

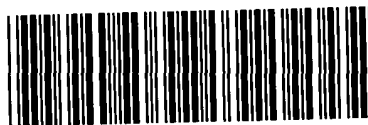
**Company Registration No 04610792**

**SIGMAKALON (BC) UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

THURSDAY



\*A6FXRX22\*

A27

28/09/2017

#380

COMPANIES HOUSE

**SigmaKalon (BC) UK Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

<b>CONTENTS</b>	<b>Page</b>
Officers and Professional Advisers	3
Directors' Report	4
Statement of Directors' Responsibilities	6
Independent Auditors' Report	7
Statement of Income and Retained Earnings	9
Statement of Financial Position	10
Notes to the Financial Statements	11

**SigmaKalon (BC) UK Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

J Metcalf  
F A Parry  
S Pocock

**Registered Office**

Huddersfield Road  
Birstall  
Batley  
West Yorkshire  
WF17 9XA

**Bankers**

Royal Bank of Scotland N.V.  
Gustav Mahlerlaan 350  
1082ME Amsterdam  
The Netherlands  
P.O. Box 12925 1100AX

BNP Paribas  
Fortis Bank S.A.-N.V.  
10 Harewood Avenue  
London  
NW1 6AA

**Solicitors**

Walker Morris  
Kings Court  
12 King Street  
Leeds  
LS1 2HL

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

## **SigmaKalon (BC) UK Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2016.

This report has been prepared in accordance with the special provisions relating to the small companies within Part 15 of the Companies Act 2006. The company has also taken the small companies exemption in relation to preparing a Strategic Report.

#### **Principal activities and business review**

The principal activity of the company is that of an intermediate holding company. The company acts as the primary investment/borrowing vehicle for the Architectural division of the UK group, and as such carries various group borrowings.

The Architectural UK group is engaged in the manufacture and distribution of decorative products. A review of trading activities and performance during the year is contained in the financial statements of the principal UK trading company, PPG Architectural Coatings UK Limited. The company's key measures of effectiveness of its operations are the financial and operational performance of its trading subsidiary, with key measurements being gross profit, return on sales and return on investment capital.

#### **Results and dividends**

The loss for the financial year was £3.7m (2015: £3.4m).

The directors do not propose a dividend in respect of the ordinary shares for year ended 31 December 2016 (2015: £nil). No dividend was paid in respect of the preference shares for 2016 (2015: £nil)

#### **Going Concern**

The financial statements are prepared on the basis that the company is a going concern, as the directors have reviewed the financial condition of the company and of the PPG group including consideration of future forecasts and uncertainties arising from the current economic environment. The company's parent has provided a letter of support for the period at least 12 months from the date of the balance sheet sign-off. Based upon this the directors have formed the view that the position of the company and the PPG group is sufficiently strong. Consequently the directors are satisfied it is reasonable to prepare the financial statements on a going concern basis.

#### **Principal risk and uncertainties**

The company's principal asset is its investment in subsidiary undertaking SigmaKalon UK Holding Limited. The value of this investment is susceptible to changes in value of the principal trading company within the UK group, PPG Architectural Coatings UK Limited.

The credit risk on financial assets and liabilities is limited because the counterparties are group companies, and the company's principal trading company continues to make a contribution to the financial results of the group.

#### **Directors**

The directors of the company, who served for the whole of the year ended 31 December 2016 and up to the date of this report were as follows:

J Metcalf  
F A Parry  
S Pocock

## **SigmaKalon (BC) UK Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **Statement of disclosure of information to auditors**

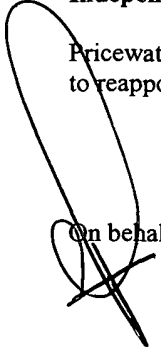
The directors of the company at the date of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps he/she ought to have taken as a director in order to make himself/herself aware of any audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Independent Auditors**

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



On behalf of the Board

**S Pocock**  
**Director**

26 September 2017

## **SigmaKalon (BC) UK Limited**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 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.

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.

# **SigmaKalon (BC) UK Limited**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGMAKALON (BC) UK LIMITED**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, SigmaKalon (BC) UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of income and retained earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

## **SigmaKalon (BC) UK Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGMAKALON (BC) UK LIMITED (continued)**

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Tom Yeates (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
26 September 2017



# SigmaKalon (BC) UK Limited

## STATEMENT OF INCOME AND RETAINED EARNINGS Year Ended 31 December 2016

	Note	2016 £ m	2015 £ m
Administrative expenses		-	-
<b>Operating result</b>	2	-	-
Interest receivable and similar income	3	1.9	1.8
Interest payable and similar charges	4	(5.6)	(5.2)
<b>Loss on ordinary activities before taxation</b>		(3.7)	(3.4)
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>	11	(3.7)	(3.4)
Accumulated losses at 1 January		(61.1)	(57.7)
Accumulated losses at 31 December		(64.8)	(61.1)

All of the above results are derived from continuing operations.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year and their historical cost equivalents.

# **SigmaKalon (BC) UK Limited**

## **STATEMENT OF FINANCIAL POSITION As at 31 December 2016**

	Note	2016 £ m	2015 £ m
<b>Fixed assets</b>			
Investments	6	<u>135.3</u>	<u>135.3</u>
<b>Current assets</b>			
Debtors	7	<u>44.7</u>	<u>42.9</u>
		44.7	42.9
<b>Creditors: amounts falling due within one year</b>	8	<u>(47.9)</u>	<u>(48.3)</u>
<b>Net current liabilities</b>		<u>(3.2)</u>	<u>(5.4)</u>
<b>Total assets less current liabilities</b>		<b>132.1</b>	<b>129.9</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(195.6)</u>	<u>(189.7)</u>
<b>Net liabilities</b>		<u>(63.5)</u>	<u>(59.8)</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Currency retranslation reserve	11	1.3	1.3
Profit and loss account	11	<u>(64.8)</u>	<u>(61.1)</u>
<b>Total shareholders' deficit</b>	12	<u>(63.5)</u>	<u>(59.8)</u>

The financial statements of SigmaKalon (BC) UK Limited, registered number 04610792, on pages 9 to 17 were approved by the Board of Directors on 26 September 2017 and signed on its behalf by:

**S Pocock**  
**Director**

# **SigmaKalon (BC) UK Limited**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year Ended 31 December 2016**

### **1. ACCOUNTING POLICIES**

SigmaKalon (BC) UK Limited ("the company") is a limited company incorporated and domiciled in the United Kingdom. The address of the registered office and principal place of business are disclosed on page 3. The company is an intermediary holding company. The company acts as the primary investment/borrowing vehicle for the Architectural division of the UK group, and as such carries various group borrowings.

The individual financial statements of SigmaKalon (BC) UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies had been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Due to the straightforward nature of the business the company's directors are of the opinion that there are no areas which required management to exercise its judgement and accordingly no disclosure is made.

The following accounting policies have been applied consistently in both the current and prior year in dealing with items which are considered material in relation to the company's financial statements.

#### **Exemptions**

The Company's shareholders have been notified of the following exemptions and no objections have been received.

The Company has taken advantage of the exemption from the obligation within Companies Act 2006 section 401 to prepare and deliver group financial statements, as it is a wholly owned subsidiary of PPG Industries, Inc., which itself prepares consolidated financial statements which include this entity and which are publicly available. The financial statements present information about the Company as an individual undertaking and not about its Group.

The company is a wholly owned subsidiary undertaking of PPG Industries, Inc., which produces a consolidated cash flow statement that is publicly available. In accordance with Financial Reporting Standard 102 (FRS102), the company has taken advantage of the exemption in FRS102 from preparing a cash flow statement.

The Company has taken advantage of the exemption afforded by FRS 102 (section 33) "Related party disclosures" not to disclose its transactions with group companies as its results are consolidated into the financial statements of its ultimate parent company which are publicly available.

The company has exemption from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

#### **Going concern**

The financial statements are prepared on the basis that the company is a going concern, as the directors have reviewed the financial condition of the company and of the PPG group including consideration of future forecasts and uncertainties arising from the current economic environment. The company's parent has provided a letter of support for the period at least 12 months from the date of the balance sheet sign-off. Based upon this the directors have formed the view that the position of the company and the PPG group is sufficiently strong. Consequently the directors are satisfied it is reasonable to prepare the financial statements on a going concern basis.

## **SigmaKalon (BC) UK Limited**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **Year Ended 31 December 2016**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided on amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all the evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

##### **Investments**

Fixed asset investments represent the company's investment in subsidiary undertakings. Investments are stated at cost, less any permanent diminution in value.

##### **Critical Accounting Estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors do not believe that there are any significant accounting estimates or judgements that impact the financial statements.

#### **2. OPERATING RESULT**

The cost of the company's audit was borne by PPG Architectural Coatings UK Limited, a fellow group undertaking.

No remuneration was paid or is payable to the directors in respect of their services, in both years.

# SigmaKalon (BC) UK Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 December 2016

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£ m	£ m
Interest receivable from group undertakings	<u>1.9</u>	<u>1.8</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£ m	£ m
On loans with fellow subsidiary undertakings	<u>5.6</u>	<u>5.2</u>

### 5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2016	2015
	£ m	£ m
Current year tax charge at 20% (2015: 20.25%)	-	-
Total current tax	-	-
Deferred tax adjustment in respect of prior year	-	-
	<u>-</u>	<u>-</u>

The actual tax charge for the current and the previous year is the same as the standard rate of Corporation tax in the UK for the reasons set out in the following reconciliation;

	2016	2015
	£ m	£ m
Loss on ordinary activities before tax	<u>(3.7)</u>	<u>(3.4)</u>
Current tax at 20% (2015: 20.25%)	<u>(0.7)</u>	<u>(0.7)</u>
<u>Effects of:</u>		
Imputed interest expense	(0.3)	(0.3)
Group relief surrendered for no payment	<u>1.0</u>	<u>1.0</u>
Total current tax charge	<u>-</u>	<u>-</u>

The Corporate tax rate was reduced to 20% with effect from 1 April 2015, and further rate reductions to 19% from 1 April 2017 and then 17% from 1 April 2020 were enacted by the balance sheet date. The current tax rate for the year ended 31 December 2016 is therefore 20% (2015: 20.25%) and deferred tax has been recognised at 17% (2015: 18%).

# SigmaKalon (BC) UK Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 December 2016

### 6. INVESTMENTS

INVESTMENTS		Shares £ m	
At 1 January and 31 December 2016		135.3	
	Country of incorporation and operation	Proportion of issued & voting rights of the share capital	
		Direct control	Indirect control
<b>Principal operating company</b>			
PPG Architectural Coatings UK Limited	UK	-	100%
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			
<b>Other companies:</b>			
Kalon Investment Company Limited	UK	-	100%
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			
Johnstone’s Paints Limited	UK	-	100%
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			
PPG Performance Coatings UK Limited	UK	-	100%
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			
Hawthorndale Limited	UK	-	100%
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			
PPG Coatings (AC and PC) Pension Trustee Limited	UK	100%	-
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			
SigmaKalon UK Holding Limited	UK	100%	-
Address: Huddersfield Road, Birstall, Batley, West Yorkshire, WF17 9XA			

PPG Architectural Coatings UK Limited manufacture, process and market decorative paints, decorative sundries and building products. SigmaKalon UK Holding Limited and Kalon Investment Company Limited act as intermediate holding companies. Johnstone's Paints Limited and Hawthorndale Limited enter into property leases on behalf of PPG Architectural Coatings Limited. PPG Coatings (AC and PC) Pension Trustee Limited is a dormant companies. PPG Performance Coatings UK Limited market protective and marine coatings products.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

### 7. DEBTORS

	2016 £ m	2015 £ m
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	44.7	42.9
	<u>44.7</u>	<u>42.9</u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

## SigmaKalon (BC) UK Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 December 2016

#### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£ m	£ m
Bank overdraft	-	0.4
Amounts owed to group undertakings	47.9	47.9
	<u>47.9</u>	<u>48.3</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

#### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£ m	£ m
Amounts owed to group undertakings	131.4	125.5
Preference shares of €0.70 each	64.2	64.2
	<u>195.6</u>	<u>189.7</u>

The amounts owed to group undertakings are unsecured and bear interest at an average rate of 4.03% for 2016.

The preference shares can be analysed as follows:

	2016	2015
	£ m	£ m
<b>Authorised:</b>		
200,000,000 (2015: 200,000,000) Preference shares of €0.70 each	102.7	102.7
<b>Issued, called up and fully paid:</b>		
125,000,000 (2015: 125,000,000) Preference shares of €0.70 each	64.2	64.2

The following rights are attached to each class of shares:

##### Dividends

In the event of the company proposing to pay a dividend, written notice is provided to the holders of the Preference Shares who have 20 days to elect to receive either a Preferred Dividend or an Ordinary Dividend. If no election is received, an Ordinary Dividend will be paid.

Subject to payment of all Preferred Dividends declared and unpaid from previous years, the Preferred Dividend to be paid can be calculated as being any amount up to a maximum of 10% of the total issue price of the Preference Share. The Total Issue Price equates to the nominal value and any premium on issue of the Preference Shares. The holders of the majority of the Preference Shares can elect to either receive the Preferred Dividend in cash or in the form of a bonus issue of Preference Shares.

##### Winding-up

In the event of the company being wound-up, and after payment of all other debts and liabilities, the remaining assets of the company shall be applied in the following manner and priority:

- Firstly to pay any outstanding Preferred Dividend which was declared but unpaid;
- Secondly in paying the holders of the Preference Shares the Total Issue Price of the shares; and
- Finally, in distributing the balance amongst the holders of the Preference Shares and Ordinary Shares *pari passu*.

# SigmaKalon (BC) UK Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 December 2016

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

#### Redemption

The company can redeem all or any of the Preference Shares at any time. In the event of a Listing or Sale, the Preference Shares will be redeemed in full. The company will pay any unpaid Preferred Dividend and the Total Issue Price of the shares.

#### Voting rights

The Preference Shares and Ordinary Shares rank pari passu with respect to voting rights.

### 10 CALLED UP SHARE CAPITAL

	2016 £ m	2015 £ m
<b>Authorised:</b>		
10,000,000 (2015: 10,000,000) Ordinary shares of €1 each	7.3	7.3
<b>Issued, called up and fully paid:</b>		
1,001 (2015: 1,001) Ordinary shares of €1 each	-	-

The rights attaching to the ordinary shares and preference shares are set out in note 9. On adoption of FRS 25 'Financial instruments: Disclosure and presentation' in 2005 the company's preference shares were reclassified as debt and have been included within creditors falling due after more than one year (see note 9).

### 11. RESERVES

	Currency Retranslation Reserve £ m	Profit and Loss Account £ m
At 1 January 2016	1.3	(61.1)
Loss for the financial year	-	(3.7)
<b>At 31 December 2016</b>	<b>1.3</b>	<b>(64.8)</b>

The currency retranslation reserve arises from the changing of the company's functional and reporting currency from Euro to Sterling in 2008.

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £ m	2015 £ m
Loss for the financial year	(3.7)	(3.4)
Opening total shareholders' deficit	(59.8)	(56.4)
<b>Closing total shareholders' deficit</b>	<b>(63.5)</b>	<b>(59.8)</b>



## **SigmaKalon (BC) UK Limited**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 December 2016**

#### **13. ULTIMATE PARENT UNDERTAKING**

The immediate parent company is PPG Holdings (UK) Limited, a company incorporated in the United Kingdom.

The directors regard PPG Industries Inc, a company incorporated and registered in the United States of America and listed on the New York Stock Exchange, as the ultimate parent company and ultimate controlling party by virtue of its 100% interest in the equity share capital of the company.

This is the largest and smallest company within which the Company's results are consolidated. Copies of its financial statements can be obtained from 2400 One PPG Place, Pittsburgh, Pennsylvania 15222-5401, USA.