Network Rail expenditure in 2012/13
£9,030m
+6.10% on 2011/2012

Renewals spend (by route) £2,760m
Operations & support £1,436m
Industry costs £385m

Capital accretion £485m
Operations £460m

Debt interest £793m
Financing costs £1,496m
FIM fee £218m

Corporate services £479m

Track £782m
Civils £463m
Signalling £607m

Network wide expenditure and shared corporate services £1,531m

Renews spend (by route) £2,760m

Network Rail income: Network grant £3,981m, Property income £233m, Open access income £23m, Freight income £48m, Passenger access income £1,913m

[Diagram showing network rail expenditure and shared corporate services]
Values in solid coloured nodes = total organisation spend. This excludes all expenditure related to HS1. For further details, please refer to our annual accounts [http://www.networkrail.co.uk/transparency/datasets/](http://www.networkrail.co.uk/transparency/datasets/).

Values on the map + network wide expenditure and shared corporate services = total organisation spend.

Financial indemnity fee: If we are unable to pay out on the bond repayments the noteholders have a direct claim on the UK government. We pay a fee for this indemnity being 0.8% of the outstanding debt p.a.

Accretion relates to the increase in the nominal value of index-linked bonds. The inflation of these bonds is linked to the retail price index and the inflation is expensed annually.

Schedule 4 of the track access contract between us and train operators’ sets out the basis for compensation we pay to train operators for the effect of planned disruption, like scheduled engineering works. It compensates the operators for costs they may incur as a result of disruption, like publicity material and where necessary rail replacement buses, and for revenue they lose during disruption and in the future as a result of the inconvenience caused to passengers. Schedule 8 of the track access contract sets out the basis for compensation paid for the impact of unplanned disruption and delay. The delay or disruption can be our responsibility, for instance a track or signalling problem, or the responsibility of a train operator, for instance a train failure. 2012/2013 saw higher performance penalties than 2011/2012 due to unforeseen incidences.

PR08 funded costs relate to outputs that we must deliver between 2009 and 2014 on certain projects. This is determined by the Office of Rail Regulation. Costs that do not relate to PR08 work is recorded under Network Rail sponsored, government sponsored or 3rd party sponsored.

Expenditure has increased compared to prior year due to:

- additional costs relating to Electricity Charge for Traction (EC4T) and cumulo rates; these are related to the electrification of the railway lines.

- higher performance penalties due to unforeseen incidences (this was mainly due to cold weather affecting the tracks)

- higher renewals expenditure to align targets to PR08 (5 year performance regime targets)