



LINATEX UK HOLDING LIMITED
Report and Financial Statements

31 December 2017

Registered No: 05563484

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COMPANIES HOUSE

Company information

Registered No: 05563484

Directors

Christopher Palmer
Graham Vanhegan

Company Secretary

Gillian Kyle

Independent auditors

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Registered office

Weir Power & Industrial - Emerging Markets
Britannia House
Huddersfield Road
Elland
HX5 9JR

Country of incorporation

England & Wales

Directors' report

The directors present their report and the audited financial statements of Linatex UK Holding Limited (Registered Number 05563484) ('the Company') for the year ended 31 December 2017.

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

Results

The Company made a profit after tax amounting to £17,000 (2016: £31,000).

Dividends

No dividend was declared in the year (2016: £nil).

Principal activities and review of the business

The Company was formerly involved in the acquisition and retention of investments, rights or interests in other companies.

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 it is 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. 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 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 is 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 bank overdrafts, bank loans and inter-company trading accounts.

Interest rate risk

The Company's borrowings consist of inter group loans and these are at variable rates of interest. Based on current levels of net debt, and the nature of the inter group funding arrangements available, interest rate risk is not considered to be material.

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.

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 this report were:

Andrew Neilson (resigned 10 July 2017)

Christopher Morgan (resigned 1 May 2018)

Christopher Palmer (appointed 10 July 2017)

Graham Vanhegan (appointed 1 May 2018)

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 2017 and up to the date of approval of the financial statements 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 Directors' 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP were appointed under section 485 of the Companies Act 2006 as the Company's auditor at the Annual General Meeting on 27 April 2017 and have indicated their willingness to continue in office.

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.

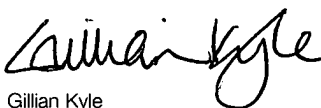
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 *Reduced Disclosure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

By order of the board



Gillian Kyle
Company Secretary

22 June 2018

Independent auditors' report to the members of Linatex UK Holding Limited

Report on the audit of the financial statements

Opinion

In our opinion, Linatex UK Holding Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

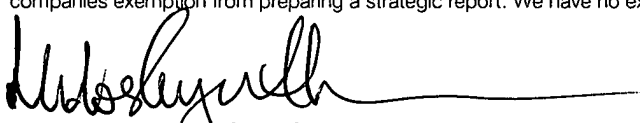
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
22 June 2018

**Income statement
for the year ended 31 December 2017**

	Notes	2017 £000	2016 £000
Revenue	3	-	-
Operating result		-	-
Finance income	5	17	31
Profit on ordinary activities before tax		17	31
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		17	31

The Company's results for the current and the prior period 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 2017

	Notes	2017 £000	2016 £000
ASSETS			
Current assets			
Trade & other receivables	7	7,896	7,879
Total current assets		7,896	7,879
Total assets		7,896	7,879
LIABILITIES			
Current liabilities			
Trade and other payables	8	(18)	(18)
Total current liabilities		(18)	(18)
Total liabilities		(18)	(18)
NET ASSETS		7,878	7,861
Capital & reserves			
Retained earnings		7,878	7,861
TOTAL EQUITY		7,878	7,861

The notes numbered 1 to 11 are an integral part of these financial statements.

The financial statements on pages 7 to 14 were authorised for issue by the Board of Directors on 22 June 2018 and signed on its behalf by



Christopher Palmer
Director
22 June 2018

**Statement of changes in equity
for the year ended 31 December 2017**

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2016	-	7,830	7,830
Profit for the financial period	-	31	31
At 31 December 2016	-	7,861	7,861
Profit for the financial year	-	17	17
At 31 December 2017	-	7,878	7,878

Notes to the financial statements
for the year ended 31 December 2017

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

The financial statements of Linatex UK Holding Limited for the year ended 31 December 2017 were authorised for issue by the Board of Directors on 22 June 2018 and the balance sheet was signed on the Board's behalf by Christopher Palmer.

Linatex UK Holding Limited is a private limited company 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 publically 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 2017 ('2017'), the comparative information is provided for the period ended 31 December 2016 ('2016'). The accounting policies are consistent with those of the previous period. The Company has adopted SI 2015/980 for presentational purposes in order to align with the financial statements of its ultimate parent company. The financial statements have been prepared on the going concern basis and the historic cost convention, as modified by the revaluation of land and buildings and derivative financial assets and liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

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 Disclosures*;
- paragraph 10(d), 16, 38A, 38B, 38C, 38D, 111, 134-136 of IAS 1 *Presentation of financial statements*; and
- 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).

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

Judgements and key sources of estimation uncertainty

There are no areas in the preparation of these financial statements that require management to make significant judgements, estimates or assumptions.

Significant accounting policies

Financial assets & liabilities

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

- short-term borrowings
- loans and fixed rate notes
- trade receivables
- trade 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 and carried at original invoice amount less an allowance for estimated irrecoverable amounts. Provision is made where there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

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.

3. Revenues & expenses

Audit fees of £1,037 (2016: £1,000) for the Company are borne by the parent company.

4. Staff costs & directors' remuneration

No management charges were paid to The Weir Group PLC during the year (2016: £nil) in connection with the services of the directors. No remuneration was paid to any director during the year (2016: £nil) in respect of their services to the Company. There were no employees during the year (2016: none).

5. Finance income

	2017 £000	2016 £000
Interest receivable from group undertakings	17	31
	17	31

6. Taxation**Tax charged in the income statement**

	2017 £000	2016 £000
The tax charge (credit) is made up as follows		
Current income tax		
UK corporation 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 19.25% (2016: 20.00%). The actual tax charge for the current year is set out in the following reconciliation.

	2017 £000	2016 £000
Result from continuing operations before income tax	17	31
Tax calculated at UK standard rate of corporation tax of 19.25% (2016: 20.00%)	3	6
Effect of		
Group relief for no consideration	(3)	(6)
Tax expense (income) in the income statement	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

7. Trade and other receivables

	2017 £000	2016 £000
Amounts receivable from group undertakings	7,896	7,879
	7,896	7,879

All amounts are recoverable within one year.

Amounts receivable from group undertakings are unsecured, repayable on demand and bear interest at 3 month GBP LIBOR less 0.125%.

8. Trade and other payables

	2017 £000	2016 £000
Amounts owed to group undertaking	18	18
	18	18

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Share capital

Allotted, called up and fully paid	2017 £	2016 £
200 ordinary shares of £0.01 each	2	2
	2	2

10. 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.

11. Ultimate group undertaking

The immediate parent undertakings are Linatex Limited (70%) and The Weir Group PLC (30%).

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.