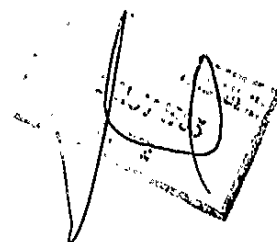


Weir Group (Overseas Holdings) Limited

54821/42

Report and Accounts
December 31, 1982



WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

1.

DIRECTORS' REPORT

The directors submit their report and accounts for the 52 weeks ended December 31, 1982.

Profit and dividends

£

Profit after taxation	455,285
Transferred to unrealised exchange gains reserve	453,297

	1,988

It is recommended that the balance should be appropriated as follows:

Dividends on ordinary shares	£ 1,988
	=====

Directors and their interests

The undernoted served as directors of the company during the period under review:

J.J.B. Young (Chairman)
W. Harkness

No director had an interest in the share capital or loan stock of the company during the period.

The directors of the company at December 31, 1982 were also directors of The Weir Group PLC, the ultimate holding company, and their interests in the ordinary shares and preference shares of The Weir Group PLC at December 31, 1982 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 31, 1982.

No director had an interest in the debenture stocks of The Weir Group PLC or in the shares or loan stocks of any subsidiary of The Weir Group PLC.

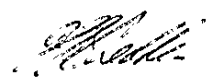
Activities

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

Auditors

Arthur Young McClelland Moores & Co., have intimated their willingness to continue in office and a resolution dealing with their re-appointment will be submitted to the Annual General Meeting.

BY ORDER OF THE BOARD


Secretary

Glasgow

February 14, 1983



A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Arthur Young McClelland Moores & Co.

Chartered Accountants
George House 10 George Street,
Glasgow G2 1RA

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

We have audited the accounts on pages 3 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 31, 1982 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.

February 14, 1983

WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

3.

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED DECEMBER 31, 1982

	<u>Notes</u>	<u>1982</u> £	<u>1981</u> £
Gain on sale of investment		-	446,362
Other income		1,988	20,048
Profit before exchange gains		<u>1,988</u>	<u>466,410</u>
Exchange gains		453,297	659,015
Profit before taxation		<u>455,285</u>	<u>1,125,425</u>
Taxation credit	3	-	6,727
Profit after taxation		<u>455,285</u>	<u>1,132,152</u>
Transferred to unrealised exchange gains reserve	5	(453,297)	(682,411)
		<u>1,988</u>	<u>449,741</u>
Dividends proposed		£ 1,988 =====	£ 449,741 =====

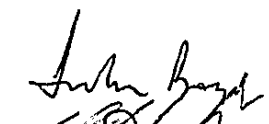
The notes on pages 6 to 9 form part of these accounts

WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

4.

BALANCE SHEET AT DECEMBER 31, 1982

	<u>Notes</u>	£	<u>1982</u> £	<u>1981</u> £
Source of capital:				
Shareholders' capital:				
Issued shares	4		100	100
Unrealised exchange gains reserve	5		4,145,878	3,692,581
			<u>£4,145,978</u>	<u>£3,692,681</u>
			=====	=====
Employment of capital:				
Interest in subsidiary	6		1,775,206	1,775,206
Loans to subsidiary	7		5,665,432	5,212,135
			<u>7,440,638</u>	<u>6,987,341</u>
Current liabilities:				
Bank loans and advances	8	595,862		146,201
Due to holding company	9	2,218,731		2,217,181
Due to fellow subsidiary companies		476,279		476,279
Sundry creditors		1,800		5,258
Dividend payable		1,988		449,741
		<u>-----</u>		<u>-----</u>
			3,294,660	3,294,660

)
) Directors

February 14, 1983

£4,145,978 £3,692,681
 =====

The notes on pages 6 to 9 form part of these accounts

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE 52 WEEKS ENDED DECEMBER 31, 1982

	<u>1982</u> £	<u>1981</u> £
Source of funds:		
Profit after taxation	455,285	1,132,152
Adjustment for items not involving the movement of funds:		
Unrealised exchange gains	(453,297)	(661,105)
Gain on sale of investment	-	(446,362)
	-----	-----
Total generated from operations	1,988	24,685
Funds from other sources:		
Proceeds from reduction of investments	-	480,642
	-----	-----
Total funds generated	1,988	505,327
Application of funds:		
Dividend paid	449,741	149,556
	-----	-----
(Decrease)/increase in working capital	£ (447,753) =====	£ 355,771 =====
Components of (decrease)/increase in working capital:		
Movement in net liquid funds:		
Bank	(449,661)	(342,869)
Taxation recoverable	-	(28,611)
Creditors	3,458	(400)
Group balances	(1,550)	727,651
	-----	-----
	£ (447,753) =====	£ 355,771 =====

The notes on pages 6 to 9 form part of these accounts

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1982

These accounts have been prepared in compliance with Section 149A of, and Schedule 8A to The Companies Act 1948.

1. Accounting policies

Group accounts

Group accounts are not prepared and the results of associated companies are not included in the accounts 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. Assets and 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. Investments in associated companies are translated into sterling at the rates ruling at the balance sheet date.

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. The company has no plans in the foreseeable future which would result in a taxation charge on the surplus on transfer of investments to other group companies or on the unrealised exchange gain on its investments.

2. Directors' and auditors' remuneration

No director received any emoluments for either 1982 or 1981 in respect of services to the company.

The profit before exchange losses is stated after charging auditors' remuneration of £600 in 1982 (1981 - £400).

WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

7.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1982
(continued)3. Taxation

	<u>1982</u>	<u>1981</u>
	£	£
Charge based on the results of the year:		
U.K. taxation		
Corporation tax at 52%	1,034	104,380
less: Double tax relief	-	4,190
Group relief	1,034	100,190
	-----	-----
	1,034	104,380
	-----	-----
	-	-
Overseas taxation		
Irrecoverable withholding tax	-	4,190
Adjustments for previous years:		
Withholding tax	-	(10,917)
	-----	-----
	£ -	£ (6,727)
	=====	=====

If full provision for deferred taxation had been made at both December 31, 1982 and January 1, 1982, the overall taxation debit would have been £135,989 (1981 debit of £204,723) after taking into account a chargeable gain abatement increase of £99,726 (1981 abatement increase of £150,130).

	<u>1982</u>	<u>1981</u>
	£	£
The potential liability at 52%, as abated for chargeable gains, is as follows:		
Surplus on transfer of investments to other group companies	£1,243,763	£1,107,774
	=====	=====

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.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1982
(continued)4. Share capital

	<u>Authorised</u>	<u>Issued and fully paid</u>
Ordinary shares of £1 each	£100 ===	£100 ===

5. Unrealised exchange gains reserve

	£
At January 1, 1982	3,692,581
Transfer from profit and loss account Unrealised exchange gains	453,297 -----
At December 31, 1982	£4,145,878 =====

6. Interest 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

In the opinion of the Directors, the aggregate value of the company's investment in its subsidiary, consisting of shares in and amounts due by the subsidiary, is not less than the book value shown in the balance sheet.

7. Loans to subsidiary

These loans represent transferrable interest free loan notes denominated in Swiss Francs or Dutch Guilders. Repayment is not due before November 23, 1983 and will be extended beyond that date unless either party gives the other twelve months written notice in advance.

8. 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.

9. Holding company

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

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1982
(continued)

10. Contingent liabilities

As at December 31, 1982 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 (1981 - £345,000) 6½% debenture stock 1985/90 and £287,000 (1981 - £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 (1981 - £11,380,000) made available to The Weir Group PLC by FFI (UK Finance) Limited.
- (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 £514,000 at December 31, 1982 (1981 - £1,337,000).