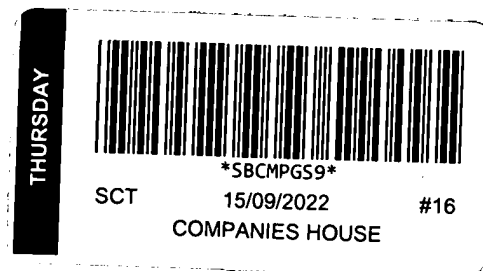


TWG INVESTMENTS (NO. 3) LIMITED

Report and Financial Statements

31 December 2021

Registration number: SC197235



TWG Investments (No. 3) Limited

Registration Number: SC197235

Company Information

Registration No: SC197235

Directors

John Heasley

Graham Vanhegan

Company Secretary

Gillian Kyle (appointed 2 February 2022)

Laura Howarth (resigned 2 February 2022)

Bankers

HSBC Bank plc

8 Canada Square

London

E14 5HQ

Registered office

10th Floor

1 West Regent Street

Glasgow

G2 1RW

Country of incorporation

Scotland

Directors' Report

The Directors present their report and the financial statements of TWG Investments (No. 3) Limited (Registered Number: SC197235) ('the Company') for the year ended 31 December 2021.

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 £8,339,000 (2020: profit after tax amounting to £102,000).

Dividends

Dividends of £89,383,000 were declared in the year (2020: £nil).

Principal activities and review of the business

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

The Company made a loss after taxation of £8,339,000 in the current year (2020: profit after taxation of £102,000). The loss in the current year is primarily driven by an impairment of a receivable balance, in the amount of £6,553,000, associated with TWG Overseas Finance S.à.r.l on its liquidation in December 2021, and an increase in the tax expense of £1,110,000.

The net assets of the Company are £6,351,000 as at 31 December 2021 (2020: £14,012,000). The decrease in net assets year-on-year of £7,661,000 is primarily as a result of the loss for the year of £8,339,000. The activities of the Company are not expected to change in the near future.

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.

Liquidity risk

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

Interest rate risk

The Company's borrowings consist of an inter group loan which gives rise to interest rate risk. Based on current levels of net debt, interest rate risk is not considered to be material.

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 inter-group receivable balances. The credit risk on inter-group 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, including the impact of Covid-19 on the Group. 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

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

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 2021 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:

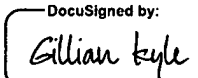
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in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

TWG Investments (No. 3) Limited

Registration Number: SC197235

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

DocuSigned by:

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Gillian Kyle

Company Secretary

31 August 2022

TWG Investments (No. 3) Limited

Registration Number: SC197235

Income Statement
for the year ended 31 December 2021

	Notes	Year ended 31 December 2021			Year ended 31 December 2020		
		Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000	Adjusted results £000	Adjusting items (note 4) £000	Statutory results £000
Operating loss	3, 4	56	(6,553)	(6,497)	-	-	-
Finance costs	6	(1,141)		(1,141)	(5,217)	-	(5,217)
Finance income	7	409		409	5,319	-	5,319
Profit (loss) on ordinary activities before tax		(676)	(6,553)	(7,229)	102	-	102
Tax on profit (loss) on ordinary activities	8	(1,110)		(1,110)	-	-	-
Profit (loss) for the financial year		(1,786)	(6,553)	(8,339)	102	-	102

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 2021

	Notes	2021 £000	2020 £000
ASSETS			
Current assets			
Trade & other receivables	10	6,911	106,136
Cash & short-term deposits	11	246	-
Total current assets		7,157	106,136
Total assets		7,157	106,136
LIABILITIES			
Current liabilities			
Financial liabilities	12	(163)	(90,469)
Trade & other payables	13	(643)	(1,655)
Total current liabilities		(806)	(92,124)
Total liabilities		(806)	(92,124)
NET ASSETS		6,351	14,012
Capital & reserves			
Called up share capital	14		-
Retained earnings		6,351	14,012
TOTAL EQUITY		6,351	14,012

The notes numbered 1 to 17 are an integral part of these financial statements.

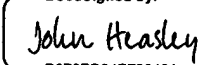
For the year ended 31 December 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ('the Act') relating to subsidiary companies.

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 15 were authorised for issue by the Board of Directors on 31 August 2022 and signed on its behalf by

DocuSigned by:


D970ED34FF3348A...
John Heasley

Director

31 August 2022

TWG Investments (No. 3) Limited

Registration Number: SC197235

Statement Of Changes In Equity
for the year ended 31 December 2021

	Called up share capital £000	Retained earnings £000	Total equity £000
At 31 December 2019	-	13,910	13,910
Profit for the financial year	-	102	102
At 31 December 2020		14,012	14,012
Loss for the financial year		(8,339)	(8,339)
Issue of share capital	90,061		90,061
Reduction of share capital	(90,061)	90,061	
Dividends paid		(89,383)	(89,383)
At 31 December 2021		6,351	6,351

Notes to the financial statements

for the year ended 31 December 2021

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

The financial statements of TWG Investments (No. 3) Limited for the year ended 31 December 2021 were approved for issue by the Board of Directors on 31 August 2022 and the Balance Sheet was signed on the Board's behalf by John Heasley.

TWG Investments (No. 3) 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 2021 ('2021'), the comparative information is provided for the year ended 31 December 2020 ('2020').

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 Disclosures';
- paragraph 10(d), 10(f) 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 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'.

The accounting policies which follow are consistent with those of the previous period with the exception of the following standards, amendments and interpretations which are effective for the year ended 31 December 2021:

- i) Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16;

The Company has applied the practical expedient to changes to interest rates resulting from IBOR reform. In all circumstances the replacement of IBOR with an economically equivalent rate has resulted in a change in the effective interest rate for the liability affected. These changes have had no impact on the Income Statement for the period.

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

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 business 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.

Financial assets & liabilities

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

- inter-group loans;
- inter-group trading accounts;
- cash and short-term deposits;
- other receivables; 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.

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.

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 and include adjusting items.

	2021 £000	2020 £000
A reconciliation of revenue to operating profit is as follows:		
Administrative expenses	6,497	-
Operating loss	6,497	-

	2021 £000	2020 £000
Operating loss is stated after charging:		
Impairment of receivables	6,553	-
Exchange gains	(56)	-

4. Adjusting items

	2021 £000	2020 £000
Recognised in arriving at operating loss from continuing operations		
Exceptional items		
Impairment of receivables	6,553	-
Total adjusting items	6,553	-

The impairment of receivables charge in the current year of £6,553,000 (2020: £nil) relates to one-off impairment of receivables associated with TWG Overseas Finance S.à.r.l, on its liquidation in the current year.

5. Staff costs & Directors' remuneration

No management charges were paid to The Weir Group PLC during the year (2020: £nil) in connection with the services of the Directors. No remuneration was paid to any Director during the year (2020: £nil) in respect of their services to the Company. There were no employees during the year (2020: none).

6. Finance costs

	2021 £000	2020 £000
Interest payable on bank loans, fixed rate notes & overdrafts	6	-
Interest payable to group undertakings	1,135	5,217
	1,141	5,217

7. Finance income

	2021 £000	2020 £000
Interest receivable from group undertakings	409	5,319
	409	5,319

8. Taxation**Tax charged in the Income Statement**

	2021 £000	2020 £000
The tax charge is made up as follows		
Current income tax		
UK corporation tax	86	-
Adjustments in respect of previous years	1,024	-
Total current income tax	1,110	-
Total income tax charge in the Income Statement	1,110	-

The adjustment in respect of previous years results from a change in policy for settling group relief. Historically, group relief was claimed for no consideration by the Company. In the current year, Group policy has changed, resulting in the Company making payments for group relief, giving rise to the adjustments in respect of prior years.

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% (2020: 19.0%). The actual tax charge for the current year is set out in the following reconciliation.

	2021 £000	2020 £000
Result from continuing operations before income tax	(7,229)	102
Tax calculated at UK standard rate of corporation tax of 19.0% (2020: 19.0%)	(1,374)	19
Effect of:		
Dividends on preference shares included in finance costs	215	991
Expenses not deductible for tax purposes	1,245	-
Tax underprovided in previous periods	1,024	-
Group relief		(1,010)
Tax expense in the Income Statement	1,110	-

Factors that may affect future tax charges

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. The Budget on 11 March 2020 announced that the standard rate of corporation tax would remain at 19% from 1 April 2020 and furthermore, 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).

9. Investments

	£000
Cost	
At 31 December 2020	2,105,840
Disposals	(2,105,840)
At 31 December 2021	
Impairment	
At 31 December 2020	2,105,840
Disposals	(2,105,840)
At 31 December 2021	
Net book value at 31 December 2020	
Net book value at 31 December 2021	

During the year, the Company liquidated its direct subsidiary, TWG Overseas Finance S.à.r.l, which was completed on 22 December 2021. On this date, the Company disposed of the balances held in relation to TWG Overseas Finance S.à.r.l.

10. Trade & other receivables

	2021 £000	2020 £000
Amounts receivable from group undertakings	6,115	106,136
Tax receivable	796	-
	6,911	106,136

All amounts are recoverable within one year.

Amounts owed by group undertakings include the following loans:

Receivable	Currency	Interest terms	2021 £000	2020 £000
On demand	USD	5.40%		90,469
On demand	GBP	1 month SONIA plus 0.05%	6,113	15,390

Amounts receivable from group undertakings are unsecured.

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 2021 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.

11. Cash & short-term deposits

	2021 £000	2020 £000
Cash	246	-
	246	-

12. Financial liabilities

	2021 £000	2020 £000
Amounts due are repayable as follows:		
Current		
- loans from group undertakings	163	-
- preference shares		90,469
	163	90,469

On 25 March 2021, the Company's sole shareholder, The Weir Group PLC, passed resolutions to consolidate and re-denominate the preference shares held. At this date, there were 123,500,000 preference shares, each with a nominal value of USD\$1.00. These were consolidated into one preference share and re-denominated into Sterling, with a nominal value of £90,060,528.00 per share.

Subsequently, on 25 March 2021, the Company's sole shareholder, The Weir Group PLC, passed resolutions to sub-divide and redesignate the preference share held into 100,000,000 new ordinary shares, each with a nominal value of £0.90060527.

Amounts owed to group undertakings include the following loan:

Payable	Currency	Interest terms	£000	£000
On demand	USD	1 month SOFR plus 1.50%	163	-

All amounts owed to group undertakings are unsecured.

13. Trade & other payables

	2021 £000	2020 £000
Amounts owed to group undertakings	642	885
Tax payable		770
Other payables	1	-
	643	1,655

All amounts owed to group undertakings are unsecured.

14. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
201,133,076 (2020: 201,133,076) ordinary shares of £0.000000004971833 each	1	1
	1	1

On 25 March 2021, the Company's sole shareholder, The Weir Group PLC, passed a resolution to sub-divide and redesignate its single preference share held, which had a nominal value of £90,060,528 into 100,000,000 new ordinary shares, each with a nominal value of £0.90060527.

Subsequently, on 25 March 2021, the Company passed a resolution to reduce the capital of the Company, through cancelling and extinguishing 100,000,000 ordinary shares, each with a nominal value of £0.90060527, which was transferred to retained earnings.

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 2021 the cash balance was £246,000. (2020: £nil).

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 The Weir Group PLC.

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.