Notes to the financial statements

12 Intangible assets

	Goodwill £m	Pharmacy licences £m	Software £m	Total £m
Cost				
At 23 March 2008	114	36	121	271
Additions	–	–	10	10
Acquisition of subsidiaries and businesses	10	–	–	10
Disposals	(10)	(1)	–	(11)
At 21 March 2009	**114**	**35**	**131**	**280**
Accumulated amortisation and impairment				
At 23 March 2008	–	20	86	106
Amortisation expense for the year	–	3	12	15
Disposals	–	(1)	–	(1)
At 21 March 2009	**–**	**22**	**98**	**120**
Net book value at 21 March 2009	**114**	**13**	**33**	**160**
Cost				
At 25 March 2007	112	36	115	263
Additions	–	–	6	6
Acquisition of subsidiaries and businesses	4	–	–	4
Transfer to assets held for sale	(2)	–	–	(2)
At 22 March 2008	114	36	121	271
Accumulated amortisation and impairment				
At 25 March 2007	–	17	71	88
Amortisation expense for the year	–	3	15	18
At 22 March 2008	–	20	86	106
Net book value at 22 March 2008	114	16	35	165

The goodwill balance above relates to the Group's acquired subsidiaries – Bells Stores Ltd, Jacksons Stores Ltd, JB Beaumont Ltd, SL Shaw Ltd and Culcheth Provision Stores Ltd – and is allocated to the respective cash-generating units ("CGUs") within the retailing segment. The CGUs for this purpose are deemed to be the respective acquired retail chains of stores. The value of the goodwill was tested for impairment during the current financial year by means of comparing the recoverable amount of each CGU to the carrying value of its goodwill.

To calculate the CGU's value in use, Board approved cash flows for the following financial year are assumed to inflate at the long-term average growth rate for the UK food retail sector and are discounted at a pre-tax rate of ten per cent (2008: ten per cent) over a 25-year period. Changes in income and expenditure are based on past experience and expectations of future changes in the market. Based on the operating performance of the respective CGUs, no impairment loss was deemed necessary in the current financial year (2008: £nil).