

6 Net revaluation gains on property and investments

	2007 £m	2006 £m
In consolidated income statement		
Revaluation of properties	1,053	1,201
Gains on property disposals (including trading property appropriations)	115	165
Other revaluations and gains	(1)	4
	1,167	1,370
Share of gains of funds and joint ventures (note 11)	257	378
	1,424	1,748
In consolidated statement of recognised income and expense		
Revaluation of development properties	184	102
Revaluation of investments	22	92
	1,630	1,942

Included in the tax charge is £nil (2006: £nil) attributable to gains on property disposals.

7 Net financing costs

	2007 £m	2006 £m
Interest payable on:		
Bank loans and overdrafts	75	115
Other loans	284	274
Loans from joint ventures		1
Obligations under finance leases	2	2
	361	392
Development interest capitalised	(37)	(12)
	324	380
Interest receivable on:		
Deposits and securities	(11)	(11)
Other finance (income) costs:		
Expected return on pension scheme assets	(4)	(3)
Interest on pension scheme liabilities	4	3
Valuation movements on fair value debt	(5)	22
Valuation movements on fair value hedges	5	(22)
Valuation movements on translation of foreign currency debt	(21)	14
Hedging reserve recycling	21	(14)
	313	369
Net financing expenses		
Refinancing charges		
Debenture refinancings	266	
Meadowhall Shopping Centre securitisation	39	
Sainsbury's Superstore securitisation		99
Derivative close-out costs		23
	305	122
Net financing costs	618	491
Total financing income	(41)	(50)
Total financing expenses	659	541
Net financing costs	618	491

Interest on development expenditure is capitalised at a rate of 5.5% (2006: 5.6%), with current year tax relief of £8m (2006: £4m).

On 29 August 2006 and 20 December 2006 the Group incurred pre tax refinancing charges of £266m whilst restructuring the existing debentures of the Company and its subsidiary, BL Universal. The Group also refinanced its Meadowhall Shopping Centre on 19 December 2006 by way of a simplified securitisation, incurring a pre tax refinancing charge of £39m. These charges were mainly due to the difference between the market and book values of the existing debt.

In the previous year the Group incurred a pre tax refinancing charge of £99m in respect of its securitised Sainsbury's Superstore portfolio and recycled from equity to the income statement a charge of £23m on closing out derivatives following significant property disposals and consequent debt repayments.