

Company Registration No 05444547

PPG PERFORMANCE COATINGS UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015



PPG PERFORMANCE COATINGS UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

CONTENTS	Page
Officers and Professional Advisers	2
Directors' Report	3
Statement of Directors' Responsibilities	5
Independent Auditors' Report	6
Statement of Income and Retained Earnings	8
Statement of Financial Position	9
Notes to the Financial Statements	10

PPG PERFORMANCE COATINGS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

OFFICERS AND PROFESSIONAL ADVISERS

Directors

E J A Bruijnooge
J W Tegelaar

Company secretary

C P E Francis

Registered Office

Huddersfield Road
Birstall
Batley
West Yorkshire
WF17 9XA

Bankers

ABN Amro
250 Bishopsgate
London
EC2M 4AA

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

PPG PERFORMANCE COATINGS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2015.

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 commission agent for PPG Coatings BVBA/SPRL, a fellow subsidiary undertaking. The UK is an important market for the performance coatings business, and the company continues to actively expand its market share.

Results and dividends

The results of the company show a profit on ordinary activities before taxation of £146,365 (2014: £200,151).

The directors did not pay an interim dividend during the year ended 31 December 2015 (2014: £nil).

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: £nil).

Key performance indicators

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.

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.

Directors

The directors of the company, who served for the whole of the year ended 31 December 2015 and up to the date of this report were as follows, except where stated, were as follows:

E J A Bruijnooge (Appointed 1 January 2016)

C P E Francis (Resigned 1 January 2016)

J W Tegelaar

PPG PERFORMANCE COATINGS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

Statement of disclosure of information to auditors'

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

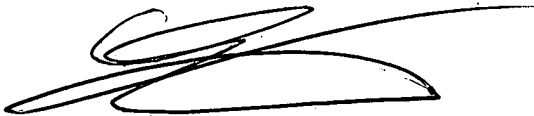
- so far as each director is aware, there is no relevant audit information of which the company's auditors' are unaware; and
- each director has taken all steps they ought to have taken as a director in order to make themselves aware of any audit information and to establish that the company's auditors'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

E J A Bruijnooge
Director
26 September 2016



PPG PERFORMANCE COATINGS UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Director's 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PPG PERFORMANCE COATINGS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG PERFORMANCE COATINGS UK LIMITED

Report on the financial statements

Our opinion

In our opinion, PPG Performance Coatings 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 2015 and of its profit 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 comprise:

- the statement of financial position as at 31 December 2015;
- 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

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.

PPG PERFORMANCE COATINGS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG PERFORMANCE COATINGS UK LIMITED (continued)

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 5, 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

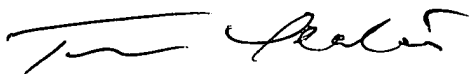
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
26 September 2016

PPG PERFORMANCE COATINGS UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	1,699,648	1,741,864
Gross profit		1,699,648	1,741,864
Administrative expenses		(1,536,041)	(1,532,525)
Operating profit	5	163,607	209,339
Interest receivable and similar income	6	6,868	4,984
Interest payable and similar charges	7	(24,110)	(14,172)
Profit on ordinary activities before taxation		146,365	200,151
Tax on profit on ordinary activities	8	(5,481)	(4,400)
Profit for the financial year	15	140,884	195,751
Retained Earnings at 1 January		2,667,844	2,472,093
Retained Earnings at 31 December		2,808,728	2,667,844

All the above results are derived from continuing operations.

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

PPG PERFORMANCE COATINGS UK LIMITED


STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	<u>265</u>	<u>531</u>
		265	531
Current assets			
Debtors	11	<u>5,622,130</u>	<u>4,732,062</u>
		5,622,130	4,732,062
Creditors: amounts falling due within one year	12	<u>(2,813,666)</u>	<u>(2,064,748)</u>
Net current assets		<u>2,808,464</u>	<u>2,667,314</u>
Net assets		<u>2,808,729</u>	<u>2,667,845</u>
Capital and reserves			
Called-up share capital	14	1	1
Profit and loss account	15	<u>2,808,728</u>	<u>2,667,844</u>
Total shareholders' funds	16	<u>2,808,729</u>	<u>2,667,845</u>

The financial statements of PPG Performance Coatings UK Limited, registered number 5444547, on pages 8 to 17 were approved by the Board of Directors on 26 September 2016 and signed on its behalf by:

E J A Bruijnooge
Director



PPG PERFORMANCE COATINGS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparation

PPG Performance Coatings UK Limited ('the company') is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business are disclosed on page 2. The company's principal activity is commission agent for PPG Coatings BVBA/SPRL a fellow subsidiary undertaking.

The individual financial statements of PPG Performance Coatings 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 company has adopted FRS 102 in these financial statements. Details of transition to FRS 102 are disclosed in note 18.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Exemption

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

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 in FRS102 (Section 33) 'Related party disclosure' 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.

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.

Turnover

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

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2015

1. ACCOUNTING POLICIES - continued

Intangible fixed assets

Intangible assets relate to IT software which is measured initially at purchase cost and amortised on a straight line basis over its estimated life of 5 years.

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.

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 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.

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

Pensions and retirement indemnities

The PPG Architectural Coatings 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 scheme is a funded scheme, but the employer is unable to identify its share of the underlying assets and liabilities.

Therefore, the scheme has been accounted for as a multi-employer scheme as defined by FRS 102.

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. Critical accounting judgements and estimation uncertainty

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 company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 DECEMBER 2015

3. TURNOVER

All revenue is derived in Belgium and relates to commissions charged to fellow Group companies.

4. EMPLOYEES

	2015	2014
	£	£
Employment cost of employees:		
Wages and salaries	1,968,525	1,738,225
Social security costs	219,300	202,380
Other pension costs (see note 13)	150,076	127,801
	<u>2,337,901</u>	<u>2,068,406</u>

No directors received any remuneration in respect of their services as a director of the company for the year ended 31 December 2015 (2014: £nil).

The average monthly number of people employed by the company during the year was:	2015	2014
	Number	Number
Commercial and materials management	<u>34</u>	<u>34</u>

5. OPERATING PROFIT

	2015	2014
	£	£
Operating profit is arrived at after charging:		
Depreciation of tangible owned fixed assets	266	266
Hire of other assets - operating leases	26,208	60,521
Hire of vehicles – Operating leases	181,945	214,123
Net exchange gains	3,831	2,262
Fees payable to the company's auditors' for the audit of the company's annual financial statements	15,000	15,000
No fees for taxation and actuarial services were incurred.		

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£	£
Group interest receivable	<u>6,868</u>	<u>4,984</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest payable	<u>24,110</u>	<u>14,172</u>

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 DECEMBER 2015

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015	2014
	£	£
UK Corporation Tax charge for the year	-	-
Total current tax	-	-
Deferred tax		
Current year charge to profit and loss account	3,377	4,588
Prior year credit to profit and loss account		(188)
Effect of rate change	2,104	-
Tax on profit on ordinary activities	5,481	4,400
<u>Reconciliation of tax charge for the year:</u>	<u>2015</u>	<u>2014</u>
	£	£
Profit on ordinary activities before taxation	146,365	200,151
Current tax 20.25% (2014: 21.50%)	29,639	43,032
Effect of:		
Capital allowances in excess of depreciation	(423)	(344)
Expenses not deductible for tax purposes	3,977	5,888
Group relief claimed for no payment	(29,816)	(43,988)
Utilisation of tax losses	-	-
Adjustment to tax in respect of prior years	-	(188)
Impact of change in tax rate	2,104	-
Total current tax charge	5,481	4,400

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 18% from April 2020 were enacted during 2015. The current tax rate for the year ended 31 December 2015 is therefore 20.25% (2014: 21.50%).

9. INTANGIBLE ASSETS

	IT Software
Cost	£
At 1 January 2015 and 31 December 2015	47,843
Accumulated amortisation	
At 1 January 2015	47,843
Charge for the year	-
At 31 December 2015	47,843
Net book amount	
At 31 December 2015	-
At 31 December 2014	-

10. TANGIBLE ASSETS

	Office Equipment, Fixtures and Fittings
Cost	£
At 1 January 2015 and 31 December 2015	72,967
Accumulated depreciation	
At 1 January 2015	72,436
Charge for the year	266
At 31 December 2015	72,702
Net book amount	
At 31 December 2015	265
At 31 December 2014	531

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year Ended 31 DECEMBER 2015

11. DEBTORS

	2015	2014
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	5,567,334	4,672,825
Other debtors	39,240	38,200
Deferred tax	15,556	21,037
	<u>5,622,130</u>	<u>4,732,062</u>

The amounts owed by group undertakings are unsecured, interest free and repayable at various dates.

Deferred tax

	2015	2014
	£	£
Balance at 1 January	21,037	25,437
Prior year credit to profit and loss account	-	188
Current year charge to profit and loss account	(3,377)	(4,588)
Effect of tax rate change (charged to profit and loss)	(2,104)	-
Balance at 31 December	<u>15,556</u>	<u>21,037</u>
The amounts provided in the financial statements are as follows:		
Capital allowances in excess of depreciation	<u>15,556</u>	<u>21,037</u>
Balance at 31 December	<u>15,556</u>	<u>21,037</u>

There are no unrecognised deferred tax assets or unprovided deferred tax liabilities.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loans and overdrafts	2,204,864	1,441,989
Amounts owed to group undertakings	303,541	364,824
Trade creditors	54,747	45,069
Accruals and deferred income	250,514	212,866
	<u>2,813,666</u>	<u>2,064,748</u>

The amounts owed to group undertakings are unsecured, interest free and repayable at various dates.

13. PENSION COMMITMENTS

The Company participated in a defined benefit pension scheme in the UK (the PPG Coatings (AC and PC) Pension Scheme, formerly the SigmaKalon UK Pension Fund). The scheme has now been closed.

Therefore, the scheme has been accounted for as a multi-employer scheme as defined by FRS 102. Details of the fund are contained in the financial statements of the principal employer PPG Architectural Coatings UK Limited.

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 year up to 31 December 2015 were £150,076 (2014: £127,801). There are no contributions unpaid at 31 December 2015 (2014: £nil).

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 DECEMBER 2015

14. CALLED UP SHARE CAPITAL	2015	2014
Authorised:	£	£
1,000 (2014: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
1 (2014: 1) ordinary shares of £1 each	<u>1</u>	<u>1</u>

15. RESERVES	2015	2014
	£	£
At 1 January	2,667,844	2,472,093
Profit for the financial year	<u>140,884</u>	<u>195,751</u>
Closing balance at 31 December	<u>2,808,728</u>	<u>2,667,844</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2015	2015	2014
	£	£
Profit for the financial year	140,884	195,751
Opening shareholders' funds	<u>2,667,845</u>	<u>2,472,094</u>
Closing shareholders' funds	<u>2,808,729</u>	<u>2,667,845</u>

17. FINANCIAL COMMITMENTS

At 31 December 2015 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases:

	Land and Buildings		Other operating expenses	
	2015	2014	2015	2014
	£	£	£	£
Payments due:				
Within one year	-	27,965	81,384	54,404
Within two to five years	<u>-</u>	<u>112,358</u>	<u>123,870</u>	<u>50,963</u>
	-	140,323	205,254	105,367

18. TRANSITION TO FRS102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014.

The following adjustments had arisen which have had no effect on net equity or profit and loss account but which have affected the presentation of these items on the balance sheet. The main item was:

Computer software has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.

PPG PERFORMANCE COATINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year Ended 31 DECEMBER 2015**

19. ULTIMATE PARENT UNDERTAKING

The immediate parent company 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.