

## Notes to the consolidated financial statements (continued)

### 9. Property, plant and equipment

	Freehold land and building £m	Fixtures, fittings and equipment £m	Assets under construction £m	Total £m
<b>Cost or valuation</b>				
At 1 January 2020	100	53	1	154
Additions	-	3	-	3
Transfers	14	(14)	-	-
Revaluation	(18)	-	-	(18)
<b>At 31 December 2020</b>	<b>96</b>	<b>42</b>	<b>1</b>	<b>139</b>
At 1 January 2021	96	42	1	139
Additions	2	6	1	9
Revaluation	-	-	-	-
<b>At 31 December 2021</b>	<b>98</b>	<b>48</b>	<b>2</b>	<b>148</b>
<b>Depreciation</b>				
At 1 January 2020	-	40	-	40
Charge for the year	2	5	-	7
Transfers	12	(12)	-	-
Revaluation	(14)	-	-	(14)
<b>At 31 December 2020</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>33</b>
At 1 January 2021	-	33	-	33
Charge for the year	2	4	-	6
Revaluation	(2)	-	-	(2)
<b>At 31 December 2021</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>37</b>
<b>Net book value</b>				
At 1 January 2021	96	9	1	106
<b>At 31 December 2021</b>	<b>98</b>	<b>11</b>	<b>2</b>	<b>111</b>
At 1 January 2020	100	13	1	114
<b>At 31 December 2020</b>	<b>96</b>	<b>9</b>	<b>1</b>	<b>106</b>

The Group had committed £5 million for expenditure on property, plant and equipment at the balance sheet date (2020: £nil). No assets have been pledged for security (2020: none).

#### Valuation of freehold property

The freehold property at 124 Horseferry Road, London SW1P 2TX was valued at 31 December 2021 by independent valuers CBRE Limited, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. CBRE Limited has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant location. The property was valued on the basis of open market value, which the Members believe approximates to current value. In reaching their conclusions, the valuers have paid attention to comparable transactions which have taken place in recent months within the Victoria area of London. They have also taken into account ongoing repair work to the building in arriving at their valuation.

The open market value for this property was £98 million (2020: £96 million). After additions made to the building during 2021 and depreciation charged on the open market value at 31 December 2021 (£2 million), a gain on revaluation of £2 million has been recognised in the statement of other comprehensive income (2020: loss on revaluation of £4 million).

## Notes to the consolidated financial statements (continued)

### 9. Property, plant and equipment continued

If freehold property had not been revalued it would have been included in the financial statements at the following amounts:

	2021 £m	2020 £m
Cost	86	72
Additions	2	-
Transfers	-	14
Accumulated depreciation	(43)	(41)
Impairment	(6)	(6)
<b>Net book value based on cost</b>	<b>39</b>	<b>39</b>

### 10. Intangible assets

	Goodwill £m	Developed software £m	Broadcasting licences £m	Software under construction £m	Network distribution rights £m	Brands £m	Total £m
<b>Cost</b>							
At 1 January 2020	2	26	5	1	27	1	62
Disposal	-	(3)	-	-	-	-	(3)
<b>At 31 December 2020</b>	<b>2</b>	<b>23</b>	<b>5</b>	<b>1</b>	<b>27</b>	<b>1</b>	<b>59</b>
At 1 January 2021	2	23	5	1	27	1	59
Additions	-	-	-	3	-	-	3
Transfer	-	1	-	(1)	-	-	-
Disposal	-	(1)	-	-	-	-	(1)
<b>At 31 December 2021</b>	<b>2</b>	<b>23</b>	<b>5</b>	<b>3</b>	<b>27</b>	<b>1</b>	<b>61</b>
<b>Amortisation</b>							
At 1 January 2020	-	25	5	-	2	-	32
Amortisation for the year	-	-	-	-	2	-	2
Disposal	-	(3)	-	-	-	-	(3)
<b>At 31 December 2020</b>	<b>-</b>	<b>22</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>31</b>
At 1 January 2021	-	22	5	-	4	-	31
Amortisation for the year	-	-	-	-	2	-	2
<b>At 31 December 2021</b>	<b>-</b>	<b>22</b>	<b>5</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>33</b>
<b>Carrying amount</b>							
At 1 January 2021	2	1	-	1	23	1	28
<b>At 31 December 2021</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>21</b>	<b>1</b>	<b>28</b>
At 1 January 2020	2	1	-	1	25	1	30
<b>At 31 December 2020</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>23</b>	<b>1</b>	<b>28</b>

Goodwill represents goodwill arising on the acquisition of Global Series Network Limited ("GSN") on 30 July 2015. GSN holds the rights to the Walter Presents foreign language content transmitted across the Channel 4 portfolio.

Developed software represents amounts capitalised on internally developed computer software, principally in relation to the management of advertising and sponsorship revenues, and programme scheduling applications meeting the recognition criteria for internally generated intangible assets.

The network distribution rights and brands arose during 2018 on the acquisition of Box Plus Network Limited ("Box").