

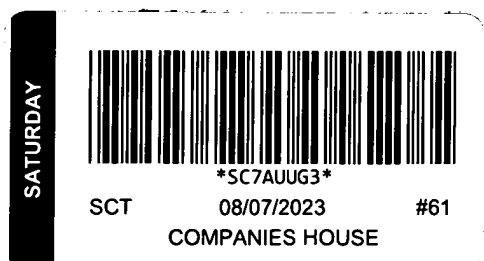
TWG UK HOLDINGS LIMITED

Report and Financial Statements

31 December 2022

Registered No: SC311635

INTERNAL - Access limited to Weir personnel or by NDA



Company information

Registered No: SC311635

Directors

John Heasley
Christopher Palmer
Graham Vanhegan

Company Secretary

Gillian Kyle

Registered office

10th Floor
1 West Regent Street
Glasgow
G2 1RW

Country of incorporation

Scotland

Strategic report

The directors present their Strategic report on TWG UK Holdings Limited ('the Company') for the year ended 31 December 2022.

Principal activities

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

Business review

The Company made neither a profit or loss in the current year (2021: profit after tax of £84,241,000). The profit in the prior year was driven by the receipt of a dividend of £84,241,000 from the Company's subsidiary, which was not repeated in the current year.

The net assets of the Company are £890,026,000 as at 31 December 2022 (2021: £890,026,000). There are no significant plans to alter the business of the Company in the future.

Director's statement under section 172 of the Companies Act 2006

The directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the Shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 27 to 29 of the 2022 Annual Report of The Weir Group PLC, which does not form part of this report.

Financial risk management objectives & policies

The Company's principal financial instruments are shown on the balance sheet. The principal financial risks to which the Company is exposed are listed below. These risks are managed in accordance with Board approved policies.

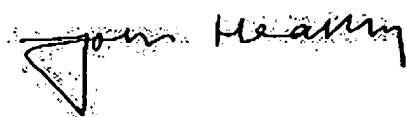
Credit risk

The Company is exposed to credit risk on intercompany receivable balances. The credit risk on intercompany receivables is limited because the ultimate parent company, The Weir Group PLC, has indicated it will continue to provide financial support to its subsidiaries.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of intercompany loans.

On behalf of the Board of Directors



John Heasley

Director

22 June 2023

Directors' report

The directors present their report and the financial statements of TWG UK Holdings Limited (Registered Number: SC311635) ('the Company') for the year ended 31 December 2022.

Dividends

No dividend was declared in the year (2021: £84,241,000).

Principal activities and review of the business

The Strategic report presents a summary of the Company's principal activities and future developments.

Financial instruments

The Company's principal financial instruments are shown on the balance sheet. The principal financial risks to which the Company is exposed are outlined in the Strategic report.

Going concern

The Company is ultimately owned by The Weir Group PLC ('the Group') and it participates in the Group's centralised treasury arrangements and so shares banking facilities with its parent company 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. The Company has a strong net current asset position with no liabilities and as such, 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.

Events since the balance sheet date

There have been no material adjusting or disclosable events since the financial year end.

Future developments

Future developments affecting the business are outlined in the business review section of the Strategic report.

Directors

The directors of the Company during the year and up to the date of this report were:

John Heasley

Christopher Palmer

Graham Vanhegan

Directors' liabilities

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 (as amended). These indemnities are uncapped in amount. The Company's ultimate parent company maintained directors' and officers' liability insurance throughout 2022 and up to the date of approval of the financial statements in respect of the Company's directors and officers. The directors' and officers' liability insurance is considered to be a qualifying third party indemnity as detailed in section 234 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 *Reduced Disclosure Framework*, 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

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.

By order of the Board



Gillian Kyle
Company Secretary
22 June 2023

**Income statement
for the year ended 31 December 2022**

	Notes	2022 £000	2021 £000
Operating profit (loss)		-	-
Income from shares in group undertakings		-	84,241
Profit (loss) on ordinary activities before tax		-	84,241
Tax on profit (loss) on ordinary activities	4	-	-
Profit (loss) for the financial year		-	84,241

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

The result reported above includes all income and expenses for the year and therefore no statement of comprehensive income has been presented.

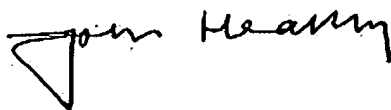
Balance sheet
as at 31 December 2022

	Notes	2022 £000	2021 £000
ASSETS			
Non-current assets			
Investments	5	890,020	890,020
Total non-current assets		890,020	890,020
Current assets			
Trade & other receivables	6	6	6
Total current assets		6	6
Total assets		890,026	890,026
NET ASSETS		890,026	890,026
Capital & reserves			
Called up share capital	7	398,561	398,561
Share premium		491,464	491,464
Retained earnings		1	1
TOTAL EQUITY		890,026	890,026

The notes numbered 1 to 10 are an integral part of these financial statements.

For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ('the Act') relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 14 were authorised for issue by the Board of Directors on 22 June 2023 and signed on its behalf by



John Heasley
Director
22 June 2023

**Statement of changes in equity
for the year ended 31 December 2022**

	Called up share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 31 December 2020	398,561	235,411	1	633,973
Profit (loss) for the financial year	-	-	84,241	84,241
Issue of share capital	-	256,053	-	256,053
Dividends paid	-	-	(84,241)	(84,241)
At 31 December 2021	398,561	491,464	1	890,026
At 31 December 2022	398,561	491,464	1	890,026

Notes to the financial statements for the year ended 31 December 2022

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of TWG UK Holdings Limited for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 22 June 2023 and the balance sheet was signed on the Board's behalf by John Heasley.

TWG UK Holdings Limited is a private limited company, limited by shares, registered in Scotland.

The financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

The Company's financial statements are presented in Sterling and all values have been presented in thousands (£000) except where otherwise indicated.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of The Weir Group PLC. The results of the Company are included in the consolidated financial statements of The Weir Group PLC which are publicly available.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022 ('2022'), the comparative information is provided for the year ended 31 December 2021 ('2021'). The accounting policies are consistent with those of the previous period.

The financial statements have been prepared on the going concern basis and the historic cost convention, and in accordance with the Companies Act 2006. An assessment of the going concern basis is included within the Directors' report.

Statutory instruments & exemptions

The Company has adopted SI 2015/980 for presentational purposes in order to align with the financial statements of its ultimate parent company.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101, and the Company intends to take these exemptions in future years:

- paragraphs 45(b) and 46-52 of IFRS 2 'Share-based Payment', because the share based payment arrangement concerns the instruments of The Weir Group PLC;
- IFRS 7 'Financial Instruments: Disclosures';
- paragraphs 91-99 of IFRS 13 'Fair Value Measurement';
- IAS 7 'Statement of Cash Flows';
- paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1; paragraph 73(e) of IAS 16 'Property, Plant & Equipment'; and paragraph 118(e) of IAS 38 'Intangible Assets';
- paragraph 17 of IAS 24 'Related Party Disclosures';
- IAS 24 'Related Party Disclosures' disclosure of related party transactions with a fellow wholly owned subsidiary in IAS 24 'Related Party Disclosure';
- paragraph 10(d), 16, 38A, 38B, 38C, 38D, 111, 134-136 of IAS 1 'Presentation of financial statements';
- paragraph 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- Paragraphs 52 and 58 of IFRS 16 'Leases'.

There are no new standards or interpretations, in addition to the above, which are considered to have a material impact on the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the year. These estimates and assumptions are based on historical experience, information available at the time and other factors considered relevant.

The areas where management considers critical judgements and estimates to be required, which are areas more likely to be materially adjusted in the next 12 months due to inherent uncertainty regarding estimates and assumptions, are those in respect of the following:

Impairment

The Company carries out impairment testing on any assets that show indications of impairment. This testing includes exercising management judgement about future cash flows and other events which are, by their nature, uncertain.

Significant accounting policies

Foreign currency translation

Transactions denominated in foreign currencies are translated into the Company's functional currency at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the balance sheet date. Currency translation differences are recognised in the income statement.

Investment income

Investment income is included at the amount of cash received or receivable plus withholding tax.

Investments

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

Impairment of non-current assets

All non-current assets are tested for impairment whenever events or circumstances indicate that their carrying values might be impaired.

An impairment loss is recognised to the extent that an asset's carrying value exceeds its recoverable amount, which represents the higher of the asset's fair value less costs to sell and its value in use. An asset's value in use represents the present value of the future cash flows expected to be derived from the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is conducted for the cash generating unit to which it belongs.

Impairment losses are recognised in the income statement. Impairment losses recognised in previous periods for an asset other than goodwill are reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The carrying amount of an asset shall not be increased above the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Financial assets & liabilities

The Company's principal financial assets and liabilities, other than derivatives, comprise the following:

- Intercompany loans.

A financial asset is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Taxation

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the year.

Deferred tax is recognised on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base with the following exceptions:

- Deferred tax arising from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination, that, at the time of the transaction, affects neither accounting nor taxable profit or loss, is not recognised;
- Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future; and
- A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax liabilities represent tax payable in future years in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future years in respect of deductible temporary differences, the carry forward of unutilised tax losses and the carry forward of unused tax credits. Deferred tax is measured on an undiscounted basis using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is recognised in the income statement except if it relates to an item recognised directly in equity, in which case it is recognised directly in equity.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

3. Staff costs & directors' remuneration

No management charges were paid to The Weir Group PLC during the year (2021: £nil) in connection with the services of the directors. No remuneration was paid to any director during the year (2021: £nil) in respect of their services to the Company. There were no employees during the year (2021: none).

4. Taxation

Tax charged in the income statement

	2022 £000	2021 £000
The tax charge (credit) is made up as follows:		
Current income tax		
UK corporation tax	-	-
Total current income tax	-	-
Total income tax charge (credit) in the income statement	-	-

Factors affecting the tax charge for the year

The standard rate of tax for the year based on the UK standard rate of corporation tax is 19.0% (2021: 19.0%). The actual tax charge for the current year is set out in the following reconciliation.

	2022 £000	2021 £000
Result from continuing operations before income tax	-	84,241
Tax calculated at UK standard rate of corporation tax of 19.0% (2021: 19.0%)	-	16,006
Effect of:		
Non-taxable dividend income	-	(16,006)
Tax expense (income) in the income statement	-	-

Factors that may affect future tax charges

An increase in the UK rate from 19% to 25% from April 2023 was substantively enacted as part of Finance Bill 2021 (on 25 May 2021).

5. Investments

Cost and net book value:	£000
At beginning and end of the year	890,020

The subsidiary undertakings of the Company are listed in the Appendix.

No dividends were received from subsidiaries in the year (2021: £84,241,000).

6. Trade & other receivables

	2022 £000	2021 £000
Amounts receivable from group undertakings	6	6
	6	6

Amounts owed by group undertakings include the following loan:

Receivable	Currency	Interest terms	2022 £000	2021 £000
On demand	GBP	1 month SONIA plus 0.05%	6	6

All amounts are recoverable within one year.

Amounts receivable from group undertakings are unsecured and repayable on demand.

Impairment of trade & other receivables

Amounts owed by subsidiaries and other group undertakings relate to an intercompany loan receivable and accrued interest receivable. Intercompany balances are typically managed on a Group basis, and the Company's credit risk management practices reflect this. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all such receivables.

The amounts owed by subsidiaries and other group undertakings do carry an interest charge, and it is the Company's expectation that materially all the amounts owed by subsidiaries are fully recoverable over time. Expected credit losses at 31 December 2022 are therefore immaterial, and there has been no material change to the expected loss allowance during the year.

Over the term of the loans, the Company accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. The majority of the Company's loans are repayable on demand by the Company. In calculating the expected credit loss allowance of repayable on demand loans, the Company considers the financial position and internal forecasts of each subsidiary and their ability to repay on request, or over time. For those loans repayable on maturity, expected credit losses are calculated using market-implied probabilities of default and loss-given-default estimations.

The Company considers the probability of default upon initial recognition of an asset and subsequently whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The primary indicators considered are actual or expected significant adverse changes in business and financial conditions that are expected to cause a significant change to the borrower's ability to meet its obligations. Independent of the primary indicators above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is considered to occur when the counterparty fails to make contractual payments within 90 days of when they fall due. A write off is considered to be required when there is no reasonable expectation of recovery, or when a debtor fails to make contractual payments greater than 120 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the income statement.

7. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
398,561,407 (2021: 398,561,407) ordinary shares of £1.00 each	398,561	398,561
	398,561	398,561

8. Contingent liabilities

The Company is a member of a group UK notional cash pool arrangement and has jointly and severally given guarantee of a gross debit balance cap limit up to a maximum of £250.0 million. As part of this arrangement, there is no overdraft facility for the overall pool, however the Company is potentially liable to the extent of any cash balance on hand at any time. At 31 December 2022, the cash balance was £nil (2021: £nil).

9. Related party disclosures

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

10. Ultimate group undertaking

The immediate parent undertaking is Weir Group, Inc.

The ultimate parent undertaking and controlling party is The Weir Group PLC. The Company is only consolidated into these group financial statements which are available to the public and may be obtained from The Weir Group PLC, 1 West Regent Street, Glasgow, G2 1RW.

Appendix

Subsidiary undertakings

The subsidiary undertakings of the Company as at 31 December 2022 are noted below.

Legal name	Country of incorporation	Registered address	Class of shares	Percentage of shares held	Ownership
Comercializadora TEP Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship %	51%	Indirect
Trio Engineered Products, Inc.	United States	CT Corporation System, 330 N. Brand Blvd., Glendale, CA, 91203, United States	Common Stock	100%	Indirect
TWG Cayman Limited	Cayman Islands	M & C Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Ordinary	100%	Indirect
TWG Finance, Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States	Common	100%	Indirect
TWG Investments (No. 6) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW, United Kingdom	Ordinary	100%	Direct
TWG Investments (No. 8) Limited	Scotland	10th Floor, 1 West Regent Street, Glasgow, G2 1RW, United Kingdom	Ordinary	100%	Indirect
Weir Pump and Valve Solutions, Inc	United States	The Corporation Company, 40600 Ann Arbor Road, Este, 201, Plymouth Mi 48170 4675, United States	Common Stock	100%	Indirect
Weir Slurry Group, Inc.	United States	CT Corporation System, 301 South Bedford Street, Suite 1, Madison, WI, 53703	Common; Preferred Stock	100%	Indirect
Valves and Controls US, Inc	United States	CT Corporation System, 155 Federal Street, Suite 700, Boston, MA, 02110, United States	Common;	100%	Indirect
WHW Group Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States	Common	100%	Indirect