Our finances explained

Revenue

Government subsidy

We receive subsidy from the DfI in lieu of deferred domestic charges. In 2022/23 we received a subsidy of £345.5m.

Bills

We bill non-domestic customers which generated £92.0m of revenue in 2022/23 and road drainage charges of £25.2m from the DfI.

Other revenue

Other forms of revenue were £16.5m in 2022/23.

Day-to-day operating costs

Our day-to-day running costs totalled £375.6m in 2022/23. These costs include staff, power, rates, hired and contracted services.

Operating profit

Operating profit (revenue less day-to-day operating costs) was £105.0m in 2022/23.

Financing our investment

Interest on our borrowings from the DfI £52.5m and our Public Private Partnership liabilities £10.5m comprised the majority of our net finance charges of £58.6m in 2022/23.

Profit before tax

The profit before tax was £46.4m in 2022/23.

Corporation tax

We have charged £5.3m for tax to be paid in future years.

Profit after tax

The profit after tax for the year was £41.1m.

Dividend

A dividend of £19.0m was paid to the DfI in 2022/23. The dividend to the DfI represents a return to the taxpayer on the amount invested in the Company.

Cash flow from operating activities

Balance of cash remaining determines the loans required from the DfI.

Investment

Investment in new assets and on our network totalled £309.5m in 2022/23.

Government loans

We borrow from the DfI to help fund our capital investment programme. £155m was borrowed in 2022/23.

STRATEGIC REPORT