



# Annual Report and Accounts

For the year ended 31 March 2025



# East West Railway Company Limited

Annual report and accounts  
for the year ended 31 March 2025

Presented to Parliament by The Secretary of State for Transport  
by Command of His Majesty.

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# Introduction

# 1



Milton Keynes Central station

# 1. Introduction

## Chair's Statement



**Neil Sachdev MBE**  
Chair

Thank you for taking the time to read our Annual Report and Accounts for the financial year 1 April 2024 to 31 March 2025. This has been a year of real momentum for East West Railway Company (EWR Co), one in which we have continued to turn vision into reality.

I am immensely proud of what our team has achieved. Together, we have made quick progress towards delivering the benefits of East West Rail (EWR) to communities and businesses, affordably, safely, and sustainably, while exploring how we can bring those benefits forward sooner than expected. The Government's reaffirmed support for EWR, not once, but twice in the last 12 months is a powerful signal of confidence in the project's importance to national growth and regional opportunity. EWR is a key enabler of the Government's growth agenda, unlocking economic potential across the East to West of our region, supporting innovation, regeneration, housing and investment, and strengthening the UK's productivity.

With this renewed backing, the team has accelerated our work, deepening collaboration with local partners and sharpening our focus on delivery. At the heart of everything we do are the people and places this railway will serve. That is why I was especially proud to see record participation in our latest non-statutory consultation. The enthusiasm, questions and feedback from residents and stakeholders across the route show that EWR is more than a line on a map, it is a shared endeavour, shaping a more connected, sustainable future for the region and the United Kingdom (UK).

As we look ahead to 2025/26, there is still much to do. But we build on a solid foundation, clear Government commitment, growing community engagement, and a talented, dedicated team. With this momentum, I am confident we will continue to move at pace towards making East West Rail a reality.

**With this renewed backing, the team has accelerated our work, deepening collaboration with local partners and sharpening our focus on delivery.**

## Board changes 2024/25

In June 2024, we were delighted to welcome David Hughes as EWR Co's new Chief Executive Officer. David brings extensive experience across national and regional transport, including as Director General for Rail Infrastructure at the Department for Transport, Programme Director at Transport for the North, and Investment Planning Director at Transport for London.

We also welcomed Christopher Walton and Louise Ruppel as Non-Executive Directors in December and January respectively, further strengthening the Board's depth and diversity of ability.

I would like to thank all those who have contributed to our progress this year and to recognise the professionalism and commitment of our colleagues, partners and stakeholders across the route.

Thank you for your continued interest in East West Rail. I hope this report provides a clear and honest picture of our achievements over the past year and our determination to deliver the benefits of this vital project as better and simpler for the customer, sustainably for the environment, and the right cost as possible.

*Neil Sachdev MBE*  
Chair





EW, The Quadrant MK

## A message from our CEO

An introduction from our Chief Executive Officer, David Hughes



**David Hughes**  
CEO

Joining East West Rail has been a really exciting time to be part of a once-in-a-generation opportunity to be at the centre of the UK’s ambition to deliver economic growth. EWR will deliver increased connectivity and create new jobs and opportunities along the entire line of route between Oxford, Milton Keynes, Bedford and Cambridge. The region is one of the most productive and economically active regions in the UK; however, growth is being held back by poor transport options.

The new railway will unlock the opportunity for the communities along the route to thrive by delivering access to skilled labour, generating new job opportunities, providing access to affordable homes and ensuring businesses have the space to grow and thrive. EWR will position the UK as an even more attractive destination for global investment, particularly in technology and innovation sectors. Without the infrastructure improvements that EWR will deliver, there is very real risk that vital investment in the UK will be lost to global competitors.

### Reflections on the past year

When I joined the team in June 2024, our plans for a summer consultation were put on hold due to the General Election. Nevertheless, the new Government recognised the importance of EWR and announced their full support for the project in the Autumn Budget. This unambiguous support was, and is, rooted in the role EWR plays in unlocking growth for the UK economy and connecting the Oxford-Cambridge Growth Corridor which could contribute £78bn to the UK economy by 2035.<sup>1</sup>

The Chancellor’s strong backing also gave our team the green light to proceed with our third non-statutory consultation (NSC) which launched in November 2024. This consultation contained revised infrastructure and design plans for the new stretch of railway between Bedford and Cambridge, plus essential railway improvement works to upgrade the existing line between Oxford and Bedford. We received a total number of 6,218 responses with 5,206 individuals visiting community events across the region – a level of engagement we were very grateful for.

I had the pleasure of attending several of our consultation events. They gave me the opportunity to talk with residents in-person and allowed me to listen, and understand, the views of the communities along the proposed EWR route. The feedback we received from this consultation is invaluable to ensure the new railway best serves the needs of the communities it will serve down the line and is helping to shape the designs we submit for our Development Consent Order (DCO). I would like to take this opportunity to personally thank everybody who took the time to attend our events and those who provided vital feedback on our proposals and designs.

<sup>1</sup> <https://www.gov.uk/government/news/reeves-i-am-going-further-and-faster-to-kick-start-the-economy>

Earlier this year the Chancellor announced measures to further accelerate the delivery of EWR services so that the benefits of EWR could reach communities as soon as possible. This includes the earlier delivery of a new station at Tempsford on the East Coast Main Line, which will be built ahead of the EWR line planned for that area.

Reflecting on other achievements in the period, in October 2024, a test train performed a trial run between Oxford and Milton Keynes which ran over our newly laid track between Bicester and Bletchley, completing the journey in just 42 minutes. Having completed the infrastructure that forms the first part of the full EWR route, we then handed this over to Network Rail for further testing and commissioning.

In March this year, the Government also announced that Chiltern Railways had been appointed as the operator of the trains on this new section of line, with the operator now working to get passenger services running as soon as possible. This will be a historic moment, as it will mark the first time regular passenger services have used this line in 60 years.

**Earlier this year the Chancellor announced measures to further accelerate the delivery of EWR services so that the benefits of EWR could reach communities as soon as possible.**

### Looking to the future

Building on the foundations we have put in place, our aim is to continue enhancing our capability and culture to achieve the ambition of becoming a high-performing project delivery organisation. We work in a safe and secure manner in all that we do to ensure health and safety is at the heart of that process.

I am incredibly proud of what our team have achieved over the course of 2024/25, and even more excited about what we can accomplish in the coming year. It is a year in which we will celebrate the 200th anniversary of the birth of the modern railway and we look forward to building on those years of experience to make EWR the next great chapter in the story of the railways.

*David Hughes*  
CEO



Bicester Village Station



# 2024-25 at a glance



## Community & stakeholder engagement



## Environment

**Over 6,000 people**

participated in our non-statutory consultation, helping to shape the future of the railway.



We saw record attendance at engagement events held along the route, reflecting growing public awareness as a result of our campaigns.



We launched our Environmental Sustainability Strategy, setting a clear path toward greener delivery as well as our preference for discontinuous electrification.



Sustainability is now embedded in our procurement strategy, driving stronger commitments across our supply chain.



Our newly launched Facebook channel has helped us reach more people across the region and beyond and foster easy two-way dialogue.

**91% of residents**

believe the railway will positively impact jobs, the economy, and connectivity, showing strong public support and engagement with the benefits.



We joined the Five Client Carbon Commitments initiative led by the Construction Leadership Council, reinforcing our climate leadership.

**Over 3,000**

environmental survey visits helped us better understand local conditions and reduce our impact.



# Strategic Report

# 2



Bletchley High Level station



## 2. Strategic Report

### 2.1 About East West Railway Company

EWR Co drives development and delivery of a new nationally significant railway, which will connect communities between Oxford and Cambridge by making it easier, faster and more sustainable to get around the region. Delivery of the new railway will unlock the economic potential of the Oxford-Cambridge Growth Corridor, supporting significant developments including the recommended new town at Tempsford. Once delivered, EWR Co will hand over the railway, to be operated and maintained as part of the national network.

### 2.2 Our achievements

The financial year (FY) 2024-25 saw us continue to embed EWR Co's Purpose: 'Connecting lives, unlocking the Future', supported by the continued emphasis on our Vision for 'Easy everyday journeys, bringing people and places together' - and renewed emphasis on our Mission: 'We go beyond'.



Figure 1: EWR's Purpose, Vision and Mission

Our vision is measured by EWR Co's core outcomes being Simpler for Customers, Cheaper for the Taxpayer, Greener for the Environment, Quicker than Industry Norms and being Safe and Secure.

The Purpose, Vision and Mission formed the foundation which led to an expression of support from the new Government. In October 2024, the Chancellor of the Exchequer announced firm commitment to the delivery of EWR in her Autumn Budget statement and followed up on this commitment in January 2025 in her speech about the Oxford-Cambridge Growth Corridor.

### 2.3 Our stakeholders

Throughout the year, EWR Co has continued to commit to its engagement with stakeholders both across the regions where the new railway will be delivered, and with industry partners, including early operator engagement via an Industry Working Group. Design and service development with industry stakeholders, including embedding lessons learned and best practice, has led to significant cost

reductions and helped drive best value for the taxpayer.

In FY 2024-25, the project reached a significant level of design maturity contributing to a Non-Statutory Consultation which ensured valuable feedback was gained and increased the project's profile both with local stakeholders and nationally. Consultation events included 16 community in-person events with nearly three times the number of people attending compared to our previous engagement. Feedback is now flowing back into the design process, with further engagement well underway to understand landowner requirements, mitigations and economic opportunities.

### 2.4 Our people

In September 2024, a significant restructuring of the organisation began, focused on EWR Co's core role and efficient delivery in the next phase of the project. This was successfully completed, and the new organisation stood up in January 2025. As part of this, we streamlined our structure to drive cost improvements and sharpen delivery focus. For our employees, EWR Co. should be a great programme to work on; our People Plan is in place and includes creating an inclusive work environment, alongside robust and fair performance management.

We implemented new ways of working and a new governance structure. The most significant change was changing from a matrix organisation with professional homes, to a functional organisation with clear accountabilities. This also resulted in a rationalised set of capabilities, reflecting EWR Co's revised role in the industry and ambition to move to a closer partnership working with Network Rail and industry partners in delivering the project.

In terms of Health, Safety and Security, there were zero reportable accidents for Connection Stage 1 (CS1) (which is the section of the railway between Oxford and Milton Keynes), for Connection Stage 2 (CS2) (which is the section of the railway between Bletchley and Bedford), Connection Stage 3 (CS3) (which is the section of the railway between Bedford and Cambridge) and EWR Co's core activities. We have implemented our Safe and Secure (Close Call) Reporting tool as part of the development of our processes and systems. We successfully launched our Safe and Secure Behavioural and Cultural Campaign to help shape the behaviours we want to see across the organisation.

### 2.5 Our performance

Performance was monitored and assessed through the programme and corporate milestones set out in the annual business plan in FY 2024-25. In the last quarter of the year, aligned to new organisational and governance arrangements, we implemented and expanded our project controls function to manage performance through regular programme and corporate reporting to the (DfT) and the Board of Directors.

## 2.6 Priorities and plans for 2025-26

In FY 2025-26 we will build on the momentum we have established, with six key priorities set out for the coming year. They respond to the wider expectation that Government has set, with an emphasis on economic and housing growth in the Oxford to Cambridge growth corridor, and EWR's position as a significant enabler of this growth.

The six priorities are:

1. Deliver the programme.
2. Engage all our people in building a high performing, safe and secure, project delivery culture and capability, including 'fit-for-purpose' programme controls, risk management, and reporting processes.
3. Establish high performing and collaborative structures, processes and relationships with Network Rail and other industry partners.
4. Establish a robust, stable programme baseline (scope, cost and schedule) that is ambitious but realistic, optimised for cost and aligned to available funding, with clear target cost and schedule ranges.
5. Secure Government agreement to a roadmap for increased delegations to EWR Co (consistent with emerging proposals for Great British Railways (GBR) stand-up), aligned to the programme baseline and underpinned by a compelling delivery strategy (including supporting commercial and other strategies).
6. Maintain a broad base of stakeholder and community support for EWR across the line of route, including through close alignment with Government's mission led priorities for the region.

We will further develop our Delivery Strategy and set out a clear roadmap for DfT Investment, Portfolio and Delivery Committee (IPDC) engagement, with a view to securing the delegations required to deliver against key milestones, recognising our responsibility to use public funds efficiently and transparently.

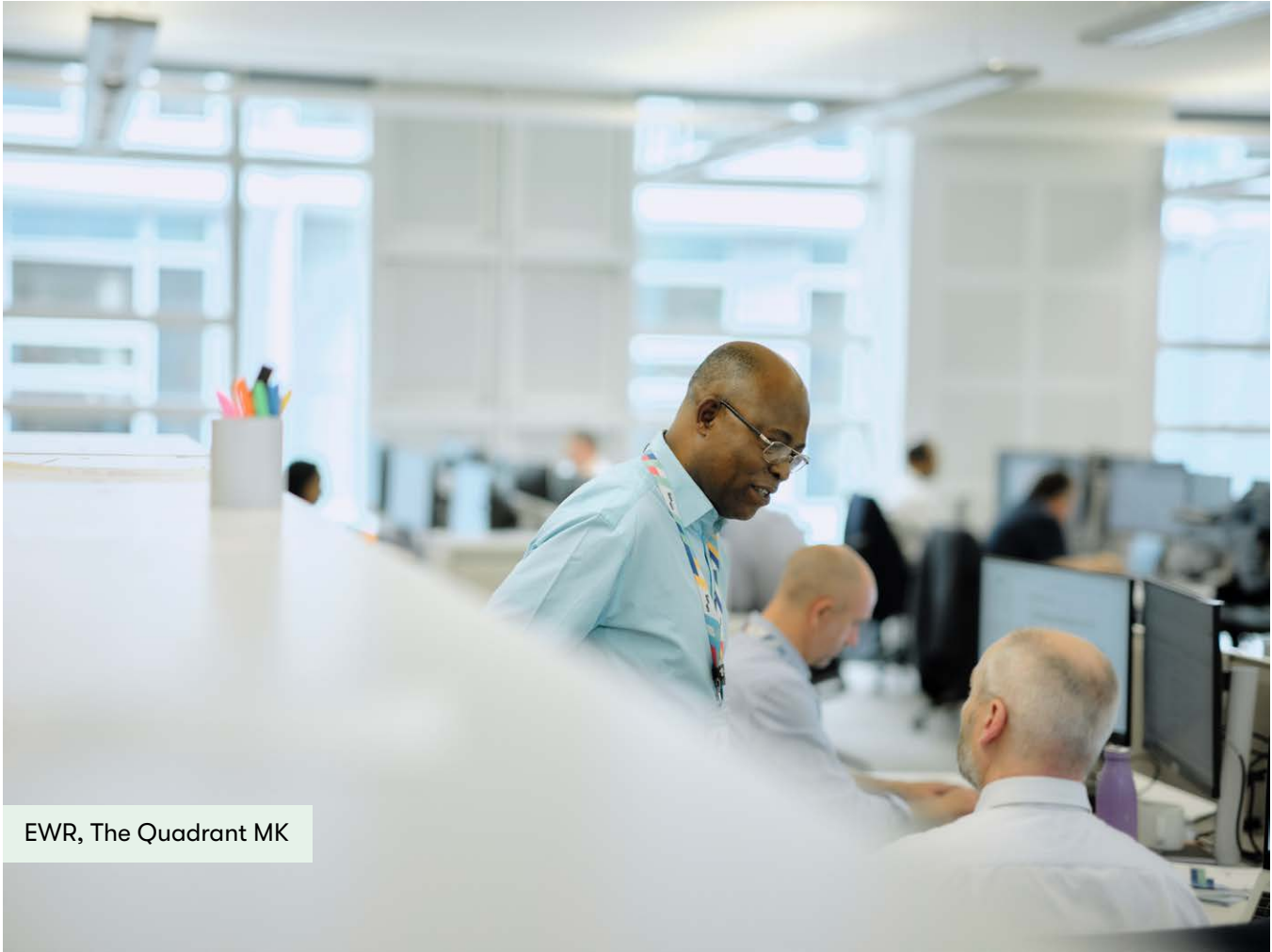
Building on the foundations we have put in place, we will continue to enhance our capability and culture to achieve our ambition to become a high-performing project delivery organisation. We will continue to focus on safety and security in all that we do, and this principle will become ingrained in our ways of working.

Clarity about our role as a company gives us a clear basis from which to build the relationship, we need with Network Rail. We are part of the same DfT family, both funded through Rail Network Enhancement Pipeline (RNEP) and on a path of convergence towards GBR.

## 2.7 Key strategic risks facing us

The construction sector continues to face challenges such as inflation, energy costs, and supply chain pressures, which are increasing delivery costs. EWR Co's key strategic risks relate to affordability in this economic context, the risk of delays, and ensuring that the full benefits of the East West Rail programme are realised. Additional risks include planning approval challenges, negative public perceptions, and the need for strong alignment with industry partners.

EWR Co keeps these risks under careful review and manages them through ongoing programme development, stakeholder engagement, and close collaboration with Government. Risks are managed across our organisation from strategic to programme level. Further information on the identification, mitigation, and control of risks that we managed during FY 2024-25 can be found in section 6.16.



EWR, The Quadrant MK



## 2.8 Review of financial performance in FY 2024-25

Our financial performance in the FY 2024-25 is detailed in the financial statements in section 9.

EWRCo is 100% funded by the DfT, representing the Secretary of State for Transport (SoS) which is EWR Co's sole shareholder. In FY 2024-25 EWR Co received £116m of capital contributions from the DfT. Capital contributions are recorded directly in the reserves (equity) rather than as income.

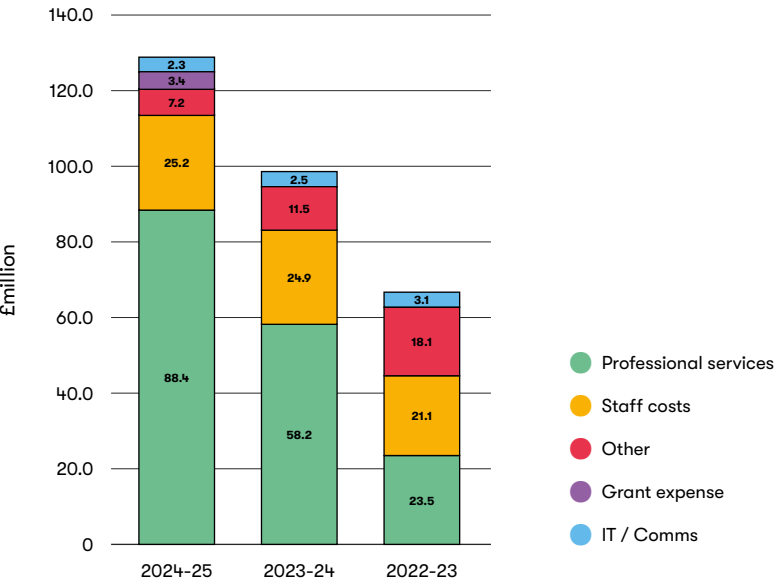
For the FY 2024-25, EWR Co reported against a resource budget of £127.8m (FY 2023-24: £95.4m) and a capital budget of £1.2m (FY 2023-24: £7.0m)

The increase in resource expenditure between the two years is explained by the following:

- EWR Co significantly increased its use of Professional Services from £58.2m to £88.4m. This spend was primarily with EWR Co's Development Phase Partners, the four organisations that EWR Co is working closely with:
  1. Jacobs, our Programme Partner, has provided capacity and specialist capability.
  2. Arcadis, our Commercial Partner, has provided cost and estimating expertise.
  3. Ardent, our Land and Property Partner, helped us by arranging the access and consents needed to carry out studies and surveys.
  4. The Mott McDonald and WSP Joint Venture, our Technical Partner. The focus of the Technical Partner is to aid design. A significant increase in spend was incurred with the Joint Venture in FY 2024-25 as the Technical Partner's scope increased to assist delivery design output in preparation for the DCO.
- Staff costs increased slightly by £0.3m (from to £24.9m to £25.2m), however permanent employee costs reduced by £0.6m (from to £21.9m to £21.3m).

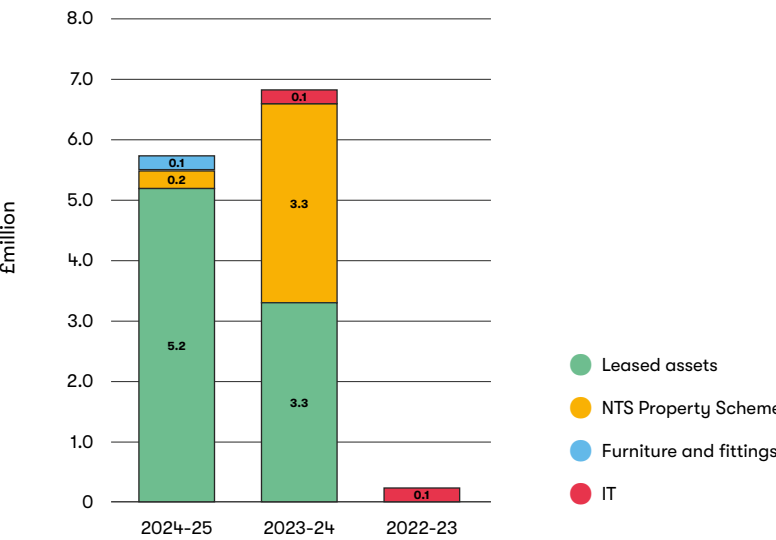
Notes 3 and 4 of the Financial Statements provide a breakdown of expenditure, including the 'Other' costs in the graph on page 23.

Resource expenditure

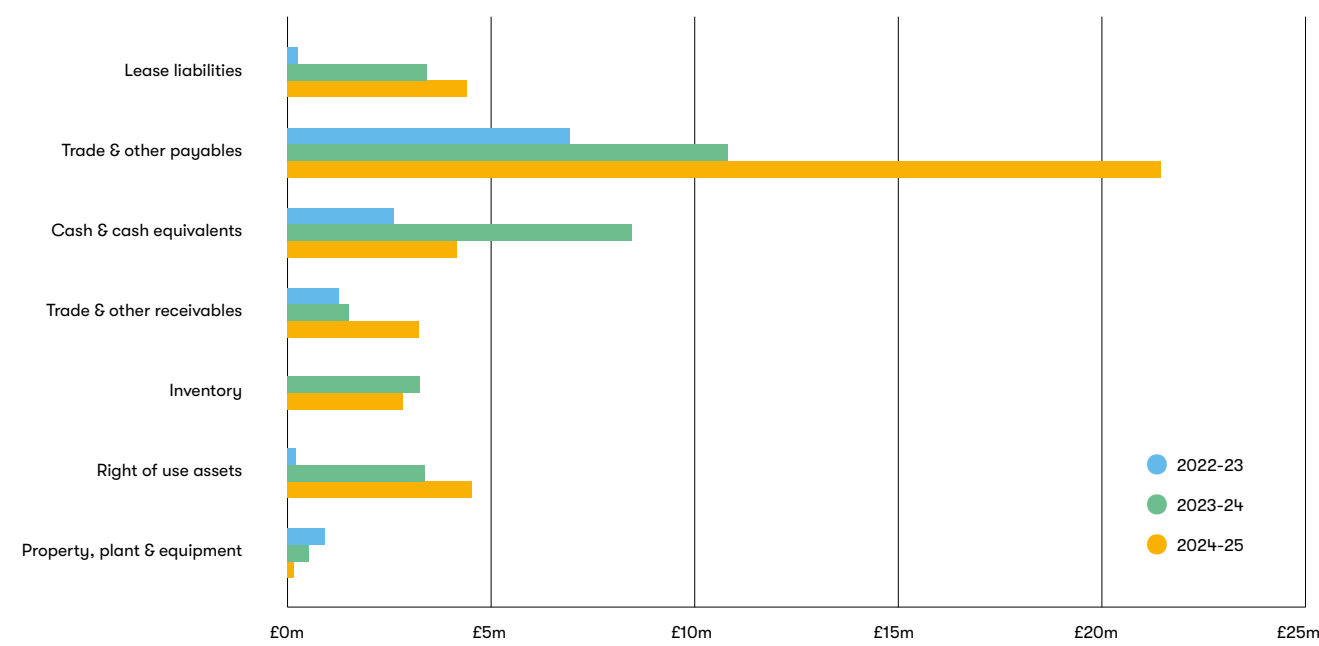


The capital spend in FY 2024-25 included spend on the Need to Sell (NTS) Property Scheme (which supports eligible property owners who have a compelling reason to sell their property but are unable to do so, other than at a substantially reduced value due to the EWR project), IT-related expenditure, and the office lease at the Quadrant, where the lease is capitalised in accordance with International Financial Reporting Standard (IFRS) 16 Leases. Further detail on the capital spend is shown in Notes 5, 6 and 8 of the Financial Statements.

Capital expenditure



Key Statement of Financial Position metrics:



2.9 Non-financial information

Human rights

We know that empathy and consideration need to be shown to all parties within our supply chain, respecting and protecting human rights. As an employer, we must ensure no one is exploited. We have policies in place to ensure compliance with legislation, in order to protect all those who work for, or with, EWR Co and those in the communities where we operate. We refuse to do business with any individual, company or organisation that fails to uphold the standards and principles of basic human rights, or which give EWR Co cause for concern. We have adopted procedures which aim to ensure modern slavery does not occur in our business or supply chains, and expect the organisations with whom we do business with to adopt and enforce policies to comply and support all applicable laws and legislation, including the Modern Slavery Act 2015. As we move to larger contracts, we shall continue to review what is best practice in monitoring our supply chain to ensure that everyone working on EWR is treated with the utmost respect.

Counter Fraud, Anti-Bribery and Anti-Corruption

We are committed to operating in an open and honest way, with policies and procedures in place to promote Counter-Fraud, Anti-Bribery and Anti-Corruption actions. All colleagues are made aware of the policies when joining EWR Co and employees also complete mandatory online training annually. Our Speak Up (Whistleblowing) Policy makes it clear, that any individual raising an issue internally or externally will not be at risk of losing their job or suffer any form of retribution or harassment as a result. During this period, EWR Co has not received any whistleblowing disclosures.

Community engagement

Our team is committed to developing EWR so that it recognises the valuable feedback from the communities it will serve and where possible, designs the scheme accordingly. Therefore, listening to and understanding the views of people living along the line of route is at the heart of how EWR will be designed, built and operated.

Throughout the planning phases we continue to engage with local communities, representatives and stakeholders to make sure people with an interest stay up to date and in the know with the project. Further to this, we are always looking for new ways of raising awareness with those less familiar with EWR – such as the launch of our Facebook channel this year. Two-way communication not only allows us to share more detail about the project, bring to life our proposals and discuss complex topics, but allows us to gain a deeper understanding of people’s views about EWR – providing insights to concerns or opportunities we may learn along the way.

This invaluable engagement has continued over the past year in a number of different formats; whether online, in-person or via formal consultation. This is in addition to our day-to-day engagement via correspondence channels, where we listen and respond to ongoing requests, comments and concerns from communities across the route.

Looking forward, we are committed to keeping communities, stakeholders and representatives informed every step of the way as we maintain progress towards the delivery of EWR, whilst listening to and understanding their concerns.

We understand that for those impacted by the new railway, uncertainty can be difficult, and we want to do everything possible to make sure people have the right information needed to make informed decisions. Over the last year, our Ground Investigation (GI) surveys have commenced and we have worked closely with landowners to ensure they have all the information they need to understand how we plan to work with them and the importance of the work to delivering the railway.

Where our designs are not progressed enough to provide all the answers, our dedicated team are committed to providing reassurances at the earliest opportunities and we are always looking for new ways and means of engagement.

Non-statutory consultation 2024

In this period we completed an enormous engagement exercise in the form of a NSC. The consultation ran for 10 weeks from 14 November 2024 to 24 January 2025 with an aim to share emerging plans and gather feedback on the early designs, including areas where we are considering options, and taking on board formal feedback to help inform the design process.

This was the third consultation on EWR (following on from our consultation on route options held in 2019 and route alignment options in 2021) and was an opportunity for us to obtain informed feedback from local communities and stakeholders on updated proposals for EWR. Each consultation gives people the chance to provide feedback to help shape our proposals as they progress.

Over 6,000 people responded to this consultation, and more details on how we engaged with people can be viewed in the sections below.

We are taking this valuable feedback into account as we develop the designs in more detail and select preferred options, using responses to review potential opportunities and inform plans to mitigate the impacts of the project. These will be considered alongside ongoing environmental, economic and technical studies to make sure we are building the right railway for communities across the whole area.

### The local community

In May 2024 we ran our second series of Community Conversation events. Community Conversations were introduced to help us not only provide a regular, personable engagement channel but also help us reach unengaged audiences, increase public awareness and understanding of EWR, proactively clarify potential misunderstandings, mitigate confusion and foster deeper understanding. Following our pilot the year before where we asked our communities to share their thoughts on how we should engage with them and what we should engage about, the second series focussed on in person events, providing people with the chance to talk with us about the DCO process. This was a precursor to the upcoming NSC so that people could understand more about the timeline of activity.

As part of the third NSC, we introduced 21 information points to provide communities with central locations to view the documents. We also delivered 16 face-to-face drop-in events across the route. Over 5200 people attended the events, which provided an opportunity for communities to speak to members of our team about the current design, see illustrated plans, maps and other information, as well as having the chance to provide feedback on the design and the options presented.

### Local representatives

We are passionate about hearing what local representatives and their communities think about EWR. It means we can work together as we build a successful project that will deliver shorter journey times and ease pressure on local roads while bringing people closer to the things that matter most – jobs, friends and family.

Seventeen Local Representatives Groups (LRGs) were established in 2022 along the Preferred Route Option<sup>2</sup>, covering the full extent of the project. The groups serve as an ongoing form of engagement with locally elected representatives and included ward and parish councillors, and representatives from EWR Co. They offer an open forum for discussions – a place to share information, ask questions, cover any concerns people might have and get answers. They also allow us to give project updates and understand details of all relevant local issues.

The groups are just one of the ways local communities can connect with our team through their representatives during all stages of the project, including planning, construction and operation of the railway. The groups facilitate discussion on issues relevant to their respective local communities.

As time progressed, some of the groups were merged to form fifteen groups. In early 2025, in line with the route sections presented at the NSC, the LRGs were refined to create new Enhanced LRGs and the Community LRG.

Since the LRGs were launched in February 2022, a combination of 123 in-person and online meetings have taken place. Additional communication between the quarterly meetings is maintained through emails, calls and in-person meetings where requested.

People can stay up to date with what is happening in each group by visiting the Community Hub on the EWR website.

### Businesses, industry and academia

We have continued to expand our engagement with stakeholders across the business, industry, and academic portfolio through regular meetings and embedding ourselves within the local business networks through multiple events and activities. This has deepened our understanding of how EWR can best support sustainable economic growth to both the region and the wider UK economy.

### Section 172 statement

In accordance with Section 172 of the Companies Act 2006 (CA 2006), the directors of the company confirm they have acted in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

In exercising their duties to promote the success of the company, the directors have considered:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The interests of the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the company.

Our Purpose, Mission and Vision encompass this duty, and the Board has embedded stakeholder considerations into its governance and its decision-making processes. Directors receive regular reports and stakeholder insights to inform strategic and operational decisions.

Further information around how the directors have met these requirements can be evidenced on page 54.



# 2.10 Going Concern

EWR Co. has assessed its ability to operate as a Going Concern against the criteria of; Political support, future funding and long-term decision-making:

1. **Political Support:**

The East West Rail project has received significant political support during the FY 2024-25. In the 2024 Autumn Budget, the Chancellor of the Exchequer referred to the East West Rail Project and the announcement included references in support of progressing, prioritising and investing in the East West Rail project.

2. **Funding:**

EWR Co is funded entirely by capital contribution from the DfT. Parliament has approved EWR Co’s budget for FY 2025-26 as part of the Main Supply Estimates process, thereby providing confidence that the Company is able to continue as a Going Concern through to 31 March 2026. EWR Co participated in the multi-year Spending Review that was announced by the Chancellor of the Exchequer on 29 July 2024. In June 2025 a £2.5bn funding settlement was announced for the East West Rail project. This provides funding to the project for four years from and including 2026/27.

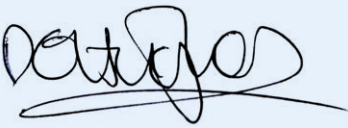
3. **Long term decision making:**

During the FY 2024-25 and up to the signing date:

- EWR Co formally entered a 10-year lease for office space in July 2024.
- DfT authorised the recruitment of a permanent CEO (David Hughes) who started in June 2024. As the remuneration package was greater than £150,000, it was also signed off by HM Treasury (HMT).
- DfT assisted with the recruitment of two Non-Executive Directors to the Board in the fourth quarter of 24/25. Further NED recruitment is planned in 25/26 to replace those NEDs who are nearing the end of their tenure.
- DfT approved a large organisational restructure, which took place between November 2024 and January 2025.
- Two of the vacancies which were created following the restructure were at the Executive level. DfT and HMT approval was secured for their recruitment as the respective salaries were greater than £150,000 per annum.

The comments noted above against political support, future funding and long-term decision making provides management with confidence that it is appropriate to consider itself a going concern. Furthermore, no material uncertainties were identified when undertaking this Going Concern assessment.

Consequently, it is considered appropriate to adopt a Going Concern basis for the preparation of these financial statements.



The Strategic Report is signed by David Hughes, Chief Executive and Accounting Officer, on behalf of the EWR Co Board, on 1 December 2025.



# Sustainability Report

3



Bedford Riverside



### 3. Sustainability Report

#### 3.1 Overview

EWR is being designed and developed so it can be delivered in a way that balances the needs of everyone who will use and benefit from the new railway with the need to protect and enhance communities and the natural environment.

In this phase of development, our focus has been on enabling a railway that will deliver on our ‘Greener for Environment’ outcome, which we have defined through our Environmental Sustainability Strategy, launched publicly in November 2024. As we move toward delivery, we are continuing to develop our wider definition of sustainability, which will reflect a combination of social, environmental and economic performance so that we can ensure the full benefits of EWR are realised.

This year, we have taken significant steps to deliver on our Environmental Sustainability Strategy and enable a railway that can be delivered in a way that avoids and minimises our environmental impact and positively contributes to the communities East West Rail will serve. This includes:

- **Launching our Environmental Sustainability Strategy** – externally publishing our strategy accompanied by a set of internal Key Performance Indicators (KPI) to monitor progress. This progress is reported through EWR Co’s governance and decision-making framework.
- **Integrating sustainability performance into assurance framework** – we have embedded environmental sustainability requirements, including how climate change impacts are considered, within our wider requirements and assurance framework. Ensuring performance is and commitments are monitored at key stage gates – including being considered as part of the Project Acceleration in a Controlled Environment (PACE) lifecycle.
- **Launching our Biodiversity Net Gain (BNG) forum** – enabling engagement across a range of stakeholders on our proposals to deliver BNG and to identify opportunities for working with third parties
- **Submitting our Scoping Report and receiving Scoping Opinion** – our first formal step in the Environmental Impact Assessment (EIA) process
- **Sustainable procurement and delivery** – embedding sustainability within the evolving delivery and commercial strategies.
- **Completing further surveys** – 3036 survey visits were completed supporting us to better understand the condition of the environment and avoid and minimise our impact
- **Preparing for delivery** – embedding our environmental sustainability ambitions in our delivery approach, ensuring we learn the lessons from other major projects to find ways of delivering sustainability cost-effectively whilst ensuring early works, such as GI are delivered sustainably. Our GI contract commenced in November 2024 and will continue into FY 2025/26 - this is EWR Co’s first intrusive works and marks a key step in gathering the data and insights needed to inform the design and delivery of the Project.

#### 3.2 Greener for the environment and our Environmental Sustainability Strategy

Putting environmental sustainability at the forefront of EWR presents opportunities that will benefit our natural environment and the health and wellbeing of the customers and communities we serve.

By making environmental sustainability central to our decision making, we believe the railway can improve and enhance the environment we live in. Central to our approach are our six environmental sustainability pillars, and each pillar has an associated ambition and definition. These set our environmental aspirations and the legacy we want to leave.

Throughout this year, we have made sure people, nature and the environment are at the heart of our developing plans and made significant progress against the objectives set out in our Environmental Sustainability Strategy.



Figure 2: Environmental Sustainability Strategy Pillars

#### Natural environment

Building on the work done by the East West Rail Alliance<sup>3</sup>, we are committed to delivering a minimum 10% biodiversity net gain across the project. This will include consideration of natural capital accounting and other approaches to demonstrate the value of natural environment elements of the project.

We are engaging and working with stakeholders to maximise community benefits and secure the enhancements in the long-term. We engage with our BNG Forum to support opportunities to work collaboratively with third parties to enable us to develop a railway that can positively contribute to the natural environment, including soil and agricultural resources.

<sup>3</sup> East West Rail Alliance was appointed by Network Rail to construct the Bicester to Bletchley section of new railway.



## Carbon

We continue to develop our approach to delivering net zero carbon outcomes that align with the Government requirements, carbon budgets and industry standards. Defining what net zero carbon entails for an infrastructure project is not straightforward and will require consideration of a wide range of factors, stakeholder engagement and analysis to determine a suitably challenging, yet feasible, target.

The UK standard for whole life carbon management in infrastructure is managed by Publicly Available Specification (PAS 2080) that provides a framework for managing carbon emissions in infrastructure projects, which we are in the process of implementing across the business in 2025, with a view to achieving certification in 2026.

To support this, in 2024 we signed up to develop the Five Client Carbon Commitments initiative established by the Construction Leadership Council. The Five Client Carbon Commitments are simple, practical steps that EWR Co can set out to show how we are reducing our carbon emissions during construction.

## Climate resilience

We are committed to ensuring the new railway is resilient to a changing climate and our design requirements incorporate this into the project as a priority. This year we have focussed on ensuring we have a foundational understanding of key climate resilience aspects, such as flood risk across the route and how adaptation can be embedded within our designs. This has involved working closely with the Environment Agency to develop flood models to help us design a railway that is resilient and does not increase flood risk to our neighbours.

## Circular economy

Our design process incorporates 'sustainable by design' and outlines circular economy considerations and requirements. This will drive optimisation of materials and resources and minimise volumes of waste produced and this year, we have held circular economy workshops with our design teams to seek out opportunities to maximise the efficiency of our design and material use.

## Historic environment and landscape

We want to deliver a railway that understands and responds to its surrounding landscapes, protects views and celebrates our heritage through sensitive integration into the existing landscape, valuing our historic environment. Our design process involves the integration of landscape and historic environment specialists alongside engineers, allowing us to identify opportunities to enhance and integrate the new infrastructure into existing landscapes where possible, and minimise the wider impact of the railway on the historic environment.

## Community impact

We continue to engage with our stakeholders ensuring their expectations and concerns are considered throughout design, build and operation. The feedback received at non-statutory consultation has helped shape our design and address concerns from communities.

Underpinning our approach is the use of the sustainability assessment tool, Building Research Establishment Environmental Assessment Method (BREEAM) – which will be used to assess both the infrastructure and buildings delivered by project.

### 3.3 Preparing an Environmental Impact Assessment

In preparation for our DCO application, we are developing a number of environmental reports in line with The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 and other relevant legislation. These reports play a crucial role in shaping our EIA and support informed decision-making:

- Environmental Update Report
- Scoping Report and Scoping Opinion
- Preliminary Environmental Information Report
- Environmental Statement

Our most recent NSC in November 2024 was supported by an Environmental Update Report and Transport Update Report both of which provided preliminary outputs from our early environmental assessments. These reports identified the potential likely impacts from the Project and enabled consultees to provide meaningful feedback helping refine our approach and mitigation strategies.

In parallel with the NSC in November 2024, we submitted an environmental Scoping Report, setting out the scope and methodology to be used within our Environment Statement, to the Planning Inspectorate. Acting on behalf of the SoS, the Planning Inspectorate returned a Scoping Opinion, provided feedback on the Scoping Report, guiding the scope of the environmental assessment. Both documents are available to view on the Planning Inspectorates website.

Following on from the Preliminary Environmental Information Report (PEIR) the Environmental Statement will be developed, which is the most comprehensive document within the EIA process and forms a crucial part of the DCO application. It will include a full environmental impact assessment incorporating feedback from consultations and stakeholder engagement, as well as proposed mitigation measures.

### 3.4 Estates and facilities reporting

Our estates and business travel processes are managed in a sustainable way, utilising the principles of the Greening Government Commitments (GGC). The GGC set out high level targets for central government entities to deliver reductions in operational consumption and waste, standards for transparent reporting on sustainable procurement and key sustainability areas including biodiversity and climate change adaptation.

### Carbon emissions

The table below details the carbon emissions associated with our office energy consumption and business travel.

			2022-23	2023-24	2023-24
Gross emissions	Scope 1 Direct emissions	tonnes CO <sub>2</sub> e	-		
	Scope 2 Indirect emissions	tonnes CO <sub>2</sub> e	21.25	22.86	28.0
	Scope 3 Business travel emissions	tonnes CO <sub>2</sub> e	15.16	14.11	23.3
	Total emissions	tonnes CO <sub>2</sub> e	36.41	36.97	51.3
Related consumption data	Estates electricity	kWh	109,876	110,420	120,309
	Electricity usage per person	kWh/FTE	526	457	661
	Private & hire car usage	Road miles	13,676	19,035	25,652
	Rail	km	155,145	145,264	175,484
	Air Travel	miles	-	6587	7,373
Financial indicators	Electricity utility costs	£000	17	175	18
	Business travel costs	£000	100.257	27.178	

### Waste Data and Water consumption

EWR Co moved office location from Grafton Mews and is now based in Network Rail’s head office, The Quadrant. Due to Network Rail’s utility system limitations, it was not possible to separate EWR’s water consumption and waste data. As a result, we have agreed with Network Rail that EWR’s water consumption and waste will be incorporated into Network Rail’s GGC reporting.

			2022-23	2023-24	2024-25
Waste Disposal Type	Weight (tonnes)	% Total Waste	Weight (tonnes)	% Total Waste	Weight (tonnes)
Energy (combustion)	1.44	40	1.06	39	-
Recycling	2.16	60	1.65	61	-

			2022-23	2023-24	2024-25
Non-financial indicators	Estates water	m³	699	543	-
	Usage per person	m³/FTE	3.35	2.24	-

### Single use plastic

EWR Co. supports the government’s commitment to eliminate consumer single-use plastics. We do not procure or use such items, and we continue to promote sustainable practices within our shared office environment at the Quadrant.

### Sustainable Construction

EWR Co did not undertake construction activities during FY 2024-25. We are developing a procurement strategy, with a focus on embedding environmental and social considerations into future tendering processes. Sustainability principles are being integrated across the design phase of the programme, and the project is targeting an ‘Outstanding’ rating under the Building Research Establishment Environmental Assessment Method (BREEAM) framework, reflecting our commitment to high environmental performance standards.

### Information and Communication Technology and Digital

EWR Co. is committed to achieving high sustainability standards by aligning its Information Technology (IT) system selection criteria with the UK’s 2050 net zero carbon target. This commitment emphasises energy efficiency, reflected in EWR Co’s preference for cloud-only services. By developing strategies and policies that integrate sustainability into procurement and decision-making processes, the company aims to achieve measurable outcomes that promote a greener future within its Information and Communication Technology (ICT).

### Paper consumption

We remain committed to reducing paper usage as part of our sustainability goals. We are actively improving our tracking systems and are confident that our ongoing digitalisation efforts will support meaningful reductions in future reporting periods.

## 3.5 Supply chain

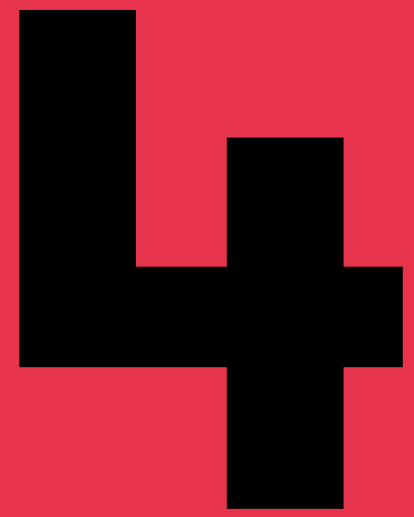
The below report provides an overview of EWR Co’s first intrusive works, GI contract, emissions and environmental incidents recorded between November 2024, when the contract went live, and March 2025. The contract will remain in place into FY 2025/26. The reports capture data submitted by our delivery partners to help us monitor environmental performance, identify areas for improvement, and support our commitment to responsible and transparent delivery.

Ground Investigation Contract (Nov-March)	Total Scope 1 & 2
	6.60 TCO2

One environmental incident was recorded during this period. The incident was responded to within the delivery partner’s emergency response plan and no environmental harm was caused.



# Directors' Report



EWR, The Quadrant MK





## 4. Directors’ Report

The directors present their report together with the financial statements of the company for the year ended 31 March 2025.

### 4.1 Board members

Directors who have held office between 1 April 2024 and 31 March 2025, comprised of the following:

Board Member	Role
Neil Sachdev	Non-Executive Chair of the Board
David Hughes (appointed 3 June 2024)	Chief Executive Officer
Beth West (until 31 May 2024)	Interim Chief Executive Officer
Sam Turner	Chief Financial Officer
Will Gallagher	Chief Strategy Officer
Anne Baldock	Non-Executive Director
Dyan Perry (until 31 July 2024)	Non-Executive Director
Simon Murray (until 31 October 2024)	Non-Executive Director
Lynette Ryals	Non-Executive Director
Caroline Botwood	Non-Executive Director
Louise Ruppel (appointed 6 January 2025)	Non-Executive Director
Christopher Walton (appointed 1 December 2024)	Non-Executive Director

Following the end of the financial year, Sam Turner resigned as Chief Financial Officer on the 10 October 2025.

The appointment dates and fees of all Board Directors are set out in 7.14 and 7.15 of the People and Remuneration Report

### 4.2 Personal data-related incidents

For the FY 2024–25, there were five personal data-related incidents that required investigation. These incidents were investigated in accordance with EWR Co’s internal policy and clear steps were taken to remediate these incidents, with post investigation lessons learned activities undertaken to mitigate against reoccurrence of similar incidents.

### 4.3 Remuneration Report and Governance Statement

The Remuneration Report (Section 7) and Governance Statement (Section 6) are required under the Government Financial Reporting Manual (“FReM”) and form part of the Directors’ Report. The Governance Statement addresses EWR Co’s risk and control framework. It should be noted that the FReM is only followed when it does not contradict the CA 2006.

### 4.4 Conflicts of interest

The Board of Directors are obliged to provide details of any direct or indirect interests that conflict with or may conflict with EWR Co’s interests. Procedures are in place to ensure Directors comply with their duties in relation to conflicts of

Cambridge Biomedical Campus



interest. These are recorded on a register of interests and updated as required. At the start of every Board and Committee meeting, the Chair asks for any interests to be declared.

At the date of this report, the following key potential conflicts of interest have been declared:

- Sam Turner, Chief Financial Officer of the Board, is on a secondment contract from Network Rail.
- Louise Ruppel, Non-Executive Director of the Board, is the General Counsel of Barratt Redrow plc.

4.5 Political and charitable contributions

During the year, EWR Co made no charitable or political donations.

4.6 Other material issues

During the year, Beth West stepped down as interim CEO on 31 May 2024 and David Hughes was appointed as CEO on 3 June 2024. The following changes were made to the non-executive directors:

- Dyan Perry’s tenure ended on 31 July 2024.
- Simon Murray’s tenure ended on 31 October 2024.
- Christopher Walton was appointed as a non-executive director on 1 December 2024.
- Louise Ruppel was appointed as a non-executive director on 6 January 2025.

Other than those matters disclosed here and under Note 17, there have been no material events that have, or are expected to, affect EWR Co since the end of this reporting period (31 March 2025).

4.7 Paying suppliers

Government policy on prompt payment is that in-scope organisations, such as EWR Co, should pay 80% of all undisputed invoices within 5 days, with the remaining undisputed invoices paid within 30 days.

	FY 2024-25	FY 2023-24
Undisputed invoices paid within 5 days	90%	85%
Undisputed invoices paid within 30 days	100%	100%

4.8 Dividends

EWR Co does not generate a profit and receives all its funding from its Shareholder. No dividends will be distributed for the year ending 31 March 2025 or in the foreseeable future.

4.9 Contingent liabilities

EWR Co reported no contingent liabilities as at 31 March 2025.

4.10 Auditor

EWR Co continued to appoint the Comptroller and Auditor General (C&AG) in accordance with the CA 2006 requirements for an entity to produce audited accounts. The audit work is carried out by the National Audit Office (NAO) on the C&AG’s behalf. An audit fee of £85,000 (excluding VAT) was charged, and no non-audit work was carried out by the NAO.



The Directors’ Report is signed by David Hughes, Chief Executive and Accounting Officer, on behalf of the EWR Co Board, on 1 December 2025.

# Statement of Directors' and Accounting Officer's Responsibilities

# 5



The Quadrant MK



# 5. Statement of Directors' and Accounting Officer's Responsibilities

## 5.1 Directors' responsibilities under the Companies Act 2006

Company law requires the Directors to prepare financial statements for each financial year.

Directors are required to follow the principles of the Companies Act 2006 and International Financial Reporting Standards. In line with the Framework Document, they are also required to comply with HM Treasury's Financial Reporting Manual (FReM). It should be noted that the FReM is only followed when it does not contradict the CA 2006.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of EWR Co and of its expenditure, financial position and cash flows for the financial year.

In preparing financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards as set under IFRS have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the Going Concern basis, unless it is inappropriate to presume that EWR Co will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose at any time, and with reasonable accuracy, the financial position of EWR Co, and enable them to ensure that the financial statements comply with the CA 2006 and the IFRS. They are also responsible for safeguarding EWR Co's assets and for taking reasonable steps to prevent and detect fraud and other irregularities.

## 5.2 Accounting Officer's responsibilities

Under the Railways Act 1993 (and subsequent amendments), the Secretary of State for Transport has directed EWR Co to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. As an Arm's Length Body (ALB) of the DfT, EWR Co also requires an Accounting Officer (AO) to be appointed. The Permanent Secretary of the DfT has appointed the Chief Executive Officer as AO of EWR Co.

The AO shares, on an individual basis, many of the Directors' responsibilities listed above, as well as being accountable to Parliament for:

- Safeguarding the public funds which have been allocated.
- Ensuring propriety and regularity in the handling of those public funds.
- The day-to-day operations and management of EWR Co.

- Satisfying themselves that the Annual Report and accounts are fair and balanced.
- Applying suitable accounting policies on a consistent basis.
- Taking responsibility for the judgements used in the accounts.
- Complying with the requirements of the FReM including the relevant accounting and disclosure requirements, where this additional disclosure does not conflict with the CA 2006.
- Stating whether applicable accounting standards as set out in the FReM have been followed and disclosing and explaining any material departures in the accounts.

The responsibilities of an AO, including responsibility for the propriety and regularity of the public finances for which the AO is answerable and for safeguarding EWR Co's assets, are set out in Managing Public Money published by HM Treasury.

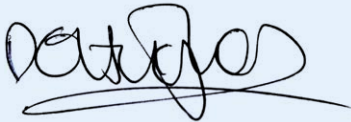
The Governance Statement within this document sets out how these responsibilities have been discharged in the FY 2024-25.

The AO is responsible for signing the financial statements, supported by the Board and the Audit and Risk Committee. They are also responsible for ensuring that proper records are kept, and that the accounts are properly prepared and presented in accordance with CA 2006. The AO also signs the Strategic Report, the Directors' Report, and the People and Remuneration Report, on behalf of the Board following Board approval.

Statement by the Accounting Officer:

I am able to confirm that, as far as the Directors and I are aware, there is no relevant audit information of which the auditors are unaware. The Directors and I have taken all the steps that ought to have been taken to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

I am able to confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that they are fair, balanced and understandable."



David Hughes, CEO

# Governance Statement

6



Oxford





# 6. Governance Statement

## 6.1 The Board and its committees

The Board sets EWR Co’s strategic direction and oversees the management of performance and risk, financial management, planning, and overall governance. It is supported by the Investment Committee, the Audit and Risk Committee, the Remuneration and Nomination Committee, and the Safety, Health and Environment Committee.



Figure 3: Governance Structure



## 6.2 The Board

The role of the EWR Co Board is defined under the terms of the Framework Document agreed between EWR Co and the SoS. The Matters Reserved for the Board explains that the board is responsible for:

- Holding the Company’s executive management team to account for the effective and efficient operation of EWR Co, and in particular its business plans.
- Establishing and taking forward EWR Co’s strategic aims and objectives for delivery of EWR.
- Ensuring that the SoS is kept informed of any changes which are likely to impact on EWR Co’s strategic direction or on the attainability of its targets, and determining the steps needed to deal with such changes.
- Ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the DfT, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board considers guidance issued by the DfT.
- Ensuring that the Board receives and reviews regular financial information concerning the management of EWR Co; is informed in a timely manner about any concerns about the activities of EWR Co; and provides positive assurance to the DfT that appropriate action has been taken on such concerns.
- Demonstrating high standards of corporate governance always, including by using the independent Audit and Risk Committee to help the Board to address key financial and other risks

At the financial year end the Board was composed of nine statutory Directors – the Independent Chair and five independent non-executive directors, the Chief Executive Officer, Chief Strategy Officer and the Chief Financial Officer.

Names of the Board members, the number of Board meetings held, and Board members’ attendances at all Board and Committee are provided in Section 6.6.

Non-executive directors are encouraged to provide constructive challenge, strategic guidance, offer specialist advice, and hold management to account.

## 6.3 The Chair

Neil Sachdev has been the Chair of the Board since 19 April 2021.

Communications between the Board and the SoS normally take place through the Chair, who is responsible for ensuring that policies and actions support the SoS’s (and where relevant, other ministers) wider strategic policies and that EWR Co’s affairs are conducted with probity.

The Chair has the following specific leadership responsibilities under the terms of the Framework Document:

- Formulating EWR Co’s strategy as approved by the Board.
- Ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the SoS or the DfT.
- Promoting the efficient and effective use of staff and other resources.
- Delivering high standards of regularity and probity.
- Representing the views of the Board to the public.
- Reporting annually on performance including that of the Board, supported by feedback, including peer review, to the SoS or as delegated, and to share this with the DfT.

## 6.4 Non-Executive Directors

The Framework Document states that the non-executive directors should be composed of members that have a balance of skills and experience appropriate to directing EWR Co’s business.

The non-executive directors bring valuable skills from the rail, legal, engineering and finance sectors, and collectively have considerable experience in delivering and operating major infrastructure projects.



6.5 Board decision-making

Effective decision making is a critical success factor for EWR Co and the delivery of the Project. Operating in a highly complex stakeholder and regulatory environment, we work within a layered governance hierarchy as expected by Tier 1 Major Programmes within the UK.

These governance arrangements cover two major areas:

- 1. Programmatic governance: referring to decision-making and monitoring of activities related to the delivery of EWR.
- 2. Corporate governance: referring to decision-making and monitoring of other activities associated with the general running of the organisation.

EWR Co incorporates a governance model to fulfil the requirements set out in the Framework Document established between EWR Co and the DfT.

In 2024-25, Standing items at Board meetings typically included:

- Health and safety performance.
- Review of previous minutes and actions.
- Committee updates.
- Forward planning.
- CEO and Executive update (incorporating risk and financial reporting).
- Projects and Programme updates.
- Environmental updates and strategies.

The following principal decisions and key areas of consideration were made during the year:

- Approval of the business plan 2025-2026.
- Approval of strategic scope decisions.
- Approval to commence the third NSC.
- Land and property updates.
- Chief Executive officer recruitment, remuneration and incentives.
- Non-Executive Director recruitment.
- Review of Company reorganisation.
- Review of strategic risks.
- Review and monitor key partner relationships.
- Approval of Delivery Strategy.

6.6 Directors’ attendance at Board and Committee meetings

Attendance of Committee Members	Board (13 meetings convened)	Investment Committee (7 meetings convened)	Remuneration and Nomination Committee (6 meetings convened)	Audit and Risk Committee (4 meetings convened)	Safety, Health and Environment Committee (1 meeting convened)
Neil Sachdev	12/13	6/7			1/1
Anne Baldock	13/13	7/7	6/6	4/4	
Beth West	3/3	1/2			
Dyan Perry	3/5		2/2	2/2	
Lynette Ryals	12/13		6/6	3/ 4	
Simon Murray	6/8	7/7		3/3	
Caroline Botwood	12/13		4/6	3 /4	
Christopher Walton	3/3		1/1	1/1	1/1
Louise Ruppel	2/2				1/1
David Hughes	10/10	5/5	6/6		1/1
Will Gallagher	12/13	2/2			
Sam Turner	12/13	3/3		2/2	

Directors are appraised of all significant proceedings and decisions through timely circulation of board minutes and updates, notwithstanding their absence from meeting.

6.7 Corporate Governance

EWR Co. is a non-departmental public body, and seeks to comply, where possible, with the Corporate Governance in Central Government Departments: Code of Good Practice.

To address best practice corporate governance, EWR Co’s seeks to operate in the spirit of the principles of the UK Corporate Governance 2024 which have been incorporated into the governance model and Terms of Reference for the Board and Committee. It seeks to address the five principles outlined below:

- Board leadership and company purpose.
- Division of responsibilities.
- Composition, succession and evaluation.
- Audit, risk and internal contro.l
- Remuneration.

The terms of reference and composition of the Board have been established to promote the long-term sustainable success of EWR Co, generating value for the shareholder and contributing to wider society. The Board is tasked with establishing EWR Co’s purpose, values and strategy, and does this through engaging closely with the Executive Team and other stakeholders.

## 6.8 Board committees

Appropriate divisions of responsibilities have been applied when establishing the Board and its Committees. The Chair leads the Board and is responsible for its overall effectiveness in directing EWR Co. The Board and Committee compositions have been constituted in line with recommendations from the Code, reflected within appropriate terms of references, which are kept under annual review.

There are four Board sub-committees with advisory or decision-making delegations, as set out in their terms of reference. The number of Committee meetings held the names of Committee members as at 31 March 2025 and Board Committee members' attendances at those meetings are provided on page 31.

### Remuneration and Nomination Committee

This Committee sets the remuneration policies and reviews and advises on EWR Co's remuneration arrangements for staff and senior executives. EWR Co's remuneration policies and practices are designed to promote long-term sustainable success, and the members provide an independent challenge to the Executive Team to ensure these policies are duly implemented, are transparent and appropriate and reflect the DfT's general pay structure.

The Remuneration and Nomination Committee is charged with oversight of succession planning for both the Board and the Executive Team. Succession plans are based on merit and objective criteria promoting diversity. EWR Co Board appointments have, and will continue to be, subject to a formal, rigorous and transparent procedure.

The Chair is Lynette Ryals. Its members are Anne Baldock, Caroline Botwood, Chris Walton and David Hughes. During the period, Neil Sachdev was co-opted as a member for one meeting. Beth West stepped down as a member following her resignation as interim CEO, and Chris Walton and David Hughes were appointed as members of the Committee. An observer from the DfT attends all the meetings.

The Committee considered the following key matters during the year:

- Review and approval of company reorganisation.
- Review of People Plan and employee engagement survey results.
- Review of organisational capability.
- Approval of performance related schemes for Chief Executive and company's employees.
- Review of non-executive director recruitment.
- Succession planning for Board and Executive Team.
- Review of gender pay gap reporting.

### Audit and Risk Committee

This Committee considers and monitors EWR Co's arrangements for risk management, governance and internal control. It is also responsible for validating the integrity of EWR Co's financial statements and Annual Report. Formal and transparent policies are in place across EWR Co to ensure an independent and effective discharge of internal and external audit activities that satisfy the integrity of financial and narrative statements. EWR Co is supported by the NAO and the Government Internal Audit Agency (GIAA) to execute these duties. Controls and policies appropriate to the size and level of maturity of EWR Co are implemented to manage risk in a proportionate manner that enables EWR Co to achieve its long-term strategic objectives.

The Chair is Chris Walton (appointed on 1 December 2024 to replace Anne Baldock.) Its members are Anne Baldock, Caroline Botwood, Louise Ruppel, Lynette Ryals. Sam Turner attends, as a member of the Executive, but is not a member of the Audit and Risk Committee. Dyan Perry and Simon Murray stepped down as members at the end of the tenure as non-executive directors.

The Committee considered the following key matters during the year:

- Approval of the Annual Report for the year ended 31 March 2024.
- Review of Strategic risks and risk appetite statement.
- Approval of annual fraud report.
- Review of Senior Information Risk Owner Report.
- Review of cyber security processes.
- Review of whistleblowing procedures.
- Review of internal audit actions and reports from the GIAA.
- Review of internal control processes.
- Review of Business Continuity planning.



## Investment Committee

This Committee considers major expenditure and investment items in accordance with EWR Co's Procurement Policy and corporate delegations of authority. The Chair is Anne Baldock (appointed on 4 July 2024) to replace Simon Murray. The members of the committee during the period were Simon Murray, Neil Sachdev, Will Gallagher, Sam Turner and David Hughes.

During the period, the Committee provided additional support to the Board and was delegated authority to consider matters within the remit of the Board. The Committee considered the following matters during the year:

- Management of partner contracts including the Technical Partner.
- Supported the Board to progress the Delivery Strategy.
- Oversight of CS1 reports.

Following the outcome of the Board Effectiveness review, the Board agreed to temporarily discontinue the operations of Investment Committee with a view to reviewing its remit and role during the financial year 25-26. The Board were entrusted to consider any matters which would have previously been delegated to the Investment Committee

## Safety, Health and Environment Committee

This Committee is responsible for ensuring EWR Co maintains a safe, healthy and secure working environment across the organisation and complies with relevant statutory requirements. Its primary focus in FY 2023-24 was ensuring that EWR Co were implementing policies and procedures in line with the health and safety plan and considering EWR Co's potential impact on the environment.

During a period of transition of non-executive directors, the Board agreed to temporary discontinue the operations of Safety, Health and Environment Committee. The Board were entrusted to consider any matters which would have previously been delegated to the Safety, Health and Environment Committee.

The Chair is Louise Ruppel. The previous Chair was Dyan Perry. Its members are Neil Sachdev, Chris Walton and David Hughes. Neil Sachdev was appointed as the interim Chair in FY 2024-25, following the end of Dyan Perry's tenure. Louise Ruppel was appointed as the Chair in FY 2024-25. Dyan Perry and Simon Murray stepped down as members at the end of the tenure as non-executive directors.

Following the appointment of Louise Ruppel, the Safety, Health and Environment Committee had recommenced operations.

## 6.9 Management information and quality of data

We reviewed how our management information is processed during the financial year and have ensured that high quality management information continues to be supplied to the executive and board.

At an operational level, our Power BI system remains the source of management information to support the functional teams. The management information and reporting arrangements are regularly reviewed to make the most effective use of our data and technology to better support delivery of the programme.

### 6.10 Board advisors

During the period, the Board appointed two advisors to the Board to provide expert guidance, strategic insight and support to the EWR Co. Board. Simon Murray repositioned from a non-executive role to a board advisory role at the end of his tenure as a Board director for a period of six months. Rob McIntosh was appointed as a Board Advisor on 7 October 2024 for a period of one year. His appointment was subsequently extended from 7 October 2025 to 31 December 2025.

### 6.11 Board evaluation

The Board is also subject to annual evaluation to consider composition, diversity and how effectively members work together to achieve objectives. The Chair oversees and reviews the work of the Board and its members to ensure they are working effectively. An external board effectiveness review was conducted in Q2 and Q3 of 2024-25 by Socia Ltd. The results of the review and action plan was discussed during the November 2024 board meeting. The key recommendations were as follows:

- Resetting governance – the board should take the opportunity for the Board to step back from operations while the Executive Team undergoes changes and set up stable governance arrangements for implementation at the start of the next financial year.
- Clarifying roles and responsibilities – ensure that each part of the Board governance system knows their role and give more 'space' for the executives to lead the business.
- Developing behaviours and cultures – Build collaborative abilities across the whole Board governance system and influence the development the culture across the business
- Reporting progress – effective reporting to enable the Board operation and to raise the Board's profile with stakeholders.

6.12 External audit activity

The C&AG is appointed as the auditor of EWR Co’s financial accounts. EWR Co’s financial audit work and their conclusions are described in the Certificate and Report of the Comptroller and Auditor General.

The C&AG also has statutory audit access rights to report to Parliament at his own discretion on how the Company discharges its functions. The Public Accounts Committee frequently draws on these reports to hold inquiries.

6.13 Internal audit activity

The Board receives independent assurance from the internal audit work carried out by the GIAA. The table below shows the audits undertaken by the GIAA in FY 2024-25 alongside their audit opinions:

Review of:	Opinion
Assurance Framework	Limited
Finance - Forecasting process	Moderate
Review of Technical Partner payment processes	Limited
HR Policies review, including staff performance management	Moderate
Governance – Organisational Structure	Moderate
IR35 review	Limited
Procurement - Lessons Learned	Moderate
Connection Stage 2 - 3 (CS2 & 3) Programme/Project Governance	Moderate
Overall	Moderate

During FY 2024-25 the GIAA also undertook two ‘Advisory’ reviews and two ‘Follow up’ reviews. The GIAA does not provide an opinion on these types of review.

The Advisory reviews were:

- IT Strategy
- Knowledge and information record management

The Follow up reviews were:

- Onboarding of new staff
- (CS1) Programme Governance

The GIAA gave EWR Co an overall Moderate assurance opinion in their annual report for the FY 2024-25. A Moderate assurance is the second highest level of four possible opinions – see table below. This opinion means that some improvements are needed to enhance the effectiveness of the framework of governance, risk management, and control.

Opinion classifications:	
Substantial	The framework of governance, risk management and control is adequate and effective
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail

This opinion represents the sixth successive year in which a Moderate rating has been provided since the company started operations in September 2018. The GIAA did state, however, that in the FY 2024-25 EWR Co annual opinion had shifted towards the lower end of the Moderate assurance scale due to some challenges faced by the Company.

6.14 Risk management

EWR Co takes an enterprise-wide approach to risk management, considering and managing risk at all levels across the Project. The approach is based on International Organisation for Standardisation (ISO) 31000 and it complies with HM Treasury Guidance, Orange Book Risk Control Framework, and the Cabinet Office Framework for the Management of Risk in Government. EWR Co is committed to implementing a risk strategy which adopts risk management best practice and aims to produce an integrated, transparent, and consistent methodology to deliver EWR Co’s objectives.

Risk governance is applied through the existing EWR Co governance structure, shown on page 51, and risk is a standing agenda item at all associated meetings. The EWR Co Board has overall responsibility for risk management on EWR and is responsible for setting EWR Co’s risk appetite.

EWR Co recognises the importance of managing risk in such a complex and uncertain political environment, with a high level of third party and stakeholder interface, engagement, and interaction. Understanding and managing the emerging risks to the Project are key activities which support successful delivery of the planned outcomes. To support this, EWR Co uses specialist risk management tools and resource; and their documented risk management approach, along with the corporate risk appetite, are reviewed and updated on an annual basis as the project develops.

6.15 Risk assessment in 2024-25

During FY 2024-25 EWR Co’s risk management approach has continued to evolve, embedding risk management processes and principles to drive a proactive risk culture and risk management across the business. Cross-business risk activities are in place supporting the capture and ongoing management of risk across all



areas of the business including programme and strategic risks. Risk activities are supported by specialist risk management resource and deployment of best practice risk tools and risk assessment techniques as well as organisation-wide training. EWR Co. uses a 5x5 scoring method for impact and likelihood to determine the level of risk as set out in the Risk Management Framework. This method provides a high, medium and low risk rating which ensures EWR Co. assess their risks in a consistent way and focus resources on the most significant risks to the organisation.

6.16 Identification, mitigation and control of strategic risks

EWR Co uses an Enterprise Risk Management (ERM) Framework to manage risks across the project including delivery risks, strategic risks, inherent business risks such as business disruption, fraud and bribery, and governance and process compliance.


Strategic risks are reviewed at least quarterly by the Executive team and supported by deep dive activities. These risks are reported to the Audit and Risk Committee quarterly, in addition to an annual or six-monthly deep dive.





The table below sets out the strategic risks EWR Co is managing throughout the year, key response measures to manage them, their assessment and risk movement as at year end.




Disclosure within the report:


EWR Co. has undertaken a review of its strategic risk landscape. This reflects standard governance practice to ensure risks remain aligned with evolving leadership priorities, organisational strategy, and external conditions.



Risk Description	Narrative	Key Responses
<div><div>EWR Co's level of agility to respond to changes in the railway industry.</div><div></div></div>	There is a risk that ongoing structural changes within the UK rail industry – particularly the transition from Network Rail (NR) to Great British Rail (GBR) – create uncertainty around roles, responsibilities, and interfaces. This may impact EWR Co.'s ability to plan, coordinate, and deliver effectively at the required level of agility leading to misaligned decision-making, inefficient delivery, and weakened governance or accountability across programme phases.	<div>Progress continues in strengthening cross-industry alignment and mitigating delivery risks associated with industry reform. Key responses include:</div> <div><ul style="list-style-type: none"><li>Continued engagement with Ministers and senior NR stakeholders to promote collaborative, partnership-based working.</li><li>Establishment of a formal EWR–NR Joint Governance Model and associated governance structures is underway to support integrated delivery and accountability.</li><li>Where formal agreements are delayed, escalation pathways to NR and DfT senior leadership have been defined and are being utilised as needed to maintain progress.</li><li>Development of an agile EWR Phased Delivery Strategy is in progress, highlighting EWR Co's added value and ability to adapt to changing strategic contexts.</li><li>Work is underway to establish a cross-industry group involving NR, GBR, Department for Transport (DfT), and Train Operators to ensure aligned planning, shared objectives, and ongoing collaboration</li></ul></div>

Risk Description	Narrative	Key Responses
<div><div>New - political change leading to programme and strategic misalignment</div><div></div></div>	Changes in government, shifting national infrastructure priorities, or constrained public spending may impact the programme. For example, changes in the project's funding profile may result in the imposition of unrealistic schedule on EWR Co. Conversely, EWR Co. may be unable to respond effectively or swiftly to evolving political priorities, leading to strategic misalignment, delivery risk, and stakeholder dissatisfaction.	<div>EWR Co. continues to proactively manage political risk through a combination of established controls and targeted enhancements:</div> <div><ul style="list-style-type: none"><li>Flexible programme planning with sufficient flexibility to respond to evolving political priorities and timelines. Scenario planning is ongoing to test resilience under different political conditions.</li><li>Business Case development and strengthening to ensure it is transparent, evidence-based, and able to withstand political scrutiny. Efforts are also being made to build political resilience into the case by securing cross-party understanding and support.</li><li>Strategic governance and stakeholder engagement to provide clear pathways for escalation and review.</li><li>Enhanced strategic communications to manage stakeholder expectations and clearly articulate programme value. This includes early identification of potential policy shifts through targeted stakeholder monitoring.</li><li>Capability building is being strengthened to improve responsiveness to political developments.</li></ul></div>
<div><div>Unsuccessful DCO Award: EWR's reputation is negatively impacted by the late award of the DCO</div><div></div></div>	There is a risk that EWR Co. may be unsuccessful in securing a timely DCO. This could result from challenges associated with the Habitats Regulations Assessment, opposition from local interest groups regarding the adequacy of cultural heritage mitigation measures, or changes in legislation and planning policy. Failure to secure the DCO in a timely manner could damage EWR Co's reputation and delay programme delivery.	<div><ul style="list-style-type: none"><li>Effective pre-application engagement with Natural England (NE) to confirm that the project will not adversely affect the integrity of Wimpole &amp; Eversden Woods which is a Special Area of Conservation (SAC)</li><li>Effective stakeholders engagement strategy and pre-statutory consultation engagement is being carried out with local authorities, councils, landowners and special interest groups.</li><li>Review the Technical Partners' design as it develops at each gateway, with a formal compliance assessment with the Regulations.</li><li>Engagement with Ministers and Senior Responsible Owner (SRO) to approve Strategic Scope Decisions in a timely manner.</li><li>Ensure sufficient consultation is carried out in order to increase public understanding, meet all legal requirements under the Planning Act, and reduce risk of further consultation or any legal challenges.</li><li>Strengthen the relationship with Planning Inspectorate to understand submission requirements and resource constraints.</li><li>Ensuring sufficient progress on design is made to support delivery of environment and land activities.</li><li>Ensure thorough assurance and approval processes are in place for all deliverables.</li></ul></div>
<div><div>EWR is a high-profile scheme under public scrutiny and could be the target for objection and public hostility at certain locations</div><div></div></div>	Due to the high-profile and potentially controversial nature of the East West Rail scheme, there is a significant risk of public objection, local community hostility, opposition or lack of support from stakeholders. These factors may lead to disruption of planned works, delays to the delivery schedule, increased project costs, reputational damage, and difficulties in securing the necessary consents or approvals.	<div>Efforts are ongoing to strengthen public support for the scheme and mitigate reputational and stakeholder risks through targeted engagement and strategic communications:</div> <div><ul style="list-style-type: none"><li>Continued proactive engagement with local authorities, landowners, and community representatives to build trust and improve local understanding of the scheme's benefits.</li><li>Public advocacy and sentiment monitoring are ongoing to inform messaging and improve perception.</li><li>A refined strategic narrative is being developed for the NSC submission, alongside a more detailed story for use during engagement and formal consultation phases.</li><li>Active monitoring of protester activity and security risks is in place, with response measures and escalation protocols being developed.</li><li>Incident management plans are being developed, including stakeholder briefings and targeted training to ensure safe and effective handling of protestor scenarios and wider community engagement.</li></ul></div> <div>These responses are designed to strengthen community relations, reduce opposition risk, and enhance the scheme's reputation at both local and national levels.</div>
<div><div>Significant health, safety or environment incident</div><div></div></div>	There is a risk of significant health, safety and environment incident resulting in injury to employees, suppliers, or others impacted by EWR Co. activities, loss/damage to asset and/or harm to environment.	<div><ul style="list-style-type: none"><li>The probability of this risk increased from low due to heightened exposure, with more teams operating in the field and increased activity around land access and related discussions in early 2025.</li><li>Creation of The Safe and Secure Journey concept, enhancing cultural maturity of EWR Co. and supply chain communities.</li><li>Appoint the TP as the Principal Designer.</li><li>A Health and Safety (H&amp;S) assessment of GI Principal Contractor activities has been undertaken. EWR Co. is currently reviewing all contractual arrangements and establishing an assurance plan for GI activities.</li><li>Working extensively with EWR engineering, TP engineering, and the TP Survey Management Agent Organisation to embed the EWR minimum Health and Safety Management System (HSMS) requirements into survey activities.</li><li>Targeted training is being delivered to EWR personnel and stakeholders to ensure full understanding and application of HSMS requirements.</li><li>Rigorous assessment and planning for legal and statutory undertakings and the role of EWR in the development and delivery of the scheme. Working with NR to align EWR Safe and Secure activities with NR safety performance expectations.</li><li>Implementation of EWR Co. audit and assurance process for all supply chain undertakings and critical interface activities.</li><li>Technologies are being reviewed to support H&amp;S by Design and reduce risks during construction and operation.</li></ul></div> <div>Working with all stakeholders, the rail industry, and pan industry colleagues to develop and apply leading practice and innovation on key and critical business and HSS risks.</div>

Risk Description	Narrative	Key Responses
<b>Business disruption due to cyber and/or security material breach</b> 	There is a risk that cyber or security material breach will reduce the ability of the company to function effectively. This would lead to significant disruption and delay to short- medium term milestones, reputational damage and additional costs.	<p>The overall cyber risk is currently trending upward, reflecting the broader external threat environment, including recent high-profile cyber-attacks on UK organisations.</p> <p>Despite this external pressure, EWR Co. continues to strengthen its cyber resilience and has made significant progress in improving organisational maturity. EWR Co. also obtained ISO 27001 Certification and implemented dedicated KPI's to monitor and report on maturity progression.</p> <p>The following responses are being deployed to reflect EWR Co's ongoing commitment to proactively manage cyber risk, improve governance and technical controls, and embed a culture of cyber awareness across the organisation.</p> <ul style="list-style-type: none"><li>• Culture: Embedding an information risk awareness mindset into EWR Co's culture by holding cyber briefings in the organisation.</li><li>• People: Equipping EWR's people with the skills to manage information risk now, and in the future (Cyber &amp; IAO Training),</li><li>• Process: Embedding reliable, repeatable &amp; resilient processes to manage EWR Co's information risk,</li><li>• Technology: Improving EWR Co's technical controls to help keep information risk within appetite,</li><li>• Data: Improving information asset management to maximise the value of data though secure sharing,</li><li>• Assurance: Ensuring EWR Co. understands in real-time its information risk &amp; how well it is being managed.</li></ul>
<b>Insufficient EWR capability</b> 	There is a risk that the EWR programme lacks sufficient capability to meet its strategic objectives due to ineffective long-term resource planning, low resource agility, competing programme priorities and challenges in attracting and retaining key talent.	<p>The risk has reduced due to:</p> <ul style="list-style-type: none"><li>• Strengthened senior leadership capability,</li><li>• Targeted review of the organisational structure to optimise alignment with programme objectives, delivery phases, and the risk profile,</li><li>• Leadership development and succession planning programmes are in place to ensure continuity and reduce reliance on individual roles,</li><li>• A Resource Approval Panel has been established to oversee all resourcing and recruitment decisions,</li><li>• The People Strategy, Programme Capability Plan, and Learning &amp; Development (L&amp;D) Strategy have been rolled out to meet organisational needs,</li><li>• Improving EWR Co's technical controls to help keep information security risk within appetite.</li><li>• Undertaking capability reviews, regular audits and assessments of system, and regular engagement through employee engagement surveys.</li></ul>
<b>Supply chain capability, agility and capacity</b> 	Lack of supply chain capability, capacity, or interest to meet the demands of the EWR programme, due to wider industry constraints, inflationary pressures, skilled resource shortages, national & regional supply chain demand and competing multi-phase infrastructure programmes.	<p>The overarching strategy focuses on ensuring supply chain agility, resilience, and alignment with market capacity to support successful programme delivery:</p> <ul style="list-style-type: none"><li>• Appoint a Supply Chain Manager to manage end-to-end supply chain engagement and oversight.</li><li>• Feasibility review of integrated Network Rail–EWR Co. Commercial Strategy.</li><li>• Cross-Government and industry collaboration: Ongoing engagement with DfT, NR, other Arm's Length Bodies, IPA, and the Cross-Industry Forum to share insights and align on market challenges and opportunities.</li><li>• Market intelligence and testing: Leveraging available tools and data sources to enhance understanding of market demand, supplier capability, and supply chain responsiveness across key sectors, as well as testing approach with the market directly.</li><li>• The phased delivery model is being developed as part of a delivery strategy/plan that reflects programme complexity and market capacity.</li><li>• Maintaining the use of Modern Methods of Construction (MMC) to support innovation and efficiency.</li><li>• Forward pipeline visibility: Sharing a rolling 12–18-month pipeline with the market to support supplier readiness, investment planning, and sustained interest in the programme.</li><li>• Supply chain mapping and packaging strategy: Analysing supply chain structure and respective business models to better understand critical dependencies and inform the procurement packaging approach.</li></ul> <p>These mitigations are designed to ensure supply chain readiness, reduce delivery risk, and enhance commercial effectiveness.</p>

Risk Description	Narrative	Key Responses
<b>EWR benefits within the business case are not realised</b> 	There is a risk that the benefits set out in the EWR Co. business case are not realised due to unclear delivery responsibilities, poor service performance, insufficient funding, changing travel behaviours, or inaccurate assumptions. This could result in the delivery of a railway that fails to support the wider growth outcomes (e.g. jobs and housing) and may lead to programme review, redesign, curtailment, or cancellation of parts of the EWR programme.	<p>To enhance the overall business case, EWR Co. is focused on maximising and evidencing the wider economic, social, and regional benefits of the scheme:</p> <ul style="list-style-type: none"><li>• Cross-sector collaboration: Ongoing engagement with Government departments and local authorities to support the delivery of wider public sector benefits aligned with the scheme's objectives.</li><li>• Local Opportunity Plans: EWR Co. is working closely with local authorities to co-develop Local Opportunity Plans. If successfully delivered, these will enhance the business case and generate local value.</li><li>• Economic Benefit Quantification: Work is underway to quantify the scheme's contribution to the wider UK economy, with a focus on productivity, connectivity, and regional growth.</li><li>• Integration with local planning: Collaboration with local planning teams is ensuring that new stations and infrastructure are effectively integrated into surrounding communities, supporting place-making and long-term value.</li><li>• Network Integration: The partnership with NR ensures EWR Co. is well integrated into the wider national rail network, enhancing system-wide connectivity and resilience.</li></ul> <p>These mitigations aim to demonstrate the scheme's strategic value, improve investment confidence, and ensure alignment with broader national and regional policy priorities.</p>

### 6.17 Information assurance and security

We remain appropriately registered with the Information Commissioner’s Office with regards to Data Protection.

### 6.18 Conclusion

EWR Co has continued to mature as an organisation, adapting as programme requirements have changed. As Accounting Officer, I am confident that there is a sound system of internal control that supports the achievement of the Company’s current policies, aims and objectives. In arriving at my conclusion, I have considered the annual audit opinion of the Head of Internal Audit and the management letter of the NAO. This report is for the FY 2024-25 and, in relation to significant Statement of Financial Position events, to the date of signing.



The Governance Statement is signed on behalf of the Board by David Hughes, Chief Executive and Accounting Officer, on 1 December 2025.



# People and Remuneration Report

7



EWR, The Quadrant MK

# 7. People and Remuneration Report

## 7.1 Employee engagement

EWR Co has developed a People Plan that supports EWR Co in meeting its programme objectives by creating an environment where everyone can be their best. Our People Plan is underpinned by five principals of:

- Resource, attract and retain talent, creating an exceptional people experience lifecycle
- Helping people be their best through talent development and strengthening capability
- Creating a workplace for people to belong, activating EDI, wellbeing and engagement
- Developing leaders to unlock leadership capability of high performing teams
- Evolving a data driven People team with clear processes and systems

It is important to gain insights into how our employees feel about working for EWR Co, so we have developed an internal communications plan with a focus on listening to enhance productivity and employee engagement. In FY 2024-25 we invited all employees to participate in a conversation focused on the type of culture we want to build at EWR Co. We used this insight to build our People Plan. We report back to our Remuneration and Nomination Committee on progress against the People Plan activities and our engagement. We conducted an Employee Engagement survey this year. Our survey showed an engagement score of 68.1%. We will continue to run pulse surveys throughout the year to track our improvement on this.

In our continued effort to develop our employee engagement and ensure every voice is heard, we established a new People Forum by a nomination and voting selection process. The People Forum will serve as a platform for open communication between employees and leadership over the coming year.

In the FY 2024-25, we conducted a formal consultation as part of our comprehensive review of organisational structure and capability. This process aimed at ensuring that we make working together as one team easier with clearer structure and clarity on roles, responsibilities and accountabilities. This resulted in a number of redundancies as outlined in section 7.11. We supported all employees through this difficult process, prioritising the wellbeing of our people. Our focus remains on creating a resilient organisation that can adapt to future challenges and is fit for purpose to deliver the EWR programme.

In FY 2024-25 the voluntary turnover rate among permanent and fixed term contract staff was 20.91%. This figure reflects those who chose to leave the organisation and does not include redundancy figures.

The new structure ensures organisational alignment, so that all employees know how their role will contribute to our strategic priorities through individual objectives. To this end, we launched a new approach to performance management through objective setting and quarterly conversations for the year

ahead. In FY 2024-25 we spent £256k on training and development. We also delivered a Manager Development Skills Programme for line managers covering leadership development; equality, diversity, inclusion (EDI); and communication.

In February 2025, we delivered our first 'Beyond Together' event which was a company-wide event aiming to re-connect our employees with our Purpose, Vision, Mission and each other. The feedback for this event was very positive and we plan to run these quarterly in the year ahead to support our 'one team' approach.

## 7.2 Recruitment and retention

One of the key principles of our People Plan is to 'resource, attract and retain talent, creating an exceptional people experience lifecycle'. We leverage technology such as our Applicant Tracking System, Pinpoint, to automate administrative tasks and improve candidate communication. Our presence on LinkedIn enhances our employer brand by showcasing our vacancies alongside important business updates. Diversifying recruitment advertising across multiple platforms and social media channels, helps attract diverse talent, enriching our talent pool and fostering inclusivity and innovation.

We regularly review our compensation to ensure it is in line with equivalent roles in our sector; this supports our efforts to attract and retain talent.

## 7.3 Equality, diversity and inclusion (EDI)

One of the key principles of our People Plan is creating an environment for people to belong, activated by EDI engagement. We shall ensure that they underpin everything people-related across the organisation, in particular:

- Creating an engaging and inclusive environment where people and customers are treated fairly, with respect and without bias.
- Empowering people to contribute openly, share their opinions and ideas, and to grow and develop.
- Embracing diverse cultures, behaviours, and mindsets.

EWR Co delivered EDI training at the management level within the Management Skills Programme. We will be rolling out mandatory EDI training to all EWR employees in the coming year.



7.4 Staff composition

The statistic below shows the percentage of women in senior leadership and other positions. This is based on the 190 (including non-executive directors) at EWR Co on 31 March 2025.

The average overall proportion of female employees has reduced slightly in FY 2024-25 to 39.75% (FY 2023-24: 41.5%). However, we are committed to working towards improving this figure across all levels of the organisation.

The following should be noted:

- Staff composition covers the following categories of EWR Co employees: pay-rolled, agency, secondees.
- Senior leadership comprises the EWR Co Board of Directors and the Executive Team.

Proportion of women	In Senior leadership	Other grades	Overall
As at 31 March 2025	40%	39.74%	39.75%

7.5 Gender pay gap

East West Rail’s gender pay gap data for the snapshot date of 5 April 2024, in compliance with the Government’s gender pay gap reporting requirements, covers 218 permanent and fixed term employees, from a payroll of 235<sup>4</sup>. We want to offer transparency to our staff and the wider public and to hold ourselves to account for eliminating gaps where these have been identified. During the reporting period, our median gender pay gap increased to 26% (FY 2023-24: 20.5%), which means women earn 74p (FY 2023-24: 79p) (rounded) for every £1 that men earn when comparing median hourly pay. When comparing mean (average) hourly pay, women’s mean hourly pay is 16.8% (FY 2023-24: 16%) lower than men’s. We could not establish whether there were ethnic or disability pay gaps as the data was not statistically robust.

7.6 Disability statement

We understand our responsibility to our employees and the wider community to ensure people with disabilities have equal opportunities to join and grow within our organisation.

We are certified as Disability Confident Committed and renewed our commitment in the 2024-25 Financial Year. As part of this commitment, we ensure that:

- Our recruitment process is inclusive and accessible.
- We offer interviews to all disabled people who meet the minimum criteria for the job.
- We anticipate and provide reasonable adjustments as required.
- We support any existing employee who acquires a disability or long-term health condition, enabling people to stay in work.

<sup>4</sup> The data for the snapshot date of 5 April 2025 is due to be published by 4 April 2026 as per the Government’s gender pay gap reporting requirements.

7.7 Statement of Remuneration Policy

The Remuneration and Nomination Committee is required under the Framework Document to comply with HM Treasury guidance relating to staff pay and terms. Chief Secretary to the Treasury approval is required in relation to any remuneration packages above the senior pay approval threshold of £150,000 or any performance related pay arrangements that exceed the threshold of £17,500.

EWR Co is required to apply the Government’s approach to public sector pay policy, to ensure that pay awards are fair to public sector workers and to the taxpayer. In FY2024-25, employees who joined EWR Co before 1 April 2024 received a 5% pay uplift with effect from 1 April 2024. This pay uplift was aligned to the Civil Service pay remit guidance.

In deciding its policy, the Committee assesses where to position EWR Co in respect of remuneration matters relative to other companies and the requirements of the Company’s business and operations.

Our Compensation, Benefits and Rewards Policy is designed to:

- Attract, motivate, and keep great employees who help deliver EWR Co’s mission and strategy.
- Reward strong and sustainable performance.
- Help us make EWR Co. a great place to work.
- Make sure our pay is fair, competitive, and in line with public sector pay guidelines and similar organisations.

## 7.8 Staff cost and numbers (audited)

All values in £000	Direct employees	Other personnel	2024-25	2023-24	2022-23
			Total	Total	Total
Wages and salaries	17,258	3,845	21,103	20,669	17,689
Social security costs	2,044	-	2,044	2,116	1,733
Pension costs	1,870	-	1,870	1,968	1,529
Non-executive director fees	166	-	166	153	168
<b>Total staff costs</b>	<b>21,338</b>	<b>3,845</b>	<b>25,183</b>	<b>24,906</b>	<b>21,119</b>

Average number of people employed* (measured as full-time equivalents)	Direct employees	Other personnel	Total
<b>2024-25</b>	220	16	236
<b>2023-24</b>	237	14	251
<b>2022-23</b>	189	20	209
<b>2021-22</b>	118	50	168

\*Excludes non-executive directors

## 7.9 Fair pay disclosure (audited)

We are required to disclose the relationship between the remuneration of the highest-paid director/employee in our organisation and the lower quartile, median and upper quartile remuneration of our workforce.

The percentage change in salary from the previous financial year in respect of the highest paid director was 0.5%.

The average percentage change in salary from the previous financial year in respect of the employees of the entity taken as a whole was 10.0% (23-24 was -2.2%). This covers all permanent employees, fixed term contract staff, temporary contract staff and secondees. The increase reflects the appointment of more skilled and experienced employees, including the increase in the number of senior appointments.

Total pay and benefits using FTE	2024/25	2023/24
<b>Highest paid director/employee (CEO)*</b>	£210,000	£209,000
<b>75th percentile remuneration</b>	£107,811	£93,712
<b>Median remuneration</b>	£78,750	£70,919
<b>25th percentile remuneration</b>	£60,383	£53,000
<b>Lowest paid employee</b>	£31,500	£27,693
<b>Highest pay : Upper quartile remuneration</b>	1.9	2.2
<b>Highest pay : Median pay remuneration</b>	2.7	2.9
<b>Highest pay : Lower quartile pay remuneration</b>	3.5	3.9

Pay component only using FTE	2024/25	2023/24
<b>Highest paid director/employee (CEO)</b>	£210,000	£209,000
<b>75th percentile pay</b>	£105,411	£93,064
<b>Median pay</b>	£76,926	£70,669
<b>25th percentile pay</b>	£59,325	£53,000
<b>Lowest paid employee</b>	£31,500	£27,693
<b>Highest pay : Upper quartile pay</b>	2.0	2.2
<b>Highest pay : Median pay</b>	2.7	3.0
<b>Highest pay : Lower quartile pay</b>	3.5	3.9

The average salary in the FY 2024-25 was £85,169 (FY 2023-24: £77,396) and the average bonus or performance payment of those paid out was £2,287 (FY 2023-24: £358). The percentage change in bonuses was 540%. This increase arose as a new performance bonus scheme was introduced in 2024-25 to incentivise staff.

## 7.10 Pension entitlements

Employees of EWR Co are eligible to participate in a defined contribution pension scheme, in which the Company matches the employee's contribution on a 2:1 basis, up to a maximum employer contribution of 12%. The pension scheme is managed on the Company's behalf by Royal London. The Employer's contributions for the year were £1.87m (FY 2023-24: £1.96m). Monthly payments, totalling this amount, were made throughout the financial year.

Staff on secondment from the DfT and other Government Departments and agencies are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The scheme is an unfunded defined benefit scheme and liability rests with their employer, not EWR Co.

## 7.11 Payments under statutory redundancy (audited)

38 redundancy packages were paid during FY 2024-25. Total pay outs were £102,770 (FY 2023-24: none). All the redundancy payments were less than £10k.

## 7.12 Payments under compensation schemes – exit packages (audited)

One exit package of £60,000 was paid during FY 2024-25. (FY 2023-24: none).

## 7.13 Directors' remuneration

No Director is involved in deciding his or her own individual remuneration.



### 7.14 Executive Directors (audited)

The Executive Directors’ remuneration has been designed to promote the long-term success of EWR Co. Their respective earnings consisted of a base salary and a defined contribution pension scheme.

Executive Directors’ remuneration		Salary	Pension payments	Total
All figures in £				
David Hughes (the highest paid director) 03/06/2024 - to date	2024-25	175,000 (FTE 210,000)	16,800 (FTE 20,160)	191,800 (FTE 230,160)
	2023-24	n/a	n/a	n/a
Beth West (leaver) 01/04/2022 - 31/07/2024	2024-25	76,499 (FTE 209,000)	8,360 (FTE 25,080)	84,859 (FTE 234,080)
	2023-24	209,000	25,100	234,100
Will Gallagher 18/7/2023 - to date	2024-25	198,450	23,814	222,264
	2023-24	189,900	22,204	212,104
Sam Turner 19/06/2023 - to date	2024-25	284,957 *		284,957*
	2023-24	181,337**		
				181,337**

\* Sam Turner is on secondment from Network Rail. The figure disclosed covers basic salary, Employer’s NI, employer’s pension, healthcare and allowance contribution and VAT. EWR Co is not provided with a breakdown of these costs but is invoiced a single amount. The amount invoiced, and therefore the amount paid and reported above, also includes VAT. EWR Co is unable to recover VAT on the cost of seconded staff.

\*\*2023-24 figure restated to include VAT.

### 7.15 Non-Executive Director fees (audited)

All figures in £	Appointment date	Resignation date	Fees 2024-25	Fees 2023-24	Principal position held elsewhere at 31 March 2025
Neil Sachdev (Chair)	19/04/2021	-	75,000	75,000	Non-Executive Director
	Reappointed on 19/04/2024				
Anne Baldock	01/02/2019	-	19,333	19,200	Non-Executive Director
Dyan Perry	01/02/2019	31/7/2024	6,400 (FTE 19,200)	19,200	Non-Executive Director
Simon Murray	01/02/2019	31/10/2024	11,200 (FTE 19,200)	19,200	Non-Executive Director
Lynette Ryals	01/11/2020 reappointed 31/10/2023	-	20,000	20,000	Deputy Vice Chancellor, Cranfield University
Caroline Botwood	18/9/2023	-			Civil Servant
Christopher Walton	01/12/2024	-	6,667 (FTE 20,000)		Non-Executive Director
Louise Ruppel	06/01/2025	-	4,872 (FTE 20,000)		General Counsel at Barratt Redrow plc

Notes:

1. Levels of remuneration for the Non-Executive Directors (except the Shareholder Nominated Director) are intended to reflect the time commitment and responsibilities of the role. The Shareholder Nominated Director, who is normally a civil servant, is not paid by EWR Co or the Government for their role as a member of the Board.
2. Simon Murray and Dyan Perry’s terms of appointment were extended on 31 January 2024 until 31 July 2024. Simon Murray received a final extension until 31 October 2024. They each received a fee of £19,200 per annum which includes chairing a Committee.
3. Simon Murray was appointed as a Board advisor, following the end of his tenure and received remuneration of £9,600 for the period of 1 November 2024 to 1 May 2025.
4. No Executive Director, or Non-Executive Director received pay related to their performance (a bonus) or any taxable benefits.

### 7.16 Health, Safety and Security (HSS) leadership

The EWR Co Board and Executive Team are collectively responsible for providing HSS leadership across EWR Co and promoting HSS principles. These are described in EWR Co’s Health and Safety Policy and referenced in all supporting processes and procedures which form our Health and Safety Management System (HSMS). EWR Co are committed to the health, safety and security of our employees, partners, supply chain, all our customers and neighbours, and those connected to or affected by our activities, as we strive to provide a safe, healthy and secure environment for everyone. During 2024 we launched our Safe and Secure Cultural and Behavioural Programme, ‘Our Safe and Secure Journey’. Our vision comprises of eight key pillars, enabling our safe and secure journey and everyone engaged by EWR Co has a responsibility to support these key pillars and help us achieve a successful outcome. This all underpins our Safe and Secure strategy and plan.

### 7.17 Health and Safety performance

EWR Co’s core business activities, CS2 and CS3 business operations have not experienced any lost-time or reportable employee or supply-chain related accidents or safety-related incidents to date. The Lost Time Injury Frequency Rate (LTIFR) and Accident Frequency Rate (AFR) remains at zero for core, CS2 and CS3 activities across our office-based operations, site survey activities and external engagement events.

EWR Co’s works during the year have included Ground Investigation, and general site visits by project management teams to site locations, intrusive and non-intrusive ecological and environmental surveys across CS3 and gathering data on CS1 operations with the EWR Alliance and Network Rail.

Network Rail, through the EWR Alliance and CS1 activities, is responsible for the health and safety management of all physical capital delivery works being delivered between Bicester and Bletchley for CS1. We maintain an oversight role for these operations, supporting performance improvement via the owner organisation and EWR Alliance, with ongoing positive and productive engagement, communication and site performance monitoring as part of our ongoing assurance activities.

The EWR Alliance successfully organised a highly effective and visible health and safety programme across its high-risk railway construction operations.

In terms of incidents and accidents the EWR Alliance has reported 0 events under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and 0 lost-time injury events in the period.

EWR Co appointed a Principal Contractor for Ground Investigation works, and works are progressing across a number of sites. No significant events have been reported to date.

We successfully launched a new reporting tool to record ‘Safe and Secure (Close Call)’ reports. This system allows Safe and Secure reports to be completed by all stakeholders including members of the public. The launch of the system has seen a steady increase in reporting of ‘Close Call’ events.

This year has seen the development of our key performance Indicators process and associated dashboard to capture all EWR Co project inputs with a focus on leading indicators to support the Safe and Secure strategy and identify any emerging trends.

### 7.18 Health, safety and security training

As well as launching a series of training events during the period, we have been addressing improvement of competence within EWR Co. We have also been working on developing our competency and training matrix. Key activity areas included:

- Emergency personnel training for office facilities (first aid and fire) for all EWR offices.
- CDM awareness, specifically our Client and Principal Designer duties, with a general induction for all staff, and more specific training for those with duty holder accountability.
- Introduction to Rail Awareness Training
- Safe and Secure Office Induction and our new Safe and Secure Site Induction.

We have taken the opportunity to overhaul and review our approach to health and safety training across all business areas. With a focus on addressing key business risks, individual needs analysis, addressing specific competencies required for key roles, and the identification of key training interventions moving forwards.

### 7.19 Trade union representative

None of the permanent staff were trade union representatives during FY 2024-25, consequently no trade union facility time was undertaken.

### 7.20 Sickness absence data

We recorded a total of 1134 days taken by 129 employees. The number of days absent was mainly due to long-term conditions impacting on a small number of colleagues. We are continuing to monitor our sickness absence data to identify any trends and proactively address them.



## 7.21 Off-payroll appointees

As part of the review of tax arrangements of public sector appointees published by the Chief Secretary to HM Treasury in 2012, public bodies were asked to report on their off-payroll engagements. Data on these appointments are set out below. We ensure compliance with the off-payroll (IR35) working rules by hiring consultants through agencies.

Off-payroll engagements as of 31st March 2025 earning £245 per day or greater.

Table 1	31 March 2025	31 March 2024	31 March 2023	31 March 2022
Number of existing engagements	12	8	18	28
Of which:				
Less than 1 year	10	4	12	19
Between 1 and 2 years at the reporting date	2	2	4	8
Between 2 and 3 years at the reporting date	0	2	2	1
Between 3 and 4 years at the reporting date	0	0		
More than 4 years at the reporting date	0	0		
Total engagement at the reporting date	12	8	18	28

All off-payroll workers engaged at any point between 1st April 2024 – 31st March 2025 earning £245 per day or greater

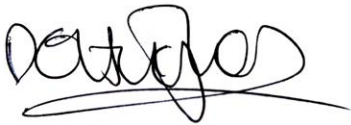
Table 2	2024-25	2023-24	2022-23	2021-22
Number of off-payroll workers engaged between 1st April 2023 – 31 March 2024	20	16	51	118
Of which:				
Number not subject to off-payroll legislation	20	15	51	93
Number subject to off-payroll legislation and determined in scope of IR35	0	1	-	-
Number subject to off-payroll legislation and determined as out of scope of IR35	0	0	-	-
Number of engagements reassessed for compliance or assurance purposes during the year	0	0	-	25
Of which: Number of engagements that saw a change in IR35 status following reassessment	0	0	-	-
Total engagements during the reporting period	20	16	51	118

Off-payroll engagements of board members and/or, senior officials with significant financial responsibility between 1st April 2024 – 31st March 2025

Table 3	2024-25	2023-24* (restated)
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year	0	0
Total number of individuals, including off-payroll engagements, that have been deemed board members, and/or senior officials with significant financial responsibility, during the financial year	12	8
Total engagements during the reporting period	12	8

\* The approach adopted for 2024-25 has changed compared to that used in 2023-24 and for that reason the 2023/24 figures have been amended. The new approach is based on the following:

- Restrict the definition of ‘Senior officials with Significant Financial Responsibility’ to only those staff that are Senior Directors.
- To exclude those Senior Directors that are employed via secondment from a third-party entity
- To include all non-executive directors.



The People and Remuneration Report is signed by David Hughes, Chief Executive and Accounting Officer, on behalf of the EWR Co Board, on 1 December 2025.



# Parliamentary accountability and auditor's report

8



Milton Keynes





# 8. Parliamentary accountability and auditor’s report

## 8.1 Losses and special payments (audited)

Losses may relate to cash and store losses, book-keeping losses, losses arising from a failure to make adequate charge for the use of public property or services, fruitless payments, claims abandoned and fraud. In FY 2024-25 one loss was reported. In FY 2023-24 one loss was reported.

Special payments include extra-contractual, special severance, ex gratia and compensation payments. In FY 2024-25 no special payments were reported. In FY 2023-24, three special payments were made.

Further detail can be found in Note 16 of the Notes to the Financial Statements.

## 8.2 Remote contingent liabilities (audited)

Remote contingent liabilities are potential obligations where the likelihood of a transfer of economic benefit in settlement is judged remote. As a result, they do not meet the IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) criteria for disclosure in the annual accounts but are presented here for transparency purposes.

There were no remote contingent liabilities in FY 2024-25 (nil in FY 2023-24).

Contingent liabilities for which the probability of crystallisation is rated as greater than remote are disclosed in Note 14 to the Financial Statements.

## 8.3 Regularity of expenditure (audited)

All expenditure has complied with the regularity of expenditure requirements set out in HMT guidance.

## 8.4 Government Functional Standards

In 2023-24 EWR Co identified gaps in the delivery of the Government Functional Standards. During the year, progress meetings were scheduled to review performance against the action plans that were agreed and will continue to be progressed in 2025-26.

# Independent Auditor’s Report to the members of East West Railway Company Limited and The Houses of Parliament

## Opinion on financial statements

I have audited the financial statements of East West Railway Company Limited for the year ended 31 March 2025 under the Companies Act 2006.

The financial statements comprise the East West Railway Company Limited’s:

- Statements of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers’ Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the East West Railway Company Limited’s affairs as at 31 March 2025 and its net expenditure for the year for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council’s Revised Ethical Standard 2024. I am independent of the East West Railway Company Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the East West Railway Company Limited’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the East West Railway Company Limited’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Strategic and Directors’ Report, but does not include the financial statements and my auditor’s report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters prescribed by Companies Act 2006

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

## Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the People and Remuneration Report to be audited has been properly prepared in accordance with Companies Act and HM Treasury’s Government Financial Reporting Manual.



## Matters on which I report by exception

In the light of the knowledge and understanding of the East West Railway Company Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the People and Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit;
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer's Responsibilities, the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the East West Railway Company Limited from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report, which includes the People and Remuneration Report, in accordance with the Companies Act 2006; and
- assessing the East West Railway Company Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK))

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the East West Railway Company Limited's accounting policies and performance incentives.
- inquired of management, East West Railway Company Limited's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the East West Railway Company Limited's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the East West Railway Company Limited controls relating to the East West Railway Company Limited's compliance with the Companies Act 2006, Tax legislation, Employment Law and Managing Public Money;
- inquired of management, the East West Railway Company Limited's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud;
  - discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the East West Railway Company Limited for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the East West Railway Company Limited's framework of authority and other legal and regulatory frameworks in which the East West Railway Company Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the East West Railway Company Limited. The key laws and regulations I considered in this context included Companies Act 2006, Managing Public Money, employment law and tax Legislation.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and


I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

### **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.



**Michael Main (Senior Statutory Auditor)**

1 December 2025

For and on behalf of the

**Comptroller and Auditor General (Statutory Auditor)**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP



# Financial Statements

for the year ending  
31 March 2025

9



EWR, The Quadrant MK





Track laying, Bicester-Bletchley

## 9. Financial Statements for the year ending 31 March 2025

### Statement of comprehensive net expenditure

<i>All values in £000s</i>	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>Expenditure</b>			
Staff costs	3	25,183	24,906
Other expenditure	4	99,635	71,421
Depreciation and amortisation	4	995	900
<b>Total Expenditure for the year</b>		125,813	97,227
Finance and other non-cash costs	4	784	(55)
<b>Net Expenditure for the year</b>		126,597	97,172
<b>Comprehensive net expenditure for the year</b>		126,597	97,172

The Notes on pages 97 to 113 form part of these financial statements.



# Statement of financial position

All values in £000s		As at 31 March 2025	As at 31 March 2024
<b>Non-current assets</b>			
Property, plant and equipment	5	193	550
Right of use assets	6	4,600	3,420
Inventory	8	2,872	3,282
<b>Total non-current assets</b>		7,665	7,252
<b>Current assets</b>			
Trade and other receivables	9	3,290	1,568
Cash and cash equivalents		4,186	8,474
<b>Total current assets</b>		7,476	10,042
<b>Total assets</b>		15,141	17,294
<b>Current liabilities</b>			
Trade and other payables	10	(21,461)	(10,881)
Provision	11	(1,050)	(4,203)
Lease liabilities	7	(496)	(1,087)
<b>Total current liabilities</b>		(23,007)	(16,171)
<b>Non-current liabilities</b>			
Lease liabilities	7	(3,988)	(2,380)
<b>Total net assets/ (liabilities)</b>		(11,854)	(1,257)
<b>Taxpayers' equity</b>			
General Reserve		(11,854)	(1,257)
		(11,854)	(1,257)

The Notes on pages 97 to 113 form part of these financial statements.



Signed by David Hughes  
Chief Executive Officer & Accounting Officer  
1 December 2025  
East West Railway Company  
Registered company: 11072935

# Statement of cash flows

All values in £000s		Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>Cash flows from operating activities</b>				
Net Expenditure for the year			(126,597)	(97,172)
<b>Adjustments for non cash items:</b>				
Provisions (released) / provided in year			(650)	2,626
Other			1,779	846*
<b>Adjustments for:</b>				
(Increase) / decrease in trade and other receivables	9		(1,722)	(272)
Increase / (decrease) in trade and other payables	10		10,580	3,891
Use of provisions			(1,729)	(897)
Purchase of inventory	8		(1,014)	(808)
Net cash outflow from operating activities			(119,353)	(91,786)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	5		(92)	(203)
Net cash outflow from investing activities			(92)	(203)
<b>Cash flows from financing activities</b>				
<b>Capital contribution from Shareholder</b>			116,000	98,000
Proceeds from/(repayment of) leasing liabilities	7		(843)	(200)
<b>Net cash inflow from financing activities</b>			115,157	97,800
Net increase / (decrease) in cash and cash equivalents			(4,288)	5,811
Cash and cash equivalents at the beginning of the year			8,474	2,663
<b>Cash and cash equivalents at the end of the year</b>			4,186	8,474

\* Includes £3k of lease interest for Grafton Mews that was previously reported separately in the 2023-24 financial statements.

The Notes on pages 97 to 113 form part of these financial statements.

Statement of changes in Taxpayers’ equity

All values in £000s	General Reserve
Balance at 31 March 2023	(2,085)
Changes in Taxpayers’ equity for 2023-24	
Net operating cost for the year	(97,172)
Capital contribution from Shareholder	98,000
Balance at 31 March 2024	(1,257)
Changes in Taxpayers’ equity for 2024-25	
Net operating cost for the year	(126,597)
Capital contribution from Shareholder	116,000
Balance at 31 March 2025	(11,854)

The General Reserve serves as the chief operating fund. EWR Co. is a private company limited by shares. The Secretary of State for Transport is the registered holder of the single ordinary share, fully paid, with a nominal value of £1. A Share Capital Reserve has not been disclosed in the Statement of changes in Taxpayers’ Equity due to the low value.

The Notes on pages 97 to 113 form part of these financial statements.

Notes to the financial statements

Notes to the financial statements provide additional information required by statute and accounting standards to explain a particular feature of the financial statements. The Notes which follow will also provide explanations and additional disclosure to assist readers’ understanding and interpretation of the financial statements and expand upon the accounting policies in Note 1 below.

General information

East West Railway Company Limited (the Company) is a private company limited by shares (company registration number 11072935), domiciled in the United Kingdom and registered in England and Wales under the CA 2006. The Secretary of State for Transport is the registered holder of the single ordinary share, fully paid. The ultimate controlling party is the Secretary of State for Transport. The Company’s principal activities are to develop proposals, design and build a railway network between Oxford and Cambridge. The Company’s registered office and principal place of business is The Quadrant, Elder Gate, Milton Keynes, United Kingdom, MK9 1EN. The Department for Transport’s (as the parent Department) principal place of business is Great Minster House, 33 Horseferry Road, London, United Kingdom, SW1P 4DR.

These financial statements cover the 12 months to 31 March 2025.

Note 1 - Statement of material accounting policies

This Note sets out the accounting policies that determine the recognition and valuation of material assets, liabilities, income and expenditure. Disclosures of critical judgements, accounting estimates and sources of estimation uncertainty are presented within each accounting policy note.

A) Basis of preparation

These financial statements have been prepared in accordance with the IFRS and the International Financial Reporting Interpretations Committee’s (IFRIC) interpretations, and with the requirements of the CA 2006 applicable to companies reporting under IFRS. As specified in the Framework Document with the DfT, the Company also adopts the interpretations of IFRS and additional disclosure requirements contained in the Government FReM, where these are compatible with the requirements of the CA2006.

Where this framework permits a choice of policy, the accounting policy judged to be most appropriate to the particular circumstances of the Company for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Company are described below and have been applied consistently in dealing with matters considered material to the accounts. The presentation and functional currency is pounds sterling.

B) Going Concern

Directors are content in their view that the Company is a Going Concern. The basis for this can be reviewed in Section 2.10 of the Strategic Report.

C) Measurement convention

These accounts have been prepared under the historical cost convention on a Going Concern basis, except where specific departures, including fair value are described. Historical cost is a measure in which the value of an asset on the Statement of Financial Position is recorded at its original cost when acquired by the company. In subsequent periods, that recorded cost is not updated for any increase in prices, although it may be for falls in value. The basis for the Going Concern can be reviewed in Section 2.10 of the Strategic Report.

D) Estimation techniques

The recognition and valuation of accrued expenditure, where specific information is not available, is based on the Company’s best estimate of the cost. For consultant expenditure, this is based on the Company’s knowledge of time worked and rates agreed in advance. Where invoices differ from the estimates made, the difference is credited back to the relevant service.



## E) Financing

The Company is funded by capital contributions from the DfT, representing the Secretary of State as its sole controlling party. In line with IAS 1, since these contributions are made by the Secretary of State in their capacity as an owner, capital contributions from the Shareholder are presented directly in reserves (equity) rather than as income.

Funding from the DfT is recognised when the cash is received.

## F) Property, plant and equipment

### Recognition:

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the economic benefit, including service potential, associated with the item will flow to the Company and the cost of the item can be measured reliably. Assets are held as assets under construction until the point at which the asset is brought into service.

A capitalisation threshold of £1,000 is applied to all asset classes. Expenditure below this value is charged as an expense in the Statement of Comprehensive Net Expenditure (SoCNE).

Property, plant and equipment is based on the identification of single assets with a threshold value greater than £1,000.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense as incurred.

### Measurement:

Property, plant and equipment, including assets under construction are valued in accordance with IAS 16 Property, Plant and Equipment and initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the same manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located where an obligation to dismantle or remove the asset arises from its acquisition or usage.

Assets are thereafter carried in the Statement of Financial Position using the following measurement basis: all property, plant and equipment are valued on the basis of depreciated historic cost as an approximation of fair value.

### Impairment:

Property, plant and equipment are monitored throughout the year as to whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised in the SoCNE.

Where an impairment loss is subsequently reversed, the reversal is credited in the SoCNE, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation:

Depreciation is provided on all non-current assets, apart from assets under construction, from the date at which they are available for their intended use at rates calculated to write off the cost of each asset (less any estimated residual value) on a straight-line basis over its Useful Economic Life (UEL); see below. Assets that are under construction are not depreciated until such time as they are available for their intended use.

Asset class	Depreciation method	Depreciation rate
Computer equipment	Straight line	36 months
Fixtures and fittings	Straight line	The remaining term of the lease at the point that the assets come into use, or 3-10 years
Right of use (leases)	Straight line	Term of lease

The Company reviews and updates the remaining UEL of all its assets each year. This is the period for which the asset provides economic benefits that will flow to the Company from its use.

### Disposals:

When scrapping or disposing of a property, plant and equipment asset, the carrying amount is written off to the SoCNE and a loss (or gain) is recognised and reported net of any disposal proceeds.

## G) Inventories

EWR Co launched a NTS Property Scheme during FY 2023-24. The NTS Property Scheme allows EWR Co to purchase property which is not directly required for construction. This property is classified in the EWR Co accounts as Inventory, as it is held for resale at the end of the Project. Property from the NTS Property Scheme is recognised as Inventory at the point that a property is accepted onto the scheme.

Inventory should be held in the account at the lower of cost and net realisable value.

Property that has been purchased: Property that has been purchased via the NTS Property Scheme, either in year or in the prior year, was revalued at the Balance Sheet date by way of a desk top valuation by a third party professional valuer.

Property accepted on to the NTS Property Scheme which is yet to be purchased: No properties were accepted on to the NTS Property Scheme in FY 2024-25 which had not completed the conveyancing process by the year end.

One property which had been accepted on to the scheme in 2023-24 but which was yet to complete at the end of 24-25 was revalued based upon three Estate Agent valuations that had been received in year.

Where properties are accepted on to the NTS Property Scheme, a market value is estimated for these properties; they are then recognised in Inventory and a provision is raised.

H) Leases

Scope and classification:

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The Company also applies the Standard to arrangements with Other Government Departments which share accommodation. Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease.

The Company has elected to utilise the exemption provided in IFRS 16 not to apply the full requirements of the Standard for contracts for low-value and short-term leases. These are defined as items costing less than £1,000 when new, provided they are not highly dependent on or integrated with other items; and contracts with a term shorter than twelve months (comprising the non-cancellable period together with any extension options that the Company is reasonably certain to exercise and any termination options that the Company is reasonably certain not to exercise).

Initial recognition:

At the commencement of a lease, the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the payments, net of value added tax, for the remaining lease term (as defined above), discounted either by the rate implicit in the lease, or, where this cannot be determined, the Company’s incremental cost of borrowing. The payments included in the liability are those that are fixed or in-substance fixed, excluding changes arising, for example, from future rent reviews or changes in an index. The Company does not undertake external borrowing and is instead funded annually by the DfT which draws down its funding from the Exchequer. The Company’s incremental borrowing rate is therefore advised by and aligned to HM Treasury’s rate.

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

Subsequent measurement:

The asset is subsequently measured using the fair value model. The Company considers that the cost model is a reasonable proxy for leases of land and property with regular rent reviews.

The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure as follows:

Scenario	Discount rate	Asset or expenditure
Reassessment		
The Company becomes or ceases to be reasonably certain to exercise an extension or termination option, due to a significant event or change in circumstances	Revised	Asset*
The non-cancellable period changes	Revised	Asset*
The amount payable under a residual value guarantee changes	Original	Asset*
There is a movement in an index or rate that will alter the cash flows (except for floating-rate arrangements)	Original	Asset* (with an adjustment to any revaluation surplus where a change in the liability has already been reflected in the value of the asset)
There is a change in the variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred.	Original	Expenditure
Modification		
Other leased assets are included, priced on a standalone basis	New	Asset (this is presented as the creation of new right-of-use assets and lease liabilities, discounted by a new rate)
The scope is decreased	Revised	Asset and Expenditure (the asset is remeasured proportionate to the reduction in scope; any difference between the change in the value of the asset and liability is recognised as a gain or loss)
The lease term is increased	Revised	Asset*
The consideration is changed	Revised	Asset*

\* Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

Lease expenditure:

Expenditure includes interest, straight-line depreciation, any asset impairments and any change in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed.

I) Cash and cash equivalents

Cash and cash equivalents comprise bank balances held with the Government Banking Service.

J) Financial liabilities

Financial liabilities are any contractual obligations to deliver cash or other financial assets to a third-party including trade and other payables (current and non-current). The Company values liabilities initially at fair value: the



transaction value is considered to be the fair value at the date of recognition. Thereafter, where the time value of money is considered to be material, they are held at amortised cost using the effective interest rate to discount cash flows. Derecognition (i.e. removal from the financial statements) occurs when the liability has been settled.

## K) Provisions and contingent liabilities

The Company recognises provisions when it has a legal or constructive obligation arising from a past event, the transfer of economic benefits is probable, and a reasonable estimate can be made of the value of the obligation. Provisions are charged to the SoCNE unless they relate to capital projects. In which case, the provision is added to the assets carrying amount. Where the effect of the time value of money is material, the estimated risk-adjusted cash flows are discounted using the rates set by HM Treasury. When the discount is unwound, the adjustment is recognised as an interest expense. If the amount of a present obligation cannot be estimated reliably, the obligation is disclosed as a contingent liability.

### i) Obligations to purchase land and property: recognition and measurement.

In the FY 2023-24 EWR Co launched a NTS Property Scheme. This Scheme is referred to within the Inventory section of the Accounting Policies in Section G of Note 1.

EWR Co recognises acceptance on to the NTS Property Scheme as a constructive obligating event i.e. the point that a provision would need to be raised under IAS 37. The provision is raised against Inventory and within the Inventory Note this is classified as 'Inventory yet to complete'.

The size of this provision is based on the estimate of property value identified during the NTS Property Scheme application process.

### ii) Legal claims: classification

Legal claims are classified as contingent liabilities or provisions, valued, and presented as current or non-current provisions based on legal and other professional advice.

The Company discloses potential future obligations arising from past obligating events as contingent liabilities, where their existence remains uncertain pending the outcome of future events outside of its control. Contingent liabilities whose likelihood is other than remote are disclosed in Note 14 as required by IAS 37. Remote contingent liabilities are disclosed in the Parliamentary and Accountability Auditor's Report to ensure that Parliament remains aware of all arrangements that may require funding. These include guarantees, indemnities and letters of comfort reported to Parliament in accordance with Managing Public Money. Where the time value of money is material, contingent liabilities are stated at discounted amounts.

## L) Employee benefits

Wages and salaries include gross salaries, performance pay or bonuses, overtime, recruitment and retention allowances, ex-gratia payments and any other taxable allowances or payments, as well as costs relating to agency, temporary and contract staff engaged by the Company on a contract to undertake a project or task.

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

### Performance-related bonuses:

A year end performance bonus was announced to staff prior to the end of 2024-25. The cost was accrued to these accounts, and the bonus was paid to staff at the beginning of 2025-26. This approach aligns to accounting standard IAS 19 Employee Benefits.

### Holiday pay:

Employees of the Company have different holiday leave year end dates based upon their date of employment. As leave is used during the year at different times compared to a straight-line accrual, at 31 March 2025 there is an element of leave that is owed either by the Company to employees or owed by employees to the Company. The cost of leave earned but not taken by employees is recognised in the financial statements.

### Pensions:

The Company's employees may participate in a Stakeholder (defined contribution) pension scheme, which became operational in April 2021. Seconded staff may be members of a scheme operated by their host organisation. The Company's responsibility for seconded staff's pension contributions is limited to the periodic recharge by the host organisation for the cost of the seconded staff's time. As a consequence of these arrangements, pension liabilities do not rest with the Company for seconded staff.

## M) Corporation Tax

The Company is registered for Corporation Tax. Using the tax rates that have been enacted or substantively enacted, the Company has not incurred any tax liability during this reporting period.

## N) Value Added Tax

Many of the activities of the Company are non-business in nature and, for this reason, outside the scope of VAT. The Company is eligible under section 41 (3) of the VAT Act 1994 to recover input VAT which is recovered under an annual HM Treasury Direction. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of noncurrent assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## O) Related party transactions

The Company is sponsored by the DfT, which accordingly is a related party.

P) Critical judgements and sources of estimation uncertainty

The company applies the following significant estimation techniques:

- The recognition and valuation of accrued liabilities for work done by its professional service contractors is based on EWR Co’s best estimates of the work done at the Statement of Financial Position date. The value of work done is certified, invoiced and paid only when all issues regarding the valuation of work done have been resolved to EWR Co’s satisfaction. Accruals are based on EWR Co’s view of application for payment and other information provided by the contractors leading up to certification. When accruing, the Company takes a view on cost of work done, applications for payment, and any disputed costs in measuring the value of works performed at the year-end date.
- As described in Point G above, EWR Co-operates a NTS Property Scheme where property is purchased and held for resale at the end of the Project. A professional valuation of the properties is conducted as at the balance sheet date except for properties that have been purchased in the last quarter of the financial year. The Company has estimated that there was no material change in price between the date of purchase and the balance sheet date for these properties.
- The narrative below Note 7 – Lease Liabilities details how the Rolling Stock lease, which was entered into in April 2022, was deemed to have been rendered onerous as set out in IAS 37.

Q) Grants

Grants are recognised when the event or activity that gives entitlement occurs. For the purposes of the novation of the Rolling Stock agreement with West Midlands Trains, this has been deemed to be the date when the novation agreement was signed in August 2024 and measured at the value of future payments to be made in respect of the grant.

R) Adoption of new Standards

The accounting policies adopted in this set of financial statements are consistent with those set out in the 2023-24 Annual Report and Accounts.

As at the reporting date, several new, but not yet effective, Standards and amendments to existing Standards have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early and no Interpretations have been issued that are applicable and need to be taken into consideration.

Note 2 - Statement of expenditure by operating segment

EWR Co is organised as a single operating segment for financial reporting purposes. This single segment includes all expenditure, assets and liabilities of the Company.

Note 3 - Staff costs

Information on staff numbers, exit packages and other relevant disclosures, is included in the People and Remuneration Report in Section 7.

Staff costs comprise:

All values in £000s	Direct employees	Other personnel	2024-25 Total	2023-24 Total
Wages and salaries	17,258	3,845	21,103	20,669
Social security costs	2,044	-	2,044	2,116
Pension costs	1,870	-	1,870	1,968
Non-executive director fees	166	-	166	153
<b>Total staff costs</b>	<b>21,338</b>	<b>3,845</b>	<b>25,183</b>	<b>24,906</b>

Staff seconded from other entities, together with contract and agency personnel, are shown under ‘Other personnel’. The costs of EWR Co’s Development Phase Partners, which are working alongside EWR Co employees, are included under Professional services in Note 4.

Non-executive director fees do not include employer’s pension contributions

The key management personnel in FY 2024-25 (and in FY 2023-24) were the Chief Executive Officer, the Chief Financial Officer and the Chief Strategy Officer. Full details of their remuneration are included within the People and Remuneration Report in Section 7.



## Note 4 – Other expenditure

<i>All values in £000s</i>	<b>Note</b>	<b>2024-25</b>	<b>2023-24 (restated*)</b>
<b>Non-staff expenditure includes:</b>			
Professional services		88,385	58,176
Consultancy		694	253
Communications and publicity		292	2,921
IT/Comms technology		2,344	2,504
Legal costs		1,295	1,801
Licence & agent fees		1,530	517
Recruitment fees		145	399
Training & education		257	297
Accommodation and office services		676	720
Insurance		229	232
External audit fee**		102	97
Internal audit fee		223	152
Travel & subsistence		124	140
Rolling Stock costs		205	897
Provision expense - Rolling Stock	11	-	1,669
Provision expense - Legal	11	(60)	60
Provision expense - NTS	11	(650)	-
Grant expense		3,445	-
Other costs		399	586
		<b>99,635</b>	<b>71,421</b>
<b>Depreciation</b>			
Depreciation of tangible assets	5	449	614
Depreciation of right of use assets	6	546	286
		<b>995</b>	<b>900</b>
<b>Other non-cash costs</b>			
Lease interest expense	7	169	38
Adjustment of MK Grafton Mews Lease liability		-	(97)
Adjustment of Rolling Stock lease liability		(35)	-
Revaluation of Inventory		650	-
Loss on disposal of fixed assets		-	6
Other (non-cash) costs		-	(2)
		<b>784</b>	<b>(55)</b>
<b>Total other expenditure</b>		<b>101,414</b>	<b>72,266</b>

\* Professional Fees and Consultancy have been restated in line with definitions of each which were issued by Cabinet Office during 2024-25.

\*\* The external audit fee is inclusive of VAT.

## Note 5 – Property, plant and equipment

<i>All values in £000s</i>	<b>Furniture &amp; Fixtures</b>	<b>Information technology</b>	<b>Total</b>
<b>Year ended 31 March 2025</b>			
<b>Cost or valuation</b>			
<b>At 1 April 2024</b>	1,720	1,125	2,845
Additions	70	22	92
Disposals	(1,718)	-	(1,718)
<b>At 31 March 2025</b>	<b>72</b>	<b>1,147</b>	<b>1,219</b>
<b>Depreciation</b>			
<b>At 1 April 2024</b>	1,388	907	2,295
Charged in year	333	116	449
Disposals	(1,718)	-	(1,718)
<b>At 31 March 2025</b>	<b>3</b>	<b>1,023</b>	<b>1,026</b>
<b>Net book value at 31 March 2025</b>	<b>69</b>	<b>124</b>	<b>193</b>
<b>Year ended 31 March 2024</b>			
<b>Cost or valuation</b>			
<b>At 1 April 2023</b>	1,710	946	2,656
Additions	10	193	203
Disposals	-	(14)	(14)
<b>At 31 March 2024</b>	<b>1,720</b>	<b>1,125</b>	<b>2,845</b>
<b>Depreciation</b>			
<b>At 1 April 2023</b>	976	713	1,689
Charged in year	412	202	614
Disposals	-	(8)	(8)
<b>At 31 March 2024</b>	<b>1,388</b>	<b>907</b>	<b>2,295</b>
<b>Net book value at 31 March 2024</b>	<b>332</b>	<b>218</b>	<b>550</b>

Company owns all its property, plant and equipment.

## Note 6 – Rights of use assets

<i>All values in £000s</i>	Rolling Stock	IT Equipment	Office Lease	Total
<b>Year ended 31 March 2025</b>				
<b>Cost or valuation</b>				
At 1 April 2024	3,266	-	892	4,158
Additions	-	38	4,954	4,992
Disposals	(3,266)	-	(891)	(4,157)
<b>At 31 March 2025</b>	-	38	4,955	4,993
<b>Depreciation</b>				
At 1 April 2024	-	-	738	738
Charged in year	-	1	545	546
Disposals	-	-	(891)	(891)
<b>At 31 March 2025</b>	-	1	392	393
<b>Net book value at 31 March 2025</b>	-	37	4,563	4,600
<b>Year ended 31 March 2024</b>			£'000	£'000
<b>Cost or valuation</b>				
At 1 April 2023	-	-	732	732
Additions	3,266	-	-	3,266
Adjustment - MK Grafton Mews	-	-	160	160
<b>At 31 March 2024</b>	3,266	-	892	4,158
<b>Depreciation</b>				
At 1 April 2023	-	-	452	452
Charged in year	-	-	286	286
<b>At 31 March 2024</b>	-	-	738	738
<b>Net book value at 31 March 2024</b>	3,266	-	154	3,420

Rolling Stock and Office Lease disclosures to be found in Note 7 – Lease liabilities.

## Note 7 – Lease liabilities

<i>All values in £000s</i>	Rolling Stock	IT Equipment	Office Lease	As at 31 March 2025	As at 31 March 2024
<b>Amounts falling due</b>					
Not later than one year	-	9	681	690	1,194
Later than one year and not later than five years	-	33	2,285	2,318	2,418
Later than five years	-	-	2,442	2,442	-
	-	42	5,408	5,450	3,612
Less: Unaccrued interest	-	4	963	967	145
<b>Balance at year end</b>	-	38	4,445	4,483	3,467
<b>Of which:</b>					
Current	-	8	488	496	1,087
Non-current	-	30	3,958	3,988	2,380
	-	38	4,446	4,484	3,467
<b>Amounts recognised in expenditure</b>					
Depreciation	-	1	545	546	286
Lease Interest expense	-	-	169	169	38
	-	1	714	715	324
<b>Cash flows</b>					
Interest expense	-	-	-	-	3
Repayments of principle	-	-	843	843	197
	-	-	843	843	200



## Rolling Stock Lease

In April 2022, EWR Co, at the direction of the DfT, entered into a Rolling Stock Lease Agreement with West Midland Trains (WMT). The lease agreement required six units (twelve vehicles) to be made 'available for use'. The intention was for EWR Co to immediately transfer the units to the Train Operating Company for track testing and to operate the initial service.

Although WMT were able to make the vehicles available, EWR Co was unable to receive them at the time as the track was not ready for testing. WMT agreed to hold on to the units, until the Train Operating Company was ready to receive them, as long as EWR met the payment obligations stated in the lease agreement. As a result, the lease agreement was recognised as an onerous contract, in accordance with IAS 37.

In August 2024 a partial novation agreement was signed between WMT, EWR Co. and The Chiltern Railway Co. Ltd. The agreement transferred all the rights, benefits, obligations and liabilities under the Sub-Lease, except for the payment obligations, to The Chiltern Railway Co. Ltd. As a result of the transfer, EWR Co. no longer controlled the assets and the Right of Use asset and lease liabilities under IFRS 16 were derecognised and the future payments were recognised as a capital grant.

## Office Lease

In the first quarter of FY 2024-25, EWR Co entered into a 10-year lease with Network Rail for the lease of office space in The Quadrant, in Milton Keynes.

## Note 8 – Inventory

<i>All values in £000s</i>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Inventories purchased and held in the year		
Inventory	1,822	808
Inventory yet to complete	1,050	2,474
	<b>2,872</b>	<b>3,282</b>

As detailed in Section G of Note 1 Inventory relates to property which was bought via the NTS Property Scheme. EWR Co's intention is to sell these properties at the end of construction.

The 'Inventory yet to complete' figure reflects those properties that have been accepted on to the NTS Property Scheme but are yet to be purchased. This figure can be also identified in the Provisions under Note 11.

## Note 9 - Trade receivables and other current assets

<i>All values in £000s</i>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Amounts falling due within one year</b>		
VAT receivable	278	330
Prepayments	2,995	1,233
Staff travel loans	6	5
Other receivables	11	-
	<b>3,290</b>	<b>1,568</b>

## Note 10 – Trade payables and other current liabilities

<i>All values in £000s</i>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Amounts falling due within one year:</b>		
Trade payables	(1,664)	(217)
Staff costs accrual	(934)	(1,155)
Accruals	(16,445)	(9,509)
Grant payable	(2,418)	-
	<b>(21,461)</b>	<b>(10,881)</b>

## Note 11 - Provision

<i>All values in £000s</i>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Amounts falling due within one year:</b>		
Provision - Rolling Stock	-	(1,669)
Provision for Legal	-	(60)
Provision for NTS - yet to complete	(1,050)	(2,474)
	<b>(1,050)</b>	<b>(4,203)</b>

## NTS Property Scheme provision

The Provision for the NTS Property Scheme reflects those properties that have been accepted on to the Scheme but are yet to be purchased. This figure can be also identified in the Inventory Note 8.

## Note 12 - Financial Instruments

EWR Co has no borrowings and is funded by capital contribution from the DfT.

The Company aims to maintain minimal holdings of cash appropriate to its short-term needs.

**Note 13 – Financial and Capital commitments**

The Company confirms that there were none to disclose as of 31 March 2025.

**Note 14 - Contingent liabilities**

The Company confirms that there were none to disclose as of 31 March 2025.

**Note 15 - Related-party transactions**

The Company is sponsored by the DfT, which is a related party. All of the transactions with the DfT are carried out on an arm’s length basis.

All values in £000s	2024-25	2023-24
<b>Transactions between the Company and DfT</b>		
Capital contribution received from DfT	116,000	98,000
Amounts paid to DfT	-	26
Amounts included in Payables at the end of year	-	-

Other than their remuneration disclosed in Sections 7.14 and 7.15 of the People and Remuneration Report, none of the Board members or key management staff has undertaken any material transactions with the Company or its related parties during the year or the prior year, and no one has a financial interest in the activities of the Company such as to influence their work with the Company.

Transactions between the Company and Network Rail Limited	2024-25	2023-24
<b>Amounts paid to Network Rail</b>	2,766	1,118
<b>Amounts included in Payables at the end of year</b>	29	-

Network Rail is an executive non-departmental public body, sponsored by the Department for Transport and is regarded as a related party.

**Note 16 - Losses and special payments**

Managing public money requires EWR Co to provide a statement showing losses and special payments by value and by type where they exceed £300,000 in total and those that, individually, exceed £300,000.

EWR Co incurred one instance of a loss which met this definition.

**Fruitless Payment (a form of loss):**

The disclosure in Note 7 Lease Liabilities explains that EWR Co entered into a Rolling Stock Lease Agreement, in April 2022, with West Midland Trains (WMT) for 6 units (12 vehicles). This disclosure explains that EWR Co was unable to receive the trains on the agreed date rendering the agreement onerous as described in

IAS 37. EWR Co was required to make payments to WMT for these units, as set out in the Agreement, even though it did not receive any benefit from the use of the units.

The payments that have been made under the Rolling Stock Lease Agreement also meets the definition of a ‘fruitless payments’ as defined in HM Treasury’s Managing Public Money guidance: “a payment which cannot be avoided because the recipient is entitled to it even though nothing of use will be received in return.”

A total fruitless payment of £1,669,149 was incurred in FY 2024-25 (£896,973 in FY 2023-24); £1,337,573 (£718,790 in 2023-24) of lease payments inclusive of VAT and £331,576 (£178,183 in 2023-24) of maintenance costs inclusive of VAT.

**Note 17 – Events after the reporting date**

There are no reportable non-adjusting events after the reporting period.

These financial statements are laid before the Houses of Parliament. The Accounting Officer has authorised these financial statements to be issued on the same day as the signature of the Independent Auditors’ Report.





EWR Bicester-Bletchley

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