

WEIR HEAT EXCHANGE LIMITED

Report and Accounts

31 December 2004



Registered Number 54471
Registered in Scotland.

Weir Heat Exchange Limited

DIRECTORS' REPORT

The directors submit their annual report together with the audited accounts for the 53 weeks ended 31 December 2004.

PRINCIPAL ACTIVITY

The company did not trade during the year.

BOARD OF DIRECTORS

The directors of the company who served during the period are:

Mr P W Capell (chairman)
Mr I M Boyd (resigned 19 August 2004)
Mr G M Bibby (appointed 1 February 2004)
Mr W M Currie
Mr B D Grinham

DIRECTORS' INTERESTS

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

No director had any interest in the share capital of the company during the period.

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

	<i>At 31 December 2004</i>	<i>At 26 December 2003</i>
BENEFICIAL INTERESTS		
(i) Ordinary shares		
P W Capell	4,964	7,500
W M Currie	6,664	6,664
G M Bibby	2,070	2,070

BENEFICIAL INTERESTS

(ii) Ordinary shares subject to option

P W Capell	173,318	154,031
W M Currie	37,373	50,847
B D Grinham	12,723	6,079
G M Bibby	31,752	80,755

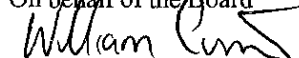
During the period, options were granted to Mr P W Capell for 30,825 shares, to Mr B D Grinham for 6,644 shares, to Mr W M Currie for 6,526 shares and to Mr G M Bibby for 7,597 shares. Options in 11,538 shares, 20,000 shares and 15,397 shares were exercised by Mr P W Capell, Mr W M Currie and Mr G M Bibby respectively. Options in 41,203 shares lapsed for Mr G M Bibby.

No director had any interest in the debenture stock of The Weir Group PLC or in the shares or loan stock of any subsidiary of The Weir Group PLC.

Auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board



W M Currie
Director and Secretary

14 April 2005

Weir Heat Exchange Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing those accounts the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed and prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEIR HEAT EXCHANGE LIMITED

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders Funds and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

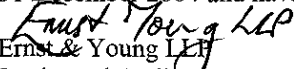
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Glasgow
14 April 2005

Weir Heat Exchange Limited

BALANCE SHEET

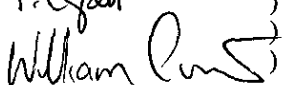
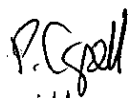
at 31 December 2004

	<i>Notes</i>	<i>2004</i> <i>£000</i>	<i>2003</i> <i>£000</i>
FIXED ASSETS			
Investments	3	-	-
CREDITORS: amounts falling due within one year	4	441	441
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(441)</u>	<u>(441)</u>
CAPITAL AND RESERVES			
Called up share capital	5	50	50
Profit and loss account		(491)	(491)
		<u>(441)</u>	<u>(441)</u>

P W Capell

W M Currie

14 April 2005



Directors

Weir Heat Exchange Limited

NOTES TO THE ACCOUNTS

at 31 December 2004

1. ACCOUNTING POLICIES

Fundamental accounting concept

The accounts have been prepared under a break up basis because the company did not trade during the year.

Basis of preparation

The accounts are prepared under the historical cost convention. The accounts are prepared in accordance with applicable accounting standards.

2. DIRECTORS AND EMPLOYEES

The company has no employees and has therefore incurred no staff costs. No remuneration was paid to any director.

3. INVESTMENTS

	<i>Associates £000</i>
Cost:	
At 31 December 2004 and 26 December 2003	261
Provision for diminution in value	
At 31 December 2004 and 26 December 2003	261
Net book value at 31 December 2004	Nil

The company has an interest in the following company:

<i>Associates</i>	<i>Country of incorporation Activity</i>	<i>Holding</i>	<i>Proportion held</i>
Nuchem Weir Limited	India Engineering	Ordinary shares	33%

4. CREDITORS: amounts falling due within one year

	<i>2004 £000</i>	<i>2003 £000</i>
Amount due to fellow subsidiary undertaking	441	441

5. SHARE CAPITAL

	<i>2004 No.</i>	<i>Authorised 2003 No.</i>	<i>Allotted, called up and fully paid 2004 £000</i>	<i>2003 £000</i>
Ordinary shares of £1 each	50,000	50,000	50	50

6. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of The Weir Group PLC group.

Weir Heat Exchange Limited

NOTES TO THE ACCOUNTS

at 31 December 2004

7. **ULTIMATE PARENT COMPANY**

The directors consider that The Weir Group PLC (registered in Scotland) is the company's ultimate parent company. This is the only parent undertaking for which group accounts are drawn up and of which the company is a member. The address from which copies of these group accounts are available to the public is: The Weir Group PLC, 149 Newlands Road, Cathcart, Glasgow, G44 4EX.