

TWG Investments (No. 8) Limited

Report and Financial Statements

28 December 2012

Registered No: SC292721

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Directors' report

The directors present their annual report together with the audited financial statements of TWG Investments (No.8) Limited ("the Company") (Registered Number SC292721) for the 52 weeks ended 28 December 2012.

Results and dividends

The profit for the period after taxation amounted to £148,999,345 (2011: £nil).

A dividend of £148,999,345 was declared and paid during the period (2011: £nil).

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

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.

Going concern

The Company is ultimately owned by The Weir Group PLC and it participates in the Group's centralised treasury arrangements and so shares banking facilities with its parent companies and fellow subsidiaries. As a consequence, the Company depends, in part, on the ability of the Group to continue as a going concern. The directors have considered the Company's funding relationship with The Weir Group PLC to date and have considered available relevant information relating to The Weir Group PLC's ability to continue as a going concern. In addition, the directors have no reason to believe that The Weir Group PLC will not continue to fund the Company, should it become necessary, to enable it to continue in operational existence.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Directors' report (continued)

Board of directors

The directors during the period were:

A W F Mitchelson (resigned 15 June 2012)

L I McCall

K A Ruddock (appointed 15 June 2012)

J A Stanton

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. These indemnities are uncapped in amount. The Company's holding Company maintained directors and officers liability insurance throughout 2012 in respect of the Company's directors and officers.

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.

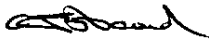
Annual General Meeting

There was no annual general meeting held in the year, as permitted by the Companies Act 2006.

Auditors

The auditors, Ernst & Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006. Ernst & Young LLP have indicated their willingness to continue in office.

By order of the board



C J Stead
Secretary
28 May 2013

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; and
- 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 Auditor's report to the members of TWG Investments (No. 8) Limited

We have audited the Company's financial statements for the 52 weeks ended 28 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. 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 auditor

As explained more fully in the Directors' Responsibilities Statement 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 and express an opinion on 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 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 Report and Financial Statements 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 28 December 2012 and of its profit for the 52 weeks 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.

Independent Auditor's report to the members of TWG Investments (No. 8) Limited (continued)

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.



James Nisbet (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
28 May 2013

Profit and loss account

for the 52 week period to 28 December 2012

	<i>Notes</i>	2012 £000	2011 £000
Dividends received		<u>148,999</u>	<u>-</u>
<i>Profit on ordinary activities before tax</i>		148,999	-
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
<i>Profit for the period</i>	6	<u>148,999</u>	<u>-</u>

The Company's results for the period and the prior period were earned from continuing operations.

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

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

TWG Investments (No. 8) Limited

Balance sheet

at 28 December 2012

	<i>Notes</i>	2012 £000	2011 £000
<i>Fixed assets</i>			
Investments	4	<u>155,993</u>	<u>155,993</u>
<i>Current assets</i>			
Cash at bank		<u>12</u>	<u>12</u>
<i>Net current assets</i>		<u>12</u>	<u>12</u>
<i>Net assets</i>		<u>156,005</u>	<u>156,005</u>
<i>Capital and reserves</i>			
Called up share capital	5	152,910	152,910
Profit and loss account	6	<u>3,095</u>	<u>3,095</u>
<i>Shareholders' funds</i>	7	<u>156,005</u>	<u>156,005</u>

The financial statements of TWG Investments (No.8) Limited were approved by the directors and were signed on its behalf by:



J A Stanton
Director

28 May 2013

Notes to the financial statements

for the 52 weeks ended 28 December 2012

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 400 of the Companies Act 2006, group financial statements are not prepared as the Company is a wholly owned subsidiary of another body corporate which publishes consolidated accounts.

Cash flow statement

The Company has taken advantage of the provisions of FRS1 (revised) which exempts companies which are part of a group which has published a consolidated cash flow statement from preparing a cash flow statement. Accordingly, no cash flow statement for the Company has been presented.

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 (2011: none).

No directors received any emoluments during the period in respect of services to the Company (2011: £nil).

3. Taxation

	2012 £000	2011 £000
<i>Current taxation</i>		
UK Corporation tax	-	-
Total current tax charge being tax on profit on ordinary activities	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 24.5% (2011: 26.5%). The actual tax charge is below (2011: above) the standard rate for the reasons set out in the following reconciliation:-

	2012 £000	2011 £000
Profit on ordinary activities before tax	148,999	-
Tax on profit on ordinary activities at standard rate of 24.5% (2011: 26.5%)	36,505	-
<i>Factors affecting charge for the period</i>		
Non-taxable dividend income	(36,505)	-
Total current tax charge	-	-

Notes to the financial statements (continued)

for the 52 weeks ended 28 December 2012

3. Taxation (continued)

Factors Affecting Tax Charge

A number of changes to the UK Corporation tax system were announced in the June 2012 Budget and Autumn statement. The Finance Act 2012 enacted legislation to reduce the UK corporate rate of taxation from 24% to 23% from 1 April 2013. A further reduction in the UK rate has been announced reducing the corporation tax main rate to 21% from April 2014. This further change has not been substantively enacted at the balance sheet date and therefore, is not reflected in the results for the 52 weeks ended 28 December 2012. We expect that these reductions will not have a material effect on the effective tax rate or on the result for the year in future periods.

4. Fixed asset investments

<i>Cost and net book value</i>	Shares in group companies £000
At 31 December 2011 and 28 December 2012	<u>155,993</u>

The principal subsidiary undertakings of the Company are as follows:

<i>Company Name</i>	<i>Country of incorporation</i>	<i>Percentage held</i>	<i>Nature of business</i>
Weir Valves & Controls USA Inc	USA	100	Manufacture of high integrity valves for use in power generation and oil & gas sectors.
Envirotech Pumpsystems Inc	USA	100	Providing pumping solutions for major oil & gas and utility projects.
Weir Floway Inc	USA	100	Providing pumping solutions for major oil & gas and utility projects.
WHW Group Inc	USA	100	Acquisition and retention of investments, right or interests in other companies.
TWG Engineering Inc	USA	100	Providing pumping solutions for major oil & gas and utility projects.

The Company also indirectly owns a number of subsidiary undertakings. The Company has taken advantage of the exemption under Section 410 (2) of the Companies Act 2006 and a complete list of subsidiary and associated undertakings will be attached to the next annual return of the Company to be filed at Companies House.

Notes to the financial statements (continued)

for the 52 weeks ended 28 December 2012

5. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid: 152,910,360 Ordinary shares of £1 each	<u>152,910</u>	<u>152,910</u>

6. Profit and loss account

	2012 £000	2011 £000
At the beginning of the period	3,095	3,095
Profit for the period	148,999	-
Dividends paid	<u>(148,999)</u>	<u>-</u>
At the end of the period	<u>3,095</u>	<u>3,095</u>

7. Reconciliation of movements in Shareholders' funds

	2012 £000	2011 £000
At the beginning of the period	156,005	156,005
Profit for the period	148,999	-
Dividends paid	<u>(148,999)</u>	<u>-</u>
At the end of the period	<u>156,005</u>	<u>156,005</u>

8. Transactions with related parties

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 transactions with related parties that are non wholly owned by The Weir Group PLC group in the current or previous financial year.

9. Contingent liabilities

During the year, the Company has given a guarantee in relation to the overdraft facilities extended to The Weir Group PLC and certain subsidiary companies. The net funds of the other companies party to these facilities at 28 December 2012 amounted to £7,776,000 (2011: net funds £636,000).

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.