

## NOTE 15: ACCOUNTS RECEIVABLE

### ACCOUNTING POLICY

Accounts receivable represent amounts owing to us that are currently due and collectible. We initially recognize accounts receivable on the date they originate. We measure accounts receivable initially at fair value, and subsequently at amortized cost, with changes recognized in net income. We measure an impairment loss for accounts receivable as the excess of the carrying amount over the present value of future cash flows we expect to derive from it, if any. The excess is allocated to an allowance for doubtful accounts and recognized as a loss in net income.

### EXPLANATORY INFORMATION

|                                 | As at December 31 |       |       |
|---------------------------------|-------------------|-------|-------|
| (In millions of dollars)        | Note              | 2019  | 2018  |
| Customer accounts receivable    |                   | 1,579 | 1,529 |
| Other accounts receivable       |                   | 785   | 762   |
| Allowance for doubtful accounts | 15                | (60)  | (55)  |
| Total accounts receivable       |                   | 2,304 | 2,236 |

We have retrospectively reclassified \$23 million as at December 31, 2018 and January 1, 2019 related to our wireless financing programs from "accounts receivable" to "other current assets" as the collection time frame of the amounts differs from accounts receivable.

## NOTE 16: INVENTORIES

### ACCOUNTING POLICY

We measure inventories, including wireless devices and merchandise for resale, at the lower of cost (determined on a weighted average cost basis for Wireless devices and accessories and a first-in, first-out basis for other finished goods and merchandise) and net realizable value. We reverse a previous writedown to net realizable value, not to exceed the original recognized cost, if the inventories later increase in value.

### EXPLANATORY INFORMATION

|                                      | As at December 31 |      |
|--------------------------------------|-------------------|------|
| (In millions of dollars)             | 2019              | 2018 |
| Wireless devices and accessories     | 380               | 399  |
| Other finished goods and merchandise | 80                | 67   |
| Total inventories                    | 460               | 466  |

Cost of equipment sales and merchandise for resale includes \$2,496 million of inventory costs for 2019 (2018 - \$2,515 million).

## NOTE 17: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### ACCOUNTING POLICY

#### Recognition

We initially recognize cash and cash equivalents, bank advances, accounts receivable, financing receivables, debt securities, and accounts payable and accrued liabilities on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when we become a party to the contractual provisions of the instrument.