

6. Finance costs

	2007 £m	2006 £m
Interest income	169	143
Net present value adjustments	21	39
Expected return on pension scheme assets (note 22)	845	739
Net gain on remeasurement of financial instruments	135	259
Net gain on remeasurement of embedded derivatives	-	3
Gain on sale of available-for-sale investments	6	-
Foreign exchange gains	81	147
Financial income	1,257	1,330
Interest expense:		
On bank loans and overdrafts	(4)	(9)
On finance leases	(6)	(11)
On bonds and other financial instruments	(218)	(277)
On preference debt	(13)	(28)
	(241)	(325)
Facility fees	(4)	(4)
Net present value adjustments	(22)	(31)
Interest charge on pension scheme liabilities (note 22)	(753)	(694)
Net loss on remeasurement of investments at fair value through profit or loss	-	(42)
Net loss on remeasurement of financial instruments at fair value through profit or loss	(77)	(172)
Foreign exchange losses	(102)	(257)
Financial expense	(1,199)	(1,525)
Net finance costs	58	(195)

Additional analysis of finance costs

	2007 £m	2006 £m
Net finance costs – Group	58	(195)
Net finance costs – share of equity accounted investments	35	21
	93	(174)
Analysed as:		
Net interest:		
Interest income	169	143
Interest expense	(241)	(325)
Facility fees	(4)	(4)
Net present value adjustments	(1)	8
Gain on sale of available-for-sale investments	6	-
Share of equity accounted investments	33	21
	(38)	(157)
Other finance costs:		
Group:		
Net financing credit on pensions	92	45
Other	37	(62)
Share of equity accounted investments	2	-
	93	(174)