

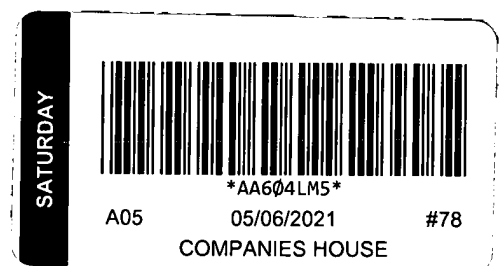
Company Registration No. 954220

Registered in England and Wales

ALSTOM NETWORK UK LTD

Annual Report and Financial Statements

For the Year Ended 31 March 2021



REPORT AND FINANCIAL STATEMENTS 2021

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I C L De Venter
X P M Morel

SECRETARY

I C L De Venter

REGISTERED OFFICE

8th Floor
The Place
High Holborn
London
WC1V 7AA

AUDITORS

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

DIRECTORS' REPORT

31 March 2021

The Directors present their report and the financial statements for the year ended 31 March 2021.

REVIEW OF THE COMPANY AND ITS ACTIVITIES

The Company previously acted as an undisclosed agent for ALSTOM Limited, a former fellow group undertaking, upon terms which provided that ALSTOM Limited received all income and paid all expenditure of the Company. On 30 January 2015, this agency agreement was terminated.

As set out in note 6 to the financial statements, the Company's ultimate parent undertaking is ALSTOM. Certain ALSTOM group companies were under investigation by the Serious Fraud Office (SFO) since March 2010. In July 2014, charges were brought against the Company and certain current and past employees of ALSTOM group companies in connection with transportation projects located in Poland, Tunisia and India. In April 2015, charges were also brought against the Company and certain current and past employees in connection with a project located in Hungary. All charges brought by the SFO related to historic events that occurred before 2009 and do not involve the current Directors of the Company.

On 10 April 2018, following a jury trial at Southwark Crown Court, the Company was acquitted of conspiracies to corrupt in relation to India and Poland. It was convicted of a single count of conspiracy to corrupt in relation to Tunisia. This conviction related to activity between 2003 and 2006. On 28 November 2018, the Company was acquitted by a Jury at Southwark Crown Court in London of the charges in relation to Hungary.

At a sentencing hearing on 25 November 2019, the Company was ordered to pay a total of £16.4m for conspiracy to corrupt relating to a contract to supply trams in Tunisia. This comprised £15m in fines and £1.4m in costs. These payments were made in full by the Company during the previous financial year. This brought all outstanding matters in relation to the SFO investigation and prosecution of the Company in the UK to a conclusion.

In November 2019, a third party commenced enforcement procedures in the UK against the Company, and a fellow Group undertaking outside of the UK, of a 2016 arbitration award of €1.8m in favour of the third party. On 18 June 2020, the UK High Court found against the Company and the fellow Group undertaking on their application to set aside the 2016 Arbitration Award. The UK High Court ordered the execution of this Arbitration Award of €1.8m along with interest and procedure costs added to this. As such the Company has recorded a provision for €2.14m in respect of the the court order. At the year-end exchange rate, this amounts to £1.82m. The timing of future payments is not yet certain.

The company recorded a profit for the year of £89,000 (2020: loss of £18,516,000) as set out on page 9.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company is non-trading and has no employees. In light of the negative equity position of the Company at the year end date, and lack of confirmation of financial support from the Company's parent, the Directors consider it appropriate for the financial statements to be prepared on a basis other than going concern.

DIRECTORS

The Directors who held office during the year and subsequently are noted on page 1. During the year the Company has maintained the grant of an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

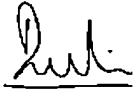
The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 414B(b) of the Companies Act 2006.

DIRECTORS' REPORT
31 March 2021

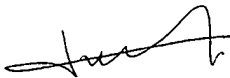
AUDITORS

The Directors believe that they have taken reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Further, they believe that they have taken appropriate steps to ensure that there is no relevant audit information of which the Company's auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



I C L De Venter - Director



X P M Morel – Director

30 April 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 March 2021

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of ALSTOM Network UK Limited

Opinion

We have audited the financial statements of Alstom Network UK Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation

We draw attention to Note 1 to the financial statements which explains that in the light of the negative equity position of the Company at the year-end date, and the lack of confirmation of financial support from the Company's parent, the Directors consider it appropriate for the financial statements to be prepared on a basis other than going concern. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of ALSTOM NL Service Provision Limited and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to - posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. A further description of our 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 our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



David Herbinet (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP, St Katherine's Way, London, E1W 1DD

30 April 2021

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2021

	Note	2021 £000	2020 £000
TURNOVER		-	-
Cost of Sales		-	-
Administrative expenses	2,4	89	(18,516)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		89	(18,516)
Income tax	5	-	-
OPERATING RESULT AND RESULT FOR THE FINANCIAL YEAR		89	(18,516)

All results relate to discontinued activities.

STATEMENT OF CHANGES IN EQUITY
31 March 2021

	Issued share capital (note 7) £000	Retained earnings £000	Total Equity £000
At 31 March 2019 (Unaudited)	50	(34)	16
Total comprehensive income for the year	-	(18,516)	(18,516)
Shares issued during the year	16,442	-	16,442
At 31 March 2020	16,492	(18,550)	(2,058)
Total comprehensive income for the year	-	89	89
At 31 March 2021	16,492	(18,461)	(1,969)

STATEMENT OF FINANCIAL POSITION
31 March 2021

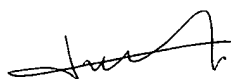
	Note	2021 £000	2020 £000
CURRENT ASSETS			
Cash and cash equivalents		416	604
		<u>416</u>	<u>604</u>
CURRENT LIABILITIES			
Other payables		(565)	(587)
PROVISIONS	4	(1,820)	(2,075)
NET (LIABILITIES)/ASSETS		<u>(1,969)</u>	<u>(2,058)</u>
CAPITAL AND RESERVES			
Called up Share Capital:			
Ordinary shares of £1 each	7	16,492	16,492
Profit and Loss Account		(18,461)	(18,550)
TOTAL EQUITY – DEFICIT		<u>(1,969)</u>	<u>(2,058)</u>

These financial statements on pages 9 to 14 were approved by the Board of Directors and authorised for issue on the date shown below.

Signed on behalf of the Board of Directors



I C L De Venter
 Director



X P M Morel
 Director

30 April 2021

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES

Authorisation of Financial Statements and Statement of Compliance with FRS 101

The financial statements for the year ended 31 March 2021 were authorised for issue by the board of directors as indicated on page 10. ALSTOM Network UK Limited is a private Company limited by shares and incorporated in the United Kingdom under the Companies Act and registered in England & Wales. The principal activities of the Company are set out in the Directors' Report.

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. These financial statements have been prepared in accordance with international accounting standards ("IFRS") in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on an historical cost basis. They are presented in Sterling and all values are rounded to the nearest thousand (£000), except when otherwise stated.

Basis of preparation

The Company is non-trading and has no employees. In light of the negative equity position of the Company at the year end date, and the lack of confirmation of financial support from the Company's parent, the Directors consider it appropriate for the financial statements to be prepared on a basis other than going concern.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2021. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS7 *Financial Instruments: Disclosures*;
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*;
- (c) the requirements of IAS7 *Statement of Cash Flows*;
- (d) the requirements of paragraphs 30 and 31 of IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (e) the requirements in IAS24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that the subsidiary which is a party to the transaction is wholly owned by such a member;

Changes in accounting policy and disclosures

The Company's financial statements are not affected by the issue of new, revised or amended standards and interpretations becoming effective in the European Union starting from 1 April 2020. The Company has not opted for early application at 31 March 2020 of IFRS requirements already published by the IASB which will become mandatory in future periods, but the Director does not expect these changes to have a significant impact upon the financial statements.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2021****1. ACCOUNTING POLICIES (continued)****Foreign currency transactions**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency of the reporting unit and the foreign currency at the date of the transaction. Currency units held, assets to be received and liabilities to be paid resulting from those transactions are re-measured at closing exchange rates at the end of each reporting period. Realised exchange gains or losses at the date of payment as well as unrealised gains or losses deriving from re-measurement are recorded within income from operations when they relate to operating activities or within financial income or expense when they relate to financing activities.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Temporary differences arising between the carrying amount and the tax base of assets and liabilities, unused tax losses and unused tax credits are identified. Corresponding deferred taxes are calculated at the enacted or substantively enacted tax rates that are expected to apply in the period when the asset is realised or the liability settled.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the deductible differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are offset when both of the following conditions are met:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Deferred tax is charged or credited to the Statement of Comprehensive Income.

2. AUDITOR'S REMUNERATION

The auditor's remuneration for the year ended 31 March 2021 in respect of the audit of the financial statements was borne by another Alstom group company (2020: £Nil).

3. STAFF COSTS AND DIRECTORS' REMUNERATION

The Company has no employees (2020: Nil).

The Directors receive all or part of their emoluments from fellow group undertakings, and it is not possible to determine the proportion of their emoluments which relate to services provided to this Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

4. LITIGATION

As set out in note 6 to the financial statements, the Company's ultimate parent undertaking is ALSTOM. Certain ALSTOM group companies were under investigation by the Serious Fraud Office (SFO) since March 2010. In July 2014, charges were brought against the Company and certain current and past employees of ALSTOM Group companies in connection with transportation projects located in Poland, Tunisia and India. In April 2015, charges were also brought against the Company and certain current and past employees in connection with a project located in Hungary.

All charges brought by the SFO were historic (pre-2009) and do not involve the current Directors of the Company.

On 10 April 2018, following a jury trial at Southwark Crown Court, the Company was acquitted of conspiracies to corrupt in relation to India and Poland. It was convicted of a single count of conspiracy to corrupt in relation to Tunisia. This conviction relates to activity between 2003 and 2006. On 28 November 2018, the Company was acquitted by a Jury at Southwark Crown Court in London of the charges in relation to Hungary.

At a sentencing hearing on 25 November 2019, the Company was ordered to pay a total of £16.4m for conspiracy to corrupt relating to a contract to supply trams in Tunisia. This comprised £15m in fines and £1.4m in costs. These payments were made in full by the Company during the previous financial year. This brought all outstanding matters in relation to the SFO investigation and prosecution of the Company in the UK to a conclusion.

In November 2019, a third party commenced enforcement procedures in the UK against the Company, and a fellow Group undertaking outside of the UK, of a 2016 arbitration award of €1.8m in favour of the third party. On 18 June 2020, the UK High Court found against the Company and the fellow Group undertaking on their application to set aside the 2016 Arbitration Award. The UK High Court ordered the execution of this Arbitration Award of €1.8m along with interest and procedure costs added to this. As such the Company has recorded a provision for €2.14m in respect of the the court order. At the year-end exchange rate, this amounts to £1.82m. The credit to the Statement of Comprehensive Income in the current year of £89,000 includes the exchange gain arising on the re-translation of this Euro-demominated liability at the year end exchange rate. The timing of future payments is not yet certain.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2021****5. INCOME TAX**

The tax charge is based on the profit/(loss) for the year and comprises:

	2021	2020
	£000	£000
United Kingdom Corporation Tax based on the profit for the year at 19% (2020: 19%)	-	-

The actual tax charge for the current year and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2021	2020
	£000	£000
Profit/(loss) on ordinary activities before tax	89	(18,516)
Tax at standard rate of 19%	(17)	3,518
Non taxable income/ (disallowed expenses)	17	(3,518)
Income tax charge reported in the Statement of Comprehensive Income	-	-

6. PARENT UNDERTAKINGS

The Company's immediate parent undertaking is ALSTOM Holdings, a company incorporated in France.

The Company's ultimate parent undertaking and ultimate controlling party is ALSTOM, a company incorporated in France. The only Group in which the results of the Company are consolidated is that headed by ALSTOM. A copy of the ALSTOM financial statements can be obtained from 48, rue Albert Dhalenne, 93842 Saint-Ouen, France or via the ALSTOM website at www.alstom.com.

7. SHARE CAPITAL

	2021	2020
	£000	£000
Allotted, called up and fully paid		
16,491,951 (2020: 16,491,951) Ordinary shares of £1 each	16,492	16,492