Notes to the consolidated annual financial statements (continued)

For the year ended 31 March 2015

7. Investment income

	Group		Company	
	2015 Rm	Restated 2014 Rm	2015 Rm	2014 Rm
	283	163	**506**	387
Interest income	**283**	160	**280**	157
Dividend income from subsidiaries	**–**	–	**226**	230
Equity income from associate	**–**	3	**–**	–

Investment income increased as a result of higher cash balances held by the group.

Interest income relates to interest earned from financial assets not measured at fair value through profit or loss. Interest is recognised on a time proportionate basis taking into account the principal amount outstanding and the effective interest rate.

Dividends from investments are recognised on the date that the group is entitled to the dividend.

8. Finance charges and fair value movements

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
	471	292	**471**	292
Finance charges on interest-bearing debt*	**560**	636	**560**	636
Local debt	**653**	729	**653**	729
Less: Finance charges capitalised**	**(93)**	(93)	**(93)**	(93)
Foreign exchange and fair value movements	**(89)**	(344)	**(89)**	(344)
Foreign exchange losses	**247**	336	**247**	336
Fair value adjustments	**(336)**	(680)	**(336)**	(680)
Capitalisation rate for borrowing costs (%)	**11.7**	11.4	**11.7**	11.4

*For interest-bearing debt movement, refer to note 28.
**Finance charges are capitalised to property, plant and equipment and intangible assets.

Finance charges relate to interest expense on financial liabilities not measured at fair value through profit or loss.

Fair value adjustments are mainly due to the growth in the assets held by the cell captive.