

TWG Investments (No. 8) Limited

Report and Financial Statements

29 December 2006

Registered No SC292721 (Scotland)



Directors' report

The directors present their report and financial statements for the period from 4 November 2005 to 29 December 2006

Results and dividends

The profit for the period after taxation amounted to £3,093,192

No dividend was paid during the period

Principal activities

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

Financial risk management objectives and policies

An explanation of the company's financial risk management objectives and policies is set out in note 10 to the financial statements

Board of directors

The directors during the period were

K R Cochrane (appointed 3 July 2006)

L I McCall (appointed 4 November 2005)

A W F Mitchelson (appointed 4 November 2005)

C J Rickard (appointed 4 November 2005, resigned 30 June 2006)

Disclosure of information to auditors

The directors who held office at the date of approval of this director's 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

Ernst & Young LLP were appointed auditors during the period. 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

F McCall
Secretary

25 October 2007

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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 members of TWG Investments (No. 8) Limited

We have audited the company's financial statements for the period ended 29 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 December 2006 and of its profit for the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Glasgow

25 October 2007

Profit and loss account

for the period from 4 November 2005 to 29 December 2006

	Notes	2006 £
Exchange gains		3,554,592
Interest payable to group undertakings		(454,485)
Bank interest payable		(6,915)
Profit on ordinary activities before tax		3,093,192
Tax on profit on ordinary activities	3	
Profit on ordinary activities after tax being profit for the financial period		3,093,192

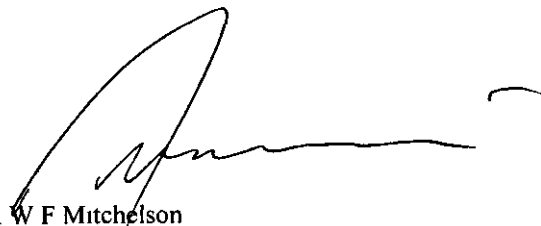
There are no recognised gains or losses other than the profit reported above

There are no comparative figures as these financial statements cover the first period since incorporation

Balance sheet

at 29 December 2006

	Notes	2006 £
Fixed assets		
Investments	4	154,579,115
Current assets		
Debtors	5	100
Cash at bank and in hand		10,429
		10,529
Total assets		154,589,644
Capital and reserves		
Called up share capital	6	151,496,452
Profit and loss account		3,093,192
Shareholders' funds	7	154,589,644


 A W F Mitchelson
 Director
 [25/10] 2007

Notes to the financial statements

at 29 December 2006

1. Accounting policies

Basis of preparation

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

Group financial statements

In accordance with section 228 of the Companies Act 1985, group financial statements are not prepared as the company is a wholly owned subsidiary of another body corporate which publishes consolidated accounts

Investments

Investments are held at historical cost less a provision for impairment where required

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 during the period

No directors received any emoluments during the period in respect of services to the company

3. Taxation

	2006 £
<i>Current tax</i>	
UK corporation tax at 30 %	927,958
Group relief	(927,958)
Total current tax being tax on profit on ordinary activities	

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 30% The actual tax charge for the current year and the previous year is below the standard rate for the reasons set out in the following reconciliation

	2006 £000
Loss on ordinary activities before tax	3,093,192
Tax on loss on ordinary activities at standard rate	927,958
Factors affecting charge for the period	
Group relief received	(927,958)
Total current tax	

Notes to the financial statements

at 29 December 2006

4. Fixed asset investments

	<i>Shares in group companies £</i>
<i>Cost and net book value</i>	
Additions	154,579,115
At 29 December 2006	<u>154,579,115</u>

The company has an interest in the following companies

<i>Company Name</i>	<i>Country of incorporation</i>	<i>Percentage held</i>	<i>Nature of business</i>
WVC USA Ltd	USA	100	Manufacture of high integrity valves for use in power generation and oil & gas sectors
Weir Specialty Pumps Ltd	USA	100	Providing pumping solutions for major oil & gas and utility projects
Weir Floway	USA	100	Providing pumping solutions for major oil & gas and utility projects
S & H Inc USA	USA	100	Specialist engineering design
Warman USA Holdings	USA	100	Acquisition and retention of investments, right or interests in other companies

5. Debtors

	<i>2006 £</i>
Amount owed by ultimate parent company	<u>100</u>

Notes to the financial statements

at 29 December 2006

6. Share capital

	2006 £
Authorised share capital	
Ordinary shares of £1 each	300,000,100
Allotted, called up and fully paid	
Ordinary shares of £1 each	151,496,452
During the period, the company issued 151,496,452 ordinary shares of £1 each at par	

7. Reconciliation of movements in shareholders' funds

	2006 £
Issue of share capital	151,496,452
Profit for the financial period	3,093,192
Closing shareholders' funds	154,589,644

8. 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

9. Financial risk management objectives & policies

The Company's principal financial instruments comprise cash at bank. The principal financial risks to which the company is exposed are those relating to credit, liquidity and interest rate. These risks are managed in accordance with Board approved policies.

Credit risk

The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The company obtains funding for its operations via the Group's bank facilities. The Group'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 has cash at bank which is subject to variable rates of interest. Interest rate risk is regularly monitored and is not considered to be material.

Notes to the financial statements

at 29 December 2006

10. Ultimate parent company

The directors consider that The Weir Group PLC (registered in Scotland) is the company's ultimate parent company and ultimate controlling party. This is the only parent undertaking for which group financial statements are drawn up and of which the company is a member. The address from which copies of these group financial statements are available to the public is The Weir Group PLC, Clydesdale Bank Exchange, 20 Waterloo Street, Glasgow, G2 6DB.