

TWG Investments (No. 2) Limited

Report and Financial Statements

1 January 2010

Registered No: SC154356

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Directors' report

The directors present their annual report together with the audited financial statements of TWG Investments (No.2) Limited (Registered Number SC154356) for the 53 week period ended 1 January 2010 ("2009").

Results and dividends

The profit for the year after taxation amounted to £195,710 (2008: £1,196,785).

No dividend was paid during the year (2008: nil).

Principal activities

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

Financial risk management objectives and policies

The Company's principal financial instruments comprise inter group loans, amounts due to and from group companies and cash at bank. The principal financial risks to which the Company is exposed are those relating to credit, liquidity and interest rate. These risks are managed in accordance with Board approved policies.

Credit risk

The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies. There is no credit risk associated with the company's inter group receivables.

Liquidity risk

The Company obtains funding for its operations via the Group's bank facilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

Interest rate risk

The Company has inter group loans receivable and cash at bank which are subject to variable rates of interest. Interest rate risk is regularly monitored and is not considered to be material.

Going concern

The company is ultimately owned by The Weir Group PLC and it participates in the group's centralised treasury arrangements and so shares banking facilities with its parent companies 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.

Board of directors

The directors during the period were:

L I McCall

F McCaw

Directors' report

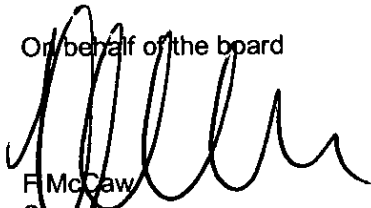
Directors indemnities

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 1985 (as amended). These indemnities are uncapped in amount. The company's holding company maintained directors and officers liability insurance throughout 2009 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.

On behalf of the board



F McCaw
Secretary
7 May 2010

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 period. In preparing these 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 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.

Independent auditors' report

to the members of TWG Investments (No.2) Limited

We have audited the financial statements of TWG Investments (No.2) Limited for the 53 weeks ended 1 January 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2010 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

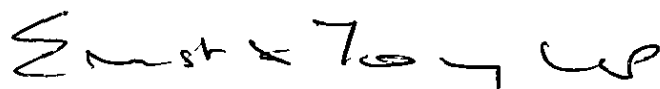
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Hywel Ball (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

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Profit and loss account
for the 53 weeks ended 1 January 2010

	Notes	2009 £	2008 £
Interest receivable		251,015	1,673,065
Interest payable		(1,091)	-
Profit on ordinary activities before tax		<u>249,924</u>	<u>1,673,065</u>
Tax on profit on ordinary activities	3	(54,214)	(476,280)
Profit for the financial year	8	<u>195,710</u>	<u>1,196,785</u>


There were no recognised gains or losses other than the profits reported above.

There are no material differences between the profit on ordinary activities before tax and the retained profit for the year above and their historical cost equivalents.

Balance sheet
at 1 January 2010

	Notes	2009 £	2008 £
Fixed assets			
Investments	4	30,237,782	30,237,782
Current assets			
Debtors	5	64,551	382,642
Cash at bank		2,476,831	2,173,816
		2,541,382	2,556,458
Creditors: amounts falling due within one year	6	(700,209)	(910,995)
Net current assets		1,841,173	1,645,463
Net assets		32,078,955	31,883,245
Capital and reserves			
Called up share capital	7	25,824,757	25,824,757
Profit and loss account	8	6,254,198	6,058,488
Shareholders' funds	9	32,078,955	31,883,245

The financial statements of TWG Investments (No.2) Limited were approved by the directors on 7 May 2010 and were signed on its behalf by:


L I McCall
Director

Notes to the financial statements

for the 53 weeks ended 1 January 2010

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Group financial statements

In accordance with section 400 of the Companies Act 2006, group financial statements are not prepared as the company is a wholly owned subsidiary of another body corporate which publishes consolidated accounts

Cash flow statement

The Company has taken advantage of the provisions of FRS1 (revised) which exempts companies which are part of a group which has published a consolidated cash flow statement from preparing a cash flow statement. Accordingly, no cash flow statement for the company has been presented.

Investments

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

Investment income

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

2. Directors and employees

The company had no employees during the period (2008: none).

No directors received any emoluments during the period in respect of services to the company (2008: £nil).

3. Taxation

	2009 £	2008 £
<i>Current taxation</i>		
UK Corporation tax	54,214	476,280
Total current tax being tax on profit on ordinary activities	54,214	476,280

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2008: 28.5%). The actual tax charge is below (2008: below) the standard rate for the reasons set out in the following reconciliation

	2009 £	2008 £
Profit on ordinary activities before tax	249,924	1,673,065
Tax on profit on ordinary activities at standard rate 28% (2008: 28.5%)	69,979	476,823
<i>Factors affecting charge for the period:</i>		
Adjustment to prior years	(15,765)	(543)
Total current tax	54,214	476,280

Notes to the financial statements

for the 53 weeks ended 1 January 2010

4. Fixed asset investments

Loans to
ultimate parent
company
£

At 26 December 2008 and 1 January 2010

30,237,782

The £30,237,782 loan to ultimate parent company is repayable on demand and is charged interest at one year libor plus 50 basis points.

5. Debtors

	2009 £	2008 £
Amounts owed by ultimate parent company	64,551	362,889
Bank interest receivable	-	19,753
	<u>64,551</u>	<u>382,642</u>

Amounts owed by ultimate parent company are unsecured, interest free and repayable on demand.

6. Creditors: amounts falling due within one year

	2009 £	2008 £
Due to ultimate parent undertaking	674,004	674,004
Due to fellow subsidiary undertakings	8,036	8,036
Corporation tax payable	18,168	228,955
	<u>700,209</u>	<u>910,995</u>

Amounts due to ultimate parent undertaking and fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

7. Share capital

	2009 £	2008 £
Authorised share capital:		
Ordinary shares of £1 each	<u>30,000,000</u>	<u>30,000,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>25,824,757</u>	<u>25,824,757</u>

Notes to the financial statements for the 53 weeks ended 1 January 2010

8. Profit and loss account

	2009 £	2008 £
At 26 December 2008	6,058,488	4,861,703
Profit for the financial year	195,710	1,196,785
At 1 January 2010	6,254,198	6,058,488

9. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	31,883,245	30,686,460
Profit for the financial year	195,710	1,196,785
Closing shareholders' funds	32,078,955	31,883,245

10. Transactions with related parties

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are wholly owned by The Weir Group PLC group. There have been no transactions with related parties that are non wholly owned by The Weir Group PLC group in the current or previous financial year.

11. Contingent liabilities

During the year, the company has given a guarantee in relation to the overdraft facilities extended to The Weir Group PLC and certain subsidiary companies. The net debt of the other companies party to these facilities at 1 January 2010 amounted to £4,585,000 (2008: funds of £831,000).

12. Ultimate parent company

The directors consider that The Weir Group PLC (registered in Scotland) is the company's ultimate parent company and ultimate controlling party. This is the only parent undertaking for which group financial statements are drawn up and of which the company is a member. The address from which copies of these group financial statements are available to the public is: The Weir Group PLC, Clydesdale Bank Exchange, 20 Waterloo Street, Glasgow, G2 6DB.