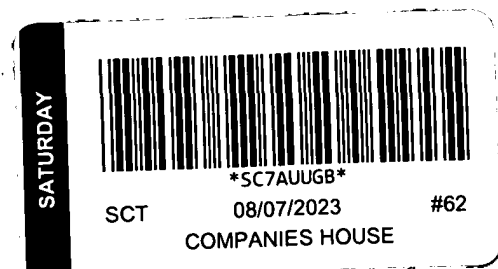


**LINATEX LIMITED**  
**Report and Financial Statements**

**31 December 2022**

**Registered No: 00246713**



Linatex Limited

Registration Number: 00246713

## Company information

Registered No: 00246713

### Directors

John Heasley

Graham Vanhegan

### Company Secretary

Gillian Kyle

### Bankers

HSBC Bank PLC

8 Canada Square

London

E14 5HQ

### Registered office

c/o Weir Minerals Europe

Halifax Road

Todmorden

Lancashire

OL14 5RT

### Country of incorporation

England & Wales

## Directors' report

The directors present their report and the financial statements of Linatex Limited (Registered Number: 00246713) ('the Company') for the year ended 31 December 2022.

The Company has taken advantage of the small companies exemption under section 414b of the Companies Act 2006 not to prepare a strategic report.

### Results

The Company made a loss after tax amounting to £1,750,000 (2021: profit after tax of £289,000).

### Dividends

No dividend was declared in the year (2021: £nil).

### Principal activities and review of the business

The Company is principally engaged in the collection of royalty income on Linatex® branded product sales.

The Company made a loss after tax of £1,750,000 in the current year (2021: profit after tax of £289,000). The decrease year-on-year of £2,039,000 is primarily driven by an impairment, in the amount of £2,635,000, in the Company's investment in Inversiones Linatex Chile (Holdings) Limitada, offset by increases in royalty income of £133,000, finance income of £170,000, other income of £3,000, and a decrease in other administrative expenses of £290,000.

On 16 September 2022, the Company contributed additional capital in Inversiones Linatex Chile (Holdings) Limitada, in the amount of USD\$4,250,000 (equivalent to £3,728,000). The contribution was settled through the assumption of liabilities by the Company, from Inversiones Linatex Chile (Holdings) Limitada. Subsequent to the capital contribution, an impairment assessment was performed, leading to an impairment charge recognised of £2,635,000, as outlined above.

The net assets of the Company are £16,518,000 as at 31 December 2022 (2021: £18,268,000).

### 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 listed below. These risks are managed in accordance with Board approved policies.

#### Foreign exchange risk

As a result of the Company's business activities, from time to time it may be exposed to transactional currency risk. Transactional currency exposure arises when the Company enters into transactions denominated in currencies other than its functional currency which is Sterling. Where this risk exists, foreign currency exposures are identified and managed directly by the Company within the policies and guidelines established by the Company's ultimate parent, The Weir Group PLC. The ultimate parent company enters into foreign exchange hedging transactions on behalf of the Company in accordance with those policies and procedures. The Company makes limited use of derivative financial instruments to hedge balance sheet translation exposures. Transaction exposures are hedged with the use of forward exchange rate contracts where deemed appropriate and where they can be reliably forecast. It is policy not to engage in any speculative transaction of any kind. Hedge accounting is used when certain criteria are met as explained in note 2.

#### Liquidity risk

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

**Credit risk**

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

**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. 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.

**Events since the balance sheet date**

In May 2023, the Company declared a dividend of £13,380,595 resulting in the settlement of the outstanding GBP cash management loan balance with The Weir Group PLC.

**Future developments**

There are no significant plans to alter the business of the Company in the future.

**Directors**

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

John Heasley

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 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;
- make judgments and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards, comprising FRS 101, 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 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	Year ended 31 December 2022			Year ended 31 December 2021		
		Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000	Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000
<b>Revenue</b>		<b>907</b>	<b>-</b>	<b>907</b>	<b>774</b>	<b>-</b>	<b>774</b>
<b>Operating profit (loss)</b>	3, 4	<b>901</b>	<b>(2,632)</b>	<b>(1,731)</b>	<b>678</b>	<b>(200)</b>	<b>478</b>
Finance income	6	182	-	182	12	-	12
<b>Profit (loss) on ordinary activities before tax</b>		<b>1,083</b>	<b>(2,632)</b>	<b>(1,549)</b>	<b>690</b>	<b>(200)</b>	<b>490</b>
Tax on profit (loss) on ordinary activities	7	(201)	-	(201)	(201)	-	(201)
<b>Profit (loss) for the financial year</b>		<b>882</b>	<b>(2,632)</b>	<b>(1,750)</b>	<b>489</b>	<b>(200)</b>	<b>289</b>

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.

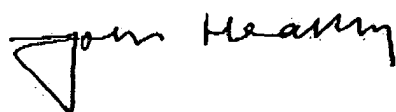
**Balance sheet  
as at 31 December 2022**

	Notes	2022 £000	2021 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	8	2,671	1,578
<b>Total non-current assets</b>		<b>2,671</b>	<b>1,578</b>
<b>Current assets</b>			
Trade & other receivables	9	13,168	16,309
Derivative financial instruments	13	7	-
Cash & short-term deposits	10	1,046	726
<b>Total current assets</b>		<b>14,221</b>	<b>17,035</b>
<b>Total assets</b>		<b>16,892</b>	<b>18,613</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities	11	(144)	(144)
Trade & other payables	12	(230)	(201)
<b>Total current liabilities</b>		<b>(374)</b>	<b>(345)</b>
<b>Total liabilities</b>		<b>(374)</b>	<b>(345)</b>
<b>NET ASSETS</b>		<b>16,518</b>	<b>18,268</b>
<b>Capital &amp; reserves</b>			
Called up share capital	14	1,000	1,000
Capital reserve		803	803
Retained earnings		14,715	16,465
<b>TOTAL EQUITY</b>		<b>16,518</b>	<b>18,268</b>

The notes numbered 1 to 17 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 18 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	Capital reserve £000	Retained earnings £000	Total equity £000
At 31 December 2020	1,000	803	16,176	17,979
Profit (loss) for the financial year	-	-	289	289
At 31 December 2021	1,000	803	16,465	18,268
Profit (loss) for the financial year	-	-	(1,750)	(1,750)
At 31 December 2022	1,000	803	14,715	16,518



## **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 Linatex Limited for the year ended 31 December 2022 were approved 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.

Linatex Limited is a private limited company, limited by shares, registered in England & Wales.

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, as modified by the revaluation of derivative financial assets and liabilities measured at fair value through profit or loss, 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****Revenue recognition**

Revenue is the consideration the Company expects to receive from customers in exchange for goods and services. Revenue is recognised in the income statement when control of goods and services is transferred to the customer. Transfer of control is deemed to be over time where the following criteria are met:

- The customer concurrently receives and consumes the benefits from the Company's performance;
- The Company's performance creates or enhances a customer controlled asset; or
- The Company's performance does not create an asset with an alternative use and the Group has a right to payment for performance completed to-date.

Where the above criteria are not met then revenue is recognised at a point in time when control is transferred to the customer.

Revenue is shown net of sales taxes and discounts. No revenue is recognised where recovery of the consideration is not probable or there are significant uncertainties regarding associated costs, or the possible return of goods. Variable consideration is recognised only if it is highly probable that there will not be a significant revenue reversal. The consideration is an estimation based on the terms of the contract and other available information.

The timing of payment from customers is generally aligned to revenue recognition, subject to agreed payment terms usually in line with industry standards. Certain contracts may include milestone payments which do not necessarily align to revenue recognition: a contract asset is recorded where revenue is recognised in advance of customer invoicing and where cash is received in advance of revenue recognition, a contract liability is recognised.

**Royalty income**

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

**Adjusting items**

In order to provide the users of the financial statements with a more relevant presentation of the Company's performance, statutory results for each year has been analysed between:

- i) adjusted results and;
- ii) the effect of adjusting items.

The principal adjusting items are summarised below. These specific items are presented on the face of the income statement, along with the related adjusting item's taxation, to provide greater clarity and a better understanding of the impact of these items on the Company's financial performance. In doing so, it also facilitates greater comparison of the Company's underlying results with prior years and assessment of trends in financial performance. This split is consistent with how underlying performance is measured internally.

- i) Exceptional items

Exceptional items are items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. Exceptional items may include, but are not restricted to: the cost of significant business restructuring; significant impairments of intangible or tangible assets; adjustments to the fair value of acquisition-related items such as contingent consideration and inventory; acquisitions and other items deemed exceptional due to their significance, size or nature.

- ii) Other adjusting items

Other adjusting items are those which do not relate to the Company's current ongoing trading and, due to their nature, are treated as adjusting items.

Further analysis of the items included in the column 'Adjusting items' in the income statement is provided in note 4.

**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;
- intercompany trading accounts;
- cash & short-term deposits; and
- other payables.

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.

**Trade receivables**

Trade receivables, which are generally of a short-term nature, are recognised at original invoice amount where the consideration is unconditional. If they contain significant financing components, trade receivables are instead recognised at fair value. The Company holds trade receivables to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details of the Company's impairment policies and calculation of the loss allowance are provided in note 9.

**Cash at bank and in hand**

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

**Derivative financial instruments**

The Company uses derivative financial instruments, principally forward foreign currency contracts and cross currency swaps, to reduce its exposure to exchange rate movements. The Company does not hold or issue derivatives for speculative or trading purposes.

Derivative financial instruments are recognised as assets and liabilities measured at their fair values at the balance sheet date. The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates and counterparty and the Company's own credit risk. Changes in their fair values are recognised in the income statement.

Derivatives embedded in non-derivative host contracts which are not already measured at fair value through profit or loss, are recognised separately as derivative financial instruments when their risks and characteristics are not closely related to those of the host contract and the host contract is not stated at its fair value with changes in its fair value recognised in the income statement.

**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. Revenues & expenses

The following disclosures are given in relation to total continuing operations.

	Year ended 31 December 2022			Year ended 31 December 2021		
	Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000	Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000
A reconciliation of revenue to operating profit (loss) is as						
Revenue	907	-	907	774	-	774
Gross profit	907	-	907	774	-	774
Other operating income	-	3	3	-	-	-
Administrative expenses	(6)	(2,635)	(2,641)	(96)	(200)	(296)
Operating profit (loss)	901	(2,632)	(1,731)	678	(200)	478

	Year ended 31 December 2022			Year ended 31 December 2021		
	Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000	Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000
Operating profit (loss) is stated after charging:						
Impairment of receivables	-	-	-	-	200	200
Impairment of investments	-	2,635	2,635	-	-	-
Legal settlement	-	(3)	(3)	-	-	-
Exchange (gains) losses	20	-	20	(26)	-	(26)

### 4. Adjusting items

	2022 £000	2021 £000
Recognised in arriving at operating profit (loss) from continuing operations		
Exceptional items:		
Impairment of investments (note 8)	2,635	-
Impairment of receivables	-	200
Legal settlement	(3)	-
Total adjusting items	2,632	200

The Company's investment in Inversiones Linatex Chile (Holdings) Limitada was impaired by £2,635,000 in the current year. See note 8 for details of the impairment.

The legal settlement in the current year of £3,000 relates to a settlement received from a third-party, for infringing upon intellectual property rights held by the Company.

The impairment of receivables charge in the prior year of £200,000 relates to a one-off impairment of receivables associated with Weir do Brasil Ltda.

### 5. 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).

## 6. Finance income

	2022 £000	2021 £000
Interest receivable from group undertakings	181	6
Interest receivable on financial assets	1	6
	182	12

## 7. 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	174	131
Adjustment in respect of previous years	(6)	70
Foreign tax	33	-
Total current income tax	201	201
Total income tax charge (credit) in the income statement	201	201

### 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	(1,549)	490
Tax calculated at UK standard rate of corporation tax of 19.0% (2021: 19.0%)	(294)	93
Effect of:		
Expenses not deductible for tax purposes	501	38
Tax (over)/underprovided in previous periods	(6)	70
Tax expense (credit) in the income statement	201	201

### 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).

## 8. Investments

Cost and net book value:	£000
<b>Cost</b>	
At 31 December 2021	1,578
Additions	3,728
At 31 December 2022	5,306
<b>Impairment</b>	
At 31 December 2021	-
Charge in the year	2,635
At 31 December 2022	2,635
Net book value at 31 December 2021	1,578
<b>Net book value at 31 December 2022</b>	<b>2,671</b>

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

On 16 September 2022, the Company contributed additional capital in Inversiones Linatex Chile (Holdings) Limitada, in the amount of USD\$4,250,000 (equivalent to £3,728,000). The contribution was settled through the assumption of liabilities by the Company, from Inversiones Linatex Chile (Holdings) Limitada.

Subsequent to this, an impairment assessment was performed by the Company, which resulted in an impairment charge of £2,635,000 (2021: £nil) recognised in the investment balance associated with Inversiones Linatex Chile (Holdings) Limitada.

No dividends (2021: no dividends) were received from subsidiaries in the year.

## 9. Trade & other receivables

	2022 £000	2021 £000
Amounts receivable from group undertakings	13,168	16,309
	<b>13,168</b>	<b>16,309</b>

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%	12,554	15,540

All amounts are recoverable within one year.

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

The Company is a member of a group UK notional cash pool arrangement, with cash balances held at The Weir Group PLC reflected within amounts receivable from group undertakings. In May 2023, the intercompany loan and associated interest was settled in full.

### Impairment of trade & other receivables

Amounts owed by subsidiaries and other group undertakings relate to receivables in respect of royalty recharges and an intercompany loan 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 are interest bearing, 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.

For short-term trade receivables, historical loss rates might be an appropriate basis for the estimate of expected future losses. These are then adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. As such, one methodology applied is the use of a provision matrix, where different loss rates are applied depending on the number of days that a trade receivable is past due. Alternatively the expected credit loss is calculated on an individual customer basis based on historical loss data for that customer, their receivables ageing, and any other knowledge of the customer's current and forecast financial position.

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. 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.

#### 10. Cash & short-term deposits

	2022 £000	2021 £000
Cash	1,046	726
	1,046	726

#### 11. Financial liabilities

	2022 £000	2021 £000
Amounts due are repayable as follows:		
<b>Current</b>		
- loans from group undertakings	144	144
	144	144

Amounts owed to group undertakings include the following loan:

Payable	Currency	Interest terms	On demand	GBP	Interest-free
2021	£000		2022	£000	144
2021	£000		2022	£000	144

All amounts owed to group undertakings are unsecured.

## 12. Trade & other payables

2021	2022	£000
192	223	
7	7	
2	-	
201	230	

## 13. Derivative financial instruments

2021	2022	£000
-	-	
-	7	
-	7	

The figures in the above table are inclusive of derivative financial instruments where the counterparty is The Weir Group PLC.

## 14. Share capital

2021	2022	£000
1,000	1,000	
1,000	1,000	
1,000	1,000	

## 15. 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 £1,046,000. (2021: £726,000).

## 16. 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.

**17. Ultimate group undertaking**

The immediate parent undertaking is Linatex Australia Pty Limited.

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
Inversiones Linatex Chile (Holdings) Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship	99.99%	Direct
Linatex Chile Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship	98.99%	Indirect
Linatex Chile SpA	Chile	Santa Catalina de Chena 850, San Bernardo, Santiago de Chile, Chile	Ordinary Nominative Share	98.99%	Indirect
Linatex Rubber Limited	England and Wales	C/o Weir Minerals Europe, Halifax Road, Todmorden, Lancashire, OL14 5RT	Ordinary	100%	Direct
Weir HBF (Pty) Ltd	South Africa	50 Strdebaker Street, Markman Industria, Port Elizabeth, South Africa	Ordinary	5.413%	Indirect
Weir Minerals Africa (Proprietary) Limited	South Africa	5 Clarke Street South, Alrode, Alberton, 1149, South Africa	Ordinary	5.413%	Direct
Weir Minerals DRC SAS	Congo	1222, Route Likasi, Quartier Musompo - Mutshatsha, Kolwezi, Province de Lualaba, Democratic Republic of the Congo	B-Shares	2.6525%	Indirect
Weir Minerals Isando (Pty) Ltd	South Africa	5 Clarke Street, Alrode, Alberton, Gauteng, 1449, South Africa	Ordinary	5.413%	Indirect
Weir Minerals Mozambique Ltd	Mozambique	Mozambique, Maputo Cidade, Distrito urbano1, Bairro, Centrall, AV. Zedequias ,Manganhela, Mozambique	Ordinary	5.142%	Indirect
Weir Minerals Shared Services Proprietary Limited	South Africa	5 Clarke Street South, Alrode, Alberton, 1149, South Africa	Ordinary	5.413%	Indirect
Weir Minerals South Africa Proprietary Limited	South Africa	5 Clarke Street, Alrode, Alberton, Gauteng, 1449, South Africa	Ordinary	4.054%	Indirect
Weir Services Tanzania (Pty) Limited.	The United Republic of Tanzania	Plot No. 137, Capri Point, Mwanza, The United Republic of Tanzania	Ordinary	5.142%	Indirect