

**PPG PERFORMANCE COATINGS UK LIMITED**  
**(Formerly SigmaKalon Marine and Protective Coatings UK Limited)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2008**

**TUESDAY**



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**COMPANIES HOUSE**

PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

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PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

**REPORT AND FINANCIAL STATEMENTS 2008**

**OFFICERS AND PROFESSIONAL ADVISERS**

|           |                                 |
|-----------|---------------------------------|
| Directors | J P de Coninck<br>C P E Francis |
|-----------|---------------------------------|

|                   |               |
|-------------------|---------------|
| Company secretary | C P E Francis |
|-------------------|---------------|

|                   |   |
|-------------------|---|
| Registered Office | Huddersfield Road<br>Birstall<br>Batley<br>WF17 9XA |
|-------------------|---|

|         |   |
|---------|---|
| Bankers | Lloyds TSB Bank Plc<br>6-7 Park Row<br>Leeds<br>LS1 1NX |
|---------|---|

|            |   |
|------------|---|
| Solicitors | Walker Morris<br>Kings Court<br>12 King Street<br>Leeds LS1 2HL |
|------------|---|

|          |  |
|----------|--|
| Auditors | Deloitte LLP<br>Chartered Accountants and Registered Auditors<br>1 City Square<br>Leeds<br>LS1 2AL |
|----------|--|

PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2008.

The company changed its name from SigmaKalon Marine and Protective Coatings UK Limited to PPG Performance Coatings UK Limited on 28 April 2008.

### **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 the uncertainties arising from the current difficult economic environment. The company's parent has provided a letter of support for the period to 31 December 2010. 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 accounts on a going concern basis.

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

The principal activity of the company is commission agent for SigmaKalon Belgium S.A., a fellow subsidiary undertaking.

On 2 January 2008, SigmaKalon (BC) Holdco B.V., an intermediate parent undertaking, was acquired by PPG Industries Inc, a company incorporated in the United States of America and listed on the New York Stock Exchange.

### **Results and dividends**

The results of the company show a pre-tax profit of £173,008 (2007: £578,520). The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2008 (2007: £nil).

Given the straightforward nature of the business, the company's directors are of the opinion that a discussion of the principal risks and uncertainties affecting the company and an analysis using Key Performance Indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business.

### **Directors and their interests**

The directors of the company, who served for the whole of the year ended 31 December 2008 and up to the date of this report, except where stated, were as follows:

J P de Coninck

C P E Francis

B F Ruts (Resigned 28 April 2008)

M M Serdijn (Appointed 12 May 2009)

NPM Mean (Appointed 28 April 2008, Resigned 12 May 2009)

PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

**Statement of disclosure of information to auditors**

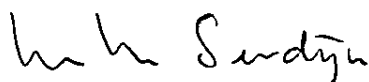
The Directors of the company at the date of this report confirm that:

- 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 ought to have taken as a director in order to make himself 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 234ZA of the Companies Act 1985.

**Auditors**

During the year PriceWaterhouseCoopers LLP resigned as auditors of the company. Deloitte LLP (formerly Deloitte & Touche LLP) were appointed as auditors to fill the casual vacancy arising on 15 May 2008 and have indicated their willingness to continue in office. A resolution to re-appoint Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General meeting.



**Director**

23 - 12 - 2009

## **STATEMENT OF DIRECTORS RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that 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 1985. 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 PPG PERFORMANCE COATINGS UK LIMITED (FORMERLY SIGMAKALON MARINE AND PROTECTIVE COATINGS UK LIMITED)**

We have audited the financial statements of PPG Performance Coatings UK Limited (formerly SigmaKalon Marine and Protective Coatings UK Limited) for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG ARCHITECTURAL COATINGS UK LIMITED (FORMERLY SIGMAKALON UK LIMITED)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
Leeds, United Kingdom

*23 December* ..... 2009



PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

**PROFIT AND LOSS ACCOUNT**  
**Year Ended 31 December 2008**

|  | Notes | 2008<br>£        | 2007<br>£        |
|--|-------|------------------|------------------|
| <b>Turnover</b>                                      |       | <b>1,841,514</b> | <b>1,809,000</b> |
| <b>Gross profit</b>                                  |       | <b>1,841,514</b> | <b>1,809,000</b> |
| Administrative expenses                              |       | (1,684,788)      | (1,210,926)      |
| <b>Operating profit</b>                              | 3     | <b>156,726</b>   | <b>598,074</b>   |
| Interest receivable and similar income               | 4     | 16,282           | 366              |
| Interest payable and similar charges                 | 5     | -                | (19,920)         |
| <b>Profit on ordinary activities before taxation</b> |       | <b>173,008</b>   | <b>578,520</b>   |
| Tax on ordinary activities                           | 6     | 48,969           | (156,236)        |
| <b>Profit for the financial year</b>                 | 13    | <b>221,977</b>   | <b>422,284</b>   |

All the above activities are derived from continuing operations.

There were no gains and losses in the year other than those disclosed in the losses above and consequently no statement of total recognised gains and losses has been presented.

The accompanying notes are an integral part of this profit and loss account.

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

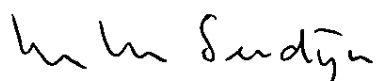
|                               |    | 2008<br>£'000    | 2007<br>£'000    |
|-------------------------------|----|------------------|------------------|
| Profit for the financial year | 13 | 221,977          | 422,284          |
| Opening shareholders' funds   | 13 | 1,290,065        | 867,781          |
| Closing shareholders' funds   | 13 | <b>1,512,042</b> | <b>1,290,065</b> |

PPG PERFORMANCE COATINGS UK LIMITED (formerly SigmaKalon Marine and Protective Coatings UK Limited)

**BALANCE SHEET**  
At 31 December 2008

|   | Notes | 2008<br>£        | 2007<br>£        |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |                  |                  |
| Tangible assets                                       | 7     | <u>23,020</u>    | <u>37,847</u>    |
|   |       | 23,020           | 37,847           |
| <b>Current assets</b>                                 |       |                  |                  |
| Debtors   | 8     | 2,355,271        | 1,957,413        |
| Cash at bank and in hand                              |       | <u>52,715</u>    | <u>80,220</u>    |
|   |       | 2,407,986        | 2,037,633        |
| <b>Creditors: amounts falling due within one year</b> | 9     | <u>(903,278)</u> | <u>(762,905)</u> |
| <b>Net current assets</b>                             |       | <u>1,504,708</u> | <u>1,274,728</u> |
| <b>Total assets less current liabilities</b>          |       | 1,527,728        | 1,312,575        |
| <b>Provisions for liabilities</b>                     | 10    | <u>(15,686)</u>  | <u>(22,510)</u>  |
| <b>Net assets</b>                                     |       | <u>1,512,042</u> | <u>1,290,065</u> |
| <b>Capital and reserves</b>                           |       |                  |                  |
| Called-up share capital                               | 12    | 1                | 1                |
| Profit and loss account                               | 13    | <u>1,512,041</u> | <u>1,290,064</u> |
| <b>Equity shareholders' funds</b>                     |       | <u>1,512,042</u> | <u>1,290,065</u> |

The financial statements of PPG Performance Coatings UK Limited (formerly SigmaKalon Marine and Protective Coatings UK Limited) registered number 5444547 were approved by the Board of Directors and authorised for issue on .....23-12-... 2009.



**Director**

The accompanying notes are an integral part of this balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2008**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable accounting standards in the United Kingdom and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking, PPG Industries Inc. has prepared consolidated accounts which include the accounts of the company for the year and which contain a consolidated cash flow statement, and which are publicly available.

As the company is a wholly owned subsidiary of PPG Industries Inc. the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with companies that form part of the group. The consolidated financial statements of PPG Industries Inc. within which this company is included, disclose this information, and can be obtained from 2400 One PPG Place, Pittsburgh, Pennsylvania 15222-5401, USA.

**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 the uncertainties arising from the current difficult economic environment. The company's parent has provided a letter of support for the period to 31 December 2010. 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 accounts on a going concern basis.

**Turnover**

Turnover, in the form of commission, in respect of the company acting as agent is recognised as it is earned.

**Tangible fixed assets**

Tangible fixed assets are shown at cost less accumulated depreciation. The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of fixed assets on a straight-line basis over their estimated useful lives.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 DECEMBER 2008**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets - continued**

The estimated useful lives of assets are as follows:

Office equipment, fixtures and fittings - 7 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account.

**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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2008**

**1. ACCOUNTING POLICIES - continued**

**Taxation - continued**

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.

**Pensions and retirement indemnities**

The PPG Architectural Coatings UK Group (formerly the SigmaKalon UK group) operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Company contributions are charged to the profit and loss account in the year in which they arise, and take account of the elimination of any current surplus or the funding of any current deficiency over future periods.

The company contributes to a defined contribution pension plan for new employees. Contributions are charged to the profit and loss account as they become payable.

**Leases**

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period of the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**2. EMPLOYEES**

|                                   | 2008<br>£        | 2007<br>£      |
|-----------------------------------|------------------|----------------|
| Employment cost of employees:     |                  |                |
| Wages and salaries                | 876,848          | 775,181        |
| Social security costs             | 79,363           | 71,155         |
| Other pension costs (see note 11) | 134,438          | 94,892         |
|                                   | <u>1,090,649</u> | <u>941,228</u> |

No Directors received any remuneration in respect of their services as a director of the company for the year ended 31 December 2008 (2007: £nil).

|   | 2008<br>Number | 2007<br>Number |
|---|----------------|----------------|
| The average monthly number of people employed by the company during the year was: |                |                |
| Commercial and materials management   | <u>19</u>      | <u>28</u>      |

**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 DECEMBER 2008**

|   |               |               |
|---|---------------|---------------|
| <b>3. OPERATING PROFIT</b>                            | <b>2008</b>   | <b>2007</b>   |
|   | <b>£</b>      | <b>£</b>      |
| <b>Operating profit is arrived at after charging:</b> |               |               |
| Depreciation of tangible owned fixed assets           | 14,827        | 17,444        |
| Hire of other assets - operating leases               | 16,529        | 25,761        |
| Net exchange (gains)/ losses                          | (1,398)       | (9,259)       |
| Auditors' remuneration - audit services               | <u>42,630</u> | <u>13,817</u> |

No fees for taxation and actuarial services were incurred.

|  |               |             |
|--|---------------|-------------|
| <b>4. INTEREST RECEIVABLE AND SIMILAR INCOME</b> | <b>2008</b>   | <b>2007</b> |
|  | <b>£</b>      | <b>£</b>    |
| Bank interest receivable                         | -             | 35          |
| Other interest receivable                        | <u>16,282</u> | <u>331</u>  |
|  | <u>16,282</u> | <u>366</u>  |

|  |             |               |
|--|-------------|---------------|
| <b>5. INTEREST PAYABLE AND SIMILAR CHARGES</b> | <b>2008</b> | <b>2007</b>   |
|  | <b>£</b>    | <b>£</b>      |
| Payable to group undertakings                  | <u>-</u>    | <u>19,920</u> |

|  |                 |                 |
|--|-----------------|-----------------|
| <b>6. TAX ON PROFIT ON ORDINARY ACTIVITIES</b> | <b>2008</b>     | <b>2007</b>     |
|  | <b>£</b>        | <b>£</b>        |
| <u>UK Corporation tax:</u>                     |                 |                 |
| Current tax on income for the year             | 41,773          | 225,454         |
| Release of prior year tax                      | <u>(90,742)</u> | <u>(69,218)</u> |
| Total current tax                              | <u>(48,969)</u> | <u>156,236</u>  |

Factors affecting the tax charge for the current year:

|  |                 |                 |
|--|-----------------|-----------------|
|  | <b>2008</b>     | <b>2007</b>     |
|  | <b>£</b>        | <b>£</b>        |
| <u>Current tax reconciliation:</u>       |                 |                 |
| Profit on ordinary activities before tax | <u>173,008</u>  | <u>578,520</u>  |
| Current tax at 28.5% (2007: 30%)         | <u>49,307</u>   | <u>173,556</u>  |
| <u>Effects of:</u>                       |                 |                 |
| Expenses not deductible for tax          | 8,550           | 51,898          |
| Other timing differences                 | (16,084)        | -               |
| Release of prior year tax                | <u>(90,742)</u> | <u>(69,218)</u> |
| Total current tax charge (see above)     | <u>(48,969)</u> | <u>156,236</u>  |

The corporation tax rate changed from 30% to 28% on 1 April 2008, giving an effective tax rate for 2008 of 28.5%.

A deferred tax asset arising in respect of gross accelerated depreciation of £241,070 (2007: £297,506) has not been recognised due to uncertainty regarding the timing of reversal of this asset.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 DECEMBER 2008**

**7. TANGIBLE FIXED ASSETS**

|  | Office,<br>Equipment,<br>Fixtures and<br>fittings<br>£ |
|--|--|
| <b>Cost</b>                                  |  |
| At 1 January 2008 and<br>at 31 December 2008 | <b>93,739</b>  |
| <b>Depreciation</b>                          |  |
| At 1 January 2008                            | 55,892   |
| Charge for the year                          | 14,827   |
| At 31 December 2008                          | <u>70,719</u>  |
| <b>Net book amount</b>                       |  |
| At 31 December 2008                          | <u>23,020</u>  |
| At 31 December 2007                          | <u>37,847</u>  |

**8. DEBTORS**

|   | 2008<br>£        | 2007<br>£        |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Group relief receivable                     | -                | 833,628          |
| Amounts owed by group undertakings          | 1,748,353        | 614,154          |
| Other debtors                               | 46,246           | 49,886           |
| Prepayments and accrued income              | 560,672          | 459,745          |
|   | <u>2,355,271</u> | <u>1,957,413</u> |

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2008<br>£      | 2007<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 6,950          | 1,952          |
| Amounts owed to group undertakings | 482,121        | 426,247        |
| Corporation tax payable            | 173,096        | 225,754        |
| Other creditors                    | 148,037        | 60,037         |
| Accruals and deferred income       | 93,074         | 48,915         |
|                                    | <u>903,278</u> | <u>762,905</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 DECEMBER 2008**

**10. PROVISIONS**

|   | 2008          | 2007          |
|---|---------------|---------------|
|   | £             | £             |
| At 1 January  | 22,510        | 69,248        |
| Charged to profit and loss account                  | -             | -             |
| Utilised in the year                                | -             | -             |
| Released to the profit and loss account in the year | (6,824)       | (46,738)      |
| At 31 December                                      | <u>15,686</u> | <u>22,510</u> |

The claims provision relates to claims made by the customers for incorrect specification or application of products. The provision arises in the normal course of business due to the specialist nature of the companies activities.

**11. PENSION COMMITMENTS**

The Company participates in a defined benefit pension scheme in the UK (the SigmaKalon UK Pension Fund). The scheme is a funded scheme, but the employer is unable to identify its share of the underlying assets and liabilities.

A formal valuation was carried out as at 5 April 2006 which has been updated to 31 December 2008 by a qualified independent actuary and shows an FRS17 surplus of 19.9m (2007: 2.6m surplus). The major assumptions used by the actuary were:

|  | 2008 | 2007 | 2006 |
|--|------|------|------|
| Discount rate  | 6.7% | 6.0% | 5.1% |
| Expected return on scheme assets   | 6.2% | 5.8% | 7.4% |
| Rate of increase in salaries   | 4.0% | 4.4% | 4.0% |
| Rate of increase in future pensions in payment – where relating to increases in the Retail Prices Index (RPI) with a maximum of 5% pa. | 2.8% | 3.3% | 2.8% |
| Rate of increase in deferred pensions  | 3.0% | 3.4% | 3.0% |
| Inflation assumption   | 3.0% | 3.4% | 3.0% |
| Mortality  | 2008 | 2007 |      |
| Retiring today – Males   | 84.4 | 84.4 |      |
| - Female   | 87.4 | 87.4 |      |
| Retiring in 20 years – Male  | 85.2 | 85.2 |      |
| - Female   | 88.1 | 88.1 |      |

Employer contributions are currently 19.5% of Pensionable Salary, less member contributions for any members who are not participating in the Company's Pay Conversion Arrangement.

The companies contributions for 2008 are £121,038 (2007: 86,000).



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 DECEMBER 2008**

**11. PENSION COMMITMENTS – continued**

**Group Personal Pension**

The company also pays contributions to a Group Personal Pension ("GPP") in respect of certain employees. The company's contributions to the GPP in the period up to 31 December 2008 were £13,400 (2007: £9,000). There are no contributions unpaid at 31<sup>st</sup> December 2008 (2007: nil).

**12. CALLED UP SHARE CAPITAL**

|                                  | 2008<br>£    | 2007<br>£    |
|----------------------------------|--------------|--------------|
| Authorised:                      |              |              |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, issued and fully paid: |              |              |
| One ordinary shares of £1 each   | <u>1</u>     | <u>1</u>     |

**13. PROFIT AND LOSS ACCOUNT**

|                                       |                         |                         |
|---------------------------------------|-------------------------|-------------------------|
| At 1 January                          | 1,290,064               | 867,780                 |
| Profit for the financial year         | <u>221,977</u>          | <u>422,284</u>          |
| <b>Closing balance at 31 December</b> | <b><u>1,512,041</u></b> | <b><u>1,290,064</u></b> |

**14. ULTIMATE PARENT UNDERTAKING**

The immediate parent is SigmaKalon UK Holdings 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.