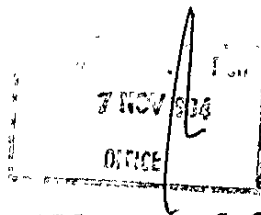


Weir Group (Overseas Holdings) Ltd.

12/46

Report and Accounts
December 30, 1983



Arthur Young McClelland Moores & Co.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Chartered Accountants Glasgow

WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

1.

DIRECTORS' REPORT

The directors submit their annual report together with the audited accounts of the company for the 52 weeks ended December 30 1983.

Principal activities

The company is principally engaged in the acquisition and retention of investments, rights, or interests in other companies outwith the United Kingdom.

Results and dividend

The profit for the year after taxation amounted to £163,144.

It is recommended that a dividend of £4,309,022 is paid.

Review and future developments

During the year no major transactions were recorded. The directors intend to seek out and pursue attractive opportunities in new areas of business where sustainable growth can be achieved.

Board of directors

The directors of the company at the date of this report are:

I.M. Boyd
W. Harkness
R. Garrick

I.M. Boyd was appointed on 22nd March, 1983 and R. Garrick on 24th October, 1983.

The only other person who served as director during the year was J.J.B. Young who retired on 30th September 1983.

Directors' interests

No director had during or at the end of the year any material interest in any contract of significance in relation to the company's business.

According to the register kept by the company pursuant to section 29 of the Companies Act 1967:

- (i) no director had any interest in the share capital of the company;
- (ii) the directors of the company at December 30, 1983 were also directors of The Weir Group PLC, the ultimate holding company, and their interests in the ordinary shares and the preference shares of The Weir Group PLC at December 30, 1983 and at the end of the preceding period are listed in the Report of the Directors of The Weir Group PLC for the 52 weeks ended December 30, 1983.

DIRECTORS' REPORT
(continued)

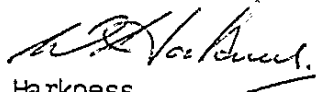
Close company

So far as is known, the company is not a 'close company' under the terms of the Income and Corporation taxes Act 1970.

Auditors

A resolution to re-appoint as auditors Arthur Young McClelland Moores & Co. will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD


W. Harkness
Secretary

March 16, 1984



Arthur Young McClelland Moores & Co.

Chartered Accountants
George House, 50 George Square,
Glasgow G2 1RR

AUDITORS' REPORT TO THE MEMBERS OF WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

We have audited the accounts on pages 4 to 9 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at December 30, 1983 and of its results and source and application of funds for the fifty-two weeks then ended and comply with the Companies Acts 1948 to 1981.

ARTHUR YOUNG McCLELLAND MOORES & CO.

March 16, 1984.

WILKIN GROUP (OVERSEAS HOLDINGS) LIMITED

4.

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED DECEMBER 30, 1983

	<u>Notes</u>	<u>1983</u> <u>£</u>	<u>1982</u> <u>£</u>
Exchange gains		161,356	453,297
Sundry operating income		<u>1,788</u>	<u>1,928</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		163,144	455,285
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		163,144	455,285
Dividends		<u>4,309,022</u>	<u>1,988</u>
Retained profit (loss)		<u>(4,145,878)</u>	<u>4,3,297</u>
Retained profit brought forward		<u>4,145,878</u>	<u>3,692,581</u>
Retained profit carried forward		<u>-</u>	<u>4,145,878</u>

The notes on pages 7 to 9 form part of these accounts

WILKIN GROUP (OVERSEAS HOLDINGS) LIMITED

5.

BALANCE SHEET AT DECEMBER 30, 1983

	<u>Notes</u>	<u>1983</u> <u>£</u>	<u>1982</u> <u>£</u>
FIXED ASSETS			
Investment in subsidiary company	6	1,775,206	1,775,206
Loan to subsidiary companies	7	<u>5,826,788</u>	<u>5,665,432</u>
		7,601,994	7,440,638
CURRENT ASSETS		-	-
CREDITORS: amounts falling due within one year			
Bank loans and overdrafts	8	597,862	595,862
Other creditors		-	1,800
Amounts owed to group companies		1,014,332	1,014,332
Proposed dividend		-	<u>1,988</u>
		<u>1,612,194</u>	<u>1,613,982</u>
NET CURRENT (LIABILITIES)		<u>(1,612,194)</u>	<u>(1,613,982)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,989,800	5,826,656
CREDITORS: amounts falling due after more than one year			
Loan from holding company	9	<u>5,989,700</u>	<u>1,680,678</u>
		<u>100</u>	<u>4,145,978</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		-	<u>4,145,878</u>
		<u>100</u>	<u>4,145,978</u>

Approved by the Board of directors on
16th March, 1984.

W. Harkness
W. Harkness

I.M. Boyd
I.M. Boyd

)
) Directors

The notes on pages 7 to 9 form part of these accounts

WELTR GROUP (OVERSEAS HOLDINGS) LIMITED

6.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE 52 WEEKS ENDED DECEMBER 30, 1983

	1983 £	1982 £
SOURCE OF FUNDS		
Funds generated from operations	<u>1,788</u>	<u>1,988</u>
APPLICATION OF FUNDS		
Dividends paid	4,311,010	449,741
Increase in working capital	<u>1,800</u>	<u>1,908</u>
	<u>4,312,810</u>	<u>451,649</u>
NET CASH OUTFLOW	<u>(4,311,022)</u>	<u>(449,661)</u>
STATEMENT OF BORROWINGS		
Net borrowings at 31st December 1982		
Net Loans	3,984,754	3,531,457
Bank loans and overdrafts	<u>(595,862)</u>	<u>(146,201)</u>
	3,388,892	3,385,256
Net cash outflow	(4,311,022)	(449,661)
Exchange	<u>161,356</u>	<u>453,297</u>
Net borrowings at 30th December 1983	<u>760,774</u>	<u>3,383,892</u>
Net Loans	(162,912)	3,984,754
Bank loans and overdrafts	<u>(597,862)</u>	<u>(595,862)</u>
	<u>(760,774)</u>	<u>3,388,892</u>

The notes on pages 7 to 9 form part of these accounts

NOTES TO THE ACCOUNTS AT DECEMBER 30, 1983

1. Accounting policies

Group accounts

Group accounts are not prepared as the company is a wholly owned subsidiary of another body corporate.

Foreign currency

Transactions in foreign currencies are converted at the rate ruling at the date of the transaction. Long term monetary liabilities in foreign currencies are translated into sterling at the rates ruling at balance sheet date. Differences on exchange are dealt with through the profit and loss account as they arise. Investments in subsidiaries are stated at original cost.

Investment income

Investment income is included at the amount of cash received or receivable plus withholding tax.

Deferred taxation

Provision for deferred taxation is made on the basis of the liability method in respect of short term and other significant timing differences except to the extent that such taxation is not expected to become payable or recoverable in the foreseeable future.

2. Directors and employees

The company had no employees in 1983 and 1982.

No director received any emoluments for either 1983 or 1982 in respect of services to the company.

3. Bank interest

Bank balances are set off by the company's bankers against bank balances of other group companies for the calculation of interest for other group companies.

NOTES TO THE ACCOUNTS AT DECEMBER 30, 1983
(continued)4. Taxation

If full provision had been made for deferred tax in 1983 and 1982, the overall tax debit would have been £48,407 (1982 debit of £135,989).

<u>1983</u>	<u>1982</u>
<u>£</u>	<u>£</u>

The potential liability at 35% (1982 52%)
as abated for chargeable gains, is as follows:

Surplus on transfer of investments to other group companies	<u>1,292,170</u>	<u>1,243,763</u>
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No provision for deferred taxation is made as the company has no plans in the foreseeable future which would result in a taxation charge on the above amounts.

5. Share capital

	Authorised	Allotted, called up and fully paid
	<u>£100</u>	<u>£100</u>
Ordinary shares of £1 each		

6. Investment in subsidiary (at cost)

	<u>Country of incorporation</u>	<u>Class of shares held</u>	<u>% held</u>
Weir Group International S.A.	Switzerland	Equity	100

7. Loans to subsidiary

These loans represent transferrable interest free loan notes denominated in Swiss Francs. Repayment is not due unless either party gives the other twelve months written notice in advance.

8. Bank loans and overdrafts

Advances amounting to £597,862 (1982 £595,862) were secured by a floating charge over the whole of the company's property and undertaking.

NOTES TO THE ACCOUNTS AT DECEMBER 30, 1983
(continued)

9. Loan from holding company

This is an interest free unsecured loan which is wholly repayable within five years.

10. Holding company

The Weir Group PLC, registered in Scotland, is the company's ultimate holding company.

11. Contingent liabilities

As at December 30, 1983 contingent liabilities outstanding were as follows:

Floating charges ranking in order of priority

- (i) There is a floating charge over the whole of the company's property and undertaking jointly and severally with certain other fellow subsidiaries as security for £345,000 (1982 - £345,000) 6 1/2% debenture stock 1985/90 and £287,000 (1982 - £287,000) 10% debenture stock 1988/94 raised by The Weir Group PLC.
- (ii) There is a floating charge over the whole of the company's property and undertaking jointly and severally with certain other fellow subsidiaries as security for loan facilities of £9,766,000 (1982 - £9,766,000) made available to The Weir Group PLC by Investors in Industry PLC.
- (iii) There is a floating charge over the whole of the company's property and undertaking jointly and severally with certain other fellow subsidiaries as security for term loan, overdraft and other bank facilities made available to The Weir Group PLC and certain subsidiaries, including the company. Borrowings thus secured amounted to £822,000 at December 30, 1983 (1982 - £514,000).