

Company Registration No. 7847458

Registered in England and Wales

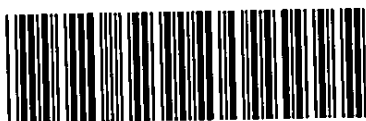
ALSTOM BOILER UK LIMITED

Report and Financial Statements

For the Year Ended

31 March 2014

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REPORT AND FINANCIAL STATEMENTS 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G P Parry	(resigned 20 December 2013)
D I Hesford	(resigned 11 February 2014)
R M Purcell	(appointed 14 January 2014)
I G R MacDonald	(appointed 14 January 2014)

REGISTERED OFFICE

St Leonards Works
St Leonards Avenue
Stafford
ST17 4LX

AUDITORS

Mazars LLP
45 Church Street
Birmingham
B3 2RT

DIRECTORS' REPORT

Year ended 31 March 2014

The Directors present their report and the financial statements for the year ended 31 March 2014

BUSINESS REVIEW, FUTURE PROSPECTS AND PRINCIPAL ACTIVITIES

The Company's principal activity during the year was the provision of boiler related services to the power generation industry

On 28 February 2014, the trade and assets of the Company were sold to ALSTOM Limited, the Company's immediate parent company for their book value, and the Company ceased to trade

TRADING RESULTS

As shown in the Statement of Comprehensive Income, sales were £430,000 (2013 £2,441,000) and Total Comprehensive Income for the year was a loss of £2,771,000 (2013 loss of £14,029,000) This loss in 2014 was after charging restructuring costs of £747,000 The loss in 2013 was after charging £13,151,000 in respect of impairment of goodwill.

No dividends were paid during the year (2013 £nil)

As noted in the Company's previous report, in July 2012 the UK Government published "Government response to the consultation on proposals for the levels of banded support under the Renewables Obligation for the period 2013-17 and the renewables Obligation Order 2012 " This significantly altered the expected subsidies to be received for biomass co-firing and pushed investors towards the much more complicated and costly 100% biomass firing (i.e. converting plants from coal fuel to only biomass) This reduction, to one third of the expected subsidy level for the easier co-firing conversion, resulted in the shelving of the project the Company had secured It also led to most operators re-evaluating their developed plans based on the new subsidy levels As a consequence, the Company has failed to secure new orders in this financial year, and consequently this also explains the low level of sales being recorded

The Alstom Group manages its operations on a Sector basis For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the Sectors of Alstom, which includes the Company, is discussed in the Group's Annual Report which does not form part of this report

PRINCIPAL RISKS AND UNCERTAINTIES

The Company manages competitive trading risk by providing added value services to its customers, having fast response times not only in supplying products but also in handling all customer queries, and by maintaining strong relationships with customers

Credit risk is managed by agreeing payment terms in advance, including progress payments and upfront payments Appropriate credit control procedures are followed at all operations where credit risk is perceived Where credit risk is considered to be high, contracts must provide for payments to be made either by irrevocable letter of credit or payment before despatch

The Company is effectively financed by either loans or equity from ALSTOM and has no third party debt It therefore has little interest rate exposure Group risks are discussed in the Group's Annual Report which does not form part of this Report

DIRECTORS' REPORT

Year ended 31 March 2014

ENVIRONMENT, HEALTH & SAFETY

The Alstom Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with Group policies, which are described in the Group's Annual Report which does not form part of this report. There are various initiatives designed to minimise the Company's impact on the environment

The Company recognises the importance and implications of the Health & Safety at Work Act 1974, the Environmental Protection Legislation, and all new Health & Safety legislation especially that being promulgated through EU Directives. The Company operates a series of Health & Safety risk management programmes to ensure compliance throughout the Company with the increasing complexities of Health & Safety legislation and to reduce the incidence of hazardous circumstances that might affect the health and safety of employees. The Company's insurers also take a keen interest in these programmes, and provide valuable advice about their operation and development

Environmental and health and safety issues are also addressed by the implementation of regular environmental audits at UK locations

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff being disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The Company participates in the Group's policies and practices to keep employees informed on matters relevant to them as employees through the European Works forum, regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests

DIRECTORS

The Directors who held office during the year and subsequently are noted on page 1

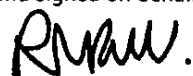
During the year the Company has maintained the grant of an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

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

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

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



R M Purcell Director

2 April 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). 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, and
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements

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 Boiler UK Limited

We have audited the financial statements of ALSTOM Boiler UK Limited for the year ended 31 March 2014 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2014 and of the company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework', and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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

Paul Lucas (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK



2 April 2014.

STATEMENT OF COMPREHENSIVE INCOME

31 March 2014

		Year ended 31 March 2014	Period ended 31 March 2013
	Note	£000	£000
SALES	2	430	2,441
Cost of sales		(587)	(2,163)
Selling expenses		(1,187)	(831)
Administrative expenses		(1,407)	(329)
Impairment of goodwill		-	(13,151)
INCOME FROM OPERATIONS		(2,751)	(14,033)
Interest (payable)/receivable – group		(20)	4
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,771)	(14,029)
Income tax expense	5	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		(2,771)	(14,029)

All activities derive from discontinued operations

STATEMENT OF CHANGES IN EQUITY

31 March 2014

	Issued share capital (note 10) £000	Share premium (note 10) £000	Retained earnings £000	Total Equity £000
At 15 November 2011	-	-	-	-
Total comprehensive income for the period	-	-	(14,029)	(14,029)
Share issued during the period	-	15,000	-	15,000
At 1 April 2013		15,000	(14,029)	971
Total comprehensive income for the year	-	-	(2,771)	(2,771)
Share issued during the period	-	1,800	-	1,800
Capital reduction (note 10)	-	(16,800)	16,800	-
At 31 March 2014	-	-	-	-

STATEMENT OF FINANCIAL POSITION
31 March 2014

	Note	2014 £000	2013 £000
FIXED ASSETS			
Intangible assets – goodwill	6	-	-
CURRENT ASSETS			
Construction contracts in progress – assets	7	-	170
Trade and other receivables	8	-	639
Cash and cash equivalents		-	496
Total current assets		-	1,305
CREDITORS: Amounts falling due within one year			
Construction contracts in progress – liabilities	7	-	30
Trade and other payables	9	-	304
Total current liabilities		-	334
NET CURRENT ASSETS		-	971
TOTAL ASSETS LESS CURRENT LIABILITIES		-	971
Provisions for liabilities	11	-	-
NET ASSETS		-	971
CAPITAL AND RESERVES			
Issued capital	10	-	-
Share premium account		-	15,000
Retained earnings		-	(14,029)
TOTAL EQUITY		-	971

These financial statements were approved by the Board of Directors and issued to the shareholders on the date shown below

Signed on behalf of the Board of Directors

R M Purcell 2 April 2014

R M Purcell
Director

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****1. ACCOUNTING POLICIES****Authorisation of Financial Statements and Statement of Compliance with FRS 101**

The financial statements for the year ended 31 March 2014 were authorised for issue by the board of directors as indicated on page 8. ALSTOM Boiler UK Limited is a private limited company incorporated and domiciled 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 in accordance with applicable accounting standards.

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 transitioned from EU-adopted IFRS to FRS 101 for all periods presented. There were no changes to the measurement of the Company's assets and liabilities on the adoption of FRS 101. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2014. 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), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*,
- (c) the requirements of IAS7 *Statement of Cash Flows*,
- (d) the requirement in paragraph 38 of IAS1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 118(e) of IAS38 *Intangible Assets*;
- (e) the requirements of paragraphs 30 and 31 of IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors*,
- (f) 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, and
- (g) the requirements of paragraph 17 of IAS24 *Related Party Disclosures*.

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 2013.

Pension and other post-retirement benefits

For pension arrangements that are defined contribution in nature, the Company's cash contributions are charged against profits for the year.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****1. ACCOUNTING POLICIES (continued)****Use of estimates**

The preparation of the financial statements requires management to make estimates and to use assumptions that could affect the value of the Company's assets, liabilities, equity, net income and contingent assets and liabilities at the closing date. Management reviews estimates on an ongoing basis using currently available information. Changes in facts and circumstances may result in actual financial consequences different from the estimates.

The accounting policies most affected by the use of estimates are the following:

Revenue and margin recognition on construction and long-term service contracts and related provisions

The Company recognises revenue and gross margin on construction and long-term service contracts under the percentage of completion method based on milestones, in addition, when a project review indicates a negative gross margin, the loss related to work not yet performed is immediately recognised.

Recognised revenue and margin are based on estimates of total expected contract revenue and cost, which are subject to revisions as the contract progresses. Total expected revenue and cost on a contract reflect management's current best estimate of the probable future benefits and obligations associated with the contract. Assumptions to calculate present and future obligations take into account current technology as well as the commercial and contractual positions, assessed on a contract-by-contract basis. The introduction of technologically advanced products exposes the Company to risks of product failure significantly beyond the terms of standard contractual warranties applying to suppliers of equipment only.

Obligations on contracts may result in penalties due to late completion of contractual milestones, or unanticipated costs due to project modifications, suppliers or subcontractors' failure to perform or delays caused by unexpected conditions or events. Warranty obligations are affected by product failure rates, material usage and service delivery costs incurred in correcting failures. Although the Company makes individual assessments on contracts, there is a risk that actual costs related to those obligations may exceed the initial estimates. Estimates of contract costs and revenues at completion in case of contracts in progress and estimates of provisions in case of completed contracts may then have to be re-assessed.

Currency translation

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 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.

Since the Company is exposed to foreign currency volatility, the Group's Treasury function puts in place hedges to cover the exposures in its operating subsidiaries. These derivatives are recognised on the balance sheet at their fair value at the closing date. Providing that the relationships between the foreign currency exposure and the related derivatives are qualifying relationships, the Company uses the specific accounting treatments designated as hedge accounting. A relationship qualifies for hedge accounting if, at the inception of the hedge, it is formally designated and documented and if it proves to be highly effective throughout the financial reporting periods for which the hedge was designated.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****1. ACCOUNTING POLICIES (continued)****Currency translation (continued)***Fair value hedge*

When fair value hedge accounting applies, changes in the fair value of derivatives and changes in the fair value of hedged items are both recognised in the income statement and offset each other up to the gain or loss on the effective portion on the hedging instrument

The ineffective portion on the hedging instrument is recognised in the income statement. Realised and unrealised exchange gains and losses on hedged items and hedging instruments are recorded within income from operations when they relate to operating activities or within financial income or expense when they relate to financing activities

As the effective portion on the hedging instrument offsets the difference between the spot rate at inception of the hedge and the effective spot rate at the outcome of the hedge, sales and costs resulting from commercial contracts are recognised at the spot rate at inception of the hedge throughout the life of the related commercial contracts, provided that the corresponding hedging relationships keep on qualifying for hedge accounting

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value

The Company deposits its cash and cash equivalents with the ALSTOM Group's treasury function on overnight deposit. The amounts deposited are pursuant to intercompany loan arrangements. While the Group has the power to control decisions of subsidiaries of which it is the majority owner, its subsidiaries are distinct legal entities and their payment of dividends and granting of loans, advances and other payments to the Group may be subject to legal or contractual restrictions, be contingent upon their earnings or be subject to business or other constraints

Revenue recognition

The amount of revenue arising from a transaction is usually determined by the contractual agreement with the customer. Penalties are taken into account in reduction of contract revenue as soon as they are probable. Turnover is shown net of VAT

Revenue on the sale of manufactured products and service contracts which are of less than one year in duration is recognised when the significant risks and rewards of ownership are transferred to the customer, which generally occurs on delivery and performance of service activities. Revenue on construction contracts and long term service agreements is recognised on the percentage of completion method. The stage of completion is assessed by milestones which indicate the completion of the proportion of the contract work or services prescribed by the agreement. The excess of revenue measured at percentage of completion over the revenue recognised in prior periods is the revenue for the period. Cost of sales on construction contracts and long-term service agreements is computed on the same basis

Warranty costs are estimated on the basis of contractual agreement, available statistical data and weighting of all possible outcomes against their associated probabilities

When the outcome of a contract cannot be estimated reliably but the contract overall is expected to be profitable, revenue is still recognised based on milestones, but margin at completion is adjusted to nil. When it is probable that contract costs at completion will exceed total contract revenue, the expected loss is recognised immediately as an expense

With respect to construction contracts and long-term service agreements, the aggregate amount of costs incurred to date plus recognised margin less progress billings is determined on a contract by contract basis. If the amount is positive, it is included as an asset designated as "Construction contracts in progress - assets"

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****1. ACCOUNTING POLICIES (continued)****Revenue recognition (continued)**

If the amount is negative, it is included as a liability designated as "Construction contracts in progress - liabilities", along with down payments received from customers

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.

Receivables

Receivables are initially recognised at fair value, which in most cases approximates the nominal value. They are subsequently re-measured at amortised cost using the effective interest rate method. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment. Any difference between the carrying value and the impaired value (net realisable value) is recorded within income from operations. The impairment loss can be reversed if the value is recovered in the future. In that case, the reversal of the impairment loss is reported within income from operations.

Payables

Payables are initially recognised at fair value, which in most cases approximates the nominal value. They are subsequently re-measured at amortised cost.

Business combinations

On the acquisition of a business, fair values are attributed to the Company's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as goodwill and capitalised in the Statement of Financial Position in the year of acquisition.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****1. ACCOUNTING POLICIES (continued)****Goodwill**

Goodwill is not amortised but tested for impairment at least annually at the year end date

The impairment test methodology is based on a comparison between the recoverable amount of an asset and its net carrying value. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. If an asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for a cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is elected as representative of the recoverable value. The valuation performed is based upon the Company's internal three-year business plan. Cash flows beyond this period are estimated using a perpetual long-term growth rate for the subsequent years. The recoverable amount is the sum of the discounted cash flows. Discount rates are determined using the Group's weighted-average cost of capital.

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognised immediately in the Statement of Comprehensive Income.

Leases

Property, plant and equipment acquired through finance lease arrangements or long-term rental arrangements that transfer substantially all the risks and rewards incidental to ownership are capitalised. They are recognised at their fair value at the inception of the lease, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a financing obligation. Lease payments are apportioned between finance charges and repayment of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or the term of the relevant lease, when shorter.

Leases that do not transfer substantially all risks and rewards incidental to ownership are classified as operating leases. Rentals payable are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised on a straight-line basis over the lease term.

Government grants

Grants are credited to the Statement of Comprehensive Income as the related expenditure is incurred.

Provisions

As long as a construction contract or a long-term service agreement is in progress, obligations attributable to such a contract are taken into account in the assessment of the margin to be recognised and are therefore reported within the financial statements as "Construction contracts in progress - assets" or "Construction contracts in progress - liabilities".

Upon completion of the contract, such obligations are recognised as distinct liabilities when they satisfy the following criteria:

- the Company has a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation, and
- such outflow can be reliably estimated.

These liabilities are presented as provisions when they are of uncertain timing or amount. When this uncertainty is dispelled, they are presented as trade payables or other current liabilities.

Obligations resulting from transactions other than construction contracts and long-term service agreements are directly recognised as provisions as soon as the above-mentioned criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

2. SALES

The geographical analysis of sales by destination is as follows

	Year Ended 31 March 2014 £000	Period Ended 31 March 2013 £000
United Kingdom	201	786
Europe	229	1,643
Middle East & Africa	-	12
	<u>430</u>	<u>2,441</u>

3. AUDITORS' REMUNERATION

The auditors' remuneration in the year to 31 March 2014 was £6,000 (2013 £16,000)

4. STAFF COSTS AND DIRECTORS' REMUNERATION

The average monthly number of employees (including Directors) was

	2014 No	2013 No
Activity		
Engineering	18	16
Administration	16	14
	<u>34</u>	<u>30</u>

Their aggregate remuneration comprised

	Year ended 31 March 2014 £000	Period ended 31 March 2013 £000
Wages and salaries	1,106	1,711
Social security costs	121	193
Other pension costs – defined contribution arrangements	112	218
	<u>1,339</u>	<u>2,122</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

4. STAFF COSTS AND DIRECTORS' REMUNERATION (continued)

Directors' emoluments

	2014	2013
	£000	£000
Directors' remuneration	71	109
Compensation for loss of office	37	-
Company contributions - defined contribution pension arrangements	6	8
	<u>114</u>	<u>117</u>
	<u>2014</u>	<u>2013</u>
	No	No
Directors receiving benefits - defined contribution pension arrangements	<u>1</u>	<u>1</u>

Certain of 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

5. INCOME TAX EXPENSE

	Year ended 31 March 2014 £000	Period ended 31 March 2013 £000
Current taxation	-	-
Group Relief receivable	<u>-</u>	<u>-</u>
Income tax reported in the Statement of Comprehensive Income	<u>-</u>	<u>-</u>

A reconciliation between the income tax expense and the Company's accounting profit multiplied by the UK corporation tax rate for the year is set out below

	Year ended 31 March 2014 £000	Period ended 31 March 2013 £000
Pre-tax loss	<u>(2,771)</u>	<u>(14,029)</u>
Tax credit on pre-tax income at 23% (2013 24.5%) effective rate	(637)	(3,437)
Non-taxable and non deductible items	-	3,222
Tax losses not recognised	<u>637</u>	<u>215</u>
Income tax reported in Statement of Comprehensive Income	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

5. INCOME TAX EXPENSE (continued)

Tax losses for which no deferred tax has been recognised in the past were transferred to ALSTOM Limited on 28 February 2014 following the sale of the Company's trade and assets to ALSTOM Limited

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£000
Cost	
At 31 March 2013	13,151
Disposals	(13,151)
	<hr/>
At 31 March 2014	<hr/> - <hr/>
Amortisation	
At 31 March 2013	13,151
Disposals	(13,151)
	<hr/>
At 31 March 2014	<hr/> - <hr/>
Net book value	
At 31 March 2013 and 31 March 2014	<hr/> - <hr/>

7. CONSTRUCTION CONTRACTS IN PROGRESS

	2014	2013
	£000	£000
Construction contracts in progress – assets	-	170
Construction contracts in progress – liabilities	-	(30)
	<hr/>	<hr/>
Construction contracts in progress	<hr/> - <hr/>	<hr/> 140 <hr/>

	2014	2013
	£000	£000
Contract costs incurred plus recognised profits less recognised losses	-	22,075
Less progress billing	-	(21,917)
	<hr/>	<hr/>
Construction contracts in progress excluding downpayments received from customers	<hr/> - <hr/>	<hr/> 158 <hr/>
Down payments received from customers	-	(18)
	<hr/>	<hr/>
Construction contracts in progress	<hr/> - <hr/>	<hr/> 140 <hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2014

8. TRADE AND OTHER RECEIVABLES

	2014	2013
	£000	£000
Trade receivables	-	435
Other receivables and prepayments	-	163
Amounts owed by Group undertakings	-	41
	<u>-</u>	<u>639</u>

Past due at the balance sheet date

	Total	Not past due	Less than	Between 60	More than
	£000	£000	60 days	and 180 days	180 days
			£000	£000	£000
Gross	435	41	394	-	-
Impairment	-	-	-	-	-
Trade receivables at 31 March 2013	435	41	394	-	-

9. TRADE AND OTHER PAYABLES

	2014	2013
	£000	£000
Trade payables	-	48
Amounts owed to Group undertakings	-	139
Accruals and deferred income	-	117
	<u>-</u>	<u>304</u>

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****10. SHARE CAPITAL**

	2014	2013
	£	£
Issued, allotted and fully paid		
1 (2013 100) Ordinary share of £1 each	1	100
Nil (2013 1) 'A Ordinary' shares of £1 each	-	1
	<hr/>	<hr/>
	1	101
	<hr/>	<hr/>

On 20 February 2014, the Company issued 1 'A Ordinary' share of £1 to ALSTOM UK Holdings Limited for a total consideration of £1,800,000. These shares carried no voting rights. Subsequently, on the same date, the Company passed a special resolution in accordance with s 642 of the Companies Act 2006 to reduce its share capital by 99 Ordinary shares of £1 each and 2 'A Ordinary' shares of £1 each. These amounts, along with the balance on the share premium account have been credited to retained earnings.

11. PROVISIONS

	Restructuring
	£000
At 1 April 2013	-
Additions	747
Utilised	(553)
Business disposals	(194)
	<hr/>
At 31 March 2014	-
	<hr/>

12. EMPLOYEE BENEFIT OBLIGATIONS

The Company operated an externally provided Group Pension Plan for all employees. Included with the benefits were Life Assurance and Income Protection Schemes. Governance for these benefit arrangements was managed through an independent financial services company.

The Company also made payments on a defined contribution basis to other pension plans operated by Alstom in the UK.

The total amount charged to the Statement of Comprehensive Income in respect of pension arrangements for the year ended 31 March 2014 was £112,000 (2013 £218,000).

13. PARENT UNDERTAKINGS

The Company's immediate parent undertaking is ALSTOM Ltd. 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 3 avenue André Malraux, 92309 Levallois-Perret Cedex, France, or via the Alstom website at www.alstom.com.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2014****14. OPERATING LEASE COMMITMENTS**

The Company had entered into commercial leases on land and buildings, certain motor vehicles and items of equipment. Future minimum rentals payable under non-cancellable operating leases were as follows:

	2014	2013
	£000	£000
Within one year	-	125
After one year but not more than five years	-	95
	<u>-</u>	<u>95</u>
	-	220
	<u>-</u>	<u>220</u>