

# Our finances explained

## Revenue

### Government subsidy

We receive subsidy from the DfI in lieu of deferred domestic charges. In 2021/22 we received a subsidy of £318.7m.

### Bills

We bill non-domestic customers which generated £81.8m of revenue in 2021/22 and road drainage charges of £23.3m from DfI.

### Other revenue

Other forms of revenue were £17.4m in 2021/22.

## Government loans

We borrow from the DfI to help fund our capital investment programme. £170m was borrowed in 2021/22.

## Investment

Investment in new assets and on our network totalled £238.7m in 2021/22.

## Day-to-day operating costs

Our day-to-day running costs totalled £338.2m in 2021/22. These costs include staff, power, rates, hired and contracted services.

## Operating profit

Operating profit (revenue less day-to-day operating costs) was £105.4m in 2021/22.

## Financing our investment

Interest on our borrowings from DfI £50.9m and our Public Private Partnership liabilities £11.1m comprised the majority of our net finance charges of £59.0m in 2021/22.

## Profit before tax

The profit before tax was £46.4m in 2021/22.

## Corporation tax

We have paid £0.4m of corporation tax in 2021/22. We have charged £78.3m for tax to be paid in future years.

## Loss after tax

The loss after tax for the year was £31.9m.

## Cash flow from operating activities

Balance of cash remaining determines the loans required from DfI.

## Dividend

A dividend of £31.2m was paid to the DfI in 2021/22. The dividend to DfI represents a return to the taxpayer on the amount invested in the Company.