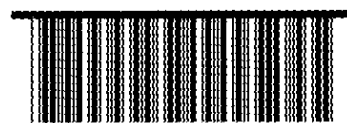


WEIR GROUP (OVERSEAS HOLDINGS) LIMITED

Report and Accounts

28 December 2001



SCT S1X7DD7U 0144
COMPANIES HOUSE 09/08/02

Registered Number 54821 (Scotland)

Weir Group (Overseas Holdings) Limited

DIRECTORS' REPORT

The directors submit their annual report together with the audited accounts of the company for the 52 weeks ended 28 December 2001.

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 £3,688,338. It is recommended that a dividend of £8,008,025 be paid leaving £4,319,687 to be transferred from reserves.

REVIEW AND FUTURE DEVELOPMENTS

The directors intend to seek out and pursue attractive opportunities in new areas of business where sustainable growth can be achieved.

DIRECTORS

The directors during the year were:

I M Boyd
M Selway (appointed 19 October 2001)
D A M Dunbar
A W F Mitchelson (appointed 5 April 2001)
W Harkness

Sir R Garrick resigned as a director on 31 December 2001, D A M Dunbar resigned as a director on 30 August 2001 and W Harkness resigned as a director on 31 December 2000.

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.

No director had an interest in the share capital of the company during the year.

The interests of the directors in the share capital of The Weir Group PLC as at 28 December 2001 and at the end of the preceding financial year are given in the report of the directors of The Weir Group PLC for the 52 weeks ended 28 December 2001.

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

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditors, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to reappoint Ernst & Young LLP as the company's auditors will be put to the forthcoming annual general meeting.

By order of the Board

Frances McCaw
Secretary

10 May 2002

Weir Group (Overseas Holdings) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing those accounts, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and whether applicable accounting standards have been followed and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. 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 SHAREHOLDERS OF
WEIR GROUP (OVERSEAS HOLDINGS) LIMITED**

We have audited the company's accounts for the 52 weeks ended 28 December 2001 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes 1 to 12. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

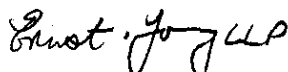
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 28 December 2001 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Glasgow

10 May 2002

Weir Group (Overseas Holdings) Limited

PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 28 December 2001

	Notes	2001 £	2000 £
Exchange (losses)/gains		(14,784)	2,265
Sundry expenses		(7,864)	(13,285)
OPERATING LOSS		(22,648)	(11,020)
Gain on sale of investment		996,395	-
Dividends received		731,531	511,065
Interest receivable		9,886	20,269
Interest payable		(124,689)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		1,590,475	520,314
Tax credit on profit on ordinary activities	3	2,097,863	1,730,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		3,688,338	2,250,314
Dividends payable		(8,008,025)	-
Transfer(from)/to reserves		(4,319,687)	2,250,314
Retained profit brought forward		20,293,443	18,043,129
Retained profit carried forward		15,973,756	20,293,443

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the 52 weeks ended 28 December 2001

There are no recognised gains or losses other than the profit on ordinary activities after tax of £3,688,338 in the 52 weeks ended 28 December 2001 and £2,250,314 in the 52 weeks ended 29 December 2000.

Weir Group (Overseas Holdings) Limited

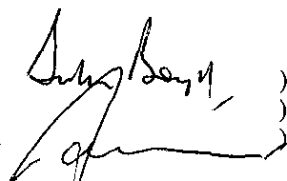
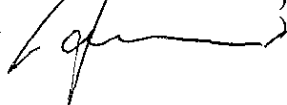
BALANCE SHEET at 28 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Investments	4	23,555,211	30,212,263
CURRENT ASSETS			
Amounts owed by group companies		1,555,338	91,388
Sundry debtors	5	2,213,216	2,155,871
Cash at bank and in hand		2,091	1,959
		3,770,645	2,249,218
CREDITORS: amounts falling due within one year	6	1,551,983	1,519,294
NET CURRENT ASSETS		2,218,662	729,924
TOTAL ASSETS LESS CURRENT LIABILITIES		25,773,873	30,942,187
CREDITORS: amounts falling due after more than one year			
Loan from parent company		-	9,698,627
Loan from group companies		9,800,017	950,017
		15,973,856	20,293,543
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account		15,973,756	20,293,443
	8	15,973,856	20,293,543

I M Boyd

AWF Mitchelson

10 May 2002

) Directors
)

ERNST & YOUNG

Weir Group (Overseas Holdings) Limited

CASH FLOW STATEMENT

for the 52 weeks ended 28 December 2001

	Notes	2001 £	2000 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	9(a)	(1,438,345)	(36,465)
DIVIDENDS FROM JOINT VENTURE		655,630	511,065
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	9(b)	(38,902)	20,269
TAXATION		2,039,737	1,418,391
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	9(b)	7,355,797	3,093
DIVIDENDS PAID		(8,008,025)	-
CASH FLOW BEFORE LIQUID RESOURCES AND FINANCING		565,892	1,916,353
FINANCING - group loan capital advanced		(565,111)	(1,914,883)
INCREASE IN CASH		781	1,470

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase in cash	781	1,470
Cash flow from group loan capital advanced	565,111	1,914,883
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	565,892	1,916,353
Exchange	(14,784)	2,264
MOVEMENT IN NET DEBT	551,108	1,918,617
Net debt at 30 December 2000	(10,299,035)	(12,217,652)
NET DEBT AT 28 DECEMBER 2001	(9,747,927)	(10,299,035)

The analysis of net debt is included in note 9(c).

Weir Group (Overseas Holdings) Limited

NOTES TO THE ACCOUNTS

at 28 December 2001

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Group accounts

Group accounts are not prepared as the company is a wholly owned subsidiary of another body corporate. Unless otherwise stated, references to "subsidiaries" and "associates" are to be taken as references to subsidiary undertakings and associated undertakings respectively.

Foreign currency

Transactions in foreign currencies are converted at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the 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.

2. DIRECTORS AND EMPLOYEES

The company had no employees in 2001 (2000 - Nil).

No directors received any emoluments for either 2001 or 2000 in respect of services to the company.

3. TAXATION

	2001 £	2000 £
Credit based on the results of the year:		
UK taxation		
Corporation tax at 30% (2000 - 30%)	161,986	157,000
Double tax relief		
Overseas withholding tax suffered	(2,296,849)	(1,887,000)
	(2,134,863)	(1,730,000)
Adjustment to prior years	37,000	-
	(2,097,863)	(1,730,000)

The variation from the expected tax charge arises from the company's share of tax losses in the limited partnership, Weir Group LP and income from foreign sources fully covered by double tax relief.

Weir Group (Overseas Holdings) Limited

NOTES TO THE ACCOUNTS at 28 December 2001

4. FIXED ASSET INVESTMENTS

	<i>Group companies shares £</i>	<i>Other group interests capital £</i>	<i>Loans £</i>	<i>Associates £</i>	<i>Total</i>
At 30 December 2000	13,092,651	16,712,636	347,650	59,326	30,212,263
Exchange	-	-	(14,135)	-	(14,135)
Disposals	(6,356,000)	-	(283,515)	(3,402)	(6,642,917)
At 28 December 2001	<u>6,736,651</u>	<u>16,712,636</u>	<u>50,000</u>	<u>55,924</u>	<u>23,555,211</u>

The company has an interest in the following:

	<i>Country of incorporation</i>	<i>Class of shares held</i>	<i>Percentage held</i>
<i>Subsidiaries</i>			
The Weir Group International S.A.	Switzerland	Equity	100
Strachan & Henshaw Australia Pty Limited	Australia	Equity	100
Weir Holdings (Jersey) Limited	Jersey	Equity	100
Envirotech Weir SRL	Italy	Equity	100
Weir Envig Holdings (Pty) Limited	South Africa	Equity	100
<i>Associate</i>			
Howden Weir Pty Limited	South Africa	Equity	50
<i>Joint venture</i>			
Wesco Abu Dhabi L.L.C.	UAE	Equity	49
	<i>Country of registration</i>	<i>Investment interest</i>	<i>Percentage interest</i>
<i>Limited partnership *</i>			
Weir Group LP	USA	Partnership capital account	60

* The interest of Weir Group (Overseas Holdings) Limited in Weir Group LP is that of general partner.

5. DEBTORS

	<i>2001 £</i>	<i>2000 £</i>
Other debtors	-	781
Corporation tax recoverable	2,213,216	2,155,090
	<u>2,213,216</u>	<u>2,155,871</u>

Weir Group (Overseas Holdings) Limited

NOTES TO THE ACCOUNTS at 28 December 2001

6. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Other creditors	1,516,094	1,516,094
Accruals	3,200	3,200
Amounts owed to group companies	32,689	-
	<u>1,551,983</u>	<u>1,519,294</u>

7. SHARE CAPITAL

	2001	2000
	£	£
Authorised share capital: Ordinary shares of £1 each	14,000,000	14,000,000
Allotted, called up and fully paid: Ordinary shares of £1 each	100	100

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Total recognised gains and losses	3,688,338	2,250,314
Dividends	(8,008,025)	-
Net (reduction)/addition to shareholders' funds	<u>(4,319,687)</u>	<u>2,250,314</u>
Opening shareholders' funds	20,293,543	18,043,229
Closing shareholders' funds	<u>15,973,856</u>	<u>20,293,543</u>

Shareholders' funds are entirely attributable to equity interests.

Weir Group (Overseas Holdings) Limited

NOTES TO THE ACCOUNTS at 28 December 2001

9. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS

	2001 £	2000 £		
(a) Reconciliation of operating loss to net cash outflow from operating activities:				
Operating loss	(22,648)	(11,020)		
Exchange loss/(gain)	14,784	(2,265)		
Funds absorbed by operations	(7,864)	(13,285)		
Increase/(decrease) in creditors	32,689	(23,949)		
(Increase)/decrease in debtors	(1,463,170)	769		
Increase in working capital	(1,430,481)	(23,180)		
Net outflow from operating activities	(1,438,345)	(36,465)		
(b) Analysis of cash flow for headings netted in the cash flow statement				
	2001 £	2000 £		
Returns on investments and servicing of finance:				
Interest received	-	965		
Group interest (paid)/received	(22,803)	19,304		
Dividends received from subsidiaries	75,901	-		
Other interest paid	(92,000)	-		
	(38,902)	20,269		
Capital expenditure and financial investment :				
Sale of investments	7,355,797	3,093		
(c) Analysis of net debt:				
	At 30/12/00 £	Cash flow £	Exchange £	At 28/12/01 £
Cash at bank and in hand	1,959	781	(649)	2,091
Group loan capital	(10,300,994)	565,111	(14,135)	(9,750,018)
	(10,299,035)	565,892	(14,784)	(9,747,927)

10. CONTINGENT LIABILITIES

The company has given a guarantee in relation to the overdraft and loan facilities extended to the Weir Group PLC and certain subsidiaries. The net debt of the other companies party to these facilities at 28 December 2001 amounted to £87,638,000 (2000 – net debt £99,031,000).

11. TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are a part of The Weir Group PLC group.

Weir Group (Overseas Holdings) Limited

NOTES TO THE ACCOUNTS at 28 December 2001

12. ULTIMATE PARENT COMPANY

The directors consider that The Weir Group PLC (registered in Scotland) is the company's ultimate parent company. This is the only parent undertaking for which group accounts are drawn up and of which the company is a member. The address from which copies of these group accounts are available to the public is: The Weir Group PLC, 149 Newlands Road, Cathcart, Glasgow, G44 4EX.