



Tax Transparency Statement

This statement of Tax Transparency was compiled in partnership with the [Fair Tax Foundation](#) (“FTF”) and

CERTIFIES

that Network Rail Limited and its subsidiary undertakings (“the Group”) meet the standards and requirements of the FTF’s Global Multinational Business Standard for the Fair Tax Mark certification.

It also satisfies the key reporting recommendations of GRI 207 (Global Reporting Initiative), the United Nations Principles for Responsible Investment (PRI) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, as they relate to responsible tax conduct.

The Group’s Fair Tax Mark certification substantially demonstrates alignment to the EU’s Corporate Sustainability Reporting Directive (CSRD) in relation to taxation.

STATEMENT

Tax Strategy

[Our approach to tax and our Tax Strategy](#) is available on our website.

In addition to the responsible tax commitments laid out in our public Tax Strategy, as we are an organisation that has operations across multiple jurisdictions, it’s important to note that we apply the arm’s length principle to all intercompany transactions, and we aim to pay tax on profits according to where economic substance and value is created within the normal course of commercial activity.

Network Rail's group structure is based on genuine commercial operations and activity. Any presence that the organisation has in any jurisdiction where it is based will be for genuine and substantive commercial reasons. Network Rail does not use no-tax or low-tax jurisdictions artificially or aggressively to avoid taxes.

Our Tax Strategy is subject to periodic reviews and compliance tests. We can confirm that the Group was successfully compliant with its Tax Strategy and tax commitments for the year ended 31 March 2024. This includes a recognition of the need to follow the spirit of the law, as well as the letter of the law.

Network Rail has a Speak Out (Whistleblowing) Policy, which can and should be used to raise genuine concerns about suspected wrongdoing when it comes to tax (such as tax negligence, tax evasion, or any behaviour that goes against our Tax Strategy and responsible tax commitments included in this Statement).

Subsidiaries, branches, and tax residencies

A list of our principal subsidiaries is included in our [2024 Annual Report and Accounts](#) (pages 192 – 193). In addition to this list of principal UK subsidiaries, Network Rail through its international division formed under Network Rail International also has the following foreign subsidiaries and branches (page 156):

- Network Rail Consulting, Inc – Subsidiary based in the USA;
- Network Rail Consulting PTY Ltd – Subsidiary based in Australia;
- Network Rail Consulting (Canada) Inc – Subsidiary based in Canada;
- Network Rail Consulting Limited Branch in Saudi Arabia.

All the above represent our international rail consultancy businesses in the respective countries. Our international rail consultancy ambition is to be a leading international rail consultancy and first choice for clients and employees, leading in terms of application of knowledge/expertise, technologies, problem solving, quality of our people and always being on bid lists in our target markets.

Network Rail International focuses on those countries that have large legacy rail systems in need of renewal or enhancement and that are safe for our people, transparent in their commercial dealings and that offer long term growth potential.

All our companies and branches in the UK and internationally are tax resident and subject to tax in the place of registration/operation. Excepting for Network Rail Insurance Limited subsidiary, which is registered in Guernsey for operating and regulatory reasons but is tax resident and subject to tax on all the profits earned only and exclusively in the UK as the rest of the UK business.

Country-by-Country Reporting

As we operate across multiple jurisdictions, we like to be transparent about our economic footprint. The following table represents our economic footprint for the year ended 31 March 2023.

Amounts in £'000s except for employee numbers

Tax Jurisdiction	Revenues			Profit (Loss) Before Income Tax	Tax Paid (on cash basis)	Income Tax Accrued - Current Year	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total					
Australia	14,461	(570)	13,891	333	109	-	57	45
Canada	103	14	117	(24)	-	-	2	1
United Kingdom	2,651,980	7,523,132	10,175,112	(1,083,182)	401	(41)	41,669	83,381,300
United States	11,704	(1,090)	10,614	1,272	3	(3)	38	28
Saudi Arabia	3,672	(100)	3,572	120	389	(53)	10	9
United Arab Emirates	-	-	-	-	-	-	-	-
	2,681,920	7,521,386	10,203,306	(1,081,481)	902	(97)	41,776	83,381,383

Network Rail is predominantly a UK-based and operating organisation in terms of revenues, profits/losses, employees, and assets. Network Rail in the UK is operationally a profit-making organisation, though the final profit or loss result is influenced by fair value movements and disposals of fixed assets. Due to the large capital investment in fixed assets in the UK's railway network, new and unclaimed capital allowances would mitigate the profits generated on operations and extraordinary items.

The Group has no uncertain tax positions in any of the jurisdictions we are operating within.

This Country-by-Country analysis is based on the statutory accounts of the legal entities. The activities of Network Rail outside the UK are currently far below the materiality levels of the Group's financial reporting in the consolidated group accounts.

Our Country-by-Country reporting for the year ended 31 March 2024 is due to be published in 2025 once the statutory financial statements have been finalised.

Network Rail
Group Tax