

Sent by Electronic Mail

July 6, 2005

Mr. Nick Ketchum
Director, English-language Radio & TV Policy
Canadian Radio-television and
Telecommunications Commission
1 Promenade du Portage
Ottawa, Ontario
K1A ON2

Dear Mr. Ketchum,

Re: CKVU-TV Vancouver Annual Report 2004

Further to our letter of January 7, 2005, and as requested by the Commission in your letter of June 11, 2002, please find enclosed our Auditor's Report on Tangible Benefits Expenditures to August 31, 2004 realized as a result of CHUM's acquisition of CKVU-TV.

Please note that there is a \$750,000 variance in the Canadian Drama expenditures for 2004 as between this audited report and the report we filed with the Commission on January 7, 2005. The primary reason for this difference is that in the initial report we included a tax credit loan for financing a film production and for which, as of the date of the preliminary report, there was considerable doubt as to its recoverability. In the last six months, this doubt has been largely eliminated, such that these amounts could be removed from the drama expenditures claimed in the initial report.

Consistent with the manner in which the Commission has treated this report and others in the past, CHUM respectfully requests that the detailed information relating to the licence fee paid for individual productions to independent producers be treated as confidential. An abridged version for examination by the public is attached.

We trust the enclosed is satisfactory.

Sincerely,

Peter Miller

Vice-President, Planning and Regulatory Affairs

Radio & Television

CHUM Limited

att.



PricewaterhouseCoopers LLP
Chartered Accountants
PO Box 82
Royal Trust Tower, Suite 3000
Toronto Dominion Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 416 863 1133
Facsimile +1 416 365 8215

April 18, 2005

Auditors' Report

To the Directors of CHUM Limited

We have audited the Report on Tangible Benefits Expenditures to August 31, 2004 (the Report) related to Decision CRTC 2001-647 included as Attachment 2 to the CKVU-TV Vancouver Annual Report 2004. The financial information is based on the criteria set out in Decision CRTC 2001-647 dated October 15, 2001, the letter from the CRTC to Mr. Miller, Vice President Planning and Regulatory Affairs CHUM Television, dated June 11, 2002 addressing the format and accounting methodology (the Reporting Criteria) and the interpretation of the Reporting Criteria as set out in note 1 to the Report. This financial information is the responsibility of the management of CHUM Limited. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this Report presents fairly, in all material respects, the amounts spent to August 31, 2004 by CHUM Limited in accordance with the Reporting Criteria.

Pricewaterhouse Coopere LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Report on Tangible Benefit Expenditures to August 31, 2004 related to Decision CRTC 2001-647

Initiative	Total amount Committed for 7 Years (\$)	Amount Spent to Aug 31/03 (\$)	Amount Spent in 2004(\$)	Amount Spent to Date (\$)	Balance As of August 31, 2004 (\$)
Local News	2,200,000	2,043,076	810,414	2,853,490	(653,490) (over)
Local non- News	3,600,000	1,828,925	1,546,542	3,375,467	224,533
Script and Concept Development	230,000	(17,452)	115,760	98,308	131,692

Initiative	Total amount Committed for 7 Years (\$)	Cumulative Committed To Aug. 31/04 (incl.Spent)	Amount Spent to Aug 31/03 (\$)	Amount Spent in 2004(\$)	Amount Spent to Date (\$)	Balance (\$)
Canadian Drama	7,000,000	7,970,840	Nil	5,677,047	5,677,047	1,322,953
Vancouver's Other Stories	800,000		64,000	171,048	235,048	564,952
APTN	150,000		7,075	75,000	82,075	67,925
BCIT	175,000		72,000	8,000	80,000	95,000
Pearson- Shoyama	140,000		50,000		50,000	90,000
Scanning the Media	200,000		40,656		40,656	159,344
Media Literacy Teacher Training	150,000		75,112		75,112	74,888
Praxis Development	130,000		17,999	19,995	37,994	92,006
Media Awareness Network	25,000		10,000	15,000	25,000	0

(continued) Initiative	Total amount Committed for 7 Years	Amount Committed Not Spent Aug. 31/03	Amount Spent to Aug 31/03 (\$)	Amount Spent in 2004(\$)	Amount Spent to Date (\$)	Balance Unspent (\$)
Historical Teens	25,000		0		0	25,000
Descriptive Video	350,000		178,505	96,000	274,505	75,495
Vancouver Film Festival	175,000		50,000	25,898	75,898	99,102

Table of B.C. Films Commitments and Expenditures

Film Title Producer's Name Head Office to Aug. 31/04 (\$) See Grace Fly Productions Vancouver Moving Malcolm Productions Ltd. The Wild Guest Massey Productions Ltd. Moving Malcolm Productions Ltd. Moving Malcolm Productions Vancouver Moving Malcolm Productions Ltd. White Noise Brightlight Pictures Vancouver Moving Malcolm Productions Vancouver Moving Malcolm Productions Ltd. White Noise Read Storm Productions Vancouver Malcouver Rege to Reason R to R Productions Vancouver Rinine Brightlight Pictures Vancouver Rage to Reason R to R Productions Vancouver Rage to Reason R to R Productions Malcouver Malcouver Rinine Brightlight Productions Vancouver Rage to Reason R to R Productions Vancouver Rinine Brightlight International Vancouver Register ScapBox Productions Inc. Vancouver Richten Productions Inc. Vancouver Richten Productions Inc. Vancouver Richten Marker Productions Inc. Vancouver Richten Productions Inc. Vancouver Richten Marker Productions Inc. Vancouver Rouse of Destiny Infinity Media Inc. Vancouver Sone of Destiny Infinity Media Inc. Vancouver Sone of Destiny Infinity Media Inc. Vancouver Going The Distance Brightlight Pictures Vancouver Going The Distance Brightlight Pictures Vancouver Going The Distance Richten Richten Productions Inc. Vancouver Sone of Destiny Infinity Media Inc. Vancouver Going The Distance Richten Richten Vancouver Rouse Sone Brightlight Pictures Vancouver Vancouver Colling Colling The Distance Vancouver Colling The Distance Vancouver Vancouver Vancouver Vancouver Colling Colling The Distance Vancouver Va						
race Fly See Grace Fly Productions Vancouver IIId Guys MYP productions Vancouver g Malcolm Productions III. g Malcolm Moving Malcolm Productions Ltd. North Vancouver Vancouver Brightlight Pictures Vancouver Carl Bessai Vancouver Carl Carl Carl Carl Carl Carl Carl Car	Film Title	Producer's Name		commitments to Aug. 31/03 (\$)	commitments to Aug. 31/04 (\$)	Expenditures To Aug. 31/04 (\$)
Marker Marker Marcouver	See Grace Fly	See Grace Fly Productions				
g Malcolm Moving Malcolm Productions Ltd. North Vancouver life, Happiness & Massey Productions Ltd. North Vancouver Noise Brightlight Pictures Vancouver Indiange Red Storm Productions Inc. Vancouver Red Storm Productions Inc. Vancouver Red Storm Productions Inc. Vancouver Indianged SoapBox Productions Inc. Vancouver Entertainment Entertainment Carl Box Productions Inc. Vancouver Red SoapBox Productions Inc. Vancouver Red SoapBox Productions Inc. Vancouver Indianged Indianged Productions Inc. Vancouver Indianged Infinity Media Inc. Vancouver Indianged Infinity Media Inc. Vancouver Infinity Media Inc. Vanc	The Wild Guys	MVP productions	Vancouver			
Life, Happiness & Massey Productions Ltd. Noise Brightlight Pictures Nancouver Noise Relevision Productions Vancouver at the fire Horse Red Storm Productions Vancouver Carl Bessai Nancouver Carl Bessai Nancouver Carl Bessai Nancouver Brothers Rhino Productions Inc. Walker Infinity International Vancouver Entertainment Nancouver Entertainme	Moving Malcolm	Moving Malcolm Productions	Vancouver			
Punch Films Inc. Noise Brightlight Pictures Nancouver In the fire Horse Relevision Productions To Reason Robert	Long Life, Happiness &	Massey Productions Ltd.	North Vancouver			
Noise Brightlight Pictures Vancouver Noise Brightlight Pictures Vancouver ng Relevision Productions Vancouver nd the fire Horse Red Storm Productions Vancouver no Reason R to R Productions Vancouver Brothers Rhino Productions Inc. Vancouver Walker Infinity International Vancouver walker Entertainment Vancouver e Combo Platter Deluxe Combo Films Inc. West Vancouver en Marker Productions Vancouver r Marker Productions Inc. Vancouver of Destiny Infinity Media Inc. Vancouver ed Insight Film and Video Prod. Vancouver ed Insight Film and Video Prod. Vancouver ed Insight Film Inc. Vancouver ed Insight Film Productions Inc. Vancouver clife & Times of The Juror Productions Inc. Vancouver Includess Insightlight Pictures Vancouver Includers Vancou	Prosperity				:	
Noise Brightlight Pictures Vancouver ng Relevision Productions Vancouver and the fire Horse Red Storm Productions Vancouver Carl Bessai Vancouver Carl Bessai Vancouver Rt Delactions Inc. Vancouver Rinino Productions Inc. Vancouver Infinity International Vancouver Entertrainment Entertrainment Entertrainment Cambo Platter Soapbox Productions Inc. Vancouver Scombo Platter Deluxe Combo Platter Obeluxe Combo Films Inc. Vancouver Carl Marker Productions Infinity Media Inc. Vancouver Carl Marker Car	Punch	Punch Films Inc.	Vancouver			
ng Relevision Productions Vancouver Id the fire Horse Red Storm Productions Vancouver Tord Bessai Vancouver Tord Bessai Vancouver Brothers Rhino Productions Inc. Vancouver Walker Infinity International Entertainment Vancouver Uspect SoapBox Productions Vancouver Ecombo Platter Deluxe Combo Films Inc. West Vancouver Een Producers on Davie Vancouver Een Marker Productions Inc. Vancouver Udoos Pink Ludoos Productions Inc. Vancouver Udoos Infinity Media Inc. Vancouver Of Destiny Infinity Media Inc. Vancouver Cließ Times of The Juror Productions Inc. Vancouver Cluess Brightlight Pictures Vancouver The Distance Brightlight Pictures Vancouver The Distance Brightlight Pictures Vancouver Total Resolutions Vancouver The Distance Brightlight Pictures	White Noise	Brightlight Pictures	Vancouver			
to Reason R to R Productions Vancouver Carl Bessai Nancouver R to R Productions Inc. Brothers Rhino Productions Inc. Walker Infinity International SoapBox Productions Inc. Entertainment SoapBox Productions Inc. Entertainment SoapBox Productions Inc. Entertainment SoapBox Productions Inc. Entertainment West Vancouver Entertainment SoapBox Productions Inc. Entertainment West Vancouver Entertainment West Vancouver Entertainment Wancouver Entertainment Wancouve	Crossing	Relevision Productions	Vancouver			
to Reason R to R Productions Inc. Vancouver Brothers Rhino Productions Inc. Vancouver Rabet Entertainment Entertainment Entertainment SoapBox Productions Inc. Mest Vancouver Entertainment Entertainment Entertainment Entertainment Entertainment Entertainment Entertainment Entertainment Entertainment Inc. Mest Vancouver Example Combo Films Inc. Mest Vancouver Example Productions Inc. Mest Vancouver Indoos Pink Ludoos Productions Inc. Vancouver Example Insight Film and Video Prod. Vancouver Of Destiny Infinity Media Inc. Vancouver Guess The Distance Brightlight Pictures Vancouver The Distance Brightlight Pictures Vancouver TOTALS Inc. Vancouver TOTALS Inc	Eve and the fire Horse	Red Storm Productions	Vancouver			
Rhino Productions Inc. Vancouver Infinity International Vancouver SoapBox Productions Inc. Vancouver SoapBox Productions Inc. West Vancouver Producers on Davie Vancouver Marker Productions Inc. Vancouver Insight Film and Video Prod. Vancouver Insight Pictures Vancouver Insight P	Emile	Carl Bessai	Vancouver			
Rhino Productions Inc. Infinity International Entertainment SoapBox Productions Bitter Deluxe Combo Films Inc. Producers on Davie Marker Productions Inc. Pink Ludoos Productions Insight Film and Video Prod. Infinity Media Inc. Vancouver Infinity Media Inc. Vancouver Infinity Media Inc. Brightlight Pictures Nancouver Inc. Vancouver Infinity Media Inc. Vancouver Inf	Rage to Reason	R to R Productions	Vancouver			
Infinity International Vancouver Entertainment SoapBox Productions Vancouver Producers on Davie Vancouver Producers on Davie Vancouver Pink Ludoos Productions Inc. Vancouver Insight Film and Video Prod. Vancouver Infinity Media Inc. Vancouver Infinity Media Inc. Vancouver In Infinity Media Inc. Vancouver Ince Brightlight Pictures Vancouver TOTALS 11,403,110 6,567,730	Rhino Brothers	Rhino Productions Inc.	Vancouver			
Entertainment SoapBox Productions Vancouver SoapBox Productions Inc. Producers on Davie Vancouver Marker Productions Inc. Pink Ludoos Productions Inc. Insight Film and Video Prod. Vancouver Insight Film and Video Prod. Vancouver Infinity Media Inc. Vancouver In	Snow Walker	Infinity International	Vancouver			
SoapBox Productions Vancouver latter Deluxe Combo Films Inc. West Vancouver Producers on Davie Vancouver Marker Productions Inc. Vancouver Insight Film and Video Prod. Vancouver Infinity Media Inc. Vancouver Infinity Media Inc. Vancouver Infinity Media Inc. Vancouver Insight Pictures Vancouver Inc. Subjectives Vancouver Inc. Subjectives Vancouver Inc. Subjectives Vancouver Inc. Subjective Vancouver Inc. S		Entertainment				
latter Deluxe Combo Films Inc. West Vancouver Producers on Davie Vancouver Marker Productions Inc. Vancouver Pink Ludoos Productions Vancouver Insight Film and Video Prod. Vancouver Infinity Media Inc. Vancouver Ine Juror Productions Inc. Vancouver Ince Brightlight Pictures Vancouver TOTALS 1,403,110 6,567,730	The Suspect	SoapBox Productions	Vancouver			
Producers on DavieVancouverMarker Productions Inc.VancouverPink Ludoos ProductionsVancouverInsight Film and Video Prod.VancouverInfinity Media Inc.Vancouvernes ofThe Juror Productions Inc.NancouverVancouvernceBrightlight PicturesVancouverTOTALS1,403,1106,567,730	Deluxe Combo Platter		West Vancouver			
Marker Productions Inc. Pink Ludoos Productions Insight Film and Video Prod. Infinity Media Inc. Infinity Media Inc. Vancouver Ince Brightlight Pictures Incompare Incompare Vancouver Incompare Incompare Vancouver Incompare Incom	Eighteen	Producers on Davie	Vancouver			
Pink Ludoos Productions Vancouver Insight Film and Video Prod. Vancouver Infinity Media Inc. Vancouver nes of The Juror Productions Inc. Vancouver nce Brightlight Pictures Vancouver TOTALS 1,403,110 6,567,730	Marker	Marker Productions Inc.	Vancouver			
Insight Film and Video Prod. Vancouver Infinity Media Inc. Vancouver The Juror Productions Inc. Vancouver Totals Brightlight Pictures Vancouver Totals 1,403,110 6,567,730	Pink Ludoos	Pink Ludoos Productions	Vancouver			
Infinity Media Inc. Vancouver nes of The Juror Productions Inc. Vancouver nce Brightlight Pictures Vancouver TOTALS 1,403,110 6,567,730	Pursued	Insight Film and Video Prod.	Vancouver			
Times of The Juror Productions Inc. Vancouver Stance Brightlight Pictures Vancouver TOTALS 1,403,110 6,567,730	Stone of Destiny	Infinity Media Inc.	Vancouver			
stance Brightlight Pictures Vancouver 1,403,110 6,567,730	Trash: Life & Times of	The Juror Productions Inc.	Vancouver			
Brightlight Pictures Vancouver 1,403,110 6,567,730	Gillian Guess					
1,403,110 6,567,730	Going The Distance	Brightlight Pictures	Vancouver			
			TOTALS	1,403,110		

Initiative: Local News

Commitment: \$2,200,000 over 7 years measured against an annual baseline of

\$7,386,008.

Expenditure 2003/04:	\$8,196,422
Baseline:	<u>\$7,386,008</u>
Commitment Amount	\$ 810,414
Balance b/f	<u>2,043,076</u>
Total Commitment to Date	\$2,853,490
Total Commitment	<u>\$2,200,000</u>
Balance still to be met (over)	<u>\$ (653,490)</u>

Initiative: Local Non-News

Commitment: \$3,600,000 over 7 years measured against an annual baseline of

\$1,810,159.

Expenditure 2003/04:	\$3,356,701
Baseline:	\$1,810,159
Commitment Amount	\$1,546,542
Balance b/f	\$1,828,925
Total Commitment to Date	\$3,375,467
Total Commitment	\$3,600,000
Balance still to be met	\$ 224,533

Initiative: Canadian Drama

Balance still to be met

Commitment: \$7,000,000 over 7 years measured against an annual baseline of

\$4,244,966 expenditure on CITY, CKVR, CFPL, CHWI, CKNX,

\$1,322,953

CHRO and CKVU.

Expenditure 2003/04: less prior years consistency adjustment Expenditure for Tangible Benefits Report Baseline: Baseline Excess	\$6,174,683 <u>508,656</u> \$5,666,027 <u>\$4,244,996</u> <u>\$1,421,031</u>	
Qualifying Expenses to August31, 2003 Qualifying Expenses for 2003/04 Qualifying Expenses to August 31, 2004 Total Commitment	\$ - <u>\$5,677,047</u> \$5,677,047 <u>\$7,000,000</u>	(see Note 1 below)

Note 1:	The \$	expenditure in	respect of	which is included in the	
	Qualifying I	Expenses of \$	for 2003/0	4 was in two components:	
	for Canadian cable, satellite and free broadcast rights and				
	\$	for worldwide distri	ibution rights (e	excluding Canada). These	
	amounts w	ere paid by CHUM in ac	dvance of produ	action commencing and were	
	necessary f	for production to occur.	•	_	

Initiative: Script and Concept Development

Commitment: \$230,000 over 7 years measured against an annual baseline of

\$86,917.

\$202,677
<u>\$ 86,917</u>
\$115,760
(17,452)
\$ 98,308
<u>\$ 230,000</u>
<u>\$ 131,692</u>