

	Note	2004 £m	2003 £m
Operations			
Net cash inflow from operating activities	35	93	88
Servicing of finance			
Interest paid		(207)	(172)
Tax			
Tax received		72	128
Acquisitions and disposals			
Net cash inflow from disposal of European businesses		-	27
Equity dividends			
Equity dividends paid		(323)	(447)
Net cash outflow before financing		(365)	(376)
Financing			
Issue of borrowings	35	111	829
Reduction in credit facility utilised by investment subsidiaries managed by PPM America	35	(31)	(151)
Issues of ordinary share capital, net of expenses of £23m (£nil)	35	1,140	30
Net cash inflow from financing		1,220	708
Net cash inflow for the year		855	332
The net cash inflow was invested as follows:			
Portfolio investments			
Purchases:			
Ordinary shares		36	1
Fixed income securities		2,204	962
		2,240	963
Sales:			
Ordinary shares		(24)	(2)
Fixed income securities		(1,373)	(1,110)
		(1,397)	(1,112)
Net purchases (sales) of portfolio investments	35	843	(149)
Increase in cash and short-term deposits, net of overdrafts	35	12	481
		855	332

In accordance with FRS 1, this statement excludes the cash flows of long-term business funds.