

# **Weir Warman (UK) Limited**

## **Report and Accounts**

31 December 2004



## Directors' Report

The directors present their annual report and the audited financial statements for the twelve months ended 31 December 2004.

### Principal activities

The principal activity is as a holding company.

### Results and dividends

The profit for the financial year after dividends amounted to £6,000 (2003: profit - £6,000). It is recommended that this amount be transferred to reserves.

### Directors

The directors who held office during the year were as follows:

S Smith	Chairman
Dr P J White	Regional Director (Resigned 30.6.04)
Mr T H Kennedy	Managing Director
D J Stephenson	Finance Director
G I Bigam	Regional Managing Director (Appointed 1.7.04)

### Directors' interests

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

The directors of the company at 31 December 2004 who had an interest in the shares of The Weir Group PLC were as follows:

	<i>At 31 December 2004</i>	<i>At 26 December 2003</i>
<b>Beneficial interests</b>		
<b>(i) Ordinary shares</b>		
S Smith	2,000	2,000
Dr P J White	-	-
T H Kennedy	-	-
D J Stephenson	-	-
G I Bigam	-	-

### Beneficial interests

#### (ii) Ordinary shares subject to option

S Smith	50,000	50,000
Dr P J White	77,417	77,417
T H Kennedy	27,944	27,944
D J Stephenson	-	-
G I Bigam	-	-

On behalf of the Board



D J Stephenson  
Director  
(10<sup>th</sup> May 2005)

## **Statement of Directors' Responsibilities in Respect of the Accounts**

Company law requires the directors to prepare accounts for each financial year 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 that 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
- 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 to 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 members of Weir Warman (UK) Limited**

We have audited the company's accounts for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 13. These accounts have been prepared on the basis of 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**

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

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

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, 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.

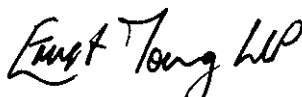
### **Basis of audit opinion**

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 financial statements. It also includes an assessment of the significant estimates and judgements 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 accounts give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Glasgow

(10<sup>th</sup> May 2005)

## Profit and Loss Account

For the 12 months ended 31 December 2004

	<i>Note</i>	<i>2004</i> <i>£000</i>	<i>2003</i> <i>£000</i>
<b>Turnover</b>		-	-
Net operating expenses	2	-	-
		<hr/>	<hr/>
<b>Operating loss</b>		-	-
Interest receivable and similar income	4	9	8
Interest payable and similar charges	5	-	-
Dividends receivable from subsidiary company		2,237	1,971
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		2,246	1,979
Tax on profit on ordinary activities		3	2
		<hr/>	<hr/>
<b>Profit for the financial year</b>		2,243	1,977
Dividends payable to parent company		(2,237)	(1,971)
		<hr/>	<hr/>
<b>Transfer to reserves</b>		6	6
		<hr/>	<hr/>

## Statement of Total Recognised Gains and Losses

There were no recognised gains or losses other than the profit attributable to shareholders of the company of £ 6,000 in the year ended 31 December 2004 and the profit of £6,000 for the period ended 26 December 2003.

## Balance Sheet

at 31 December 2004

	<i>Note</i>	<i>2004</i> <i>£000</i>	<i>2003</i> <i>£000</i>
<b>Fixed assets</b>			
Investments	7	4,100	4,100
<b>Current assets</b>			
Debtors	8	2,410	1,971
Cash at bank		-	166
<b>Creditors:</b> amounts falling due within one year	9	(2,508)	(2,241)
<b>Net current liabilities</b>		(98)	(104)
<b>Total assets less current liabilities</b>		4,002	3,996
<b>Net liabilities</b>		4,002	3,996
<b>Capital and reserves</b>			
Called up share capital	10	4,300	4,300
Profit and loss account	11	(298)	(304)
<b>Shareholders' funds</b>	12	4,002	3,996



D J Stephenson  
Director

(10<sup>th</sup> May 2005)

## Notes to the accounts

AT 31 December 2004

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain assets.

#### *Fundamental accounting concept*

The accounts have been prepared under the going concern concept because the parent company has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

### 2. Net operating expenses

	2004	2003
	£000	£000
Net operating expenses	-	-

The audit fee for Weir Warman (UK) Limited is borne by Weir Warman Limited which is a subsidiary company.

### 3. Remuneration of directors

Directors' remuneration for Weir Warman (UK) Limited is borne by Weir Warman Limited which is a subsidiary company.

### 4. Interest receivable and similar income

	2004	2003
	£000	£000
Interest receivable on bank balance	9	8

### 5. Interest payable and similar charges

	2004	2003
	£000	£000
On bank loans and overdrafts	-	-

### 6. Tangible fixed assets

The company holds no fixed assets at the year end (2003: £Nil).

## Notes to the accounts

AT 31 December 2004

### 7. Fixed asset investments

	<i>Shares in subsidiary undertakings £000</i>
Cost or valuation:	
At beginning and end of year	4,100

	<i>Country of registration or incorporation</i>	<i>Principal activity</i>	<i>Percentage of ordinary shares held</i>
<b>Subsidiary undertakings:</b>			
Weir Warman Ltd	England	Marketing	100%
Weir Warman SRL*	Italy	of	100%
Weir Warman GmbH*	Germany	pumps	100%
Weir Warman OY*	Finland	and	100%
Weir Warman Kft *	Hungary	associated	100%
Weir Warman z.o.o.*	Poland	parts	100%
Weir Warman o.o.o.*	Russia		100%

\* held by subsidiary company.

In the opinion of the directors the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

### 8. Debtors

	<i>2004 £000</i>	<i>2003 £000</i>
Amounts owed by subsidiary undertakings	2,407	1,971
Other debtors	3	-
	<u>2,410</u>	<u>1,971</u>

### 9. Creditors: amounts falling due within one year

	<i>2004 £000</i>	<i>2003 £000</i>
Amounts owed to parent and fellow subsidiary undertakings	2,237	1,971
Other creditors	271	270
	<u>2,508</u>	<u>2,241</u>



## Notes to the accounts

AT 31 December 2004

### 10. Called up share capital

	2004	2003
	£000	£000
Authorised:		
Ordinary shares of £1 each	5,000	5,000
	<u>          </u>	<u>          </u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	4,300	4,300
	<u>          </u>	<u>          </u>

### 11 Reserves

	<i>Profit and loss account</i>
	£000
At beginning of year	(304)
Retained profit for year	6
	<u>          </u>
At end of year	(298)
	<u>          </u>

### 12 Reconciliation of movements in shareholders' funds

	2004	2003
	£000	£000
Profit for the financial year	6	6
	<u>          </u>	<u>          </u>
Net increase in shareholders' funds	6	6
Opening shareholders' funds	3,996	3,990
	<u>          </u>	<u>          </u>
Closing shareholders' funds	4,002	3,996
	<u>          </u>	<u>          </u>

### 13. Ultimate parent company

The company is a subsidiary undertaking of The Weir Group PLC which is the ultimate parent company incorporated in the UK. The accounts of The Weir Group PLC are available to the public and may be obtained from:

The Weir Group PLC  
149 Newlands Road  
Cathcart  
Glasgow  
G44 4EX