

Linatex Limited

Report and Accounts

30 December 2011

Registered Number: 246713

THURSDAY



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COMPANIES HOUSE #473

Directors' Report

The directors present their report together with the audited financial statements of Linatex Limited (Registered Number 246713) for the 52 week period ended 30 December 2011

Results and Dividends

The profit for the financial year amounted to £2,388,000 (2010 loss of £946,000) No dividend was paid during the financial year (2010 nil) The directors do not recommend the payment of a dividend for the year (2010 nil)

Principal activities

The main activities of the Company during the year were the manufacture and distribution of high performance industrial rubber products and solids – liquids separation systems for mineral slurries

On the 5th November 2011 the trade and assets of the Company were transferred to Weir Minerals Europe Limited as part of the ongoing successful integration of the Linatex business This follows the acquisition of the Linatex Group by The Weir Group PLC in September 2010 Further details of the transfer can be found in note 22 to the financial statements

Business Review

Linatex Limited is primarily an industrial Rubber business, producing rubber sheet, hoses, pumps and Engineered systems Linatex has been in existence for over 80 years and the directors of the Company pride themselves on customer service and quality within a niche market Linatex Limited is part of a global business, with the main manufacturing site in Malaysia Linatex Limited is at risk of material increases such as Latex and steel prices, although forward contracts and low cost sourcing are entered into by the main manufacturing site of the Group to reduce such risks

The company markets its products both in the UK and overseas A significant amount of European sales are through distributors

The company's key financial performance and other performance indicators during the period were as follows

	2011 £'000	2010 £'000	Change
Turnover	13,262	11,882	+12%
Operating loss	(176)	(898)	-80%
Profit/(loss) for the financial year	2,388	(946)	+352%
Shareholders' funds	6,493	4,105	+58%
Current liabilities as % of current assets	5%	129%	-124%
Average number of employees	76	69	+10%

Directors' Report (continued)

Business Review (continued)

Comparisons are for 10 months trading in 2011 against a full year for 2010

Turnover increased by 12% during the year showing a moderate growth due to slight recovery of market conditions within the aggregate and core industries. Recovery was more evident outside the UK.

Operating loss reduced by £722,000. There were reduced administrative expenses in 2011 as 2010 included exceptional items due to the purchase of Linatex Group of companies by The Weir Group PLC. Additionally, the results benefitted from exchange movements, with a gain of £48,000 compared to a £152,000 loss in 2010.

The profit for the financial year of £2,388,000 was primarily due to the gain on transfer of trade and assets to Weir Minerals Europe Limited of £2,909,000, offset by an increase in deferred tax charges for the year.

Shareholders' funds increased by £2,388,000 due to the increase in retained earnings, the retained earnings being the profit on ordinary activities after tax and dividends paid.

The total number of employees increased by 10% as the company responded to market conditions and in preparation for the implementation of a new press shop.

Principal risks

Risk is inherent in our business activities and as a consequence of operating a sound risk management process the Company has identified the following principal risks and uncertainties, which it believes could have a materially adverse effect on its business, turnover, profit, assets, liquidity, resources and reputation. The nature of risk is such that no list can be comprehensive and it is possible that other risks may arise, or that risks not currently considered material may become so in the future. The Company's ultimate holding company, The Weir Group PLC, operates controls as described in its Directors' Report to mitigate against these risks.

Product liability claims

The Company faces an inherent business risk of exposure to product liability and warranty claims in the event that a failure of a product results in, or is alleged to result in, bodily injury, property damage and consequential loss. The Company's holding company maintains insurance coverage for product liability claims where possible. For warranty claims not covered by insurance, warranty costs may be incurred which the Company may not be able to recover.

Employee issues

Company performance depends on the skills and efforts of its employees and management team across all of its businesses. The Company recognises that failing to attract new talent and retain existing expertise, knowledge and skills in operations, products and infrastructure areas such as information technology could have a negative impact on its business.

Directors' Report (continued)

Health & safety

The Company operates in a number of demanding environments. Safe working practices are extremely important to protect everyone on the Company's sites. The Company has developed quality and safety processes within each of its businesses which are regularly audited by professional bodies and customers. The Company operates long established working practices and controls to minimise damage and injury. If the Company cannot maintain a safe place for all its employees to work this could result in a number of negative outcomes to the Company including

- fines and penalties,
- loss of key customers,
- exclusion from certain market sectors deemed important for future development of the business, and
- damage to reputation

Customer relationships and supply chain

The Company benefits from close commercial relationships with a number of key customers and suppliers. The loss of any of these key customers or suppliers, or a significant worsening in commercial terms, could impact on the Company's results. The Company devotes significant resources to supporting these relationships to ensure they continue to operate satisfactorily. The Company subcontracts certain elements of the manufacturing process through supply chains external to the Company. Any failure of the supply chain would represent a risk to the Company's ability to meet customer requirements and achieve its financial goals. The Company strategy is to simplify the external supply chain, forge deeper strategic relationships with fewer but stronger suppliers. The Company is also investing in its manufacturing facilities to enable it to improve productivity.

Business continuity and disaster recovery

Risk of disablement of the Company's business critical systems at a key location is mitigated by data back-up designed to ensure that information can be recovered rapidly and independently of any disabled location. In addition, I T disaster recovery plans are in place for each location in the event of disruption.

Financial risk management objectives & policies

The Company's principal financial instruments comprise loans, cash and short-term deposits as well as financial derivatives. The main purpose of these financial instruments is to manage the Company's funding and liquidity requirements. The Company has other financial instruments such as trade receivables and trade payables which arise directly from its operations. The principal financial risks to which the company is exposed are those relating to foreign currency, commodity price, credit, liquidity and interest rate risk.

Foreign exchange risk

The Company sells its products in many countries with the result that it is exposed to transactional currency risk. Transactional currency exposure arises when the Company enters into transactions denominated in currencies other than its functional currency which is sterling. Foreign exchange transaction exposures are identified and managed directly by the Company within the policies and guidelines established by the Company's holding company, The Weir Group PLC, which enters into foreign exchange hedging transactions on behalf of the Company in accordance with the policies and procedures.

Directors' Report (continued)

Commodity price risk

The Company's exposure to raw material price risk is generally diminished by restricting bid validity to periods within those quoted by suppliers and by material price escalation clauses

Credit risk

The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are banks with high credit-ratings assigned by international credit-rating agencies. The Company's credit risk is primarily attributable to its trade receivables. The Company is exposed to risk over a large number of countries and customers and there is no significant concentration of risk. Where appropriate, the Company endeavours to minimise risk by the use of trade finance instruments such as letters of credit and insurance. Credit worthiness checks are also undertaken before entering into contracts with new customers and credit limits are set as appropriate. Due to long established relationships with the majority of customers, the Company does not consider there to be a significant credit quality issue. The amounts presented in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made where there is an identifiable loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

Interest rate risk

The Company's borrowings consist of inter group loans and these are at variable rates of interest. Based on current levels of net debt, interest rate risk is not considered to be material.

Going concern

On the 5th November 2011 the trade and assets of the Company were transferred to Weir Minerals Europe Limited as a going concern.

Policy on payment of creditors

The Company agrees the length of payment terms with each of its suppliers. Payment dates are then established according to the agreed date of delivery of goods or provision of services and receipt of correct invoice. The average payment period for the company for 2011 was 73 days (2010: 73 days).

Future developments

Following the transfer, the company will no longer trade.

Directors

The directors of the Company who served during the period were as follows:

B Cooke
D Stephenson
A Locke

Directors' Report (continued)

Directors' indemnities

The Company's Articles of Association contain a provision that every director or other officer shall be indemnified against all losses and liabilities which they may incur in the course of acting as directors (or officers as the case may be) permitted by the Companies Act 2006 (as amended). These indemnities are uncapped in amount. The Company's holding company maintained directors and officers liability insurance throughout 2011 in respect of the Company's directors and officers.

Employment of disabled persons

The Company's policy in relation to the employment of disabled persons is as follows:

- For employee recruitment, full consideration is given to job applications received from disabled persons, on the basis of their ability to perform the duties of the job. Special training is given where appropriate.
- Where an employee becomes disabled whilst employed by the company, retraining is given to perform a job identified as appropriate to the individual.
- The policy for the training, career development and promotion of the disabled is the same as for other employees.

Employee relations

Within commercial confidence, information continues to be given to employees about the progress of the company and on matters of concern to them as employees. Regular meetings are held to discuss matters affecting employees.

Industrial relations during the year continued to be excellent.

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



David Stephenson

Director

21 September 2012

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

Independent Auditors' Report

to the members of Linatex Limited

We have audited the financial statements of Linatex Limited for the 52 weeks ended 30 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report 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 on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 December 2011 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Ernst & Young LLP

Ian James McDowall (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

25 September 2012

Profit and Loss Account

for the 52 week period ended 30 December 2011

		2011	2010
		£'000	£'000
Turnover	Note		
	2	13,262	11,882
Cost of sales		(9,248)	(7,539)
Gross profit		4,014	4,343
Distribution costs		(862)	(833)
Administrative expenses		(3,328)	(4,408)
Operating loss	3	(176)	(898)
Gain on transfer of trade and assets	22	3,091	-
Write off of goodwill	8	(182)	-
Interest receivable and similar income	4	97	1
Interest payable and similar charges	5	(106)	(215)
Profit/(loss) on ordinary activities before taxation		2,724	(1,112)
Taxation on profit/(loss) on ordinary activities	7	(336)	166
Profit/(loss) on ordinary activities after taxation		2,388	(946)
Profit/(loss) for the financial year transferred to reserves	18	2,388	(946)

All amounts above relate to continuing operations. There are no recognised gains or losses other than those reported above. There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

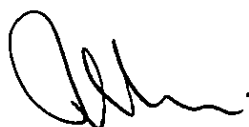
The notes on pages 10 to 20 form part of these financial statements.

Balance Sheet

at 30 December 2011

		2011	2010
		£'000	£'000
	Note		
Fixed assets			
Goodwill	8	-	182
Intangible assets	9	-	550
Tangible assets	10	-	216
Investments	11	4,213	4,630
		4,213	5,578
Current assets			
Stocks	12	-	2,061
Debtors	13	2,393	2,539
Cash at bank and in hand		-	494
		2,393	5,094
Current liabilities			
Creditors amounts falling due within one year	14	(113)	(6,567)
Net current assets / (liabilities)		2,280	(1,473)
Total assets less current liabilities		6,493	4,105
Net assets		6,493	4,105
Capital and reserves			
Called up share capital	16	1,000	1,000
Profit and loss account	17	5,493	3,105
Equity shareholders' funds	18	6,493	4,105

Approved by the Board on 21 September 2012



David Stephenson
Director

The notes on pages 10 to 20 form part of these financial statements

Notes to the accounts

for the 52 week period ended 30 December 2011

1. Accounting policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles and applicable accounting standards

(b) Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities are translated into sterling at the rate of exchange ruling at the relevant balance sheet date, any exchange differences arising on translation of an investment denominated in a foreign currency and associated foreign currency borrowing thereon are included in the translation reserve. Any other exchange differences on assets and liabilities arising thereon are included in the profit and loss account.

(c) Deferred Tax

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax in the future. Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(d) Depreciation

Plant and machinery and fixtures, fittings and equipment are depreciated over their estimated useful economic lives on a straight line basis. Estimated useful lives of these assets are

Plant and machinery	4 – 20 years
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Fixtures, fittings and equipment	3 – 10 years
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(e) Leasing

Rental costs in respect of operating leases are charged against profit as they arise.

(f) Goodwill

Goodwill arising on acquisitions is capitalised in the balance sheet and then amortised through the profit and loss account over its estimated useful life, up to a maximum of 20 years.

Notes to the accounts

for the 52 week period ended 30 December 2011

1. Accounting policies (continued)

(g) Development Expenditure

Development expenditure is capitalised if the product is technically feasible and the Company has resources to complete development. The expenditure capitalised includes cost of materials and direct labour as incurred. Capitalised development is stated at cost less accumulated amortisation and impairment losses, other development expenditure not meeting these criteria, and all research expenditure, is recognised in the profit and loss account.

(h) Stocks

Stocks are stated at cost or net realisable value whichever is the lower. Cost in the case of manufactured goods includes direct and overhead expenses attributable to manufacture.

(i) Retirement Benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(j) Investment in Subsidiaries

Investments in subsidiary undertakings and associate are stated at cost less amounts written off.

(k) Share-based payment transactions

The Linatex Group issued cash-settled share based payments (Senior Executive Rights Plan) to certain employees of the Group.

For cash-settled share based payments, a liability equal to the portion of goods or services received is recognised at the current fair value of the corresponding liability incurred by the parent determined at each balance sheet date. Until the liability incurred by the parent is settled, the subsidiary shall recognise any changes in the fair value of the liability in profit or loss and in the subsidiary's equity as adjustments to contributions from the holding company.

The issue of rights by the Company to employees of the Group represents additional capital contributions.

2. Turnover and segmental information

Turnover is based on the invoiced value from the sale of goods and services. It excludes VAT and similar sales based taxes. Turnover for goods and services is recognised when the significant risks and rewards of ownership are transferred to the customer. This is when the goods have been despatched, title of the goods has passed and where the price is determinable and reflects the commercial substance of the transactions.

Notes to the accounts

for the 52 week period ended 30 December 2011

3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting).

	2011 £'000	2010 £'000
Staff costs (inc directors)		
Wages and salaries	2,003	2,154
Social security costs	259	245
Other pension costs	120	160
Goodwill amortisation	-	19
Depreciation	55	50
Hire charges for plant and machinery	13	9
Hire charges for other assets	365	493
Fees paid to auditors for audit of the Company's annual accounts	9	22
Group management charges	-	98
Cash settled share-based payment expenses	-	521
Foreign exchange (gains)/losses	(48)	152

The average number of employees during the period was 76 (2010 69)

4. Interest receivable and similar income

	2011 £'000	2010 £'000
Interest receivable on bank deposits	97	1

5. Interest payable and similar charges

	2011 £'000	2010 £'000
Interest payable to group undertakings	(105)	(198)
Interest payable on bank loans and overdrafts	(1)	(17)
	<u>(106)</u>	<u>(215)</u>

Notes to the accounts

for the 52 week period ended 30 December 2011

6. Directors' emoluments

	2011 £'000	2010 £'000
Directors' emoluments		
Aggregate emoluments	139	111

The aggregate emoluments of the highest paid director, excluding pension contributions, were £139,178 (2010 £111,085) The accrued pension entitlement of this director was £16,588 (2010 £16,175)

The number of directors who exercised share options in the year was nil (2010 - nil)

Retirement benefits are accruing to one director (2010 one) under a defined contribution scheme

7. Taxation on profit on ordinary activities

a) The taxation credit for the year comprises

	2011 £'000	2010 £'000
Current tax		
UK corporation tax on profit for the period	-	(84)
Adjustments in respect of previous periods	(3)	-
Total current tax (see note b)	(3)	(84)
Deferred tax (see note 13)		
Origination and reversal of timing differences (ACA and other) and use of losses	332	(100)
Impact of tax rate change	7	18
Total deferred tax	339	(82)
Tax charge/(credit) on profit/(loss) on ordinary activities	336	(166)

A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement such that the main rate of corporation tax will be reduced by 2% (to 24%) with effect from the 1 April 2012 As of that date this change has been substantively enacted Further 1% cuts have been announced which are expected to result in a 22% rate by April 2014 We expect that these further reductions will not have a material effect on the effective tax rate or on the profit for the year in future periods

Notes to the accounts

for the 52 week period ended 30 December 2011

7 Taxation on profit on ordinary activities (continued)

The tax assessed for the period is lower (2010 higher) than the standard rate of corporation tax in the UK. The differences are explained below.

b) Current tax reconciliation

	2011 £'000	2010 £'000
Profit/(loss) on ordinary activities before tax	2,724	(1,112)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK 26.5% (2010 – 28%)	722	(311)
Effects of		
Gain on transfer of trade and assets	(819)	-
Rate change	-	18
Depreciation in excess of capital allowances	15	5
Expenses not deductible for tax purposes	348	129
Other timing differences	(1)	75
Prior year tax losses utilised during the year	(265)	-
Adjustment in respect of previous periods	(3)	-
Current year tax credit for the year	(3)	(84)

8. Goodwill

	£'000
Cost	
At 1 January 2011	385
Goodwill written off	(385)
At 30 December 2011	-
Amortisation	
At 1 January 2011	203
Amortisation written off	(203)
At 30 December 2011	-
Net book value	
At 30 December 2011	-
At 30 December 2010	182

Notes to the accounts

for the 52 week period ended 30 December 2011

9. Intangible assets

	Patents Cost £'000s	Development costs £'000	Total £'000
Cost			
At 1 January 2011	104	446	550
Additions	-	10	10
Transfer to Weir Minerals Europe Ltd (note 22)	(104)	(456)	(560)
At 30 December 2011	-	-	-
Depreciation			
At 1 January 2011 and 30 December 2011	-	-	-
Net book value			
At 30 December 2011	-	-	-
At 31 December 2010	104	446	550

10. Tangible assets

	Plant & Machinery £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost			
At 1 January 2011	1,979	184	2,163
Additions	168	12	180
Disposals	(20)	(35)	(55)
Transfer to Weir Minerals Europe Ltd (note 22)	(2,127)	(161)	(2,288)
At 30 December 2011	-	-	-
Depreciation			
At 1 January 2011	1,814	133	1,947
Charge for the period	24	31	55
Disposals	(9)	(35)	(44)
Transfer to Weir Minerals Europe Ltd (note 22)	(1,829)	(129)	(1,958)
At 30 December 2011	-	-	-
Net book value			
At 30 December 2011	-	-	-
At 31 December 2010	165	51	216

Notes to the accounts

for the 52 week period ended 30 December 2011

11. Investments

Shares in subsidiary undertakings

	Shares £'000	Loans £'000	Total £'000
At 1 January 2011	4,213	417	4,630
Transfer of loan for Linatex Chile Holdings to Weir Group plc	-	(417)	(417)
At 30 December 2011	4,213	-	4,213

At the end of the year, the Company holds the following investments

Name of Subsidiary Undertaking	Nature of Business	Country of Incorporation	Proportion of Equity Held
Linatex Africa (Pty) Ltd *	Rubber Engineers	South Africa	100%
Wilkinmark Ltd *	Holders of Trade Marks	England and Wales	100%
W P R Marks Ltd *	Holders of Trade Marks	England and Wales	100%
Linatex Rubber Ltd *	Investment Company	England and Wales	100%
W Luff Limited	Dormant	England and Wales	100%
Linatex UK Holding Ltd *	Investment Company	England and Wales	100%
Linatex Chile Holdings Ltda *	Investment Company	Chile	100%
Linatex Chile Ltda	Investment Company	Chile	100%
Linatex SPA(Chile)	Rubber Engineers	Chile	100%
Linatex Corporation of America Inc	Rubber Engineers	United States of America	100%
Durex Products Inc	Rubber Engineers	United States of America	100%
Linatex Durex Canada Ltd	Rubber Engineers	Canada	100%

* Shares directly owned by Linatex Limited

On 1st January 2011 the trade and assets of Linatex Africa (Pty) Ltd were transferred to Weir Minerals Africa (Pty) Ltd in exchange for 3,800,000 ordinary shares in Weir Minerals Africa (Pty) Ltd

In the opinion of the directors, the value of investments is not less than the value at which they are included in the balance sheet

Notes to the accounts

for the 52 week period ended 30 December 2011

12. Stocks

	2011 £'000	2010 £'000
Raw materials	-	40
Finished goods and goods for resale	-	2,021
	-	2,061

13. Debtors

	2011 £'000	2010 £'000
Trade debtors	-	1,736
Amounts due from group undertakings	2,393	133
Other debtors	-	4
Prepayments and accrued income	-	179
Deferred tax	-	487
	2,393	2,539

The elements of deferred taxation are as follows

	2011 £'000	2010 £'000
Differences between accumulated depreciation and capital allowances	-	129
Other timing differences	-	13
Tax losses	-	345
Deferred tax asset	-	487

Notes to the accounts

for the 52 week period ended 30 December 2011

13 Debtors (continued)

Movement in deferred taxation

	£'000
At 1 January 2011	487
Total charge for the period in the profit and loss (note 7)	(339)
Transfer to Weir Minerals Europe Ltd (note 22)	(148)
At 30 December 2011	-

14. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	-	337
Amounts due to group undertakings	113	5,344
Accruals and deferred income	-	845
Other creditors	-	41
	113	6,567

15. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

16. Called up share capital

	Issued and fully paid	
	2011 £'000	2010 £'000
1,000,000 Ordinary shares of £1 each	1,000	1,000

Notes to the accounts

for the 52 week period ended 30 December 2011

17. Reserves

	Capital Contribution £'000	Profit and loss account £'000	Total £'000
At 1 January 2011	803	2,302	3,105
Profit for the financial year	-	2,388	2,388
At 30 December 2011	803	4,690	5,493

18. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Opening shareholders' funds	4,105	4,530
Profit/(loss) for the financial year	2,388	(946)
Credit in relation to share based payment	-	521
Closing shareholders' funds	6,493	4,105

All closing shareholders' funds are attributable to equity interests

19. Commitments

Commitments to pay operating lease rentals for the next year comprise

	2011 £'000	2010 £'000
Land and Building leases terminating		
More than five years	-	431
Other leases terminating		
Within one year	-	27
Between two and five years	-	50
	-	77

Notes to the accounts**for the 52 week period ended 30 December 2011****20. Related party transactions**

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are wholly owned by The Weir Group PLC group

There have been no material transactions or balances at the year end with related parties that are not wholly owned by The Weir Group PLC group in the current or previous financial year

21. Cash flow statement

The ultimate parent undertaking has presented in its consolidated financial statements a group cash flow statement in which the cash flows of this company are included. Accordingly the Company has taken advantage of the exemption under FRS1 to dispense with presenting its own cash flow statement

22. Transfer of trade and assets to fellow group undertaking

On 5 November 2011 the trade and assets of Linatex Limited were transferred to Weir Minerals Europe Limited

The net liabilities were transferred at net book value with the proceeds from disposal being taken to an intercompany receivable. A summary of the net liabilities transferred is as follows

	£'000
Tangible fixed assets	330
Intangible assets	560
Inventory	2,634
Trade and other debtors	2,264
Cash at bank	1,333
Trade and other creditors	(2,454)
Amounts owed to ultimate parent	(5,574)
Deferred tax	148
Net liabilities transferred	(759)
Gain on transfer of trade and assets	3,091
Proceeds from disposal	2,332

23. Ultimate parent company

The company is a subsidiary undertaking of The Weir Group PLC which is the ultimate parent company incorporated in the UK. The accounts of The Weir Group PLC are available to the public and may be obtained from

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