TWG INVESTMENTS (NO. 8) LIMITED

Report and Financial Statements

31 December 2022

Registered No: SC292721

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COMPANIES HOUSE

Company information

Registered No: SC292721

Directors

John Heasley
Christopher Palmer
Graham Vanhegan

Company Secretary

Gillian Kyle

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 2022.

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 £678,000 in the current year, arising from finance income from intercompany loans (2021: £18,000).

The net assets of the Company are £576,773,000 (2021: £576,095,000). The increase in net assets year-on-year is driven by the current year profits of £678,000.

There are no significant plans to alter the business of the Company in the future.

Director's 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 27 to 29 of the 2022 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.

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 intercompany loans.

On behalf of the Board of Directors

John Heasley

John Heasley
Director
22 June 2023

Directors' report

The directors present their report and the financial statements of TWG Investments (No. 8) Limited (Registered Number: SC292721) ('the Company') for the year ended 31 December 2022.

Dividends
No dividend was declared in the year (2021: £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 is ultimately owned by The Weir Group PLC ('the Group') and it participates in the Group's centralised treasury arrangements and so shares banking facilities with its parent company and fellow subsidiaries. As a consequence, the Company depends, in part, on the ability of the Group to continue as a going concern. The directors have considered the Company's funding relationship with The Weir Group PLC to date and have considered available relevant information relating to The Weir Group PLC's ability to continue as a going concern. In addition, the directors have no reason to believe that The Weir Group PLC will not continue to fund the Company, should it become necessary, to enable it to continue in operational existence.

The directors have 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
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 2022 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 Strategic report, 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;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

By order of the Board

Gillian Kyle

Gillian Kyle
Company Secretary
22 June 2023

Income statement
for the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Revenue		-	-
Operating profit (loss)		-	-
Finance income	4	839	22
Profit (loss) on ordinary activities before tax		839	22
Tax on profit (loss) on ordinary activities	5	(161)	(4)
Profit (loss) for the financial year		678	18

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 2022

	Notes	2022 £000	2021 £000
ASSETS			
Non-current assets			
Investments	6	509,912	509,912
Total non-current assets		509,912	509,912
Current assets			
Trade & other receivables	7	67,022	66,187
Total current assets		67,022	66,187
Total assets		576,934	576,099
LIABILITIES			
Current liabilities			
Trade & other payables	8	(161)	(4)
Total current liabilities		(161)	(4)
Total liabilities		(161)	(4)
NET ASSETS		576,773	576,095
Capital & reserves			
Share capital	9	1	1
Share premium		331,809	331,809
Retained earnings		244,963	244,285
TOTAL EQUITY		576,773	576,095

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

For the year ended 31 December 2022, 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 14 were authorised for issue by the Board of Directors on 22 June 2023 and signed on its behalf by

John Heasley

John Heasley
Director
22 June 2023

Statement of changes in equity
for the year ended 31 December 2022

	Called up share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 31 December 2020	-	99,945	244,267	344,212
Profit (loss) for the financial year	-	-	18	18
Issue of share capital	1	231,864	-	231,865
At 31 December 2021	**1**	**331,809**	**244,285**	**576,095**
Profit (loss) for the financial year	-	-	**678**	**678**
At 31 December 2022	**1**	**331,809**	**244,963**	**576,773**

Notes to the financial statements
for the year ended 31 December 2022

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 2022 were authorised for issue by the Board of Directors on 22 June 2023 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 2022 ('2022'), the comparative information is provided for the year ended 31 December 2021 ('2021'). The accounting policies are consistent with those of the previous period.

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

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the year. These estimates and assumptions are based on historical experience, information available at the time and other factors considered relevant.

The areas where management considers critical judgements and estimates to be required, which are areas more likely to be materially adjusted in the next 12 months due to inherent uncertainty regarding estimates and assumptions, are those in respect of the following:

Impairment

The company carries out impairment testing on any assets that show indications of impairment. This testing includes exercising management judgement about future cash flows and other events which are, by their nature, uncertain.

Significant accounting policies

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.

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.

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.

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.

Financial assets & liabilities
The Company's principal financial assets and liabilities, comprise the following:

- intercompany loans; 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.

Taxation
Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the year.

Deferred tax is recognised on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base with the following exceptions:

- Deferred tax arising from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination, that, at the time of the transaction, affects neither accounting nor taxable profit or loss, is not recognised;
- Deferred tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future; and
- A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax liabilities represent tax payable in future years in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future years in respect of deductible temporary differences, the carry forward of unutilised tax losses and the carry forward of unused tax credits. Deferred tax is measured on an undiscounted basis using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is recognised in the income statement except if it relates to an item recognised directly in equity, in which case it is recognised directly in equity.

3. Staff costs & directors' remuneration

No management charges were paid to The Weir Group PLC during the year (2021: £nil) in connection with the services of the directors. No remuneration was paid to any director during the year (2021: £nil) in respect of their services to the Company. There were no employees during the year (2021: none).

4. Finance income

	2022 £000	2021 £000
Interest receivable from group undertakings	**839**	22
	839	22

5. Taxation

Tax charged in the income statement

	2022 £000	2021 £000
The tax charge (credit) is made up as follows:		
Current income tax		
UK corporation tax	**159**	4
Adjustments in respect of previous years	**2**	
Total current income tax	**161**	4
Total income tax charge in the income statement	**161**	4

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% (2021 19.0%). The actual tax charge for the current year is set out in the following reconciliation.

	2022 £000	2021 £000
Result from continuing operations before income tax	**839**	22
Tax calculated at UK standard rate of corporation tax of 19.0% (2021: 19.0%)	**159**	4
Effect of		
Adjustments in respect of previous years	**2**	
Tax expense (income) in the income statement	**161**	4

Factors that may affect future tax charges

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).

6. Investments

	£000
Cost	
At beginning and end of the year	**526,673**
Impairment	
At beginning and end of the year	**16,761**
Net book value at 31 December 2021	**509,912**
Net book value at 31 December 2022	**509,912**

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

No dividends were received from the subsidiaries in the year (2021: £nil).

7. Trade & other receivables

	2022 £000	2021 £000
Amounts receivable from group undertakings	**67,022**	66,187
	67,022	66,187

Amounts owed by group include the following loan:

Receivable	Currency	Interest terms	2022 £000	2021 £000
On demand	GBP	1 month SONIA plus 0.05%	**66,604**	66,165

Amounts receivable from group undertakings are unsecured and repayable on demand. Until 31 August 2021, these amounts were interest-free. Interest was then reinstated on the principal of £66,165,450 from 1 September 2021 at an interest rate of 1 month SONIA plus 0.05%.

All amounts are recoverable within one year.

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 2022 are therefore immaterial, and there has been no material change to the expected loss allowance during the year.

For short-term trade receivables, historical loss rates might be an appropriate basis for the estimate of expected future losses. These are then adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. As such, one methodology applied is the use of a provision matrix, where different loss rates are applied depending on the number of days that a trade receivable is past due. Alternatively the expected credit loss is calculated on an individual customer basis based on historical loss data for that customer, their receivables ageing, and any other knowledge of the customer's current and forecast financial position.

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.

8. Trade & other payables

	2022 £000	2021 £000
Tax payable	161	4
	161	4

9. Share capital

Allotted, called up and fully paid	2022 £	2021 £
501 (2021: 501) ordinary shares of £1.00 each	**501**	501
	501	501

On 29 January 2021, the Company issued 100 ordinary shares each with a nominal value of £1.00 for a consideration of £90,877,051. On 1 February 2021, the Company issued 100 ordinary shares each with a nominal value of £1.00 for a consideration of £114,731,725. On 23 February 2021, the Company issued 100 ordinary shares each with a nominal value of £1.00 for a consideration of £26,256,310. Amounts above the nominal value were allocated to the share premium account.

10. Related party disclosures

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

11. Ultimate group undertaking

The immediate parent 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.

Appendix

Subsidiary undertakings

The subsidiary undertakings of the Company as at 31 December 2022 are noted below.

Legal name	Country of incorporation	Registered address	Class of shares	Percentage of shares held	Ownership
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, 330 N. Brand Blvd., Glendale, CA, 91203, 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
Valves and Controls US, Inc	United States	CT Corporation System, 155 Federal Street, Suite 700, Boston, MA, 02110, United States	Common	100%	Direct
WHW Group Inc.	United States	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States	Common	100%	Direct