

# Alstom Defined Contribution Plan

Pension Scheme Registry Number 10274962

## Annual Report and Accounts

Year ended 5 April 2012

Alstom Defined Contribution Plan

Annual Report for the year ended 5 April 2012

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**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Chairman's Introduction**

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I am pleased to present the Annual Report of the Alstom Defined Contribution Plan (the Plan) for the year to 5 April 2012 on behalf of the Trustee, ALSTOM Defined Contribution Pension Trustee Ltd.

As you may be aware, in January 2012, having undertaken a full review of pension provision provided in the UK, Alstom announced its proposals for changes to the defined contribution pension arrangements it provides for current and future employees. Alstom's proposal included introducing a new pension arrangement from 1 July 2012 and it consulted with active members of the Plan and their representative bodies on the changes over a three-month period which started from 1 February 2012. Having considered the feedback, Alstom advised the Trustee at the beginning of May, that contributions to the Plan will cease with effect from 30 June and formally requested the Trustee to commence the wind up of the Plan. Active Plan members who join the new pension arrangement, a Group Personal Pension Plan with Aviva, will be offered the opportunity to transfer their Plan benefit to Aviva and full details of all of the options available on how to secure benefits held in the Plan will be given during the summer. The Trustee intends to wind up the Plan by the end of the year and a Section 32 buyout policy will be purchased by the Trustee on behalf of members who still have benefits in the Plan at that time.

Although the Plan will cease receiving new contributions after 30 June 2012, the Trustee remains fully committed to ensuring that the Plan continues to be administered to a high standard whilst the changes are taking place, and until such time as the Plan is wound up.

I would like to take this opportunity to thank my fellow trustee directors for the time and energy invested in looking after the Plan and also the pensions department for the support that it has also given since the Plan was set up in 2006.

If members have any questions, then please contact the administrators, dc-Link on 01733 353 430, email: [pensionsadmin@dc-link.co.uk](mailto:pensionsadmin@dc-link.co.uk) who will be available to help with any enquiries.

Best wishes



Stephen Burgin  
Chairman of the Trustee

21 June 2012

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**Trustee and its Advisers**

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**Trustee**

ALSTOM Defined Contribution Pension Trustee Ltd, Newbold Road, Rugby, Warwickshire  
CV21 2NH

Pension Scheme Registry Number 10274962.

**Current Directors of ALSTOM Defined Contribution Pension Trustee Ltd**

S Burgin (*Chairman*)

H Austin

C Olier

P Naughton

M Atkin

P Derges

**Secretary to the Trustee**

L Mills

**Banker**

HSBC Bank plc

**Investment Consultant**

Hymans Robertson LLP

**Investment Managers**

AXA Wealth Limited as an investment platform for:  
Legal & General Investment Management  
Threadneedle Asset Management

**Legal Adviser**

Hogan Lovells LLP

**Life Assurance Company**

Aviva

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**Trustee and its Advisers (cont'd)**

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**Annuity Broker**

Hargreaves Lansdown

**Pension Administrators**

dc-Link

**Principal Employer**

ALSTOM Ltd

**Statutory Auditor**

Grant Thornton UK LLP

**Contact for further information about the Plan or benefit enquiries**

dc-Link, Churchgate, 1 New Road, Peterborough PE1 1TT

Telephone Number: 01733 353 430

Email: [pensionsadmin@dc-link.co.uk](mailto:pensionsadmin@dc-link.co.uk)

Or

Louise Mills ([louise.mills@chq.alstom.com](mailto:louise.mills@chq.alstom.com)) or

Bryan Radford ([bryan.radford@chq.alstom.com](mailto:bryan.radford@chq.alstom.com))

Pensions Department, ALSTOM Ltd, Newbold Road, Rugby, CV21 2NH

01788 557400

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**Trustee's Report**

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**Introduction**

The Trustee of the Alstom Defined Contribution Plan is pleased to present its sixth report, together with the audited financial statements, for the year ended 5 April 2012.

The Plan is a defined contribution plan and was established by a trust deed dated 5 April 2006. The Plan is registered under the Finance Act 2004. Members are not contracted out of the State Second Pension.

**Management of the Plan**

In accordance with the Occupational Pension Scheme (Member Nominated Trustees and Directors) Regulations 2006, three of the directors of the Trustee Board are nominated by the members under the rules notified to the members of the Plan.

The Trustee of the Plan is ALSTOM Defined Contribution Pension Trustee Ltd and during the year under review and since the year end, its Directors were:

**Company Nominated Trustee Directors:**

Stephen Burgin  
Helena Austin  
Cedric Olier  
Keith Taylor (until 08/04/2011)

**Member Nominated Trustee Directors:**

Paul Naughton  
Mike Atkin  
Phil Derges

In accordance with the Trust Deed, the sponsoring employer has the power to appoint and remove the Trustee of the Plan and to appoint or remove directors of a Trustee Company, however, the removal of a Member Nominated Director (MND) can only be made with the agreement of all the other Directors or on leaving service.

**Wind-up of the Plan**

On 2 May 2012, ALSTOM Ltd gave formal notice to the Trustee that it will cease contributing to the Plan with effect from 30 June 2012 and asked the Trustee to commence wind-up of the Plan. The Trustee agreed to this request on 4 May 2012 and notified members of that decision on 11 May 2012. Active Plan members who join the new pension arrangement established by ALSTOM Ltd, a Group Personal Pension Plan with Aviva, will be offered the opportunity to transfer their Plan benefit to Aviva and full details of all of the options available on how to secure their Plan benefits will be given during the summer. The Trustee

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**Trustee's Report (cont'd)**

intends to wind up the Plan by the end of the year and a Section 32 buyout policy will be purchased by the Trustee on behalf of members who still have benefits in the Plan at that time.

**Sponsoring Employers**

The Plan is provided for employees of the Principal Employer ALSTOM Ltd, and two other participating employers, ALSTOM NL Service Provision Ltd and West Coast Traincare Ltd. ALSTOM Resources Management Ltd withdrew as a participating employer with effect from 21 December 2011. The Principal Employer's registered address is Newbold Road, Rugby, Warwickshire, CV21 2NH.

**Financial Statements**

The financial statements on pages 19 to 26 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995 and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes. They show that the value of the fund has grown to £32.3 million of which £32.2 million is directly invested in funds as at 5 April 2012. Total contributions received in the year amounted to £6.4 million (including employer contributions to fund death in service benefits and expenses).

**Membership Statistics**

Details of the membership of the Plan at 5 April 2012 are given below:

<b>Active Members</b>		<b>Year end 5 April</b>	
		<b>2012</b>	<b>2011</b>
	<b><i>Active members at the beginning of the year</i></b>	<b><i>1,382</i></b>	<b><i>1,527</i></b>
	New entrants in the year	<i>149</i>	<i>86</i>
	Members retiring	<i>(10)</i>	<i>(7)</i>
	Member deaths	<i>(1)</i>	<i>(2)</i>
	Members leaving with contribution refunds	<i>(19)</i>	<i>(25)</i>
	Members leaving with preserved benefits	<i>(195)</i>	<i>(121)</i>
	Members leaving pending a decision	<i>(55)</i>	<i>(76)</i>
	Members transferring out	<i>(1)</i>	—
	<b><i>Active members at the end of the year</i></b>	<b><i>1,250</i></b>	<b><i>1,382</i></b>

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**Trustee's Report (cont'd)**

		Year end 5 April	
<b>Members with deferred benefits</b>		<b>2012</b>	<b>2011</b>
	<b><i>Deferred members at the end of the year</i></b>	<b>252</b>	<b>121</b>
	Leavers during the year with benefits	197	143
	Member deaths	(2)	–
	Retirements	(15)	(3)
	Transfers out	(14)	(9)
	Members leaving pending a decision	(1)	–
	<b><i>Deferred members at the end of the year</i></b>	<b>417</b>	<b>252</b>
		Year end 5 April	
<b>Members who have left pending a decision</b>		<b>2012</b>	<b>2011</b>
	<b><i>Members pending a decision at the beginning of the year</i></b>	<b>15</b>	<b>33</b>
	Members leaving service pending a decision	57	79
	Members choosing preserved benefits	(5)	(22)
	Members with un-cashed cheques	–	(1)
	Members retiring	(2)	–
	Members choosing refunds	(19)	(59)
	Members choosing to transfer out	(13)	(15)
	<b><i>Members pending a decision at the end of the year</i></b>	<b>33</b>	<b>15</b>
		Year end 5 April	
<b>Total</b>		<b>2012</b>	<b>2011</b>
	<b><i>Total membership</i></b>	<b>1,700</b>	<b>1,649</b>

There are no pensioners of the Plan. Pensions are provided by purchasing annuities when members retire.



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**Trustee's Report (cont'd)**

**Investment Report**

**Investment Strategy**

The Trustee determines the investment strategy of the Plan with guidance from its investment consultant. This strategy aims to meet the investment needs of the Plan members and is reviewed annually.

The Trustee has to prepare a Statement of Investment Principles (SIP) under section 35 of the Pensions Act 1995. This records the Trustee's policy covering investment strategy and risk management. A copy of the SIP is available from the Alstom Pensions Department. The information following on pages 7 to 14, is provided by the Plan's investment consultant, Hymans Robertson.

**Overview of Funds**

The Trustee has a Trustee Investment Plan (TIP) with AXA Wealth Limited which allows it to access funds offered by a range of different investment managers, selected by its investment consultant, with which AXA Wealth Limited has established separate reinsurance and/or investment management agreements. In conjunction with advice received from its investment consultant, the Trustee has selected a range of investment options available with the TIP for the members. These are shown in the table below together with confirmation of the current underlying investment manager. Legal & General Investment Management invest the majority of the Plan's assets. Threadneedle Asset Management manages the property investment.

<b>Fund</b>	<b>Underlying Funds</b>
<b>Annuity Protection Fund</b>	100% Legal & General Investment Management (LGIM) Pre-Retirement Fund
<b>Cash Fund</b>	100% LGIM Cash Fund
<b>Global Equity Fund</b>	50% LGIM World ex UK Index Fund 40% LGIM UK Equity Index Fund 10% LGIM World Emerging Markets Index Fund
<b>Growth Fund</b>	33.3% Property Fund 33.4% Global Equity Fund 33.3% Annuity Protection Fund
<b>Property Fund</b>	100% Threadneedle Pooled Pension Property Fund
<b>Index-Linked</b>	100% Legal & General Investment Management (LGIM) Over 5 Years Index-Linked Fund

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Fund	Underlying Funds
<b>Accumulation Fund</b>	80% Global Equity Fund 10% Property Fund 10% Annuity Protection Fund

The table above shows that four of the investment options (except for the Growth, Accumulation and Global Equity Funds) invest exclusively in one underlying fund. The Growth, Accumulation and Global Equity Funds invest in more than one underlying fund and were designed by the Trustee, with assistance from its investment consultant.

The tables below show the composition of the Growth Fund, Global Equity and Accumulation Funds as at 31 March and compares this to the target allocation set by the Trustee. There are controls in place to monitor how far away each fund moves from its target and the fund is re-aligned as and when necessary.

**Growth**

Fund	Actual Allocation (%)	Target Allocation (%)	Difference <sup>[1]</sup> (%)
<b>Global Equity Fund</b>	32.6	33.4	-0.8
<b>Annuity Protection Fund</b>	34.9	33.3	+1.6
<b>Property Fund</b>	32.5	33.3	-0.8

[1] May not sum due to rounding

**Global Equity**

Fund	Actual Allocation (%)	Target Allocation (%)	Difference <sup>[1]</sup> (%)
<b>LGIM World ex UK Fund</b>	50.5	50	+0.5
<b>LGIM UK Equity Fund</b>	39.3	40	-0.7
<b>LGIM World Emerging Markets Fund</b>	10.2	10	+0.2

[1] May not sum due to rounding

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**Accumulation**

<b>Fund</b>	<b>Actual Allocation (%)</b>	<b>Target Allocation (%)</b>	<b>Difference<sup>[1]</sup> (%)</b>
<b>Global Equity Fund</b>	79.2	80	-0.8
<b>Annuity Protection Fund</b>	10.8	10	+0.8
<b>Property Fund</b>	10.0	10	0.0

[1] May not sum due to rounding

**Investment Performance**

<b>Fund</b>	<b>Quarterly Performance (%)</b>				<b>1 Year</b>	<b>3 Year</b>
	<b>Q2 2011</b>	<b>Q3 2011</b>	<b>Q4 2011</b>	<b>Q1 2012</b>	<b>(% p.a.)</b>	<b>(% p.a.)</b>
<b>Annuity Protection Fund</b>	0.3	7.6	5.7	-0.3	13.8	12.4
<b>Benchmark</b>	1.3	7.5	4.1	-0.2	13.2	11.8
<b>Relative<sup>[1]</sup></b>	<i>-1.0</i>	<i>+0.1</i>	<i>+1.5</i>	<i>-0.1</i>	<i>+0.5</i>	<i>+0.5</i>
<b>Global Equity Fund</b>	-0.3	-12.3	5.9	7.5	-0.5	17.8
<b>Benchmark</b>	0.8	-14.8	7.3	8.2	-0.3	17.4
<b>Relative<sup>[1]</sup></b>	<i>-1.1</i>	<i>+2.9</i>	<i>-1.3</i>	<i>-0.7</i>	<i>-0.2</i>	<i>+0.3</i>
<b>Property Fund</b>	1.9	1.4	1.6	0.5	5.4	9.3
<b>Benchmark<sup>[2]</sup></b>	1.7	1.4	1.2	0.7	4.6	9.1
<b>Relative<sup>[1]</sup></b>	<i>+0.2</i>	<i>+0.0</i>	<i>+0.4</i>	<i>-0.2</i>	<i>+0.8</i>	<i>+0.2</i>
<b>Cash Fund</b>	0.1	0.2	0.2	0.1	0.5	0.4
<b>Benchmark</b>	0.1	0.1	0.2	0.1	0.6	0.5
<b>Relative<sup>[1]</sup></b>	<i>+0.0</i>	<i>+0.1</i>	<i>+0.0</i>	<i>+0.0</i>	<i>-0.1</i>	<i>-0.1</i>

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Fund	Quarterly Performance (%)				1 Year	3 Year
	Q2 2011	Q3 2011	Q4 2011	Q1 2012	(% p.a.)	(% p.a.)
<b>Growth Fund</b>	0.6	-1.4	4.4	2.3	6.0	13.5
<b>Benchmark</b>	1.3	-2.0	4.2	2.9	5.8 <sup>[3]</sup>	13.3 <sup>[3]</sup>
<b>Relative<sup>[1]</sup></b>	-0.7	+0.6	+0.2	-0.6	+0.2	+0.2
<b>Accumulation Fund</b>	0.0	-9.0	5.4	5.8	1.5	N/A
<b>Benchmark</b>	0.9	-10.9	6.4	6.6	1.9 <sup>[3]</sup>	N/A
<b>Relative<sup>[1]</sup></b>	-0.9	+2.1	-0.9	-0.8	-0.4	N/A
<b>Index-Linked Fund</b>	4.8	6.4	11.4	-2.4	21.1	N/A
<b>Benchmark</b>	4.5	7.8	9.8	-2.0	21.1	N/A
<b>Relative<sup>[1]</sup></b>	+0.3	-1.3	+1.5	-0.4	0.0	N/A

[1] Relative performance is calculated geometrically and differences could be due to rounding.

[2] The annual benchmark performance and annualised 3yr benchmark performance given here is not equivalent to the quarterly benchmark performance rolled up over four quarters. This is due to the way in which the property benchmark is constructed.

[3] Longer term benchmark calculated using rolled up quarterly returns (including property component).

### **Annuity Protection Fund**

The Annuity Protection Fund returned 13.8% in nominal terms over the 12 months to 31 March 2012 reflecting a strong period of performance for both gilts and corporate bonds (although gilts have fallen back in 2012). The fund has a benchmark comprising 90% corporate bonds. Yields on corporate bonds still appear more attractive than yields on government bonds. This fund is managed passively; ordinarily it would be expected to track the benchmark closely. This is (broadly) evidenced over 3 years. However, over shorter periods the fund has performed differently from the benchmark for reasons explained at the end of this section.

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**Trustee's Report (cont'd)**

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### **Global Equity Fund**

Equity markets fell back in the first half of the year to 31 March 2012 but gained some ground in the second half, producing a negative return over the year of -0.5%. Although equity valuations look reasonable by recent standards and profit reports still strong, economic recovery is likely to remain slow. The Fund has an equal allocation across UK and Overseas Equities including a specific 10% allocation to emerging markets, which offer long term growth potential. The Global Equity Fund is managed passively; ordinarily it would be expected to track the benchmark closely. This is evidenced over the longer term. However, over shorter periods the Fund has performed differently from the benchmark for reasons explained at the end of this section.

### **Property Fund**

The Property Fund produced returns of 5.4% during the year to 31 March 2012 reflecting another positive year for the property market although driven by income return with no capital growth. UK property values have drifted a little further below their late 2011 peaks and are likely to remain under pressure in the short term against the background of a difficult rental market. Supported by income, long-term returns should still be reasonable. The Threadneedle Fund outperformed its benchmark over the year, with its bias towards higher yielding properties proving beneficial. The Fund outperformed the benchmark by 0.8% over 12 months and over 3 years the fund has outperformed its benchmark by 0.2% p.a..

### **Cash Fund**

With the Bank of England base rate being held at 0.5% (a record low) since March 2009, deposit rates remained very low over the period. Consequently, the Cash Fund produced a modest return of 0.5% over the 12 months to end March 2012. The Cash Fund produced returns that were broadly in line with the Fund's benchmark over each quarter, and over longer time periods.

### **Growth Fund**

The Growth Fund's returns are directly related to factors affecting returns in the three underlying funds (the Global Equity Fund, the Annuity Protection Fund and the Property Fund). Over the year, the Growth Fund returned 6.0%, reflecting the positive returns of the Property and Annuity Protection Funds. The Growth Fund outperformed the composite benchmark over 12 months and over three years. Although all but one of the underlying funds are passively managed the relative performance of this Fund is a function of the active property sub-fund outperforming or underperforming its benchmark, and also the deviation from benchmark of the two passive sub-funds (the Annuity Protection Fund and the Global Equity Fund), the reasons for which are given below.

### **Accumulation Fund**

The Accumulation Fund's returns are directly related to factors affecting returns in the three underlying funds (the Global Equity Fund, the Annuity Protection Fund and the Property

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Fund). Over the year, the Accumulation Fund returned 1.5%, reflecting the positive returns of the Property and Annuity Protection Funds (although these were offset by a higher proportion in global equities in comparison to the Growth Fund above). The Accumulation Fund performed in-line with its composite benchmark over 12 months. Although all but one of the underlying funds are passively managed the relative performance of this Fund is a function of the active property sub-fund outperforming or underperforming its benchmark, and also the deviation from benchmark of the two passive sub-funds (the Annuity Protection Fund and the Global Equity Fund), the reasons for which are given below.

**Index-Linked Fund**

The Index-Linked Fund was the strongest performing Fund over the 12 month period returning 21.1% (although falling back a little in early 2012). The Fund is managed passively; ordinarily it would be expected to track the benchmark closely. This is (broadly) evidenced over 1 year. However, over shorter periods the Fund has performed differently from the benchmark for reasons explained at the end of this section.

**Explanation of relative performance of passive funds**

As stated above, for the Annuity Protection, Global Equity Funds and the Index-Linked Fund, performance can differ materially from their benchmark performance from quarter to quarter. This would not ordinarily be expected for funds that are managed passively (i.e. for funds that track an index). However, the reasons for the difference in performance over quarters are twofold:

- The fund performance is based on unit prices as at the quarter end. However the daily fund price as calculated by AXA Wealth Limited uses quoted prices from the underlying fund manager (LGIM and Threadneedle) that are based on market values as at the end of the previous day. Consequently the unit price performance will lag benchmark performance by a day.
- The fund administrator calculates performance using the fund's dealing price which may be on a bid or offer basis. Therefore if the basis under which the fund values are given at the start and end of the performance period differ this will result in differences between the fund and benchmark performances.

The Growth Fund and the Accumulation Fund are also impacted by the above as they invest in the Annuity Protection and Global Equity Funds.

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**Distribution of Plan's Investments as at 5 April 2012**

<b>Fund</b>	<b>Total (£)<sup>[1]</sup></b>	<b>%<sup>[1]</sup></b>
<b>Annuity Protection Fund</b>	£1,879,445	5.8%
<b>Cash Fund</b>	£736,017	2.3%
<b>Global Equity Fund</b>	£3,794,322	11.8%
<b>Growth Fund</b>	£2,513,384	7.8%
<b>Property Fund</b>	£1,061,328	3.3%
<b>Accumulation Fund</b>	£21,908,154	68.1%
<b>Index-Linked Fund</b>	£261,471	0.8%
<b>Total</b>	<b>£32,154,121</b>	<b>100.0</b>

[1] May not sum due to rounding

**Employer-related Investments**

The Plan has no direct employer-related investments within the meaning of Section 40 (2) of the Pensions Act 1995. There may be, from time to time, indirect investments in the employer through the various unit trusts that the Plan holds.

**Custodial Arrangements**

The Plan's managed fund units are held under managed fund policies in the name of the Trustee and the policy documents are held by the Secretary to the Trustee.

**Investment Managers' Fees**

<b>Fund</b>	<b>Annual charge</b>
<b>Annuity Protection Fund</b>	0.175%
<b>Cash Fund</b>	0.100%
<b>Global Equity Fund</b>	0.180%
<b>Growth Fund</b>	0.375%
<b>Property Fund</b>	0.800%
<b>Accumulation Fund</b>	0.240%
<b>Index-Linked Fund</b>	0.100%

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**Investment Benchmarks**

In the Report we refer to the benchmark. These are recognised stock-market indices against which the investment funds are compared. The benchmarks are as follows:

<b>Fund</b>	<b>Underlying benchmark</b>
<b>Annuity Protection Fund</b>	10% FTSE A Government (Over 15 Year) Index 90% iBoxx Sterling Non-Gilts (ex-BBB) (Over 15 Year) Index
<b>Cash Fund</b>	7 Day LIBID
<b>Global Equity Fund</b>	40% FTSE All Share Index 50% FTSE World ex UK Index 10% FTSE AW All Emerging Markets Index
<b>Property Fund</b>	CAPS Pooled Property Median
<b>Index-Linked Fund</b>	FTSE –A Government Index-Linked (Over 5 Year) Index

As stated above, the Growth and Accumulation Funds consist of a combination of the Global Equity Fund, the Annuity Protection Fund and the Property Fund. As such, the benchmarks for these funds are a weighted average of the benchmarks of each of the three underlying funds. The table below gives further details:

<b>Fund</b>	<b>Underlying benchmark</b>
<b>Growth Fund</b>	13.4% FTSE All Share Index 16.7% FTSE World ex UK Index 3.3% FTSE AW All Emerging Markets Index 3.30% FTSE A Government (Over 15 Year) Index 30.0% iBoxx Sterling Non-Gilts (ex-BBB) Index 33.3% CAPS Pooled Property Median
<b>Accumulation Fund</b>	32.0% FTSE All Share Index 40.0% FTSE World ex UK Index 8.0% FTSE AW All Emerging Markets Index 1.0% FTSE A Government (Over 15 Year) Index 9.0% iBoxx Sterling Non-Gilts (ex-BBB) Index 10.0% CAPS Pooled Property Median



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**Statement of Trustee's Responsibilities**

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in the Schedule to The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes".

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a Payment Schedule showing the rates of contributions payable towards the Plan by or on behalf of the Employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the Payment Schedule. Where breaches of the Schedule occur, the Trustee is required under the Pensions Acts 1995 to consider making reports to The Pensions Regulator and the members.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible for the maintenance and integrity of financial information included on the Plan's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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**Trustee's Report (cont'd)**

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**Plan Auditor**


Grant Thornton UK LLP were appointed as auditor to the Plan with effect from 1 November 2010.

**Independent Auditor's Report and Statement**

The auditor's report relates to the audit of the financial statements. The auditor has expressed an unqualified opinion on the Plan's financial statements as detailed on pages 17 and 18. They also issue a statement relating to contributions payable to the Plan. The auditor has also expressed an unqualified opinion on the contributions payable as detailed on page 27.

**Further information**

Further disclosures required by legislation are included in the Compliance Statement on pages 29 and 30.

  
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Dated: 21 June 2012

ALSTOM Defined Contribution Pension Trustee Ltd

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Independent Auditor's Report to the Trustee**

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**Independent Auditor's Report to the Trustee of the Alstom Defined Contribution Plan**

We have audited the financial statements of the Alstom Defined Contribution Plan for the year ended 5 April 2012, which comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of the trustee and auditor**

As explained more fully in the Trustee's Responsibilities Statement on page 15, the Plan's Trustee is responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Plan's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the rest of the annual report which comprises the Chairman's Introduction, Trustee and its Advisers, the Trustee's Report, the Compliance Statement and Trustee Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion**

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 5 April 2012, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Independent Auditor's Report to the Trustee**

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**Opinion (continued)**

- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.



Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants

Birmingham

21 June 2012

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Fund Account for the year ended 5 April 2012**

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	Note	2012 £ 000	2011 £ 000
<b>Contributions and Benefits</b>			
Contributions	3	6,364	6,790
Transfers in	4	23	207
Other income	5	82	312
		6,469	7,309
Benefits	6	(564)	(608)
Leavers	7	(660)	(442)
Other payments	8	(223)	(306)
Administrative expenses	9	(229)	(538)
		(1,676)	(1,894)
<b>Net additions from dealings with members</b>		<b>4,793</b>	<b>5,415</b>
<b>Return on Investments</b>			
Investment income	10	1	1
Changes in market value of investments	11	369	1,820
<b>Net returns on investments</b>		<b>370</b>	<b>1,821</b>
<b>Net increase in fund during the year</b>		<b>5,163</b>	<b>7,236</b>
<b>Net assets of the Plan</b>			
<b>At the beginning of the financial year</b>		<b>27,132</b>	<b>19,896</b>
<b>At the end of the financial year</b>		<b>32,295</b>	<b>27,132</b>

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Net Assets Statement as at 5 April 2012**

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	<b>Note</b>	<b>2012</b> <b>£ 000</b>	<b>2011</b> <b>£ 000</b>
Investment assets	11	32,154	27,120
Current assets	12	220	378
Current liabilities	13	(79)	(366)
<b>Net assets of the Plan at 5 April</b>		<b>32,295</b>	<b>27,132</b>

Notes 1 to 14 form an integral part of these financial statements.

The accounts summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

These financial statements were approved by the Trustee on 21 June 2012.

Signed on behalf of the Trustee:



Director

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**

**Notes to the Accounts**

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**1 BASIS OF PREPARATION**

The accounts are prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes.

**2 ACCOUNTING POLICIES**

The principal accounting policies, which have been applied consistently with the previous year are as follows:

**Fund Account**

Items are brought into account on an accruals basis except where noted differently below. Additional Voluntary Contributions (AVCs) are accounted for on an accruals basis and the resulting investments are held in the Net Assets Statement.

Contributions based on members' earnings are accounted for based on the payroll dates in the year. Other contributions are accounted for based on the due dates set out in the Payment Schedule or the contracts under which they are payable.

Individual transfers to leavers are accounted for at the date of transfer. Refunds are accounted for on a cash basis.

Investment income arising on the underlying assets is reinvested to enhance unit values and is reflected in the change in market value.

Changes in market values of investments relate to increases and decreases arising from movements in the prices of investments including realised profits and losses arising from disposals of investments.

**Net Assets Statement**

Pooled investments vehicles are included at the closing bid price<sup>1</sup> if both bid and offer prices are published or, if single priced, at the closing single price.

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<sup>1</sup> The bid price is the price at which an investor may sell units and the offer price is the price at which the investor may buy units.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**

**Notes to the Accounts**

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**3 CONTRIBUTIONS**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Employers'		
Normal	2,823	3,024
Augmentations	52	56
Employer reserve	467	515
Members'		
Normal	2,881	3,002
Additional voluntary contributions	141	193
	6,364	6,790

Certain employer normal contributions are in excess of the rates set out in the Payment Schedule to comply with the relevant members' contracts of employment. The employer augmentations were to fund additional benefits for specific members.

Contributions to the employer reserve are additional contributions paid by the employer to cover group life assurance and administration costs.

**4 TRANSFERS IN**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Individual transfers in from other schemes	23	207



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**

**Notes to the Accounts**

<b>5 OTHER INCOME</b>	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Claims on death in service insurance policies	82	312
	<u>82</u>	<u>312</u>
 <b>6 BENEFITS</b>		
	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Lump sums paid on retirement	87	65
Purchase of annuities	370	208
Lump sum death benefits	107	335
	<u>564</u>	<u>608</u>
 <b>7 LEAVERS</b>		
	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Refunds to members leaving service	107	159
Individual transfers to other schemes	553	283
	<u>660</u>	<u>442</u>
 <b>8 OTHER PAYMENTS</b>		
	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Premiums on group life insurance policies	223	306
	<u>223</u>	<u>306</u>

Group life insurance policies are secured by a policy underwritten by Aviva to cover the Plan against lump sum payments in event of a member's death during service.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**

**Notes to the Accounts**

**9 ADMINISTRATIVE EXPENSES**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Administration and processing	125	349
Audit fee	10	11
Legal and other professional fees	94	178
	229	538
	229	538

The employer pays additional amounts into the Employer reserve fund to meet all administrative expenses incurred by the Plan including cost incurred by ALSTOM Ltd in respect of the administration/secretarial services it provides to the Trustee, and forms part of Administration and processing costs above. ALSTOM Ltd has not recharged the Plan this year as the Plan is commencing wind-up (2011: £238,000).

**10 INVESTMENT INCOME**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on cash deposits	1	1
	1	1

The pooled investment vehicles units do not generate income. Income arising on the underlying assets is re-invested to enhance unit values.

**11 INVESTMENTS**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Market value at the beginning of the year</b>	<b>27,120</b>	<b>19,703</b>
Purchases at cost	5,948	6,597
Disposals	(1,283)	(1,000)
Change in market value of investments	369	1,820
<b>Market value at the end of the year</b>	<b>32,154</b>	<b>27,120</b>
	<b>32,154</b>	<b>27,120</b>

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**

**Notes to the Accounts**

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All of the Plan's investments are allocated to members.

All of the Plan's investments are held in pooled investment vehicles, being managed funds.

The companies managing the managed fund investments are registered in the United Kingdom.

Investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid.

The managed fund units are held in the name of the Plan. The Plan administrator allocates investment units to members. Income generated by these units are not distributed, but retained within the managed fund and reflected in the market value of the units.

The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting.

Indirect transaction costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Plan.

**AVC Investments**

Additional Voluntary Contributions are invested with the main Plan investments.

**12 CURRENT ASSETS**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Bank balance	220	378

For the avoidance of doubt, no contributions due are shown as current assets as all contributions due to the Plan were paid in full to the Plan within the timescale required by the Payment Schedule currently in force and by the year-end.

Included in the bank balance is £218,135 (2011: £367,109) which is not allocated to members.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**

**Notes to the Accounts**

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**13 CURRENT LIABILITIES**

	<b>2012</b>	<b>2011</b>
	<b>£ 000</b>	<b>£ 000</b>
Creditors and accruals	<u>(79)</u>	<u>(366)</u>

Included in the creditors and accruals balance is £77,000. (2011: £355,000) which is not allocated to members.

Creditors include £nil (2011: £241,000) due to ALSTOM Ltd (see note 9 above).

**14 TAXATION**

The Plan is registered under the Finance Act 2004.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Independent Auditor's Statement about Contributions**

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**Independent Auditor's Statement about Contributions to the Trustee of the Alstom Defined Contribution Plan**

We have examined the Summary of Contributions to the Alstom Defined Contribution Plan in respect of the Plan year ended 5 April 2012 which is set out on page 28.

**Respective responsibilities of trustees and the auditor**

As explained more fully in the Trustee's Responsibilities Statement on page 15, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Payment Schedule showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of the active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the Payment Schedule.

It is our responsibility to provide a statement about contributions paid under the Payment Schedule and to report our opinion to you.

**Scope of work on Statement about Contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Payment Schedule. This includes examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Payment Schedule.

**Statement about contributions payable under the Payment Schedule**

In our opinion, contributions for the Plan year ended 5 April 2012 as reported in the Summary of Contributions and payable under the Payment Schedule have, in all material respects, been paid at least in accordance with the Payment Schedule dated 6 April 2011.



Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants

Birmingham  
21 June 2012

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Summary of Contributions Payable in the Year**

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During the year the contributions payable to the Plan by the employer under the payment schedule were, along with those for the previous year, as follows:

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Employer normal contributions	2,823	3,024
Employer contributions for group life premiums and expenses	467	515
Members' normal contributions	2,881	3,002
Members' additional voluntary contributions	141	193
Total contributions payable under the payment schedule	<u>6,312</u>	<u>6,734</u>
In addition, further contributions were payable:		
Employer augmentations	52	56
Total contributions included in the financial statements	<u><b>6,364</b></u>	<u><b>6,790</b></u>

Some of the employer normal contributions are in excess of the rates set out in the Payment Schedule to comply with the relevant members' contracts of employment. The employer augmentations were to fund additional benefits for specific members.

Approved by the Trustee and signed on behalf of the Trustee on 21 June 2012




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Director

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Compliance Statement**

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**Constitution**

The Plan was established and is governed by a definitive Trust Deed dated 5 April 2006.  
The Registration number of the Plan is 10274962.

**Taxation status**

The Plan is registered under Chapter 2 Part 4 of the Finance Act 2004. The Trustee knows of no reason why this status may be prejudiced or withdrawn.

**Matters relating to the Plan's Advisers**

All advisers listed on pages 2 and 3 have been appointed by the Trustee.

**Changes to Plan constitution, rules or basic information**

There have been no changes to the Plan's Trust Deed and Rules during this year.

**Transfers**

All transfer values paid and received offered the full cash equivalent of early leavers' non-discretionary rights in the Plan.

**The Pension Tracing Service**

The Pension Tracing Service's main purpose is to provide a tracing service for members (and their dependants) of previous employers' plans, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

Pension Tracing Service  
The Pension Service  
Tyneview Park  
Whitley Road  
Newcastle Upon Tyne  
NE89 1BA  
Telephone: 0191 225 6316  
Website: [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Compliance Statement (cont'd)**

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The information provided includes details of the address at which the Trustee of the Plan may be contacted.

**The Pensions Advisory Service**

Any concern connected with the Plan should be referred to the Secretary of the Trustee, who will try to resolve the problem as quickly as possible. Members and beneficiaries of occupational pension plans who have problems concerning their plan which are not satisfied by the information or explanation given by the administrators or the trustees can consult with The Pensions Advisory Service. A local adviser can usually be contacted through a Citizens Advice Bureau. Alternatively The Pensions Advisory Service can be contacted at:

11 Belgrave Road  
London SW1V 1RB  
Telephone: 0845 601 2923  
E-mail: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)  
Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

**Pensions Ombudsman**

In cases where a complaint or dispute cannot be resolved, normally after the intervention of The Pensions Advisory Service, an application can be made to the Pensions Ombudsman for him to investigate and determine any complaint or dispute of fact or law involving occupational pension plans. The address is:

11 Belgrave Road  
London SW1V 1RB  
Telephone: 0207 630 2200  
E-mail: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)



**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Trustee Directors**

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All of the Trustee Directors have completed and passed the Pensions Regulator's trustee's online assessment on defined contribution plans.

**Michael Atkin**

Mike has extensive experience of the role of Member Nominated Director having fulfilled the role with previous employers and is now in his second term of office with this Plan, having been re-elected in April 2011. Mike is Tendering Manager working for Boiler and Plant Solutions and is located in Ashby. Previous employers have included Aitons, International Combustion, Norwest Holst, Capper Pipeworks and Vinci and roles have embraced the complete cycle from Marketing to Final Account including General and Operations Management.

**Helena Austin**

Helena is the Human Resources Director, Power & Alstom UK, and has been with Alstom since 2000. Helena's professional HR experience spans 20 years both in the UK and internationally. Key experiences include the management of Employee Relations issues within UK and Europe, formulating and planning remuneration strategies and implementation of benefit schemes, expatriate management and associated policies and systems to support international mobility of employees. Helena was appointed as a Company Nominated Director of the Alstom Defined Contribution Plan on 1 March 2007.

**Stephen Burgin**

Stephen Burgin joined GEC in 1975 as a student apprentice, and has worked for most of his career within the electricity transmission and distribution industry. Stephen worked in various senior management posts in GEC and GEC Alstom up to 1993 before moving to ABB and then back to Alstom, based in Paris, in 2001. In January 2008 Stephen was appointed UK Country President of ALSTOM Ltd. He has an honours degree in Electrical Engineering and is a Fellow of the Institution of Engineering and Technology. He is currently the Chair of Governors of Staffordshire University. Steve is married, has three daughters and enjoys skiing, golf and keeping fit. He was appointed as a Company Nominated Director and Chairman on 1 April 2008.

**Alstom Defined Contribution Plan**  
**Annual Report for the year ended 5 April 2012**  
**Trustee Directors**

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**Phil Derges**

Phil is a Contracts Manager in Alstom's Steam Turbine Retrofit business at Rugby. He joined Alstom in March 2009 from Rolls-Royce plc. Phil has over twenty years' experience in commercial management and general management roles in the UK, fifteen at director level. He has worked in the marine, industrial power and aerospace sectors. He is a Solicitor and a law graduate with a Masters degree in Business Administration. Phil has a working wife and a son. Phil is a former Director of the Midlands Aerospace Alliance and a former member of a Regional Assembly scrutiny panel. Phil has qualified as a PADI Advanced Open Water Diver and holds a Pilots Licence for Microlight Aeroplanes. Phil was elected and appointed as a Member Nominated Director of the Alstom Defined Contribution Plan on 1 November 2009 for a three-year term.

**Paul Naughton**

Paul is a Sales Manager within Alstom Power and is primarily located in Newcastle although he has supported Alstom offices in Stafford, Rugby, Ashby, Paris and Oslo since joining the company. He has been working for Alstom since 2005 and has previous experience in the Customer Service and Financial industries. He is married and has a son and a daughter who take up all his spare time. He enjoys most sport and is a committed Newcastle United fan and season ticket holder. Paul was elected and appointed as a Member Nominated Director of the Alstom Defined Contribution Plan on 1 November 2006. Paul was re-elected as a Member Nominated Director trustee of the Plan on 1 November 2009 for a three-year term.

**Cedric Olier**

In January 2012, Cedric was appointed Compensation & Benefits Manager for Alstom Power and is based in France. He previously worked for Alstom in Switzerland as a Benefits Manager and prior to that as a Benefits Analyst. He has worked for Ernst & Young in France and Luxembourg, auditing and advising on retirement and other employee benefit topics. Cedric holds a degree in actuarial mathematics and is an actuary member of the French Institute of Actuaries. Cedric was appointed as a Company Nominated Director of the Alstom Defined Contribution Plan on 15 April 2010.