

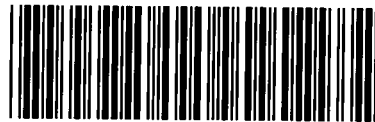
**Company Registration No 05444547**

**PPG PERFORMANCE COATINGS UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

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**PPG PERFORMANCE COATINGS UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

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# **PPG PERFORMANCE COATINGS UK LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

### **OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

E J A Bruijnooge  
C P E Francis

**Company secretary**

C P E Francis

**Registered Office**

Huddersfield Road  
Birstall  
Batley  
West Yorkshire  
WF17 9XA

**Bankers**

ABN Amro  
250 Bishopsgate  
London  
EC2M 4AA

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

# **PPG PERFORMANCE COATINGS UK LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017.

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 before tax of £157,619 (2016: £142,543).

The directors did not pay an interim dividend during the year ended 31 December 2017 (2016: £Nil).

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2017 (2016: £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 2017 and up to the date of this report, except where stated, were as follows:

E J A Bruijnooge  
C P E Francis

## **PPG PERFORMANCE COATINGS UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (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.

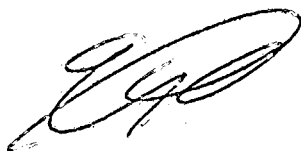
This confirmation is given and should be interpreted in Accordance with the provisions of section 418 of the Companies Act 2006.

#### **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.

On behalf of the board

E J A Bruijnooge  
**Director**  
20 September 2018



## **PPG PERFORMANCE COATINGS UK LIMITED**

### **STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006

# **PPG PERFORMANCE COATINGS UK LIMITED**

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

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, PPG Performance Coatings UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## **PPG PERFORMANCE COATINGS UK LIMITED**

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

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

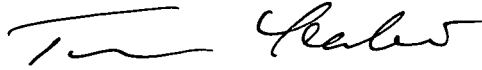


## **PPG PERFORMANCE COATINGS UK LIMITED**

### **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.



Tom Yeates (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
24 September 2018

# PPG PERFORMANCE COATINGS UK LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS Year Ended 31 December 2017

	Note	2017 £	2016 £
<b>Turnover</b>	3	<b>556,406</b>	1,212,478
<b>Gross profit</b>		<b>556,406</b>	1,212,478
Administrative expenses		<b>(410,042)</b>	(1,053,394)
<b>Operating profit</b>	5	<b>146,364</b>	159,084
Interest receivable and similar income	6	<b>11,255</b>	11,710
Interest payable and similar expenses	7	-	(28,251)
<b>Profit before tax</b>		<b>157,619</b>	142,543
Tax on profit	8	<b>(2,171)</b>	(3,475)
<b>Profit for the financial year</b>	15	<b>155,448</b>	139,068
Retained Earnings at 1 January		<b>2,947,796</b>	2,808,728
Retained Earnings at 31 December		<b>3,103,244</b>	2,947,796

All the above results are derived from continuing operations.

There is no significant difference between the profit before tax 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 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	9	-	-
Tangible assets	10	<u>-</u>	<u>22</u>
		-	22
<b>Current assets</b>			
Debtors	11	<u>3,297,161</u>	<u>3,256,654</u>
		3,297,161	3,256,654
<b>Creditors: amounts falling due within one year</b>	12	<u>(193,916)</u>	<u>(308,879)</u>
<b>Net current assets</b>		<u>3,103,245</u>	<u>2,947,775</u>
<b>Net assets</b>		<u>3,103,245</u>	<u>2,947,797</u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account	15	<u>3,103,244</u>	<u>2,947,796</u>
<b>Total shareholders' funds</b>	16	<u>3,103,245</u>	<u>2,947,797</u>

The financial statements of PPG Performance Coatings UK Limited, registered number 5444547, on pages 9 to 17 were approved by the Board of Directors on 20 September 2018 and signed on its behalf by:

E J A Bruijnooge  
Director

20 September 2018



# PPG PERFORMANCE COATINGS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2017

### 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 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.

The financial statements have been prepared under the historical cost convention.

#### **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.

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.

#### **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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2017**

**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 2017

### 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 2017

### 3. TURNOVER

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

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2017 £	2016 £
Employment cost of employees:		
Wages and salaries	1,326,511	1,770,740
Social security costs	157,070	227,695
Other pension costs (see note 13)	95,817	126,079
	<u>1,579,398</u>	<u>2,124,514</u>

	2017 Number	2016 Number
The average monthly number of people employed by the company during the year was:		
Commercial and materials management	<u>14</u>	<u>26</u>

	2017 £	2016 £
<b>Directors' emoluments</b>		
Emoluments	135,216	147,138
Pension contributions of 1 (2016: 1) members of the Company's defined benefit pension scheme	17,663	17,299
	<u>152,879</u>	<u>164,437</u>

5. OPERATING PROFIT	2017 £	2016 £
<b>Operating profit is arrived at after charging/(crediting):</b>		
Depreciation of tangible owned fixed assets	22	243
Hire of other assets - operating leases	1,517	2,378
Hire of vehicles – operating leases	84,935	135,706
Net exchange (loss)	(347)	(5,182)
Fees payable to the company's auditors for the audit of the company's annual financial statements	15,000	15,000

6. INTEREST RECEIVABLE AND SIMILAR INCOME	2017 £	2016 £
Group interest receivable	<u>11,255</u>	<u>11,710</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES	2017 £	2016 £
Bank interest payable	<u>-</u>	<u>28,251</u>

**PPG PERFORMANCE COATINGS UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year Ended 31 DECEMBER 2017**

**8. TAX ON PROFIT**

	2017	2016
	£	£
UK Corporation Tax charge for the year	-	-
Total current tax	-	-
<b>Deferred tax</b>		
Current year charge to profit and loss account	2,171	2,611
Effect of rate change	-	864
Tax on profit	<u>2,171</u>	<u>3,475</u>
 <u>Reconciliation of tax charge for the year:</u>	 2017	 2016
	£	£
Profit on ordinary activities before taxation	<u>157,619</u>	<u>142,543</u>
Current tax 19.25% (2016: 20%)	<u>30,341</u>	<u>28,509</u>
Effect of:		
Expenses not deductible for tax purposes	3,633	4,412
Group relief claimed for no payment	(31,516)	(29,849)
Other timing differences	(287)	(461)
Impact of change in tax rate	-	864
Total tax charge	<u>2,171</u>	<u>3,475</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 2017 is therefore 19.25% (2016: 20%) and deferred tax has been recognised at 17% (2016: 17%).

**9. INTANGIBLE ASSETS**

	IT Software £
<b>Cost</b>	
<b>At 1 January 2017 and 31 December 2017</b>	<u>47,843</u>
<b>Accumulated amortisation</b>	
At 1 January 2017	47,843
Charge for the year	-
<b>At 31 December 2017</b>	<u>47,843</u>
<b>Net book amount</b>	-
<b>At 31 December 2017</b>	<u>-</u>
At 31 December 2016	<u>-</u>

**10. TANGIBLE ASSETS**

	Office Equipment, Fixtures and Fittings £
<b>Cost</b>	
<b>At 1 January 2017 and 31 December 2017</b>	<u>72,967</u>
<b>Accumulated depreciation</b>	
At 1 January 2017	72,945
Charge for the year	22
<b>At 31 December 2017</b>	<u>72,967</u>
<b>Net book amount</b>	-
<b>At 31 December 2017</b>	<u>-</u>
At 31 December 2016	<u>22</u>



# PPG PERFORMANCE COATINGS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year Ended 31 DECEMBER 2017

### 11. DEBTORS

	2017	2016
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	3,272,553	3,210,149
Other debtors	14,698	34,424
Deferred tax	9,910	12,081
	<u>3,297,161</u>	<u>3,256,654</u>

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

#### Deferred tax

	2017	2016
	£	£
Balance at 1 January	12,081	15,556
Current year charge to profit and loss account	(2,171)	(2,611)
Effect of tax rate change (charged to profit and loss)	-	(864)
Balance at 31 December	<u>9,910</u>	<u>12,081</u>
The amounts provided in the financial statements are as follows:		
Capital allowances in excess of depreciation	<u>9,910</u>	<u>12,081</u>
Balance at 31 December	<u>9,910</u>	<u>12,081</u>

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

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

	2017	2016
	£	£
Bank loans and overdrafts	-	-
Amounts owed to group undertakings	41,264	93,331
Trade creditors	27,278	20,359
Accruals and deferred income	<u>125,374</u>	<u>195,189</u>
	<u>193,916</u>	<u>308,879</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 2017 were £95,817 (2016: £126,079). There are no contributions unpaid at 31 December 2017 (2016: £Nil).

### 14. CALLED UP SHARE CAPITAL

	2017	2016
	£	£
Authorised:		
1,000 (2016: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
1 (2016: 1) ordinary shares of £1 each	<u>1</u>	<u>1</u>

# PPG PERFORMANCE COATINGS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year Ended 31 DECEMBER 2017

15. RESERVES	2017	2016
	£	£
At 1 January	2,947,796	2,808,728
Profit for the financial year	155,448	139,068
Closing balance at 31 December	<u>3,103,244</u>	<u>2,947,796</u>

## 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Profit for the financial year	155,448	139,068
Opening shareholders' funds	<u>2,947,797</u>	<u>2,808,729</u>
Closing shareholders' funds	<u>3,103,245</u>	<u>2,947,797</u>

## 17. FINANCIAL COMMITMENTS

At 31 December 2017 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases:

	Other operating leases	
	2017	2016
	£	£
Payments due:		
Within one year	72,670	82,178
Within two to five years	<u>43,027</u>	<u>93,495</u>
	<u>115,697</u>	<u>175,673</u>

## 18. 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.