Our news teams have found new ways to engage with Canadians, to answer their questions and to give them access to the experts. Never before have we witnessed the extent of the power of digital in keeping us connected. In the early months of the pandemic, 24 million Canadians turned to our digital platforms each month – making us the top Canadian online destination and the fourth overall after Google, Facebook and Microsoft.

Equally important, CBC/Radio-Canada has supported our creative sector by keeping productions up and running with new measures to ensure a safe production environment. We have also helped Canadian theatre, dance and music creators by adapting and sharing their works on our radio and digital audio platforms. We have built on our success as Canada's #1 podcaster, reaching audiences at home and abroad with award-winning podcasts such as CBC's *Uncover* series and Radio-Canada's *Laissez-nous raconter : l'histoire crochie*. We have offered millions of Canadians a break from their isolation with special moments, like our live shows in support of frontline workers, *Schitt's Creek* much-anticipated finale, and Radio-Canada's *Bye bye 2020*, the most popular French-language TV broadcast in Canadian history.

2020 has also been a critical year for the public broadcaster's commitment to diversity, equity and inclusion. We are changing the face of CBC/Radio-Canada to better reflect all Canadians by taking concrete, measurable actions on three fronts: our workforce, our content and our workplace culture. We look forward to sharing our new three-year Diversity and Inclusion Plan later in 2021.

These ambitions to reflect contemporary Canada and to reach Canadians on all platforms guided our vision during the CRTC's licence renewal hearing in January. While we await the outcome of this process, we continue to build a better public broadcaster for all Canadians.

Catherine Tait
President and CEO

TABLE OF CONTENTS

In this management's discussion and analysis of financial condition and results of operations (MD&A), "we", "us", "our" and "the Corporation" mean CBC/Radio-Canada. Refer to CBC/Radio-Canada's audited consolidated financial statements for the year ended March 31, 2021 when reading this MD&A. All amounts in this MD&A are in thousands of Canadian dollars, except where noted.

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

SEASONALITY

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding objectives, strategic initiatives, and expected financial and operational results. Forward-looking statements are typically identified by words such as "may", "should", "could", "would" and "will", as well as expressions such as "believe", "expect", "forecast", "anticipate", "intend", "plan", "estimate" and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Management and Governance* section of this report. However, some risks and uncertainties are by definition difficult to predict and are beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements. Given the impact of the evolving COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities and businesses, there is inherently more uncertainty associated with the Corporation's assumptions relative to periods preceding the pandemic.

PERFORMANCE INDICATORS

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

NON-IFRS MEASURE

This report includes the measure "Budget Results," which does not have any standardized meaning according to International Financial Reporting Standards (IFRS). It is therefore unlikely to be comparable to similar measures presented by other companies. Refer to the *Financial Sustainability* section for more details.

ABOUT US

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

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

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

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

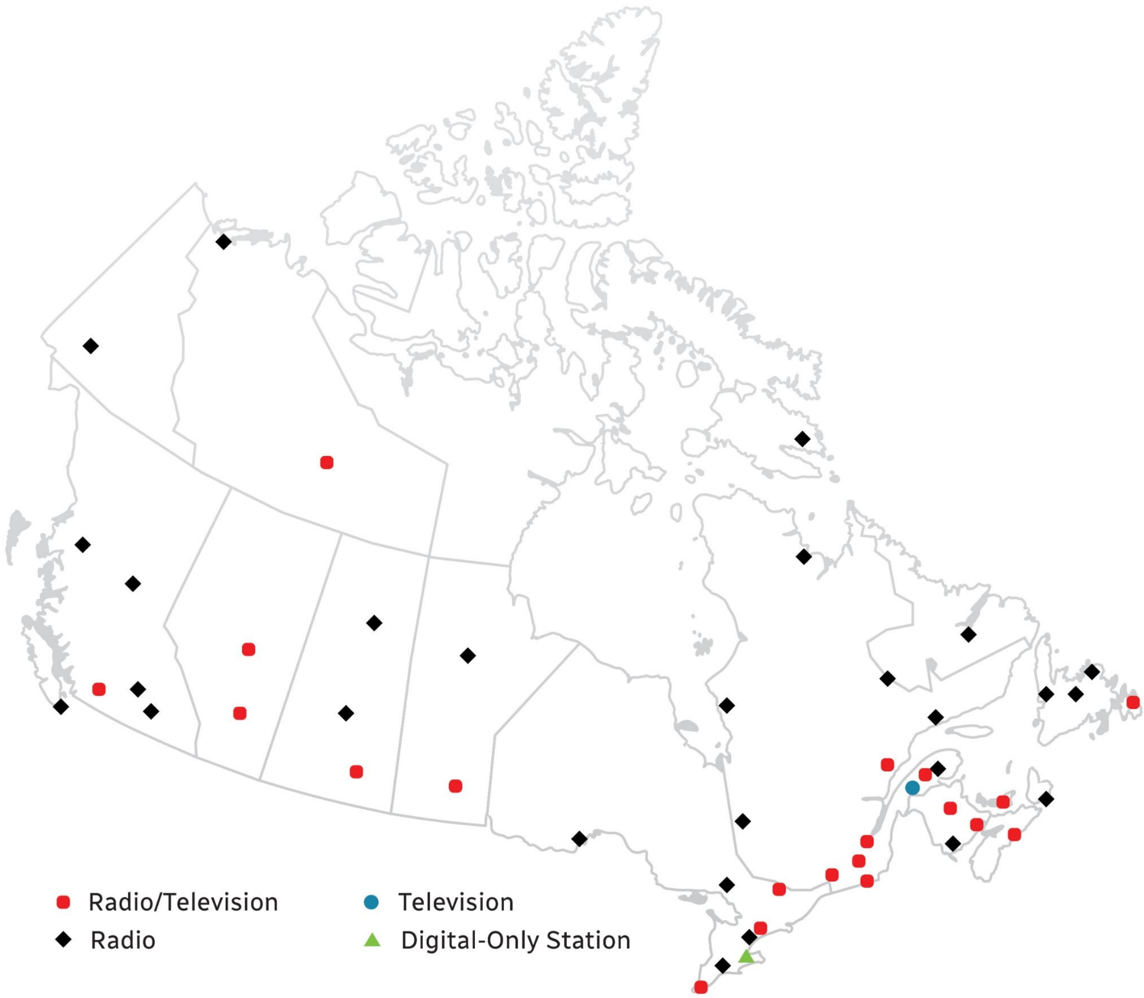
We are required by section 46(2) of the *Broadcasting Act* to provide an international service, Radio Canada International (RCI). RCI (rcinet.ca) is currently available in six languages: English, French, Spanish, Arabic, Chinese and Punjabi. In spring 2021, Tagalog will also be available.

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

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

Our Operations

As of March 31, 2021, we employed 6,525 permanent employees, 351 temporary employees and 705 contract employees. Our people come from a multitude of backgrounds and cultures. They are an integral part of our success in reflecting contemporary Canada.



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

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

Our Services

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

Our Operating Environment

Every year, CBC/Radio-Canada produces an overview of the Canadian media industry. This allows us to take the pulse of our industry and to identify some of the key challenges and opportunities facing media and broadcasting. Key highlights of the 2020 Enviroscan are summarized below.

An already complex media environment

2020-21 was a year like no other, with major impacts felt across all industries. Canada's media and broadcasting industry was no exception. Prior to the pandemic, the media industry was already facing economic uncertainty, with continued decreases in advertising revenue as well as subscription revenue due to cord-cutting hitting all broadcasters.

Significant layoffs occurred across creative and media fields, both domestically and among major international players. The pressures on Canada's news ecosystem, especially at the local level, were amplified during the pandemic. On the content production side, delays in production – and challenges to produce content safely – coupled with an initial collapse of some genres, including live sports and entertainment, presented further challenges.

Media consumption during the first year of the pandemic

Canadian viewing habits changed, and saw incredible growth as a result of the pandemic: greater viewing of TV (especially news), growth in Subscription Video on Demand (SVOD) subscribers and streaming service stacking, and an increase in digital consumption, especially to access online news.

Meanwhile, consumption of sports SVOD, traditional AM/FM radio, especially talk radio, as well as online audio consumption saw significant declines in spring 2020 due to the pandemic, but they have since rebounded.

Innovating to meet demand

COVID-19 created many challenges for the media industry; it also fostered opportunities for innovation. In some cases, existing technologies and applications were leveraged in new ways. In other cases, completely new platforms and offerings were developed and launched.

A number of streaming platforms released blockbusters directly to SVOD, including *Mulan* (Disney+), *Trolls World Tour* (Peacock) and *The Witches* (HBOMax), demonstrating the possibilities for blockbusters to reach audiences directly.

New ways of communicating were developed or expanded in 2020 as a direct result of the pandemic, including social viewing apps to watch content with friends and family like TeleParty (formerly Netflix Party). Similarly, video call applications saw heavy use, including Zoom, which became the third most popular video call application (behind Facebook Messenger and FaceTime).

Concerts, theatre productions and traditionally live programming like awards shows were streamed virtually like never before. Virtual concerts were broadcast on social media platforms like Twitch and YouTube. Similarly, the fundraiser *One World: Together at Home* was organized to support healthcare workers and streamed eight hours of live music from big name artists on YouTube. Domestically, CBC/Radio-Canada joined with other media and Canadian stars for *Stronger Together, Tous Ensemble*, a Canadian television benefit concert to support those on the front lines in the fight against COVID-19 and to raise money for Food Banks Canada.

As the first major virtual award show, the 72nd Emmy® Awards was widely praised for its innovation and ingenuity, just as the 42nd ADISQ Gala was broadcast live from Radio-Canada studios. Similarly, theatre companies created audio tracks of performances for AM/FM radio and live streaming and then as podcasts (PlayME on CBC); while Broadway hits like *Hamilton* launched on platforms like Disney+ and Cirque du Soleil made their shows available online through CirqueConnect.

News credibility

The value of trusted news from both traditional and digital platforms cannot be overestimated, especially in times of crisis. Canadian news sources matter to Canadians, with more than 80 per cent of television news consumption coming from domestic sources.[2]

From breaking news, news conferences by public health officials and provincial updates, to in-depth coverage, audiences turned to trusted Canadian news sources at the onset of the pandemic. During this period, 73 per cent of online Canadians said that traditional media sources are their most trusted sources for news.[3] Unfortunately, on the other hand, between March and December of 2020, 26 Canadian news outlets closed, including 12 community newspapers. CBC/Radio-Canada has been working with private media partners on pilot projects and other initiatives to support diverse sources of news for Canadians. CBC/Radio-Canada launched Local News Matters, a nationwide directory to help Canadians find and support local media in their community.

Thousands of Canadians turned to fact-checking teams at CBC and Radio-Canada to help them get accurate news. Moreover, the International Fact-Checking Network (IFCN), of which Radio-Canada's Décrypteurs is a member, has been nominated for a Nobel Peace Prize. The IFCN, established in 2015, supports fact-checking initiatives worldwide by promoting best practices and exchanges in this field.

[2] **Source:** Numeris TV PPM, persons aged 2+, total TV, total Canada, broadcast year 2019-2020.
[3] **Source:** Media Technology Monitor, spring 2020.

Further changes to come

CBC/Radio-Canada's broadcast licences will expire on March 31, 2022. As part of the process to renew its licences, the CRTC sought input from Canadians about the public broadcaster's services and programming.

The first part of the consultation ran from November 25, 2019 to February 20, 2020. Between June 22 and July 13, 2020, the CRTC asked for input on financial information related to CBC/Radio-Canada's digital services. As part of the licence renewal process, the CRTC also held a virtual public hearing from January 11 to 28, 2021. This process allowed the public and interested parties to provide feedback on our service to Canadians. In the licence application, and during the proceedings, CBC/Radio-Canada outlined how it would meet the challenge of transitioning from regulation of traditional media to a future-facing regulatory framework that includes digital platforms.

This future-facing framework would recognize not only the multiplatform realities of today, but be flexible enough to meet changes in the media environment. Simply put, we proposed a "bridge to the future," toward a more digital media environment.

A decision from the CRTC is expected in the second half of 2021.

Finally, on the legislative front, the government tabled in Parliament amendments to the *Broadcasting Act* (Bill C-10), with the aim of explicitly including both domestic and foreign digital audio and video services in the regulatory regime.

Adapting production during the pandemic | CBC/Radio-Canada

MEASURING OUR PERFORMANCE

Our Performance – Mandate and Vision

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

Highlights based on the 2020-21 survey results follow.

78% of Canadians use at least one of our services in a typical month

85% of Canadians say it is important for Canada to have a national public broadcaster like CBC/Radio-Canada

70% + 15%

82% of Canadians agree that there is a clear need and role for CBC/Radio-Canada into the future

65% + 17%

Our Overall Strengths
The vast majority of Canadians agree that CBC/Radio-Canada...

	Strongly Agree (8-10)	Agree (6-7)	Total
Is informative	62	21	83
Is a trusted source of information	60	20	80
Supports the creation of original Canadian content	58	22	80

Our Programming Strengths
The vast majority of our users agree that CBC/Radio-Canada's programming*...

	Strongly Agree (8-10)	Agree (6-7)	Total
Reflects regions of Canada	66	23	89
Is of high quality	65	23	88
Reflects diversity of Canada	55	28	83

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

Source: The Mandate and Vision Perception Survey, Leger's online panel (LEO), 2020-21 (fall 2020: October 15 to November 3, 2020; spring 2021: March 5 to 25, 2021). Each perception result represents the percentage of Canadians who agree (i.e., 6 or 7 on a 10-point scale) and who strongly agree (i.e., 8, 9 or 10 on a 10-point scale) with each statement.

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

Our Performance – *Your Stories, Taken to Heart*

Below are the Key Performance Indicators (KPIs) that measure and track our progress with respect to our strategy, *Your Stories, Taken to Heart*, and its five strategic priorities: customized digital services, engaging with young audiences, prioritizing our local connections, reflecting contemporary Canada and taking Canada to the world.[4] These priorities continue to shape our strategic initiatives.

Targets are specific to the markets we operate in and consider a number of factors such as market realities, competition and service penetration rate. Annual targets for 2020-21 and 2021-22 were established using our best estimates of the impacts of the COVID-19 pandemic. Updates on our performance against these targets will be provided in our quarterly reports.

CBC/Radio-Canada 2020-2021 results

INDICATORS	MEASUREMENTS	RESULTS 2019-2020	TARGETS 2020-2021	RESULTS 2020-2021	TARGET MET OR EXCEEDED	TARGETS 2021-2022
Customized digital services						
Digital reach of CBC/Radio-Canada[5]	*Monthly average unique visitors*	21.7M	21.5M	**24.1M**	✓	23.7M
Digital engagement with CBC/Radio-Canada[6]	*Monthly average minutes per visitor*	44 min/vis	43 min/vis	**50 min/vis**	✓	49 min/vis
Engaging with young audience						
Digital visits to CBC/Radio-Canada kids content[7]	*Monthly average visits*	1,938K	2,066K	**3,259K**	✓	3,394K
Prioritizing our local connections						
Digital engagement with CBC News/Regions[6]	*Monthly average minutes per visitor*	25 min/vis	25 min/vis	**25 min/vis**	✓	26 min/vis
Digital engagement with Radio-Canada Info/Régions[6]	*Monthly average minutes per visitor*	15 min/vis	16 min/vis	**19 min/vis**	✓	16 min/vis
Reflecting contemporary Canada						
Employment equity representation[8]	*% of new external hires*	33.3%	38.4%	**37.3%**		42.0%

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

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

Customized digital services

A record number of Canadians (24 million each month) turned to our digital platforms for compelling programming content and for a trusted source of information, especially during the COVID-19 pandemic and other significant news events. As a result of Canadians spending more time on our digital platforms, digital engagement also grew during the year and exceeded its target.

Engaging with young audiences

Driven by the success of new youth offerings by CBC and Radio-Canada and the ongoing pandemic, traffic to our digital kids content significantly exceeded its target this year with 3.3 million visits from Canadian youth and parents on average per month.

Prioritizing our local connections

Driven by unprecedented multiplatform news coverage from across the country and enhanced live video products, digital engagement for our news and regions sections exceeded target for both Radio-Canada and CBC.

Reflecting contemporary Canada

The employment equity representation of our new employees recorded its highest annual result since launching the indicator in 2015-16. Yet, given the lower rate of hiring overall in a pandemic year, our annual result fell short of its target. Throughout the Corporation, more than one out of three new hires came from a diverse group. Our continued implementation of our Diversity and Inclusion Plan across all of CBC/Radio-Canada's groups contributed to our continuous progress in this area.

Adapting production during the pandemic | CBC/Radio-Canada

Our Performance – Media Lines

We use Media Lines reporting to measure performance against our operational targets, which mostly focus on audience reach and share through our various platforms and revenue across all our services. While the Corporation continues to monitor the performance of its discretionary television services, we have not reported our subscriber data for competitive reasons.

Annual targets for 2020-21 and 2021-22 were established using our best estimates of the impacts of the COVID-19 pandemic.

Radio-Canada highlights

Combating disinformation and keeping Canadians informed

The COVID-19 pandemic helped fuel a resurgence of disinformation during the past year. To make sure Canadians got the facts, Radio-Canada worked to make news and information more accessible and easier to understand, notably by leveraging data journalism. In addition, the Décrypteurs team was especially active in monitoring fake news on social platforms. They continued their rigorous fact-checking work and also introduced a chatbot to help audience members recognize fake news stories for what they are. Meanwhile, Rad – Radio-Canada's journalism lab – focused on the societal impacts of the health crisis, especially in the regions.

Bringing innovative programming to our audiences, safely

Radio-Canada provided crucial assistance to the culture sector during this tumultuous period. We succeeded in delivering our programming on ICI TÉLÉ and ICI TOU.TV, mobilizing production teams and working closely with our business partners. Our teams had to meet the twofold challenge of ensuring a safe production environment allowing for physical distancing, while also enriching our lineup with a number of new programs like 5 chefs dans ma cuisine, as well as returning favourites like District 31. In spite of the obstacles, the year saw many successes: the Bye bye 2020 New Year's Eve special became the most-watched program in the history of French-language television in Canada, reaching an audience of more than 4.6 million,[9] while drama series C'est comme ça que je t'aime scooped trophies in 10 categories at the 2020 Gémeaux Awards.

Héritage | Radio-Canada

Deploying creativity to support the arts and culture sector

With the COVID-19 crisis taking a particularly heavy toll on the performing arts, ICI PREMIÈRE supported actors and production staff in the theatre industry via alternative solutions to ensure their work remained accessible to audiences. The plays *Héritage* and *Les partisans* (produced by the Winnipeg-based Théâtre Cercle Molière), for example, were adapted for radio. *La commande culturelle* produced minisodes with appearances by local artists; these were a big hit with audiences. In the same vein, the petit Festival ICI MUSIQUE helped support local music artists via streamed performances, concerts by the Montreal Symphony Orchestra and the unveiling of the 2020-21 crop of Révélations

[9] **Source:** Numeris PPM, AMA, francophones in Quebec aged 2+.

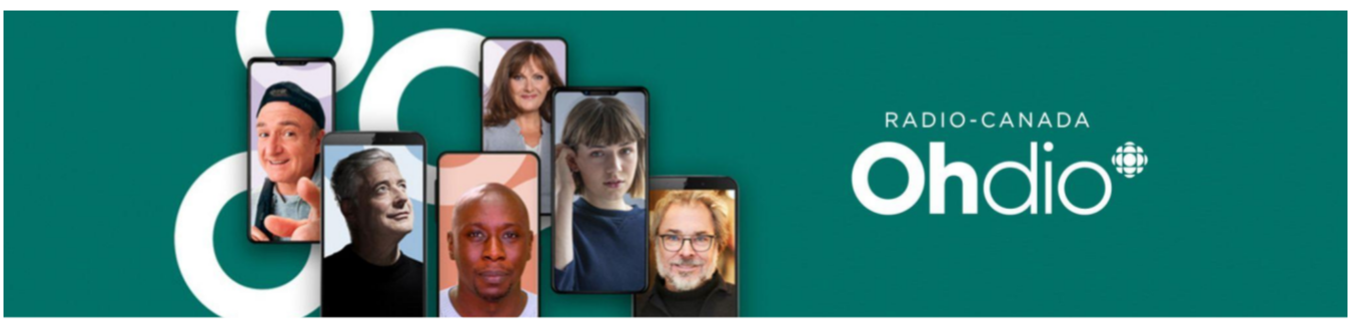
emerging talents. That competition also saw the addition of a new category, Rap, with top honours going to Raccoon City, a promising young Québécois artist.

Une rivière métissée | Radio-Canada

Better reflecting the full range of Canadian diversity

On the programming side, Radio-Canada premiered *Pour mes fils, mon silence est impossible*, a moving documentary about systemic racism, and *Fière allure*, a special about LGBTQ2+ communities. The documentary *Une rivière métissée*, which premiered on International Day of the World's Indigenous Peoples, highlighted the remarkable intercultural journey of Paryse Suddith, who is of Cherokee, African-American and Acadian descent. To mark Black History Month in February, special content was featured throughout the month. Finally, our podcast *Laissez-nous raconter : L'histoire crochie*, produced by Terre Innue (an Indigenous production company based in Maliotenam, Quebec), was honoured at the Paris Podcast Festival, taking home the award for top French-language podcast from outside France.

This year, Radio-Canada also appointed two new staff to its Community Inclusion Team to help identify diverse candidates and bring them to the attention of in-house content managers and independent producers, and to build stronger relationships with Indigenous communities in order to improve their representation in the public broadcaster's workforce and content.



OHdio | Radio-Canada

Radio-Canada 2020-2021 results

INDICATORS	MEASUREMENTS	RESULTS 2019-2020	TARGETS 2020-2021	RESULTS 2020-2021	TARGET MET OR EXCEEDED	TARGETS 2021-2022
Customized digital services						
Digital reach[10]	*Monthly average unique visitors*	5.2M	5.1M	**6.1M**	✓	5.6M
Digital engagement[11]	*Monthly average minutes per visitor*	52 min/vis	47 min/vis	**63 min/vis**	✓	55 min/vis
Engaging with young audiences						
Digital visits to kids content[12]	*Monthly average visits*	352K	379K	**510K**	✓	425K
Prioritizing our local connections						
Digital engagement with Radio-Canada Info/Régions[11]	*Monthly average minutes per visitor*	15 min/vis	16 min/vis	**19 min/vis**	✓	16 min/vis
Reflecting contemporary Canada						
Employment equity representation[13]	*% of new external hires*	17.7%	21.7%	**18.3%**		22.0%
Television and radio						
ICI TÉLÉ[14]	*Prime-time audience share*	23.5%	21.4%	**25.6%**	✓	24.2%
ICI RDI, ICI ARTV and ICI EXPLORA[14]	*All-day audience share*	5.2%	5.3%	**6.2%**	✓	5.6%
ICI PREMIÈRE and ICI MUSIQUE[15]	*All-day audience share (diary)*	25.5%	25.5%	**N/A**[16]		N/A
Television and radio - new indicator starting in 2021-2022						
ICI PREMIÈRE and ICI MUSIQUE[17]	*All-day audience share (PPM)*	-	-	**-**	-	17.3%
Revenue						
Total revenue[18]	*Conventional, discretionary, online*	$217M	$184M	**$208M**	✓	$326M[19]

N/A = not applicable or not available

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Refer to page 16 for more information on our methodologies.

[10] **Source**: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of Radio-Canada digital platforms.
[11] **Source**: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to Radio-Canada | Radio-Canada Info/Régions, April to March, Canada.
[12] **Source**: Adobe Analytics, average of monthly visits to kids content on Zone Jeunesse and ICI TOU.TV, April to March. Due to measurement issues, visits to L'appli des petits were only included from April to December 2019.
[13] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[14] **Source**: Numeris PPM, francophones in Quebec aged 2+, ICI TÉLÉ: September to April (regular season); ICI RDI, ICI ARTV and ICI EXPLORA: April to March.
[15] **Source**: Numeris fall survey (diary), francophones in Quebec aged 12+.
[16] Due to COVID-19, the Numeris fall 2020 radio diary was not produced and therefore Radio-Canada's combined radio share will not be reported in 2020-21.
[17] **Source**: Numeris PPM, Montréal central francophones aged 2+, September to March (regular season).
[18] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).
[19] The target for 2021-22 includes revenue for the Olympic Games Tokyo 2020 and the Olympic Winter Games Beijing 2022 because they are a shared responsibility for CBC and Radio-Canada.

Customized digital services

Digital reach exceeded the Corporation's target in a year marked by the COVID-19 pandemic and sustained consumption of digital content.

Engagement also continued to progress, surpassing the target thanks in part to ICI TOU.TV and the Info/Régions section of Radio-Canada.ca.

Engaging with young audiences

Radio-Canada posted significantly higher visits to kids and youth content, outperforming targets. Programs debuting on ICI TOU.TV, including *L'effet secondaire* and *Six degrés*, contributed to this strong showing.

Prioritizing our local connections

User engagement with regional news and content on digital services was up greatly, exceeding target. Our multiplatform coverage of major events (e.g., the pandemic, provincial elections) was appreciated by audiences in every part of the country, and there was sustained growth in regions-based content such as our new project Empreintes.

Reflecting contemporary Canada

Despite making constant progress, Radio-Canada did not succeed in meeting its target for the year. The highly competitive market for many positions this year affected our ability to recruit extremely sought-after profiles. We are continuing implementation of multiple diversity and inclusion initiatives in order to reach our new target.

Television and radio

ICI TÉLÉ's audience share was up compared with the previous year and exceeded its target for the year, driven largely by new offerings like *C'est comme ça que je t'aime*, as well as the success of Season 5 of *District 31*. In spite of production challenges brought on by the pandemic, we succeeded in delivering an attractive, original slate of programming for our audiences.

The combined shares of our discretionary TV services exceeded target, due mainly to ICI RDI and its news and current affairs coverage throughout the year. ICI ARTV and ICI EXPLORA also outperformed their respective targets.

Revenue

In spite of the pressure on advertising markets resulting from the pandemic, our revenue was higher than targeted thanks to advertising revenue that proved more robust than expected, and subscription revenue from our digital services, which increased. However, our TV advertising revenue is still lower compared to last year.

CBC highlights

Trusted news from CBC

Our role as a trusted source of news for Canadians was more important than ever this year as audiences looked to us for frequent and accurate information. CBC News teams worked in challenging circumstances to ensure Canadians got the information they needed — from information about the pandemic, to stories of hope, and beyond. Our news teams also reported on some very difficult national and international stories, a number of high-stakes elections, and issues at the forefront of political and social discourse today.

To further address this demand, this year saw the launch of two new programs for CBC News and Current Affairs. On the television side, *Rosemary Barton Live* aired beginning in November 2020. Hosted by CBC's Chief Political Correspondent, the show delivers a weekly dose of compelling conversations and need-to-know political news and issues affecting Canadians, tackling the latest political headlines through the lens of people living them. In January 2021, Canadians were introduced to *Canada Tonight with Ginella Massa*, and invited to a prime-time conversation focused on the news of the day, highlighting diverse perspectives from across the country and going beyond the headlines to uncover the stories not often told, from communities not always seen.

Helping Canadian content creators

In April, CBC launched the CBC Creative Relief Fund to provide immediate, urgent support to Canadian creators. The Fund provided $2.2 million in development and production funding for 119 original Canadian projects. 99 projects were selected for development funding and 20 for production funding, including 51 projects (43 per cent) from self-identified Black, Indigenous and People of Colour (BIPOC) creators.

CBC also worked hard to ensure a vibrant slate of programming for our fall and winter lineups, working collaboratively with independent producers and our in-house teams to ensure the safe production of new and returning programs, including *Pretty Hard Cases*, *Murdoch Mysteries*, *TallBoyz* and *Family Feud Canada*.

CBC's Creator Network continues to support independent producers, collaborating with a roster of diverse Canadian creators to amplify Canadian stories and share unique perspectives through commissioned digital content from across the country.

New and familiar content, across platforms

CBC Music launched two new national radio shows in February 2021 — *The Block*, hosted by Angeline Tetteh-Wayoe, and *Frequencies*, hosted by Errol Nazareth, to bolster the discovery of Black and global music and artists, and serve a greater range of musical interests and communities across Canada. By expanding our range of music programming, we hope to amplify voices and genres that have not consistently had a home on mainstream or national airwaves. This is part of our evolving strategy to connect and reflect a wider range of musical interests and communities across Canada.

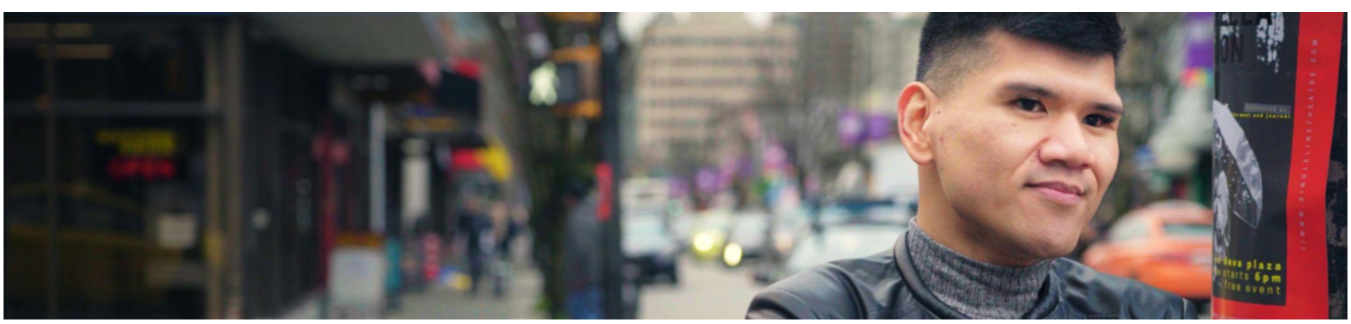
The Block host Angeline Tetteh-Wayoe | CBC

In November, TV's longest-running science program celebrated its 60th season. Hosted by world-renowned geneticist and environmentalist David Suzuki, *The Nature of Things* presents dramatic and insightful stories that are driven by a scientific understanding of the world. The program was one of the first to present scientific findings on subjects including climate change, AIDS and nuclear power.

This September, Piya Chattopadhyay became the voice of CBC Sunday mornings as the host of *The Sunday Magazine* on CBC Radio One, a lively and wide-ranging program that helps you make sense of our changing world and reflects upon ideas in the air. Each week, Piya brings listeners a smart mix of long-form conversations, documentaries, music and more, taking time for deep exploration, but also making space for surprise and delight.

Diverse content, better reflecting contemporary Canada

This year, CBC launched an expanded Being Black in Canada site featuring news, documentaries, arts and other programming. We also launched a wide range of multiplatform programming that reflects the diversity of Canadian experiences. Some of the programs and features include the Indigenous pre-school series *Anaana's Tent*, and our Inuktitut-language podcast, *Inuit Unikkaangit*. CBC Gem was home to the world premier of Oscar®-nominated filmmaker Deepa Mehta's *Funny Boy*, based on the evocative coming-of-age novel by Shyam Selvadurai about growing up gay in Sri Lanka during the Tamil-Sinhalese conflict. Closer to home, CBC British Columbia's Faith Fundal released *They & Us*, an original podcast exploring gender identity, gender expression and what it means to be non-binary. And, of course, *Schitt's Creek* was nominated for (and won) a GLAAD award for Outstanding Comedy Series. Finally, to ensure that editorial decision making is being considered through a diversity and inclusion lens, CBC has also launched the "Inclusive Newsroom Pilot" program in Montreal and Ottawa.



They & Us host Faith Fundal | CBC

CBC 2020-2021 results

INDICATORS	MEASUREMENTS	RESULTS 2019-2020	TARGETS 2020-2021	RESULTS 2020-2021	TARGET MET OR EXCEEDED	TARGETS 2021-2022
Customized digital services						
Digital reach[20]	*Monthly average unique visitors*	18.2M	18.1M	**20.3M**	✓	20.4M
Digital engagement[21]	*Monthly average minutes per visitor*	34 min/vis	35 min/vis	**36 min/vis**	✓	36 min/vis
Engaging with young audience						
Digital visits to kids content[22]	*Monthly average visits*	1,586K	1,687K	**2,748K**	✓	2,969K
Prioritizing our local connections						
Digital engagement with CBC News/Regions[21]	*Monthly average minutes per visitor*	25 min/vis	25 min/vis	**25 min/vis**	✓	26 min/vis
Reflecting contemporary Canada						
Employment equity representation[23]	*% of new external hires*	42.6%	47.7%	**67.3%**	✓	55.0%
Television and radio						
CBC Television[24]	*Prime-time audience share*	5.1%	5.0%	**5.0%**	✓	6.6%
CBC News Network[24]	*All-day audience share*	1.7%	1.7%	**2.1%**	✓	1.7%
CBC Radio One and CBC Music[25]	*All-day audience share (PPM)*	15.7%	15.1%	**16.0%**	✓	15.4%
CBC Radio One and CBC Music[26]	*Monthly average national reach*	12.2M	12.2M	**11.0M**		11.0M
Revenue						
Total revenue[27]	*Conventional, discretionary, online*	$211M	$184M	**$205M**	✓	$320M[28]

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Refer to page 16 for more information on our methodologies.

[20] **Source**: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly unique visitors, April to March, Canada. Unduplicated reach of CBC digital platforms.
[21] **Source**: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), average of monthly minutes per visitor to CBC | CBC News/Regions, April to March, Canada.
[22] **Source**: Adobe Analytics, average of monthly visits to kids content on CBC Kids sites, CBC Kids News and CBC Gem, April to March.
[23] This metric is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities.
[24] **Source**: Numeris PPM, persons aged 2+, CBC Television: September to April (regular season); CBC News Network: April to March.
[25] **Source**: Numeris PPM, persons aged 2+ in the Toronto, Vancouver, Calgary, Edmonton and Montreal-anglophone markets.
[26] **Source**: Numeris PPM, persons aged 2+.
[27] Includes advertising revenue, subscription revenue and other revenue (e.g., content sales).
[28] The target for 2021-22 includes revenue for the Olympic Games Tokyo 2020 and the Olympic Winter Games Beijing 2022 because they are a shared responsibility for CBC and Radio-Canada.

Customized digital services

Digital reach exceeded target largely driven by the pandemic and major news events sustaining these high levels throughout the year.

High engagement levels were also achieved, meeting the current year target, driven by a heavy news cycle. CBC Gem and CBC Listen also contributed to engagement, with increases in overall audiences on both platforms.

CBC Gem | CBC

Engaging with young audiences

The CBC Kids segment finished the year with higher than anticipated audience growth. Maintaining and building on the large spike in audiences driven by the various waves of the pandemic and lockdowns across the country resulted in kids and families using screens and online resources more than ever. CBC Kids brands were used by school boards, classrooms and families for entertainment and information like never before. The Games section on cbckids.ca continues to drive growth and engagement for this segment.

Prioritizing our local connections

The unprecedented news cycle, paired with the coverage of Newfoundland and Yukon elections and live video product enhancements, drove engagement performance to meet the target.

Reflecting contemporary Canada

Employment equity representation of new external hires is well above target and prior year, which is a direct result of the ongoing focus on implementing and delivering on our Diversity and Inclusion Plan.

Pretty Hard Cases | CBC

Television and radio

CBC Television finished the season on target despite a challenging year for productions impacted by COVID-19 restrictions.

CBC News Network ended the year strong, exceeding target and prior year, led predominantly by large news stories, including the COVID-19 pandemic, the Black Lives Matter movement, and the US election, debates and Capitol siege.

The radio industry had a challenging season, with continuous lockdowns in major cities. These lockdowns eliminated commuting and thus changed the listening habits of our audience, which in turn significantly impacted our overall reach.

CBC Music had increases in time spent with programs such as *About Time*, *Tempo* and *Mornings* that contributed to the increase in share and performance above the annual target.

Revenue

In spite of continued industry-wide structural decline in conventional TV advertising revenue, this year's performance was better than expected. Increased traffic on digital and social media platforms during the pandemic enabled us to surpass the target. Subscription revenue from CBC News Network and CBC Gem were also above target as the pandemic affected viewing habits. Revenue results for 2020-21 were lower than the prior year's revenue results.

Moncton newsroom | CBC/Radio-Canada

Measuring our Canadian Content

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

	YEARLY CONDITIONS OF LICENSE	RESULTS SEP 1, 2018 TO AUG 31, 2019	RESULTS SEP 1, 2019 TO AUG 31, 2020
ICI TÉLÉ			
Broadcast day	75%	79%	**79%**
Prime time	80%	91%	**93%**
CBC Television			
Broadcast day	75%	78%	**78%**
Prime time	80%	84%	**83%**

PEOPLE

Our Workforce

As of March 31, 2021, we employed a total of 7,581 employees, of whom 6,525 were permanent, 351 were temporary and 705 were contractual.

We continue to value the relationships between the public broadcaster and the organizations that represent so many of its employees. As required by the *Employment Equity Act*, we are committed to providing equal employment opportunities to the four designated groups. We also strive for our diversity and inclusion efforts to involve and represent a range of experiences, identities, abilities and perspectives in our content and workplace.

Breakdown of designated groups among our workforce as of March 31, 2021:

- 48.8% were women.
- 2.1% were Indigenous peoples.
- 3.3% were persons with disabilities.
- 14.3% were visible minorities.

Year in Review

Supporting our employees through the pandemic

March 2021 marked a full year of supporting our employees in the field, in our stations or working remotely, as they navigated challenging circumstances, bringing essential information and content to Canadians. As an organization, this year required us to be flexible and agile to keep our employees safe, informed and supported, something we are committed to through the pandemic and beyond.

Fostering a diverse and inclusive workplace

For a second consecutive year, CBC/Radio-Canada was named one of Canada's Top 100 Employers in light of our strong human resources programs and progressive workplace policies. We were also recognized again this year by Women in Governance for our leadership in gender parity. At 48.8 per cent this year, we remain a leader in the Canadian media industry, but recognize there is still work to be done beyond the numbers in creating a truly diverse and inclusive workplace.

This year it was especially important to continue transforming words into deeds, and significant commitments around better workforce representation were implemented. Work has continued on the renewal process of our three-year Diversity and Inclusion Plan, which is set to launch in the fall of 2021. We have also begun a comprehensive review through a diversity and inclusion lens of all our foundational employee policies, starting with the Code of Conduct. Furthermore, we undertook a pay equity review with third-party guidance to identify and correct any unfair treatment in pay.

On the training front, we launched a new training program called Inclusive Leadership in Action to equip people leading people with tools to eliminate biases, and expanded our unconscious bias training to be mandatory for all employees, as of January 2021. We are also currently reviewing our most prominent leadership courses through a diversity and inclusion lens, and will continue this work on the entire portfolio.

Looking to the future of work

The pandemic has had a profound impact on workplaces all around the world; CBC/Radio-Canada is no exception. In line with the work already being done to update our HR system, the launch of our Future of Work project is a great opportunity to rethink how we work while staying true to our mandate, and to provide our teams with a modern work experience.

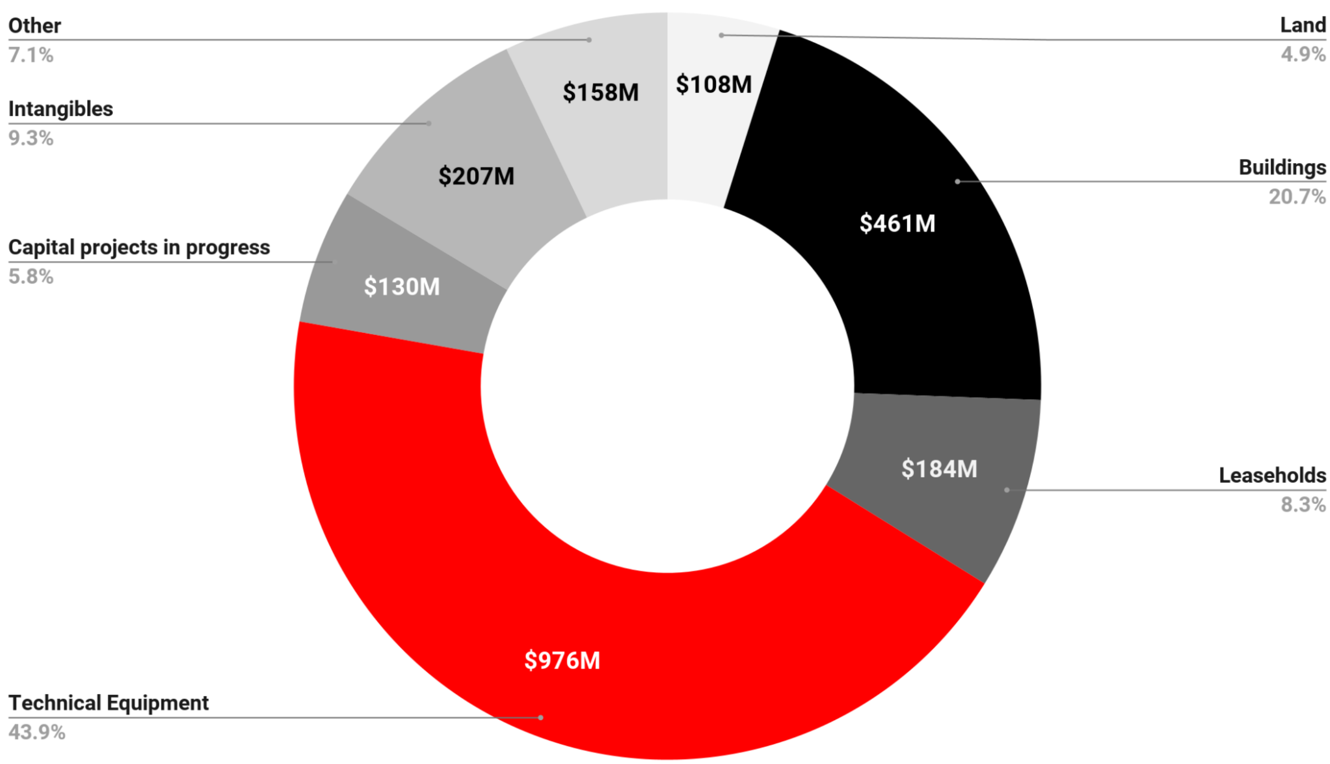
Going beyond a simple telework policy, this transformation will allow us to gain a competitive advantage and remain a relevant employer in a shifting labour market, and focus on mobility, modernization and well-being.

TECHNOLOGY AND INFRASTRUCTURE

Our Assets

With 76 content production sites, one of the the world's largest broadcast transmission network (727 radio transmitters and 27 digital television transmitters distributed across 528 sites) and a real estate portfolio of 4.0 million square feet, CBC/Radio-Canada has a large portfolio of capital assets; $2.2 billion on a historical cost basis (with a net book value of $834 million) as at March 31, 2021.

Our infrastructure costs by asset type



CBC/Radio-Canada has a base capital appropriation from the Government of Canada of $92.3 million per year. As required by subsection 54(4) of the *Broadcasting Act*, we present our capital budget to the Minister of Canadian Heritage in our Corporate Plan and then submit it to the government for approval.

Year in Review

Security now and resilience in the future

The Security and Resiliency team coordinated the business continuity response to the ongoing COVID-19 pandemic with the joint aim of keeping our people safe and staying on air. Beyond responding to security issues in a pandemic context, the team also looked to the coming years, shaping an important resiliency initiative for technology systems at the new Maison de Radio-Canada – a key milestone for future disaster recovery planning. To address increased online risks, an Information Security Operations Centre was established; it will run 24/7 to address the needs of employees at all times.

This year, with heightened tensions and higher physical risks for journalists and camera crews reporting in the field, the Security and Resiliency team has also focused on the safety of our teams. By pivoting to online training, participation in the Domestic News Safety course increased by 60 per cent from 2019-20. The team also provided support to staff in more than 40 external harassment incidents and conducted more than 50 risk assessments.

Supporting the technical needs of our employees

Since the onset of the pandemic, more than 1,000 laptop computers have been configured and distributed to help employees continue to work remotely. Beyond computers, more than 3,000 pieces of technical equipment have been provided temporarily to employees. To ensure proper information security practices, almost 2,500 virtual private network (VPN) accounts were created in record time, over a 10-day period.

Video recording solutions, from Zoom to Google Meet, have helped to ensure journalists can continue to safely get content in front of our audiences. Overall, technology teams have been able to provide the same high level of support to both employees working from our stations and those working remotely.

New Maison de Radio-Canada

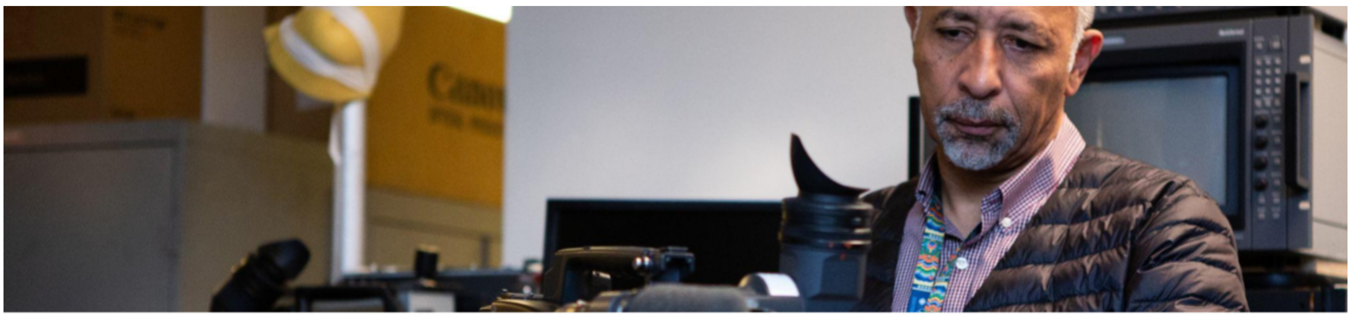
Work continued this year in preparation for our move into the new Maison de Radio-Canada (MRC), planned for fiscal year 2022-23. With many productions now being done out of the new MRC, we are the first multiplatform broadcaster in the world to rely one hundred per cent on internet protocol (IP) technology for the distribution of audio and video signals, from production to distribution.

The new Maison de Radio-Canada in Montreal | CBC/Radio-Canada

LOOKING AHEAD

Looking ahead to 2021-22 and the ongoing COVID-19 pandemic, CBC/Radio-Canada will continue to support Canadians with the trusted news and information they need; with educational content for parents and kids; with opportunities to connect with one another; and with much-needed doses of entertainment. The past year has demonstrated the irreplaceable value of public media. We know how critical this role is in a time of crisis, and it will continue to drive everything we do.

Internally, we will be focusing our efforts on the recently formed internal Task Force to Fight Online Hate, especially toward our women and racialized journalists. The Task Force is working on actions to more actively discourage attacks and to support our journalists when incidents occur. We are also working with media partners, government and social media platforms to push for more effective action on this issue.



Working to keep our employees safe | CBC/Radio-Canada

Work continues on the renewal process of our three-year Diversity and Inclusion Plan, which we are looking forward to launching in the fall of 2021, to further our goal of being a public broadcaster that reflects contemporary Canada.

We are also poised to launch CBC/Radio-Canada's first environmental sustainability strategy, to ensure that we further grow into the role of an environmentally responsible public broadcaster. Canadians expect and deserve no less.

On the content front, we look forward to new and exciting content from CBC and Radio-Canada, including the highly anticipated CBC–BET+ co-production of *The Porter* and two new original half-hour comedy series featuring *Kim's Convenience* stars Andrew Phung and Nicole Power. *Run the Burbs* and *Strays* will both launch in the upcoming 2021-22 broadcast season. Radio-Canada will offer the second season of the hit series *C'est comme ça que je t'aime* on ICI TOU.TV. New podcasts reflecting the experiences and realities of Black communities, including *Haïti by night* and *Limoilou*, will also be available on Radio-Canada's OHdio.

Later this year, we look forward to the renewal of our broadcast licences by the CRTC for our television and radio services. The bridge which we are proposing between legacy regulation and this future framework supports and strengthens the role and differentiating characteristics of the public broadcaster. These proposed changes to our existing regulatory commitments, and the addition of innovative new commitments, will help set Canada's public broadcaster on the path to a comprehensive new framework that fully spans all platforms.

During the public hearings in January 2021, more than 70 intervenors contributed to the renewal process. What we heard from them confirms that Canadians have high expectations of their public broadcaster. They are passionate about and deeply attached to CBC/Radio-Canada. They want us to do more, and to do it better. We will continue to deliver on our mandate, to remain audience-centric and to serve Canadians where they consume content.

FINANCIAL SUSTAINABILITY

CBC/Radio-Canada depends on both its parliamentary appropriation and a range of commercial revenue, including advertising, to support the programs and services it provides to Canadians. This diversified financial model is more important than ever as the economic pressures related to the COVID-19 pandemic and the continued disruption of the media business create challenges for all companies.

At the onset of the pandemic, estimates of future commercial revenue were highly uncertain. In response, we implemented a financial contingency plan that included reducing operating expenses, managing programming expenses, postponing capital expenditures and advancing some parliamentary appropriations to manage our liquidity needs. This plan was reviewed and adjusted periodically, and ultimately allowed us to navigate the economic impacts of the pandemic on our operations. Considerable challenges remain in the coming year, from being the official Canadian broadcaster of both the Olympic Games Tokyo 2020 and the Olympic Winter Games Beijing 2022, to completing significant capital projects, while facing the ongoing effects of the pandemic.

In addition, advertising revenue from conventional TV will continue to be under pressure as big digital players attract a larger share of this revenue. Digital streaming companies invest billions in quality content, which they can monetize on a global scale.

Revenue and Other Sources of Funds

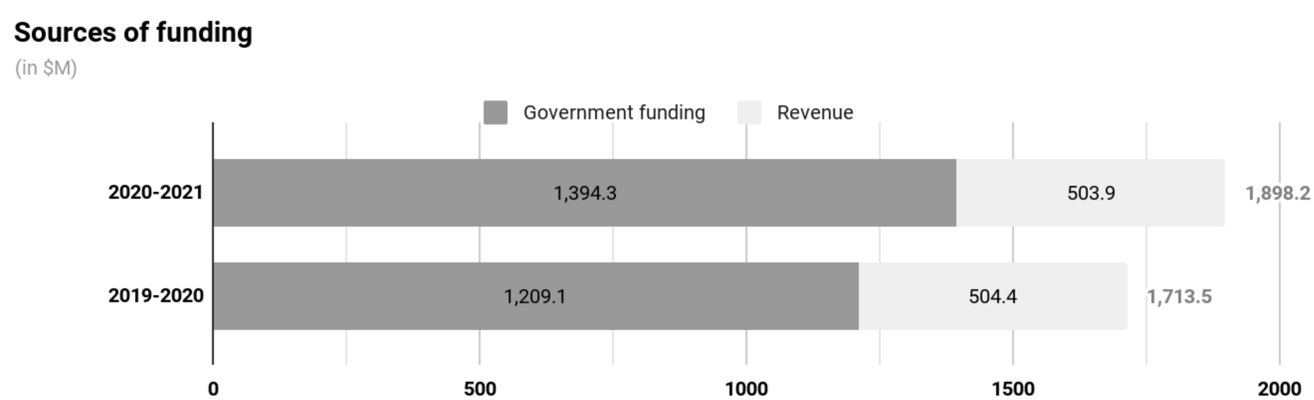
CBC/Radio-Canada has four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income:

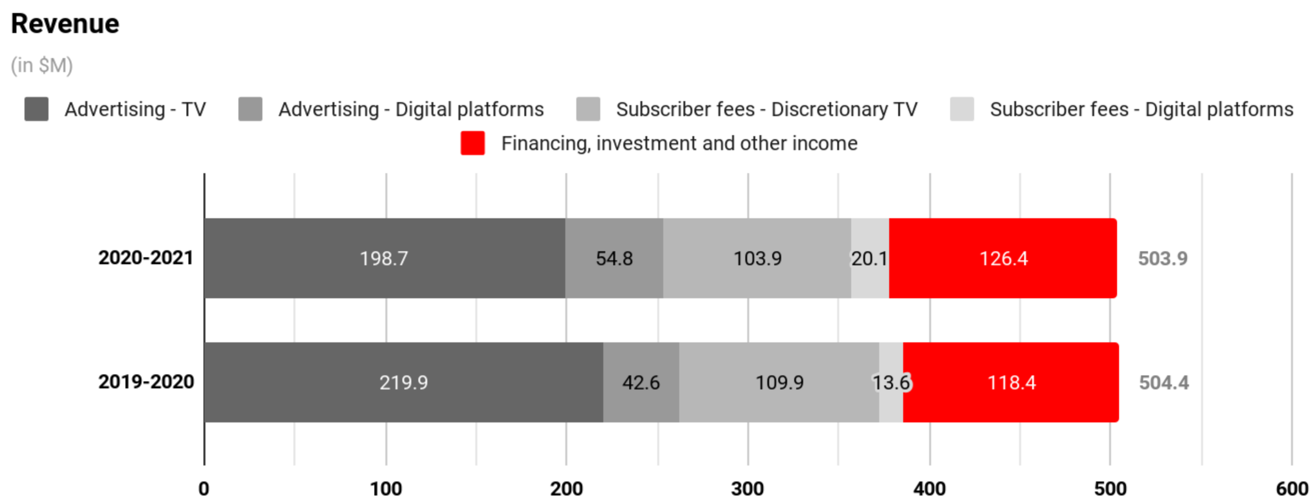
Government funding: This year, operating funding was $1,291.4 million, capital funding recognized in income was $98.9 million and working capital was $4.0 million.

Advertising revenue: This includes ongoing sales of advertising on our conventional television channels, digital platforms and discretionary television services. TV advertising revenue is decreasing as a proportion of our total source of funds mainly as a result of the market's shift away from conventional advertising platforms. This is being offset to some extent by an increase in digital advertising revenue.

Subscriber fees: These are fees from our discretionary services: CBC News Network, *documentary*, CBC Gem, ICI EXPLORA, ICI ARTV, ICI RDI, ICI TOU.TV EXTRA and Curio.ca. Subscriber fees from our traditional platforms are experiencing downward pressure from the continuing cord-cutting and cord-shaving trends. Subscribers to our digital platforms are increasing.

Financing and other income: This includes ongoing income from activities such as the rental of real estate assets, content sales, leasing of space at our transmission sites, retransmission royalties, host broadcasting sports events and contributions from the Canada Media Fund.





Financial Condition, Cash Flows and Liquidity

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

To prudently manage the effects of the COVID-19 pandemic, management implemented measures to manage liquidity, including advancing appropriations from next year to this year and following its contingency plan.

Our cash balance at March 31, 2021 was $90.1 million, compared to $72.4 million on March 31, 2020.

Cash position

For the year ended March 31	**2021**	2020	% change
Cash – beginning of the year	**72,386**	**89,697**	**(19.3)**
Changes in the year			
Cash from operating activities	148,498	9,222	N/M
Cash used in financing activities	(72,121)	(82,414)	(12.5)
Cash from (used in) investing activities	(58,656)	55,881	N/M
Net change	**17,721**	**(17,311)**	**N/M**
Cash – end of the year	**90,107**	**72,386**	**24.5**

N/M = not meaningful

Cash from operating activities

Cash from operating activities includes cash inflows from our drawdowns of parliamentary appropriations for operating expenditures and working capital. Fluctuations in working capital have a significant impact on cash received or disbursed in the course of our operations.

Cash from operating activities was $148.5 million this year, an increase of $139.3 million compared to last year. Cash receipts were higher compared to last year due mostly to the additional appropriations for operating expenditures of $119.4 million for retroactive salary inflation, a $36.7 million advance from our 2021-22 appropriation and $33.7 million transferred from our appropriation for capital expenditures.

Cash used in financing activities

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

Cash used in financing activities was $72.1 million, $10.3 million less than last year. This decrease was mainly due to upfront lease payments recorded for the new Maison de Radio-Canada in the fourth quarter of 2019-20. Further details of our cash requirements for financing activities are as follows:

- Interest payments of $26.4 million (2019-20: $24.3 million).
- Repayments of the Broadcast Centre Trust bonds of $19.3 million (2019-20: $18.0 million).
- Payments of notes payable of $8.2 million (2019-2020: $7.8 million).

Cash from (used in) investing activities

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

Cash used in investing activities was $58.7 million, an increase of $114.5 million relative to last year. Our purchases and redemptions of Canada Mortgage Bonds resulted in a net cash outflow of $37.6 million, compared to a net cash inflow of $85.7 million in the previous year. In addition, appropriations for capital expenditures received were lower since $33.7 million was transferred to our appropriation for operating expenditures. These increases were offset by lower additions to property and equipment and intangible assets of $43.3 million, in accordance with our financial contingency plan.

Borrowing plan

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

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

Total borrowing authority available	220,000
Authority used as at March 31, 2021	
Guarantee on accounts receivable monetization	(71,639)
Remaining authority	**148,361**

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

Year in Review – Our Results

Results under IFRS and Budget Results

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

For the year ended March 31	**2021**	2020	% change
Revenue	503,944	504,413	(0.1)
Government funding	1,394,346	1,209,058	15.3
Expenses	(1,728,093)	(1,763,207)	(2.0)
Results before other gains and losses and taxes	**170,197**	**(49,736)**	**N/M**
Other gains and losses	3,046	(9,368)	N/M
Results before income taxes	**173,243**	**(59,104)**	**N/M**
Income tax expense	(31,149)	-	N/M
Net results under IFRS for the year	**142,094**	**(59,104)**	**N/M**
Items not included in our operating budget			
Pension and other employee future benefits	36,468	57,232	(36.3)
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	9,549	10,890	(12.3)
Other provisions for non-cash items	(13,078)	2,020	N/M
Budget Results for the year[1]	**175,033**	**11,038**	**N/M**

N/M = not meaningful

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

Net results under IFRS for the year

Net results under IFRS for the year were a gain of $142.1 million, an increase of $201.2 million due to:

- Higher government funding recognized in income this year by $185.3 million (↑ 15.3%).
- Lower expenses by $35.1 million (↓ 2.0%), from lower cost of programs broadcast on TV due to delays and cancellations caused by the COVID-19 pandemic. We also had a lower pension expense compared to the same period last year.
- A $12.4 million increase under "Other gains and losses." This year saw a $3.0 million gain, mostly the result of a non-monetary transaction in which we exchanged software licences. We had recognized a non-cash charge from the transfer of a building to the province of Saskatchewan last year, the majority of the $9.4 million losses.
- An income tax expense of $31.1 million recognized this year.

Budget Results for the year

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

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

Our **Budget Results for the year** improved by $164.0 million this year to a gain of $175.0 million. The higher results largely reflect the increase in government funding this year, partly offset by the income tax expense this year.

Revenue

For the year ended March 31	**2021**	2020	% change
Advertising[1]			
English Services	122,471	122,382	0.1
French Services	131,001	140,095	(6.5)
	253,472	262,477	(3.4)
Subscriber fees			
English Services	62,612	63,610	(1.6)
French Services	61,433	59,856	2.6
	124,045	123,466	0.5
Financing, investment and other income[1]			
English Services	32,607	40,732	(19.9)
French Services	19,454	22,363	(13.0)
Corporate Services	74,366	55,375	34.3
	126,427	118,470	6.7
TOTAL	503,944	504,413	(0.1)

[1]The Corporation modified the classification of its revenue arising from social media platforms and commercial production. More information is provided in Note 19 *Revenue* of our Consolidated Financial Statements.

Our revenue remained stable (↓ 0.1%) compared to last year, with the main variances by revenue streams noted below.

Advertising (↓ 3.4%)

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

For the year ended March 31	**2021**	2020	% change
TV advertising[1]	198,728	219,884	(9.6)
Digital advertising[1]	54,744	42,593	28.5
	253,472	**262,477**	**(3.4)**

[1]The Corporation modified the classification of its revenue arising from commercial production and social media platforms. More information is provided in Note 19 *Revenue* of our Consolidated Financial Statements.

Revenue from TV advertising decreased for both CBC and Radio-Canada this year by $21.2 million (↓ 9.6%), driven by the sustained impact of the COVID-19 pandemic on demand for Canadian TV advertising. This decline was partly offset by higher digital advertising revenue of $12.2 million (↑ 28.5%), as traffic increased on digital and social media platforms during the pandemic, and was further bolstered by the coverage of the US elections.

Subscriber fees (↑ 0.5%)

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

For the year ended March 31	**2021**	2020	% change
Discretionary TV platforms	103,897	109,874	(5.4)
Digital platforms	20,148	13,592	48.2
	124,045	**123,466**	**0.5**

Our subscriber revenue remained nearly flat when compared to last year (↑ 0.5%). TV subscriber revenue decreased due to fewer subscribers. This was offset by continued subscriber growth on our digital platforms (ICI TOU.TV EXTRA and CBC Gem) driven by the COVID-19 pandemic.

Financing, investment and other income (↑ 6.7%)

Financing, investment and other income depends on the different events and transactions throughout the year, as it includes production revenue from host broadcasting services and revenue from the sale of content. It also reflects revenue from our rentals, sponsorships and retransmission rights. More information about our revenue streams is provided in note 19 Revenue *of our Consolidated Financial Statements.*

The $8.0 million (↑ 6.7%) increase in financing, investment and other income this year resulted mostly from an additional one-time $24.8 million of retransmission rights royalties recognized this year, partly offset by:

- Lower production revenue of $8.6 million as a result of the COVID-19 pandemic, due to fewer sports and artistic events being produced and less demand from third parties for our facilities and services.
- Lower interest income of $3.9 million explained by a combination of lower average cash and investment balances and lower interest rates.

Operating expenses

For the year ended March 31	**2021**	2020	% change
Television, radio and digital services costs[1]			
English Services	892,289	920,729	(3.1)
French Services	741,792	748,335	(0.9)
	1,634,081	1,669,064	(2.1)
Other operating expenses			
Transmission, distribution and collection	56,892	58,989	(3.6)
Corporate management	10,611	10,801	(1.8)
Finance costs	26,509	24,353	8.9
	94,012	94,143	(0.1)
TOTAL	**1,728,093**	**1,763,207**	**(2.0)**

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

Our total operating expenses decreased by $35.1 million (↓ 2.0%) compared to last year, with the main variances noted below.

Television, radio and digital services costs (↓ 2.1%)

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

Television, radio and digital services costs decreased by $35.0 million (↓2.1%) compared to last year, partly driven by the lower cost of programs broadcast on TV due to delays and cancellations caused by the COVID-19 pandemic. In addition, operating costs were reduced in line with our financial contingency plan, and our pension expense was lower compared to last year. These decreased expenses were partially offset by continued investment in video and audio content for our digital platforms.

Other operating expenses (↓ 0.1%)

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

Other operating expenses remained stable (↓0.1%) compared to last year.

Government funding

For the year ended March 31	**2021**	2020	% change
Parliamentary appropriations for operating expenditures	1,291,402	1,098,114	17.6
Parliamentary appropriations for working capital	4,000	4,000	-
Amortization of deferred capital funding	98,944	106,944	(7.5)
TOTAL	**1,394,346**	**1,209,058**	**15.3**

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

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

Parliamentary appropriations for operating expenditures increased by $193.3 million (↑ 17.6%) in 2020-21. While our base appropriation remained unchanged from last year, we recognized $119.4 million of retroactive salary inflation for fiscal years 2018-19 through 2020-21.

Due to the uncertain impact of the COVID-19 pandemic on our cash flows and the fact that we are prohibited by law from short-term borrowing, we requested and received Treasury Board's approval to transfer $33.7 million from our 2020-21 appropriation for capital expenditures and advance $36.7 million from our 2021-22 appropriation for operating expenditures into this fiscal year in order to prudently manage our liquidity.

Amortization of deferred capital funding was lower by $8.0 million (↓ 7.5%), consistent with our expectations.

Other gains and losses

For the year ended March 31	**2021**	2020	% change
Gain (loss) on disposal of property and equipment and intangibles	3,046	(9,368)	N/M
TOTAL	**3,046**	**(9,368)**	**N/M**

N/M = not meaningful

In 2020-21, our gain on disposal of $3.0 million was mainly the result of a non-monetary transaction in which we exchanged software licences.

Last year's loss on disposal of $9.4 million was mostly due to a non-cash charge from the transfer of a building to the province of Saskatchewan in exchange for a long-term lease arrangement, as well as other net losses from the retirement of assets in the regular course of our operations.

Income tax expense

For the year ended March 31	**2021**	2020	% change
Income tax expense	(31,149)	-	N/M
TOTAL	**(31,149)**	**-**	**N/M**

N/M = not meaningful

Due to our positive taxable net results, we recognized a $31.1 million income tax expense in the current year. We anticipate recovering the amount paid in future years. There was no income tax expense recognized in the prior year.

Total comprehensive income (loss)

For the year ended March 31	**2021**	2020	% change
Net results for the year	142,094	(59,104)	N/M
Other comprehensive income			
Remeasurements of defined benefit plans	206,022	260,836	(21.0)
Total comprehensive income for the year	**348,116**	**201,732**	**72.6**

N/M = not meaningful

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

Total comprehensive income recognized this year was $348.1 million, compared to $201.7 million in the prior year. In addition to our net results, total comprehensive income includes remeasurements of defined benefit plans as described above.

A gain of $206.0 million was recognized this year on remeasurements of defined benefit plans. This was mostly due to a gain on plan assets of $628.6 million, resulting from a higher return on plan assets than estimated in our actuarial assumptions. This was partly offset by a 49 basis-point decrease in the discount rate, which increased the defined benefit obligation by $422.6 million.

A gain of $260.8 million was recognized last year on remeasurements of defined benefit plans. This was mostly due to a 47 basis-point increase in the discount rate, which decreased the defined benefit obligation by $395.5 million. This was partly offset by a loss on plan assets of $134.7 million from a lower return on plan assets than estimated in our actuarial assumptions.

Seasonality and quarterly financial information

The following table shows condensed financial data for the previous eight quarters. This quarterly information is unaudited, but has been prepared on the same basis as the annual Consolidated Financial Statements. Analysis of our results by quarter is available in our quarterly reports available here.

			2020-2021		
	Q1	Q2	Q3	Q4	Total
Revenue	99,005	106,637	136,915	161,387	503,944
Government funding	284,039	300,266	309,355	500,686	1,394,346
Expenses	(378,391)	(358,607)	(464,490)	(526,605)	(1,728,093)
Results before other gains and losses and taxes	**4,653**	**48,296**	**(18,220)**	**135,468**	**170,197**
Other gains and losses	253	132	(114)	2,775	3,046
Results before income taxes	**4,906**	**48,428**	**(18,334)**	**138,243**	**173,243**
Income tax expense	-	-	-	(31,149)	(31,149)
Net results under IFRS for the period	**4,906**	**48,428**	**(18,334)**	**107,094**	**142,094**
Budgetary Results for the period[1]	**22,455**	**34,120**	**1,222**	**117,236**	**175,033**

			2019-2020		
	Q1	Q2	Q3	Q4	Total
Revenue	114,100	117,116	141,891	131,306	504,413
Government funding	274,224	303,525	288,848	342,461	1,209,058
Expenses	(398,932)	(398,760)	(453,368)	(512,147)	(1,763,207)
Results before other gains and losses	**(10,608)**	**21,881**	**(22,629)**	**(38,380)**	**(49,736)**
Other gains and losses	(1,802)	(5,718)	(1,063)	(785)	(9,368)
Net results under IFRS for the period	**(12,410)**	**16,163**	**(23,692)**	**(39,165)**	**(59,104)**
Budgetary Results for the period[1]	**3,073**	**24,297**	**1,871**	**(18,203)**	**11,038**

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

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

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

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

Given the impact of the evolving COVID-19 pandemic, there is inherently more uncertainty associated with seasonal fluctuations relative to periods preceding the pandemic. Other factors may impact net results from quarter to quarter. These may include foreign exchange gains or losses, changes to the fair value of derivative financial instruments, asset write-offs and sales. When appropriate, these are recorded as other gains and losses.

Outlook

COVID-19

Although audiences have increased, advertising revenue has been and will continue to be negatively impacted for the foreseeable future as advertisers reduce expenditures to manage financial pressures, while Canadian and global efforts are focused on containment of the COVID-19 pandemic.

We continue to manage our business prudently by reducing discretionary expenses in order to offset these revenue declines and to fund cost pressures for health and safety. We will continue to monitor revenue and expenses for contingencies as the COVID-19 pandemic evolves.

Modernizing of broadcasting legislation

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

Olympic Games 2020-2024

We are Canada's Olympic Network and official broadcaster for the next three Olympic Games, including the Olympic Games Tokyo 2020, Olympic Winter Games Beijing 2022 and the Olympic Games Paris 2024, along with our broadcast partners Bell Media and Rogers Media.

Due to the COVID-19 pandemic, the International Olympic Committee (IOC) announced that the Olympic Games Tokyo 2020 would be postponed by one year; the Games will now be held between July 23 and August 8, 2021. A reprofile of a portion of our government appropriation from 2021-22 to 2020-21 helped us manage the potential financial impacts of the Games being delayed.

RISK MANAGEMENT AND GOVERNANCE

Risk Management

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

It is anticipated that the effects of COVID-19 will persist into fiscal year 2021-22, including continuing economic pressures and programming disruptions. We will need to continue to serve Canadians by providing them with vital news, information and entertainment programming during this ongoing crisis, while protecting the health and safety of our staff.

We apply effective risk management to ensure risks and opportunities that impact strategies, objectives and operations are identified, assessed and managed appropriately.

Our Risk Management Program is integrated into business processes across the Corporation. Responsibility for risk management is shared among the following groups:

1 BOARD

The Board oversees our key risks at a governing level, approves significant policies, and ensures that the processes and systems required to manage risks are in place.

2 AUDIT COMMITTEE OF THE BOARD

The Audit Committee monitors key risks, discussing their status with management at quarterly meetings and ensuring that management has programs for evaluating the effectiveness of internal controls.

3 SENIOR EXECUTIVE TEAM

The Senior Executive Team identifies and manages risks, reports on our key risks to the Audit Committee and the Board, recommends policies, and oversees financial reporting and internal control systems.

4 MEDIA AND SUPPORT BUSINESS UNITS

Media and support business units initially identify and assess risks through the annual business plan process, and develop and execute detailed plans to manage risks. Risks are prioritized based on their potential impacts and their likelihood of occurring.

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

The following table discusses the key risks we face.

1. Pandemic risk – COVID-19

KEY RISKS

As Canada's public broadcaster, we provide essential services to Canadians, including:

- Local, regional and national health and safety news and information.
- Much-needed educational and entertainment programming for families.
- Critical support to the country's creative community.

The health and welfare of our workforce is of utmost importance. Our essential operations and ability to fulfill our mandate may be at risk, as worsening conditions may reduce the number of employees available to continue operations. Risk factors include:

- Resurgent case counts leading to lockdowns, curfews, school and daycare closures, and/or local restrictions.
- Outbreaks impacting our staff and/or in our workplaces.
- Timeline of vaccine delivery and inoculation of the wider Canadian population, vaccine efficacy, and immunity period.
- COVID-19 fatigue resulting in deteriorating mental health, absences, disengagement and lower resiliency.
- Changing recommendations related to personal protective equipment (PPE), enhanced sanitation protocols, physical distancing, self-isolation and travel advisories.
- Supply chain disruption of independent productions may impact program schedules and costs.

COVID-19 will impact revenue – TV advertising revenue in particular – and some expenditures. The degree and duration of the impacts are unclear. These risks are also being monitored for the Olympic Games Tokyo 2020 and the Olympic Winter Games Beijing 2022.

The future costs associated with physical distancing in the workplace are as yet unknown.

RISK MITIGATION

Continue to mobilize the National Crisis Management Team to actively monitor and assess our situation and to steer corporate response.

Continue updating and communicating detailed guides for all employees, news teams and managers, and continue with enhanced Employee Assistance Program (EAP) communications and services.

Continue to actively monitor and assess our ability to perform our essential services and fulfill our mandate. We continue to develop and/or implement contingency plans and corrective measures.

Take a cautious approach to the reintegration of employees to our work sites. Most employees continue to work remotely. Reintegration plans are re-evaluated every six weeks. Further reintegration will occur when it is as safe as possible and does not contribute to the further spread of COVID-19.

Plan and secure the schedules for the 2021-22 regular seasons. Current production realities (health and safety concerns, delays, cancellations, and insurance and cost increases) may continue to impact programming schedules in future years.

Continue to support and work with independent producers to create new Canadian content.

Allocate resources to our enhanced cleaning protocols and the purchase of PPE, as required.

Develop a budget for 2021-22 that plans for continued revenue weakness and volatility.

Refine our Olympic Games Tokyo 2020 and Paralympic Games health and safety planning as more information becomes available.

Adjust for future costs associated with social distancing in the workplace, as required.

FUTURE IMPACT

Continue to closely monitor the evolution of the virus and assess the impacts.

Continue and refine identified strategies.

Maintain ongoing communication with employees on the latest developments.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
2. Government's cultural policies modernization and CRTC licence renewal		
Our ability to deliver our mandate is challenged by the ongoing shift from traditional television to discretionary services and digital platforms, rapid technology changes, evolving media consumption habits, and industry fragmentation. The government has committed to modernizing the *Broadcasting Act*, the *Telecommunications Act* and the *Radiocommunication Act*. Since our mandate exists in the *Broadcasting Act*, any legislative changes could affect our services. Elements of the government's mandate letters to ministers may also have implications for CBC/Radio-Canada and our services to Canadians. Any legislative changes to our mandate, independence or business model could profoundly impact our future and our opportunity to address our challenged business model. Our current CRTC licences expire March 31, 2022. There is a risk that the CRTC could impose additional obligations that would be inconsistent with our strategy.	Promote and share our strategic plan with stakeholders, both internally and externally. Continue to demonstrate our value and relevance to stakeholders and reinforce the need for adequate stable funding with the government. Work with the government on the next steps to help build a media ecosystem that puts audiences first and serves all Canadians. Retain flexibility when making operating decisions to enhance agility. Monitor and participate in the various processes launched by the government. Develop, implement or modify strategies and contingency plans, as required. Continue to reinforce our position that the upcoming licences: ● Must grant us flexibility, as the broadcasting system continues to evolve. ● Be consistent with our strategy.	Continue implementing our strategic plan, which outlines what we need to do to succeed now, as well as in the future, beyond traditional broadcasting. It will ensure that the public media services we provide, and the operating model that supports those services, evolve in parallel with the changing expectations of Canadians and the shifts within our industry.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
3. Changing media landscape		
The media and entertainment sector remains under pressure from a rapidly changing media ecosystem, increasing regulatory scrutiny and the ongoing pandemic: • Increasing audience fragmentation, expanding direct to consumer (DTC) streaming options and accelerating declines in traditional linear TV will accelerate evolution to a streaming-centric media universe. • Increasing audience expectations and regulation over digital privacy and data, such as the proposed *Digital Charter Implementation Act*, may impact our personalization strategies and partner data arrangements. • Scale in content and distribution is needed. New content is necessary to attract new subscribers, while a sufficient library keeps subscribers until new content arrives. The development of a scalable and robust platform is costly. Content will be increasingly prioritized to streaming services over traditional distribution, further accelerating the decline in the traditional distribution model. We must adapt to new realities, often outside traditional industry relationships.	Continue our focus on digital content. Finalize and implement a harmonized over-the-top (OTT) platform between CBC and Radio-Canada with a single data pool, as well as competitive user experiences and functionalities. Adapt our performance measurement indicators to optimize decision making based on audience consumption habits. Continue updating our technology to meet audience expectations. Negotiate rights agreements to ensure access to high-quality content on feasible financial terms. Adopt privacy by design principles as we continue to develop and implement data management tools and strategies to enhance our ability to track and customize content for audiences.	Serve audiences on the platforms they want to increase engagement with our content and increase the public value of our services and advertising and subscription revenue, as well as our relevance.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
4. Financial sustainability		
Our operating environment remains challenging as the pandemic has accelerated revenue shifts to digital platforms, and as new technologies and business models continue to emerge. As conventional television advertising and subscription revenue decline, the shift to digital business models continues, but not at the same financial pace. Audience consumption patterns such as cord-cutting and cord-shaving are reducing cable and satellite subscription revenue. The increase in direct to consumer streaming options, continued audience fragmentation and other factors will continue to negatively impact our earned revenue: ● The new conditions of license or legislation could affect our ability to monetize TV and digital advertising. ● COVID-19 continues to impact revenue, in particular advertising revenue, and some expenditures. The degree and duration of the impacts are unclear. ● The rescheduled Olympic Games Tokyo 2020 and Paralympic Games and the Olympic Winter Games Beijing 2022 and Paralympic Games are planned for the 2021-22 fiscal year, but face uncertainty. Given that our government funding is not fully indexed for cost increases, and traditional advertising and subscription revenue are declining, significant risks are posed to the sustainability of our traditional business.	Continue to invest in prime-time television, which is still the biggest driver of earned revenue for the company, while managing the shift from traditional to digital services. Continue to develop compelling, distinctly Canadian programming. Maximize our multiplatform strategy when broadcasting, acquiring or distributing content. Continue to leverage new partnerships and accelerate our focus on digital revenue opportunities. Play a leadership role in driving the advertising industry transformation around audience measurement and automation, and reinforce the value and effectiveness of television advertising. Monitor and control costs, and reallocate financial resources to strategic priorities. Continue to demonstrate the value and importance of public broadcasting to our stakeholders. Continue to monitor the evolving nature of branded content campaigns and other types of digital advertising. Revise guidelines for branded content, as needed, to strengthen and clarify boundaries between our journalistic content and commercial advertising.	In its April 19, 2021 Budget, the federal government announced $21 million in operational support for CBC/Radio-Canada for fiscal 2021-22. This support will mitigate the effects of lower revenue, inflation and other cost increases that reduce resources available for our strategic priorities.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
5. Reputation and brand management		
CBC/Radio-Canada is among the most prominent and most discussed brands in the country. It is a sign of our importance that Canadians all have opinions about their public broadcaster. At any time, our activities can generate public and media attention. There is a risk that negative perceptions of us, if unaddressed, could undermine credibility and public support.	Increase the credibility and trust Canadians have in us by acting responsibly and being accountable to Canadians. Continue to work with other public broadcasters to underscore the importance of public media in combating misinformation and encouraging democratic debate around the globe. Build a positive work culture by continuing to promote a safe, respectful and inclusive workplace through our Code of Conduct and mandatory training on a variety of topics, including ethics, the prevention of bullying and harassment, and unconscious bias. Ensure our issues management and crisis management is responsive, responsible, and supports transparency and decisive action. Continue to highlight diversity in front of and behind the camera at CBC/Radio-Canada to ensure the public broadcaster reflects Canada.	Ensure that our behaviour improves our credibility and public support.
6. Information security		
The number, cost and complexity of cyber incidents for all companies worldwide continue to grow despite increased awareness and attention to cybersecurity. While we are managing information security risks, evolving cyber threats have the potential to significantly disrupt operations and damage our brand. We have put in place measures to allow the majority of our workforce to work remotely during the pandemic. We continue to actively monitor risks associated with these solutions. Government priorities, such as the advancement of Canada's Digital Charter or enhanced powers for the Privacy Commissioner, may impact CBC/Radio-Canada operations. There is a risk that personal information is disclosed or used without clear consent.	Monitor and assess network security, cloud technologies and system vulnerabilities. Enhance our information security rules, guidelines and procedures, and increase staff awareness and training on information security topics and protection of personal information. Implement the records management policy to impose classification obligations that address confidential information. Train employees tasked with applying the new policy. Develop protocols and adopt technologies that anonymize personal information. Monitor, assess and develop strategies to implement proposed changes to Canada's Digital Charter or to the powers of the Privacy Commissioner.	Continue to implement and refine identified strategies.

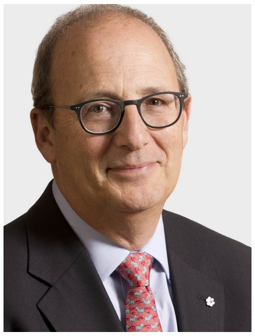
KEY RISKS	RISK MITIGATION	FUTURE IMPACT
7. Implementation of high-profile projects		
7.A. Human Resources (HR) System Project – Workday		
There is a risk that the new HR system, Workday, will not achieve desired objectives to transform the employee user experience and deliver streamlined and value-added business processes; will be over budget; or will negatively impact essential payroll functions. COVID-19 and members of the project team working from home are adding pressure to the original timeline.	Continue to ensure a strong governance structure is in place to lead the HR system project. Finalize the "Configuration and Prototype" stage and continue work defining future state processes, identifying gaps and implementing change management plans. Conduct internal audits in 2021-22 to review the migration of data and assess end-to-end testing ahead of the implementation of the system.	Monitor the project and its implementation.
7.B. New Maison de Radio-Canada (MRC) Project		
While certain productions and administrative staff have moved into the new premises, COVID-19 has impacted access to the building and technical implementation activities. The anticipated final move-in date has been extended to December 2022 for newsroom staff, certain productions and their supporting technical staff to allow the production of the Olympic Games Tokyo 2020 and the Olympic Winter Games Beijing 2022 in February 2022 in the new MRC. During this extension period, the existing MRC building will continue to be in use.	Maintain constructive business relationships with partners and continue to work through remaining issues. Continue to fine-tune the comprehensive project planning of the technical infrastructure installation for the remaining phases and ensure tight project management of the implementation. Implement change management activities as needed post–COVID-19 to address employee concerns, (e.g., open-concept layout, density). Ensure transparent communication to stakeholders about the economic benefits of the project.	Continue to monitor the project and communicate transparently with stakeholders.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
8. Talent management		
The recruitment, retention and engagement of a strong, diverse workforce are essential to achieve strategic objectives. <u>Diversity and Inclusion</u> Under-representation of the country's demography in our workforce composition could pose reputational risk: • Failing to meet our targets could impact our credibility, as well as impact recruitment, retention and morale. • If we do not show satisfactory advancement in closing gaps in workforce representation in comparison to the external labour force, it may cause further labour issues. <u>Recruitment, Retention and Morale</u> There is a risk that workplace culture incidents, controversy and uncertainty may erode gains around staff engagement and morale, and create challenges in recruiting and retaining talent. Increased competition for digital talent and a gap in our compensation relative to the market may impact recruitment and retention. Our Future of Work strategy, including our remote work philosophy post-pandemic and its application, may not align with employees' and candidates' expectations, especially when compared to opportunities in the digital sectors. It could cause disengagement and retention issues and make it difficult to attract top talent. <u>Harassment of Newsgathering Staff</u> Incidents of harassment and intimidation of newsgathering staff continue to grow, in both frequency and intensity, online and as physical threats.	<u>Diversity and Inclusion</u> Expand reporting on inclusion within the Corporation and externally through Performance Indicators. Communicate regularly to staff on the status of ongoing initiatives undertaken. Provide the necessary resources to support the achievement of employment equity targets and Diversity and Inclusion initiatives. Enhance targeted leadership development programs for members of employment equity groups. Offer mandatory unconscious bias training for all levels of employees. Reflect on our Journalistic Standards and Practices through a more inclusive lens. <u>Recruitment, Retention and Morale</u> Roll out our annual engagement survey results and implement action plans to address areas of concern. Develop an action plan and road map for joint initiatives with the unions on workplace culture to address common issues. Continue implementation of the compensation strategy to phase in market adjustments to compensation. Focus Talent Acquisition team resources with effort required to attract digital talent. Review learning priorities and allocate resources to maximize training and development investments. Continue to develop and implement a Future of Work strategy that will envision the workplace post-pandemic, including a remote work policy that is both aligned with business needs, yet flexible. <u>Harassment of Newsgathering Staff</u> Launched a new Online Harm Task Force to combat online hate against our journalists, hosts and producers. Enhanced well-being, safety and security procedures to support staff that have been subjected to harassment incidents.	Maintain our momentum to engage the workforce, facilitate the transition to this new digital world, train leaders to better support their teams and continue building a strong foundation of business skills across the Corporation.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
9. Union relations and negotiations		
Conversations are underway with unions to implement and negotiate new collective agreements. There is a risk of disruption to operations due to: ● Jurisdictional claims between bargaining units, resulting in reduced flexibility. ● Labour stoppage.	Continue transparent communications to employees and unions, and involve employees in the development of strategic initiatives. Implement clear negotiation mandates that ensure flexibility in working conditions and reduce the jurisdictional barriers between bargaining units, where applicable. Develop a strategy to address jurisdictional claims by unions. Update contingency plans in case of labour disruption.	Continue both ongoing conversations with unions and identified strategies.

Board and Management Structure

Board of Directors



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

Catherine Tait [2]
President and CEO
Ottawa, ON

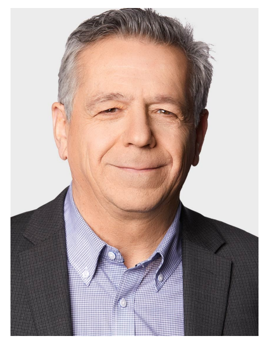
Guillaume Aniorté [2, 4, 5]
Montréal, QC

Sandra Mason [1, 2, 6]
Toronto, ON

Rita Shelton Deverell [2, 3, 5, 6]
Coldwater, ON

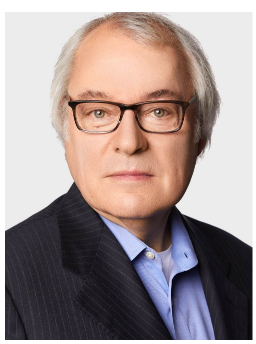
Suzanne Guèvremont [1, 2, 3]
Montréal, QC

Bill Tam [1, 2, 3, 6]
Vancouver, BC



René Légère [2, 4, 5]
Moncton, NB

Jennifer Moore Rattray [1, 2, 4]
Winnipeg, MB



François R. Roy [1, 2]
Montréal, QC

Sandra Singh [2, 4, 5]
Vancouver, BC

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

[1] Member of the Audit Committee
[2] Member of the Broadcasting Committees
[3] Member of the Technology and Infrastructure Committee
[4] Member of the Strategic Planning Committee
[5] Member of the Human Resources and Governance Committee
[6] Bill Tam and Sandra Mason were appointed on June 1, 2020 in replacement for Harley Finkelstein who had resigned and Edward Boyd who had completed two full terms. Rita Shelton Deverell was appointed on November 28, 2020 following the resignation of Rob Jeffery.

Senior Executive Team

Catherine Tait
President and CEO

Michel Bissonnette
Executive Vice-President,
Radio-Canada

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

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

Claude Galipeau
Executive Vice-President,
Corporate Development

Marco Dubé
Vice-President, People
and Culture

Carol Najm[29]
Vice-President
and Chief Financial Officer

Barbara Williams
Executive Vice-President,
CBC

[29] Michael Mooney was Acting Executive Vice-President and Chief Financial Officer before Carol Najm's arrival.

Committee Mandates

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

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

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

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

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

Year in Review

Access to Information and Proactive Disclosure

CBC/Radio-Canada has had a remarkable year on several fronts with respect to Access to Information (ATI). including receipt of the 2020 Information Commissioner's Award presented personally by Ms. Carolyn Maynard, the Information Commissioner of Canada. Additionally, for the tenth year in a row the Corporation met the Commissioner's 5 per cent threshold for an A rating, with a deemed refusal rate of 4.30 per cent for fiscal year 2020-21. These accomplishments occurred during a year where the Corporation's Access to Information Office experienced a significant increase in work volume and a wide range of operational challenges related to COVID-19 that required unprecedented innovation and adaptability.

Regarding work volume, when compared to 2019-20 the number of pages reviewed and released last year in answer to formal ATI requests increased by 99 per cent (from 41,129 to 81,779) and 160 per cent (from 17,539 to 45,629), respectively. The Corporation absorbed this surge without allowing it to adversely affect timeliness and quality of request responses in spite of COVID-19 by immediately pivoting to a complete work-from-home posture, speaking directly with every single active requestor to advise that CBC/Radio-Canada was fully up and running, and focusing on what needed to be done and the people doing it.

2020-2021 *Access to Information Act* highlights:

- 45,629 pages released in answer to 138 formal requests.
- 10,342 pages released in answer to 10 informal requests.
- 12,314 pages released in answer to 40 requests of general interest posted proactively.
- 1,934 pages released and proactively posted in relation to 11 Board of Directors meetings.

For a total of 70,219 pages.

As born out by the metrics above, CBC/Radio-Canada continued to deliver on its commitment to Canadians to be open, transparent and accountable during 2020-21 even as access to information came under strain in other places due to the global COVID-19 pandemic.

Annual Public Meeting

Our annual public meeting (APM) took place on September 16, 2020, and was completely online for the first time. The theme of the event was "Essential. Everywhere. Every day." and focused on the ways that CBC/Radio-Canada continues to deliver on its mandate to inform, enlighten and entertain Canadians, especially in times of uncertainty, as the last year has shown. The event was broadcast live on social media and YouTube. Closed captions, American Sign Language and Langue des signes québécoise were offered to make the event even more accessible to Canadians.

Journalistic Standards and Practices

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

Ombuds

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

	HANDLED COMPLAINTS, EXPRESSIONS OF CONCERN OR OTHER COMMUNICATIONS	WITHIN MANDATE	HANDLED LAST YEAR (2019-2020)
CBC (English Services)	5,271	4,399	6,675
Radio-Canada (French Services)	2,314	1,552	1,982
TOTAL	**7,585**	**5,951**	**8,657**

Values and Ethics Commissioner

As CBC/Radio-Canada's Values and Ethics Commissioner since 2017, Diane Girard has focused on raising awareness of ethical issues such as conflicts of interest, outside activities that could be perceived as conflicts and respect in the workplace, as well as providing advice to managers and employees on such matters. Due to the pandemic, she has not had the opportunity to travel to meet employees and groups during the past year; however, the number of requests for advice received during the last year from across the country has remained high. As for complaints handled, the number of complaints received by the public is similar to last year, while internal complaints are lower, which might be expected with many employees working from home.

NUMBER OF REQUESTS FOR ADVICE WITHIN MANDATE APRIL 2020 TO MARCH 2021	233
NUMBER OF INTERNAL COMPLAINTS WITHIN MANDATE	11
NUMBER OF COMPLAINTS FROM THE PUBLIC WITHIN MANDATE	16

Compliance with the *Canadian Environmental Assessment Act*

CBC/Radio-Canada uses a risk-based approach to facilitate compliance with Sections 67-69 of the *Canadian Environmental Assessment Act*, 2012. As part of the established process, a project manager must complete a checklist for all physical activities prior to the initiation of the project. The checklist details the scope and description of the project and is our formal tool to ensure the project examines any potential adverse environmental impacts, including, but not limited to, asbestos, halocarbons, mould, fuel storage tanks, water or air quality, etc. The checklist also allows us to describe any appropriate action needed to minimize any effects identified.

As per the process outlined above, no project completed in the 2020-21 fiscal year was determined to result in a significant adverse environmental effect. It should be noted that CBC/Radio-Canada considers a physical activity as something that goes beyond normal maintenance, such as removing a wall, replacing equipment or excavating a parking lot. For the purposes of this approach, painting walls or maintaining equipment is considered maintenance work.

Director Compensation

The Chair of the Board and the President and CEO are compensated in accordance with the terms of the Order-in-Council appointing them. The President and CEO receives an annual salary as a senior executive of the Corporation, but no additional compensation to serve as a Director. The Chair of the Board receives an annual retainer (from $14,500 to $17,100) and a per diem fee (from $565 to $665) for meetings, travel time and special executive, analytical or representational responsibilities. Directors are entitled to receive only one meeting fee for each day of work (24 hours) even if they attend more than one meeting during that period.

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

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

Board of Directors Attendance

In person** | Video conference | Conference call

BOARD MEMBERS	BOARD			AUDIT COMMITTEE			BROADCASTING COMMITTEE			TECHNOLOGY AND INFRASTRUC-TURE COMMITTEE			STRATEGIC PLANNING COMMITTEE			HUMAN RESOURCES AND GOVERNANCE COMMITTEE		
# of meetings	6	3		4			2			4			2			4		
Michael Goldbloom	6/6	3/3					2/2											
Catherine Tait	6/6	3/3					2/2											
Guillaume Aniorté	6/6	3/3					2/2			2/2			2/2			3/3		
Edward W. Boyd [1]		3/3																
Harley Finkelstein [2]		0/2								1/1								
Suzanne Guèvremont	6/6	3/3		2/2			2/2			4/4								
Rob Jeffery [3]	4/6	3/3		3/3			1/1											
René Légère	6/6	3/3					2/2						2/2			4/4		
Sandra Mason [4]	6/6			2/2			2/2											
Jennifer Moore Rattray	5/6	3/3		3/4			2/2						2/2					
François R. Roy	5/6	3/3		3/4			1/2									1/1		
Rita Shelton Deverell [5]	2/2						1/1											
Sandra Singh	5/6	2/3		2/2			2/2						2/2			4/4		
Bill Tam [6]	6/6			2/2			2/2			2/2								
Marie Wilson	6/6	3/3					2/2			4/4						4/4		

**Regularly scheduled in-person meetings were held by videoconference.
[1] Edward W. Boyd's term ended May 31, 2020.
[2] Harley Finkelstein resigned May 25, 2020.
[3] Rob Jeffery resigned November 27, 2020.
[4] Sandra Mason was appointed June 1, 2020.
[5] Rita Shelton Deverell was appointed November 28, 2020.
[6] Bill Tam was appointed June 1, 2020.

ACCOUNTING MATTERS

Our Consolidated Financial Statements for the year ended March 31, 2021 were prepared in accordance with IFRS. They were approved by the Corporation's Board of Directors on June 15, 2021. Discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements.

Accounting Developments

There were no new accounting standards that impacted our Consolidated Financial Statements for the year ended March 31, 2021.

Key Accounting Estimates and Critical Judgments

Our key significant accounting estimates and critical judgments are disclosed in the relevant notes to our Consolidated Financial Statements for the year ended March 31, 2021. The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Our critical accounting estimates and significant judgments are disclosed to, and discussed with, the Audit Committee on a regular basis.

Transactions with Related Parties

Transactions with defined benefit plans

We made employer contributions to defined benefit plans as discussed in Note 15. We also provided management and administrative services to our defined benefit pension plans.

FINANCIAL REVIEW

Internal Controls

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

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

In 2020-21, the Corporation assessed the design and operating effectiveness of key internal controls over financial reporting. The assessment did not identify any material weaknesses in the operating effectiveness of the internal controls, but identified some opportunities for improvements for which management has developed an action plan. The Corporation will continue to address opportunities for improvement in the coming year.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Catherine Tait
President and Chief Executive Officer

Carol Najm
Vice-President and Chief Financial Officer

Ottawa, Canada
June 15, 2021

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

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Canadian Broadcasting Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of income (loss), consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

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

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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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

Riowen Abgrall

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

Ottawa, Canada
15 June 2021

CBC/RADIO-CANADA

CONSOLIDATED FINANCIAL STATEMENTS

2020-2021

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Canadian dollars)	*NOTE*	As at March 31 **2021**	 2020
ASSETS			
Current			
Cash	*4,24*	90,107	72,386
Marketable securities	*4,24*	3,802	-
Bonds receivable	*5,24*	95,678	85,680
Promissory notes receivable	*6*	3,749	3,498
Trade and other receivables	*7,24*	177,841	138,398
Programming	*8*	384,407	319,475
Prepaid expenses		47,840	37,215
Investment in finance lease	*9*	4,141	3,878
Derivative financial instruments	*24*	-	1,410
Assets classified as held for sale	*10*	94	46
		807,659	**661,986**
Non-current			
Bonds receivable	*5,24*	26,687	-
Property and equipment	*10*	801,937	797,997
Intangible assets	*11*	32,437	24,861
Right-of-use (ROU) assets	*12*	339,464	358,501
Pension plan asset	*15*	868,261	689,590
Promissory notes receivable	*6*	24,106	27,855
Programming	*8*	36,812	79,966
Investment in finance lease	*9*	26,204	30,346
Deferred charges		29,533	29,142
		2,185,441	**2,038,258**
TOTAL ASSETS		**2,993,100**	**2,700,244**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	*13*	119,578	115,968
Provisions	*14*	19,881	29,745
Pension plans and employee-related liabilities	*15*	219,391	200,609
Financial obligations	*16*	35,732	34,607
Lease liabilities	*17*	18,610	18,296
Deferred revenue and other liabilities	*18*	18,286	17,092
Derivative financial instruments	*24*	592	-
		432,070	**416,317**
Non-current			
Deferred revenue and other liabilities	*18*	30,327	36,715
Pension plans and employee-related liabilities	*15*	243,323	234,492
Financial obligations	*16*	201,472	230,823
Lease liabilities	*17*	313,389	330,063
Deferred capital funding	*20*	502,479	529,910
		1,290,990	**1,362,003**
TOTAL LIABILITIES		**1,723,060**	**1,778,320**
EQUITY			
Retained earnings		1,269,285	921,214
Total equity attributable to the Corporation		**1,269,285**	**921,214**
Non-controlling interests	*2*	**755**	**710**
TOTAL EQUITY		**1,270,040**	**921,924**
TOTAL LIABILITIES AND EQUITY		**2,993,100**	**2,700,244**

Contingent liabilities (Note 14) and Commitments (Note 27)

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

APPROVED BY THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

CONSOLIDATED STATEMENT OF INCOME (LOSS)

(in thousands of Canadian dollars)	*NOTE*	For the year ended March 31 **2021**	2020
REVENUE	*19*		
Advertising		253,472	262,477
Subscriber fees		124,045	123,466
Other income		119,474	107,587
Financing and investment income		6,953	10,883
		503,944	**504,413**
GOVERNMENT FUNDING	*20*		
Parliamentary appropriation for operating expenditures		1,291,402	1,098,114
Parliamentary appropriation for working capital		4,000	4,000
Amortization of deferred capital funding		98,944	106,944
		1,394,346	**1,209,058**
EXPENSES			
Television, radio and digital services costs		1,634,081	1,669,064
Transmission, distribution and collection costs		56,892	58,989
Corporate management costs		10,611	10,801
Finance costs	*21*	26,509	24,353
		1,728,093	**1,763,207**
Results before other gains and losses and income taxes		**170,197**	**(49,736)**
OTHER GAINS AND LOSSES			
Gain (loss) on disposal of property and equipment and intangibles	*10,11*	3,046	(9,368)
Results before income taxes		**173,243**	**(59,104)**
Income tax expense	*22*	31,149	-
Net results for the year		**142,094**	**(59,104)**
Net results attributable to:			
The Corporation		142,049	(59,178)
Non-controlling interests	*2*	45	74
		142,094	**(59,104)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

		For the year ended March 31	
(in thousands of Canadian dollars)	*NOTE*	**2021**	2020
COMPREHENSIVE INCOME (LOSS)			
Net results for the year		142,094	(59,104)
Other comprehensive income - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	*15*	206,022	260,836
Total comprehensive income for the year		**348,116**	**201,732**
Total comprehensive income attributable to:			
The Corporation		348,071	201,658
Non-controlling interests	*2*	45	74
		348,116	**201,732**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at March 31, 2020		921,214	710	921,924
Changes during the year				
Net results for the year		142,049	45	142,094
Remeasurements of defined benefit plans	*15*	206,022	-	206,022
Total comprehensive income for the year		**348,071**	**45**	**348,116**
Balance as at March 31, 2021		**1,269,285**	**755**	**1,270,040**

(in thousands of Canadian dollars)	*NOTE*	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	**Total**
Balance as at March 31, 2019		719,556	636	720,192
Changes during the year				
Net results for the year		(59,178)	74	(59,104)
Remeasurements of defined benefit plans	*15*	260,836	-	260,836
Total comprehensive income for the year		**201,658**	**74**	**201,732**
Balance as at March 31, 2020		**921,214**	**710**	**921,924**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Canadian dollars)	*NOTE*	For the year ended March 31 **2021**	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Net results for the year		142,094	(59,104)
Adjustments for:			
(Gain) loss on disposal of property and equipment and intangibles	*10,11*	(3,046)	9,368
Financing and investment income	*19*	(6,953)	(10,883)
Finance costs	*21*	26,509	24,353
Change in fair value of financial instruments designated as fair value through profit and loss	*24*	2,002	(1,318)
Depreciation and amortization	*10,11,12*	108,629	117,913
Change in deferred charges		(391)	12,639
Net change in programming asset	*8*	43,979	(46,375)
Amortization of deferred capital funding	*20*	(98,944)	(106,944)
Change in deferred revenue and other liabilities [non-current]	*18*	(7,213)	27,146
Change in pension plan asset	*15*	(178,671)	(191,989)
Change in pension plans and employee-related liabilities	*15*	218,807	256,615
Amortization of bond premium	*5*	405	336
Movements in working capital	*23*	(98,709)	(22,535)
		148,498	**9,222**
FINANCING ACTIVITIES	*23*		
Payment of lease liabilities	*17*	(18,199)	(32,346)
Repayment of financial obligations	*16*	(27,536)	(25,786)
Interest paid		(26,386)	(24,282)
		(72,121)	**(82,414)**
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	*20*	71,513	108,684
Additions to property and equipment and intangible assets	*10,11*	(103,089)	(146,433)
Acquisition of bonds receivable	*5*	(123,735)	(184,514)
Acquisition of marketable securities	*4*	(3,802)	-
Net proceeds from disposal of property and equipment	*10*	950	246
Collection of financial assets	*5,6,9*	93,336	268,141
Interest received		6,171	9,757
		(58,656)	**55,881**
Change in cash		**17,721**	**(17,311)**
Cash, beginning of the year		**72,386**	**89,697**
Cash, end of the year		**90,107**	**72,386**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

BUSINESS AND ENVIRONMENT

This Section sets out the Corporation's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. This section also shows new and future changes in policies, if any, and whether they are effective in 2021 or later years. We explain how these changes are expected to impact the financial position and performance of the Corporation.

1. GENERAL INFORMATION

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

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

These consolidated financial statements have been authorized for issuance by the Board of Directors on June 15, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

Changes in Presentation

We modified the classification of its revenue arising from commercial production and social media platforms to better reflect the nature of these revenue streams. As a result, a total of $8.7 million was reclassified from "Other income" to "Advertising" in the Consolidated Statement of income (loss) for the year ended March 31, 2020. For further details, refer to Note 19.

B. Significant Items impacting the Current Year

COVID-19 pandemic

The COVID-19 pandemic continued to impact certain financial information and related estimates and judgments disclosed in these financial statements. We reviewed the March 31, 2021 statement of financial position, and results of operations for the year then ended, for all known effects of the pandemic. The most critical areas of review and any resulting impacts include:

Programming assets

The COVID-19 pandemic resulted in certain programming activities being delayed or cancelled. During the third quarter of 2020-2021, we recorded a write-down to the licence we hold to broadcast National Hockey League games as the 2020-21 calendar was announced with a shorter regular season. There were no significant changes made to the measurement of other programming assets during the year.

Advertising sales and trade receivables

Our main source of advertising revenue is derived from agreements with large agencies. The global advertising industry continues to be affected by the economic slowdown resulting from the COVID-19 pandemic since this industry is closely linked to macroeconomic activity. Management is monitoring the credit ratings of large advertising agencies. In addition, we continue to carefully monitor the aging and collection performance of our accounts receivable, especially as small to medium sized agencies and direct advertisers are particularly challenged by the current economic environment. This did not result in a significant increase in our estimated expected credit losses (ECL) during the year.

Pension accounting

Our pension discount rate has decreased by 49 basis-points when compared to March 31, 2020. This is despite long-term government bond yields having increased over the same period following a growing expectation of a relatively quick economic recovery as the vaccine roll out continues, alongside fears about the risk of higher inflation.

The fall in the discount rate has been driven by a significant narrowing of credit spreads since March 31, 2020. At the previous year end, there was considerable uncertainty playing out in credit markets with concerns about the impact on the economy which resulted to higher credit spreads as at March 31, 2020. As the impact of the global pandemic became known with government stimulus and support that were introduced, credit spreads have returned to more normal levels, leading to the fall in the discount rate.

C. Basis of Preparation

This section includes accounting policies that relate to the basis of preparation of these consolidated statements as a whole. It also describes estimates Management developed and critical judgments made in the process of applying our policies, and how they affect the amounts reported in the consolidated financial statements. These critical accounting estimates and judgments could have a significant effect on the amounts reported since materially different amounts could result from different conditions or using different assumptions. Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note, together with any related estimates and judgments.

i) Principles of Consolidation

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

Information about our Subsidiary and Structured Entities

Subsidiary

Our Canadian subsidiary is *documentary*:

documentary	
Ownership	2021: 82% / 2020: 82%
Principal Activity	Discretionary television service broadcasting documentaries
How we Achieved Control	Majority interest and active participation on *documentary*'s Board of Directors and Board sub-committees.

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

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

Consolidated Structured Entities

We have two structured entities:

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

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

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

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

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

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

CBC Monetization Trust	
Nature of Trust	Charitable trust
How we Achieved Control	We bear the majority of the risks associated with the collection of the Trust's receivables through the guarantee we have provided. Entity designed to conduct a narrow well-defined activity to monetizing long-term receivables as part of the Recovery Plan implemented to manage budgetary shortfalls in 2009-2010. Predefined contractual arrangement gives us the majority of decision making powers over relevant activities that expose us to variable returns.
Other Information	December 31 year-end Additional financial statements prepared for consolidation purposes.

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

During the current year, we have not provided, and have no current intention to provide any further financial and other support to our consolidated structured entities.

ii) Operating Expenses

Television, Radio and Digital Services Costs

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

Transmission, Distribution and Collection Costs

Transmission, distribution and collection costs are expensed when incurred and include all costs related to the broadcasting of our programs, including direct out-of-pocket expenditures, departmental and administration expenses, and the cost of activities related to technical labour. A portion of the expenses that are attributable to the cost of transmission and distribution, such as services provided by People and Culture, Finance and Administration, MTIS, as well as a portion of depreciation and amortization are included in the related expenses.

iii) Fair Value Measurement

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

The three levels of the fair value hierarchy are:

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

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

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

iv) Asset Impairment

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

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

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

v) *Deferred Charges*

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

vi) *Regulatory Licenses*

We hold licenses, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all our conventional television, radio and specialty services. We are required to meet specific regulatory obligations in return for the privilege of holding these broadcasting licenses and have elected to record these non-monetary grants at their nominal value of nil.

vii) *Additional Significant Accounting Policies*

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

ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT
Trade and Other Receivables (Note 7)	76	✓	✓
Programming (Note 8)	77	✓	✓
Property and Equipment (Note 10)	80	✓	✓
Intangible Assets (Note 11)	84	✓	✓
Right-of-Use (ROU) Assets (Note 12)	86	✓	✓
Accounts Payable and Accrued Liabilities (Note 13)	87	✓	
Provisions and Contingent Liabilities (Note 14)	88	✓	✓
Pension Plans and Employee-Related Liabilities (Note 15)	89	✓	✓
Lease Liabilities (Note 17)	101	✓	✓

ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT
Deferred Revenue and Other Liabilities (Note 18)	103	✓	✓
Revenue (Note 19)	104	✓	✓
Government Funding (Note 20)	110	✓	✓
Finance Costs (Note 21)	111	✓	
Income Taxes (Note 22)	112	✓	✓
Financial Instruments (Note 24)	114	✓	✓
Related Parties (Note 26)	120	✓	
Commitments (Note 27)	122	✓	✓

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

At the date of this report, there were no new pronouncements issued by the IASB or the IFRS Interpretations Committee that impacted these consolidated financial statements.

B. Future Accounting Changes

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

ASSETS AND LIABILITIES

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

4. CASH AND MARKETABLE SECURITIES

Marketable securities comprise short-term certificates of deposit with an original maturity of three months or less.

	March 31, 2021	March 31, 2020
Cash on hand	454	671
Bank balances	89,653	71,715
Total cash	**90,107**	**72,386**
Total marketable securities	**3,802**	**-**

Interest revenue generated from bank balances and marketable securities and presented as Financing and investment income totaled $1.5 million for the year (2020 - $3.8 million).

5. BONDS RECEIVABLE

We hold Canada Mortgage Bonds to fund future commitments. The following table presents the contractual maturity profile of bonds receivable based on their carrying value:

	March 31, 2021	March 31, 2020
Less than one year	95,678	85,680
Later than one year but not later than five years	26,687	-
Total	**122,365**	**85,680**

Interest revenue generated from bonds receivable and presented as Financing and investment income totaled $0.4 million for the year (2020 - $1.7 million).

6. PROMISSORY NOTES RECEIVABLE

At March 31, 2021, through the CBC Monetization Trust, a structured entity, we hold two promissory notes receivable relating to the sale of parcels of land. These notes, which mature in May 2027, bear a fixed annual interest rate of 7.15%, with payments made in arrears in equal blended monthly instalments.

The notes have a carrying value of $27.9 million as at March 31, 2021 (March 31, 2020 – $31.4 million) and are pledged as collateral for their total carrying value to our borrowings through notes payable (see Note 16).

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

	March 31, 2021	March 31, 2020
Less than one year	3,749	3,498
Later than one year but not later than five years	17,899	16,704
More than five years	6,207	11,151
Total	**27,855**	**31,353**

Interest revenue generated from promissory notes receivable and presented as Financing and investment income totaled $1.9 million for the year (2020 - $2.2 million).

7. TRADE AND OTHER RECEIVABLES

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

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less a provision for expected credit losses. We recognize a provision for expected credit losses for receivables based on a lifetime expected credit loss determined in accordance with Note 24 *Financial Instruments.* Before accepting new advertising customers, we conduct a credit assessment. An external credit scoring agency may be used to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed at least once a year to determine whether adjustments are required. In addition, we monitor our customers throughout the year for any indications of deterioration in credit quality. When a trade receivable is deemed to be uncollectible, it is written off against the provision for expected credit losses. Subsequent recoveries of amounts previously written off are credited to the Consolidated Statement of Income (Loss) in Television, radio and digital services costs.	Determining when there is reasonable expectation that we will not be able to collect some of the amounts due requires judgment.

Supporting Information

	March 31, 2021	March 31, 2020
Trade receivables	166,001	125,639
Provision for expected credit losses	(507)	(384)
Other	12,347	13,143
Total	**177,841**	**138,398**

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

8. PROGRAMMING

Programming consists of programs that require our involvement during the production and acquired license agreements for programming material.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Programming completed and in the process of production (excluding acquired license agreements) is recorded at cost less accumulated amortization and accumulated write-offs, on an individual basis. Costs include materials and services, labour and other direct expenses applicable to programming. A portion of our indirect expenses that are attributable to the costs of generating programming (such as services provided by People and Culture, Finance and Administration and Media Technology and Infrastructure Services (MTIS), as well as a portion of depreciation and amortization) are also included in the related program costs. Programming comprises inventory programs produced with our involvement ("non-procured programming") and license agreements acquired from third parties ("procured programming"). Payments made under the terms of each acquired license agreement are recorded as either current or non-current programming. Non-procured programming is usually recorded as current since the programs are available for immediate use once completed, unless noted otherwise in the agreement. License agreements are recorded as current programming if the rights to broadcast start within the next twelve months and as non-current programming if the right to broadcast starts beyond twelve months. Non-current programming rights are transferred to current programming once they are expected to be broadcast within the next twelve months. Programming costs are recognized as television, radio and digital services costs on the Consolidated Statement of Income (Loss), according to the amortization schedule in this section or when deemed unrecoverable.	We are required to determine an appropriate amortization rate for each type of programming. Management's intended use for each program-type considers program contract terms, broadcast experience, past audience experience and future telecast plans when determining the amortization schedule for programming. The intended use of programming is reviewed at each year-end. There are a number of uncertainties inherent in estimating management's foreseeable use of its programming assets, particularly as they relate to assumptions regarding viewership patterns and consumption habits. Management periodically reviews amortization rates. Changes in these assumptions could result in adjustments to amounts recognized in the Consolidated Statement of Financial Position and Statement of Income (Loss). We have estimated the value of non-monetary consideration provided to Rogers Telecommunications Inc. ("Rogers") for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 8 B. for more information.

Amortization Schedule

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

CATEGORY	DESCRIPTION	AMORTIZATION SCHEDULE BY TELECAST	
		CBC rates	**Radio-Canada rates**
Conventional television programming	Broadcast rights for all programming categories	Between 80% / 20% and 20% / 20% / 20% / 20% / 20%	Between 100% and 20% / 20% / 20% / 20% / 20%
Speciality television programming	Broadcast rights for all programming categories	Between 70% / 30% and 50% / 30% / 20%	Evenly over the contract period up to a maximum of 3 years
Digital programming	Streaming rights for all programming categories	100% once the program is made available online	100% once the program is made available online

During this fiscal year, we reviewed the amortization rates for some programming genres. To do so, we carried out an analysis of the respective genre broadcast experience, audience results and management's intention for future telecasts. We updated some of our rates, resulting in a net impact of $2.6 million for the year ended March 31, 2021. This increase has been recorded as Television, radio and digital services costs in the Consolidated Statement of Profit (Loss). Due to the nature of programming assets and fluctuations in the programming schedule, it is impracticable to estimate the effect of this change on future periods.

Supporting Information

A. Programming by Category

	March 31, 2021	March 31, 2020
Completed programs	155,663	178,875
Programs in process of production	116,618	100,712
Broadcast rights available for broadcast within the next twelve months	112,126	39,888
	384,407	**319,475**
Broadcast rights not available for broadcast within the next twelve months	36,812	79,966
	421,219	**399,441**

B. Movement in Programming

	March 31, 2021	March 31, 2020
Opening balance	399,441	316,356
Additions	1,106,713	1,198,534
Programs broadcast	(1,084,935)	(1,115,449)
Balance, end of year	**421,219**	**399,441**

Programs broadcast include programming write-offs for the year ended March 31, 2021 of $8.9 million (2020 – $7.9 million). Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series. Write-offs were also made as a result of COVID-19 (see Note 2 B.).

The Corporation has an agreement with Rogers for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, we acquired a licence to broadcast hockey in exchange for providing Rogers airtime to generate advertising revenue and the use of certain trademarks. The agreement started in the year ended March 31, 2020, and is for seven years with optional cancellation clauses after the third year.

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

9. INVESTMENT IN FINANCE LEASE

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

	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	March 31, 2021		March 31, 2020	
Less than one year	6,050	5,825	6,050	5,825
Less: unearned financing income	(1,909)	-	(2,172)	-
	4,141	**5,825**	**3,878**	**5,825**
Later than one year but not later than five years	24,199	19,608	24,199	19,608
More than five years	7,058	4,755	13,108	8,228
Less: unearned financing income	(5,053)	-	(6,961)	-
	26,204	**24,363**	**30,346**	**27,836**
Total	**30,345**	**30,188**	**34,224**	**33,661**

Interest revenue presented as Financing and investment income totaled $2.0 million for the year (2020 - $2.2 million).

10. PROPERTY AND EQUIPMENT

ACCOUNTING POLICIES

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the items. The cost of assets we constructed include materials, direct labour and related overheads. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion.

Depreciation of property and equipment is calculated using the straight-line method and rates are based on the estimated useful life of the property and equipment, beginning when an asset becomes available for its intended use. Where major parts of an asset have useful lives different from the asset as a whole, they have been componentized and depreciated according to the major components to which they pertain. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to us and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

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

We classify an asset as held for sale if its carrying amount will be recovered principally through a sale rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. For assets with total expected sale proceeds of $4 million or more, Governor in Council's approval is required for these assets to be classified as held for sale. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

We derecognize an item of property and equipment on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sale net proceeds and the carrying amount of the asset, and is recognized as other gains and losses in the Consolidated Statement of Income (Loss).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We are required to estimate the expected useful lives of our property and equipment. In determining the expected useful lives of these assets, we take into account past experience, industry trends and specific factors, such as changing technologies and expectations for the in-service period of these assets.

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

Changes to useful life estimates would affect future depreciation expenses and future carrying values of assets. Useful lives of property and equipment are included in the table below.

When an item of property and equipment comprises individual components for which different depreciation methods or rates are appropriate, judgment is used in determining the appropriate level of componentization.

Critical Accounting Estimates and Judgments (continued)

Useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Leasehold improvements	The lesser of the lease term and the economic useful life of the asset
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Computer, office equipment and other	
Computers (hardware)	
Servers	5 years
Personal computers	3 years
Automotive	
Specialized vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobile and minivans	5 years
Furnishings and office equipment	10 years

Supporting Information

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	March 31, 2021	March 31, 2020
Cost	2,016,395	1,967,166
Accumulated depreciation	(1,214,458)	(1,169,169)
Total	**801,937**	**797,997**

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	**Total**
Cost as at March 31, 2020	107,790	459,590	182,739	977,756	148,652	90,639	1,967,166
Additions	101	10	-	8,373	5,754	68,992	83,230
Transfers (refer to Note 11)	(5)	9,257	1,114	13,487	7,269	(29,630)	1,492
Assets classified as held for sale	(70)	(30)	-		-	-	(100)
Disposals and write-offs	-	(7,810)	(74)	(23,397)	(3,975)	(137)	(35,393)
Cost as at March 31, 2021	**107,816**	**461,017**	**183,779**	**976,219**	**157,700**	**129,864**	**2,016,395**
Accumulated depreciation as at March 31, 2020	-	(260,652)	(41,585)	(758,470)	(108,462)	-	(1,169,169)
Depreciation for the year	-	(19,870)	(8,267)	(39,912)	(11,629)	-	(79,678)
Reclassification of depreciation on assets classified as held for sale	-	43	-	-	-	-	43
Reclassification of depreciation on disposals and write-offs	-	7,559	36	22,777	3,974	-	34,346
Accumulated depreciation as at March 31, 2021	**-**	**(272,920)**	**(49,816)**	**(775,605)**	**(116,117)**	**-**	**(1,214,458)**
Net carrying amount as at March 31, 2021	**107,816**	**188,097**	**133,963**	**200,614**	**41,583**	**129,864**	**801,937**

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

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

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

For the year ended March 31	**2021**	2020
Television, radio and digital services costs	65,724	78,979
Transmission, distribution and collection costs	13,580	15,462
Corporate management costs	374	440
Total	**79,678**	**94,881**

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the year ended March 31, 2021 (2020 - nil).

C. Assets Classified as Held for Sale

Consistent with our financial plan to reduce our real estate footprint, transmission sites were classified as held for sale for accounting purposes as at March 31, 2021 with a total carrying value of $0.1 million (March 31, 2020 - $0.1 million). These transmission sites are expected to be sold on a site by site basis over the next twelve months.

D. Disposals

For the fiscal year ended March 31, 2021

Insignificant net gains and losses during the year ended March 31, 2021 resulted from the disposal or retirements of equipment as part of our normal asset refresh cycle.

For the fiscal year ended March 31, 2020

During 2019-2020, we transferred a building to the province of Saskatchewan in exchange for a long-term lease arrangement. This resulted in a derecognition charge of $4.6 million. We also recorded a loss of $1.8 million on the continued partial derecognition of a component of the Toronto Broadcast Centre building and a loss of $1.5 million on various obsolete technical equipment.

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

11. INTANGIBLE ASSETS

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

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Software acquired separately is recorded at cost at the acquisition date. Expenditures relating to internally developed computer software applications are capitalized when the following criteria are met: ● The applications are technically feasible; ● We intend to complete the asset and to use it; ● We have the ability to use the asset; ● The development costs can be reliably measured; ● We have adequate technical, financial and other resources to complete the development of the asset and to use it; and ● It is probable that the asset will generate future economic benefits. The amount initially recognized for internally developed software is the total of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use. Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in our Consolidated Statement of Income (Loss) in the period in which they are incurred. Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions in our Consolidated Statement of Income (Loss), for presentation purposes. We derecognize an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale net proceeds and the carrying amount of the asset and is recognized as other gains and losses in our Consolidated Statement of Income (Loss).	We use judgment to determine whether expenditures we made on intangible items meet the recognition criteria for capitalization. Since intangible assets are accounted for at cost and amortized on a straight-line basis over their estimated useful lives, we are required to estimate the expected useful lives of these assets. In determining the expected useful lives of these assets, we take into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets. The appropriateness of useful lives of these assets and their amortization method are assessed annually with the effect of any changes in estimate being accounted for on a prospective basis. Changes to useful life estimates would affect future amortization expenses and future carrying values of assets.

Supporting Information

A. Cost and Accumulated Amortization

The intangible assets carrying amounts are as follows:

	March 31, 2021	March 31, 2020
Cost	206,693	196,327
Accumulated amortization	(174,256)	(171,466)
Total	**32,437**	**24,861**

	Internally developed software	Acquired software	Uncompleted capital projects	**Total**
Cost as at March 31, 2020	139,504	51,603	5,220	196,327
Additions	-	700	15,554	16,254
Transfers (refer to Note 10)	886	2,432	(4,810)	(1,492)
Disposals and write-offs	(4,322)	(74)	-	(4,396)
Cost as at March 31, 2021	**136,068**	**54,661**	**15,964**	**206,693**
Accumulated amortization as at March 31, 2020	(137,450)	(34,016)	-	(171,466)
Amortization for the year	(911)	(6,275)	-	(7,186)
Reclassification of amortization on disposals and write-offs	4,322	74	-	4,396
Accumulated amortization as at March 31, 2021	**(134,039)**	**(40,217)**	**-**	**(174,256)**
Net carrying amount as at March 31, 2021	**2,029**	**14,444**	**15,964**	**32,437**

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

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

There were no impairment losses recorded or reversed during the year ended March 31, 2021 (2020 - nil).

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

For the year ended March 31	**2021**	2020
Television, radio and digital services costs	6,809	6,356
Transmission, distribution and collection costs	326	288
Corporate management costs	51	32
Total	**7,186**	**6,676**

B. Disposals

During 2020-2021, we entered into a non-monetary transaction in which we exchanged software licences. This resulted in a gain of $3.2 million. There were no disposals of intangible assets during 2019-2020.

12. RIGHT-OF-USE (ROU) ASSETS

ROU assets consist primarily of real estate leases for the rental of office space and technical equipment to carry our transmission activities. The lease of office space typically runs for periods between 2 and 37 years, and lease of technical equipment (including transmission assets) for 3 to 35 years.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

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

We do not recognize a ROU asset or a lease liability for short-term leases that have a lease term of 12 months or less.

We do not recognize a ROU asset or a lease liability for low-value assets (i.e. assets below $5,000 as defined by the Corporation).

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

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

Supporting Information

As at March 31, 2021	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,230	313,529	4,211	19,494	**339,464**
Depreciation charge for the year	346	17,015	602	3,802	**21,765**

As at March 31, 2020	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,270	333,527	4,813	17,891	**358,501**
Depreciation charge for the year	344	11,551	602	3,859	**16,356**

Additions to the ROU assets during the year ended March 31, 2021 were $12.5 million (March 31, 2020 - $215.7 million).

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

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

Supporting Information

	March 31, 2021	March 31, 2020
Trade payables	36,519	54,198
Accruals	48,911	50,499
Income taxes payable	31,149	-
Other	2,999	11,271
Total	**119,578**	**115,968**

14. PROVISIONS AND CONTINGENT LIABILITIES

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

Supporting Information

As at March 31, 2021	Legal and other	Environmental	Termination benefits	**Total**
Opening balance	29,472	273	-	**29,745**
Additional provisions recognized	6,654	65	873	**7,592**
Provisions utilized	(6,165)	(201)	-	**(6,366)**
Reductions resulting from remeasurement or settlement without cost	(10,599)	-	(491)	**(11,090)**
Balance, end of year	**19,362**	**137**	**382**	**19,881**

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

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims where the outcome cannot be determined with certainty or the cash outflows are not probable are considered to be a contingency, with no provision recorded on our consolidated financial statements.

All matters are classified as current because, where estimable, we are working to resolve these matters within 12 months.

15. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

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

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
<u>Defined benefit pension plans</u> The cost of the defined benefit retirement plans is determined on an actuarial basis using the projected unit credit method and management's best assumptions, with actuarial valuations being carried out at the end of each annual reporting period. The components of defined benefit costs are categorized as follows: • **<u>Service cost</u>** - includes current service cost and past service cost. We recognize it as part of net results for the period. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized in the Consolidated Statement of Income (Loss) in the period of a plan amendment. • **<u>Net interest expense or income</u>** - recognized as part of net results for the period. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. These two components, in aggregate, are allocated between the various functions in our Consolidated Statement of Income (Loss). • **<u>Remeasurements</u>** - comprises actuarial gains and losses and the return on plan assets (excluding interest). These are reflected immediately in our Consolidated Statement of Financial Position with a charge or credit recognized in other comprehensive income (loss) in the period in which they occur. Remeasurements recognized in other comprehensive income are never subsequently reclassified to net results. We transfer all remeasurements directly from other comprehensive income to retained earnings as a policy choice. The liability recognized in our Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate determined by reference to market yields at the end of the reporting period on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation. When the actuarial calculation results in a benefit asset, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any of our plans. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.	Accounting for defined benefit pension plans and OPEB requires that assumptions be made to help value benefit obligations and pension assets. The primary assumptions and estimates include the discount rates, health care cost trend rates, long-term rate of compensation increase, future pension increases and mortality of members. These assumptions are of a long-term nature, which is consistent with the nature of post-employment benefits. We use the Fiera Capital curve ('CIA curve') to determine the discount rate for calculating the defined benefit obligation. Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. A sensitivity analysis of these changes in primary assumptions is disclosed in Note 15 C.

OPEB AND EMPLOYEE BENEFITS OTHER THAN POST-EMPLOYMENT BENEFITS

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

TERMINATION BENEFITS

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

Supporting Information

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

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

	Current		Non-current	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Pension plan asset	**-**	**-**	**868,261**	**689,590**
Pension plans liability	-	-	128,163	120,375
Other post-employment plans	-	-	115,160	114,117
Vacation pay	76,867	68,136	-	-
Termination benefits	9,957	6,231	-	-
Salary-related liabilities	132,567	126,242	-	-
Total pension plans and employee-related liabilities	**219,391**	**200,609**	**243,323**	**234,492**

The amount included in our Consolidated Statement of Financial Position arising from our obligation in respect of our defined benefit plans is as follows:

	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
			March 31, 2021			March 31, 2020
Fair value of plan assets	8,163,234	-	-	7,470,541	-	-
Defined benefit obligation	7,294,973	128,163	115,160	6,780,951	120,375	114,117
Net asset (liability) arising from defined benefit obligation	**868,261**	**(128,163)**	**(115,160)**	**689,590**	**(120,375)**	**(114,117)**

We maintain a contributory defined benefit pension plan and non-contributory long-term benefit plans as defined below:

Contributory defined benefit pension plan

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

Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the Plan and we provide the balance of the funding, as required, based on actuarial valuations. The amounts included in these consolidated financial statements reflect the latest funding valuation which was performed as of December 31, 2020. While this valuation has been completed, it has not yet been filed with the pension authorities.

The measurement date for the Plan’s assets and the defined benefit obligation is March 31, 2021.

The risks associated with our Plan are as follows:

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

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

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

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

Unfunded non-contributory defined benefit pension plans

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

Non-contributory long-term benefit plans

We provide the following long-term employee benefits to our employees:

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

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

B. Significant Actuarial Assumptions

Refer to Note 2 B. for discussion of the impact of COVID-19 on pension accounting.

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

Assumptions – annual rates	**March 31, 2021**	March 31, 2020
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.79%	3.32%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.30%	3.79%
Discount rate - long service gratuity	2.68%	3.48%
Discount rate - LTD benefit	2.68%	3.48%
Discount rate - life insurance	3.14%	3.75%
Mortality	CBC 2019 Pensioner mortality table based on CBC experience with CPM projection scale B	CBC 2019 Pensioner mortality table based on CBC experience with CPM projection scale B
Long-term rate of compensation increase, excluding merit and promotion	1.50% in 2021 to 2023 2.50% thereafter	1.50% in 2020 & 2021 2.75% thereafter
Health care cost trend rate	4.82% for 2019 to 2024, decreasing linearly to 4.36% in 2029 and grading down to an ultimate rate of 3.39% per annum in 2040 and thereafter	4.82% for 2019 to 2024, decreasing linearly to 4.36% in 2029 and grading down to an ultimate rate of 3.39% per annum in 2040 and thereafter
Indexation of pensions in payment	1.86%	1.86%

C. Sensitivity Analysis

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

	Pension plans		Other post-employment plans	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Discount rate sensitivity				
100 basis points higher	-13.4%	-13.0%	-7.6%	-7.2%
100 basis points lower	17.2%	16.8%	9.0%	8.6%
Expected rate of future salary increases				
100 basis points higher	2.6%	2.0%	5.5%	5.1%
100 basis points lower	-2.3%	-1.7%	-5.0%	-4.6%
Expected rate of future pension increases				
100 basis points higher	14.1%	13.5%	1.1%	1.0%
100 basis points lower	-11.5%	-11.1%	-0.9%	-0.8%
Mortality sensitivity				
Pensioners live an extra year	3.3%	3.1%	-1.4%	-1.5%
Pensioners die a year before	-3.3%	-3.1%	1.6%	1.7%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	2.5%	1.9%
100 basis points lower	N/A	N/A	-2.0%	-1.6%

N/A = not applicable

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

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

For the contributory defined benefit pension plan, an asset/liability modeling study is performed periodically to review the risk/reward associated with the existing long-term asset mix policy, analyze the risk/reward profile that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The most recent asset/liability study was completed in 2019.

Its main findings were:

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

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

D. Contribution Rate

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

	March 31, 2021	March 31, 2020
For earnings up to the maximum public pension plan earnings*		
April 1 to June 30	8.13%	8.37%
July 1 to March 31	8.27%	8.13%
For incremental earnings in excess of the maximum public pension plan earnings*		
April 1 to June 30	10.69%	11.00%
July 1 to March 31	10.87%	10.69%

*The maximum public pension earnings for 2021 is $61,600 (2020: $58,700, 2019: $57,400)

E. Total Cash Payments

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

For the year ended March 31	**2021**	2020
Benefits paid directly to beneficiaries	13,286	14,958
Employer regular contributions to pension benefit plans	58,870	56,454
Total cash payments for defined benefit plans	**72,156**	**71,412**

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

F. Maturity Profile

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

	Pension plans		Other post-employment plans	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
Average duration of the benefit obligation	15.2 years	14.8 years	8.1 years	7.8 years
Active members	21.7 years	21.8 years	8.1 years	7.9 years
Deferred members	22.9 years	19.6 years	N/A	N/A
Retired members	11.0 years	10.7 years	7.3 years	6.7 years

N/A = not applicable

We expect to make a contribution of $58.2 million to the defined benefit pension plans during the next financial year. The current service cost-sharing between employees and employer for pension contributions for all members is 50:50.

G. Defined Benefit Obligation

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

	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
		March 31, 2021		March 31, 2020
Opening defined benefit obligation	6,901,326	114,117	7,192,327	122,580
Current service cost	109,004	5,322	124,783	5,398
Interest cost	258,514	4,023	236,484	3,685
Contributions from employees	57,881	-	61,423	-
Remeasurements:				
Actuarial losses arising from changes in demographic assumptions	-	-	106,831	1,943
Actuarial (gains)/losses arising from changes in financial assumptions	452,111	4,984	(531,049)	(4,531)
Actuarial (gains)/losses arising from experience adjustments	(31,960)	-	30,856	-
Benefits paid	(323,740)	(13,286)	(320,329)	(14,958)
Closing defined benefit obligation	**7,423,136**	**115,160**	**6,901,326**	**114,117**

H. Fair Value of Plan Assets

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

	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
		March 31, 2021		March 31, 2020
Opening fair value of plan assets	7,470,541	-	7,566,902	-
Administration fees (other than investment management fees)	(8,000)	-	(7,000)	-
Interest income on plan assets	279,089	-	247,736	-
Return on plan assets, excluding interest income	628,593	-	(134,645)	-
Contributions from employees	57,881	-	61,423	-
Contributions from the Corporation	58,870	13,286	56,454	14,958
Benefits paid	(323,740)	(13,286)	(320,329)	(14,958)
Closing fair value of plan assets	**8,163,234**	**-**	**7,470,541**	**-**

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

		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2)	Not quoted market price in an active market (Level 3)	Total **March 31, 2021**
Investment assets					
Fixed income	Cash and short-term investments	449,290	-	-	449,290
	Canadian bonds	-	2,493,547	988,106	3,481,653
	Fixed income alternatives	-	-	61,658	61,658
Equities	Canadian	-	484,832	-	484,832
	Global	1,955,197	392,092	-	2,347,289
Strategic	Property	22,668	-	943,133	965,801
	Private investments	-	-	524,336	524,336
Other	Derivatives	-	1,084	-	1,084
Total investment assets		**2,427,155**	**3,371,555**	**2,517,233**	**8,315,943**
Investment liabilities					
Fixed income	Securities sold under repurchase agreements	-	(32,423)	-	(32,423)
Other	Derivatives	-	(137,759)	-	(137,759)
Equities	Options	(56)	-	-	(56)
Total investment liabilities		**(56)**	**(170,182)**	**-**	**(170,238)**
Non-investment assets less liabilities		**-**	**-**	**-**	**17,529**
Fair value of plan assets		**2,427,099**	**3,201,373**	**2,517,233**	**8,163,234**

		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2)	Not quoted market price in an active market (Level 3)	Total March 31, 2020
Investment assets					
Fixed income	Cash and short-term investments	513,198	5,158	-	518,356
	Canadian bonds	-	2,280,996	975,715	3,256,711
	Fixed income alternatives	-	-	38,650	38,650
Equities	Canadian	161,161	282,888	-	444,049
	Global	1,497,464	351,322	-	1,848,786
Strategic	Property	18,401	-	742,581	760,982
	Private investments	-	-	746,248	746,248
	Hedge funds	-	-	46,735	46,735
Other	Derivatives	-	1,908	-	1,908
Total investment assets		**2,190,224**	**2,922,272**	**2,549,929**	**7,662,425**
Investment liabilities					
Fixed income	Securities sold under repurchase agreements	-	(76,994)	-	(76,994)
Other	Derivatives	-	(145,841)	-	(145,841)
Total investment liabilities		**-**	**(222,835)**	**-**	**(222,835)**
Non-investment assets less liabilities		**-**	**-**	**-**	**30,951**
Fair value of plan assets		**2,190,224**	**2,699,437**	**2,549,929**	**7,470,541**

The fair values of the above fixed income and equity instruments are mostly determined based on quoted market prices in active markets whereas the fair values of strategic investments and derivatives are not based on quoted market prices in active markets. The actual return on plan assets was $951.0 million or 12.95% (2020 - $159.0 million or 2.14%).

I. Defined Benefit Plans Costs

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

For the year ended March 31	**2021**	2020
Current service cost	114,326	130,181
Administration fees (other than investment management fees)	8,000	7,000
Interest cost on defined benefit obligation	262,537	240,169
Interest income on plan assets	(279,089)	(247,736)
Other	2,564	(469)
Expense recognized in net results	108,338	129,145
Less:		
Remeasurements of defined benefit plans recognized in OCI	206,022	260,836
Total	**(97,684)**	**(131,691)**

Retained earnings include $1,379.8 million of cumulative actuarial gains as at March 31, 2021 (March 31, 2020 gains – $1,173.8 million).

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

For the year ended March 31	**2021**	2020
Television, radio and digital services costs	104,005	123,979
Transmission, distribution and collection costs	3,250	3,874
Corporate management costs	1,083	1,292
Total	**108,338**	**129,145**

For the year ending March 31, 2021, total employee benefits, which includes all salary and related costs, were $1,004.8 million (2020 - $1,014.5 million).

16. FINANCIAL OBLIGATIONS

Financial obligations consist of bonds payable and notes payable.

	March 31, 2021	March 31, 2020
Current Financial Obligations		
Bonds Payable	26,071	25,194
Notes Payable	9,661	9,413
	35,732	**34,607**
Non-Current Financial Obligations		
Bonds Payable	146,569	167,389
Notes Payable	54,903	63,434
	201,472	**230,823**
Total Financial Obligations	**237,204**	**265,430**

A. Bonds Payable

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

The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $123.9 million (March 31, 2020 - $131.1 million). They bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of $16.5 million.

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

	March 31, 2021	March 31, 2020
Less than one year	26,071	25,194
Later than one year but not later than five years	100,521	93,359
More than five years	46,048	74,030
Total	**172,640**	**192,583**

Interest expense related to bonds payable and presented as Finance costs totaled $13.1 million for the year (2020 - $14.5 million).

B. Notes Payable

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

The notes are redeemable at the CBC Monetization Trust's option in whole or in part from time to time before maturity, on not less than 30 days and not more than 60 days prior notice. The redemption price is the greater of the outstanding principal amount of the notes to be redeemed and the net present value of all scheduled semi-annual payments on the notes from the date of redemption to the date of maturity, using the Government of Canada yield plus 0.30% on such date, together, in each case, with accrued but unpaid interest to, but excluding, the redemption date. The notes payable are secured by the promissory notes receivable and the investment in finance lease described in Notes 6 and 9.

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

	March 31, 2021	March 31, 2020
Less than one year	9,661	9,413
Later than one year but not later than five years	38,467	36,685
More than five years	16,436	26,749
Total	**64,564**	**72,847**

Interest expense related to notes payable and presented as Finance costs totaled $3.2 million for the year (2020 - $3.6 million).

17. LEASE LIABILITIES

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

The lease liability is subsequently measured using the effective interest method.

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

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

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

Supporting Information

	March 31, 2021	March 31, 2020
Land	2,157	2,198
Buildings	304,732	321,270
Leasehold improvements	4,603	5,195
Technical equipment	20,507	19,696
Total	**331,999**	**348,359**

Maturity Analysis

	March 31, 2021	March 31, 2020
Contractual undiscounted cash flows		
Less than one year	26,814	27,498
One to five years	94,979	99,854
More than five years	326,859	354,513
Total undiscounted lease liabilities	**448,652**	**481,865**
Lease liabilities included in the Consolidated Statement of Financial Position	**331,999**	**348,359**

Amounts recognized in our Consolidated Statement of Income (Loss)

For the year ended March 31, 2021:

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

Amounts recognized in our Consolidated Statement of Cash Flows

For the year ended March 31, 2021, total cash outflow for leases amounted to $27.6 million (2020 - $37.2 million). Interest expense related to lease liabilities and presented as Finance costs totaled $9.4 million for the year (2020 - $5.6 million).

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

18. DEFERRED REVENUE AND OTHER LIABILITIES

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

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Recognition of revenue related to facilities and production services not yet provided and payments received for services not yet rendered is deferred until services have been rendered.	We estimated the value of deferred revenue for the services owed to Rogers Telecommunications Inc. for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 8 B. for more information.

Supporting Information

	March 31, 2021	March 31, 2020
Opening balance	53,807	22,916
Revenue deferred during the year	11,342	64,181
Revenue recognized in net results during the year	(16,536)	(33,290)
Balance, end of year	**48,613**	**53,807**

INCOME, EXPENSES AND CASH FLOWS

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

19. REVENUE

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Revenue is recognized when control of the promised goods and services is transferred to our customers in an amount that reflects the consideration expected in exchange for those goods and services. Our primary revenue streams are:

- Advertising;
- Subscriber fees;
- Production revenue; and
- Program license sales.

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

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

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

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

We have elected to use the following practical expedients:

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

In addition to these primary revenue streams, we also recognize revenue for our Canadian retransmission rights.

Judgment is required in the identification of performance obligations in each of the major revenue streams.

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

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

For more details about our critical judgments by revenue stream, refer to the tables below.

Supporting Information

For the year ended March 31	**2021**	2020
TV advertising[1]	198,728	219,884
Digital advertising	54,744	42,593
Subscriber fees	124,045	123,466
Production revenue[2]	19,739	28,313
Program license sales	23,618	23,842
Canadian retransmission rights	5,542	14,000
Program sponsorship	331	1,455
Other services	4,675	4,030
Revenue from contracts with customers	**431,422**	**457,583**
Leasing income	33,146	33,919
Financing and investment income	6,953	10,883
Net gain (loss) from the change in fair value of financial instruments	(2,002)	1,318
Other retransmission rights	33,289	-
Foreign exchange gain (loss)	1,136	(608)
Other gains and losses	-	1,318
Other sources of income*	**72,522**	**46,830**
	503,944	**504,413**

* Revenue streams outside the scope of IFRS 15 *Revenue from Contracts with Customers*.

[1] For the year ended March 31, 2021, TV advertising included revenue from exchange of services of $0.9 million (2020 - $1.9 million).

[2] For the year ended March 31, 2021, Production revenue included revenue from exchange of services of $8.3 million (2020 - $12.5 million).

Changes in Presentation

As mentioned in Note 2 A., we modified the classification of revenue arising from commercial production and social media platforms to better reflect the nature of these revenue streams. For the year ended March 31, 2020, the former resulted in a reclassification of $4.3 million from "Production revenue" to "TV Advertising", and $0.9 million from "Production revenue" to "Digital Advertising", while the latter resulted in a reclassification of $3.5 million from “Program license sales” to “Digital advertising”.

ACCOUNTING POLICIES - ADVERTISING

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
We offer advertising services through our television and digital platforms. Advertising sales revenue arises from the sale of advertising placements in exchange for monetary and/ or non-monetary compensation, based on negotiated rates with agencies and direct advertisers. Each advertising placement represents a performance obligation under advertising sales agreements. An advertising placement can either be provided in exchange for compensation or provided for free as part of a sales incentive. We also offer creative services to our advertising customers. They range from the conception to the production and integration of advertisements for television and digital platforms. Though bundled with advertising services in a contract, creative services are considered separate performance obligations.	Revenue from the provision of advertising services is recognized at the time the advertising placement has been broadcast and when the guaranteed level of audience or ratings has been achieved. When the guaranteed level of audience or ratings has not been achieved, the performance obligation is not satisfied until a compensational spot has been broadcast and when the guaranteed level of audience or ratings has been achieved. The standalone selling price of each advertising spot is determined based on observable inputs such as those listed in published rate cards. Revenue from creative services is recognized when the service is provided to the customer.

Supporting Information

For the year ended March 31	**2021**	2020
Advertising revenue		
English services	122,471	122,382
French services	131,001	140,095
Total advertising revenue	**253,472**	**262,477**

ACCOUNTING POLICIES – SUBSCRIBER FEES

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
We provide ongoing delivery of programming to: • Cable, national direct to home satellite, or internet protocol television service providers (commonly referred as Broadcast Distribution Undertakings or "BDUs") through discretionary channel subscriptions; and • Individual customers through online monthly subscriptions. The performance obligations under subscription agreements consist of a right to access the programming which is provided on a monthly basis.	Discretionary channels subscriptions The performance obligation is satisfied as we make our discretionary TV signal available to the BDU as required by the contract. Consideration consists of a fixed fee for the subscription period and at times also includes usage-based variable fees. The fixed fee is recognized as revenue on a straight-line basis because performance occurs evenly over the subscription period. The variable fees are recognized as revenue in the period the usage is incurred. Online subscriptions The performance obligation is satisfied as we make our content available to customers online. Consideration consists of a fixed fee for the subscription period and revenue is recognized on a straight-line basis because performance occurs evenly over the subscription period.

Supporting Information

For the year ended March 31	**2021**	2020
Subscriber revenue		
English services	62,612	63,610
French services	61,433	59,856
Total subscriber revenue	**124,045**	**123,466**

ACCOUNTING POLICIES - OTHER INCOME

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
Production revenue comprises mainly revenue from: • Facilities and services rental to independent producers in exchange for monetary and/ or non-monetary compensation. These service arrangements generally include the use of our facilities, equipment as well as labour hours. • Host broadcasting services – We enter into agreements to sell broadcasting feeds to third party networks, most notably during major sporting events such as the Olympic Games. Services provided under a facilities and services rental contract or a host broadcasting arrangement are accounted for as a single performance obligation since the services are provided concurrently to the customer over the contract term.	**Production revenue** is recognized: • Over time as the independent producer simultaneously receives and consumes the benefits of our facilities and services rental. We are compensated for each day of service based on agreed upon daily rates. Consideration for any additional services provided is recognized as revenue in the period it is provided. Revenue is recognized at the daily rate for each day of facilities and service rentals provided. • Over time as the broadcasting feed is provided to the customer in accordance with the contract terms. Consideration for host broadcasting services consists of fixed prices stated in the contract.
Program license sales are earned when we enter into programming agreements to sell content in the domestic market and overseas. These licenses grant rights to third parties for them to use existing CBC/Radio-Canada's programs that have either ended (commonly referred to as "syndicated content") or are still in production (commonly referred to as "current content"). For both syndicated and current content licensing arrangements of a season of programs, the bundle of license rights of individual episodes represent a single combined performance obligation since the licenses are delivered concurrently and the right to use has commenced for all licenses within a bundle.	**Program license sales** are recognized when the content is delivered and when the license term commences. Consideration consists of fixed prices stated in the contract for the content or license.
Leasing income arises when we enter into agreements with third parties to lease excess space within its buildings and/or transmission towers.	**Leasing income** is recognized on a straight-line basis over the term of the lease agreement and accounted for in accordance with IFRS 16 - *Leases.*
Other retransmission rights arise when the Corporation asserts a right to a share of foreign copyright royalties for signals retransmitted outside of Canada.	**Other retransmission rights** recognition is contingent on a copyright settlement that has been confirmed by the relevant jurisdiction.

Supporting Information

For the year ended March 31	**2021**	2020
Other income		
Production revenue		
English services	8,411	13,682
French services	11,328	14,631
Total production revenue	**19,739**	**28,313**
Program license sales		
English services	17,023	16,183
French services	6,595	7,659
Total program license sales	**23,618**	**23,842**
Leasing income*	33,146	33,919
Canadian retransmission rights	5,542	14,000
Program sponsorship	331	1,455
Net gain (loss) from the change in fair value of financial instruments*	(2,002)	1,318
Other retransmission rights*	33,289	-
Foreign exchange gain (loss)*	1,136	(608)
Other services	4,675	4,030
Other gains and losses*	-	1,318
	76,117	**55,432**
Total other income	**119,474**	**107,587**

* Revenue streams outside the scope of IFRS 15 *Revenue from Contracts with Customers.*

Contract Balances

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

Contract assets are presented under “Trade and Other Receivables” in our Consolidated Statement of Financial Position. Trade and Other Receivables include $9.5 million of contract assets as at March 31, 2021 (March 31, 2020 – $9.1 million). There was no impairment loss in relation to contract assets for the periods considered.

Contract liabilities primarily relate to cash payments received in advance of meeting our performance obligations, mostly related to host broadcasting and program sponsorship revenue streams. Contract liabilities are presented as current liabilities under “Deferred Revenue and other liabilities” in our Consolidated Statement of Financial Position. Deferred Revenue includes $8.4 million of contract liabilities as at March 31, 2021 (March 31, 2020 - $7.7 million).

Transaction price allocated to the remaining performance obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, excluding variable consideration allocated entirely to distinct services or performance obligations that will be satisfied in the future in revenue streams such as Subscriber Revenue.

20. GOVERNMENT FUNDING

We receive a substantial portion of our funding from the Government of Canada.

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

Supporting Information

A. Government funding received

Parliamentary appropriations approved and the amounts we received are as follows:

For the year ended March 31	**2021**	2020
Operating funding received		
Base funding	1,114,466	1,114,467
Salary inflation funding	119,418	-
Voted transfer from operating funding for 2021-2022	36,700	-
Voted transfer from capital funding for 2020-2021	33,733	-
Transfer to capital funding	(12,915)	(16,353)
Operating funding received	**1,291,402**	**1,098,114**
Capital funding received		
Base funding	92,331	92,331
Voted transfer to operating funding for 2020-2021	(33,733)	-
Transfer from operating funding	12,915	16,353
Capital funding received	**71,513**	**108,684**
Working capital funding	**4,000**	**4,000**
	1,366,915	**1,210,798**

Voted transfers are requests made to and approved by Parliament. The amounts presented are consistent with the Supplementary Estimates published by Treasury Board subsequent to the parliamentary approval process.

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

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

B. Deferred capital funding

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

	March 31, 2021	March 31, 2020
Opening balance	529,910	528,170
Government funding for capital expenditures	71,513	108,684
Amortization of deferred capital funding	(98,944)	(106,944)
Balance, end of year	**502,479**	**529,910**

21. FINANCE COSTS

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

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

Supporting Information

Finance costs include the following:

For the year ended March 31	**2021**	2020
Interest on financial obligations (Note 16)	16,286	18,095
Interest on lease liabilities (Note 17)	9,398	5,559
Other non-cash finance costs	825	699
Total finance costs	**26,509**	**24,353**

22. INCOME TAXES

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

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Management uses the liability method of accounting for income taxes. Under this method, Deferred Income Tax Assets and Liabilities are recognized based on the estimated tax effect of temporary differences between the carrying value of assets and liabilities on the financial statements and their respective tax bases. Current tax Taxable net results differ from net results as reported in our Consolidated Statement of Income (Loss) because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. Our liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, we operate within a specific operating structure to match cash expenses with available resources, and to break even over the long term. We use appropriations only to the extent required to fund our operating expenses, and may not borrow to fund working capital shortfalls. Therefore, we do not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, a deferred tax asset or liability is not recognized in our consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.	Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because we do not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure.

Supporting Information

A. Income Tax Recognized in Net Results

The income tax expense for the year can be reconciled to the income tax expense that would be computed by applying our federal statutory tax rate of 25.00% (2020 – 25.00%) to accounting profit as follows:

For the year ended March 31	**2021**	2020
Income tax provision at federal statutory rate	43,311	(14,776)
Permanent differences	(1,131)	1,614
Increase resulting from adjustments to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	(11,031)	13,162
	31,149	-

The tax rate used for the 2021 reconciliation above is the corporate tax rate payable by a corporation that is a prescribed Federal Crown Corporation under Part LXXI of the *Income Tax Regulations* and is subject to the provisions of the *Income Tax Act* (Canada). An adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences is reflected above.

B. Temporary Differences

For the year ended March 31	**2021**	2020
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:		
Accrued liabilities	27,349	34,418
Lease liabilities	331,999	348,359
Pension plans	(740,098)	(569,215)
Employee-related liabilities	115,160	114,117
Loss carry-forward	-	48,360
Non-current receivables and investments	1,262	1,552
Deferred income for tax purposes related to the sale of receivables	(22,898)	(26,611)
Property and equipment	(206,037)	(155,799)
Right-of-use (ROU) assets	(317,664)	(346,204)
Other	(19,243)	(20,305)
Total	**(830,170)**	**(571,328)**

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

23. SUPPLEMENTAL CASH FLOW INFORMATION

A. Movements in Working Capital

For the year ended March 31	**2021**	2020
Changes in Working Capital are comprised of:		
Trade and other receivables	(38,778)	4,768
Programming asset	(64,932)	(36,011)
Prepaid expenses	(10,666)	(6,184)
Accounts payable and accrued liabilities	10,366	4,428
Provisions	(9,864)	(656)
Pension plans and employee-related liabilities	14,808	7,642
Programming liability	-	(5,659)
Deferred revenue and other liabilities	357	9,137
	(98,709)	**(22,535)**

B. Changes in Liabilities Arising from Financing Activities

		Cash flows		Non-cash changes	
	April 1, 2020	Capital	Interest and other changes	Other changes	**March 31, 2021**
Repayment of lease liabilities	348,359	(18,199)	(9,409)	11,248	331,999
Repayment of financial obligations	265,430	(27,536)	(16,976)	16,286	237,204
Distributions to non-controlling interests	710	-	-	45	755
Total liabilities from financing activities	**614,499**	**(45,735)**	**(26,385)**	**27,579**	**569,958**

OTHER

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

24. FINANCIAL INSTRUMENTS

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

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

Supporting Information

A. Classification and Risks Overview

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

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

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

B. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. We record a provision for potential credit losses based on an ECL model in accordance with IFRS 9. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at March 31, 2021 and March 31, 2020 is the carrying value of these assets.

Cash and marketable securities

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

Trade and other receivables

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

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

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

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

We do not hold any collateral or other credit enhancements on trade and other receivables.

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

Trade and other receivables over 30 days	**March 31, 2021**	March 31, 2020
31 - 60 days	40,868	24,321
61 - 90 days	1,663	13,700
Over 90 days	19,710	16,906
Total	**62,241**	**54,927**

Movement in provision for ECL	**March 31, 2021**	March 31, 2020
Opening balance	(384)	(506)
Amounts written off during the year as uncollectible	313	281
Net increase in provision for new impairments	(436)	(159)
Balance, end of year	**(507)**	**(384)**

Promissory notes receivable and Investment in finance lease

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

Bonds receivable

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

Derivative financial instruments

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

C. Liquidity Risk

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

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

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

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

		Contractual cash flows			
	Carrying amount of liability at March 31, 2021	**Total**	Within 1 Year	2 to 5 Years	Over 5 Years
Financial Obligations (Note 16)	237,204	289,326	44,512	178,047	66,767
Lease Liabilities (Note 17)	331,999	448,652	26,814	94,979	326,859
Total	**569,203**	**737,978**	**71,326**	**273,026**	**393,626**

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

D. Market Risk

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

E. Currency Risk

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

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

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

	March 31, 2021	March 31, 2020
Cash	1,417	1,300
Trade and other receivables	32,794	350
Accounts payable and accrued liabilities	(4,483)	(7,137)
Net exposure	**29,728**	**(5,487)**

Exposure to other foreign currencies is immaterial (2020 – immaterial).

F. Interest Rate Risk

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

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

G. Fair Value

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

	March 31, 2021		March 31, 2020			
	Carrying values	Fair values	Carrying values	Fair values	Method[1]	Note
Financial instruments measured at fair value through profit and loss on a recurring basis:						
Cash	90,107	90,107	72,386	72,386	Level 1	(a)
Marketable securities	3,802	3,802	-	-	Level 1	(a)
Derivative financial instruments	-	-	1,410	1,410	Level 2	(c)
Financial assets	**93,909**	**93,909**	**73,796**	**73,796**		
Derivative financial instruments	592	592	-	-	Level 2	(d)
Financial liabilities	**592**	**592**	**-**	**-**		
Financial instruments measured at amortized cost:						
Bonds receivable (current)	95,678	96,042	85,680	86,090	Level 2	(b)
Promissory notes receivable (current)	3,749	3,749	3,498	3,498	Level 2	(a)
Trade and other receivables	177,841	177,841	138,398	138,398	Level 2	(a)
Investment in finance lease (current)	4,141	4,141	3,878	3,878	Level 2	(a)
Bonds receivable (non-current)	26,687	26,829	-	-	Level 2	(b)
Promissory notes receivable (non-current)	24,106	26,559	27,855	31,682	Level 2	(c)
Investment in finance lease (non-current)	26,204	30,651	30,346	36,216	Level 2	(c)
Financial assets	**358,406**	**365,812**	**289,655**	**299,762**		
Accounts payable and accrued liabilities	119,578	119,578	115,968	115,968	Level 2	(a)
Financial obligations (current)	35,732	35,732	34,607	34,607	Level 2	(a)
Financial obligations (non-current)	201,472	234,258	230,823	279,374	Level 2	(d)
Financial liabilities	**356,782**	**389,568**	**381,398**	**429,949**		

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

There have been no transfers between levels during the year ended March 31, 2021.

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

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

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

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

25. CAPITAL MANAGEMENT

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

We define capital that we manage as the aggregate of our equity, which consists of retained earnings.

Our objectives in managing capital are as follows:

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

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

Our objectives, policies and processes for managing capital are consistent with those in place throughout 2019-2020.

We are not subject to externally imposed capital requirements.

26. RELATED PARTIES

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

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

Supporting Information

A. Transactions with Related Parties Excluding Government-Related Entities

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

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

There are no amounts owing to related parties at March 31, 2021 (March 31, 2020 – nil) and no expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. Transactions with Government-Related Entities

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

Canada Mortgage Bonds

As described in Note 9, $122.4 million was invested in Canada Mortgage Bonds (CMB) during the year (March 31, 2020 - $85.7 million). CMB are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by Canada Mortgage and Housing Corporation (CMHC), another Crown Corporation, and backed by the Government of Canada.

Contract with other Government-Related Entity

Mauril is a new, free and ad-free digital platform leveraging a wide range of content from the Corporation to help users learn English and French. Financed and endorsed by the Government of Canada, this new tool is designed and deployed by the Corporation, in collaboration with a committee of pedagogical experts. It's meant to help improve oral comprehension and integrate language knowledge in everyday life. We have received $3.0 million (March 31, 2020 - $5.2 million) from the Government of Canada for the provision of services required to create this new platform and acquire content. At the end of the year, $6.0 million was recorded as deferred revenue (March 31, 2020 - $5.1 million).

C. Compensation of Key Management Personnel

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

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

	March 31, 2021	March 31, 2020
Short-term benefits[1]	4,197	4,384
Post-employment benefits[2]	2,069	2,294
Other benefits[3]	619	437
	6,885	**7,115**

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

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

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

The total compensation paid to members of the Board of Directors, excluding the President and CEO, during the year was $0.2 million (2020 - $0.2 million).

The remuneration of key management personnel is determined as follows:

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

27. COMMITMENTS

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

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
We are a lessor in several leasing arrangements, which requires management to determine whether the lease is a finance lease or an operating lease. To classify each lease, management assesses whether the lease transfers substantially all the risks and rewards of ownership. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. We recognize lease payments received under operating leases as income on a straight-line basis over the lease term under “Other income”. When we are an intermediate lessor, we account for our interest in the head lease and the sub-lease separately. We assess the lease classification of a sub-lease with reference to the right-of-use (ROU) asset arising from the head lease. If an arrangement contains lease and non-lease components, we apply IFRS 15 to allocate the consideration in the contract.	The determination that an arrangement to lease a portion of a building that we own meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 *Investment Property.*

A. Program Related and Other

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

	March 31, 2021	March 31, 2020
Facilities Management	73,610	84,845
Programming	142,592	170,273
Transmission and distribution	18,635	25,321
Maintenance and support	53,246	69,912
Property and equipment and intangibles[1]	2,895	13,230
Other	70,716	77,993
	361,694	**441,574**

[1]Property and equipment and intangibles include an amount of $0.7 million related to contractual commitments for the acquisition of intangible assets as at March 31, 2021 (March 31, 2020 - $2.6 million).

The future aggregate payments are as follows:

	March 31, 2021	March 31, 2020
Less than one year	168,262	172,310
Later than one year but not later than five years	152,493	205,310
More than five years	40,939	63,954
	361,694	**441,574**

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

B. Non-Cancellable Leases

The lease component of obligations to lessors is recognized in the Consolidated Statement of Financial Position and presented under “Lease liabilities”. The non-lease component of these obligations and operating leases outside the scope of IFRS 16 are presented below.

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

	March 31, 2021	March 31, 2020
Less than one year	19,095	19,738
Later than one year but not later than five years	70,364	71,361
More than five years	335,202	324,394
	424,661	**415,493**

The amounts presented above include a total of $423.2 million (2020 - $412.8 million) representing operating costs and property taxes payable.

C. Revenue-Generating Leases

Operating leases relate to buildings and transmission towers that we own with remaining lease terms between one to 89 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

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

	March 31, 2021	March 31, 2020
Less than one year	12,473	11,515
Later than one year but not later than five years	48,103	52,699
More than five years	314,611	339,576
	375,187	**403,790**

In addition to the amounts presented above, we expect to receive amounts related to operating expenses and property taxes under building leases for a total of $63.3 million (March 31, 2020 - $78.0 million).