Registered No: 886870

Vishay Ltd

Report and Financial Statements

31 December 2013

Registered No: 886870

Directors

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

Secretary

L M Bell

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
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Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2013.

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 loss for the year, after taxation, amounted to £98,000 (2012: profit of £2,400,000). 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.

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 the European Sales organization. It does not see any further changes to the current status in the foreseeable future. The cost base is expected to remain stable in line with UK inflation.

Directors

The directors during the year were as follows:

J J Holmberg (resigned 7 July 2014)
J W Wheeler
G W Paul
P N Jeffreys
L M Bell
N Brown (resigned 7 July 2014)

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.

Special provisions relating to small companies

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006, applicable to small companies.

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

Lorna Bell

L M Bell
Director

26 September 2014

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.

Independent auditors' report

to the members of Vishay Ltd

We have audited the financial statements of Vishay Ltd for the year ended 31 December 2013 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. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its loss 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.

Independent auditors' report

to the members of Vishay Ltd (continued)

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Strategic Report and Directors' Report.

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

26 September 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Turnover	2	-	-
Operating costs	3	397	141
		(397)	(141)
Other operating income	7	303	185
Operating (loss)/profit	4	(94)	44
Bank and other interest receivable		8	14
Interest payable and similar charges	8	(12)	(90)
Dividends receivable from subsidiary undertakings		-	10,454
Loss on disposal of investment in subsidiary undertaking		-	(8,022)
(Loss)/profit on ordinary activities before taxation		(98)	2,400
Tax charge on (loss)/profit on ordinary activities	9	-	-
(Loss)/profit retained for the financial year	19	(98)	2,400

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

for the year ended 31 December 2013

		2013 £000	2012 £000
(Loss)/profit for the financial year		(98)	2,400
Actuarial gain recognised in pension scheme	18	296	195
Effect of pension asset surplus cap		(66)	-
Total recognised gains and losses for the financial year		132	2,595

Balance sheet

at 31 December 2013

Registered No: 886870

	Notes	2013 £000	2012 £000
Fixed assets			
Intangible assets	10	983	1,131
Tangible assets	11	6	11
		989	1,142
Current assets			
Debtors:	13		
Amounts falling due after one year		5,134	5,134
Amounts falling due within one year		3,646	3,360
		8,780	8,494
Investments		1,500	1,500
Cash at bank and in hand		473	420
		10,753	10,414
Creditors: amounts falling due within one year	14	(445)	(184)
Net current assets		10,308	10,230
Total assets less current liabilities		11,297	11,372
Creditors: amounts falling due after more than one year	15	(5,398)	(5,411)
Net assets excluding pension liability		5,899	5,961
Pension liability	18	-	(194)
Net assets including pension liability		5,899	5,767
Capital and reserves			
Called up share capital	16	10	10
Profit and loss account	19	5,889	5,757
Shareholders' funds	19	5,899	5,767

These financial statements were approved and authorised for issue by the Board on 26 September 2014 and signed on their behalf by:

Laura Bell

L M Bell
Director

Notes to the financial statements

at 31 December 2013

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 (Revised 1996), 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.

Current asset investments

Cash that is held in bank accounts that are not accessible on demand is shown as current asset investments.

Notes to the financial statements

at 31 December 2013

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.

Notes to the financial statements
at 31 December 2013

3. Operating costs

	2013 £000	2012 £000
Staff costs:		
-Wages and salaries	803	750
- Social security costs	95	90
- Pension costs	143	153
Depreciation and other amounts written off tangible fixed assets	6	7
Amortisation of goodwill	148	148
Restructuring	68	-
Other operating income	(866)	(1,007)
	397	141

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

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2013 £000	2012 £000
Operating lease rentals - property	59	54
Operating lease rentals – plant and machinery	61	51
Auditors' remuneration - audit services	22	13
Depreciation of owned fixed assets	6	7
Amortisation of goodwill	148	148
Exchange gain	(12)	(125)

Non audit fees amounted to £14,000 (2012: £14,000) and related to taxation compliance services.

5. Emoluments of directors

	Highest paid director		All directors	
	2013 £000	2012 £000	2013 £000	2012 £000
Directors' fees and remuneration	119	123	243	263
Company contributions paid to money purchase pension schemes	14	13	64	66

At 31 December 2013 three directors participated in the defined benefit pension scheme (2012: three directors).

Notes to the financial statements

at 31 December 2013

6. Staff costs

	2013	2012
	£000	£000
Wages and salaries (excluding redundancy costs)	803	750
Social security costs	95	90
Pension costs - defined benefit scheme (note 18)	97	114
- other pension costs	46	39
	1,041	993

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

	2013	2012
	No.	No.
Selling	9	9
Administration	4	4
	13	13

7. Other operating income (net)

	2013	2012
	£000	£000
Commission receivable	315	311
Exchange losses	(12)	(126)
	303	185

8. Interest payable and similar charges

	2013	2012
	£000	£000
Net interest cost on pension scheme assets and liabilities (note 18)	12	90
	12	90

Notes to the financial statements

at 31 December 2013

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

	2013	*2012*
	£'000	*£'000*
(a) Analysis of charge in year		
Current tax:		
UK Corporation tax	-	-
UK Corporation tax under provided in prior period	-	-
Total current tax (note 9(b))	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax charge on (loss)/profit on ordinary activities	-	-

(b) Factors affecting current tax charge for the year

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013	*2012*
	£'000	*£'000*
(Loss)/profit on ordinary activities before tax	(164)	2,400
(Loss)/profit on ordinary activities at standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(38)	588
Effects of:		
Expenses not deductible for tax purposes (including goodwill amortisation)	35	(799)
Decelerated capital allowances	1	2
Group relief surrendered	43	25
Losses carried forward	9	184
FRS17 pension adjustment	(50)	-
Current tax charge for the year (note 9(a))	-	-

Notes to the financial statements

at 31 December 2013

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

(c) Deferred taxation

There is an unprovided deferred tax asset as at 31 December 2013 and 31 December 2012 .

There is no potential deferred tax liability.

	2013		*2012*	
	Provided	*Unprovided*	*Provided*	*Unprovided*
	£000	*£000*	*£000*	*£000*
Capital allowances in advance of depreciation	-	(28)	-	(30)
Losses	-	(325)	-	(365)
FRS 17 pension liability	-	(190)	-	(366)
Deferred tax asset	-	(543)	-	(761)

The deferred tax asset as at 31 December 2013 and 31 December 2012 has not been provided for as there is insufficient certainty over the level of future taxable profits against which the deferred tax asset could be relieved.

(d) Changes in the Corporate Income tax rate

A standard rate of 23.25% applies to current tax liabilities arising during the year ended 31 December 2013. A reduction in the rate to 21% from 1 April 2014 was substantively enacted on 2 July 2013. A further reduction in the rate to 20% from 1 April 2015 was also substantively enacted on 2 July 2013.

Notes to the financial statements

at 31 December 2013

10. Intangible fixed assets

	Goodwill *£000*
Cost:	
At 1 January 2013 and 31 December 2013	2,953
Amortisation:	
At 1 January 2013	1,822
Provided during the year	148
At 31 December 2013	1,970
Net book value:	
At 31 December 2013	983
At 31 December 2012	1,131

Goodwill is being amortised over a period of 20 years.

11. Tangible fixed assets

	Plant, machinery and equipment *£000*
Cost:	
A 1 January 2013	192
Additions	1
Disposals	(1)
At 31 December 2013	192
Depreciation:	
At 1 January 2013	181
Charge for year	6
Disposals	(1)
At 31 December 2013	186
Net book value:	
At 31 December 2013	6
At 31 December 2012	11

Notes to the financial statements

at 31 December 2013

12. Investments

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

Gro Con Inc and Grued Inc were dissolved on 30 July 2014.

13. Debtors

	2013	*2012*
	£000	*£000*
Prepayments and accrued income	100	107
Amounts due from group undertakings	8,680	8,387
	8,780	8,494

Included in amounts due from group undertakings are amounts totalling £5,133,774 which are due after more than one year (2012: £5,133,774), of which £nil (2012: £nil) is due from the parent undertaking.

14. Creditors: amounts falling due within one year

	2013	*2012*
	£000	*£000*
Trade creditors	35	33
Amounts owed to group undertakings	273	19
Other taxation and social security costs	-	33
Accruals and deferred income	137	99
	445	184

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

	2013	*2012*
	£000	*£000*
Amounts owed to group undertakings	607	620
Amounts owed to parent undertaking	4,791	4,791
	5,398	5,411

All amounts at 31 December 2013 fall due in more than five years.

Notes to the financial statements

at 31 December 2013

16. Called up share capital

	Authorised		Allotted, called up and fully paid	
	2013	*2012*	*2013*	*2012*
	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

17. Financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings			Other
	2013	*2012*	*2013*	*2012*
	£000	*£000*	*£000*	*£000*
Leases expiring:				
Within one year	-	-	-	-
Within two to five years	10	40	18	29
	10	40	18	29

Notes to the financial statements

at 31 December 2013

18. Pension commitments

The company contributes to a defined contribution pension scheme. The charge for the year amounted to £46,000 (2012: £39,000).

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 2013 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.

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

	Percentage of plan assets 2013	*Fair value at 31 December 2013*	*Percentage of plan assets 2012*	*Fair value at 31 December 2012*
	%	*£000*	*%*	*£000*
Equities	40%	4,125	39%	3,814
Bonds	46%	4,743	48%	4,695
Properties	13%	1,340	7%	685
Other	1%	103	6%	587
Total market value of assets		10,311		9,781
Present value of Scheme liabilities		(10,245)		(9,975)
Asset/(deficit) in the scheme		66		(194)
Related deferred tax credit		-		-
Effect of pension asset surplus cap		(66)		-
Net pension liability		-		(194)

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:

	2013	*2012*
	£000	*£000*
Recognised in the profit and loss account		
Current service cost (including member contributions)	109	2,567
Less member contributions	(12)	(2,453)
Recognised in arriving at operating profit (note 6)	97	114
Expected return on pension scheme assets (after deduction of administration expenses)	(433)	(352)
Interest on pension scheme liabilities	445	442
Net interest lost on pension scheme assets and liabilities (note 8)	12	90
Total recognised in the profit and loss account	109	204

Notes to the financial statements
at 31 December 2013

18. Pension commitments (continued)

	2013	2012
	£000	£000
Taken to the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on scheme assets	389	545
Experience gains and losses arising on the scheme liabilities	135	81
Changes in assumptions underlying the present value of the scheme liabilities	(228)	(431)
Actuarial gain recognised in STRGL	296	195

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:

	2013	2012
	%	%
Rate of increases in salaries	4.9	4.6
Rate of increase in pensions in payment	2.6	2.4
Discount rate for pensioners	4.5	4.5
Discount rate for active and deferred members	4.5	4.5
Inflation assumption	3.4	3.1
Expected rate of return on scheme assets		
Equities	5.9	5.6
Bonds	4.4	4.1
Gilts	3.6	2.7
Property	5.9	5.6
Other	0.5	0.5

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumption is that a member who retired in 2013 at age 65 will live on average for a further 23.1 years after retirement if they are male and for further 25.7 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 25.1 years and 27.6 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 tables published by the Institute and Faculty of Actuaries and is consistent with the assumptions used in the current Statement of Funding Principles dated 21 June 2012, giving a prudent measure for mortality experience.

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 £195,000. The directors also acknowledge their responsibilities

Notes to the financial statements

at 31 December 2013

18. Pension commitments (continued)

for ensuring that actuarial assumptions are suitably updated to reflect changing economic conditions, and they confirm that the 31 December 2013 assumptions have been carefully reviewed with the actuary.

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 planned to make contributions totalling £73,000 to the defined benefit scheme in the period 1 January 2014 to 31 December 2014.

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

	2013	*2012*
	£000	*£000*
As at 1 January	9,975	9,376
Total service cost (including member contributions)	109	129
Other finance expense	445	442
Benefits paid	(377)	(322)
Actuarial loss	93	350
As at 31 December	10,245	9,975

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

	2013	*2012*
	£000	*£000*
As at 1 January	9,781	6,738
Expected return on plan assets	433	352
Total contributions	85	2,468
Benefits paid	(377)	(322)
Actuarial gain	389	545
As at 31 December	10,311	9,781

Notes to the financial statements

at 31 December 2013

18. Pension commitments (continued)

	2013	*2012*	*2011*	*2010*	*2009*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	10,311	9,781	6,738	6,305	5,508
Present value of defined benefit Obligation	(10,245)	(9,975)	(9,376)	(8,237)	(8,164)
Surplus/(deficit) in the scheme	66	(194)	(2,638)	(1,932)	(2,656)
Experience adjustments arising on plan liabilities	(135)	(81)	245	782	90
Experience adjustments arising on plan assets	433	352	376	333	282

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 £2,380,000 (2012: £2,676,000).

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

	Share capital	*Profit and loss account*	*Total shareholders funds*
	£000	*£000*	*£000*
At January 2012	10	3,162	3,172
Profit for the year	-	2,400	2,400
Actuarial gain	-	195	195
At 1 January 2012	10	5,757	5,767
Profit for the year	-	(164)	(164)
Actuarial gain	-	296	296
At 31 December 2012	10	5,889	5,899

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: 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.

Notes to the financial statements
at 31 December 2013

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.