

Annual Report and Accounts

For the year ended 31 March 2026

October 2026

East West Railway Company Limited

Annual report and accounts for the year ended 31 March 2026

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



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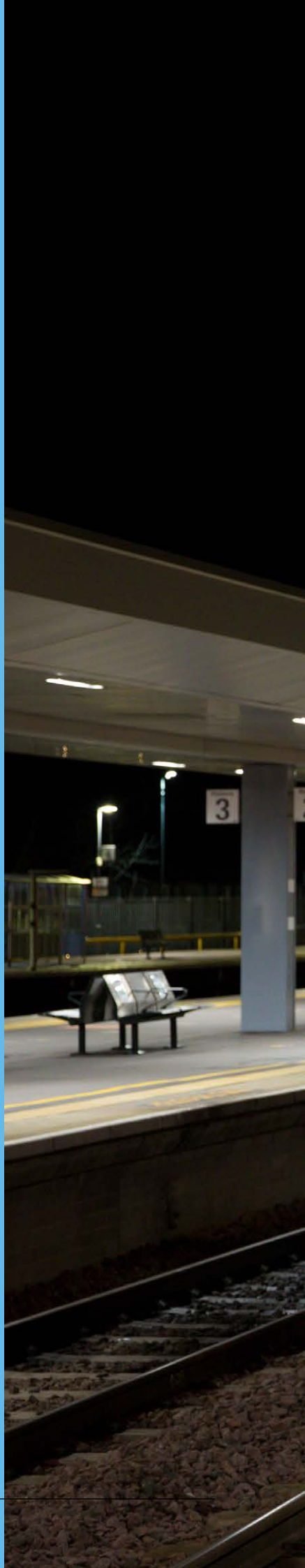
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Introduction

1




Platform



Turning plans into progress

East West Rail is moving from planning towards delivery. Ground investigations and archaeological works are already underway, while our plans continue to develop ahead of Development Consent Order (DCO) submission in 2027. With greater certainty around the route, stations and services, the railway is taking shape.

Our planned phased approach will bring benefits to communities sooner, while keeping us focused on our long-term ambition: creating a railway that improves connections, supports growth and unlocks opportunity across the region and beyond.

1. Introduction

About East West Rail

East West Rail is a once-in-a-generation infrastructure project that will improve connectivity between Oxford, Milton Keynes, Bedford and Cambridge.

By making journeys easier and more reliable, the railway will connect people and communities with jobs, education, businesses and essential services. Bringing people and places closer together, it will open up new opportunities, support more sustainable travel choices and help unlock growth across one of the UK's most important economic regions.

The programme is being delivered in phases so that communities can benefit as early as possible. Infrastructure works between Oxford and Bletchley have been completed by Network Rail, East West Railway Company (EWR Co) and the East West Rail Alliance, with Chiltern Railways preparing to introduce passenger services.

The next phase of the programme will extend the railway from Bletchley to Cambridge. This includes building new railway infrastructure between Bedford and Cambridge, alongside upgrades to the existing railway between Oxford and Bedford. EWR Co is progressing plans for this next stage and preparing to submit a Development Consent Order (DCO) to complete construction of the railway.

About East West Railway Company

East West Railway Company (EWR Co) was established by the Secretary of State for Transport in 2017 to deliver the East West Rail programme. As a non-departmental public body, we are responsible for planning, developing and delivering the railway between Oxford, Milton Keynes, Bedford and Cambridge.

Working with government, industry partners, local authorities and communities, we are bringing together the expertise, partnerships and investment needed to deliver one of the UK's most significant transport infrastructure programmes.

Our role spans every stage of the programme, from developing the railway's design and securing the necessary consents to overseeing construction and supporting the introduction of future services. We are committed to delivering the programme safely, responsibly and efficiently while working closely with communities and industry partners to create a railway that connects people and places, supports sustainable growth and delivers value for taxpayers.

Chair's Statement



Neil Sachdev MBE
Chair

As I conclude my time as Chair of East West Railway Company (EWR Co), I do so with an immense sense of pride in what has been achieved and even greater confidence in what lies ahead. It has been a privilege to work alongside such talented colleagues, committed partners and dedicated suppliers, all united by a shared ambition to deliver infrastructure that will benefit generations to come.

East West Rail (EWR) is far more than a railway. It is a catalyst for economic growth, social mobility and opportunity. It will connect people to better jobs, education and services, unlock new homes, support innovation and strengthen one of the UK's most productive economic regions. Its benefits extend well beyond Oxford and Cambridge, reaching communities across Milton Keynes, Bedford, Luton, Peterborough and beyond, creating stronger connections across the wider region and supporting the long-term prosperity of the UK.

This year, again, has demonstrated what can be achieved through collaboration, disciplined delivery and strong governance. Together with our partners, we have shown that major infrastructure can be delivered safely, efficiently and with careful stewardship of public money. Indeed, the decision by Universal to invest in Bedfordshire is a powerful reminder that world-class infrastructure gives investors the confidence to create jobs, regenerate communities and stimulate economic growth. EWR is already helping to shape the future of this region.

I would also like to recognise the contribution of our board. The addition of new Non-Executive Directors has strengthened our governance through thoughtful challenge, broad experience and unwavering support for the executive team. Together we have remained committed to delivering a railway that is better, simpler and more affordable, without compromising quality, safety or our long-term ambition.

None of this should come at the expense of the communities we serve. We recognise that projects of this scale have a real impact on those living and working along the route, and I want those communities to know that we have listened and will continue to listen. Through consultation and ongoing engagement, we will continue to improve our plans wherever it is practical and responsible to do so.

Listening does not always mean agreeing, but it should always mean understanding, explaining our decisions openly and transparently, and adapting our plans wherever we responsibly can. Equally, we have a duty to protect and enhance the natural environment. Environmental stewardship is not an optional extra; it is fundamental to delivering a railway that future generations can be proud of.

My greatest thanks go to every colleague across EWR Co and to our partners, contractors and suppliers. Your professionalism, resilience and determination have been exceptional. You have remained focused on the long-term prize, even when faced with complex challenges, and your commitment to delivering a railway that will transform lives and communities has been inspiring.

As I leave the Company at the end of my term in 2026/27, I do so with optimism. The case for EWR has never been stronger. We have demonstrated that we can deliver. We now need to maintain that momentum.

Our communities have waited long enough. The country needs the homes, jobs, investment and productivity that this railway will unlock. We must therefore continue to deliver EWR with pace, confidence and discipline, while listening carefully, acting responsibly and protecting the environment we all value.

I leave confident that the Company has the leadership, capability and partnerships to complete this nationally significant railway and create a lasting legacy for future generations. Now is the time to move forward together with purpose, confidence and determination.

Neil Sachdev MBE
Chair

> **“**
>
> **I leave confident that the Company has the leadership, capability and partnerships to complete this nationally significant railway and create a lasting legacy for future generations. Now is the time to move forward together with purpose, confidence and determination.**

A message from our CEO

An introduction from our Chief Executive Officer, David Hughes



David Hughes
CEO

Thank you for your interest in East West Rail.

Over the past year, we have continued to make significant progress towards delivering a railway that will improve connectivity across the region and unlock sustainable economic growth. To help guide the organisation through this stage of the programme, we have remained focused on six strategic priorities: progressing the programme towards key statutory milestones, strengthening the capability, governance and partnerships needed to deliver it successfully, securing the foundations for future delivery, and engaging meaningfully with communities, stakeholders and partners.

At the heart of EWR is our commitment to delivering a safe and reliable railway that will bring benefits far beyond the infrastructure. By improving connectivity across the region, the railway has the potential to support new homes, create access to jobs and opportunities, and help build better-connected communities where people can live, work and thrive.

Despite a changing external environment, we've maintained a clear focus. From responding to changes in planning legislation to adapting our proposals, we have continued to move the programme forward while ensuring the railway remains aligned to the future needs of the region.

A major focus this year has been preparing for the next stage of the planning process. Following our third non-statutory consultation in November 2024, we carefully reviewed the feedback and used it to help shape our developing proposals. In May 2025, we published our NSC3 Update Report, followed by our You Said, We Did report later in the year, demonstrating how consultation responses helped inform more than 80 design updates.

Alongside this, we continued to refine the railway's design, reduce uncertainty and provide greater clarity about our proposals ahead of our planned Development Consent Order (DCO) application in 2027. This progress reflects both the increasing maturity of EWR and the careful consideration given to the views shared through ongoing engagement. It has also enabled us to prepare our most up-to-date proposals ahead of a final route-wide consultation in 2026.

Meaningful engagement has remained central to our approach throughout the year. We know that major infrastructure projects affect people in different ways, and it is important that communities and stakeholders get to see how their views are considered. By listening, explaining our decisions and being transparent about how feedback informs the programme, we've continued to build trust, strengthen relationships and ensure our plans remain rooted in local needs.

The year also demonstrated the strength and resilience of our organisation. Delivering a programme of this scale requires talented people, strong partnerships and the ability to adapt to changing circumstances. Across the business, teams have worked collaboratively to maintain momentum, respond to challenges and continue building the capability needed to deliver the railway successfully.

One example of this was our response to the proposed Universal Resort near Stewartby. While an exciting opportunity for the region, it required us to review aspects of the railway's design and operation to ensure it could support future demand. This included changes to the proposed station location, consideration of more frequent services and longer trains, and ensuring the railway is aligned with the important role it will play in supporting the area's long-term growth.

Changes to planning legislation also required us to adapt our approach. Working closely with Government, partners and stakeholders, we have continued to progress the programme while retaining the principles of engagement and transparency that we believe are essential to infrastructure projects of this scale. As one of the first major schemes expected to progress under the new Planning and Infrastructure Act (PIA), EWR continues to play an important role in shaping how these changes are implemented in practice.

Taken together, the progress made over the past year reflects the dedication of our people, the value of constructive engagement and our commitment to delivering a safe and reliable railway that creates lasting benefits for the region. While there is still much work ahead, we continue to move forward with confidence and purpose, guided by our strategic priorities and a shared ambition to improve connectivity, create opportunities and support sustainable growth across the communities we serve.

David Hughes
CEO

> **At the heart of EWR is our commitment to delivering a safe and reliable railway that will bring benefits far beyond the infrastructure. By improving connectivity across the region, the railway has the potential to support new homes, create access to jobs and opportunities, and help build better-connected communities where people can live, work and thrive.**

The year at a glance

A snapshot of the contents of this report across various key themes.



Community and Stakeholder Engagement

80+ changes made following feedback

£2.5bn Government funding announced through Spending Review 2025

You Said, We Did report published

2027 DCO submission remains on track



Environment

PAS 2080 certified for carbon management

530 archaeological trial trenching visits undertaken

5,303 environmental survey visits completed

Environment Agency appointed as Lead Environmental Regulator



Health & Safety

ZERO Lost Time or RIDDOR incidents

602 Safe & Secure reports raised and closed

RM3 assessment confirmed strong organisational maturity



Our people

46.2% women in senior leadership

18.7% employee turnover, significantly reduced year-on-year

£185k invested in learning and development



Delivering the Programme

84.6% of business plan milestones achieved

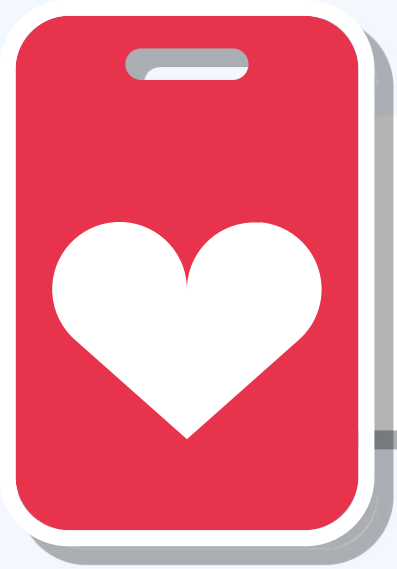
Upgraded plans to suit anticipated future demand

Phased delivery approach agreed to bring benefits sooner

Four new Executive Directors appointed to strengthen delivery capability

Our Values

Our values are the principles that guide how we work together, make decisions and deliver for communities and stakeholders. They help create a culture we're proud of and provide a shared understanding of what great looks like, every day.



Health, Safety and Security Comes First

Health, safety and security comes first in every decision, design and delivery, protecting our people so everyone goes home safe and secure.



Working as One Team

We work together as one team, taking ownership of delivering towards our shared goals.



Learning Together

Every day is an opportunity to learn and grow together.



Delivering with Drive and Purpose

We take responsibility for our actions, plan with purpose, and go beyond, because results matter.



Celebrating Each Other

By recognising each other, we create a culture that brings out our best.

Strategic Report

2





2. Strategic Report

2.1 About East West Railway Company

EWR Co (our Company) drives development and delivery of a new nationally significant railway project – EWR, 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, a new town at Tempsford1, development at Cambourne and Milton Keynes, re-generation at Bedford and connectivity to the Universal Resort at Stewartby. Once delivered, we will hand over the railway, to be operated and maintained as part of the national network.

Our organisational structure is designed to support effective delivery of the programme, with clear functional accountabilities. The organisation is led by the Chief Executive Officer and structured across key business areas including programme delivery, technical, commercial, strategy, railway operations and corporate services. These functions work together to ensure coordinated delivery, with clear reporting lines and governance arrangements underpinning decision-making.

2.2 Our achievements

The past year has been transformative for our Company, with significant progress across the programme and within our organisation.

We have received continued government support, reinforced by the Spending Review announcement in June 2025 and the establishment of the Oxford-Cambridge Growth Corridor initiative which has strengthened our position and sharpened our focus on delivering this vital project. We remain on track to achieve DCO submission by 2027, and this has taken place whilst absorbing major programme changes arising from the Universal Resort and the Planning and Infrastructure Act; a testament to the hard work of the entire team this year.

We published our You Said We Did report, which demonstrated how public feedback had informed design changes following our third non-statutory consultation, and started ground investigation works, providing tangible evidence of progress towards delivering the railway. We updated the public on our new consultation approach and continued working with government to apply best practice, demonstrating our commitment to transparency and learning from other major infrastructure programmes. The government's announcement identifying Tempsford as a location being considered for a new town reflects the impact of our work, while programme changes agreed with government will accelerate benefits through a progressive approach to delivery.

These decisions have significantly reduced uncertainty within the programme. The railway's scope, service pattern, station strategy and delivery approach are now clearer than at any previous point in the project's history. This increased maturity provides a stronger foundation for delivery and reinforces confidence that East West Rail is moving forward with a clear and achievable plan.

1 New Towns Draft Programme - GOV.UK

As an organisation, we introduced hybrid working policies, expanded our office footprint, and launched initiatives such as Learning Week and our Mentoring Scheme, helping to create a more flexible, collaborative and development-focused workplace. We also carried out the Risk Management Maturity Model (RM3) assessment across the business, strengthening our approach to health, safety and security and supporting a positive culture of continuous improvement.

Furthermore, we refreshed our Strategic Framework and introduced new Company Values supported by our People Forum, which has played a vital role throughout the year. Detail of our values can be found on page 17.

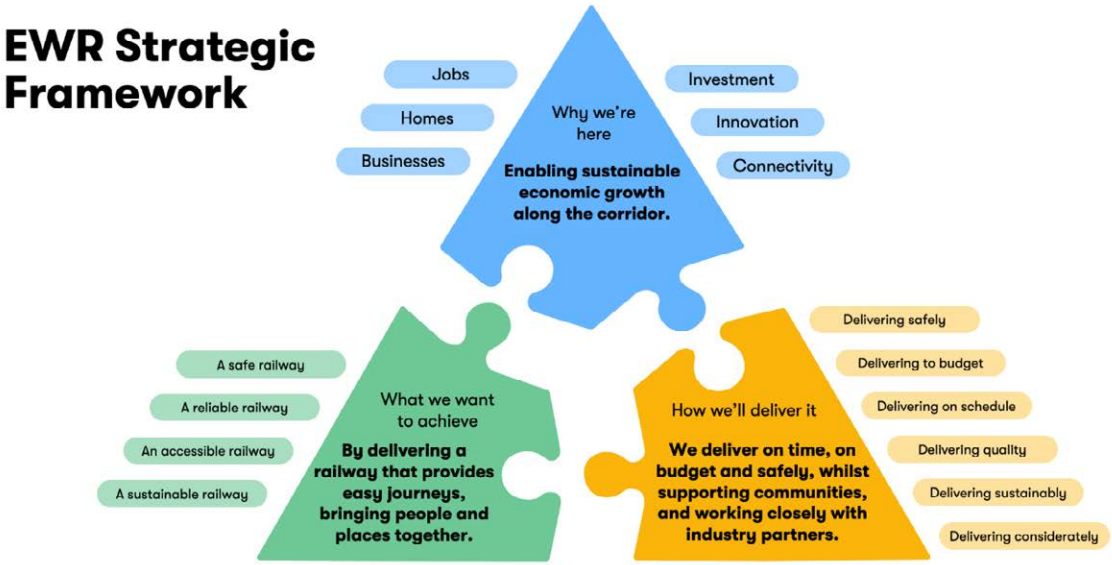


Figure 1: EWR Strategic Framework

Our Strategic Framework summarises the why, what and how of project delivery – as well as how all these elements are important and intrinsically connected.

- **Why we are here** reflects the rationale for the project, it is why the government continues to support the project and helps us keep sighted on why EWR is an enabler for UK growth, not just a railway. East West Rail is not simply connecting places. It is connecting people with opportunity.
- **What we want** to achieve summarises the type of the railway we need to design and build, in order to enable that growth and meet the needs of future customers. Keeping sight of what we want to achieve and how it is anticipated that it will be operated and maintained will help us make better decisions today.
- **How we will deliver it** sets out what we need to ensure we are set up to deliver, as we move closer towards becoming a delivery organisation.

We have a Strategic Framework because it establishes a common purpose and ensures alignment across the organisation, helping to reduce inefficiencies and support effective, timely delivery.

The Strategic Framework is ambitious in scope and delivery, and achieving it will require continued focus, hard work and innovative thinking. As we move from planning to delivery, maintaining the momentum we have built is critical. This is reflected in our refreshed Strategic Priorities for 2026/27: to lock down and deliver the programme, build a high-performing delivery capability, and drive meaningful engagement with external stakeholders.

Key achievements during FY 2025-26 included:

- We agreed a change in delivery approach from Connection Stages to Key Outputs. This means sections of the railway can open as soon as they are ready, enabling benefits to be realised earlier rather than waiting for completion of an entire stage of the programme.
- Confirmation of new and enhanced stations, including Stewartby, Tempsford, Cambridge East (subject to funding), and consolidated Marston Vale Line stations.
- Service planning for a core four trains per hour, with a potential to increase capacity to up to five trains per hour during peak or all-day operation, and the use of longer trains to meet future demand.
- Accelerating benefits delivery by bringing forward passenger, economic and connectivity benefits through phased construction and early station openings.
- We have embedded sustainability into our design, including biodiversity net gain commitments. More information can be found in our Environmental Sustainability Report in section 3.
- Maintaining affordability and value for money, consistent with HM Treasury Green Book guidance, including by refining scope and adopting a phased delivery approach to bring forward benefits and improve cost efficiency.
- Continued investment in design development, consultation, land strategy and commercial preparation.
- EWR Co delivered the largest consultation programme in its history, surpassing all previous engagement rounds combined.

2.3 Our stakeholders

Throughout FY 2025–26, we have continued to prioritise engagement with communities, landowners, local representatives and industry stakeholders as the project has progressed towards final design and a route-wide consultation. Activity during the year focused on maintaining transparency, supporting understanding of emerging proposals, and demonstrating how feedback has informed the development of the scheme.

This builds on the third non-statutory consultation, which ran between November 2024 and January 2025 and received over 6,200 responses, comprising more than 90,000 individual pieces of feedback. This input helped to inform key design decisions and ensure proposals reflected local priorities.

In November 2025, we published the You Said, We Did report, setting out how consultation feedback had been analysed and applied, and highlighting more than 80 changes made to the scheme in response to comments from communities and stakeholders. These updates were supported by a programme of localised design update events held along the Oxford to Cambridge route, providing opportunities for direct engagement with the project team and helping stakeholders understand how feedback had shaped proposals, particularly in areas where community input led to the most significant changes.

Following the end of the reporting period, in April 2026 we launched our final route-wide consultation on updated proposals ahead of the submission of a DCO. The consultation reflects further engagement-led updates, including changes to service frequency, capacity and delivery sequencing in response to forecast demand and emerging development along the route. Feedback from this consultation will continue to inform the final design as East West Rail progresses towards the next stage of consent and delivery.

2.4 Our leadership

We have continued to develop a stable leadership team, a clear forward programme, and a shared understanding with government and stakeholders of our next steps. This progress has been underpinned by investment in our people and organisational capability as we prepare to transition from planning into delivery.

During the year, the Executive Team was further strengthened through the appointment of four new Directors: Jonathan Clear, Chief Financial Officer; Benjamin Rule, Railway Operations Director; Andrew Went, Engineering, Technical and Safety Director; and Kayleigh Spires, Industry Integration Director (secondment from Network Rail). Alongside this, initiatives such as learning and development programmes, and the embedding of new Values have supported a positive culture and clear accountability across the organisation, ensuring our Company is well positioned for the next phase of the project.

2.5 Our performance

This section provides an overview of performance during the year, including progress against objectives, key risks and issues affecting delivery, and alignment with the Company's strategic priorities and outcomes.

Performance was monitored against programme and corporate milestones across six Strategic Priorities, with regular reporting to the Board and the Department for Transport. These priorities were:

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 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.
6. Maintain a broad base of stakeholder and community support for EWR.

Financial performance during the year remained aligned with the Company's business plan and funding settlement, supporting continued delivery of programme objectives.

Performance during the year was delivered within a complex and evolving risk environment. Principal risks included programme complexity, external dependencies and changes in the policy environment. These were actively managed through strengthened governance, enhanced stakeholder engagement, and continued development of delivery strategy and organisational capability. Further detail is provided in the Governance Statement in section 6.

Our activities contribute to the UK's commitment to the UN Sustainable Development Goals, particularly in relation to sustainable infrastructure, economic growth and climate action, and align with wider cross-government priorities relating to economic growth, infrastructure delivery and regional development.

Our strategic priorities and activities are aligned to wider government objectives and are delivered through milestones linked to our Strategic Priorities. Progress against these milestones provides the basis for monitoring performance and ensuring alignment with intended outcomes, including supporting economic growth across the Oxford–Cambridge corridor, improving connectivity, and delivering a safe, reliable and sustainable railway.

Overall, the Company maintained strong progress against key milestones during the year. Performance against business plan milestones remained strong, with 84.6% achieved in-year, exceeding our expectation that approximately 80% of stretching milestones would be delivered. This performance reflects the increasing maturity of the programme, the strength of our delivery capability, and our ability to continue making progress despite significant external change. The Company enters 2026/27 with a clearer programme, stronger delivery foundations and greater confidence in its ability to deliver the next phase of East West Rail.

2.6 Priorities and plans for 2026-27

The coming year marks an important transition for East West Rail. Having demonstrated our ability to deliver, listen and adapt, we are increasingly focused on preparing for construction and delivering the next phase of the railway.

In FY 2026–27, our focus is clear: delivering the programme, strengthening our organisational capability and driving meaningful engagement with our stakeholders. These three priorities reflect our transition from planning and development towards delivery.

They also align with the government's ambition to unlock economic growth across the Oxford–Cambridge Growth Corridor, with East West Rail playing a pivotal role in connecting people, places and opportunities across the region.

The three priorities are shown below;



Figure 2: Strategic Priorities

Looking ahead, we are planning to:

- Complete our final round of consultation and incorporate relevant feedback into design.
- Prepare for DCO submission
- Finalise Outline Business Case elements in parallel with planning processes
- Continue phased enabling works where consents allow
- Strengthen delivery partnerships with Network Rail, local authorities and government bodies
- These activities underpin the Strategic Priorities, which marks a shift from broad option development to execution of defined workstreams.

We will continue to enhance our capability and culture to achieve our ambition to become a high-performing project delivery organisation. Whilst doing so, we will maintain a focus on safety and security in all that we do, and this principle is ingrained in our ways of working.

Clarity about our role as a Company provides a strong foundation for building our relationship with Network Rail. From 2026-27, we will be both sponsored and funded by the Department for Transport through the Rail Network Enhancements Pipeline (RNEP) as we continue our journey towards working closely with the rail industry.

2.7 Key strategic risks facing us

The infrastructure and construction environment continues to present challenges, including inflationary pressures, supply chain constraints, and wider market demand, which are affecting delivery costs and programme certainty. Our key strategic risks relate to maintaining affordability in this context, managing dependencies that may impact delivery timelines, and ensuring that the full benefits of the East West Rail programme are realised.

Additional risks include planning and policy dependencies, evolving rail industry structures, external scrutiny given the programme's high profile, and the need to maintain strong organisational, supply chain and stakeholder alignment.

We keep these risks under careful review, managing them through continued programme development, proactive stakeholder engagement, and close collaboration with government and industry partners. Risks are managed across the organisation from strategic to programme level.

Further information on the identification, mitigation, and control of risks managed during FY 2025–26 can be found in Section 6.16.

2.8 Review of financial performance in FY 2025-26

Our financial performance in the FY 2025-26 is detailed in the financial statements in section 9.

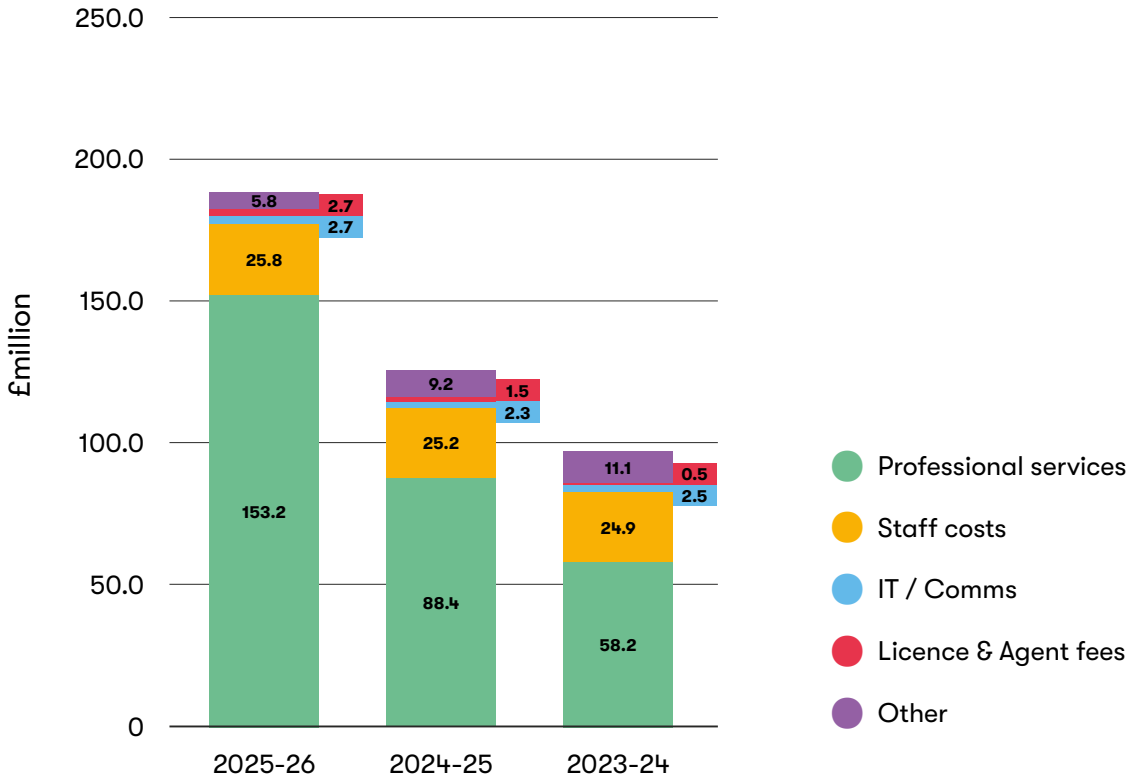
EWR Co. is 100% funded by the DfT, representing the Secretary of State for Transport (SoS), which are EWR Co's sole shareholder. In FY 2025-26 EWR Co. received £195m of capital contributions from the DfT (£116m in 2024-25). Capital contributions are recorded directly in the reserves (equity) rather than as income.

For the FY 2025-26, EWR Co. reported against a resource budget of £190.7m (FY 2024-25: £127.8m) and a capital budget of £1.2m (FY 2024-25: £1.2m). The increase in resource expenditure between the two years is explained by the following: EWR Co. increased its use of Professional Services from £88.4m to £153.2m. This spend was primarily on EWR Co's Development Phase Partners 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 conduct 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 spending was incurred with the Joint Venture in FY 2025-26 as the Technical Partner's scope increased to assist delivery design output in preparation for the DCO.

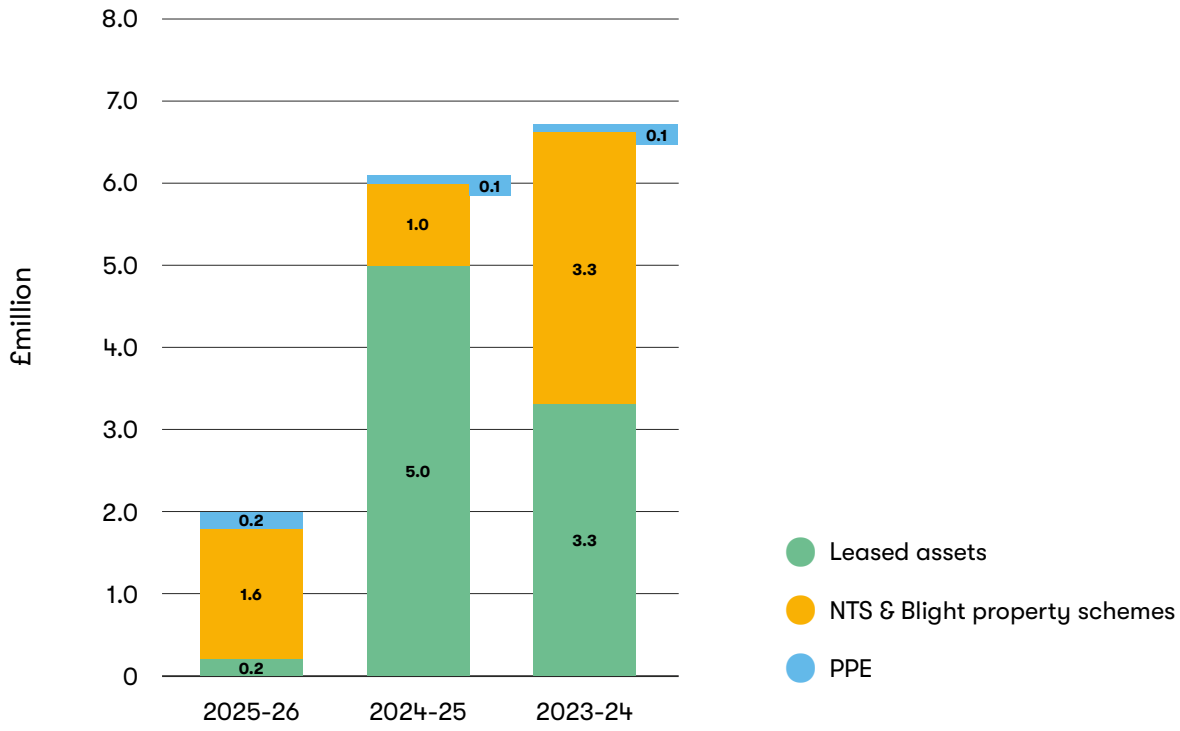
Notes 3 and 4 of the Financial Statements provide a breakdown of expenditure, including the 'Other' costs in the graph on page 29.

Resource expenditure

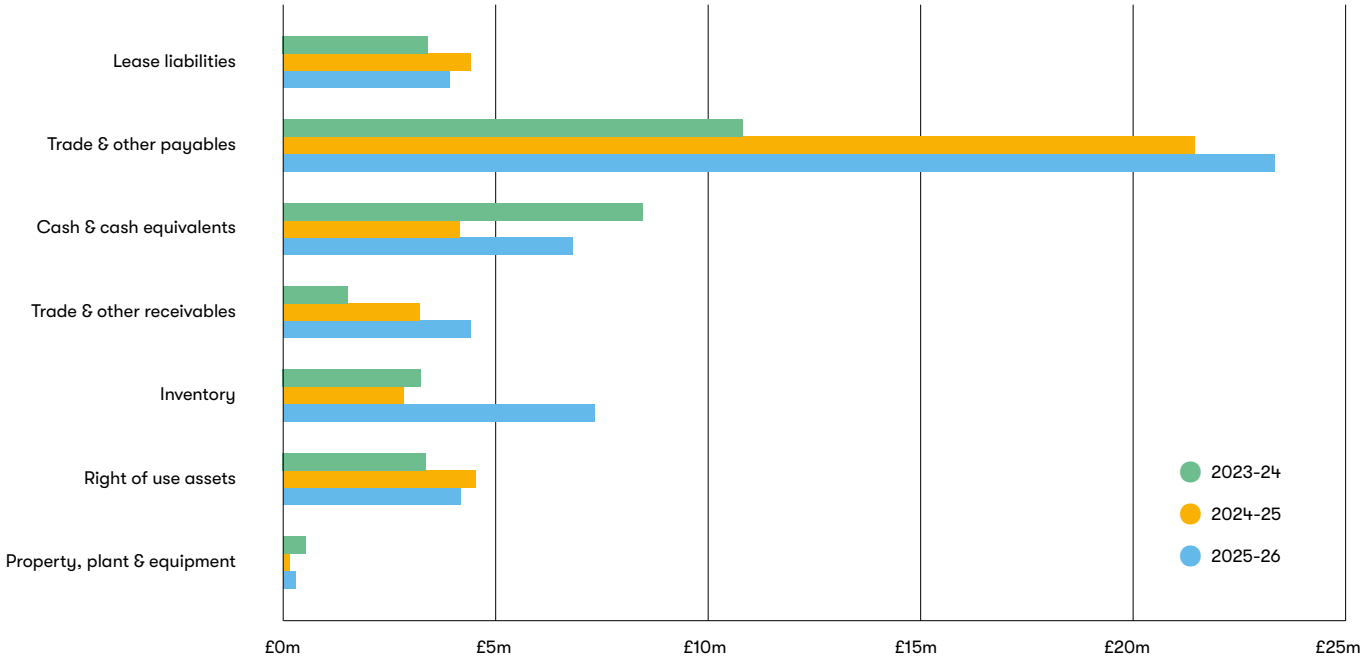


The capital spend in FY 2025–26 included spend on the Blight and Need to Sell (NTS) Property Schemes (which supports eligible property owners who have a compelling reason to sell their property but are unable to do so, other than at a substantially reduced value due to the EWR project), IT-related expenditure, and the office lease at the Quadrant, where the lease is capitalised in accordance with International Financial Reporting Standard (IFRS) 16 Leases. Further details on the capital spend is shown in Notes 5, 6 and 8 of the Financial Statements.

Capital expenditure



Key financial information metrics:



2.9 Non-financial information

Human rights

We recognise that empathy and consideration should be shown to all parties within our supply chain, and that human rights must be respected and protected. As an employer, we are committed to ensuring that no one is subject to exploitation.

We have policies and procedures in place to support compliance with relevant legislation and to protect those who work for, or with, our Company, as well as the communities in which we operate. We will not knowingly do business with any individual, company or organisation that fails to uphold basic human rights standards or that gives our Company cause for concern.

We have adopted procedures designed to prevent modern slavery and human trafficking within our business and supply chains and expect the organisations with whom we do business to adopt and enforce appropriate policies in compliance with all applicable laws and legislation, including the Modern Slavery Act 2015. As the Company enters into larger and more complex contracts, it will continue to review best practice in monitoring its supply chain to provide assurance that everyone involved in the delivery of EWR is treated with 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 our Company and employees also complete mandatory online training annually. Our 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, we have not received any whistleblowing disclosures relating to fraud, bribery or corruption. The Company continues to keep its whistleblowing arrangements under review and believes they remain appropriate and effective for the size and nature of the organisation.

Community engagement

Engaging with communities and stakeholders is central to the successful development of a project the scale and complexity of EWR. Our approach is rooted in understanding local views, providing clear information, and explaining how and why decisions are being made, so people can see how the railway is taking shape and what it means for them.

As the project has progressed, so has the way we engage with people. Alongside keeping communities and stakeholders up to date, we have placed more emphasis on explaining how the railway is developing within its regional context, why certain choices are being considered, and how feedback has influenced our designs. A clear example of this is our You Said, We Did report and the subsequent design update sessions, which showed how feedback was reflected in the designs and created space for open, inperson conversations.

Throughout FY 2025-26, we engaged with communities, local representatives and stakeholders through a mix of events, online engagement and targeted meetings. This included popup events in high footfall locations, design update sessions, and focused engagement with specific communities, stakeholders, local authorities and central government. These activities are supported by our correspondence channels, through which we continue to listen and respond to enquiries, comments and concerns from across the route.

As the project moves towards delivery, our focus is on providing timely and accessible information, building confidence in the process, and helping communities understand what is happening, when and why, and how they can stay involved.

We recognise that uncertainty can be challenging for people affected by major infrastructure projects. During the year, surveys and early preparatory work continued, including ground investigation activity and archaeological trial trenching. We worked closely with landowners and occupiers to explain the purpose of this work, what to expect, and how it supports the development of the railway.

Where designs are still being refined, our teams continue to explain the process clearly, set out what is known at each stage, and provide reassurance where possible. We also adapt how we engage where needed, particularly in locations that benefit from more targeted or location-specific conversations.

Acting on feedback

Following the completion of our third non-statutory consultation (NSC3) in the previous reporting period, FY 2025-26 focused on reviewing, incorporating and communicating the feedback we received. The consultation provided valuable insight into local priorities, concerns and suggestions, helping us better understand what matters most to communities along the route.

Communities and stakeholders were kept informed through the NSC3 Update Report, which shared emerging themes from the consultation, and the You Said, We Did report, which clearly set out how feedback had been taken on board and incorporated into the designs. These reports explained how responses were reviewed alongside environmental, technical and economic assessments, and how they influenced the development of the scheme.

As a result, more than 80 changes were made to the designs, ranging from refinements to local details through to broader considerations around mitigation and impact.

Alongside formal reporting, we continued conversations with communities and stakeholders to talk through what we heard, explain how feedback had been reflected, and provide clarity on why certain decisions were reached. This helped build a shared understanding as the project moved into its next stage.

Targeted engagement on key proposals

In addition to route-wide activity, we undertook targeted engagement on specific proposals where early, focused discussions were particularly important. This included the proposed train maintenance depot at Bletchley West, where we

proactively briefed local communities, elected representatives and local leaders ahead of wider public communication.

This approach helped ensure people heard accurate information and had the opportunity to understand proposals in context and ask questions directly. Engagement included town hall-style events for local communities and briefings with community leaders, supporting informed discussions and clearer expectations.

We recognise that proposals close to home can feel daunting. Our aim is always to have open and honest conversations, explaining the rationale behind proposals and listening carefully to local views as plans develop.

We have also continued targeted, local engagement in key locations along the route, including Bicester, Bedford and South Cambridgeshire, where nuanced considerations benefit from more detailed discussion. This has involved working closely with local authorities and Members of Parliament to better understand community needs and agree appropriate engagement approaches. This local focus supports clearer conversations on complex topics and ensures discussions are grounded in local context.

Local Representative Groups

Engagement with local representatives remains an important part of how EWR works with communities. Local Representative Groups (LRGs) provide a regular forum for sharing information, raising local issues and discussing matters relevant to specific areas along the route.

During the year, the structure of the groups was refined to reflect route sections presented through consultation activity, supporting more focused discussions. Communication between meetings includes briefings, calls and targeted discussions as needed. Insights from these groups help inform project development and strengthen understanding of local context as planning work continues.

Media & content

Alongside direct engagement, we work proactively with local and national media to help explain project updates and key milestones. Coverage through a range of trusted outlets means people can hear about EWR through multiple sources, rather than relying solely on our own channels.

Our communications and content focus on explaining complex and technical information in clear, accessible ways, helping people understand what is happening and why. Media briefings, clear messaging and visual materials all play a role in supporting accurate reporting and informed discussion.

We have also expanded our social media channels to provide communities with quick, accessible updates at the touch of a button. These channels allow us to share clear and easy to understand content, signpost further information, and direct people to the most appropriate engagement or correspondence channels when they want to find out more.

Businesses, industry and academia

Engagement with businesses, industry bodies and academic partners continued throughout FY 2025-26. Through regular meetings and participation in regional networks, we have developed a stronger understanding of how EWR can support sustainable economic growth, skills development and wider regional objectives.

This engagement helps ensure the railway is considered within the broader context of regional planning, innovation and opportunity, supporting collaboration across sectors as the project progresses.

Other information in the public interest

During FY 2025-26, we received and responded to 5,845 enquiries and items of correspondence. Performance against our service standard remained strong, with 100% of responses issued within the 10-working day service level agreement. Four complaints were received during the year. Three related to matters outside the Company's responsibilities, including rail services not operated by EWR Co. One complaint relating to a landowner matter was received and resolved during the reporting period.

During the year, the Company undertook publicity and communications activity to support consultation and stakeholder engagement programmes relating to the development of EWR.

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 Strategic Framework encompasses 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, including decisions relating to organisational design, programme development and stakeholder engagement activities.

During the year, the Board received information and stakeholder insight relating to organisational design, programme development, consultation activity and

environmental matters. This informed decision-making across the Company and supported consideration of employee, stakeholder, community and environmental impacts. Further details are provided throughout the Strategic Report and Governance Statement.

Further information around how the directors have met these requirements can be evidenced in section 6.4

2.10 Going Concern

We have assessed our ability to operate as a Going Concern against the criteria of political support, future funding and long-term decision making:

Throughout FY 2025–26, the EWR project continued to receive strong political backing. The government's Spending Review 2025, presented to Parliament in June 2025, confirmed funding of £2.5 billion to progress delivery of EWR, recognising its role in supporting housing development and unlocking the economic potential of the Oxford to Cambridge Growth Corridor. Further evidence of this ongoing commitment was provided when the Company received cross-government approval to launch a public consultation on 13 April 2026, demonstrating continued support for the advancement of the project.

The Company is funded entirely through capital contributions from the DfT, with funding approved by Parliament. Parliament has approved the Company's budget for FY 2026–27 through the Main Supply Estimates process, providing assurance that the Company has sufficient funding to continue its operations through at least 31 March 2027. In addition, the outcome of Spending Review 2025 provides further confidence in the government's intention to continue funding the project beyond this period, supporting the Company's longer-term financial sustainability. Through the Spending Review, DfT reached a settlement with HMT of £2.5 billion to fund the delivery of EWR up to the 2029-30.

The Company has also continued to make strategic decisions consistent with a long-term operational outlook. During FY 2025–26 and up to the date of signing these financial statements, the Company progressed negotiations for a second long-term office lease, approved a programme of Board succession through the recruitment of new Non-Executive Directors, secured approval to increase its permanent headcount by 50 posts during FY 2026–27, and reached agreement to capitalise project expenditure from 1 April 2026.

Taken together, these actions demonstrate a sustained commitment to the future delivery of the project. Accordingly, management is satisfied that it remains appropriate to prepare the financial statements on a going concern basis and has not identified any material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern.

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 23 October 2026.



“If there’s one piece of advice I would give to women starting their career, it is to not focus on what you look like – your background, your ethnicity, or your physical ability – just really focus on being yourself.”.

Salma, Legal Counsel

CASE STUDY Salma's Story

Salma, Legal Counsel

Salma joined EWR with a strong legal background, having first moved into infrastructure at National Highways. What began as an introduction to large-scale projects quickly grew into a deeper interest in how complex schemes come together. Moving from road to rail offered a fresh perspective – an opportunity to explore a different sector while getting closer to the full legal journey, from planning through to delivery.

That opportunity is what drew her to EWR. It felt like a natural next step, but with new challenges and the chance to get into the detail – supporting decisions that carry real public and organisational responsibility.

Since joining, Salma has become a trusted Legal Counsel during a complex and high-profile period. Known for being thoughtful and reliable, she is committed to getting things right. Her work sits largely behind the scenes, but plays an important role in enabling the safe and successful delivery of the railway – something she is genuinely proud to support.

What motivates her most is the project's wider impact. She's driven by the knowledge that her work contributes to something tangible – connecting communities, creating opportunities and bringing people closer together. For Salma, EWR isn't just infrastructure; it's about making everyday journeys easier, faster and more reliable.

This sense of purpose is reflected in her approach. One of her key strengths is balancing rigour with pragmatism.

She provides clear, well-considered advice in complex situations, supporting confident, informed decision-making. Her focus is on ensuring outcomes are fair, practical and aligned with both organisational priorities and the communities EWR serves.

> ***"EWR isn't just infrastructure; it's about making everyday journeys easier, faster and more reliable."***

Alongside her legal role, Salma is an active voice in equality, diversity and inclusion. She shares her perspective as a Muslim woman in rail, helping to build understanding and foster a more inclusive culture.

Through this, she contributes not only to a stronger working environment, but to more balanced and thoughtful decision-making across the organisation.

"If there's one piece of advice I would give to women starting their career, it is to not focus on what you look like – your background, your ethnicity, or your physical ability – just really focus on being yourself."

For more information on careers at East West Rail, visit **careers.eastwestrail.co.uk**

Sustainability Report

3





3. Sustainability Report

Sustainability is integral to how the project is delivered and how long-term value is created. There is a clear recognition of the importance of managing environmental impacts, including climate change, and embedding sustainability considerations into strategy, decision-making, and day-to-day operations.

The approach to sustainability across the business includes identifying and addressing climate-related risks and opportunities, alongside monitoring performance through established governance and assurance processes.

EWR. Co prepares climate-related disclosures in alignment with HM Treasury Sustainability Reporting Guidance. While EWR is not subject to the FCA's Task Force on Climate-related Financial Disclosures (TCFD) requirements for listed companies, the Company's annual reporting, including Greening Government Commitments reporting, incorporates TCFD-aligned disclosures covering governance, strategy, risk management, and metrics and targets, consistent with HM Treasury guidance.

Our Environmental Sustainability Strategy provides the framework for embedding environmental considerations across the programme and is structured around six sustainability pillars, described in Section 3.2. During FY 2025-26, we continued to deliver against these ambitions and made significant progress in a number of key areas.

3.1 Overview

EWR is being designed and developed in a manner that balances the needs of those who will use and benefit from the new railway with the protection and enhancement of communities and the natural environment. Environmental sustainability and climate-related matters are embedded within the Company's governance framework, with oversight provided through governance forums and assurance processes to support robust decision-making and effective management of related risks and opportunities.

In this phase of development, our focus has been on enabling a railway that will deliver on our Strategic Framework, which is defined through our Environmental Sustainability Strategy.

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.

During FY 2025-26, 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 EWR will serve.

This includes:

- **Delivered our Environmental Sustainability Strategy** – Following the external launch of our Environmental Sustainability Strategy during FY 2025-26, we delivered against its ambitions and objectives. Progress was monitored and reported through EWR Co's governance and decision-making framework.
- **Progressed project development and consultation preparation** – We progressed design development, environmental assessment and stakeholder engagement activities in preparation for the 2026 public consultation.
- **Achieved PAS 2080 certification** – We achieved PAS 2080 certification, a significant milestone demonstrating the project's commitment to effective carbon management and sustainability, while meeting a key DfT sponsor requirement.
- **Appointed a Lead Environmental Regulator for EWR Co** – The Environment Agency was appointed as Lead Environmental Regulator, giving our project a single point of coordination for environmental advice and approvals.
- **Prepared for delivery** – We embedded our environmental sustainability ambitions in our delivery approach, drawing lessons from other major projects to identify cost-effective ways of delivering sustainability while ensuring that early works, such as ground investigation, are delivered sustainably.
- **Completed further surveys** – 5,303 survey visits were completed during FY 2025-26 supporting us to better understand the condition of the environment and avoid and minimise our impact.
- **Commenced Archaeological Trial Trenching** – 530 site visits were completed during FY 2025-26 supporting the DCO process by understanding the historic environment and informing appropriate mitigation prior to construction.
- **Embedded sustainable procurement and delivery principles** – We embedded sustainability considerations within the evolving delivery and commercial strategies to support sustainable outcomes throughout the programme lifecycle.
- **Strengthened environmental sustainability governance** – Environmental sustainability and climate-related matters are embedded within organisational governance structures, with oversight provided through internal governance forums and assurance processes to support effective decision-making.
- **Integrated sustainability performance into our assurance framework** – We have integrated 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. These stage gates align with project and programme gateway reviews, ensuring sustainability considerations are embedded in assurance processes across the project lifecycle.

3.2 Our Environmental Sustainability Strategy

Environmental sustainability remains a key consideration in the development of EWR, shaping how we design, assess and deliver the railway. Our Environmental Sustainability Strategy provides the framework for this approach, and is structured around six sustainability pillars that guide decision making across the programme.

During FY 2025-26, we continued to apply these principles across the project, helping to identify opportunities to enhance the natural environment, support communities and create positive outcomes for future railway users.



Figure 3: Environmental Sustainability Strategy Pillars

Natural environment

Building on the work undertaken by the East West Rail Alliance, we remain committed to delivering a minimum 10% Biodiversity Net Gain (BNG) across the project. This includes consideration of natural capital accounting and other approaches to help demonstrate and maximise the value of the project's natural environment outcomes.

Collaboration with stakeholders continues to play an important role in shaping our approach. Through engagement with communities, local authorities, environmental organisations and our BNG Forum, we seek opportunities to secure lasting environmental enhancements and maximise wider community benefits. This collaborative approach supports the development of a railway that contributes positively to the natural environment, including soil and agricultural resources.

During the year, the Environment Agency was appointed as Lead Environmental Regulator for the EWR programme. This provides a single point of coordination for environmental advice and approvals, helping to streamline engagement with regulators and support a more joined-up approach to environmental management across the project.

Carbon

Reducing whole life carbon emissions remains a key consideration in the development of EWR. We continue to refine our approach to delivering net zero carbon outcomes in line with government policy, carbon budgets and industry standards. Given the scale and complexity of major infrastructure projects, defining an appropriate net zero carbon pathway requires detailed analysis, stakeholder engagement and consideration of a wide range of factors to establish ambitious yet achievable targets.

During the year, the Company achieved PAS 2080 certification, the UK standard for whole life carbon management in infrastructure. This demonstrates that robust carbon management practices are embedded across the business and provides a strong foundation for extending these requirements through future supply chain procurement activities.

To further support our carbon ambitions, we signed up to the Construction Leadership Council's Five Client Carbon Commitments. By doing so, we have committed to working with industry partners to increase the use of lower-carbon materials, phase out fossil fuel use on construction sites, incorporate carbon reduction into procurement decisions and maintain our PAS 2080 certification, supporting wider industry efforts to achieve net zero.

The Five Client Carbon Commitments are:

Carbon commitments	Definition	Our Goal
Procure for low carbon construction and provide incentives in our contracts	Low carbon included in criteria to award contacts and incentivised to help ensure our supply chain are chosen and rewarded for reducing carbon.	2026
Set phase out dates for fossil fuel use	Sets the dates by which our construction sites will stop using diesel and other fossil fuels. EWR Co aims to achieve this by 2027 (grade D); by 2030 (grade C); by 2032 (grade B), by 2034 (grade A).	2027
Eliminate the most carbon intensive concrete products	Commits to switching to lower-carbon forms of concrete by specific dates on a sliding scale. EWR Co aims to achieve this by 2027 (grade D concrete), by 2031 (grade C).	2027
Eliminate the most carbon intensive steel products	Commits to phasing out high carbon steel and using greener steel carbon products by specific dates on a sliding scale. EWR Co aims to achieve this by 2027 (grade F steel); by 2029 (grade E); by 2032 (grade D).	2027-2032
Adopt PAS 2080, Carbon Management in Infrastructure, as a common standard	Sets a date by which we will achieve independent verification of our carbon management system to the PAS 2080 standard.	Achieved March 2026

Climate resilience

Climate resilience remains a core element of EWR's design and development. We continue to consider climate adaptation as the project develops, supporting the delivery of infrastructure that is capable of responding to future climate conditions.

This includes ongoing work to assess climate-related risks, particularly flood risk, and to identify appropriate mitigation and adaptation measures. Through continued collaboration with the Environment Agency, we are using flood modelling and other technical assessments to inform project development and support the protection of surrounding communities.

In addition to flood resilience, EWR Co. is considering the potential impacts of increasing temperatures, prolonged dry periods and more frequent extreme

weather events on the future railway. These considerations are being explored through design development and technical assessments to help inform future decisions as the project progresses.

Risk Management

Climate-related risks, including physical risks such as flooding, are identified and assessed through environmental and design processes and are integrated into project planning, environmental assessment, and decision-making frameworks.

Circular economy

Circular economy principles continue to be embedded within EWR's design approach through our sustainable-by-design framework. This helps to optimise the use of materials and resources, reduce waste generation and promote efficient design solutions throughout project development.

During the year, we continued to engage with design teams through targeted workshops to identify opportunities to improve material efficiency and support the application of circular economy principles across the programme.

Historic environment and landscape

We are planning 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 brings together landscape and historic environment specialists with engineers to identify opportunities to enhance and integrate new infrastructure into existing landscapes, while minimising potential impacts on heritage assets and the wider historic environment.

During the year, we commenced a programme of archaeological trial trenching along the route to identify, characterise and better understand the significance of the buried archaeological resource. Alongside the extensive geophysical surveys already carried out by the project, trial trenching is essential to help locate significant archaeological deposits early, ensuring that the project can protect sites through the design process or carefully plan investigations to record them.

This year the Historic Environment Advisory Board (HEAB) was established, bringing together experts from our key stakeholders and the academic community, to provide independent strategic advice on the historic environment. Similar boards have been used successfully on other major projects such as the A303 and the Lower Thames Crossing, with our approach closely supported by Historic England.

Collaboration between EWR Co. and Historic England resulted in a 4,000-year-old Bronze Age cemetery at Money Hill in Cambridgeshire being designated as a Scheduled Monument.

The decision to formally recognise this important site followed archaeological surveys carried out by EWR Co, which revealed six previously unknown barrows, bringing the total number at the site to eleven. This nationally significant site is being protected through carefully designed proposals, providing a clear example of how heritage and development can coexist.

We have launched the Historic Environment Hub on our website, creating a central place for sharing heritage related news, upcoming events, and archaeological discoveries. This platform will continue to develop over time, helping communities to keep informed about the project's evolving Historic Environment programme.

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 the NSC3 has helped shape our design and address concerns from communities.

In addition, EWR is developing a code of construction practice which will set out measures that will be applied during construction to control and manage impacts on the community, this will be a key controlling document within the DCO to be complied with by contractors working for EWR Co.

Building Research Establishment Environmental Assessment Method (BREEAM)

In preparation for our DCO application, we are developing a number of environmental reports in accordance with the Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 and other relevant legislation and emerging planning reforms. These reports play a crucial role in informing our Environmental Impact Assessment (EIA), supporting stakeholder engagement and enabling informed decision-making:

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

The project monitored the progression of the PIB and considered its implications for the consenting process for Nationally Significant Infrastructure Projects (NSIPs). In anticipation of the reforms to pre-application consultation requirements, a standalone Preliminary Environmental Information Report (PEIR) was not prepared. Instead, environmental information relating to the design changes presented as part of the 2026 consultation was provided to support stakeholder understanding of the potential environmental effects of the updated proposals and to inform feedback on those changes.

The Environmental Statement remains a key component of the DCO application, and the project has maintained a strong focus on proportionate, high-quality environmental assessment and effective stakeholder engagement. This has included regular Environmental Engagement Forums with regulators and statutory stakeholders, alongside the appointment of a Lead Environment Regulator to support the identification and resolution of key environmental issues as the Environmental Statement progresses.

Potential impacts have been assessed throughout the design and environmental assessment process, and the scheme has been refined where appropriate to minimise effects and respond to local circumstances. This approach aligns with the principles of Defra's Rural Proofing Guidance.

3.3 Estates and facilities reporting

We manage our estates and business travel activities in line with the principles of the Greening Government Commitments (GGC). The GGC provide a framework for reducing operational emissions, resource consumption and waste, while also promoting transparent reporting on sustainable procurement and wider sustainability priorities, including biodiversity and climate adaptation.

Carbon Emissions

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

*2025-26 emissions have been calculated using the revised Greening Government Commitments reporting methodology. As a result, figures may not be directly comparable with prior years.

			2023-24	2024-25	2025-26
Gross emissions	Scope 1 Direct emissions	tonnes CO2e	-	-	-
	Scope 2 Indirect emissions	tonnes CO2e	22.86	28.0	6.63
	Scope 3 Business travel emissions	tonnes CO2e	14.11	23.3	18.59
	Total emissions	tonnes CO2e	36.97	51.3	25.22*
Related consumption data	Estates electricity	kWh	110,420	120,309	130,944
	Electricity usage per person	kWh/FTE	457	661	684
	Private & hire car usage	Road miles	19,035	25,652	18,753
	Rail	km	145,264	175,484	220,363
	Air Travel	miles	6587	7,373	24,670
Financial indicators	Electricity utility costs	£000	17	18	25
	Business travel costs	£000	27	93	94

Table 2: Carbon emissions for office and business travel

*Greenhouse gas emissions have been calculated in accordance with the Greening Government Commitments reporting methodology and the UK government greenhouse gas conversion factors for company reporting.

All reported energy consumption and greenhouse gas emissions relate to activities undertaken within the United Kingdom. The Company has no offshore operations.

Air travel increased during FY 2025-26 due to a small number of domestic and international business trips, including attendance at a major international rail industry conference. The conference provided opportunities to engage with industry leaders and gain insights from comparable railway and infrastructure programmes, supporting the Company's approach to the development and delivery of EWR.

Carbon intensity ratio

The Company's carbon intensity ratio for 2025-26 was 0.13 tonnes CO^2e per FTE employee (2024-25: 0.22 tonnes CO^2e per FTE employee), calculated using total reported greenhouse gas emissions divided by the average number of FTE employees during the year.

Waste Data and Water consumption

EWR Co. is based within Network Rail's head office, The Quadrant:MK. Due to limitations in Network Rail's utility and waste reporting systems, it is not currently possible to separately identify EWR Co.'s water consumption and waste generation. Consequently, EWR Co.'s water and waste data are included within Network Rail's Annual Report and Greening Government Commitments (GGC) reporting. This reflects the shared nature of the facilities from which EWR Co. operates, with the associated data reported at a group level rather than at an individual entity level.

We do not directly extract or harvest finite natural resources and do not hold licences for resource extraction activities. Materials and resources required for the project are sourced through managed supply chains, with environmental and sustainability considerations embedded within procurement and contract management processes.

Single use plastic

We support 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: MK.

Sustainable Construction

Construction activity during FY 2025-26 was limited and primarily comprised ground investigations and archaeological surveys undertaken to support the development of the railway and the DCO process.

As we prepared for future construction, we continued to develop our procurement strategy, with a focus on embedding environmental and social considerations into future tendering processes. Sustainability principles were integrated throughout the design phase of the programme, and the project continued to target an 'Excellent' rating under the BREEAM framework, reflecting our commitment to high environmental performance standards.

Sustainability requirements were embedded throughout the commercial and procurement process for early works, with specific commitments incorporated into contracts and KPI reporting. These measures support the ongoing delivery of our BREEAM Infrastructure and BREEAM New Construction objectives.

Information and Communication Technology and Digital

We continue to consider sustainability within the management and procurement of our Information and Communication Technology (ICT) systems. In support of the UK's 2050 net zero target, sustainability and energy efficiency are incorporated into technology selection and decision-making processes, including a preference for cloud-based services where appropriate. Through the development of supporting strategies, policies and procurement requirements, the Company seeks to promote sustainable outcomes across its ICT systems.

Paper consumption

We continue to promote digital ways of working to reduce paper consumption across the organisation. Efforts to improve monitoring and reporting of paper usage are ongoing and will support the identification of opportunities for further reductions over time.

3.4 Supply chain

The below report provides details of EWR Co's current ongoing works, Ground Investigation Works and Archaeological Trial Trenching,throughout the financial year. 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 (FY 25-26)	Total Scope 1 & 2
	65.08 TCO2

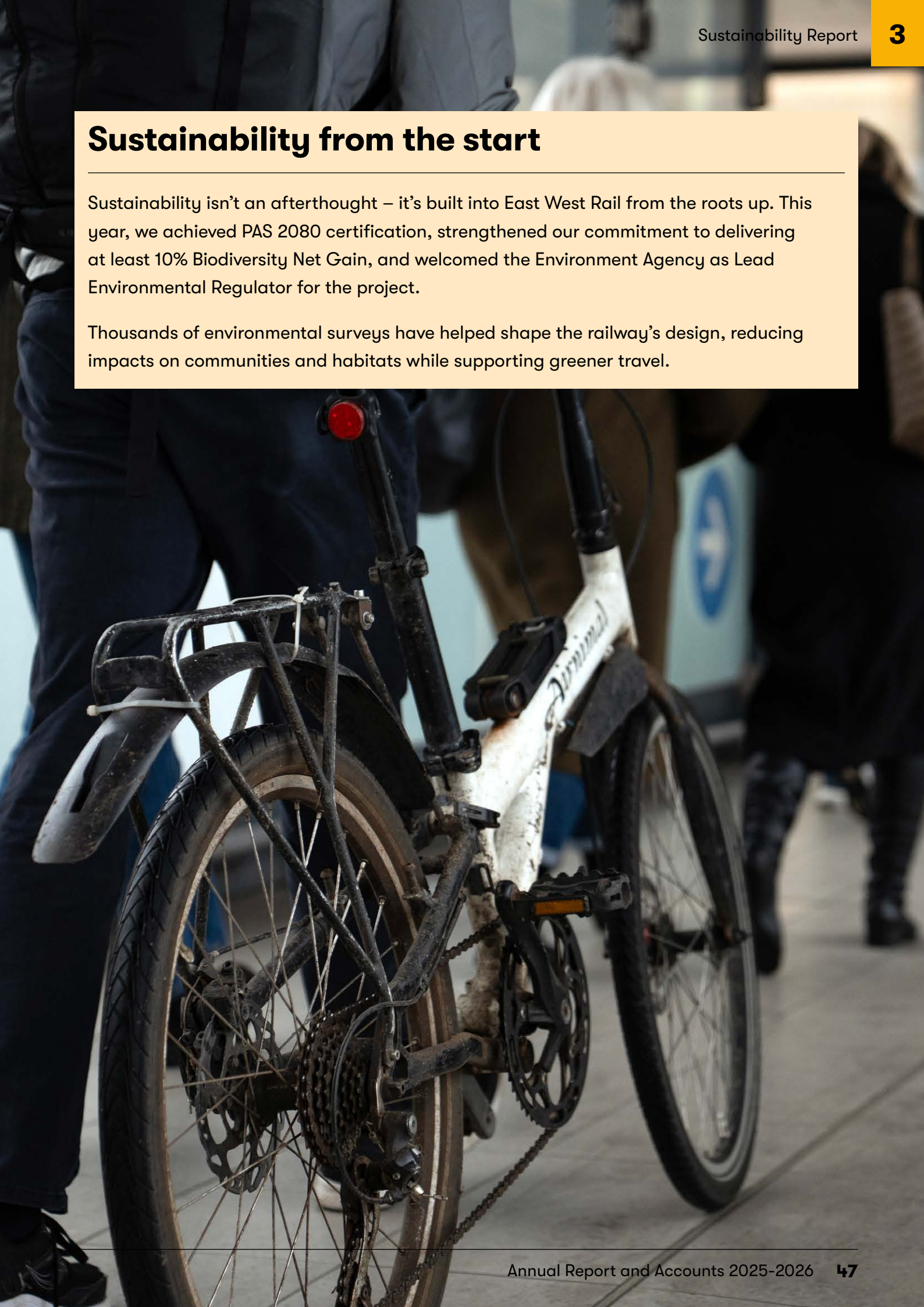
Archaeological Trial Trenching (FY 25-26)	Total Scope 1 & 2
	15.885 TCO2

Six environmental incidents were recorded during this period. The incidents were responded to within the delivery partner's emergency response plan and no environmental harm was caused.

Sustainability from the start

Sustainability isn't an afterthought – it's built into East West Rail from the roots up. This year, we achieved PAS 2080 certification, strengthened our commitment to delivering at least 10% Biodiversity Net Gain, and welcomed the Environment Agency as Lead Environmental Regulator for the project.

Thousands of environmental surveys have helped shape the railway's design, reducing impacts on communities and habitats while supporting greener travel.



Directors' Report

4




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4. Directors' Report

The directors present their report together with the financial statements of the Company for the year ended 31 March 2026.

4.1 Board members

Directors who have held office between 1 April 2025 and 31 March 2026, comprised of the following:

Board Member	Role
Neil Sachdev	Non-Executive Chair of the Board
David Hughes	Chief Executive Officer
Sam Turner (until 10 October 2025)	Chief Financial Office and Company Secretary
Jonathan Clear (joined 19 January 2026)	Chief Financial Office and Company Secretary
Will Gallagher	Chief Strategy Officer
Anne Baldock (until 30 April 2026)	Non-Executive Director
Lynette Ryals	Non-Executive Director
Caroline Botwood	Shareholder Nominated Non-Executive Director
Louise Ruppel	Non-Executive Director
Christopher Walton	Non-Executive Director

Following the end of the reporting period, Martin Neeson and Isabel Coman were appointed as Non-Executive Directors with effect from 1 April 2026, and Anne Baldock stepped down from the Board on 30 April 2026.

During the year and following the reporting period, the Company continued to implement its Board succession plan. Caroline Botwood was reappointed as a Shareholder Nominated Non-Executive Director for a further three-year term commencing on 18 September 2026 and ending on 17 September 2029. Lynette Ryals' appointment was extended until 30 April 2027 to support continuity during the Board transition period. Further information on Board succession, appointments and committee arrangements is provided in the Governance Statement at Section 6.2.

The appointment dates and fees of all Board Directors are set out in 7.15 and 7.16 of the People and Remuneration Report

4.2 Personal data-related incidents

For FY 2025–26, there were seven personal data-related incidents that required investigation. These were investigated in accordance with internal policy, with clear steps taken to remediate each incident and lessons learned activities undertaken to mitigate the risk of recurrence. None of the incidents met the threshold for reporting to the Information Commissioner's Office

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 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.

Should a conflict be identified, members may be excluded from the affected part of the meeting and prevented from receiving any relevant materials where appropriate.

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

- Louise Ruppel, Non-Executive Director of the Board, is the General Counsel of Barratt Redrow PLC.
- Anne Baldock, Non-Executive Director of the Board, is a Non-Executive Director of Kier Group PLC.

4.5 Political and charitable contributions

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

4.6 Other material issues

Other than those matters disclosed 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 2026).

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 2025-26
Undisputed invoices paid within 5 days	92%
Undisputed invoices paid within 30 days	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 2026 or in the foreseeable future.

4.9 Contingent liabilities

EWR Co reported no contingent liabilities as at 31 March 2026.

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 £103k (including 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 23 October 2026.



Unlocking growth and opportunity

East West Rail will connect people with jobs, education, businesses and innovation across the region, creating new opportunities for communities while supporting economic growth.

From the proposed new town at Tempsford to Universal's planned resort in Bedfordshire, the railway is already helping unlock investment and lay the foundations for future prosperity. As a key part of the Oxford-Cambridge Growth Corridor, East West Rail will help connect places, support development and drive long-term growth across the region and beyond.



Penny, Investment Director

“One of the things that’s stood out most since joining is how people work together. EWR might be a relatively small organisation, but there’s a strong sense of shared ownership.”

CASE STUDY Penny's Story

Penny, Investment Director

After more than two decades working on infrastructure projects at Transport for London, Penny was ready for something new – a challenge with national significance, and the chance to shape it from the ground up. EWR offered exactly that.

Having worked with David Hughes before, the opportunity to collaborate again with someone she trusted played a big part in her decision. Alongside the chance to get involved in the Development Consent Order and design development, it felt like a natural next step – and a good moment to join, as the programme continues to build momentum.

"One of the things that's stood out most since joining is how people work together. EWR might be a relatively small organisation, but there's a strong sense of shared ownership. People are clear on what they're working towards, they step in to support each other, and they work through challenges together. It can be fast-paced, but that autonomy is a big part of what makes it work."

Over the past year, Penny's been particularly proud of how customer-focused thinking has been built into the design. That includes new station entrances at Bedford, Cambridge and Bletchley, proposals for Cambridge East, and work to tackle more complex challenges along the Marston Vale Line and at Tempsford. The programme's also adapting to support safe, sustainable access to major destinations – including the new Universal Resort.

For Penny, the real impact of EWR Co. comes down to everyday journeys. It's about making life simpler and more reliable for people to heading out to work, education and leisure.

> ***It's not just about saving time. There's a real focus on the whole experience – safe walking and cycling routes, welcoming, well-lit spaces, and services people can trust.***

Just as importantly, there's a clear effort to make sure the railway reflects the communities it serves – supporting biodiversity, drawing on local character, and creating places people love.

Looking ahead, that's the part Penny finds most exciting. As the programme moves closer to delivery, it's about turning plans into something real, and helping create connections that'll support communities and the region for years to come.

For more information on careers at East West Rail, visit **careers.eastwestrail.co.uk**

Statement of Directors' and Accounting Officer's Responsibilities

5





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. In doing so, the Directors must comply with the Companies Act 2006 and International Financial Reporting Standards (IFRS), and, in accordance with the Framework Document, HM Treasury's Financial Reporting Manual (FReM), except where this is inconsistent with the Companies Act 2006.

The financial statements are prepared on an accruals basis and are required to 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 year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable IFRS standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that EWR Co will continue in operation.

The Directors are responsible for maintaining proper accounting records that disclose, with reasonable accuracy, the financial position of EWR Co and enable them to ensure that the financial statements comply with the Companies Act 2006 and IFRS. They are also responsible for safeguarding the Company'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.
- Maintaining proper accounting records.
- Providing the auditors with access to all information of which management is aware that is relevant to the preparation of the financial statements, including records, documentation and other matters.
- Ensuring such internal controls are in place as are deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 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.

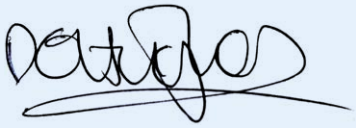
The Governance Statement within this document sets out how these responsibilities have been discharged in the FY 2025-26.

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

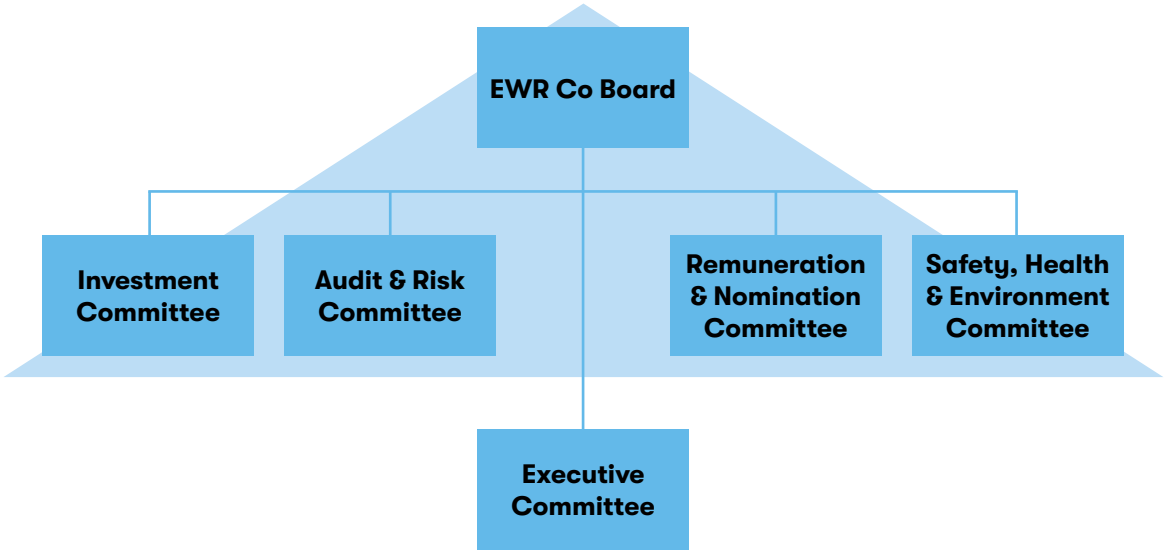




6. Governance Statement

6.1 The Board and its committees

The Board sets our strategic direction and oversees the management of performance and risk, financial management, planning, and overall governance. It is supported by the Investment Committee[2], the Audit and Risk Committee, the Remuneration and Nomination Committee, and the Safety, Health and Environment Committee.



Governance Structure

6.2 The Board

The role of the Board is defined under the terms of the Framework Document agreed between EWR Co and the Secretary of State (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 progressing EWR Co's strategic aims and objectives for delivery of EWR.
- Ensuring that the SoS is kept informed of any developments that may impact EWR Co's strategic direction or on the achievement of its objectives and determining appropriate responses.
- Ensuring compliance with statutory or administrative requirements relating to the use of public funds; that the Board acts 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 its decisions, the Board has regard to guidance issued by the DfT.

2 *The Investment Committee was not operational during FY 2025-26. The Committee was re-established and became operational during FY 2026-27.*

- Ensuring that the Board receives and reviews regular financial information on the management of EWR Co, is informed in a timely manner of any concerns and provides assurance to the DfT that appropriate action has been taken.
- Promoting high standards of corporate governance at all times, including through the work of the independent Audit and Risk Committee in overseeing 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 (NEDs), 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.

NEDs provide constructive challenge, strategic guidance, offer specialist advice, and hold management to account.

During the 2025–26 financial year, no NEDs stepped down from the Board. However, recruitment activity was progressed in anticipation of planned changes to Board membership in the subsequent financial year, reflecting good governance practice and the importance of maintaining Board effectiveness and continuity.

The Board maintained a structured succession plan throughout the year to ensure an appropriate balance of skills, experience and independent oversight as the Company progresses towards the next phase of the programme.

Anne Baldock reached the end of her term and stepped down from the Board on 30 April 2026, following a significant contribution as a Non-Executive Director and member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

To support continuity during this period of planned transition, Lynette Ryals' appointment was extended until 30 April 2027. In addition, Caroline Botwood was reappointed as Shareholder Nominated Non-Executive Director for a further three-year term commencing on 18 September 2026. These arrangements help maintain stability and preserve organisational knowledge while the Board transitions to its future composition.

Following a competitive recruitment process, Martin Neeson and Isabel Coman were appointed as NEDs with effect from 1 April 2026. While these appointments fall outside the reporting period, they represent an important post year-end development and strengthen the Board's skills, capacity and independent oversight as the Company moves closer to delivery.

Following the reporting period, Neil Sachdev also confirmed his intention to step down as Chair at the conclusion of his current term in April 2027. Recruitment activity for a successor Chair commenced during 2026 to support an orderly transition and ensure continuity of leadership.

Details of Board membership during the year are set out in Section 4.1 (Board Members).

6.3 The Chair

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

Following the reporting period, the Company commenced the recruitment of a successor Chair in anticipation of Neil Sachdev reaching the end of his current term in April 2027. This forms part of the Company's succession planning arrangements and is intended to support an orderly transition of leadership and continuity of Board oversight.

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 NEDs should be composed of members that have a balance of skills and experience appropriate to directing EWR Co's business.

The NEDs bring valuable skills from the rail, legal, engineering, leadership 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.

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

In 2025-26, 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 2026-2027 Business Plan.
- Approval of the outturn of the business plan milestones for 2025-2026.
- Approval of strategic scope decisions.
- Approval of key commercial contracts.
- Land and property updates.
- Chief Financial Officer recruitment and remuneration.
- Non-Executive Director recruitment.
- Review of strategic risks.
- Review and monitor key partner relationships.
- Approval of Commercial Strategy.

6.6 Directors' attendance at Board and Committee meetings

Attendance of Committee Members	Board (8 meetings convened)	Remuneration and Nomination Committee (4 meetings convened)	Audit and Risk Committee (4 meetings convened)	Safety, Health and Environment Committee (4 meeting convened)
Neil Sachdev	8/8			2/4
Anne Baldock	6/8		4/4	
Lynette Ryals	7/8	4/4	3/4	
Caroline Botwood	5/8	3/4	3/4	
Christopher Walton	8/8	4/4	4/4	4/4
Louise Ruppel	8/8		1/4	4/4
David Hughes	8/8	3/4		4/4
Will Gallagher	7/8			
Sam Turner	3/3			
Jonathan Clear	3/3			

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 appropriate, with the Corporate Governance in Central Government Departments: Code of Good Practice 2017 (the "Central Government Code") and HM Treasury's Orange Book. The Board considered its governance arrangements during the year, taking account of the organisation's size, complexity and risk profile.

Where temporary departures from established practice occurred, including the period during which the Investment Committee was not operational, alternative arrangements were put in place to maintain appropriate oversight and control. The Board considered and approved all matters that would ordinarily have fallen within the remit of the Investment Committee.

These represented a departure from standard committee structures set out in the Central Government Code; however, the Board retained responsibility for matters that would otherwise have been delegated, so the underlying objectives of effective oversight and assurance continued to be addressed.

In addition, EWR Co. seeks to operate in the spirit of the principles of the UK Corporate Governance Code 2024 (the "Code"), which have been incorporated into the governance model and Terms of Reference for the Board and its Committees. The Company seeks to address the five key areas outlined in the Code:

- Board leadership and Company purpose.
- Division of responsibilities.
- Composition, succession and evaluation.
- Audit, risk and internal control.
- 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 our purpose, values and strategy, and does this through engaging closely with the Executive Team and other stakeholders.

The Board operates a register of interests, and all Board members are required to declare any actual or potential conflicts of interest. These are reviewed regularly and managed, including recusal from discussions where appropriate. Further details are set out in section 4.4.

Managing conflicts of interest and outside interests

EWR Co maintains a register of interests and requires all employees, including members of the Executive Team, to declare relevant outside interests, external appointments and potential conflicts of interest. Requests for outside employment or external appointments are reviewed and assessed to ensure any actual or potential conflicts are appropriately managed.

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 2026 and Board Committee members' attendances at those meetings are provided in section 6.6.

Remuneration and Nomination Committee

This Committee sets the remuneration policies and reviews and advises on 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. An observer from the DfT attends all the meetings. Following a review of committee composition following the year end, it was agreed that Louise Ruppel would take over responsibility as Chair of the Committee.

The Committee considered the following key matters during the year:

- 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 our arrangements for risk management, governance and internal control. It is also responsible for validating the integrity of our 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. We are 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 us to achieve our long-term strategic objectives.

The Chair is Chris Walton. Its members are Anne Baldock, Caroline Botwood, Louise Ruppel and Lynette Ryals. Sam Turner attended as a member of the Executive until 10 October 2025. Jonathan Clear (from 21 January 2026) attends as a member of the Executive but is not a member of the Audit and Risk Committee. Anne Baldock stepped down as a Non-Executive Director and member of the Committee on 30 April 2026, after the end of the reporting period.

The Committee considered the following key matters during the year:

- Approval of the Annual Report for the year ended 31 March 2025.
- Review of Strategic risks and risk appetite statement.
- Approval of annual fraud 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

Investment Committee

The Investment Committee was not operational during FY 2025–26. Following the outcome of the Board Effectiveness Review, the Board agreed not to stand up the Investment Committee while its remit and role were reviewed.

During the year, all matters that would ordinarily fall within the remit of the Investment Committee were considered directly by the Board. This included consideration of investment decisions, partner contract management, and delivery and commercial strategy matters, including the approval of the Delivery Strategy and Commercial Strategy.

The Board expects to re-establish the Investment Committee during FY 2026–27, with an updated remit aligned to the Company's governance arrangements and delivery priorities. Following the year end, Martin Neeson was appointed as a Non-Executive Director and as chair of the Investment Committee.

Safety, Health and Environment Committee

The Safety, Health and Environment (SHE) Committee is responsible for overseeing our arrangements for safety, health, environmental protection and security, and for ensuring compliance with relevant statutory and regulatory requirements. The Committee was operational throughout the financial year.

During the year, the Committee considered a range of significant matters, including our approach to managing health and safety risks and the effective implementation of the Health and Safety Plan. The Committee also provided oversight and challenge in relation to our environmental impacts, including discussions on environmental mitigation, BNG, net zero carbon ambitions, and site safety performance across the programme.

The Committee played a key role in supporting the Board by providing assurance that appropriate policies, controls and governance arrangements were in place and operating effectively in relation to safety, health and environmental matters.

The Chair of the Committee is Louise Ruppel. The members of the Committee during the year were Neil Sachdev, Chris Walton and David Hughes. Following a review of committee composition following the year end, it was agreed that Isabel Coman would take over responsibility as Chair of the committee.

6.9 Management information and quality of data

We reviewed the processing of management information during the financial year and confirmed that high-quality information continues to be provided to the Executive and Board.

At an operational level, our Power BI system remains the primary source of management information for functional teams. Our management information and reporting arrangements continue to be regularly reviewed to ensure effective use of data and technology in supporting programme delivery.

6.10 Board Advisors

During the period, the Board continued to be supported by a Board Advisor appointed to provide expert guidance, strategic insight and additional capacity to support the Board's decision making. Rob McIntosh remained in his role as Board Advisor throughout the year, with his appointment further extended to 30 June 2026, reflecting the ongoing value of his advice and support to the Board.

6.11 Board evaluation

The Board remained subject to annual evaluation to assess its effectiveness, composition and governance. Following the externally facilitated review in 2024–25, the Board focused during 2025–26 on embedding its recommendations, including strengthening governance, clarifying roles and responsibilities, and improving collaboration and reporting.

An internal Board effectiveness review was undertaken during the year, using a structured questionnaire. This provided a high-level assessment of progress against the prior year's findings and considered the effectiveness of the Board's Committees in supporting delivery.

The outcomes of the review were considered by the Board and will inform ongoing improvements to governance and effectiveness during 2026–27.

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 Government Internal Audit Agency (GIAA). The table below shows the audits undertaken by the GIAA in FY 2025-26 alongside their audit opinions:

Review of	Opinion
Commercial Strategy	Moderate
IT Change Management Framework	Moderate
HR Policy Compliance	Moderate
Programme / Project Design Management	Moderate
Benefits Management	Limited
Technical Partner Contract Management	Moderate

During FY 2025-26 the GIAA also undertook three 'Follow up' reviews. The GIAA does not provide an opinion on these types of review. The follow up reviews were:

- Workforce planning
- IR35
- Assurance Framework

The role of Head of Internal Audit is completed by a member of the GIAA. Each year, the Head of Internal Audit provides EWR Co with an overall audit opinion on the effectiveness of the governance, risk and control frameworks in operation.

For 2025-26 the Head of Internal Audit provided EWR Co with an overall Moderate assurance opinion. A Moderate assurance is the second highest level of four possible opinions – see table on page 71. 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 seventh successive year in which a Moderate rating has been provided since the Company started operations in September 2018.

The GIAA Head of Internal Audit recognised that the EWR Co annual opinion had moved in a positive way towards the mid-point of the Moderate assurance scale.

This improved position is supported by the permanent recruitment of senior management into critical roles and the introduction of a simplified organisational design, which provides clear roles and responsibilities across business units. However, during 2025-26, progress on some anticipated initiatives experienced a slowdown due to challenges faced by the Company. Notably, the announcement of Universal Resort had a significant impact on the EWR project, resulting in changes to its design and programme.

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 aligned 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 maintaining a robust risk management strategy that reflects best practice and supports an integrated, transparent, and consistent approach to managing risk in the delivery of EWR Co's objectives. The Accounting Officer confirms that EWR Co. has complied with the principles set out in HM Treasury's Orange Book, with no material departures identified during the reporting period.

Further detail on how these principal risks have impacted performance and delivery during the year is set out the Strategic Report (Section 2).

Risk governance is applied through the existing EWR Co. governance structure, shown in section 6.1. 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 resources; and their documented risk management approach, along with the corporate risk appetite, are reviewed and updated on an annual basis as the project develops.

EWR Co's approach to risk management is aligned with the International Organisation for Standardisation (ISO) 31000 and complies with HM Treasury's Orange Book Risk Management Framework and the Cabinet Office Framework for the Management of Risk in Government. EWR Co is committed to maintaining a robust risk management approach that reflects best practice and supports an integrated, transparent and consistent approach to managing risk in the delivery of its objectives. Principal risks are reviewed regularly by the Executive Team and reported to the Board and its Committees. The Board retains overall responsibility for risk management.

6.15 Principal risks and mitigation

EWR Co. recognises the importance of managing risk in a complex 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 resources.

A defined set of principal risks is reviewed quarterly by the Executive team and reported to Board and Committees. The EWR Co. Board has overall responsibility for risk management.

Further detail on how these principal risks have impacted performance and delivery during the year is set out the Strategic Report (Section 2). The presentation of the principal risks table has been updated this year to improve readability and the clarity of disclosures. Unless otherwise indicated, the changes do not reflect material changes to the underlying principal risks reported by the Company.

The table on page 73 sets out the principal risks managed by EWR Co. during the year.

Risk	Change in year	Risk description	Mitigations/key responses
Affordability and risk escalation	New	Cost escalation over the life of the programme could result in expenditure exceeding the approved funding envelope. Cost pressures may arise from inflation, market conditions and changes to scope or delivery assumptions.	• Financial controls and forecasting are used to monitor affordability against the funding envelope, with contingency maintained to manage cost variability. • Changes to scope, schedule or delivery plans are subject to formal affordability and value for money assessment, while value optimisation is applied to support efficient delivery. • Market conditions and funding constraints are kept under review and reflected in delivery and procurement plans.
Planning and Infrastructure Act pathfinder role	New	The programme's proposed pathfinder role under the Planning and Infrastructure Act 2025 relies on a number of assumptions and enabling factors, including legislative timescales, secondary legislation and readiness across Government and regulators.	• Engagement with Government departments is undertaken to monitor legislative progress and emerging policy positions, alongside active management of key planning assumptions through a maintained assumptions log. • Regular engagement with the Planning Inspectorate and statutory stakeholders supports alignment ahead of Development Consent Order submission. • Legal and policy horizon scanning is carried out to identify potential changes and assess impacts on programme plans. • Programme decision points are aligned to legislative and policy milestones.
Ability to respond to changes in the railway industry	No change	Ongoing changes in the structure and governance of the UK railway industry, including the transition to new operating and delivery models, may reduce the programme's ability to respond quickly and effectively.	• Ongoing engagement with government, Network Rail and industry stakeholders is undertaken to maintain alignment as industry arrangements evolve. • Joint working and governance arrangements are developed to clarify roles, responsibilities and decision making, while phased delivery planning is used to maintain flexibility as policy and industry changes emerge. • Cross-industry forums are used to align assumptions and manage key interfaces, and governance and delivery arrangements are subject to regular review to ensure they remain effective.
Changes in political and policy priorities	No change	Changes in political leadership, government priorities or policy direction over the medium term could affect the programme's objectives, scope or delivery timescales.	• Engagement with Ministers, the Department for Transport and senior stakeholders is undertaken to maintain alignment with Government priorities. • Clear governance and escalation arrangements are in place to support timely decision making, alongside scenario planning to assess the impact of potential policy or priority changes. • Continued development of the programme's strategic and economic case supports confidence and resilience, while political and policy developments are monitored to inform programme planning and communications.
Public and political confidence in major project delivery	No change	As a high profile infrastructure programme, EWR operates in a climate of reduced public and political confidence in the delivery of major projects.	• Proactive stakeholder and public engagement is undertaken to support understanding of the programme's objectives and progress, alongside targeted communications to provide clear, consistent messaging and manage expectations. • Public, media and stakeholder sentiment is monitored to identify emerging issues, while engagement with local authorities, communities and landowners supports constructive relationships. • Established escalation and response arrangements are in place to manage reputational issues and incidents.
Health, safety and environment incident	No change	A significant health, safety or environmental incident could occur in connection with the programme's activities, resulting in harm to people, damage to assets or the environment, disruption to delivery and reputational impact.	• Clear health, safety and environmental governance arrangements are in place across the programme and supply chain, with minimum health, safety and environmental standards applied to all activities and contractors. • Assurance, audit and monitoring activities are used to identify and address issues early, while learning from incidents and near misses is shared across the programme and delivery partners. • Emergency response and escalation arrangements are maintained and tested.
DfT Sponsorship and governance arrangements	No change	Changes in Department for Transport sponsorship and governance arrangements could affect the efficiency and effectiveness of programme delivery.	• Established sponsorship and governance forums are used to support effective engagement, oversight and escalation with the Department for Transport. • Regular reporting and briefings provide transparency on progress, risks and issues, supporting timely decision making, while roles, responsibilities and decision making arrangements are kept under review to maintain clarity and accountability. • Programme risks related to sponsorship and governance are monitored through assurance, audit and risk management processes, and cross-government engagement supports alignment with wider transport policy and emerging priorities.

Risk	Change in year	Risk description	Mitigations/key responses
Cyber and security breach	Increased	A cyber incident or material security breach could disrupt business and programme activities, affect the availability or integrity of systems and information, and result in reputational damage, delays or additional costs	• Cyber and information security governance arrangements are in place and kept under review, with technical and organisational controls used to protect systems, data and critical services. • Regular monitoring, assurance and testing activities are undertaken to assess control effectiveness, while cyber awareness and training are provided to employees and contractors to promote secure behaviours. • Incident response and escalation arrangements are maintained to support the timely and effective management of cyber and security incidents.
Organisational capability and capacity	Reduced	The programme may not have sufficient organisational capability or capacity to deliver its objectives.	• Workforce planning and organisational design are kept under review to align capability and capacity with programme needs, with recruitment, retention and succession planning arrangements in place to support access to key skills. • Leadership, governance and assurance arrangements support effective decision making and oversight, while the use of external expertise and partners is monitored to address capability gaps where required. • Organisational performance and capability risks are monitored through assurance and audit activity.
Supply chain capability and capacity	No change	The supply chain may not have sufficient capability, capacity or market interest to meet the programme's requirements.	• Early and ongoing market engagement is undertaken to understand capacity, capability and market conditions, with procurement and delivery strategies developed to align programme demand with market capability. • Market intelligence is used to identify emerging supply chain risks and dependencies, while phased delivery and packaging approaches support market participation and resilience. • Engagement with government and industry bodies supports awareness of wider sector constraints.
Benefits realisation (business case delivery)	No change	The benefits set out in the programme's business case may not be fully realised.	• The business case and benefits framework are kept under review to ensure benefits remain clearly defined and achievable, with roles and responsibilities for benefits delivery established and monitored. • Engagement with government departments and local partners supports alignment on expected outcomes, while programme decisions consider impacts on benefits as well as cost and schedule. • Progress against benefits is monitored and reported through governance and assurance arrangements.

6.16 Information assurance and security

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

6.17 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 2025-26 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 23 October 2026.



Shaped by communities

Communities continue to play a key role in shaping East West Rail. Over the past year, we've focused on carefully reviewing and responding to feedback received through our 2024/25 consultation, helping us better understand local priorities and concerns.

That feedback has directly influenced the railway, resulting in more than 80 changes to the scheme. Our You Said, We Did report demonstrates how local knowledge and insight have helped refine our proposals as we continue to develop a railway that works for the communities it will serve.


“
EWR can support economic opportunity... strengthening links between communities.”
Mike, Historic Environment Technical Lead

CASE STUDY Mike's Story

Mike, Historic Environment Technical Lead

Mike's route into infrastructure was less conventional. He started his career as an archaeologist in an engineering consultancy during the 2008 financial crisis, before taking the opportunity to join Crossrail on secondment – an experience that helped shape his direction.

He later joined HS2, where he led the technical delivery of the archaeological programme on Phase One between London and Birmingham. As that work neared completion, he was keen to return to the early stages of a project and apply what he'd learned. East West Rail offered that opportunity.

For Mike, large infrastructure projects bring a unique set of challenges. They combine complex sites, diverse communities and input from a wide range of disciplines – something he's always found engaging.

What stands out to him about East West Rail (EWR) is its clear sense of purpose. The focus on delivering a sustainable, community-focused railway aligns strongly with his own motivations.

Having lived in Cambridge, he's seen the limitations of east–west connectivity first-hand. He sees the project as an opportunity to restore connections lost with the closure of the Varsity Line, while supporting broader growth across the Oxford–Cambridge region.

Looking ahead, Mike sees EWR as contributing to economic opportunity – supporting innovation, housing and commercial development, and strengthening links between communities.

For him, it represents an important moment for the region, and a chance to help shape something with long-term relevance.

For more information on careers at East West Rail, visit **careers.eastwestrail.co.uk**

People and Remuneration Report

7





7. People and Remuneration Report

7.1 Employee engagement

We have developed a People Plan that underpins our ability to deliver EWR with confidence and credibility. It defines our values driven culture, leadership expectations, and the organisational capabilities we need to deliver EWR. It sets out the actions we will take to build, support, and enable our people. Our plan creates an environment where people can perform at their best, builds a resilient team, and enables us to scale effectively to deliver the project.

Our People Plan has three Strategic Objectives:

- Build a capable high-performing, one team culture positioned to anticipate change and succeed in the future.
- Resource, attract and retain talent by providing a positive employee experience that equips the organisation to scale effectively and be delivery ready.
- Build on our strong foundations as a trusted advisor by continuously enhancing the way we support Team EWR.

Following the major organisational restructuring implemented in early 2025, changes to our structure, roles and ways of working have been embedded successfully. These have been further refined through targeted improvements over the course of the year, strengthening organisational effectiveness and supporting delivery readiness.

We continued to strengthen organisational capability and culture, with a focus on attracting, retaining and developing the skills required to support delivery readiness.

The results of our annual employee engagement survey resulted in an 80% engagement score, which is considered among the highest levels compared to similar organisations and reflects a high-performing team. During the year we have developed a regular rhythm of employee engagement which includes quarterly Company-wide events, monthly Business and Programme Updates, Spotlight Sessions and monthly 'Breakfast with the Exec' events. Our listening approach has been broad including engagement and pulse surveys, regular touch points for feedback and bi-monthly meetings with our elected People Forum. This has created strong anchors for our upper quartile engagement.

In October 2025, we launched new Company Values developed with colleagues across the organisation. The Values define the behaviours and culture required to support delivery of East West Rail.



We introduced a new approach to recognition to support our high-performing culture that people are proud of. This included the launch of a new peer-to-peer recognition tool, as well as delivering our first ever end of year annual awards to celebrate individuals who have gone above and beyond throughout the year.

Our efforts over the last year have been to make growth and access to development easier, create a strong learning culture, implement structured performance development and quarterly reviews focused on clear objective setting and continuous conversations to strengthen our overall approach to driving high performance and building capability. We have encouraged learning from others, and introduced our new learning branding 'Your Journey, Your Growth' to empower Team EWR to take charge of their growth plans. Learning has also been firmly embedded in our new value 'Learning Together'- where every day is an opportunity to learn and grow together.

In FY 2025–26, we invested £181k in training and development. During the year, we introduced management development sessions, hosted our first EWR Learning Week, launched an EWR mentoring scheme, delivered group learning cohorts in project management (through the Association for Project Management) and leadership development programmes, and introduced work experience placements.

We invested in developing our Executive Team and Senior Leadership Group, recognising that effective leadership is fundamental to creating a positive and inclusive workplace culture. Alongside this, we continued to strengthen our wellbeing offering, ensuring colleagues have access to the support, benefits and resources they need to thrive. This included training a new cohort of Mental Health First Aiders, bringing our network to 17 trained colleagues supporting wellbeing across the organisation.

In FY 2025-26, the turnover rate among all staff, including Non-Executive Directors, was 18.7% (FY 2024-25: 46.26%, including redundancies following a restructure). The voluntary turnover rate was 12.4% (FY 2024-25: 20.91%), which excludes redundancies.

7.2 Recruitment and retention

A key objective of our People Plan during FY 2025-26 was to ensure EWR Co remained a great place to work and had the capability required to support programme delivery.

During the year, we reviewed our recruitment and onboarding processes to ensure they remained consistent, inclusive and aligned with best practice, helping us attract and integrate talented people effectively. We also reviewed our employee benefits offering to ensure it remained competitive and comparable with other arm's length bodies.

To support engagement and retention, we introduced initiatives recognising both new joiners and long service, helping to reinforce a culture of appreciation and belonging across the organisation.

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7.3 Equality, diversity and inclusion (EDI)

We are committed to building an inclusive railway for all. We believe that to do that, we must nurture a diverse team that represents the UK communities that we impact. Our approach is simple – to create an environment where everyone is welcome and able to be themselves. We celebrate diversity and are proud to be an equal opportunity employer. This helps us to attract, engage and retain a highly engaged workforce which is just as diverse as the communities we support and in turn contributes to our project success.

During FY 2025-26 we launched our first employee network groups including Pride Network, Women's Network, Ability Network and Culture Network. Our employee networks offer a safe space for conversations with like-minded team members and celebrate and raise awareness for important cultural moments throughout the year.

We review workforce diversity information over time to inform its people priorities, including representation at senior levels. Progress reflects the specialist nature of many roles and labour-market constraints, which can limit the pace of change. To address this, we are strengthening inclusive recruitment, leadership development and progression opportunities, alongside support for employee networks and flexible working.

7.4 Staff composition

The statistic below shows the percentage of women in senior leadership and other positions. This is based on the 229 (including non-executive directors) staff at EWR Co on 31 March 2026.

The overall proportion of female employees remained broadly stable in FY 2025–26 at 39.7% (FY 2024–25: 39.75%). This compares favourably with the wider UK rail industry, where women represent approximately 19% of the workforce.

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 2026	46.2% (FY 2024-25: 40%)	38.9% (FY 2024-25: 39.7%)	39.7% (FY 2024-25: 39.75%)

7.5 Gender pay gap

We undertook an assessment of our gender pay gap as a matter of good practice and transparency, despite not being legally required to report due to our size (fewer than 250 employees).

Our gender pay gap data for the snapshot date of 5 April 2025, covers 163 permanent and fixed term employees, from a payroll of 172. During the reporting period, our median gender pay gap increased to 26.37% (FY 2024-25: 26%),

which means women earn 74p (rounded) for every £1 that men earn when comparing median hourly pay. When comparing mean (average) hourly pay, women's mean hourly pay is 23.28% (FY 2024-25: 16.8%) lower than men's. This is higher than the UK national average gender pay gap of approximately 13% (based on median hourly pay for all employees, as reported by the Office for National Statistics).

In FY 2025-26, we continued to embed inclusive practices across recruitment, onboarding and the employee lifecycle. We aim to ensure that all candidates and employees are treated fairly and supported through reasonable adjustments.

We remain committed to fostering an inclusive and accessible workplace where everyone can thrive. We are registered as Disability Confident committed under the UK government's Disability Confident scheme, demonstrating our commitment to its principles and to improving how we attract, recruit and support people with disabilities.

7.6 Gender Analysis of Directors, Senior Management and Employees

In accordance with the government Financial Reporting Manual (FReM), the Company provides an analysis of the number of persons of each gender who were directors, senior leadership (being equivalent to Senior Civil Servants), and employees during the year.

Directors comprise the Board, including Executive and Non-Executive Directors. Senior leadership comprises the Executive Team. All other employees include permanent employees, fixed-term contract staff, contractors and seconded staff, consistent with FReM guidance that employees include individuals engaged on offpayroll arrangements.

As at 31 March 2026, the gender profile of directors, senior leadership and employees was as follows:

Directors – 4 female, 5 male; Senior leadership – 4 female, 3 male, 0 undeclared; All other employees – 81 female, 127 male, 5 undeclared (total employees: 229)[3]

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 £174,000 or any performance-related pay arrangements that exceed the threshold of £25,000.

We are 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 FY 2025-26, employees who joined EWR Co before 1 April 2025 received a 3.25% pay uplift with effect from the same date. The increase was paid in December 2025. This pay uplift was aligned to the Civil Service pay remit guidance.

3 *Data is based on self-reported gender, with an undeclared category reflecting individual choice.*

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 our 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)

Staff costs comprise:

All values in £000s	**Direct employees**	**Other personnel**	**2025-26 Total**	**2024-25 Total**
Wages and salaries	16,948	4,699	21,647	21,103
Social security costs	2,247	-	2,247	2,044
Pension costs	1,769	-	1,769	1,870
Non-executive director fees	176	-	176	166
Total staff costs	21,140	4,699	25,839	25,183

Average number of people employed*

(measured as full-time equivalents)	Direct employees	Other personnel	Total
2025-26	191	16	207
2024-25	220	16	236

*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 2.2%.

The average percentage change in salary from the previous financial year in respect of the employees of the entity taken as a whole was –1.3% (24-25 was 10.0%). This covers all permanent employees, fixed term contract staff, temporary contract staff and secondees.

Total pay and benefits using FTE	2025/26	2024/25 (restated)*
Highest paid director/employee (CEO)*	£291,300	£285,082
75th percentile remuneration	£110,980	£107,811
Median remuneration	£85,869	£78,750
25th percentile remuneration	£62,939	£60,383
Lowest paid employee	£28,000	£31,500
Highest pay : Upper quartile remuneration	2.6	2.6
Highest pay : Median remuneration	3.4	3.6
Highest pay : Lower quartile remuneration	4.6	4.7

Pay component only using FTE	2025/26	2024/25
Highest paid director/employee (CEO)	£216,825	£210,000
75th percentile pay	£106,117	£105,411
Median pay	£80,000	£76,926
25th percentile pay	£60,449	£59,325
Lowest paid employee	£28,000	£31,500
Highest pay : Upper quartile remuneration	2.0	2.0
Highest pay : Median remuneration	2.7	2.7
Highest pay : Lower quartile remuneration	3.6	3.5

The average salary in the FY 2025-26 was £84,098 (FY 2024-25: £85,169)

7.10 Performance Related Pay (PRP)

In FY 2025–26, the Company made further changes to its approach to rewarding performance and replaced its previous bonus scheme with a formal Performance Related Pay (PRP) scheme. Awards under the scheme are contingent on both Company performance and individual achievement against agreed objectives.

The average PRP payment awarded to employees in FY 2025–26 was £5,234. In FY 2024–25, the average bonus payment was £2,287. The increase of 128.8% reflects the introduction of the formal PRP scheme. The bonus arrangements in FY 2024–25 were based solely on Company performance, whereas PRP awards in FY 2025–26 reflected both Company and individual performance against objectives agreed at the start of the performance year.

The CEO participates in a separate PRP arrangement from employees. The performance is assessed by the Remuneration and Nomination Committee against strategic, operational and leadership objectives, with any award reflecting the extent to which those objectives have been achieved. Details of the Chief Executive Officer's remuneration and PRP award are set out in Section 7.14.

The FY 2024–25 comparative figures have been restated to include the bonus paid to the Chief Executive Officer (see Section 7.14.1).

7.11 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 £1.77m (FY 2024-25: £1.87m). 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.

7.12 Payments under statutory redundancy (audited)

10 redundancy packages were paid during FY 2025-26. Total pay outs were £31,636 (FY 2024-25: £102,770). All the redundancy payments were less than £10k.

7.13 Payments under compensation schemes – exit packages (audited)

No exit packages were paid during FY 2025-26. (FY 2024-25: £60,000).

7.14 Directors' remuneration

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

7.15 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 All figures in £		Salary	Bonus	Pension payments	Total
David Hughes (the highest paid director) 03/06/2024 - to date	2025-26	216,825	74,475	26,019	317,319
	2024-25	175,000 (FTE 210,000)	75,082	16,800	266,882
Will Gallagher 18/7/2023 - to date	2025-26	209,767		25,063	234,830
	2024-25	198,450		23,814	222,264
Sam Turner 19/06/2023 - 10/10/2025	2025-26	145,610* (FTE 284,957)			145,610*
	2024-25	284,957 *			284,957*
Jonathan Clear 19/01/2026 - to date	2025-26	38,974 (FTE 190,000)		4,677	43,651

*Sam Turner was 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.

No Executive Director received pay related to their performance (a bonus) or any taxable benefits, with the exception of David Hughes. In June 2026, the Remuneration and Nomination Committee approved David Hughes's bonus of £74,475 for the 2025-26 performance year (£75,082 for 2024/25). The percentage change between the two financial years was -0.8%.

7.16 Non-Executive Director fees (audited)

All figures in £	Appointment date	Resignation date	Fees 2025-26	Fees 2024-25	Principal position held elsewhere at 31 March 2026
Neil Sachdev (Chair)	19/04/2021 Reappointed on 19/04/2024	-	75,000	75,000	Non-Executive Director
Anne Baldock	01/02/2019	30/04/2026	20,000	19,333	Non-Executive Director
Lynette Ryals	01/11/2020 Reappointed on 31/10/2023	-	20,000	20,000	Deputy Vice Chancellor, Cranfield University
Caroline Botwood	18/9/2023				Civil Servant
Christopher Walton	01/12/2024	-	20,000	6,667 (FTE 20,000)	Non-Executive Director
Louise Ruppel	06/01/2025	-	20,000	4,872 (FTE 20,000)	General Counsel at Barratt Redrow plc
Simon Murray*	1/02/2019	31/10/2024	1,600	11,200 (FTE 19,200)	N/A

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 was appointed as a Board advisor from 1 November 2024 to 1 May 2025, following the end of his tenure. He received remuneration of £1,600 for the period of 1 April 2025 to 1 May 2025.
3. No Non-Executive Director received pay related to their performance (a bonus) or any taxable benefits.

7.17 Health, Safety and Security (HSS) leadership

The EWR Co Board and Executive Team are collectively responsible for providing Health, Safety and Security (HSS) leadership across the organisation and for promoting HSS principles. These are described in EWR Co's Health and Safety Policy and embedded within the supporting processes and procedures which form our Health and Safety Management System (HSMS).

We are committed to the health, safety and security of our employees, partners, supply chain, customers, neighbours and all those connected to or affected by our activities. We aim to provide a safe, healthy and secure environment.

During 2025, we continued to promote our Safe and Secure cultural and behavioural approach, Our Safe and Secure Journey. The underlying vision was refreshed to provide greater clarity through a revised set of Safe and Secure Guiding Principles. These principles support organisational maturity, behavioural improvement and clear ownership of HSS responsibilities across the programme.

7.18 Health and Safety performance

Delivery of the 2025-2026 Business Plan milestones remained critical to both project delivery and businessasusual activities. Two priority focus areas were identified during the year:

1. Strengthening Construction Design and Management (CDM) processes and assurance arrangements
2. Benchmarking organisational maturity against the Office of Rail and Road (ORR) Risk Management Maturity Model (RM3)

CDM resource was enhanced in the year with a focus on ensuring we had the appropriate process architecture in place, additional resourcing and process improvements, , and key duty holder compliance including our appointed Principal Designer, Designers, Principal Contractors, and Contractors. The delivery of this improvement plan and actions was achieved in Q4. The focus on FY 2026/27 is to strengthen capability and understanding across all disciplines and areas as we further progress our design and delivery activities.

An RM3 benchmarking assessment was undertaken in October and November 2025 by an independent team of senior specialists from the Rail Safety and Standards Board (RSSB). The assessment covered all EWR Directorates and Teams and was coordinated by the HSS function.

The assessment confirmed that, when compared with rail projects at a similar stage of development, the EWR programme performs well, with stronger maturity identified in several areas.

An improvement plan has been developed to address the assessment findings. Strategic owners have been identified for each priority improvement area, supported by detailed action plans. An RM3 Leadership Team and network of champions has also been established to support delivery and embed continuous improvement.

EWR Co. is now represented on the ORR RM3 Board, an active member of the Network Rail (NR) RM3 Community of Practice leadership group. A mid-year review will be undertaken by Network Rail (NR) focusing on the delivery of our improvement plan, as well as a re-assessment with the RSSB against the full RM3 assessment criteria for April 2027, to evaluate progress.

End of Year Performance

The project maintained an Accident Frequency Rate (AFR) of zero during the reporting period. There were no RIDDOR reportable events and no lost time incidents recorded.

During the year, 25 accidents and incidents and six environmental incidents were reported through the event management system. None resulted in serious injury or regulatory reporting.

Safe and secure reporting

A total of 602 Safe and Secure (close call) reports have been raised and closed out since its launch in 2025. The supply chain accounted for raising 89% of the

safe and secure reports during this period. Of the reports received, 46% of were considered to be low risk with safe systems of work identified as the most common category reported. This indicates an open and proactive reporting culture. Security related issues, road traffic accidents, and seasonal or weather-related risks were identified as the primary risk themes during the year. Safety bulletins are issued following significant events to ensure learning is shared to the wider business.

EWR Co. appointed a Principal Contractor for Ground Investigation works (split into two phases of Autumn 2025 and Spring 2026) and Archaeological trenching. No significant incidents were reported, and site teams made effective use of the Safe and Secure reporting system.

7.19 Health, safety and security training

During the year, activity focused on strengthening organisational competence through targeted training and capability development. Key activities undertaken during the year included:

- **RM3 improvement programme** – establishment of an RM3 Leadership Team and network of champions to support rollout and embed continuous improvement, including capability building and knowledge sharing.
- **Safe and Secure Leadership programme** – a formal leadership development initiative focused on engagement, communication and promoting positive safety behaviours on the front line.
- **Safety bulletins following significant events** – structured learning and knowledge-sharing activity to reinforce safe practices across the organisation.

Planned activity for 2026-27 includes:

- Strengthening CDM capability and understanding across the business through targeted training and awareness on CDM roles, responsibilities and processes across all disciplines.

7.20 Trade union representative

None of the permanent staff were trade union representatives during FY 2025-26, consequently no trade union facility time was undertaken.

7.21 Sickness absence data

We recorded a total of 1227.5 days taken by 95 employees. The number of days absent was mainly due to long-term conditions impacting a small number of colleagues. We are continuing to monitor our sickness absence data to identify any trends and proactively address them.

7.22 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 31 March 2026 earning £245 per day or greater.

Table 1	31 March 2026
Number of existing engagements	6
Of which:	
Less than 1 year	1
Between 1 and 2 years at the reporting date	4
Between 2 and 3 years at the reporting date	1
Between 3 and 4 years at the reporting date	0
More than 4 years at the reporting date	0
Total engagement at the reporting date	6

All off-payroll workers engaged at any point between 1 April 2025 – 31 March 2026 earning £245 per day or greater

Table 2	2025-26
Number of off-payroll workers engaged between 1st April 2025 – 31 March 2026	13
Of which:	
Number not subject to off-payroll legislation	13
Number subject to off-payroll legislation and determined in scope of IR35	0
Number subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: Number of engagements that saw a change in IR35 status following reassessment	0
Total engagements during the reporting period	13

Off-payroll engagements of board members and/or, senior officials with significant financial responsibility between 1 April 2025 – 31 March 2026

Table 3	2025-26
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility during the financial year	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	16
Total engagements during the reporting period	16

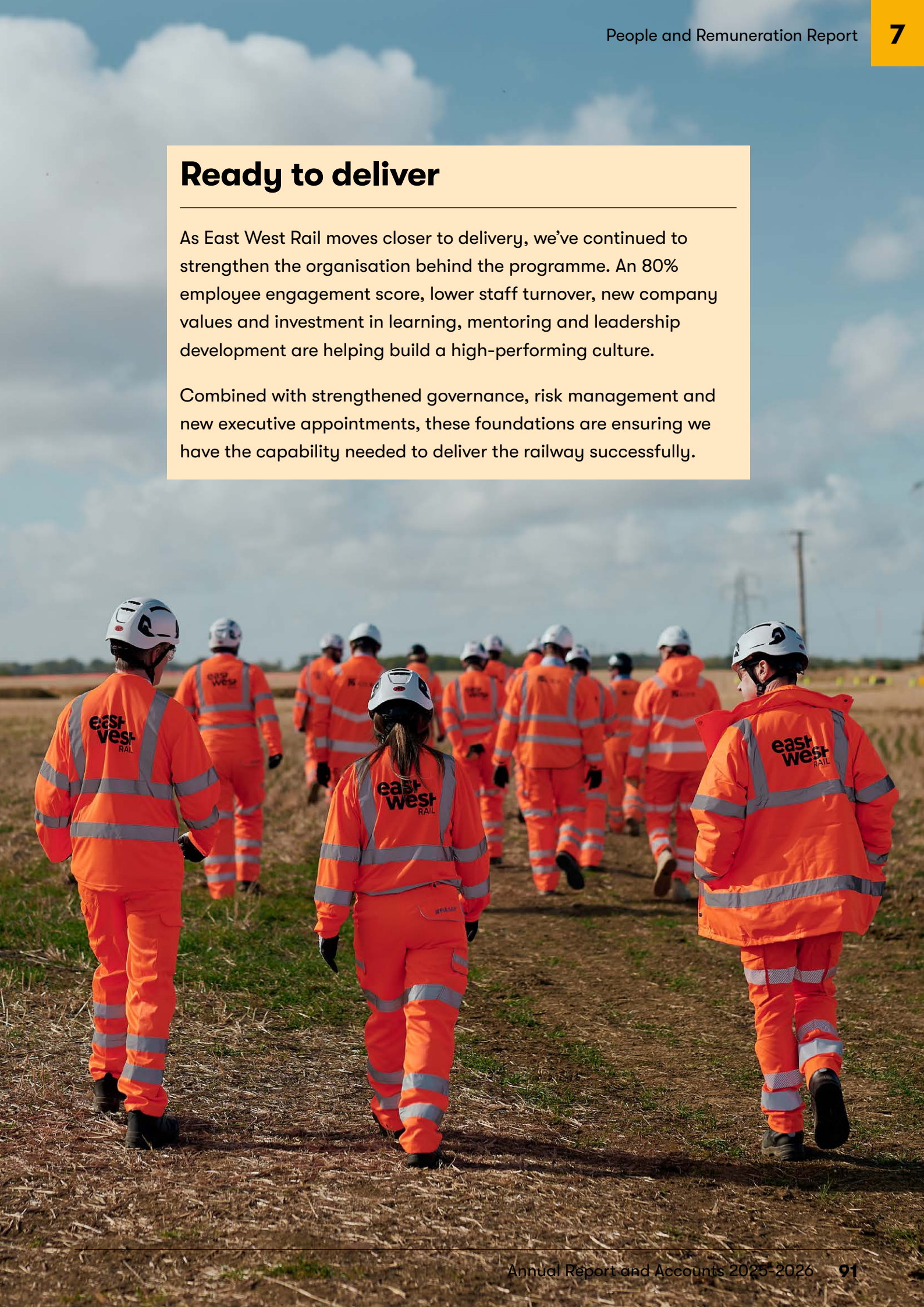


The People and Remuneration Report is signed by David Hughes, Chief Executive and Accounting Officer, on behalf of the EWR Co Board, on 23 October 2026.

Ready to deliver

As East West Rail moves closer to delivery, we've continued to strengthen the organisation behind the programme. An 80% employee engagement score, lower staff turnover, new company values and investment in learning, mentoring and leadership development are helping build a high-performing culture.

Combined with strengthened governance, risk management and new executive appointments, these foundations are ensuring we have the capability needed to deliver the railway successfully.



Parliamentary Accountability and Auditor's Report

8





8. Parliamentary accountability and auditor's report

8.1 Losses and special payments (audited)

Managing Public Money (MPM) 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.

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 2025-26 EWR Co incurred no losses that met the MPM definition. In FY 2024-25 one loss was reported.

Special payments include extra-contractual, special severance, ex gratia and compensation payments. In FY 2025-26 there were no special payments made that met the MPM definition. In FY 2024-25, no 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 2025-26 (nil in FY 2024-25).

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.

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 2026 under the Companies Act 2006.

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

- Statements of Financial Position as at 31 March 2026;
- 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 2026 and its net expenditure 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 Annual 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 the 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 in accordance with applicable legal requirements.

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 Directors' 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's controls relating to the East West Railway Company Limited's compliance with the Companies Act 2006, Managing Public Money, Employment Law and Tax legislation.

- inquired of management, 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: revenue recognition, 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; and,
- 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.

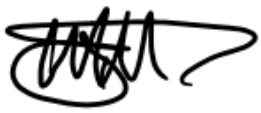
I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. 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)

23 October 2026

For and on behalf of the

Comptroller and Auditor General (Statutory Auditor)

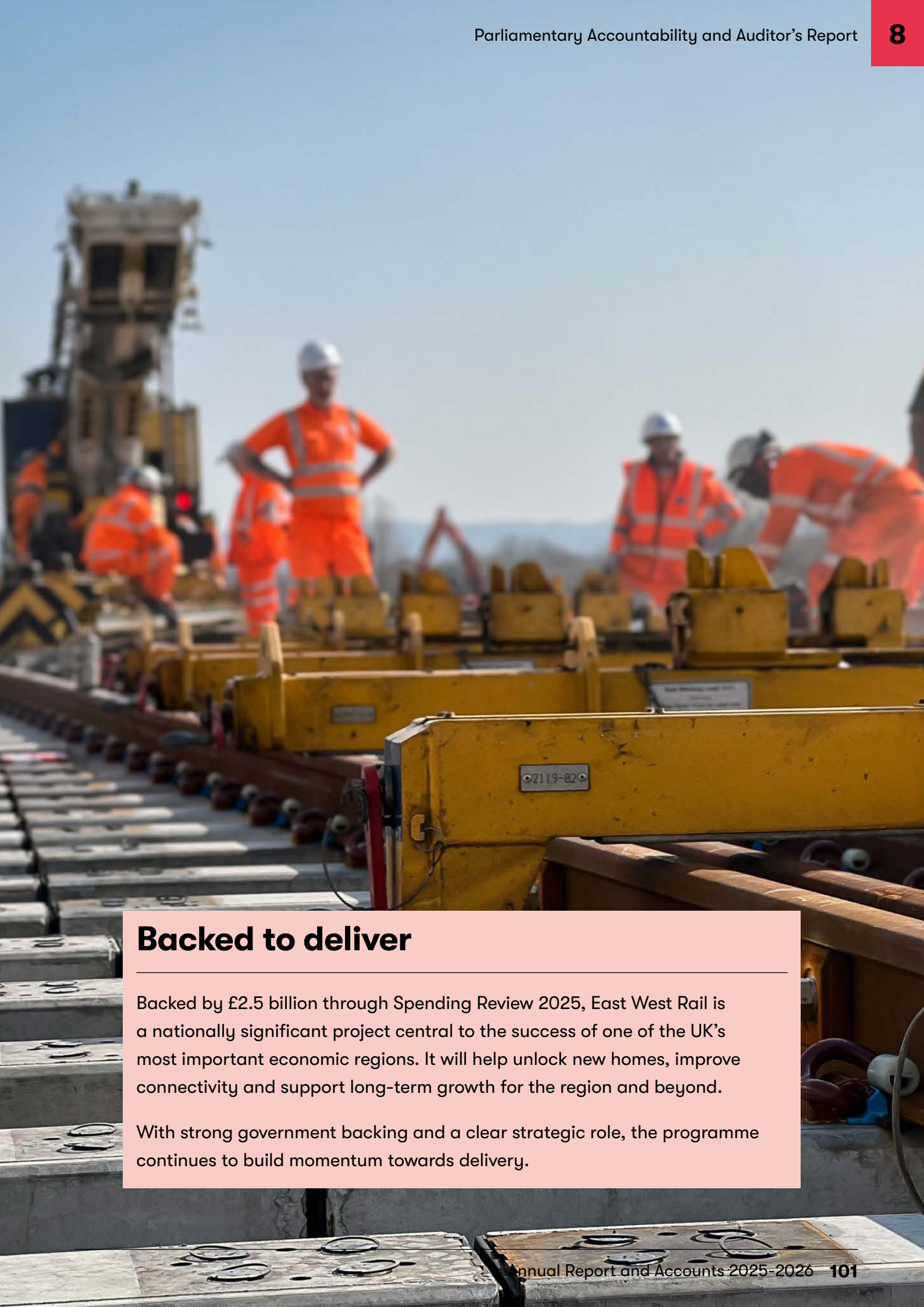
National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP



Backed to deliver

Backed by £2.5 billion through Spending Review 2025, East West Rail is a nationally significant project central to the success of one of the UK's most important economic regions. It will help unlock new homes, improve connectivity and support long-term growth for the region and beyond.

With strong government backing and a clear strategic role, the programme continues to build momentum towards delivery.



“The collaborative culture stands out. There’s significant expertise, but very little ego. People challenge ideas constructively and work towards better outcomes.”

Ben, Senior Transport Planning & Traffic Modelling Manager

CASE STUDY Ben's Story

Ben, Senior Transport Planning & Traffic Modelling Manager

Like many people, Ben didn't grow up dreaming of a career in rail infrastructure. Traffic modelling, counts and level crossings weren't exactly where he expected to end up.

But after working on major infrastructure projects, it began to feel like a natural fit. East West Rail (EWR), in particular, stood out. It's not just about building new infrastructure, but reconnecting places that have been separated for decades – balancing national ambition with the realities on the ground.

That's what drew him in: the scale of the challenge, and the chance to be part of something genuinely transformational. Few projects offer the opportunity to shape how communities connect, travel and grow.

It's also a place where contributions feel visible. There's a genuine opportunity to influence decisions, shape approaches and work closely with colleagues across disciplines to solve problems together.

"That collaborative culture stands out. There's significant expertise, but very little ego. People challenge ideas constructively and work towards better outcomes."

Taking part in consultation events has also been a highlight. It's a reminder that this is a project people genuinely care about, reflected in the time and attention given to each conversation.

Looking ahead, Ben sees EWR as helping to make the region feel more connected and accessible. Places that are geographically close can still be difficult to reach – particularly without a car – and EWR has the potential to change that.

> ***It's about giving people more choice in how they live, work and travel, without everything relying on road journeys. Over time, as the railway becomes embedded in the network, travel patterns and opportunities are likely to evolve alongside it.***

For more information on careers at East West Rail, visit **careers.eastwestrail.co.uk**

Financial Statements

for the year ending
31 March 2026

9




Bletchley
168 328
84

9. Financial Statements for the year ending 31 March 2026

Statement of comprehensive net expenditure

All values in £000s	Note	Year ended 31 March 2026	Year ended 31 March 2025
Total Income for the year	4	(319)	(23)
Expenditure			
Staff costs	3.1	25,839	25,183
Other expenditure	3.2	164,892	99,658
Depreciation and amortisation	3.2	634	995
Total Expenditure for the year		191,365	125,836
Finance and other non-cash costs	3.2	198	784
Net Expenditure for the year		191,244	126,597
Comprehensive net expenditure for the year		191,244	126,597

The Notes in section 9.1 form part of these financial statements.

Statement of financial position

All values in £000s	Note	As at 31 March 2026	As at 31 March 2025
Non-current assets			
Property, plant and equipment	5	306	193
Right of use assets	6	4,288	4,600
Inventory	8	7,267	2,872
Total non-current assets		11,861	7,665
Current assets			
Trade and other receivables	9	4,296	3,290
Cash and cash equivalents		6,989	4,186
Total current assets		11,285	7,476
Total assets		23,146	15,141
Current liabilities			
Trade and other payables	10	(23,159)	(21,461)
Provision	11	(4,127)	(1,050)
Lease liabilities	7	(508)	(496)
Total current liabilities		(27,794)	(23,007)
Non-current liabilities			
Lease liabilities	7	(3,450)	(3,988)
Total net assets/ (liabilities)		(8,098)	(11,854)
Taxpayers' equity			
Revaluation reserve		-	-
General Reserve		(8,098)	(11,854)
		(8,098)	(11,854)

The Notes in section 9.1 form part of these financial statements.



Signed by David Hughes

Chief Executive Officer & Accounting Officer

23 October 2026

East West Railway Company

Registered Company: 11072935

Statement of cash flows

All values in £000s	Note	Year ended 31 March 2026	Year ended 31 March 2025
Cash flows from operating activities			
Net Expenditure for the year	SoCNE	(191,244)	(126,597)
Adjustments for non cash items:			
Provisions (released) / provided in year		-	(650)
Other		832	1,779
Adjustments for:			
(Increase) / decrease in trade and other receivables	9	(1,006)	(1,722)
Increase / (decrease) in trade and other payables	10	1,698	10,580
Use of provisions		-	(1,729)
Purchase of inventory	8	(1,570)	(1,014)
Net cash outflow from operating activities		(191,290)	(119,353)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(226)	(92)
Net cash outflow from investing activities		(226)	(92)
Cash flows from financing activities			
Capital contribution from Shareholder		195,000	116,000
Proceeds from/(repayment of) leasing liabilities	7	(681)	(843)
Net cash inflow from financing activities		194,319	115,157
Net increase / (decrease) in cash and cash equivalents		2,803	(4,288)
Cash and cash equivalents at the beginning of the year		4,186	8,474
Cash and cash equivalents at the end of the year		6,989	4,186

The Notes in section 9.1 form part of these financial statements.

Statement of changes in Taxpayers' equity

All values in £000s	General Reserve
Balance at 31 March 2024	(1,257)
Changes in Taxpayers' equity for 2024-25	
Net expenditure for the year	(126,597)
Capital contribution from Shareholder	116,000
Balance at 31 March 2025	(11,854)
Changes in Taxpayers' equity for 2025-26	
Net expenditure for the year	(191,244)
Capital contribution from Shareholder	195,000
Balance at 31 March 2026	(8,098)

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 in section 9.1 form part of these financial statements.

9.1 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. East West Railway Company Limited is an Arm's Length Body of the Department for Transport and forms part of the Department for Transport Group.

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 2026.

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.

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

Inventories comprise properties acquired under the Need to Sell (NTS) and Statutory Blight Schemes. These properties are recognised as inventory at the point that a property is accepted onto the scheme.

EWR Co's intention is to sell the NTS properties at the end of construction.

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

All the properties that have been classified as inventory are revalued at the Balance Sheet date by way of a desk top valuation by a third-party professional valuer.

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 value of discounted lease payments, net of VAT. The discount rate used is 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 Company considers that the cost model is a reasonable proxy for the fair value of 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.

l) 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.

EWR Co runs the Need to Sell and Statutory Blight Schemes property acquisition schemes. These schemes are referred to within the Inventory section of the Accounting Policies in Section G of Note 1.

EWR Co recognises acceptance on to the schemes 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 as at the Balance Sheet date.

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 2025-26. The cost was accrued to these accounts, and the bonus was paid to staff at the beginning of 2026-27. 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 2026 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 33E of the VAT Act 1994 to recover input VAT. This allows named public bodies, which EWR Co is one, to recover VAT incurred on specified non-business activities. 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) Critical judgements and sources of estimation uncertainty

In preparing the financial statements, management makes judgements and estimates that affect the application of the Company's accounting policies and the amounts reported.

Critical judgement: capitalisation of project expenditure:

At 31 March 2026, the Company's future role in the East West Rail programme and its arrangements with Network Rail had not been formalised. The Company has therefore judged that the point at which cost could be capitalised, was not met in this financial year. Accordingly, project expenditure incurred during 2025-26 was recognised as an expense. A Memorandum of Understanding was entered into in April 2026, which supports the view that cost should be capitalised from the beginning of 2026/27.

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.

P) Grants

Grants are recognised when the event or activity that gives entitlement occurs.

Q) Adoption of new Standards

The accounting policies adopted in this set of financial statements are consistent with those set out in the 2024-25 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.

IFRS 18 Presentation and Disclosure in Financial Statements:

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

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 – Expenditure

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**	**2025-26 Total**	**2024-25 Total**
Wages and salaries	16,948	4,699	21,647	21,103
Social security costs	2,247	-	2,247	2,044
Pension costs	1,769	-	1,769	1,870
Non-executive director fees	176	-	176	166
Total staff costs	21,140	4,699	25,839	25,183

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 3.2.

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

The key management personnel in FY 2025-26 (and in FY 2024-25) 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.

Other expenditure

All values in £000s	Note	31-Mar-26 2025-26	31-Mar-25 2024-25
Non-staff expenditure includes:			
Professional services		153,184	88,385
Consultancy		261	694
Communications and publicity		198	292
IT/Comms technology		3,745	2,344
Legal costs		2,040	1,295
Licence & agent fees		2,715	1,530
Recruitment fees		101	145
Training & education		181	257
Accommodation and office services		782	676
Insurance		182	229
External audit fee*		103	102
Internal audit fee		192	223
Travel & subsistence		143	124
Rolling Stock costs		485	205
Provision expense - Legal	11	-	(60)
Provision expense - NTS	11	-	(650)
Grant Expense		-	3,445
Other costs**		580	422
		164,892	99,658
Depreciation			
Depreciation of tangible assets	5	113	449
Depreciation of right of use assets	6	521	546
		634	995
Other non-cash costs			
Lease interest expense	7	194	169
Adjustment of Rolling Stock lease liability		-	(35)
Revaluation of Inventory		4	650
		198	784
Total other expenditure		165,724	101,437

* The external audit fee is inclusive of VAT.

** 2024-25 rental income of £23k has been reclassified from Other costs to Other income in Note 4 to present income separately from expenditure.

Note 4 – Income

All values in £000s	Note	31-Mar-26 2025-26	31-Mar-25 2024-25
Income includes:			
Grant income		(247)	-
Other income		(72)	(23)
Total other income		(319)	(23)

Note 5 – Property, plant and equipment

All values in £000s	Furniture & Fixtures	Information technology	Total
Year ended 31 March 2026			
Cost or valuation			
At 1 April 2025	72	1,147	1,219
Additions	56	170	226
Disposals	-	-	-
At 31 March 2026	128	1,317	1,445
Depreciation			
At 1 April 2025	3	1,023	1,026
Charged in year	14	99	113
Disposals		-	-
At 31 March 2026	17	1,122	1,139
Net book value at 31 March 2026	111	195	306
Year ended 31 March 2025			
Cost or valuation			
At 1 April 2024	1,720	1,125	2,845
Additions	70	22	92
Disposals	(1,718)	-	(1,718)
At 31 March 2025	72	1,147	1,219
Depreciation			
At 1 April 2024	1,388	907	2,295
Charged in year	333	116	449
Disposals	(1,718)	-	(1,718)
At 31 March 2025	3	1,023	1,026
Net book value at 31 March 2025	69	124	193

The Company owns all its property, plant and equipment.

Note 6 – Rights of use assets

All values in £000s	Rolling Stock	IT Equipment	Office Lease	Total
Period ended 31 March 2026				
Cost or valuation				
At 1 April 2025	-	38	4,955	4,993
Additions	-	-	246	246
Disposals	-	(38)	-	(38)
At 31 March 2026	-	-	5,201	5,201
Depreciation				
At 1 April 2025	-	1	392	393
Charged in year	-	-	521	521
Disposals	-	(1)	-	(1)
At 31 March 2026	-	-	913	913
Net book value at 31 March 2026	-	-	4,288	4,288
Year ended 31 March 2025			£'000	£'000
Cost or valuation				
At 1 April 2024	3,266	-	892	4,158
Additions	-	38	4,954	4,992
Adjustment - MK Grafton Mews	(3,266)	-	(891)	(4,157)
At 31 March 2025	-	38	4,955	4,993
Depreciation				
At 1 April 2024	-	-	738	738
Charged in year	-	1	545	546
Disposals	-	-	(891)	(891)
At 31 March 2025	-	1	392	393
Net book value at 31 March 2025	-	37	4,563	4,600

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

Note 7 – Lease liabilities

All values in £000s	Office lease	As at 31 March 2026	As at 31 March 2025
Amounts falling due			
Not later than one year	681	681	690
Later than one year and not later than five years	2,299	2,299	2,318
Later than five years	1,747	1,747	2,443
	4,727	4,727	5,451
Less: Unaccrued interest	769	769	967
Balance at year end	3,958	3,958	4,484
Of which:			
Current	508	508	496
Non-current	3,450	3,450	3,988
	3,958	3,958	4,484
Amounts recognised in expenditure			
Depreciation	521	521	546
Lease Interest expense	194	194	169
	715	715	715
Cash flows			
Repayments of principal	681	681	843
	681	681	843

Office Lease

The office lease is a 10-year lease (entered into in 2024-25) with Network Rail for the lease of office space in The Quadrant, in Milton Keynes.

Note 8 – Inventory

All values in £000s	As at 31 March 2026	As at 31 March 2025
Inventories purchased and held in the year		
Inventory	3,387	1,822
Inventory yet to complete	3,880	1,050
	7,267	2,872

As detailed in Section G of Note 1, Inventory relates to properties acquired under the NTS and Statutory Blight schemes.

From the capitalisation point of the Project in 2026-27, properties that will fall within the boundary of the railway line, both existing and to be purchased, will be capitalised as Assets Under Construction rather than Inventory. The 'Inventory yet to complete' figure reflects those properties that have been accepted on to the schemes but are yet to be purchased. This figure can also be identified in the Provisions under Note 11.

Note 9 - Trade receivables and other current assets

All values in £000s	As at 31 March 2026	As at 31 March 2025
Amounts falling due within one year		
VAT receivable	788	278
Prepayments	3,475	2,995
Staff travel loans	1	6
Other receivables	32	11
	4,296	3,290

Note 10 – Trade payables and other current liabilities

All values in £000s	As at 31 March 2026	As at 31 March 2025
Amounts falling due within one year:		
Trade payables	(1,564)	(1,664)
Staff costs accrual	(1,341)	(934)
Accruals	(19,851)	(16,445)
Grant Payable	(403)	(2,418)
	(23,159)	(21,461)

Note 11 – Provision

All values in £000s	Land & Property	Other	Total
Provision			
At 1 April 2025	(1,050)		(1,050)
Provided in year	(2,830)	(247)	(3,077)
Provision utilised in year	-	-	-
At 31 March 2026	(3,880)	(247)	(4,127)

Land and Property Schemes provision

This relates to the Blight and the NTS property schemes and reflects those properties that have been accepted on to the schemes but are yet to be purchased. This figure can be also identified in the Inventory Note 8.

Other Provisions

This consists of a dilapidation provision in respect of the lease of the 2nd floor of the Quadrant. The corresponding amount was capitalised within the right-of-use asset in Note 6.

Note 12 - Financial Instruments

The Company is funded through capital contributions from the Department for Transport and has no external borrowings, investments or derivative financial instruments. Its financial instruments comprise cash, trade and other financial payables.

Credit risk is limited principally to cash held with the Government Banking Service. The Company has no lending activity, material customers or material financial receivables.

Liquidity risk is managed through cash-flow forecasting and funding arrangements with the Department for Transport. Material trade and other financial payables are due within one year.

The Company has no exposure to interest-rate, foreign-exchange or other market risk arising from financial instruments.

Note 13 – Financial and Capital commitments

The Company confirms that there were none to disclose as of 31 March 2026.

Note 14 - Contingent liabilities

The Company confirms that there were none to disclose as of 31 March 2026.

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	2025-26	2024-25
Transactions between the Company and DfT		
Capital contribution received from DfT	195,000	116,000
Amounts paid to DfT	20	-

Other than their remuneration disclosed in 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	2025-26	2024-25
Amounts paid to Network Rail	3,852	2,766
Amounts included in Payables at the end of year	104	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.

In FY 2025-26 EWR Co incurred no loss which met this definition (£1,669,149 in FY 2024-25).

Note 17 – Events after the reporting date

In April 2026, the Company entered into a Memorandum of Understanding (MoU) with Network Rail. The MoU sets out how EWR Co, NR and the DfT will collaborate on the design, consenting, construction and eventual operation of the East West Rail programme. As explained in the critical judgement in Note 1, the MoU supports the basis for capitalising project expenditure from 2026/27.

In April 2026, the Company launched the final route-wide statutory consultation on updated proposals ahead of the submission of a Development Consent Order. While the consultation is a strategically significant event, it is a planned programme milestone.

In June 2026, the Company entered into a lease with Network Rail for additional office accommodation on the third floor of The Quadrant, Milton Keynes. The lease runs to 1 January 2034.

Apart from the matters described above, and as at the date of signing these financial statements, there have been no other material events after the reporting period, whether adjusting or non-adjusting.

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.

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