Company Registration No. 8462831

Registered in England and Wales

ALSTOM TRANSPORT UK LIMITED

Annual Report and Financial Statements

For the Year Ended

31 March 2025

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Baldock	(resigned 15 October 2024)
P J Broadley	
A Butters	(appointed 25 July 2025)
N P Crossfield	(resigned 25 October 2024)
C R Haynes	
E Henry	(appointed 15 October 2024)
D A Johnston	
R Kumar	(appointed 30 October 2024)
S J R MacLeod	(resigned 19 December 2024)
R Whyte	(appointed 14 July 2025)
P S R Wood	

SECRETARY

M J C Heath

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STRATEGIC REPORT
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TRADING RESULTS

As shown in the Company's Statement of Comprehensive Income on page 22, sales for the year were £555.4m (2024: £672.8m). Income from operations was a profit for the year of £19.9m (2024: £108.9m). The gross margin on sales has reduced from 20.4% to 8.5% year on year. Revenue and profitability in the prior year was significantly impacted by revised estimates of total contract profitability on certain contracts leading to a back-trading impact on sales. Both the current year and prior year were also impacted by assumptions over the expected duration of long term maintenance contracts. Administrative expenses were broadly consistent. Interest income decreased from £11.3m to £2.1m as a result of a reduced cash balance being held for most of the year (due to dividend payments and changes in working capital levels). Profit before taxation was £21.9m (2024: £121.0m).

Cash and cash equivalents changed from a positive balance of £89.8m to borrowings of £15.3m. This was after making dividend payments during the year of £30.0m (2024: £210.0m). The employee pension benefit surplus decreased by £4.6m, largely as a result of net actuarial losses, as set out in note 16. The Company's net assets decreased from £303.4m at 31 March 2024 to £284.3m at 31 March 2025, principally a consequence of the dividend payments made as noted above.

OPERATIONS, KEY PERFORMANCE INDICATORS AND FUTURE PROSPECTS

The Alstom Group (hereafter referred to as "Alstom" or "the Group") has a strategy to serve the rail transport market in the provision of turn-key systems, new equipment and lifetime services. Transport is very high on the UK political agenda and subject to continuous attention. Alstom is extremely well placed to benefit from a long-term programme of asset replacement, modernisation and upgrade in the markets that it serves. Alstom is recognised in the UK as a world leading technology provider and therefore is deeply engaged with all major stakeholders. The principal Key Performance Indicators used to assess the Company's activities are as follows:

	Orders received £m	**Sales £m**	**Income from operations £m**
2025	164.4	555.4	19.9
2024	181.9	672.8	108.9

Orders received by the Company can fluctuate significantly year on year as there are typically a relatively low number of high-value orders, as well as the fact that orders are in respect of contracts of a long-term nature.

The directors see clear robust continued demand for the Company's products and services. Alstom continues to offer train maintenance and modernisation services to rolling stock leasing companies (ROSCO's) and train operating companies. At the same time, Alstom recognises the enormous growth opportunities in the rolling stock market in the UK. There is a clear need for infrastructure, signalling and in particular new rolling stock across the spectrum from very high speed, through electric multiple units to metro over the coming years. Alstom is in a unique position to support these requirements. The Company is well placed to leverage its strong position in all aspects of the rail market in the UK, and to make ready for this future growth.

In Digital & Integrated Systems (D&IS) we have continued to execute our backlog of Network Rail projects under the Major Signalling Framework Agreements for Control Period 6. Major projects - and new technology (MCS-I, SMARTLOCK, SMARTIO) in both the Southern and Eastern framework areas have been commissioned successfully in 2024 (Ferrybridge, Victoria 4, Cambridge stage 1, South Kirkby). Another batch of CP6 projects are progressing with their final commissioning stages over the next 2 years (F2P, Cambridge stage2, Goole).

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OPERATIONS, KEY PERFORMANCE INDICATORS AND FUTURE PROSPECTS (continued)

Work continues to be executed on the Cork project (where a large VO was signed postponing the commissioning by 6 months to February 2027) and Heathrow APM project (commissioning by summer 2025) on target. D&IS were successful in tendering the TCSF Framework Lots 1 and 2 tenders (which are zero value frameworks). Tender awards will occur throughout Control Period 7.

The Class 390 Pendolino modernisation project was successfully completed in July 2025 and the Class 458 modernisation completed in December. We have some new projects now starting in Widnes including refurbishment of the Class 222 fleet, and are in advanced negotiations with customers on other fleets. We continue to win significant component overhaul work at Widnes.

Despite some operational challenges in the year, the Services contracts continue to perform well with the average customer satisfaction scores above 8/10. This reflects Alstom's continued strong services offering to our customers, adding additional value wherever we can, providing both safe and high performing fleets with a high standard of train presentation and passenger experience. This level of service is going to be increasingly important as train operators have signed up to new "Service Quality Regimes" which focuses them on customer experience as much as standard reliability and availability scores.

Alstom continues to enhance its reputation for collaborative working, always working with customers to resolve issues as they arise. With our enhanced capability we are able to allocate expert resources from the central Continuous Improvement team to the local project teams to turn around performance much more quickly and efficiently with very positive results across all three of these projects.

An issue we continue to manage is the increasingly difficult sourcing and supply chain environment we are working in. Energy bill increases, global conflicts, global semi-conductor shortages and Brexit have made sourcing material more difficult, with suppliers increasing prices and lead-times. As well as robust negotiating strategies we are also having to proactively plan our material supply much further in advance to make sure we have no shortages.

On the political stage we continue to monitor the progress of Great British Railways and the "Nationalisation" of the DfT rail franchises and the impact this may have on Alstom in the UK. This is not expected to materially impact the Company as of today but we continue to engage with industry stakeholders as the government's plans progress.

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PRINCIPAL RISKS AND UNCERTAINTIES

Market Environment

Long-term evolution of the Company's markets is driven by a variety of complex and inter-related external factors, such as economic growth, political stability and public policies in particular on public transportation. In addition, the Company faces the evolution of customers' demand due to the specificity of their markets, as well as strong competition, both from large historical international competitors as well as new ones. The Company believes it competes effectively in its markets. The Directors consider that the Company is well placed to face these challenges.

Contract Execution

The Company's business includes major long-term contracts, often executed in consortium. The revenue, cash flow and profitability of a long-term project can vary significantly in accordance with the progress of that project and depends on a variety of factors, which can be either within the Company's control, or influenced by external stakeholders including our customers, suppliers, subcontractors or consortium partners. Profit margins realised on certain of the Company's contracts may vary from their original estimates as a result of changes in costs and productivity over their term. As a result of this variability, the profitability of certain contracts may significantly impact income and cash flows in any given period. The Company has established strict risk control procedures which are applied from tendering to contract execution, and the reported results take into account the expected outcomes from this risk assessment process.

Pension plans

The Company participated in three defined benefit pension schemes during the year and is committed to providing cash to cover differences between the market value of the plan's assets and required levels for such schemes over a defined period. The projected benefit obligations are based on certain actuarial assumptions, including, in particular, discount rates, rates of increase in compensation levels and rates of mortality. If actual results, in particular actual performance of plan assets, were to materially differ from these assumptions the funded status of the Company's plans may be significantly higher or lower. Further details on the methodology used to assess pension assets and liabilities together with the annual pension costs are included in note 16 to the financial statements.

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Year ended 31 March 2025

ENVIRONMENT, HEALTH & SAFETY ("EHS")

The Company recognises the importance and implications of current legislation such as the Health & Safety at Work Act 1974, the Environmental Protection Legislation, and all new Health & Safety legislation, including that being promulgated through EU Directives and UK legislation post Brexit.

This is the fifth year of compulsory reporting under the Streamlined Energy and Carbon Reporting (SECR) policy. This reporting framework extends the scope of mandatory carbon reporting which is enforced through the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The table below outlines the carbon emissions created by the Company during 2024/25:

		24/25	23/24
Scope 1 Emissions			
	Gas (tonnes CO_2e)	4502.58	4208.26
	Travel (tonnes CO_2e)	336.792	241.327
Scope 2 Emissions			
	Electricity (tonnes CO_2e)	2389.19	2327.68
	Using Alstom 100% Green Tariff	0	0
Total Scope 1 &2 Emissions		7228.56	6777.26
Energy Consumption used to calculate above emissions:			
Scope 1 Emissions			
	Gas (KWh)	22,219,600	23,379,200
	Travel (Miles)	1,365,093	1,062,816
Scope 2 Emissions			
	Electricity (KWh)	11,539,200	11,240,800
Intensity ratio: tCO2e (gross Scope 1 + 2) / Intensity factor			
	Energy (tonnes CO_2e/Hrs Worked	0.0021	0.0018
	Travel (tonnes CO_2e / Mile)	0.000247	0.000227
Emissions from employees commuting to and from work (Scope 3) / tonnesCO2e			
	Travel (tonnes CO_2e)	154.098	99.691
Energy Consumption used to calculate above emissions:			
	Travel (miles)	606594	427300
Scope 3 data - Water consumption from public supply			
	Water consumed (m3)	197,828.70	173,667.30
Carbon associated with Water Consumed (t/CO_2e)		30.29	30.7391121

STRATEGIC REPORT
Year ended 31 March 2025

ENVIRONMENT, HEALTH & SAFETY (continued)

Methodology applied to above figures
The displayed Gas and Elecricity data is taken from the Alstom internal reporting system and Company and personal milage is taken from data held within Alstom's internal expenses system. The carbon emission factors are taken from the DEFRA 2019 -2024 emission factors respectively. The chosen Intensity factors are based on Alstom's 2025 strategy where hours worked are used, tCO2e per mile was considered to be a satisfactory factor to use for travel. The carbon emissions generated for electricity are shown in two formats with both local grid emission factor used. This is also displayed as 0 as Alstom purchases 100% certified green electricity within the UK. Water is calculated from water meters and the correct public supply carbon factor applied.

The Alstom 2025 AIM (Alstom in Motion) strategy has set a series of objectives centred around energy usage and carbon reduction.

The Company continues to operate and grow a series of Health & Safety risk management programmes to ensure the evaluation of 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 and others who may be affected, such as the public and contractors, and to promote a consistent approach to health and safety at all levels of the organisation.

The Company continues to align its accredited Environmental, Occupational Health and Safety Management systems to ensure continuous improvement and risk control, and to reinforce the values, ethics, and culture throughout the Company.

The Senior Management Team monitors Environmental, Occupational Health and Safety Performance through regular reviews at scheduled meetings taking actions where necessary to address trends or emerging risks.

Alstom's Group wide Zero Deviation Plan (AZDP), with associated lifesaving rules, continues to have a positive and significant impact on health and safety performance, as does it's Alstom Performance System (APSYS). A programme of self-assessments, calibrated by accredited internal assessors from other parts of the group are undertaken to ensure consistent high standards are maintained throughout. Alstom's principal Health and Safety indicator which measures Lost Time Accidents per million hours worked has risen in the financial year, partly attributed to staff turnover and redistribution of work around the business. Injury Frequency Rate for Employees and Contractors (IFR1) stood at 0.8. The other key performance indicator (KPI) is the Total Recordable Injury Rate (TRIR) which includes all injuries (other than those treated by basic first aid alone) per million hours worked which was 1.2 in the same year.

Ensuring the workforce is competent to undertake our varied work activities is of primary importance. The internal offer from our National Training Academy, opened in February 2023 now includes externally accredited training courses relating to recognised Environmental, Health and Safety standards to ensure our employees have the required technical and non-technical skills to perform their work safely and efficiently. Having an accredited in-house capability ensures a cost effective common approach and supports learning and our open culture.

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ENVIRONMENT, HEALTH & SAFETY (continued)

Training also includes the Alstom Culture Engagement based on best practice behavioural safety techniques, as well as the Health & Safety Passport, which along with other blended learning approaches ensures EHS is considered in everything we do.

The Company's insurers also continue to take a keen interest in these programmes and provide valuable advice about their operation and development. The Company also completes regular reviews with insurers to identify improvement opportunities. EHS issues are also addressed by the implementation of regular audits at UK locations by internal independent auditors as part of programmes such as AZDP and APSYS, by external auditors as part of RISQS (Railway Industry Supplier Qualification Scheme), ISO9001, ISO14001, ISO 45001 certification and by customers (such as the Network Rail 'Principal Contractor Licence' certification) and other organisations as part of the tender and pre-qualification process.

The Company has a well-established Health and Wellbeing strategy which not only ensures legislative compliance but also focuses on the prevention, protection, and improvement in employees' physical and psychological wellbeing, which is aligned to the recently published new ISO 45003 : global standard for psychological health and safety in the workplace which aims to provide clear guidance to employers on how to prevent work related stress and mental health issues.

In association with the Baton of Hope, a suicide and mental ill-health prevention charity, Alstom aims to raise awareness amongst it's managers on how to recognise and mitigate the pressures on their staff as far as possible to ensure a positive mental health culture. Employees were offered the opportunity to participate in various wellbeing programmes throughout 2024-25, with a clear focus on enabling them to proactively improve their physical and mental health.

- Growing network of Mental Health First Aiders across the company;
- Employees Assistance Programme;
- Direct access to mental health services through Bupa; and
- Launch of Men's Talk clubs across eight sites.

Alstom has had its near-term science-based emissions reduction targets validated by the Science Based Targets initiative (SBTi) as consistent with levels required to meet the goals of the Paris Agreement. The SBTi has validated the corporate greenhouse gas (GHG) emissions reduction targets submitted by Alstom as compliant with its criteria and recommendations (version 4.2). The SBTi's target validation team has classified Alstom Group's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory. Alstom has updated its carbon targets following the Bombardier Transport acquisition in 2021 which resulted in an expanded perimeter and therefore a revised GHG emissions baseline. Alstom has increased the ambition of its new near-term targets compared to the previous validated ones.

The approved near-term targets are:

- Alstom is committed to reduce absolute direct GHG emissions (scope 1) and indirect GHG emissions (scope 2) from Alstom sites by 40% by 2030/31 from a 2021/22 baseline – in line with a 1.5°C trajectory.

- Alstom is committed to reduce GHG emissions (scope 3) from the use of sold products from its portfolio of rolling stock solutions by 42% (increased from previous target set at 35%) per passenger-km and 35% per ton-km by 2030/31 from a 2021/22 baseline.

Both targets are in line with the Beyond 2°C scenario (B2DS), the most ambitious one available for Sectoral Decarbonisation Approach for the transport sector.

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Year ended 31 March 2025

ENVIRONMENT, HEALTH & SAFETY (continued)

Our 2050 Net Zero Target

- At least a 90% absolute reduction on our value chain for all Scopes vs FY2021/22
- Balance the remaining emissions through sequestration project

Rail is among the most energy efficient modes of transport for freight and passengers. The modal shift from other types of passenger transport to rail will play a key role in the decarbonisation of the mobility sector. Alstom strongly believes in its role to support the transition towards a low carbon future. Its solutions help to decarbonise mobility and contribute to reaching the climate targets set by countries and cities.

To achieve these targets, the AIM strategy includes operational energy efficiency and transition ambitions: decarbonising its operations, with the goal of achieving 100% renewable electricity supply from renewable sources in its operations by end of 2025; reducing the energy consumption of the portfolio of solutions by 25% by 2025 compared to 2014; and for 100% of newly developed solutions to be eco-designed.

Alstom is engaging to complete a deep decarbonisation of its activities over the value chain, while contributing to the mitigation efforts beyond the Company. The net-zero ambition means that climate targets will be gradually expanded to cover the whole value chain, by setting the right measure efforts and establishing the milestones towards absolute GHG reduction by 2050.

CARBON REDUCTION PROJECTS

Completed/in progress carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the 2021/22 baseline:

Alstom continues to operate a certified ISO14001:2015 Environmental Management System, to drive continuous improvement. The Alstom 2025 AIM strategy has set a series of objectives centred around energy usage and carbon reduction.

In order to reduce the carbon produced by our facilities, Alstom has implemented the recommendations from our SECR and ESOS reporting and further carbon reduction initiatives are proposed to improve our carbon performance before 2025.

These include, but are not limited to:

- The Alstom 2025 strategy has set a global target for 10% self-production of energy utilising initiatives on our sites. This is currently being scoped within the UK at Alstom owned sites. We aim to progress our Solar PV programme in 2025 with installation to follow on all chosen sites before 2026/27;
- Implementation of a full overhaul of our lighting systems with deployment of LED fittings and building management systems, PIR and pressure sensors to optimise our energy usage and reduce maintenance on the lighting systems; and
- There is a drive within Alstom to reduce our dependence on Gas consumption given the current global situation and rising costs and scarcity of resources. Alstom are planning to interlock the doors of our traincare maintenance depots to the heating system. This will give instant payback where the heating system will switch off if the main doors are opened and initiatives such as heat pumps, geothermal and solar heating are being explored where we have sole control of our sites and payback periods align with contract lengths.

STRATEGIC REPORT
Year ended 31 March 2025

ENVIRONMENT, HEALTH & SAFETY (continued)

We did see a rise in electricity consumption and energy intensive activities at our sites during 2024/25 with our hours worked reducing but not in line with our activity. Our gas consumption has increased by 6.99% on 2023/24 due to large heating systems being repaired on sites therefore increasing the heating consumption. Giving a slight increase in our scope 1&2 carbon intensity per hours worked.

Support of the global Science Based Targets through a cascade of UK level environmental improvement targets

We continue to evolve the branded fleet beyond our bespoke PHEV vehicles. These have reduced our carbon emissions by over 75g CO2e/km. An overhaul of our company cars has produced an average reduction of 37g CO2/km. We continue to offer full electric cars at all pay grades enabling our staff to find the low carbon option which suits their travel patterns. The approach has allowed Alstom's car fleet to achieve an average of 3g CO2e/km within this financial year. Our fleet support contract was replaced in 2024 to increase our energy and carbon savings we have included a sustainability questionnaire to all tenderers which will be taken into account as part of the selection process. We will continue to do this in all future contract renewals. Alstom continue to also embed sustainability questionnaires to OEMs tenders allowing us to evaluate the lifecycle carbon-foot print of vehicles. This allows Alstom to ensure fleet sustainability downstream and during operation.

Our project sites are transferring to fully electrified plant, removing the dependence on diesel, transferring sites where we are not able to gain a grid connection using HVO fuel or renewables to power activities. There is a commitment for our D&IS sites to move to diesel free, through use of alternative fuels and/or technologies.

The Company has used 100% green certified electricity from UK sources since 2017. This contributes to a global Alstom objective to use 100% green energy throughout the Company by 2025.

2024/25 sees Alstom participate in Phase 3 of ESOS by submitting an Action Plan based on the recommendations arising from the process being applied to our sites and we will undertake initial audits of our sites with a view to implementing an ISO50001:2018 Energy Management System at selected UK sites for the first time in late 2025.

Future measures

- Full assessment of our Scope 3 emissions and inclusion within our annual reporting. We will set applicable targets in line with our global targets to reduce these within the UK;
- Further changes to our Company fleet as new technologies reach market to extend the electric vehicle offering within Alstom;
- Review installation of EV chargers on Alsotm owned sites within the UK;
- Alstom plans to install Solar PV at our owned sites within the UK;
- All sites in the UK to have a local energy reduction tracker that highlights gas and electricity opportunities which is reviewed regularly;
- Exploring the option of ground source heating, geothermal or solar heating to reduce the reliance on natural gas for heating our offices and depots;
- Start the national roll out of Energy Management System (EMS) across all Alsotm owned sites; and
- A reduction in diesel use in our maintenance depots through replacement fuels.

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Year ended 31 March 2025

EMPLOYEES

The Company continues to invest in its employees. It has made strong commitments to attract and retain the best talent from diverse and under-represented backgrounds in a highly competitive market. This is through enhancing Alstom's reputation as a Disability Confident Employer to demonstrate our commitment as an equal opportunity employer and treating our existing workforce with dignity and respect. All employees are provided with the opportunity to acquire new skills and to continuously develop through a variety of mediums, particularly harnessing the use of digital technologies and self-directed learning opportunities.

Alstom's workforce includes highly skilled and experienced employees from all disciplines, and the Company ensures it maintains its reputation as an employer of choice through maintaining a highly skilled engineering workforce, whilst attracting and retaining new recruits to our talent pools. We have strong partnerships with targeted schools and colleges through our STEM (Science, Technology, Engineering & Mathematics) ambassador activities and have developed strategic relationships with Educational/Industry partners such as NTAR (National Training Academy for Rail), WISE (Women in Science and Engineering) and WIR (Women in Rail) to name a few. Alstom's (STEM) ambassadors and school outreach programme have helped and supported 9,000 students in deprived areas in the last year.

The Company's graduate and apprentice programmes are part of a talent pipeline designed to bring trained, motivated and qualified people into our organisation and the rail industry each year. Alstom continues to invest in this area and in 2024, onboarded 35 apprentices and 12 graduates across our UK organisation. The vast majority commit to continued professional development and Chartership through our links with institutions such as the CIPS, ILM, IET, ICE and IMechE. The Company is looking to expand further the number of active employees within our Graduate and Apprenticeship schemes.

Alstom remains dedicated to fostering a diverse and inclusive workforce and continues to take concrete actions to reduce the gender pay gap, support family life and ensure the career advancement of women across its global operations.

During 2024 Alstom launched a new sector-leading maternity and adoption policy for employees in the UK, reinforcing its commitment to supporting gender equality and the well-being of its workforce. The enhanced policy offers employees on maternity and adoption leave full pay for up to 12 months and is a critical part of Alstom's commitment to supporting female retention and attracting new talent into the organisation and wider rail sector.

Alongside this, its four 'Voices of' groups – Women, Pride+, Cultural Diversity and Disability – help to share lived experiences; challenge groupthink in its strategy and policies; have oversight of relevant key performance indicators (KPIs); and act as ambassadors for the company. These groups continue to grow and support driving change within the Company.

Alstom is also committed to continuing investment in training and development activities. The Company has invested heavily at both a global and local level in e-learning platforms and technology, providing a wide variety of learning and development opportunities that employees can access anytime, anywhere and via any medium.

STRATEGIC REPORT
Year ended 31 March 2025

EMPLOYEES (continued)

Diversity and inclusion training is mandatory for all managers and delivered as part of our pre-induction process for all new employees. All managers are strongly encouraged to have an EDI objective as part of their performance management cycle for the coming year and behavioural objectives aligned to our core values (Agile, Inclusive and Responsible) are included in each performance management cycle.

During the last year, Alstom has implemented widespread equality, diversity and inclusion (EDI) training that was attended by our employees across the UK and Ireland, taken its 'Be the U in inclUsive' roadshow to most of the Company's sites; and has demonstrated improvements in increasing the number of female employees within the company.

Alstom were presented with both the Equality, Diversity and Inclusion Team Award, and the Social Value Award at the Women in Rail Awards 2024, which celebrates companies that have made a significant contribution to improving gender balance, diversity and inclusion within the UK rail industry.

Alstom was also Highly Commended by Women in Rail for its 'Springboard' initiative as part of the Best Training or Development Programme Award. Springboard is a bespoke development programme that encourages and supports women to compete for senior-level positions across Alstom in the UK.

STRATEGIC REPORT
Year ended 31 March 2025

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

2025 is a milestone year contributing to our global Alstom in Motion Strategy to create a positive impact on society.

We have delivered social and environmental value to over 42,000 community members local to our sites during the 2024/25 fiscal year through delivery of Alstom UK's Sustainability & Corporate Social Responsibility (CSR) Strategy. This equates to over 15% of our global Alstom in Motion target to reach 250,0000 beneficiaries per year by 2025.

Highlights from the four key pillars of our Sustainability & CSR Strategy for 2024/25 are summarised below:

<u>Tackle Social Inequality</u>

We engaged nearly 10,000 students through collaborative partnerships and independent STEM (Science, Technology, Engineering & Maths) programmes to promote the exciting careers available in rail, focusing efforts with partner schools and colleges who support students from low socioeconomic backgrounds.

In November 2024, Alstom partnered with the Mayor's Fund for London, a charity championing opportunities for young Londoner's, to deliver "Numbers @ Work", an innovative skills programme aimed at improving numeracy and maths confidence among students at risk of exclusion from mainstream education. Ten students from Heath School in Camden participated in weekly workshops at our Old Oak Common depot, exploring career pathways and learning about the maths skills essential for job roles in rail and engineering. Feedback was overwhelmingly positive, with 100% of participants recommending the programme, teachers noting significant boosts in students' maths confidence and engagement, and students now looking into a career in engineering.

<u>Drive Equal Opportunity</u>

Alstom UK's Community Project Fund supported Hillingdon Autistic Care & Support (HACS) charity to reduce barriers to employment for 44 autistic people and adults with learning disabilities through the delivery of weekly job clubs, social activities, creative arts club, reverse careers fair, insight day and mock interviews. One learner reported that the social activities were "the highlight of their month" and HACS' evaluation survey found that 70% of respondents now agree that they feel confident in job interviews and 80% of respondents agree that they feel confident about getting a job.

<u>Fight Climate Change</u>

Alstom UK launched a new Supplier CSR Awards programme to engage and educate suppliers on sustainability topics, including fighting climate change. We have encouraged suppliers to identify and share their environmental best practices and invited them to complete bespoke free learning pathways through our paid partnership with the Supply Chain Sustainability School. An awards celebration will be held later in 2025.

<u>Improve Health & Wellbeing</u>

Over 13,000 community members benefitted from employee volunteering actions, which included litter picking canal banks, sorting foodbank donations and renovating charity premises. An additional 10,500 community members benefited from our Community Project Fund grants, site fundraising and community collection efforts.

In Scotland, our Community Project Fund allowed Scottish Action for Mental Health (SAMHS) charity to deliver their Mental Health and Wellbeing Peer Supporters training programme to 400 young people. These Peer Supporters are now equipped with the knowledge and skills, including identifying common mental health issues and practising active listening, to benefit 4,000 at-risk children and young people.

STRATEGIC REPORT
Year ended 31 March 2025

Statement by the Directors in performance of their statutory duties in accordance with s172 (1) of the Companies Act 2006

The Board of Directors of the Company consider that they have properly discharged their duties and acted in good faith so as to promote the success of the Company for the benefit of the members as a whole, having regard to the matters set out in s172(1) (a-f) of the Act in the decisions made in the year ended 31 March 2025. Amongst other matters, the Directors have had regard to:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

It should be noted that the Directors, whilst bearing ultimate responsibility, partly fulfil their duties through an organisational framework that delegates the day-to-day decision-making to the senior management team and certain employees. Any Directors who seek clarification or guidance on what is expected of them to fulfil their duties would be provided with appropriate advice from fellow directors and the input of independent advice where necessary.

Our risk management
Our activities are of vital importance and business critical to all of our customers, and we work in a highly regulated and increasingly complex environment. As our businesses evolves and grows, as Directors, we continually evaluate the risks we face and develop appropriate solutions. Decisions of importance are considered carefully and often independently challenged and validated by the senior management of the ALSTOM Group. We also engage with third party experts as appropriate to help us identify and manage certain business risks. Further details of our Principal Risks and Uncertainties are given on page 4.

Our employees
Our success relies on the quality and engagement of our people, both permanent employees and our agency workers, and developing the skills and opportunities for our workforce is of paramount importance. Further details are described in a separate section entitled "Employees" on pages 10 and 11. The Company continually reviews the effectiveness of, and methods used to engage with employees, which includes surveys, site visits from senior management, performance reviews and information included on the intranet, and take action when it is identified that better communication is needed in cerain areas.
The Directors' Report contains details on our involvement of employees and employment of disabled persons. The health and safety of our employees remains of paramount importance.

We continue to maintain an important dialogue with the unions.

Relationships with our customers and suppliers
At the core of our business strategy is delivery of excellent services to our customers, fostering strong relationships, developing open channels of communication, through both face-to-face meetings and clear written correspondence, listening to feedback and striving for continual improvement. Before the management team decide to bid for new contracts, including those bid for, and in some cases won in the current financial year, a rigorous and formalized process is followed without exception.

STRATEGIC REPORT
Year ended 31 March 2025

Statement by the directors in performance of their statutory duties in accordance with s172 (1) of the Companies Act 2006 (continued)

In addition, strong relationships with our suppliers are of vital importance, and regular and effective communication and engagement with our suppliers is encouraged at all levels of the organisation. During the year there was particular focus on any possible disruption to the supply chain that may have been caused as a result of Brexit and global conflicts, and where relevant this required specific action plans with certain suppliers to be implemented.

Environmental responsibilities, health and safety and our CSR activities
All of these areas of vital importance are discussed further in detail in their own dedicated sections on pages 5 to 9 and page 12. Management responsible for these important areas are represented at the most senior level of our organisation, which helps the Directors determine which areas require most focus. During the year, the Directors carefully considered the various environmental priorities and directed funds and management time towards those considered the most vital.

Shareholders
All of the Company's shares are held entirely by an intermediate group Company as set out in note 23.

The Company engages with its shareholder through ensuring regular communication, through management information systems, involving monthly (and more regular when necessary) reporting of information and issues, and meetings with those representing the Company's parent.

Dividends of £30.0m were paid during the year. The Directors considered this to be appropriate in the context of sufficient distributable reserves being available for such purpose and the Company's strong balance sheet, such that payment of such dividend would not have a prejudicial impact on other stakeholders, including the Company's creditors.

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

R Kumar
Director

30 July 2025

DIRECTORS' REPORT
Year ended 31 March 2025

The Directors present their annual report and the financial statements for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of ALSTOM and operates as part of the Group's United Kingdom operations. The principal activity of the Company during the year was electrical and mechanical engineering for the rail transport market. This incorporates a Rolling Stock & Services business which is focused on the maintenance and modernisation of railway vehicles and a Digital & Integrated Systems (D&IS) business focused on the provision of signalling products and services.

DIVIDENDS

The Company paid dividends of £30m during the year (2024: £210m).

FUTURE DEVELOPMENTS

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PERSONS

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 becoming 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.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Credit risk is managed by, where possible, agreeing payment terms that include advance and progress 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 secured by irrevocable letter of credit, payment before despatch or credit insurance.

The Company's transactions are predominantly in Sterling but some transactions (sales and purchases) are in other currencies and the Company is therefore exposed to movement in foreign exchange rates. The Group's treasury function takes out currency contracts on behalf of ALSTOM operating companies to manage these risks, as described in note 20.

The Company has no third party debt. Any borrowings at the year end are inter-company, and it is the Directrors expectation that the Company will return to a positive cash position in the 2025-6 financial year, based on the budget projections.

DIRECTORS' REPORT
Year ended 31 March 2025

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

This is covered in the Strategic Report.

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.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Directors have reviewed financial forecasts for a period of at least twelve months from the date of approval of the financial statements. In making their going concern assessment, the Directors have taken into account the impact of known factors such as the macroeconomic environment and global factors such as military tensions and uncertainty on tariffs. The Directors have considered the impact of severe but plausible scenarios and have concluded that even in such scenarios the Company would have adequate access to cash resources in order to meet its liabilities in full. The Company has a strong balance sheet including net current assets of £217.2m.

The Company's borrowings as at 31 March 2025 are with ALSTOM Holdings SA. As ALSTOM's Corporate Treasury vehicle, Alstom Holdings SA centralizes intragroup loans and deposits with the Group's subsidiaries. Alstom Holdings SA is the sole subsidiary of the listed company Alstom SA and the direct or indirect shareholder of all the Alstom groups' subsidiaries. Details of ALSTOM SA's financial position can be seen in the 31 March 2025 financial statements.

Access to liquidity for its subsidiaries has been demonstrated over many years by the track record of ALSTOM Holdings SA in providing a stable access to the Cash-Pool and other funding sources to all its participants to secure the sustainability of their operations. No credit limit has been defined for the Company, and as such the overdraft position at 31 March 2025 is of no concern to the Directors from a going concern perspective.

The Company continues to be perform in line with expectations in the 2025-26 financial year up to the date of approval of these financial statements. Strong cash generation is forecast for the foreseeable future. On the basis of this review, the Directors consider that the Company has adequate funds to meet its liabilities for a period of at least twelve months from the date of approval of the financial statements.

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.

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report. These matters relate to financial instrument risk and review of the business performance. Information required to comply with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018 ("Streamlined Energy & Carbon Reporting") is provided in the Strategic Report.

DIRECTORS' REPORT
Year ended 31 March 2025

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 judgements 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.

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

R Kumar
Director
30 July 2025

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

Opinion

We have audited the financial statements of Alstom Transport UK Limited (the 'company') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 2025 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of ALSTOM Transport UK Limited (continued)

Other information

The other information comprises the information included in the annual report and financial statements, 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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 or the Strategic Report

Independent auditor's report to the members of ALSTOM Transport UK Limited (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 17, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and the bribery act.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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.

Independent auditor's report to the members of ALSTOM Transport UK Limited (continued)

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risk related to the management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the timing of revenue recognition.

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.

Tim Hudson (Jul 30, 2025 15:26:29 GMT+1)

Timothy Hudson (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2025

	Note	31 March 2025 £m	31 March 2024 £m
TURNOVER	3	**555.4**	**672.8**
Cost of sales		(508.3)	(535.6)
Gross profit		**47.1**	**137.2**
Selling expenses		(5.7)	(5.7)
Administrative expenses		(21.5)	(22.6)
INCOME FROM OPERATIONS		**19.9**	**108.9**
Interest receivable on cash and cash equivalents		2.1	11.3
Interest payable and similar charges	5	(1.6)	(0.6)
Other finance income/(costs)	5, 16	1.5	1.4
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		**21.9**	**121.0**
Income tax expense	6	(5.2)	(30.8)
NET PROFIT FROM CONTINUING OPERATIONS		**16.7**	**90.2**
Other comprehensive income: items that will not be reclassified to profit and loss			
Actuarial losses recognised in pension schemes	16	(7.7)	(7.1)
UK deferred tax attributable to actuarial (losses)/gains	6	1.9	1.8
Other comprehensive income net of tax		**(5.8)**	**(5.3)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**10.9**	**84.9**

All results were derived from continuing operations.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Note	At 31 March 2025 £m	At 31 March 2024 £m
NON-CURRENT ASSETS			
Intangible assets	7	7.4	7.4
Tangible assets	8	29.8	31.4
Right of Use assets	9	13.2	15.9
Employee pension benefits – surplus	16	35.9	40.5
		86.3	**95.2**
CURRENT ASSETS			
Other operating assets	13	9.5	5.1
Inventories	10	51.5	53.2
Contract assets	11	281.3	237.7
Trade receivables	12	75.2	45.1
Cash and cash equivalents		-	89.8
		417.5	**430.9**
CREDITORS: Amounts falling due within one year			
Borrowings		15.3	-
Contract liabilities	11	14.9	29.7
Lease liabilities	17	4.2	4.6
Trade payables		23.2	16.1
Other current liabilities	18	142.7	150.1
		200.3	**200.5**
NET CURRENT ASSETS		**217.2**	**230.4**
TOTAL ASSETS LESS CURRENT LIABILITIES		**303.5**	**325.6**
CREDITORS: Amounts falling due after more than one year			
Lease liabilities	17	9.7	12.0
Provisions for liabilities	15	2.7	3.1
Deferred tax liabilities	6	6.8	7.1
NET ASSETS		**284.3**	**303.4**
CAPITAL AND RESERVES			
Called up share capital	14	220.0	220.0
Retained earnings		64.3	83.4
TOTAL EQUITY		**284.3**	**303.4**

These financial statements were approved by the Board of Directors and issued to the shareholders on the date shown below. They are signed on behalf of the Board of Directors:

R Kumar (Director) 30 July 2025 Rajesh

STATEMENT OF CHANGES IN EQUITY
31 March 2025

	Share capital £m	Retained Earnings £m	Total £m
At 1 April 2023	**220.0**	**208.5**	**428.5**
Profit for the year	-	90.2	90.2
Other comprehensive income for the year	-	(5.3)	(5.3)
Total comprehensive income for the year	-	84.9	84.9
Dividends paid	-	(210.0)	(210.0)
At 31 March 2024	**220.0**	**83.4**	**303.4**
Profit for the year	-	16.7	16.7
Other comprehensive income for the year	-	(5.8)	(5.8)
Total comprehensive income for the year	-	10.9	10.9
Dividends paid	-	(30.0)	(30.0)
At 31 March 2025	**220.0**	**64.3**	**284.3**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements for the year ended 31 March 2025 were authorised for issue by the board of directors as indicated on page 23. ALSTOM Transport 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. Information on its ultimate parent is presented in note 23.

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, except for assets that have been measured at fair value through profit and loss. They are presented in Sterling and all values are rounded to the nearest million (£m), except when otherwise stated. Changes have been made to prior year comparitives where necessary to ensure consistency with the presentation adopted in the current financial year (see note 19).

Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed financial forecasts for a period of at least twelve months from the date of approval of the financial statements. In making their going concern assessment, the Directors have taken into account the impact of known factors such as the macroeconomic environment and global factors such as military tensions and uncertainty on tariffs. The Directors have performed a sensitivity assessment which considers the impact of severe but plausible scenarios and have concluded that even in such scenarios the Company would have adequate cash resources in order to meet its liabilities in full. The Company has a strong balance sheet including net current assets of £217.2m.

The Company's borrowings as at 31 March 2025 are with ALSTOM Holdings SA. As ALSTOM's Corporate Treasury vehicle, Alstom Holdings SA centralizes intragroup loans and deposits with the Group's subsidiaries. Alstom Holdings SA is the sole subsidiary of the listed company Alstom SA and the direct or indirect shareholder of all the Alstom groups' subsidiaries. Details of ALSTOM SA's financial position can be seen in the 31 March 2025 financial statements.

Access to liquidity for its subsidiaries has been demonstrated over many years by the track record of ALSTOM Holdings SA in providing a stable access to the Cash-Pool and other funding sources to all its participants to secure the sustainability of their operations. No credit limit has been defined for the Company, and as such the overdraft position at 31 March 2025 is of no concern to the Directors from a going concern perspective.

The Company continues to be perform in line with expectations in the 2025-26 financial year up to the date of approval of these financial statements. Strong cash generation is forecast for the foreseeable future. On the basis of this review, the Directors consider that the Company has adequate funds to meet its liabilities for a period of at least twelve months from the date of approval of the financial statements.

2. ACCOUNTING POLICIES

Basis of preparation

The accounting policies below set out those policies which apply in preparing the financial statements for the year ended 31 March 2025. The Company takes advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS2 *Shared based Payment* ;

(b) the requirements of IFRS7 *Financial Instruments: Disclosures* ;

(c) the requirements of paragraphs 91-99 of IFRS13 *Fair Value Measurement* ;

(d) 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* ;

(e) the requirements of IAS7 *Statement of Cash Flows* ;

2. ACCOUNTING POLICIES (continued)

(f) the requirements of paragraphs 30 and 31 of IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors* ;

(g) the requirements of paragraph 17 of IAS24 *Related Party Disclosures* ;

(h) 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

(i) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS15 *Revenue from Contracts with Customers.*

New standards and interpretations mandatorily applicable for financial periods beginning on 1 April 2024

There have been new standards and amendments that have been considered by the Directors in the current financial year. However, they did not have a material impact on the Company's financial statements:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information;
IFRS S2 Climate-related Disclosures;
Classification of Liabilities as Current or Non-Current and classification of Non-current Liabilities with Covenants (Amendments to IAS 1);
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16); and
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The Company has not opted for early application at 31 March 2025 of IFRS requirements already published by the IASB which will become mandatory in future periods, but the Directors do not expect these changes to have a significant impact upon the financial statements.

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 a percentage of completion basis, based on the cost to cost method. 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 the commercial and contractual positions, assessed on a contract-by-contract basis.

Many of our long term maintenance contracts include inflation clauses whereby the level of income to be received from the customer is directly impacted by movement in relevant indices defined in the contract. As such, when estimating the level of revenue to be earnt over the course of the contract term, management are required to make assumptions as to the likely future level of inflationary increases as this directly impacts the level of revenue assumed at completion and therefore the gross margin to be traded.

2. ACCOUNTING POLICIES (continued)

Use of estimates (continued)

Measurement of employee benefits surplus/(deficit)

The measurement of obligations and assets related to defined benefit pension plans includes assumptions about the discount rate, the expected return on plan assets, the rate of future compensation increases as well as withdrawal and mortality rates. If actuarial assumptions materially differ from actual results, it could result in a significant change in the employee benefit expense recognised in the income statement, actuarial gains and losses recognised in other comprehensive income and accrued benefits. The carrying amount for the employee benefits surplus/(liability), along with sensitivity analysis which shows how important each of the assumptions listed above are, in determining the pension suplus/(deficit) is included in note 16 to the financial statements.

During the year, the Directors have also considered the impact of IFRIC14 guidance in their assessment of the rights to a pension scheme surplus and accounted on the basis of the Company having the ability to access the surplus in line with the rules of the Schemes.

Significant judgements

IFRS15: Revenue from contracts with customers

With regard to application of IFRS15, the Directors have reviewed and continually re-assess the following areas involving judgement, which impact on the accounting for contracts:

- Assessment as to whether a bundle of goods and/or services are distinct within the context of the contract and hence whether there is a single performance obligation (PO) or multiple PO's. Combined 'maintenance and spare parts' contracts are normally considered as a single PO, as are 'maintenance and depot provision' contracts, since they normally comprise highly customised and integrated systems (outputs) for which the customer has specifically contracted;

- Assessment of the enforceable period for a contract i.e. contract duration, in which specific attention is paid to the assessment of the "enforceable" contract term (i.e. contractual period(s) during which parties actually have enforceable rights and obligations), specifically including when it is appropriate to recognise non-agreed variation orders (NAVO's) as highly probable. NAVO's are not included in the amounts disclosed as Orders Received in the KPI analysis given on page 2;
- The application of variable consideration constraints when determining the transaction price, specifically including when it is appropriate to recognise non-agreed variation orders as highly probable, application of variable constraints for inflation-based contract price adjustments and application of variable constraints to target cost contracts; and
- Assessment of whether transfer of control over time is appropriate with revenue recognised on a cost-to-cost method, on the basis that there is simultaneous reception and consumption of the goods and services for long term service agreements, and both enforceable right to payment for performance completed to date and no alternative use in practice for construction contracts.

2. ACCOUNTING POLICIES (continued)

Significant judgements (continued)

Inventory provisions

At the closing date, inventories are measured at the lower of cost or net realisable value (NRV) using judgement to determine NRV. Therefore, a regular review is undertaken, at least for half year and year-end closings, in order to identify inventories that may be impaired. In assessing whether there is an indication that an item of inventory may be impaired, the following information is considered: damage, obsolescence, slow moving, decline in selling price, etc. In the case of slow-moving items, the determination of the net realisable value of inventories is based upon a classification of inventories according the ratio of annual sales to inventory (ending quantity in inventory/ quantity used or sold during the last 12 months).

Significant accounting policies

Revenue recognition

The amount of revenue arising from a transaction is usually determined by the contractual agreement with the customer. In the case of construction contracts and long-term service agreements, contract value should only include the sales value of some or all of an amount of variable consideration (such as claims and non-agreed variation orders) when they are agreed with customers or have a high probability of being received. Some of the Company's contracts comprise target cost contracts that are by their nature variable consideration contracts.

All contracts are reviewed to establish whether they contain a significant financing component. In the rare instance that this was applicable, this would be accounted for in accordance with IFRS15.

Certain of the Company's contracts are billed to the customer through a fellow group undertaking. However, in all such cases, the performance obligations are fully satisfied by the Company, such that in substance the Company is considered to hold the contract with the customer, and accounts for contract activity as the principal.

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 percentage of completion is based on the cost to cost method, whereby revenue is recognised for each performance obligation based on the percentage of costs incurred to date divided by the total costs expected at completion. A further analysis of revenue for the financial year is disclosed in note 3.

Warranty costs are estimated on the basis of contractual agreement, available statistical data and weighting of all possible outcomes against their associated probabilities. Warranty periods may extend up to five years.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss is recognised immediately as an expense.

2. ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

With respect to construction contracts and long-term service agreements, aggregates called "Contract assets" and "Contract liabilities" are disclosed, determined on a contract by contract basis. "Contract assets" correspond to the unbilled part of revenues recognised to date net of the advance payments received from customers. Unbilled part of revenue corresponds to revenue recognized to date in excess of progress billings. On the contrary, when progress billings are in excess of revenue recognised to date, the net amount is accounted for as deferred income and aggregated with the related advance payments received from customers under the caption "Contract liabilities".

For costs incurred in fulfilling a contract that are within the scope of other standards, notably IAS2 Inventories, and IAS16 Property, Plant and Equipment, these costs should be accounted for in accordance with those other standards that apply primarily. For other costs incurred in fulfilling a contract that are not in the scope of the standards stated above, those costs are accounted for under a new caption called "costs to fulfil a contract" when eligible for capitalisation. These amounts are not significant enough to warrant further disclosure in these financial statements.

In respect of the accounting for costs incurred in obtaining contracts, the amounts involved are not significant enough to warrant further disclosure in these financial statements.

Goodwill

Goodwill in the financial statements arose on the Company's acquisition of the trade and certain assets of GE's UK signalling controls business in 2015. The signalling business is considered a separately identifiable CGU.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS3 'Business Combinations', goodwill is not amortised. Consequently, the Company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a 'true and fair override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The Company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability, nor can the pattern in which goodwill diminishes be known.

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 business plan and cash flows thereafter 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 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 income statement.

2. ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets include acquired intangible assets (such as customer relationships, order books, technology and licensing arrangements) and internally generated intangible assets (mainly development costs).

Acquired intangible assets

Acquired intangible assets are initially recorded at cost and amortised on a straight-line basis over their estimated useful lives. Useful lives can extend to fifteen years due to the long-term nature of the underlying contracts and activities. The amortisation expense of assets acquired is recorded in cost of sales, research and development expenditure, selling expenses or administrative expenses, based on the function of the underlying assets. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, by applying the same methodology as for goodwill as set out above.

Internally generated intangible assets

Research expenditure incurred in the year is charged against profit unless specifically chargeable to and recoverable from customers under agreed contract terms. Development costs are expensed as incurred unless the project they relate to meet the following criteria for capitalisation:

- The project is clearly defined and its related costs are separately identified and reliably measured;
- The technical feasibility of the project is demonstrated;
- The intention exists to complete the project and to use or sell it;
- Adequate technical and financial resources are available to complete the project; and
- It is probable that the future economic benefits attributable to the project will flow to the Company.

Capitalised development costs are costs incurred directly attributable to the project (including materials, services and fees), including an appropriate portion of relevant overheads.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset. The amortisation charge is reported in research and development expenses.

2. ACCOUNTING POLICIES (continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has the right to obtain substantially all of the economic benefits from using the asset throughout its period of use; and
- The Company has the right to direct the use of the asset

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as other fixed assets. In addition, the ROU asset is periodically reduced by impairment losses where relevant.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the asset has been reduced to zero.

The Company has elected not to recognise ROU assets and lease liabilities for short term leases of assets that have a lease term of 12 months or less. The Company recognises the lease payments on these leases as an expense on a straight-line basis over the lease term.

2. 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 Company 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.

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 Statement of Financial Position 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.

Fair value hedge accounting

The Company applies fair value hedge accounting whereby 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.

With regard to the implementation of IFRS9, when the Company designates only foreign exchange spot changes as hedged item, the cost of hedging approach will be retained, allowing the Company to recognise the change in fair value of forward points in Other Comprehensive Income (rather than the Income Statement under IAS39).

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2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment loss. When a tangible fixed asset is made up of components with different useful lives, the total cost is allocated between the various components. Components are then separately depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of each component. The useful lives most commonly used are the following:

Freehold buildings – between 10 and 40 years;
Leasehold property – over period of lease or 50 years for long leases;
Other plant and equipment – between 3 and 25 years.

Other plant and equipment comprises IT hardware, office equipment & furniture and road vehicles.

Useful lives are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis. The depreciation expense is recorded in cost of sales, selling expenses or administrative expenses, based on the function of the underlying assets.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Inventories

Inventories, including work in progress, are measured at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads, calculated on a weighted average cost basis. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions in order to determine obsolete or excess inventories. If actual market conditions are less favourable than those projected, additional inventory write-downs may be required.

Receivables

Receivables are initially recognised at fair value, which in most cases approximates to the nominal value. They are subsequently re-measured at amortised cost using the effective interest rate method. They are reviewed for impairment by applying the expected credit loss model, in accordance with IFRS9. 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.

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. As such, the Directors consider that the amounts deposited under such intercompany loan arrangements should be included within 'cash and cash equivalents' when positive, and disclosed as 'borrowings' when the Company is in a deficit position, such was the case at the year end. These balances are interest bearing.

2. ACCOUNTING POLICIES (continued)

Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the related income tax is also recognised in Other Comprehensive Income or equity respectively.

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.

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 “Contract assets” or “Contract 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.

Where the effect of the time value of money is material, provisions are measured at their present value.

2. ACCOUNTING POLICIES (continued)

Employee Benefits – pensions and other post-retirement benefits

The Company participated in three defined benefit schemes during the year, all of which require contributions to be made to separately administered funds.

The operating cost of providing benefits under the defined benefit schemes, as calculated periodically by an independent actuary, is charged to the Company's income from operations in the year that those benefits are earned by the employees. The financial returns expected on the pension assets, which are calculated on the basis of the discount rate used to value the defined benefit obligation, are recognised in the year in which they arise as part of the finance income. Other changes in the value of the pension scheme's assets and liabilities are reported as actuarial gains or losses as they arise in Other Comprehensive Income. The pension scheme's surpluses, to the extent they are considered recoverable, or deficits are recognised in full and presented in the Statement of Financial Position.

For defined contribution plans and Group Personal Pension Plan arrangements, the Company's contributions are charged against profits for the year to which they relate.

Payables

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Grants relating to property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

3. TURNOVER

The geographical analysis of turnover by destination is as follows:

	2025	2024
	£m	£m
United Kingdom	528.9	663.8
Europe	26.5	9.0
	555.4	**672.8**

Turnover is analysed as follows:

	2025	2024
	£m	£m
Manufactured products & service contracts less than 1-year duration	34.1	33.9
Construction contracts and long-term service agreements	521.3	638.9
	555.4	**672.8**

4. INCOME FROM OPERATIONS

Income from operations is stated after taking into account the following items:

Auditor's remuneration

The auditor's remuneration for the year ended 31 March 2025 in respect of the audit of the financial statements was £157,000 (2024: £125,000), in addition to £Nil (2024: £Nil) for the provision of non-audit services.

Exchange gains and losses

Foreign exchange losses recognised in cost of sales amount to £0.2m (2024: losses of £0.7m) of which a gain of £0.2m relates to hedged items (2024: gain of £0.3m).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

5. INTEREST PAYABLE AND OTHER FINANCE COSTS

	2025	2024
	£m	£m
Interest payable and similar charges		
-Internal borrowings	(1.0)	-
-Interest paid on lease liabilities	(0.5)	(0.5)
-Other	(0.1)	(0.1)
	(1.6)	**(0.6)**
Finance income/(costs) on employee benefit obligations (note 16)		
- Finance income	18.6	18.7
- Finance costs	(17.1)	(17.3)
	1.5	**1.4**

6. INCOME TAX EXPENSE

	2025	2024
	£m	£m
Current taxation		
Corporation tax and group relief payable	(3.8)	(28.1)
Adjustments in respect of prior year	0.2	(1.3)
	(3.6)	(29.4)
Deferred taxation:		
Deferred taxation (charge)/credit for the year	(1.7)	(2.3)
Adjustments in respect of prior year	0.1	0.9
	(1.6)	(1.4)
Income tax expense reported in the Statement of Comprehensive Income	**(5.2)**	**(30.8)**

6. INCOME TAX EXPENSE (continued)

A reconciliation between the tax expense and the Company's accounting profit multiplied by the UK Corporation tax rate for the year ended 31 March 2025 and the prior year is as follows:

	2025	**2024**
	£m	**£m**
Profit on ordinary activities before taxation	21.9	121.0
Tax charge at standard rate of 25% (2024: 25%)	(5.5)	(30.3)
Factors affecting charge for the year:		
Permanent differences	-	(0.1)
Adjustments in respect of prior year	0.3	(0.4)
Income tax expense reported in the Statement of Comprehensive Income	**(5.2)**	**(30.8)**

Deferred tax

The amount of deferred tax (liability)/asset, all of which is recognised, is as follows:

	2025 Recognised	**2024 Recognised**
	£m	**£m**
Accelerated capital allowances	2.2	3.0
Employee benefit obligations	(9.0)	(10.1)
	(6.8)	**(7.1)**

In accordance with IAS12, the deferred tax (liability)/asset has been valued at the relevant tax rate for the period in which it is expected to be recognised.

Because of its size, Alstom is in the scope of the Pillar Two Model Rules as released by the OECD, introducing a minimum corporate income tax rate of 15%. The legislation has been enacted in the United Kingdom and is applicable to Alstom at 1 April 2024. It did not result in a significant impact on Alstom's tax charge as at 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

6. INCOME TAX EXPENSE (continued)

The deferred tax movement for the year is as follows:

	Pension scheme liability £m	Losses and other temporary differences £m	Total £m
Balance at 1 April 2023	**(10.6)**	**3.1**	**(7.5)**
(Charged)/credited to income statement			
Current period	(1.4)	(0.9)	(2.3)
Prior period	0.1	0.8	0.9
Credited to Other Comprehensive Income	1.8	-	1.8
Balance at 31 March 2024	**(10.1)**	**3.0**	**(7.1)**
(Charged)/credited to income statement			
Current period	(0.8)	(0.9)	(1.7)
Prior period	-	0.1	0.1
Credited to Other Comprehensive Income	1.9	-	1.9
Balance at 31 March 2025	**(9.0)**	**2.2**	**(6.8)**

7. INTANGIBLE ASSETS

	Software £m	Goodwill £m	Other £m	Total £m
Cost				
At 1 April 2024 and 31 March 2025	**5.5**	**7.2**	**1.8**	**14.5**
Accumulated depreciation				
At 1 April 2024	5.5	-	1.6	7.1
Charge for amortisation	-	-	-	-
At 31 March 2025	**5.5**	**-**	**1.6**	**7.1**
Net book value				
At 31 March 2025	**-**	**7.2**	**0.2**	**7.4**
At 31 March 2024	-	7.2	0.2	7.4

Other Intangible Assets represent the value attributed to order books and customer relationships acquired.

The impairment test at 31 March 2025 (using the 3 year plan and an after tax discount rate of 8.7%) supports the Directors' opinion that goodwill is not impaired, as the recoverable amounts of the businesses to which the goodwill relates, calculated on a value in use basis, significantly exceeded their carrying value. No reasonably possible change in assumptions has been identified that would give rise to an impairment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

8. TANGIBLE FIXED ASSETS

	Land and Buildings £m	Plant and Machinery £m	Other Plant and Equipment £m	Assets in course of construction £m	Total £m
Cost					
At 1 April 2024	28.7	37.8	4.6	3.2	74.3
Reclassifications	0.2	-	-	(0.2)	-
Additions	-	-	-	1.4	1.4
At 31 March 2025	**28.9**	**37.8**	**4.6**	**4.4**	**75.7**
Accumulated depreciation					
At 1 April 2024	7.1	31.6	4.2	-	42.9
Charge for depreciation	1.5	1.4	0.1	-	3.0
At 31 March 2025	**8.6**	**33.0**	**4.3**	**-**	**45.9**
Net book value					
At 31 March 2025	**20.3**	**4.8**	**0.3**	**4.4**	**29.8**
At 31 March 2024	21.6	6.2	0.4	3.2	31.4

Included within Land and Buildings is an amount of £2.6m (2024:£2.6m) in respect of land which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

9. RIGHT OF USE ASSETS

	Land and Buildings £m	Plant and Machinery £m	Other Plant and Equipment £m	Total £m
Cost				
At 1 April 2024	14.9	0.1	12.9	27.9
Additions	-	-	3.4	3.4
Disposals	(1.7)	-	(3.8)	(5.5)
At 31 March 2025	**13.2**	**0.1**	**12.5**	**25.8**
Accumulated depreciation				
At 1 April 2024	5.3	0.1	6.6	12.0
Charge for depreciation	1.6	-	3.2	4.8
Disposals	(0.4)	-	(3.8)	(4.2)
At 31 March 2025	**6.5**	**0.1**	**6.0**	**12.6**
Net book value				
At 31 March 2025	**6.7**	**-**	**6.5**	**13.2**
At 31 March 2024	9.6	-	6.3	15.9

10. INVENTORIES

	2025 £m	2024 £m
Raw materials and components	46.6	48.5
Work in progress	4.8	4.5
Finished goods	0.1	0.2
	51.5	**53.2**

The amounts shown above are net of provisions for slow moving and obsolete inventories.

11. NET CONTRACT ASSETS

	2025 £m	2024 £m
Contract assets	281.3	237.7
Contract liabilities	(14.9)	(29.7)
Net contract assets	**266.4**	**208.0**

Contract liabilities include down-payments for £1.2m at 31 March 2025 and £8.8m at 31 March 2024.

In both the current and previous financial period, the opening contract liability balance reversed into revenue in the financial year.

No impairment losses were recognised (in accordance with IFRS9), in either the current and previous financial year on any receivables or contract assets arising from the Company's contracts with customers.

12. TRADE RECEIVABLES

	2025 £m	2024 £m
Trade receivables	14.6	12.1
Receivables from fellow Group undertakings	60.6	33.0
	75.2	**45.1**

External trade receivables are non-interest bearing and generally on 30 to 90 day terms. Receivables from related parties are repayable either on demand or on 30 day terms and are not considered to carry any significant risk of impairment as at the year end date.

IFRS9 acknowledges the recognition of credit risk related to financial assets and especially trade receivables based on the expected loss approach. The application of IFRS9 impairment requirements result in impairment losses determined considering a risk of non-recovery assessed only on a case-by-case basis. Due to the type of business operated by the Company, past due receivables are frequently representative of outstanding amounts confirmed by customers but whose payment is subject to clearance of items raised during inspection of works. Such receivables do remain fully recoverable; costs to be incurred for the clearance of pending items are included in the determination of the margin at completion of the related contracts. Provisions against receivables are not considered significant at the current and previous period end, and no further disclosure is given since the prevalence or quantum of overdue debt is relatively limited, and in the Directors' opinion such disclosure is not considered necessary for the financial statements to present a true and fair view.

13. OTHER OPERATING ASSETS

	2025 £m	2024 £m
Prepayments and accrued income	2.0	0.8
Other receivables	2.2	3.3
Corporation tax recoverable	4.8	-
Derivatives relating to operating activities	0.1	0.5
Remeasurement of hedged firm commitments	0.4	0.5
	9.5	**5.1**

14. SHARE CAPITAL

	2024 and 2025 £m
Allotted, called-up and fully paid	
220,000,000 ordinary shares of £1 each	**220.0**

The shares have attached to them full voting, dividend and capital distribution rights.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

15. PROVISIONS

	Contract Risks (incl. Penalties & Claims)	Restructuring	Other	Total
	£m	£m	£m	£m
At 1 April 2024	**1.9**	**0.2**	**1.0**	**3.1**
Additions	0.5	0.6	-	1.1
Utilised	-	(0.7)	(0.2)	(0.9)
Released	(0.6)	-	-	(0.6)
At 31 March 2025	**1.8**	**0.1**	**0.8**	**2.7**

Of the total provisions of £2.7m at 31 March 2025 (2024: £3.1m), an amount of £1.9m (2024: £2.5m) is estimated to fall due within one year, and £0.8m (2024: £1.0m) to fall due outside of one year.

a) Contract Risks (incl. Penalties & Claims) – These provisions relate to risks on contracts including anticipated risks related to non-performance in respect of contractual terms for delivery and performance. The utilisation of these provisions is anticipated to be within 2 years.

b) Restructuring – These provisions are established to cover the costs of ongoing reorganisation within the Company including costs of reducing manpower, relocating premises and onerous property leases. The majority is expected to be largely utilised within 1 year.

c) Other – These provisions are for other liabilities not covered above, and include the expected costs of rectifying environmental matters and the cost of dilapidations on leased properties.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES)

The Company participates in three defined benefit pension schemes, further details of which are disclosed below.

The Company is the Designated Employer for three of the Shared Cost sections of the Railways Pension Scheme, a defined benefit scheme. The impact on the Statement of Financial Position is as follows:

	2025 £m	2024 £m
Railways Pension Scheme		
Alstom Railways Shared Cost Section	28.8	32.2
West Coast Traincare Shared Cost Section	28.0	29.7
Alstom Signalling Shared Cost Section	3.0	4.3
Irrecoverable surplus impact	(23.9)	(25.7)
Net pension surplus/(deficit)	**35.9**	**40.5**

A deferred tax liability of £9.0m has been provided at a rate of 25% on the net pension surplus of £35.9m.

The impact, before accounting for deferred taxation of all defined benefit pension schemes in which the Company participates on Other Comprehensive Income is as follows:

	2025 £m	2024 £m
Actuarial (loss)/gain recognised in pension schemes:		
Railways Pension Scheme		
Alstom Railways Shared Cost Section	(4.5)	(8.7)
West Coast Traincare Shared Cost Section	(4.8)	(2.1)
Alstom Signalling Shared Cost Section	(1.4)	(0.1)
Irrecoverable surplus impact	3.0	3.8
	(7.7)	**(7.1)**

Since incorporation, the cumulative amount of actuarial gains and losses recognised in Other Comprehensive Income, before accounting for taxation, is gains of £58.8m (2024: gains of £66.5m).

Railways Pension Scheme

The Company is the Designated Employer of three Sections of the Railways Pension Scheme. The assets of each of these Sections are held in separate trustee administered funds which are independent of the Company finances, and identified separately from the remainder of the Railways Pension Scheme. All of Alstom's employees in these sections are ALSTOM Transport UK Limited employees; there are no other participating employers. The disclosures required under IAS19 have been calculated by a qualified independent actuary and are based on the most recent full actuarial valuations as at 31 December 2022 updated to 31 March 2025.

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

The amounts recognised in the Statement of Financial Position are as follows:

At 31 March 2025	West Coast Traincare Section £m	Alstom Railways Section £m	Alstom Signalling Section £m	Total £m
Present value of funded obligations	(127.1)	(141.3)	(26.0)	(294.4)
Fair value of plan assets	155.1	170.1	29.0	354.2
Irrecoverable surplus	(11.2)	(11.5)	(1.2)	(23.9)
Surplus in the Scheme	**16.8**	**17.3**	**1.8**	**35.9**

At 31 March 2024	West Coast Traincare Section £m	Alstom Railways Section £m	Alstom Signalling Section £m	Total £m
Present value of funded obligations	(138.4)	(153.4)	(28.2)	(320.0)
Fair value of plan assets	168.1	185.6	32.5	386.2
Irrecoverable surplus	(11.8)	(12.3)	(1.6)	(25.7)
Surplus in the Scheme	**17.9**	**19.9**	**2.7**	**40.5**

The amounts (charged)/credited in arriving at profit before taxation are as follows:

	West Coast Traincare Section £m	Alstom Railways Section £m	Alstom Signalling Section £m	2025 Total £m
Current service cost	(1.3)	(1.8)	(0.4)	**(3.5)**
Interest income	8.1	8.9	1.6	**18.6**
Interest on scheme liabilities	(7.3)	(8.0)	(1.4)	**(16.7)**
Other finance costs	(0.2)	(0.2)	-	**(0.4)**
Total finance income/(costs)	0.6	0.7	0.2	**1.5**
Total charge in arriving at profit before taxation	(0.7)	(1.1)	(0.2)	**(2.0)**
Actual return on pension scheme assets	(9.7)	(9.0)	(2.8)	**(21.5)**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

	West Coast Traincare Section £m	Alstom Railways Section £m	Alstom Signalling Section £m	2024 Total £m
Current service cost	(1.0)	(1.6)	(0.3)	**(2.9)**
Interest income	7.9	9.2	1.6	**18.7**
Interest on scheme liabilities	(7.1)	(8.1)	(1.5)	**(16.7)**
Other finance costs	(0.3)	(0.3)	-	**(0.6)**
Total finance costs	0.5	0.8	0.1	**1.4**
Total charge in arriving at profit before tax	(0.5)	(0.8)	(0.2)	**(1.5)**
Actual return on pension scheme assets	5.6	1.3	0.7	**7.6**

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:

	West Coast Traincare Section	Alstom Railways Section	Alstom Signalling Section	Total
	£m	£m	£m	£m
Defined benefit obligation at 1 April 2023	**(135.4)**	**(150.6)**	**(28.0)**	**(314.0)**
Current service cost	(1.0)	(1.6)	(0.3)	(2.9)
Contributions by employees	(0.9)	(0.8)	(0.2)	(1.9)
Interest cost	(6.6)	(7.3)	(1.4)	(15.3)
Other finance costs	(0.3)	(0.3)	-	(0.6)
Actuarial gain/(loss) – experience	(5.1)	(6.2)	(0.1)	(11.4)
Actuarial gain–change in financial assumptions	5.1	5.4	0.9	11.4
Benefits paid	5.8	8.0	0.9	14.7
Defined benefit obligation at 31 March 2024	**(138.4)**	**(153.4)**	**(28.2)**	**(320.0)**
Current service cost	(1.3)	(1.8)	(0.4)	(3.5)
Contributions by employees	(0.7)	(0.7)	(0.2)	(1.6)
Interest cost	(6.7)	(7.4)	(1.4)	(15.5)
Other finance costs	(0.2)	(0.2)	-	(0.4)
Actuarial (loss)/gain – experience	(2.2)	(1.5)	(0.4)	(4.1)
Actuarial gain–change in financial assumptions	15.2	14.9	3.4	33.5
Benefits paid	7.2	8.8	1.2	17.2
Defined benefit obligation at 31 March 2025	**(127.1)**	**(141.3)**	**(26.0)**	**(294.4)**

The average duration of the defined benefit obligations at the end of the reporting period is 14 years for the West Coast Traincare Shared Cost Section, 12 years for the Alstom Railways Shared Cost Section and 15 years for the Alstom Signalling Shared Cost Section.

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

Changes in the fair value of plan assets are as follows:

	West Coast Traincare Section	Alstom Railways Section	Alstom Signalling Section	Total
	£m	£m	£m	£m
Fair value of plan assets at 1 April 2023	**162.6**	**189.8**	**31.8**	**384.2**
Interest income	7.9	9.2	1.6	18.7
Return on plan assets (excluding amounts included in interest income)	(2.1)	(7.9)	(0.9)	(10.9)
Contributions by employer	4.6	1.7	0.7	7.0
Contributions by employees	0.9	0.8	0.2	1.9
Benefits paid	(5.8)	(8.0)	(0.8)	(14.7)
Fair value of plan assets at 31 March 2024	**168.1**	**185.6**	**32.5**	**386.2**
Interest income	8.1	8.9	1.6	18.6
Return on plan assets (excluding amounts included in interest income)	(17.8)	(17.9)	(4.4)	(40.1)
Contributions by employer	3.2	1.6	0.3	5.1
Contributions by employees	0.7	0.7	0.2	1.6
Benefits paid	(7.2)	(8.8)	(1.2)	(17.2)
Fair value of plan assets at 31 March 2025	**155.1**	**170.1**	**29.0**	**354.2**

The Company contributions to the Alstom Railways Shared Cost Section, West Coast Traincare Shared Cost Section and Alstom Signalling Shared Cost Section were at a rate of 21.92%, 21.54% and 20.88% of section pay (plus monthly lump sum contributions of £301,000) from April to June 2024 and at a rate of 20.94%, 19.48% and 19.84% of section pay (plus monthly lump sum contributions of £270,000) from June 2024 to October 2024). The Company expects to contribute a total of £3.3m to the Railways Pension Scheme in respect of these three sections during the year ending 31 March 2026.

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

The following is a summary of the plan assets of the Scheme:

At 31 March 2025	West Coast Traincare Section	Alstom Railways Section	Alstom Signalling Section	Total
	£m	£m	£m	£m
Equities	61.0	33.8	17.7	112.5
Bonds	92.8	132.6	10.4	235.8
Other	1.3	3.7	0.9	5.9
Total fair value of plan assets	**155.1**	**170.1**	**29.0**	**354.2**

At 31 March 2024	West Coast Traincare Section	Alstom Railways Section	Alstom Signalling Section	Total
	£m	£m	£m	£m
Equities	68.5	38.6	26.4	133.5
Bonds	99.0	146.4	5.9	251.3
Other	0.6	0.6	0.2	1.4
Total fair value of plan assets	**168.1**	**185.6**	**32.5**	**386.2**

Of the above assets, all equities and bonds are quoted in active markets.

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025 % per annum	2024 % per annum
Discount rate at 31 March	5.90	5.00
Rate of increase in salaries	3.10	3.05
Rate of increase in pensions	2.60	2.55
Rate of price inflation – CPI	2.60	2.55

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

The assumptions used 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 funded obligation at 31 March 2025:

West Coast Traincare Shared Cost Section

Impact on funded obligation	Increase by 0.25% £m
Discount rate	(3.9)
Increase in pensions	3.3
Increase in salaries	0.4
Other inflation linked benefits	0.4
Inflation-linked assumptions	4.1

Alstom Railways Shared Cost Section

Impact on funded obligation	Increase by 0.25% £m
Discount rate	(3.8)
Increase in pensions	3.2
Increase in salaries	0.2
Other inflation linked benefits	0.4
Inflation-linked assumptions	3.8

16. EMPLOYEE BENEFIT OBLIGATIONS (PENSION SCHEMES) (continued)

Railways Pension Scheme (continued)

Alstom Signalling Shared Cost Section

Impact on funded obligation	Increase by 0.25% £m
Discount rate	(0.9)
Increase in pensions	0.8
Increase in salaries	0.1
Other inflation linked benefits	-
Inflation-linked assumptions	0.9

History of experience adjustments:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Defined benefit obligation	(294.4)	(320.0)	(314.0)	(430.5)	(436.2)
Plan assets	354.2	386.2	384.2	424.4	398.8
Surplus/(Deficit)	59.8	66.2	70.2	(6.1)	(37.4)
Experience (loss)/gain on plan liabilities	(4.1)	(11.4)	(22.1)	2.5	(1.8)
Experience (loss)/gain on plan assets	(40.1)	(10.9)	(45.5)	20.9	88.9

The Directors are aware of the Virgin Media v NTL Pension Trustees II Limited ("the Case") and have held discussions with the Trustees of the Schemes affected. The Directors are satisfied that the Trustees have undertaken appropriate investigations with their lawyers and actuaries into the implications of the Case and, further, as they are aware that the Case is under appeal, the Directors are satisfied that no adjustments to liabilities should be made as at 31 March 2025.

Defined contribution arrangements

All qualifying employees are entitled to participate in a Group Personal Plan arrangement, the Alstom UK Group Personal Pension Plan. All of the assets are held in funds independent of the Company's finances. The total amount charged to the Statement of Comprehensive Income for the year was £7.5m (2024: £6.8m).

17. LEASE LIABILITIES

Maturity analysis – contractual undiscounted cash flows

	2025 £m	2024 £m
Within one year	5.0	4.6
Between one to five years	9.2	10.0
More than five years	1.5	2.5
Total undiscounted lease liabilities	**15.7**	**17.1**

Lease liabilities included in the statement of financial position

	2025 £m	2024 £m
Current	4.2	4.6
Non-current	9.7	12.0
	13.9	**16.6**

18. OTHER CURRENT LIABILITIES

	2025 £m	2024 £m
Owed to fellow Group undertakings	73.3	64.4
Other taxes and social security	27.6	25.9
Other creditors and accruals	41.2	58.9
Derivatives relating to operating activities	0.5	0.8
Remeasurement of hedged firm commitments	0.1	0.1
	142.7	**150.1**

19. DIRECTORS AND EMPLOYEES

Prior year comparatives have been restated to include only employees of the Company, with agency workers being excluded. This ensures consistency with the amounts disclosed in the current year.

Average total staff numbers by function (excludes agency workers):	2025 No	Restated 2024 No
Manufacturing and engineering	1,478	1,433
Commercial	162	180
Management and administration	100	111
	1,740	1,724

Staff costs (excludes agency workers)	2025 £m	Restated 2024 £m
Wages and salaries	118.6	120.8
Social security costs	13.0	12.8
Pension costs	11.0	9.7
	142.6	143.3

Pension costs comprise:	2025 £m	2024 £m
Defined benefit schemes (note 16)	3.5	2.9
Defined contribution and group personal pension plans	7.5	6.8
	11.0	9.7

19. DIRECTORS AND EMPLOYEES (continued)

Directors' emoluments:	**2025**	**2024**
	£m	**£m**
Salary and benefits	0.5	0.6
Company contributions to defined contribution pension arrangements	0.1	-
	0.6	0.6

	2025	**2024**
	No	**No**
Directors who are accruing benefits in a defined benefit pension scheme	1	1
Directors who received benefits under defined contribution pension arrangements	4	3

Certain of the Directors provide their services principally to two Companies, ALSTOM Transport UK Limited and ALSTOM Engineering and Services Limited, a fellow Group undertaking, and were Directors of both companies. An estimate of the emoluments that are attributable to each of the Companies has been made, based on an assumption of time spent providing services to each entity. As such, the amounts included above represents amounts attributable to services provided to this Company only and the remainder of the emoluments are disclosed in the financial statements of ALSTOM Engineering and Services Limited.

	2025	**2024**
Highest paid Director:	**£m**	**£m**
Salary and benefits	0.1	0.2
Compensation for loss of office	0.1	-
Highest paid Director's total remuneration	0.2	0.2

20. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Forward currency contracts are used to eliminate the currency exposure on any individual sale or purchase transaction in excess of €100,000. Forward currency contracts must be denominated in the same currency as the hedged item. It is the Group's policy to negotiate the terms of hedge derivatives to match the terms of hedged items to maximise hedge effectiveness.

At the balance sheet date, the Company was committed to the following principal forward currency contracts. Sterling equivalent figures are based on the spot exchange rate at the balance sheet date:

	2025 Sterling equivalent £m	2024 Sterling equivalent £m
Purchase foreign currencies forward	22	43
Sell foreign currencies forward	(9)	(17)

Derivative financial instruments are expected to settle at various future dates to match the settlement of hedged firm commitments. There are no significant terms and conditions which may affect the amount, timing and certainty of future cash flows.

21. COMMITMENTS AND CONTINGENCIES

a) Capital Commitments

	2025 £m	2024 £m
Contracted for but not provided in the financial statements	1.0	0.6

21. COMMITMENTS AND CONTINGENCIES (continued)

b) Guarantees related to contracts

In accordance with industry practice, guarantees of performance under contracts with customers and under offers on tenders are given.

Such guarantees can, in the normal course, extend from the tender period until the final acceptance by the customer or the end of the warranty period and may include guarantees on project completion, of contract specific defined performance criteria or plant availability.

In addition, guarantees are provided by banks or surety companies by way of various forms of performance bond. These are normally for defined amounts and periods. The Company provides counter indemnities to the bank or surety company.

Projects for which the guarantees are given are regularly reviewed by management and when it becomes probable that payments pursuant to performance guarantees will be required to be made, accruals are recorded in the financial statements at that time.

The total value of outstanding guarantees as at the year end date is £20.5m.

c) Product liability

The Company designs, manufactures and sells several products of large individual value that are used in major infrastructure projects. In this environment, product-related defects have the potential to create liabilities that could be material. If potential product defects become known, a technical assessment occurs whereby products of the affected type are quantified and studied. If the results of the study indicate that a product liability exists, provisions are recorded. The Company believes that it has made adequate provisions to cover currently known product-related liabilities, and regularly revises its estimates using currently available information. Neither the Company nor any of its businesses are aware of product-related liabilities which would exceed the amounts already recognised and the Company believes it has provided sufficient amounts to satisfy its litigation, environmental and product liability obligations to the extent they can be estimated.

22. EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events occurring since the balance sheet date that need to be disclosed.

23. PARENT UNDERTAKINGS

The Company's immediate parent undertaking is ALSTOM Transport UK (Holdings) Limited, a company incorporated in England & Wales.

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