

**Company Registration No. 540682**

**Registered in England and Wales**

**ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

**Report and Financial Statements**

**For the Year Ended**

**31 March 2008**



# **ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# **ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

S R Burgin (appointed 12 March 2008)  
J A Tyler (appointed 12 March 2008)  
H C Austin (appointed 12 March 2008)  
B W Radford (appointed 12 March 2008)  
J M Blenkinsop (appointed 17 March 2008)  
A D Cledwyn-Davies  
R S Gill

### **SECRETARY**

A D Cledwyn-Davies

### **REGISTERED OFFICE**

Newbold Road  
Rugby  
Warwickshire  
CV21 2NH

### **AUDITORS**

Ernst & Young LLP  
No 1 Colmore Square  
Birmingham  
B4 6HQ

## **ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

### **DIRECTORS' REPORT**

**Year ended 31 March 2008**

The Directors present their report and the financial statements for the year ended 31 March 2008

#### **BUSINESS REVIEW, FUTURE PROSPECTS AND PRINCIPAL ACTIVITIES**

The Company's principal activity for the year ending 31 March 2008 is to act as a management services company by providing the services of certain senior employees to other Alstom group companies

The principal activities of the Company during the year ended 31 March 2007 were the design, manufacture, engineering and installation of lighting systems for airports and the provision of management services. On 30 March 2007, the activities of the Company relating to the business of design, manufacture, engineering and installation of lighting systems for airports were transferred to ALSTOM Ltd at book value. These activities have been discontinued and are disclosed as such in the financial statements.

The Company changed its name to ALSTOM Resources Management Ltd on 14 June 2007.

#### **TRADING RESULTS**

The Company made an operating profit in the year ended 31 March 2008 of £15,000 (2007: £1,065,000). The profit after interest and tax for the year was £880,000 (2007: £1,630,000).

#### **EMPLOYEES**

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

#### **DIVIDEND**

The Directors do not propose a final dividend (2007: £nil) and no dividend was paid in the year (2007: £29,789,000).

#### **DIRECTORS AND THEIR INTERESTS**

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

According to the register kept by the Company in accordance with Section 325 of the Companies Act 1985, as at 31 March 2008, none of the Directors had any disclosable interests in the shares or debentures of the Company or its ultimate parent Company at any time during the year.

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 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

**ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

**DIRECTORS' REPORT**

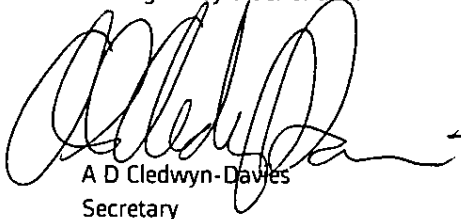
**Year ended 31 March 2008**

**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 s2342A of the Companies Act 1985.

Ernst & Young LLP have expressed their willingness to continue in office as auditors and they will be reappointed.

Approved by the Board of Directors  
and signed by order of the Board

A handwritten signature in black ink, appearing to read 'A D Cledwyn-Davies', is written over the printed name and title.

A D Cledwyn-Davies  
Secretary

1 May 2008

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## **ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)**

We have audited the financial statements of ALSTOM Resources Management Ltd for the year ended 31 March 2008, which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Birmingham, UK

*1 May 2008*

# ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2008

	Note	2008 £000	2007 £000
<b>TURNOVER</b>	2		
Continuing operations		1,498	569
Discontinued operations		-	7,319
		<hr/>	<hr/>
		1,498	7,888
Cost of sales		(1,483)	(5,874)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		15	2,014
Distribution costs		-	(708)
Administrative expenses		-	(241)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>			
Continuing operations	3	15	-
Discontinued operations	3	-	1,065
		<hr/>	<hr/>
		15	1,065
Profit on disposal of discontinued operations	3	-	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		15	1,065
Interest receivable from fellow Group companies		1,235	1,416
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	1,250	2,481
Tax on profit on ordinary activities	6	(370)	(851)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED</b>	9	880	1,630
		<hr/>	<hr/>

There are no recognised gains or losses in the current year or the preceding year other than those shown in the Profit and Loss Account



# ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)

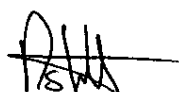
## BALANCE SHEET

31 March 2008

	Note	2008 £000	2007 £000
<b>CURRENT ASSETS</b>			
Debtors amounts due from fellow group undertakings		26,105	25,225
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	10,854	10,854
Share premium account	9	12,741	12,741
Profit and loss account	9	2,510	1,630
<b>TOTAL SHAREHOLDERS' FUNDS</b>	10	26,105	25,225

These financial statements were approved by the Board of Directors and issued to the shareholders on 1 May 2008

Signed on behalf of the Board of Directors



R S Gill

Director

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

**1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies are described below.

**Turnover**

Turnover is shown net of VAT and comprises salary recharges and fees payable by fellow group companies as agreed from time to time. In the prior year, the Company recorded transactions in respect of its discontinued operations as sales when the delivery of products or performance of services took place in accordance with the terms of sale.

**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.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

**Pension schemes**

For multi-employer defined benefit pension plans and defined contribution plans, the Company's cash contributions are charged against profits for the year. The assets are held in trustee-administered funds independent of the Company's finances.

**Operating leases**

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

**Cash flow statement**

The Directors have taken advantage of the exemption contained in Financial Reporting Standard No 1 from preparing a cash flow statement on the grounds that the Company is a wholly owned subsidiary of ALSTOM which itself has prepared a consolidated cash flow statement incorporating the Company.

# ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

### 2. SEGMENTAL INFORMATION

Substantially all of the Company's turnover and operating profit is derived from its principal activities. The geographical analysis of turnover by destination is as follows:

	2008 £000	2007 £000
United Kingdom	1,498	3,886
Europe	-	419
North and South America	-	284
Australasia and Asia	-	702
Africa	-	2,597
	<u>1,498</u>	<u>7,888</u>

### 3. ANALYSIS OF CONTINUING AND DISCONTINUED OPERATIONS

	2008 £000			2007 £000		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Turnover	1,498	-	1,498	569	7,319	7,888
Cost of sales	(1,483)	-	(1,483)	(569)	(5,305)	(5,874)
Gross profit	15	-	15	-	2,014	2,014
Distribution costs	-	-	-	-	(708)	(708)
Administrative expenses	-	-	-	-	(241)	(241)
Operating profit	<u>15</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>1,065</u>	<u>1,065</u>

The disclosure of turnover and cost of sales in respect of continuing operations in the comparative figures has been amended to be consistent with the current year – both have increased by £569,000.

On 30 March 2007, the activities of the Company relating to the business of design, manufacture, engineering and installation of lighting systems for airports were transferred to ALSTOM Ltd at book value, the consideration being left on an intercompany account. This has been treated as a discontinued operation. There was no profit arising on disposal and there was no tax impact. The assets and liabilities disposed of were as follows:

	2008 £000	2007 £000
Fixed assets	-	14
Stocks and WIP	-	785
Debtors	-	1,216
Cash	-	131
Creditors	-	(922)
Provisions	-	(455)
Net assets sold and net sale proceeds	<u>-</u>	<u>769</u>

# ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors in the year received no remuneration for their services as Directors of this Company. Their costs are borne by another group company.

	2008 No	2007 No
<b>Average number of persons employed</b>		
Production and engineering	-	18
Sales and commercial	-	8
Management and administration	9	6
	<u>9</u>	<u>32</u>
	<b>2008 £000</b>	<b>2007 £000</b>
<b>Staff costs during the year</b>		
Wages and salaries	1,204	1,420
Social security costs	175	175
Pension costs (note 11)	104	353
	<u>1,483</u>	<u>1,948</u>

### 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2008 £000	2007 £000
Depreciation		
Owned assets	-	17
Rentals under operating leases		
Plant and machinery	-	4
Other	-	29
	<u>-</u>	<u>50</u>

The auditors' remuneration in 2008 and 2007 was borne by a fellow group company.

# ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### Analysis of tax charge on ordinary activities

	2008 £000	2007 £000
United Kingdom Corporation Tax based on the profit for the year at 30% (2007 30%)	375	744
Adjustment in respect of prior years	(5)	(243)
Current tax charge	370	501
Deferred tax charge – current year	-	350
	370	851

#### Factors affecting tax charge for the current year

The current tax charge for the year is lower than that resulting from applying the standard rate of tax in the UK, 30% (2007 30%). The differences are explained below

	2008 £000	2007 £000
Profit on ordinary activities before tax	1,250	2,481
Tax at 30% thereon	375	744
Prior period adjustments	(5)	(243)
Current tax charge	370	501

The UK Corporation tax rate will decrease from 30% to 28% from 1 April 2008. The rate change will affect the amount of future cash tax payments to be made by the Company.

### 7. DIVIDENDS PAID AND PROPOSED

	2008 £000	2007 £000
On Ordinary shares of £1 each		
Declared and paid in the year at nil (2007 274 4p) per share	-	29,789
Proposed for approval by the shareholders at the AGM at nil (2007 nil) per share	-	-

# ALSTOM RESOURCES MANAGEMENT LTD (FORMERLY ALSTOM CONTROLS LTD)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

### 8. CALLED UP SHARE CAPITAL

	2008 £000	2007 £000
Authorised 15,000,000 Ordinary shares of £1 each	15,000	15,000
Called up, allotted and fully paid 10,854,414 Ordinary shares of £1 each	10,854	10,854

### 9. RESERVES

	Share capital £000	Share premium account £000	Profit and loss account £000
Balance at 1 April 2007	10,854	12,741	1,630
Profit for the year	-	-	880
Balance at 31 March 2008	10,854	12,741	2,510

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £000	2007 £000
Profit for the financial year	880	1,630
Dividends paid	-	(29,789)
Net addition/(reduction) to shareholders' funds	880	(28,159)
Opening shareholders' funds	25,225	53,384
Closing shareholders' funds	26,105	25,225

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

**11. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES)**

**Alstom Pension Scheme**

The Company participates in the Alstom Pension Scheme ("the Scheme") This is a defined benefit multi-employer scheme The Scheme's funds are administered by a Trustee and are independent of Company finances Investment of the Scheme's assets in Alstom Group companies is not permitted by the Trustee The last triennial actuarial valuation of the Scheme was carried out as at April 2006 Details of this valuation are available in the financial statements of ALSTOM, a company incorporated in France A copy of ALSTOM's financial statements can be obtained from 3 avenue André Malraux, 92309 Levallois-Peret Cedex, France or via the Alstom website at [www.alstom.com](http://www.alstom.com)

The Company is unable to identify its share of the net assets and liabilities of the Scheme The Company therefore accounts for its pension contributions to the Scheme on a defined contribution basis, as allowed by FRS 17

The pension charge for the year ended 31 March 2008 in respect of the defined benefit scheme was £71,000 (2007 £288,000), calculated as 8-14% of members' pensionable earnings, agreed after receiving actuarial advice The Scheme is a closed scheme and therefore under the projected unit method, the current service cost would be expected to increase as the members of the Scheme approach retirement

The valuation of the Scheme was updated for FRS 17 purposes at 31 March 2008 by a qualified actuary

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

The major assumptions used by the actuaries to determine the liabilities on a FRS 17 basis for the Scheme are set out below

	<b>31 March 2008</b>	<b>31 March 2007</b>	<b>31 March 2006</b>
	<b>% per annum</b>	<b>% per annum</b>	<b>% per annum</b>
Rate of increase in salaries	4.0	3.7	3.0
Rate of increase in pensions	2.8	2.5	2.3
Discount rate	6.3	5.4	5.0
Rate of price inflation	3.0	2.7	2.5

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

## 11. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (CONTINUED)

## Alstom Pension Scheme (continued)

The assets of the Scheme and the expected rate of return were

	Expected rate of return %	31 March 2008 £ million	Expected rate of return %	31 March 2007 £ million	Expected rate of return %	31 March 2006 £ million
Equities	8.5%	428.6	8.6%	446.4	8.1%	659.3
Bonds	6.3%	734.5	5.4%	771.1	5.0%	492.6
Property	7.5%	122.6	7.6%	135.3	7.1%	110.4
Other	4.5%	5.2	4.6%	-	4.5%	9.4
Total fair value of Scheme assets		1,290.9		1,352.8		1,271.7
Actuarial valuation of Scheme Liabilities		(1,363.0)		(1,491.0)		(1,507.0)
Deficit in the Scheme		(72.1)		(138.2)		(235.3)

No deferred tax asset is shown in respect of the FRS 17 deficit in the Scheme, as, in the opinion of the Directors, there is insufficient certainty over the timing of the recoverability of the potential deferred tax asset at 31 March 2008.

The assumptions used by the actuary have a significant effect on the actuarial valuation of the Scheme liabilities. The following sensitivity analysis for each of the assumptions used to measure the actuarial valuation of the Scheme's liabilities shows the increase or decrease in the Scheme liabilities at 31 March 2008 for the year ended 31 March 2008.

Impact on Scheme liabilities	Change in assumption	Change in Scheme Liabilities	(Decrease)/ Increase in Scheme Liabilities £ million
Discount rate	Increase by 0.25%	Decrease by 4.2%	(57.5)
Rate of price inflation	Increase by 0.25%	Increase by 1.1%	15.1
Rate of increase in pensions	Increase by 0.25%	Increase by 2.8%	38.3
Rate of increase in salaries	Increase by 0.25%	Increase by 0.3%	4.1

## 12. PARENT UNDERTAKINGS

The Company's immediate parent undertaking is ALSTOM UK Holdings 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](http://www.alstom.com).

## 13. RELATED PARTY TRANSACTIONS

Pursuant to the exemption granted by Financial Reporting Standard No 8 "Related Party Disclosures" transactions with other undertakings within the Alstom Group have not been disclosed within these financial statements.