We incur costs related to subscriber acquisition and retention.

- We capitalize cable installation costs that relate to the cable network and depreciate them over the expected life of the cable customer.
- We defer direct incremental installation costs related to reconnect Cable customers and amortize them as the related reconnect installation revenues are recorded.
- We expense all other costs as incurred.

We calculate gains and losses on the disposal of property, plant and equipment by comparing the proceeds from the disposal with the item's carrying amount, and recognize the gain or loss in other income in the consolidated statements of income.

Depreciation

We depreciate property, plant and equipment over its estimated useful life by charging depreciation expense to the consolidated statements of income as follows:

Asset	Basis	Estimated useful life
Buildings	Diminishing balance	5 to 25 years
Cable and wireless network	Straight-line	3 to 30 years
Computer equipment and software	Straight-line	4 to 10 years
Customer premise equipment	Straight-line	3 to 5 years
Leasehold improvements	Straight-line	Over shorter of estimated useful life and lease term
Equipment and vehicles	Diminishing balance	3 to 20 years

Components of an item of property, plant and equipment may have different useful lives. We make significant estimates when determining depreciation methods, depreciation rates and asset useful lives, which requires taking into account industry trends and company-specific factors. We review these decisions at least once each year or when circumstances change. We will change our depreciation methods, depreciation rates or asset useful lives if they are different from our previous estimates. We recognize the effect of these changes in net income prospectively.

We capitalize development expenditures if they meet the criteria for recognition as an asset, and amortize them over their expected useful lives once they are available for use.

We expense research expenditures and maintenance and training costs as incurred.

See note 12 for more information about our property, plant and equipment.

Acquired Program Rights

Program rights are contractual rights we acquire from third parties to broadcast television programs. We record them at cost less accumulated amortization and accumulated impairment losses. We capitalize program rights and the related liabilities on the consolidated statements of financial position when the licence period begins and the program is available for use, and amortize them to other external purchases in operating costs in the consolidated statements of income over the expected exhibition period, which ranges from one to five years. If programs are not scheduled, we consider the related program rights to be impaired and write them off. Otherwise, we test them for impairment as intangible assets with finite useful lives. Program rights for multi-year sports programming arrangements are expensed when the games are aired.

Goodwill

We record goodwill arising from business combinations when the fair value of the separately identifiable assets and liabilities we acquired is lower than the consideration we paid (including the recognized amount of the non-controlling interest, if any). If the fair value of the consideration transferred is lower than the separately identified assets and liabilities, we immediately record the difference as a gain in net income.

See note 7 and note 13 for more information about our goodwill.

Intangible Assets

We record intangible assets we acquire in business combinations at fair value, and test for impairment as required (see *Impairment,* below).

We do not amortize intangible assets with indefinite lives (spectrum and broadcast licences) because there is no foreseeable limit to the period that these assets are expected to generate net cash inflows for us. We use judgment to determine the indefinite life of these assets, analyzing all relevant factors, including the expected usage of the asset, the typical life cycle of the asset and anticipated changes in the market demand for the products and services that the asset helps generate. After review of the competitive, legal, regulatory and other factors, it is our view that these factors do not limit the useful lives of our spectrum and broadcast licences.

We amortize intangible assets with finite useful lives on a straight-line basis over their estimated useful lives as noted in the table below. We review their useful lives, residual values and the amortization methods at least once a year.

Brand names	7 to 20 years
Customer relationships	3 to 10 years
Roaming agreements	12 years
Marketing agreements	3 years

See note 7 and note 13 for more information about our intangible assets.

Impairment

Financial Assets

We consider a financial asset to be impaired if there is objective evidence that one or more events have had a negative effect on its estimated future cash flows, and the effect can be reliably estimated. Financial assets that are significant in value are tested for impairment individually. All other financial assets are assessed collectively based on the nature of each asset.

We measure impairment for financial assets as follows:

- *loans and receivables* – we measure the excess of the carrying amount of the asset over the present value of future cash flows we expect to derive from it, if any. The difference is allocated to an allowance for doubtful accounts, and recognized as a loss in net income.