Registered No: 886870

Vishay Ltd

Report and Financial Statements

31 December 2010

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Registered No 886870

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

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Sunderland
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SR5 3XJ

Directors' report

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The company's principal activity is to provide support to the Group's European sales entity

Results and dividends

The profit for the year, after taxation, amounted to £139,000 (2009 loss of £1,746,000) The directors do not propose the payment of a dividend

The principal business of the company is to provide sales and technical support to the United Kingdom and Ireland customer base on behalf of Vishay Europe Sales

In the year 2010 Vishay had its best performance in 10 years The industry wide upturn that started in the latter part of 2009 continued during 2010 With sales close to pre-crisis levels, reduced fixed costs and excellent efficiencies in all divisions Vishay reached new levels of profitability during 2010

The company does not monitor any KPIs as its main operation is to provide services to Vishay Europe Sales

Future developments

The company will continue to support and provide services to the European sales entity The Group will focus on conserving and generating cash while at the same time continue to roll out new products and reduce costs aggressively On the July 6th 2010 Vishay Intertechnology successfully completed the spin-off of Vishay Precision Group, Inc VPG is a leading designer, manufacturer and marketer of resistive foil technology products Vishay is now a pure play discrete electronic components company that will focus on strengthening its position as a global and technology market leader in discrete semiconductors and passive components

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

Principal risks and uncertainties

The company's principal risks and uncertainties are those relating to its principal financial instruments 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

Directors' report

Principal risks and uncertainties (continued)

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

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

Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements For this reason the directors continue to adopt the going concern basis of preparation for these financial statements

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

26 September 2011

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) 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which 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 to 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

ERNST & YOUNG

Independent auditors' report

to the members of Vishay Ltd

We have audited the financial statements of Vishay Ltd for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

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 In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Darren Rutherford (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

27 September 2011

Profit and loss account

for the year ended 31 December 2010

	Notes	2010 £000	2009 £000
Turnover	2	-	-
Operating costs	3	831	470
		(831)	(470)
Other operating income/(expenses)	7	1,023	(1,083)
Operating profit/(loss)	4	192	(1,553)
Bank and other interest receivable		8	33
Interest payable and similar charges	8	(135)	(152)
Profit/(loss) on ordinary activities before taxation		65	(1,672)
Tax credit/(charge) on profit/(loss) on ordinary activities	9	74	(74)
Profit/(loss) retained for the financial year	20	139	(1,746)

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

for the year ended 31 December 2010

		2010 £000	2009 £000
Profit/(loss) for the financial year		139	(1,746)
Actuarial gain/(loss) recognised in pension scheme	20	658	(21)
Total recognised gains and losses for the financial year		797	(1,767)

Balance sheet

Registered No· 886870

at 31 December 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Intangible assets	10	1,427	1,574
Tangible assets	11	14	25
Investments	12	8,022	8,022
		9,463	9,621
Current assets			
Debtors	13		
Amounts falling due after one year		5,134	13,531
Amounts falling due within one year		4,642	4,360
		9,776	17,891
Cash at bank and in hand		3,100	6,503
		12,876	24,394
Creditors amounts falling due within one year	14	259	99
Net current assets		12,617	24,295
Total assets less current liabilities		22,080	33,916
Creditors: amounts falling due after more than one year	15	15,684	27,637
Provision for liabilities and charges	16	169	125
		15,853	27,762
Net assets excluding pension liability		6,227	6,154
Pension liability	19	1,932	2,656
Net assets including pension liability		4,295	3,498
Capital and reserves			
Called up share capital	17	10	10
Profit and loss account	20	4,285	3,488
Shareholders' funds	20	4,295	3,498

These financial statements were approved and authorised for issue by the Board on 26 September 2011 and signed on their behalf by

L M Bell, Director

Notes to the financial statements

at 31 December 2010

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 401 of the Companies Act 2006 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, 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

Plant, machinery and 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 2010

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

All exchange differences arising are taken directly to the profit and loss account

Pension costs

The company operates a defined benefit pension scheme with a defined contribution underpin which is funded by contributions made by the company and employees

The cost of providing benefits under the defined benefit plan is determined in accordance with FRS 17, using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice Past service costs are recognised in the profit and loss account on a straight-line basis over the vesting period or immediately if the benefits have vested When a settlement or a curtailment occurs, the charge in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year The difference between the expected return on plan assets and the interest costs is recognised in the profit and loss account as other finance income or expense

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur

The defined benefit pension liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly Fair value is based on market price information and in the case of quoted securities is the current bid price

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 discontinued principal activity All turnover arose in the United Kingdom

Notes to the financial statements

at 31 December 2010

3. Operating costs

	2010	*2009*
	£000	*£000*
Staff costs		
-Wages and salaries	824	957
- Social security costs	83	115
- Pension costs	204	194
Depreciation and other amounts written off tangible fixed assets	15	30
Amortisation of goodwill	147	148
Redundancy costs	135	425
Provision for dilapidations	44	(175)
Other operating income (net of expenses)	(621)	(1,224)
	831	470

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

4. Operating profit/(loss)

Operating profit is stated after charging/(crediting)

	2010	*2009*
	£000	*£000*
Operating lease rentals - property	59	162
Operating lease rentals – plant and machinery	53	59
Auditors' remuneration - audit services	14	14
Depreciation of owned fixed assets	15	30
Amortisation of goodwill	147	148
Exchange (gain)/loss	(634)	1363
Restructuring costs	135	425

Non audit fees amounted to £14,000 (2009 £14,000) and related to taxation services

5. Emoluments of directors

	Highest paid director		*All directors*	
	2010	*2009*	*2010*	*2009*
	£000	*£000*	*£000*	*£000*
Directors' fees and remuneration	97	106	250	261
Company contributions paid to money purchase pension schemes	12	12	12	12

At 31 December 2010 three directors participated in the defined benefit pension scheme (2009 three directors)

Notes to the financial statements

at 31 December 2010

6. Staff costs

	2010	*2009*
	£000	*£000*
Wages and salaries (excluding redundancy costs)	824	957
Social security costs	83	115
Pension costs - defined benefit scheme (note 19)	184	167
- other pension costs	20	27
	1,111	1,266

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

	2010	*2009*
	No	*No*
Selling	11	23
Administration	5	6
	16	29

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

	2010	*2009*
	£000	*£000*
Commission receivable	389	280
Exchange differences	634	(1,363)
	1,023	(1,083)

8. Interest payable and similar charges

	2010	*2009*
	£000	*£000*
Net interest cost on pension scheme assets and liabilities (note 19)	135	152
	135	152

Notes to the financial statements

at 31 December 2010

9. Tax (credit)/charge on profit/(loss) on ordinary activities

	2010	*2009*
	£'000	*£'000*
(a) Analysis of charge in year		
Current tax		
UK Corporation tax	-	-
UK Corporation tax (over)/under provided in prior period	(74)	74
Total current tax (note 9(b))	(74)	74
Deferred tax		
Origination and reversal of timing differences	-	-
Tax (credit)/charge on profit/(loss) on ordinary activities	(74)	74

(b) Factors affecting current tax (credit)/charge for the year

The tax assessed on the profit/(loss) on ordinary activities for the year is different than the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are reconciled below

	2010	*2009*
	£'000	*£'000*
Profit/(loss) on ordinary activities before tax	65	(1,672)
Profit/(loss) on ordinary activities at standard rate of corporation tax in the UK of 28% (2009 28%)	18	(468)
Effects of		
Expenses not deductible for tax purposes (including goodwill amortisation)	45	50
Accelerated capital allowances	(7)	(6)
Other timing differences	(18)	(16)
Unused losses carried forward	-	158
Group relief (claimed)/surrendered	(2)	282
Losses utilised	(36)	-
Effect of prior year adjustment	(74)	74
Current tax charge for the year (note 9(a))	(74)	74

Notes to the financial statements

at 31 December 2010

9. Tax (credit)/charge on profit/(loss) on ordinary activities (continued)

Following announcements in the 2011 Budget on 23 March 2011, it was proposed that the full rate of corporation tax be reduced for four years from 1 April 2011, ultimately bringing the corporation tax rate down to 23% A reduction from 28% to 27% was substantively enacted on 20 July 2010 and was intended to take effect from 1 April 2011, however the 2011 Budget announced that this will be reduced to 26% instead and this reduction to 26% was substantively enacted on 29 March 2011 At the balance sheet date, the change in the tax rate has no effect on current tax liabilities arising prior to the effective date of change The enacted reduction at the balance sheet date to 27% has however applied to the deferred tax assets and liabilities arising at the balance sheet date

The effect of the rate change to 23%, if it had been enacted at the balance sheet date, would have no material effect on the unprovided deferred tax asset

The 2011 Budget also confirmed previously announced proposed changes to capital allowances Amongst these it was proposed that the rate of writing down allowances on the main pool would reduce from 20% to 18% with effect from 1 April 2012 As these proposals have not yet been enacted, there is no effect on these financial statements

(c) Deferred taxation

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

	2010		*2009*	
	Provided	*Unprovided*	*Provided*	*Unprovided*
	£000	*£000*	*£000*	*£000*
Capital allowances (less than)/in advance of depreciation	-	(32)	-	39
Losses	-	(241)	-	(158)
FRS 17 pension liability	-	(522)	-	(744)
Deferred tax asset	-	(795)	-	(863)

The deferred tax asset has not been provided as there is insufficient certainty over the level of future taxable profits against which the deferred tax asset could be relieved.

Notes to the financial statements

at 31 December 2010

10. Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2010 and 31 December 2010	2,953
Amortisation	
At 1 January 2010	1,379
Provided during the year	147
At 31 December 2010	1,526
Net book value	
At 31 December 2010	1,427
At 31 December 2009	1,574

Goodwill is being amortised over a period of 20 years

11. Tangible fixed assets

	Plant, machinery and equipment £000
Cost	
A 1 January 2010	288
Additions	6
Disposals	(110)
At 31 December 2010	184
Depreciation	
At 1 January 2010	263
Charge for year	15
Disposals	(108)
At 31 December 2010	170
Net book value	
At 31 December 2010	14
At 31 December 2009	25

Notes to the financial statements

at 31 December 2010

12. Investments

	£000
Cost	
At 1 January 2010 and 31 December 2010	8,022

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

Name of company	*Country of registration*	*Nature of business*
Gro Con Inc	USA	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 2010

	Retained profit for the year £000	*Capital and reserves £000*
Gro Con Inc	(30)	(1,510)
Grued Inc	-	(1,466)
Heavybarter	-	10,453

13. Debtors

	2010 £000	*2009 £000*
Prepayments and accrued income	100	96
Other debtors	-	137
Amounts due from group undertakings	9,602	17,658
Corporation tax recoverable	74	-
	9,776	17,891

Included in amounts due from group undertakings are amounts totalling £5,133,774 which are due after more than one year (2009 £13,531,000), of which £nil (2009 £8,397,000) is due from the parent undertaking

Notes to the financial statements

at 31 December 2010

14. Creditors: amounts falling due within one year

	2010	*2009*
	£000	*£000*
Trade creditors	21	55
Amounts owed to group undertakings	37	3
Other taxation and social security costs	14	-
Accruals and deferred income	187	41
	259	99

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

	2010	*2009*
	£000	*£000*
Amounts owed to group undertakings	13,812	13,872
Amounts owed to parent undertaking	1,872	13,765
	15,684	27,637

All amounts at 31 December 2010 fall due in more than five years

16. Provisions for liabilities and charges

	Dilapidations
	£000
At 1 January 2010	125
Utilised	(21)
Profit and loss account	65
At 31 December 2010	169

The provision, which is not discounted, represents the directors current best estimate, based on information available, of the obligation in relation to leased premises The directors will defend the company's position and expect to settle on an amount substantially less than that shown above

Notes to the financial statements

at 31 December 2010

17. Called up share capital

	Authorised		Allotted, called up and fully paid	
	2010	*2009*	*2010*	*2009*
	No	*No*	*£000*	*£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
			10	10

18. Financial commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Other	
	2010	*2009*	*2010*	*2009*
	£000	*£000*	*£000*	*£000*
Leases expiring				
Within one year	25	-	6	29
Within two to five years	39	139	-	-
	64	139	6	29

19. Pension commitments

The company contributes to a defined contribution pension scheme The charge for the year amounted to £20,000 (2009 £27,000)

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 2008 and updated to 31 December 2010 by a qualified independent actuary using assumptions consistent with those required under FRS 17 as follows

The company operates a funded defined benefit pension scheme providing benefits based on final pensionable earnings and the assets of the scheme are held in a separate trustee administered fund

Notes to the financial statements

at 31 December 2010

19. Pension commitments (continued)

The assets and liabilities of the scheme at 31 December are.

	Percentage of plan assets 31 December 2010 %	*Fair value at 2010 £000*	*Percentage of plan assets 31 December 2009 %*	*Fair value at 2009 £000*
Equities	56%	3,531	43%	2,368
Bonds	32%	2,018	32%	1,763
Properties	4%	252	3%	165
Other	8%	504	22%	1,212
Total market value of assets		6,305		5,508
Present value of Scheme liabilities		(8,237)		(8,164)
Deficit in the scheme		(1,932)		(2,656)
Related deferred tax credit		-		-
Net pension liability		(1,932)		(2,656)

The pension scheme has not invested in any of the company's own financial instruments nor in properties or other assets used by the company

The amount recognised in the profit and loss account, and in the statement of total recognised gains and losses for the year, are analysed as follows

	2010 £000	*2009 £000*
Recognised in the profit and loss account		
Current service cost (including member contributions)	569	542
Less member contributions	(385)	(375)
Recognised in arriving at operating profit (note 6)	184	167
Expected return on pension scheme assets (after deduction of administration expenses)	(333)	(282)
Interest on pension scheme liabilities	468	434
Net interest lost on pension scheme assets and liabilities (note 8)	135	152
Total recognised in the profit and loss account	319	319

Notes to the financial statements

at 31 December 2010

19. Pension commitments (continued)

	2010	*2009*
	£000	*£000*
Taken to the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on scheme assets	192	388
Experience gains and losses arising on the scheme liabilities	782	90
Changes in assumptions underlying the present value of the scheme liabilities	(316)	(499)
Actuarial gain/(loss) recognised in STRGL	658	(21)

Approximate valuations have been carried out on a set of assumptions consistent with those required under FRS17 by a qualified actuary The major assumptions and calculation dates for these valuations were

	2010	*2009*
	%	*%*
Rate of increases in salaries	4 8	5 0
Rate of increase in pensions in payment	2 8	3 4
Discount rate for pensioners	5 4	5 8
Discount rate for active and deferred members	5 4	5 8
Inflation assumption - RPI	3 2	3 3
Inflation assumption – CPI	2 8	n/a
Expected rate of return on scheme assets		
Equities	6 5	6 9
Bonds	5 0	5 4
Property	6 5	6 9
Other	4 0	4 4

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements The assumption is that a member who retired in 2010 at age 65 will live on average for a further 22 6 years after retirement if they are male and for further 24 7 years after retirement if they are female Similarly, life expectancy at age 65 for male and female non-pensioners (currently aged 45) is assumed to be 23 9 years and 25 8 years respectively The mortality assumption has been updated to be based on more recent mortality tables, published for the Institute and Faculty of Actuaries, as well as projected improvements in future mortality This is consistent with the assumption that will be used for the triennial valuation of the Scheme

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 post-mortality mortality assumptions allow for expected increases in longevity The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2028 The actuary has assumed mortality to be in line with standard table PCA00 (YOB) MCI fully projected in line with the medium cohort method

In agreeing the discount rate used in the calculation of the present value of the pension scheme liabilities under FRS17, the directors acknowledge the high degree of judgement involved, and the sensitivity of the calculations to a change in assumptions The impact of a 0 1% change in the discount rate has an estimated impact on scheme liabilities of £125,000 The directors also acknowledge their responsibilities for ensuring that actuarial assumptions are suitably updated to reflect changing economic conditions, and they confirm that the 31 December 2010 assumptions have been carefully reviewed with the actuary

Notes to the financial statements

at 31 December 2010

19. Pension commitments (continued)

The valuation of the scheme liabilities has taken account of the Government's intention to apply CPI rather than RPI to set the inflation measure to determine the minimum pension increases to be applied to the statutory index-linked features of retirement benefits and for future pension increases

The company's actuary has advised that the change to a CPI measure of inflation for certain aspects of the schemes obligations decreases the actuarial liabilities by an estimated £260,000

The assumption for the long-term rate of return on assets for bonds has been adjusted for the historical level of risk premium associated with other classes The assumption for the long-term rate of return on assets was based on bank base rates at the balance sheet dates The notional rate of return on bonds was based on the yield on UK long dated government and corporate bond yields The long term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates The long term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance

The company expects to make contributions totalling £411,000 to the defined benefit scheme in the period 1 January 2011 to 31 December 2011

Changes in the present value of the defined benefit obligations are analysed as follows

	2010	*2009*
	£000	*£000*
As at 1 January	8,164	7,252
Total service cost (including member contributions)	199	187
Other finance expense	468	434
Benefits paid	(128)	(118)
Actuarial (gain)/loss	(466)	409
As at 31 December	8,237	8,164

Changes in the fair value of plan assets are analysed as follows

	2010	*2009*
	£000	*£000*
As at 1 January	5,508	4,561
Expected return on plan assets	333	282
Total contributions	400	395
Benefits paid	(128)	(118)
Actuarial gain	192	388
As at 31 December	6,305	5,508

Notes to the financial statements

at 31 December 2010

19. Pension commitments (continued)

	2010	*2009*	*2008*	*2007*	*2006*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	6,305	5,508	4,561	5,233	4,640
Present value of defined benefit Obligation	(8,237)	(8,164)	(7,252)	(7,664)	(7,686)
Deficit in the scheme	(1,932)	(2,656)	(2,691)	(2,431)	(3,046)
Experience adjustments arising on plan liabilities	782	90	84	(19)	(147)
Experience adjustments arising on plan assets	333	282	347	313	274

Corresponding amounts for 2007 and 2006 have not been restated as permitted by FRS 17

The cumulative amount of actuarial gains and losses recognised since the adoption of FRS 17 in the statement of total recognised gains and losses is a net loss of £1,837,000 (2009 £2,495,000)

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

	Share capital	*Profit and loss account*	*Total shareholders funds*
	£000	*£000*	*£000*
At January 2009	10	5,255	5,265
Loss for the year	-	(1,746)	(1,746)
Actuarial loss	-	(21)	(21)
At 1 January 2010	10	3,488	3,498
Profit for the year	-	139	139
Actuarial gain	-	658	658
At 31 December 2010	10	4,285	4,295

Notes to the financial statements

at 31 December 2010

21. 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 Suite 6c, Tower House, St Catherine's Court, Sunderland, Tyne and Wear, SR5 3XJ

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

22. 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