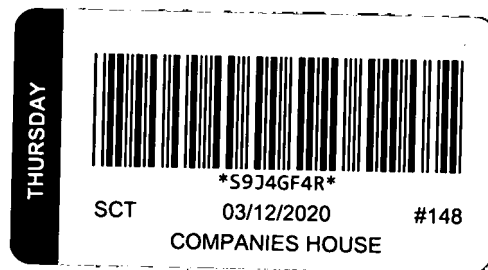


**TWG INVESTMENTS (NO.8) LIMITED**  
**Report and Financial Statements**

**31 December 2019**

**Registered No: SC292721**



COMPANIES HOUSE

**3 DEC 2020**

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## Company information

Registered No: SC292721

### Directors

John Heasley  
Christopher Palmer  
Graham Vanhegan

### Company Secretary

Gillian Kyle

### Independent auditors

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

### 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

# Strategic report

The directors present their Strategic report on TWG Investments (No.8) Limited ('the Company') for the year ended 31 December 2019.

## Principal activities

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

## Business review

The Company made a profit of £4,700,000 in the year (2018: £9,766,000).

As at 31 December 2019, the Company had net assets of £244,267,000 (2018: £239,567,000). During the year, the Group undertook a review of its legal structure and the Company was considered for liquidation. As part of the pre-liquidation steps the Company passed a resolution to reduce its share capital which required the Directors to prepare a solvency statement. As the Group review progressed, it was decided to retain the Company as a holding company in the Group structure for the foreseeable future. During the year, the Company made a capital contribution of USD 6,000,000 (£4,642,000) into its subsidiary WHW Group Inc and in exchange received a special dividend of USD 6,000,000 (£4,642,000) from its subsidiary.

The activities of the Company are not expected to change in the future.

## Directors' statement under section 172 of the Companies Act 2006

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the Shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 26 and 27 of the 2019 Annual Report of The Weir Group PLC, which does not form part of this report.

## Financial risk management objectives & policies

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.

### 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.

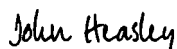
### Liquidity risk

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, interest rate risk is not considered to be material.

On behalf of the Board of Directors



John Heasley  
Director

1 December 2020

## Directors' report

The directors present their report and the audited financial statements of TWG Investments (No.8) Limited (Registered Number SC292721) ('the Company') for the year ended 31 December 2019.

### Dividends

No dividend was declared in the year (2018: £nil).

### Principal activities and review of the business

The Strategic report presents a summary of the Company's principal activities and future developments.

### 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 outlined in the Strategic report.

### Going concern

The Company has a strong net current asset position with no liabilities and as such, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company is ultimately owned by The Weir Group PLC ('the Group') and participates in the Group's centralised treasury arrangements and so share 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. A formal letter of support has been received from The Weir Group PLC indicating it will continue to fund the Company, should it become necessary, to enable the Company to continue in operational existence, for a period of at least 12 months from the date of approval of these financial statements. Thus the directors continue to adopt the going concern basis in preparing the financial statements.

### Events since the balance sheet date

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. At this stage, the impact on our business and results has not been significant. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible.

### Future developments

Future developments affecting the business are discussed in the business review section of the Strategic report.

### Directors

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

John Heasley

Christopher Palmer

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 2019 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 s.234 of the Companies Act 2006.

**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 auditors at the Annual General Meeting of the Group on 30 April 2019 and have indicated their willingness to continue in office.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, 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.

# Independent auditors' report to the members of TWG Investments (No.8) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, TWG Investments (No.8) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 2019; 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 where:

- 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 Strategic Report and 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.

#### ***Strategic Report and Directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 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 Strategic Report and 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 5, 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](http://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.

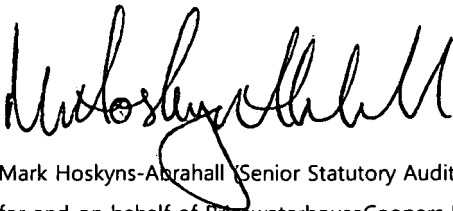
**Other required reporting**

**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.



Mark Hoskyns-Abraham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
1 December 2020



**Income statement**  
**for the year ended 31 December 2019**

	Notes	Year ended 31 December 2019			Year ended 31 December 2018		
		Before exceptional items & intangibles amortisation £000	Exceptional items & intangibles amortisation (note 4) £000	Total £000	Before exceptional items & intangibles amortisation £000	Exceptional items & intangibles amortisation (note 4) £000	Total £000
<b>Revenue</b>	3	-	-	-	-	-	-
<b>Operating profit (loss)</b>		-	-	-	-	-	-
Income from shares in group undertakings		4,642	-	4,642	26,527	-	26,527
Investment impairment	4	-	-	-	-	(16,761)	(16,761)
Finance income	6	72	-	72	-	-	-
<b>Profit (loss) on ordinary activities before tax</b>		4,714	-	4,714	26,527	(16,761)	9,766
Tax on profit (loss) on ordinary activities	7	(14)	-	(14)	-	-	-
<b>Profit (loss) for the financial year</b>		4,700	-	4,700	26,527	(16,761)	9,766

The Company's results for the current and the prior year were earned from continuing operations.

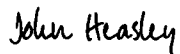
The result reported above includes all income and expenses for the year and therefore no statement of comprehensive income has been presented.

**Balance sheet**  
as at 31 December 2019

	Notes	2019 £000	2018 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	8	178,102	239,555
<b>Total non-current assets</b>		<b>178,102</b>	239,555
<b>Current assets</b>			
Trade & other receivables	9	66,165	12
<b>Total current assets</b>		<b>66,165</b>	12
<b>Total assets</b>		<b>244,267</b>	239,567
<b>NET ASSETS</b>		<b>244,267</b>	239,567
<b>Capital &amp; reserves</b>			
Called up share capital	10	-	203,226
Share premium		-	23,481
Retained earnings		244,267	12,860
<b>TOTAL EQUITY</b>		<b>244,267</b>	239,567

The notes numbered 1 to 14 are an integral part of these financial statements.

The financial statements on pages 10 to 21 were authorised for issue by the Board of Directors on 1 December 2020 and signed on its behalf by



John Heasley

Director

1 December 2020

**Statement of changes in equity**  
**for the year ended 31 December 2019**

	Called up share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 31 December 2017	203,226	-	3,094	206,320
Profit (loss) for the financial year	-	-	9,766	9,766
Issue of share capital	-	23,481	-	23,481
At 31 December 2018	203,226	23,481	12,860	239,567
Profit (loss) for the financial year	-	-	4,700	4,700
Reductions of share capital and share premium	(203,226)	(23,481)	226,707	-
At 31 December 2019	-	-	244,267	244,267

**Notes to the financial statements**  
**for the year ended 31 December 2019****1. Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of TWG Investments (No.8) Limited for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 1 December 2020 and the balance sheet was signed on the Board's behalf by John Heasley.

TWG Investments (No.8) 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 2019 ('2019'), the comparative information is provided for the year ended 31 December 2018 ('2018'). The accounting policies are consistent with those of the previous period, with the exception of the following new standard which applies for the first time in 2019. 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. An assessment of the going concern basis is included within the Directors' Report.

### IFRS 16 'Leases'

The Company adopted IFRS 16 'Leases' on 1 January 2019. The standard has resulted in any current operating leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. The Company has no leases and therefore there is no impact on the financial statements.

### 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), 10(f) 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 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).
- 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

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

**Significant accounting policies****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 to allow a better understanding of the elements of the Company's financial performance for the year and are presented on the face of the income statement to facilitate comparisons with prior periods and assessment of trends in financial performance. Exceptional items may include but are not restricted to: profits or losses arising on disposal or closure of businesses; 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; other items deemed exceptional due to their significance, size or nature; and the related exceptional taxation.

**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. Additionally, goodwill, intangible assets with an indefinite life and any capitalised development expenditure are subject to an annual impairment test.

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. Similarly, the recoverable amount of goodwill is determined by reference to the discounted future cash flows of the cash generating units to which it is allocated.

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. Impairment losses recognised in respect of goodwill are not reversed.

**Financial assets & liabilities**

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

- trade receivables

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.

**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**

Audit fees of £6,000 (2018: £1,068) for the Company are borne by the parent company.

**4. Exceptional items**

	2019 £000	2018 £000
Recognised in arriving at operating profit (loss) from continuing operations		
Investment impairment	-	16,761
	-	16,761

The impairment relates to holdings in Envirotech Pumpsystems LLC (formerly Speciality Pumps & Systems LLC) and Weir Floway Inc. and reflects a write down in carrying value less costs to sell.

**5. Staff costs & directors' remuneration**

No management charges were paid to The Weir Group PLC during the year (2018: £nil) in connection with the services of the directors. No remuneration was paid to any director during the year (2018: £nil) in respect of their services to the Company. There were no employees during the year (2018: none).

**6. Finance income**

	2019 £000	2018 £000
Interest receivable from group undertakings	72	-
	72	-



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

	2019 £000	2018 £000
The tax charge (credit) is made up as follows		
Current income tax		
UK corporation tax	14	-
Total income tax charge (credit) in the income statement	14	-

**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 19.00% (2018: 19.00%). The actual tax charge for the current year is set out in the following reconciliation.

	2019 £000	2018 £000
Result from continuing operations before income tax	4,714	9,766
Tax calculated at UK standard rate of corporation tax of 19.00% (2018: 19.00%)	896	1,856
Effect of		
Expenses not deductible for tax purposes	-	3,184
Non-taxable dividend income	(882)	(5,040)
Group relief for no consideration	-	-
Tax expense (income) in the income statement	14	-

**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. However in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the corporation tax rate will be held at 19%.

**8. Investments**

	£000
<b>Cost</b>	
At 31 December 2018	256,316
Additions	4,642
Disposals	(66,095)
At 31 December 2019	194,863
<b>Impairment</b>	
At 31 December 2018	16,761
Charge in the year	-
At 31 December 2019	16,761
Net book value at 31 December 2018	239,555
Net book value at 31 December 2019	178,102

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

During the year, the Company made a capital contribution of USD 6,000,000 (£4,642,000) into its subsidiary WHW Group Inc during the year and in exchange received a special dividend of USD 6,000,000 (£4,642,000) from its subsidiary.

As part of a wider Group transaction, the Company disposed of its investments in Weir Floway Inc and Envirotech Pumpsystems LLC during the year.

**9. Trade and other receivables**

	2019 £000	2018 £000
Amounts receivable from group undertakings	66,165	12
	66,165	12

Amounts receivable from group undertakings are unsecured, from 27 August 2019 interest free (previous interest rate was 3 month GBP LIBOR plus 0.65%), and repayable on demand.

**Impairment of trade & other receivables**

The amounts owed by subsidiaries and other group undertakings do not 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 2019 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.

**10. Share capital**

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
1 (2018: 203,226,703) ordinary share(s) of £1.00 each	-	203,226
	-	203,226

On 15 November 2019, the Company passed a resolution to reduce the share capital by 203,226,702 ordinary shares.

**11. Contingent liabilities**

The Company is a member of a group UK cash pool arrangement and has jointly and severally given guarantee of the net overdraft amount of the pool up to a maximum of £5.0 million (2018: £5.0 million). At the year end, the net amount drawn under the facility was £nil (2018: £nil).

**12. 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.

**13. Ultimate group undertaking**

The immediate parent undertaking is TWG Investments (No.6) 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.

**14. Events after the balance sheet date**

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. At this stage, the impact on our business and results has not been significant. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible.

**Appendix****Subsidiary undertakings**

The subsidiary undertakings of the Company as at 31 December 2019 are noted below.

<b>Legal name</b>	<b>Country of incorporation</b>	<b>Registered address</b>	<b>Class of shares</b>	<b>Percentage</b>	<b>Ownership</b>
				<b>of shares held</b>	
Comercializadora TEP Limitada	Chile	San José N° 0815, San Bernardo, Santiago de Chile, Chile	Corporate Relationship	51%	Indirect
Trio Engineered Products, Inc.	United States	CT Corporation System, 818 West Seventh Street, Suite 930, Los Angeles, CA, 90017, United States	Common Stock	100%	Indirect
TWG Finance, Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States	Common	100%	Indirect
Weir Pump and Valve Solutions, Inc	United States	The Corporation Company, 40600 Ann Arbour Road, Este, 201, Plymouth Mi 48170 4675, United States	Common Stock	100%	Indirect
Weir Slurry Group, Inc.	United States	CT Corporation System, 301 South Bedford Street, Suite 1, Madison, WI, 53703	Common; Preferred Stock	100%	Indirect
Weir Valves & Controls USA Inc.	United States	CT Corporation System, 155 Federal Street, Suite 700, Boston, MA, 02110, United States	Common; Preferred	100%	Direct
WHW Group Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States	Common	100%	Direct