	Group 2013 Rm	Group 2012 Rm	Company 2013 Rm	Company 2012 Rm
7. INVESTMENT INCOME	**301**	238	**581**	367
Interest income	**282**	229	**256**	197
Dividend income from investments	**17**	7	**–**	–
Dividend income from subsidiaries	**–**	–	**325**	170
Equity income from associate	**2**	2	**–**	–

Interest income relates to interest earned from financial assets not measured at fair value through profit or loss.

Dividends from investments are recognised on the date that the Group is entitled to the dividend. Interest is recognised on a time proportionate basis taking into account the principal amount outstanding and the effective interest rate.

	Group 2013 Rm	Group 2012 Rm	Company 2013 Rm	Company 2012 Rm
8. FINANCE CHARGES AND FAIR VALUE MOVEMENTS	**263**	1,872	**542**	745
Finance charges on interest-bearing debt*	**660**	765	**654**	763
Local debt	**736**	859	**734**	857
Foreign debt	**4**	–	**–**	–
Less: Finance charges capitalised	**(80)**	(94)	**(80)**	(94)
Foreign exchange losses and fair value movement	**(397)**	1,107	**(112)**	(18)
Foreign exchange losses	**157**	1,320	**151**	19
Fair value adjustments on derivative instruments	**(554)**	(213)	**(263)**	(37)
Capitalisation rate for borrowing costs (%)	**10.0**	10.8	**10.0**	10.8

Included in finance charges is an amount of R654 million (2012: R763 million) which relates to interest expense on financial liabilities not measured at fair value through profit or loss.

Fair value adjustments on derivative instruments were due to currency fluctuations and lower interest rates impacting on forward exchange contracts, cross-currency swaps and interest rate swap agreements, as well as the growth in the assets held by the Cell Captive.

* *For interest-bearing debt movement, refer to note 28.*