

886870

Vishay Ltd

Report and Financial Statements

31 December 2006

TUESDAY



AHSQPU1T

A39

23/10/2007

145

COMPANIES HOUSE

Directors

J J Holmberg
J W Wheeler
G W Paul
P N Jeffreys
L M Bell
N Brown

Secretary

J J Holmberg

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

Barclays Bank Plc
53 Fawcett Street
Sunderland
Tyne and Wear

Solicitors

Edwin Coe Solicitors
2 Stone Buildings
Lincoln's Inn
London
WC2A 3TH

Registered Office

Pallion Industrial Estate
Sunderland
Tyne and Wear
SR4 6SU

Directors' report

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The activities of the company consist of the sale and distribution of electronic components, predominantly resistors, thermistors and capacitors

Results and dividends

The loss for the year, after taxation, amounted to £1,215,000 (2005 £54,000) The directors do not propose the payment of a dividend

The main business of the company is to provide sales, customer service and technical product support on behalf of Vishay Europe Sales There was some increased activity within the UK market place and the segments of automotive and industrial markets remained strong There is a continuing trend in the consumer market for the relocation of production to other low cost manufacturing bases particularly Asia The underlying business of the Vishay Corporation remains strong and the UK company is in support of all of the commercial activities with the UK The worldwide manufacturing operations of Vishay are constantly reviewed and wherever possible product lines are harmonised and production lines volumes maximised in low cost labour regions of the world As a result of this worldwide strategy and to remain competitive within the automotive market a decision was made to discontinue manufacturing the potentiometer and trimmer lines at the Swindon location of Vishay Ltd These financial statements reflect the costs associated with the wind down of the business activities of the Swindon operation and the new role of Vishay Ltd contracted as a provider of services to Vishay Europe Sales

Directors

The directors during the year were as follows

J J Holmberg
J W Wheeler
G W Paul
P N Jeffreys
L M Bell
N Brown

Treasury management policy

The company's principal financial instruments comprise cash, group receivables and group borrowings

The main risks associated with the company's financial assets and liabilities are set out below

Given that the majority of the risks below derive from transactions with other Vishay Intertechnology Inc group companies, the company does not undertake any hedging activity locally Significant financial risks from a group perspective are addressed on a case-by-case basis at group level

Interest rate risk

The company invests surplus cash in group cash pooling arrangements and in an interest yielding bank deposit account Interest is received at variable rates on group balances and bank deposit accounts, but not charged on group borrowings Therefore financial assets, interest income and cash flows can be affected by movements in interest rates, but the directors do not consider there to be any significant exposure

Credit risk

Group policies are aimed at minimising such losses, and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures Individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bad debts is not significant

Directors' report

Treasury management policy (continued)

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations. Flexibility is maintained by retaining surplus cash in readily accessible bank accounts and group cash pooling arrangements.

Foreign currency risk

The company's principal transactions in foreign currency are group receivables and borrowings denominated in US dollars. As a result, the company's future cash flows arising from these receivables and borrowings can be affected by movements in the US dollar exchange rate. No hedging activity is undertaken locally to mitigate this risk, other than investments made in overseas undertakings.


Disclosure of information to Auditors

So far as each director, who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditors will be put to the forthcoming Annual General Meeting.

By order of the Board



L M Bell
Director

19 October 2007

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 those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Independent auditors' report

to the members of Vishay Ltd

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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 Annual Report and the financial statements in accordance with applicable United Kingdom law and 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.

Independent auditors' report

to the members of Vishay Ltd

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 2006 and of its loss 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

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Newcastle upon Tyne

22 October 2007

Profit and loss account

for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Turnover			
Continuing operations		386	6,757
Discontinued operations		441	1,142
		<hr/>	<hr/>
Operating costs	2 3	827 985	7,899 8,587
		<hr/>	<hr/>
Other operating (expenses)/income (net)	7	(158) (734)	(688) 494
		<hr/>	<hr/>
Operating loss			
Continuing operations		(919)	(259)
Discontinued operations		27	65
		<hr/>	<hr/>
Loss on disposal of tangible fixed assets	4	(892)	(194)
Loss on discontinued operations		(358)	-
Bank and other interest receivable		(197)	-
Interest payable and similar charges		307	231
	8	(75)	(91)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(1,215)	(54)
Tax charge on loss on ordinary activities	9	-	-
		<hr/>	<hr/>
Loss retained for the financial year	19	(1,215)	(54)
		<hr/>	<hr/>

Statement of total recognised gains and losses

for the year ended 31 December 2006

	2006 £000	2005 £000
Loss for the financial year	(1,215)	(54)
Movement on unrealised exchange difference on inter-company loan	72	(59)
Actuarial gain/(loss) recognised in pension scheme	267	(310)
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	(876)	(423)
	<hr/>	<hr/>

Balance sheet

at 31 December 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Intangible assets	10	2,019	2,166
Tangible assets	11	135	703
Investments	12	8,022	8,022
		<u>10,176</u>	<u>10,891</u>
Current assets			
Debtors	13		
Amounts falling due after one year		8,501	17,330
Amounts falling due within one year		8,772	10,514
		<u>17,273</u>	<u>27,844</u>
Cash at bank and in hand		6,147	577
		<u>23,420</u>	<u>28,421</u>
Creditors: amounts falling due within one year	14	307	484
		<u>23,113</u>	<u>27,937</u>
Net current assets		<u>33,289</u>	<u>38,828</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	15	27,440	32,014
		<u>5,849</u>	<u>6,814</u>
Net assets excluding pension liability			
Pension liability	18	3,046	3,135
		<u>2,803</u>	<u>3,679</u>
Net assets including pension liability			
Capital and reserves			
Called up share capital	16	10	10
Profit and loss account	19	2,793	3,669
		<u>2,803</u>	<u>3,679</u>
Equity shareholders' funds	19		
		<u>2,803</u>	<u>3,679</u>

These financial statements were approved and authorised for issue by the Board on 19 October 2007


L M Bell
Director

Notes to the financial statements

at 31 December 2006

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Group financial statements

The company is exempt from the requirements to prepare consolidated financial statements by virtue of Section 228A of the Companies Act 1985 as it is a subsidiary of Vishay Intertechnology Inc, a US registered company which prepares consolidated financial statements. These financial statements therefore present only information about the company, not about its group.

Cash flow statement

The company is not required to prepare a cash flow statement in accordance with FRS 1 (Revised 2000) as it is a subsidiary undertaking of Vishay Intertechnology Inc, a USA company which prepares consolidated financial statements including a consolidated cash flow statement.

Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Land and buildings short leasehold	-	over the period of the lease
Plant, machinery & equipment	-	over 3 to 10 years

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its expected useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if any event or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred taxation assets are recognised only to the extent that the directors consider that it is 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 taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2006

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

Unrealised exchange differences arising on the restatement of certain foreign intercompany balances are taken directly to reserves

Pension costs

The company operates a defined benefit pension scheme. Contributions to the fund are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company in accordance with FRS 17.

The company also operates a defined contribution scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover comprises the invoice value of goods and services supplied by the company exclusive of VAT. All turnover arises in respect of the company's continuing principal activity.

3. Operating costs

	2006 £000	2005 £000
Raw materials and consumables	124	6,175
Staff costs		
- Wages and salaries	983	1,476
- Social security costs	100	146
- Pension costs	248	247
Depreciation and other amounts written off tangible fixed assets	108	180
Amortisation of goodwill	147	147
Restructuring costs	-	143
Other operating (income)/charges	(725)	73
	<u>985</u>	<u>8,587</u>

The other operating income represents costs recharged to other Vishay Intertechnology Inc companies.

Notes to the financial statements

at 31 December 2006

4. Operating loss

Operating loss is stated after charging/(crediting)

	2006 £000	2005 £000
Operating lease rentals - property	188	170
Operating lease rentals - plant and machinery	100	93
Auditors' remuneration - audit services	24	20
Depreciation of owned fixed assets	108	180
Amortisation of goodwill	147	147
Exchange losses/(gains) (net)	975	(486)
Restructuring costs	555	143

Non audit fees paid amounted to £13,000 (2005 £29,000) and related to taxation services

5. Emoluments of directors

	<i>Highest paid director</i>		<i>All directors</i>	
	2006 £000	2005 £000	2006 £000	2005 £000
Directors' fees and remuneration	92	82	246	194
Company contributions paid to money purchase pension schemes	11	10	11	10

No director has any share options in the company (2005 nil)

At 31 December 2006 three directors participated in defined benefit pension scheme (2005 three directors)

Notes to the financial statements

at 31 December 2006

6. Staff costs

	2006 £000	2005 £000
Wages and salaries (excluding redundancy costs)	983	1,476
Social security costs	100	146
Pension costs - defined benefit scheme (note 18)	212	162
- other pension costs (note 18)	36	85
	<u>1,331</u>	<u>1,869</u>

The average monthly number of persons employed by the company during the year, including directors, was as follows

	2006 No	2005 No
Factory	9	19
Selling	26	30
Administration	7	9
	<u>42</u>	<u>58</u>

7. Other operating (expenses)/income (net)

	2006 £000	2005 £000
Commission receivable	385	643
Exchange differences	(975)	486
Commission payable	(144)	(635)
	<u>(734)</u>	<u>494</u>

8. Interest payable and similar charges

	2006 £000	2005 £000
Net interest cost on pension scheme assets and liabilities (note 18)	<u>75</u>	<u>91</u>

Notes to the financial statements

at 31 December 2006

9. Tax charge on loss on ordinary activities

	2006 £'000	2005 £'000
(a) Analysis of charge in year		
<i>Current tax</i>		
UK Corporation tax	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax (note 9 (b))	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
Tax charge on loss on ordinary activities	-	-
	<hr/>	<hr/>

(b) Factors affecting current tax charge for the year

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are reconciled below

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	(1,215)	(54)
	<hr/>	<hr/>
Loss on ordinary activities at standard rate of corporation tax in the UK of 30%	(365)	(16)
Effects of		
Expenses not deductible for tax purposes (including goodwill amortisation)	52	51
Decelerated/(accelerated) capital allowances	103	(7)
Other timing differences	54	17
Group relief surrendered	156	-
Group relief	-	(45)
	<hr/>	<hr/>
Current tax charge for the year (note 9 (a))	-	-
	<hr/>	<hr/>

Notes to the financial statements

at 31 December 2006

9. Tax charge on loss on ordinary activities (continued)

(c) Deferred taxation

There is no potential deferred tax liability. The deferred tax asset not provided is analysed as follows

	2006		2005	
	<i>Provided</i>	<i>Unprovided</i>	<i>Provided</i>	<i>Unprovided</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
(Decelerated)/accelerated capital allowances	-	(95)	-	11
Other timing differences	-	-	-	-
Losses	-	(49)	-	(49)
FRS 17 pension liability	-	(914)	-	(940)
Deferred tax asset	-	(1,058)	-	(978)

Subject to Inland Revenue approval, the company has estimated tax losses of £163,000 carried forward (2005 £163,000)

(d) Factors that may affect future tax charges

The 2007 budget announced a proposed reduction in the full rate of corporation tax from 30% to 28% with effect from 1 April 2008. This will effect the rate at which timing differences will reverse. However, as no deferred tax has been recognised this has no effect on these financial statements.

10. Intangible fixed assets

	<i>Goodwill</i>
	<i>£000</i>
Cost	
At 1 January 2006 and 31 December 2006	2,953
Amortisation	
At 1 January 2006	787
Provided during the year	147
At 31 December 2006	934
Net book value	
At 31 December 2006	2,019
At 31 December 2005	2,166

Goodwill is being amortised over a period of 20 years

Notes to the financial statements

at 31 December 2006

11. Tangible fixed assets

	<i>Land and buildings short leasehold £000</i>	<i>Plant, machinery and equipment £000</i>	<i>Total £000</i>
Cost			
At 1 January 2006	41	2,137	2,178
Additions	-	70	70
Disposals	(41)	(1,732)	(1,773)
At 31 December 2006	-	475	475
Depreciation			
At 1 January 2006	41	1,434	1,475
Charge for year	-	108	108
Disposals	(41)	(1,202)	(1,243)
At 31 December 2006	-	340	340
Net book value			
At 31 December 2006	-	135	135
At 31 December 2005	-	703	703

Notes to the financial statements

at 31 December 2006

12. Investments

	<i>£000</i>
Cost	
At 1 January 2006 and 31 December 2006	8,022

The company has a 100% equity interest in the following Companies

<i>Name of company</i>	<i>Country of registration</i>	<i>Nature of business</i>
Gro Con Inc	England	Investment company
Grued Inc	USA	Investment company
Heavybarter	England	Dormant

Financial information in respect of the company's subsidiary undertakings for the year ended 31 December 2006

	<i>Retained profit/(loss) for the year £000</i>	<i>Capital and reserves £000</i>
Gro Con Inc	-	(1,334)
Grued Inc	-	(1,466)
Heavybarter	-	10,453

13. Debtors

	<i>2006 £000</i>	<i>2005 £000</i>
Prepayments and accrued income	83	141
Other debtors	45	70
Amounts due from group undertakings	17,145	27,633
	17,273	27,844

Included in amounts due from group undertakings are amounts totalling £8,501,000 which are due after more than one year (2005 £17,330,000), of which £6,852,309 (2005 £7,723,000) is due from the parent undertaking

Notes to the financial statements

at 31 December 2006

14. Creditors: amounts falling due within one year

	2006 £000	2005 £000
Trade creditors	78	105
Bank overdraft	10	-
Amounts owed to group undertakings	-	62
Other taxation and social security costs	1	51
Accruals and deferred income	218	266
	<u>307</u>	<u>484</u>

15. Creditors: amounts falling due after more than one year

	2006 £000	2005 £000
Amounts owed to group undertakings	19,128	24,102
Amounts owed to parent undertaking	8,312	7,912
	<u>27,440</u>	<u>32,014</u>

All amounts at 31 December 2006 fall due in more than five years

16. Called up share capital

	2006 No	Authorised 2005 No	Allotted, called up and fully paid 2006 £000	2005 £000
Ordinary 'A' shares of 5p each	100,000	100,000	5	5
Ordinary 'B' shares of 5p each	100,000	100,000	5	5
			<u>10</u>	<u>10</u>

Notes to the financial statements

at 31 December 2006

17. Financial commitments

The company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Leases expiring				
Within one year	3	3	16	12
Within two to five years	206	-	39	45
Over five years	-	167	-	-
	<u>209</u>	<u>170</u>	<u>55</u>	<u>57</u>

18. Pension commitments

The company contributes to a defined contribution pension scheme. The charge for the year amounted to £36,000 (2005: £85,000).

The company operates a defined benefit scheme in the UK, the Vishay Components Pension Scheme. A full actuarial valuation was carried out at 6 April 2005 and updated to 31 December 2006 by a qualified independent actuary using assumptions consistent with those required under FRS 17 as follows:

	<i>31 Dec</i>	<i>31 Dec</i>	<i>31 Dec</i>
	<i>2006</i>	<i>2005</i>	<i>2004</i>
Main assumptions			
Rate of increase in salaries	4.7%	4.4%	4.4%
Rate of increase in pensions in payment	3.2%	2.9%	2.9%
Rate of increase in deferred pensions	3.2%	2.9%	2.9%
Discount rate	5.1%	4.7%	5.2%
Inflation assumption	3.2%	2.9%	2.9%
Pension increases	3.0%	3.0%	3.0%

Notes to the financial statements

at 31 December 2006

18. Pension commitments (continued)

During the year ended 31 December 2006, total contributions were paid at a total rate of 21.2% of pensionable pay (with the employees paying 4.2% of pensionable salaries). This contribution rate is expected to continue until 3 June 2008 (this is the end of the period covered by schedule of contributions).

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The assets and liabilities of the scheme and the expected rate of return (*) were

	<i>Long term rate of return expected 2006</i>	<i>Value 2006 £000</i>	<i>Long term rate of return expected 2005</i>	<i>Value 2005 £000</i>	<i>Long term rate of return expected 2004</i>	<i>Value 2004 £000</i>
Equities	7.2	3,108	7.2	2,644	7.7	2,234
Bonds	5.1	928	4.7	1,066	5.2	1,318
Properties	7.0	232	7.0	213	7.5	73
Others	4.5	372	4.5	341	5.2	37
Total market value of assets		4,640		4,264		3,662
Present value of scheme liabilities		(7,686)		(7,399)		(6,345)
Pension liability before deferred tax		(3,046)		(3,135)		(2,683)
Related deferred tax credit at 30%		-		-		-
Net pension liability		(3,046)		(3,135)		(2,683)

(*) The rates of return are gross rates before allowing for the expenses of running the scheme.

A deferred tax credit has not been provided to reduce the pension scheme liability as there is insufficient certainty over its recoverability in the foreseeable future.

Notes to the financial statements

at 31 December 2006

18. Pension commitments (continued)

Components of defined benefit cost for the year under FRS 17

	2006 £000	2005 £000
Analysis of the amount charged to operating profit		
Current service cost	212	162
Total charge to operating profit (note 6)	212	162
Analysis of amounts charged to other interest payable		
Interest on pension scheme liabilities	349	339
Expected return on assets in the pension scheme	(274)	(248)
Net charge to other interest payable (note 8)	75	91
Total profit and loss account charge before deduction of tax	287	253

Analysis of amounts recognised in the Statement of Total Recognised Gains and Losses

	2006 £000	2005 £000
Actual return less expected return on pension scheme assets	100	379
Experience (losses)/gains on scheme liabilities	(147)	14
Change in assumptions underlying the present value of the scheme liabilities	314	(703)
Total actuarial gain/(loss) recognised in the Statement of Total Recognised Gains and Losses	267	(310)

History of experience gains and losses

	2006	2005	2004	2003
Difference between expected return and actual return on pension scheme assets				
- amount (£000)	100	379	94	246
- % of scheme assets	2.2	8.9	2.6	7.5
Experience (losses)/gains arising on scheme liabilities				
- amount (£000)	(147)	14	(118)	39
- % of the present value of scheme liabilities	1.9	(0.2)	1.9	(0.7)
Total actuarial gains/(losses) recognised in the statement of total recognised gains and losses				
- amount (£000)	267	(310)	(531)	(473)
- % of the present value of scheme liabilities	(3.5)	4.2	8.4	8.7

Notes to the financial statements

at 31 December 2006

18. Pension commitments (continued)

Analysis of the movements in the deficit in the scheme during the year under FRS17

	2006 £000	2005 £000
Deficit in the scheme at beginning of year	(3,135)	(2,683)
Contributions paid	109	111
Current service cost	(212)	(162)
Other finance costs	(75)	(91)
Actuarial gain/(loss)	267	(310)
Deficit in the scheme at the end of year	(3,046)	(3,135)

19. Reconciliation of shareholder's funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total shareholders funds £000
At January 2005	10	4,092	4,102
Loss for the year	-	(54)	(54)
Movement on unrealised exchange difference on inter-company loan	-	(59)	(59)
Actuarial loss	-	(310)	(310)
At 1 January 2006	10	3,669	3,679
Loss for the year	-	(1,215)	(1,215)
Movement on unrealised exchange difference on inter-company loan	-	72	72
Actuarial gain	-	267	267
At 31 December 2006	10	2,793	2,803

20. Parent undertaking and controlling party

The company's immediate parent undertaking is E-Sil Components Limited, which is incorporated in England and Wales, registered number 2177694. Copies of their financial statements can be obtained from the registered office Pallion Industrial Estate, Sunderland, Tyne & Wear, SR4 6SU.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Vishay Intertechnology Inc, which is incorporated in the United States of America. Its financial statements, which include Vishay Ltd, can be obtained from 63 Lincoln Highway, PO Box 4004, Malvern, PA19355 – 2120 USA.

21. Related party transactions

The company has taken advantage of the exemptions available to subsidiary undertakings under FRS 8 Related Party Disclosures, by not disclosing transactions with entities of the Group qualifying as related parties.