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Registered No: 886870

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Vishay Limited

Report and Financial Statements

31 December 2014

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
SR4 6XS

Solicitors

Edwin Coe Solicitors
2 Stone Buildings
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Tyne and Wear
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Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2014.

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 £609,000 (2013: loss of £98,000). 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 who served during the year were as follows:

J J Holmberg (resigned 2 June 2014)
J W Wheeler
G W Paul
P N Jeffreys
L M Bell
N Brown (resigned 4 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

The company has elected under the elective regime S485 and S489 of the Companies Act 2006 to dispense with the obligation to appoint auditors annually. Ernst & Young LLP are therefore deemed to be reappointed.

By order of the Board

Lan Bell

L M Bell
Director

25th August 2015

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.

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Independent auditors' report

to the members of Vishay Limited

We have audited the financial statements of Vishay Limited for the year ended 31 December 2014 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 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 2014 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.

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Independent auditors' report

to the members of Vishay Limited (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

28 August 2015

Profit and loss account

for the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Turnover	2	-	-
Operating (income)/costs	3	(549)	397
		549	(397)
Other operating income	7	265	303
Operating profit/(loss)	4	814	(94)
Bank and other interest receivable	8	6	8
Interest payable and similar charges	9	60	(12)
Dividends receivable from subsidiary undertakings		2,529	-
Write off of intercompany balance with Grued Inc		(2,547)	-
Foreign exchange loss on loan repayments		(252)	-
Profit/(loss) on ordinary activities before taxation		610	(98)
Tax charge on profit/(loss) on ordinary activities	10	(1)	-
Profit/(loss) retained for the financial year	20	609	(98)

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses

for the year ended 31 December 2014

		2014 £000	2013 £000
Profit/(loss) for the financial year		609	(98)
Actuarial gain recognised in pension scheme	20	(546)	296
Effect of pension asset surplus cap	20	66	(66)
Total recognised gains and losses for the financial year		129	132

Balance sheet

Registered No: 886870

at 31 December 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Intangible assets	11	835	983
Tangible assets	12	7	6
		842	989
Current assets			
Debtors:	14		
Amounts falling due after one year		-	5,134
Amounts falling due within one year		9,426	3,646
		9,426	8,780
Investments		500	1,500
Cash at bank and in hand		743	473
		10,669	10,753
Creditors: amounts falling due within one year	15	(221)	(445)
Net current assets		10,448	10,308
Total assets less current liabilities		11,290	11,297
Creditors: amounts falling due after more than one year	16	(4,791)	(5,398)
Net assets excluding pension liability		6,499	5,899
Pension liability	19	(471)	-
Net assets including pension liability		6,028	5,899
Capital and reserves			
Called up share capital	17	10	10
Profit and loss account	20	6,018	5,889
Shareholders' funds	20	6,028	5,899

These financial statements were approved and authorised for issue by the Board on 25th August 2015 and signed on their behalf by:

Lam Bell

L M Bell
Director

Notes to the financial statements

at 31 December 2014

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 2014

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 2014

3. Operating (income)/costs

	2014	*2013*
	£000	*£000*
Staff costs:		
-Wages and salaries	810	803
- Social security costs	96	95
- Pension costs	146	143
Depreciation and other amounts written off tangible fixed assets	6	6
Amortisation of goodwill	148	148
Restructuring	-	68
Other operating income	(1,755)	(866)
	(549)	397

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

4. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2014	*2013*
	£000	*£000*
Operating lease rentals - property	47	59
Operating lease rentals – plant and machinery	61	61
Auditors' remuneration - audit services	20	22
Depreciation of owned fixed assets	6	6
Amortisation of goodwill	148	148
Exchange loss	24	12

Non audit fees amounted to £14,000 (2013: £14,000) and related to taxation compliance services.

5. Emoluments of directors

	Highest paid director		*All directors*	
	2014	*2013*	*2014*	*2013*
	£000	*£000*	*£000*	*£000*
Directors' fees and remuneration	129	119	240	243
Company contributions paid to money purchase pension schemes	14	14	35	64

At 31 December 2014 three directors participated in the defined benefit pension scheme (2013: three directors).

Notes to the financial statements

at 31 December 2014

6. Staff costs

	2014	2013
	£000	£000
Wages and salaries (excluding redundancy costs)	810	803
Social security costs	96	95
Pension costs - defined benefit scheme (note 19)	98	97
- other pension costs	48	46
	1,052	1,041

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

	2014	2013
	No.	No.
Selling	9	9
Administration	4	4
	13	13

7. Other operating income (net)

	2014	2013
	£000	£000
Commission receivable	289	314
Exchange losses	(24)	(12)
	265	303

8. Bank and other interest receivable

	2014	2013
	£000	£000
Bank interest receivable	6	8
	6	8

9. Interest payable and similar charges

	2014	2013
	£000	£000
Net interest cost on pension scheme assets and liabilities (note 19)	60	12
	60	12

Notes to the financial statements

at 31 December 2014

10. Tax on profit/(loss) on ordinary activities

	2014	*2013*
	£'000	*£'000*
(a) Analysis of charge in year		
Current tax:		
UK Corporation tax	1	-
UK Corporation tax under provided in prior period	-	-
Total current tax (note 10(b))	1	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax charge on profit/(loss) on ordinary activities	1	-

(b) Factors affecting current tax charge for the year

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are reconciled below:

	2014	*2013*
	£'000	*£'000*
Profit/(loss) on ordinary activities before tax	610	(98)
Profit/(loss) on ordinary activities at standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	131	(23)
Effects of:		
Expenses not deductible for tax purposes (including goodwill amortisation)	478	35
Income not taxable for tax purposes	(543)	-
Capital allowances (in excess of)/less than depreciation	(5)	1
Short term timing differences	(1)	-
Group relief surrendered	-	28
Losses carried forward	-	9
Utilisation of tax losses	(59)	-
FRS17 pension adjustment	-	(50)
Current tax charge for the year (note 10(a))	1	-

Notes to the financial statements

at 31 December 2014

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

(c) Deferred taxation

There is an unrecognised deferred tax asset as at 31 December 2014 and 31 December 2013.

There is no potential deferred tax liability.

		2014		*2013*
	Provided	*Unprovided*	*Provided*	*Unprovided*
	£000	*£000*	*£000*	*£000*
Capital allowances in advance of depreciation	-	(23)	-	(28)
Losses	-	(271)	-	(325)
FRS 17 pension liability	-	(189)	-	(190)
Deferred tax asset	-	(483)	-	(543)

The deferred tax asset as at 31 December 2014 and 31 December 2013 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 reduction in the rate of UK corporation tax from 23% to 21% was substantively enacted on 2 July 2013 and came into effect on 1 April 2014. A rate of 21.49% therefore applies to current tax liabilities arising in the period.

A further reduction in the rate of corporation tax from 21% to 20% was substantively enacted on 2 July 2013 and will be effective from 1 April 2015.

The substantively enacted rate of 20% therefore applies to deferred tax assets and liabilities arising at the balance sheet date.

Notes to the financial statements

at 31 December 2014

11. Intangible fixed assets

	Goodwill
	£000
Cost:	
At 1 January 2014 and 31 December 2014	2,953
Amortisation:	
At 1 January 2014	1,970
Provided during the year	148
At 31 December 2014	2,118
Net book value:	
At 31 December 2014	835
At 31 December 2013	983

Goodwill is being amortised over a period of 20 years.

12. Tangible fixed assets

	Plant, machinery and equipment
	£000
Cost:	
A 1 January 2014	192
Additions	7
Disposals	(75)
At 31 December 2014	124
Depreciation:	
At 1 January 2014	186
Charge for year	6
Disposals	(75)
At 31 December 2014	117
Net book value:	
At 31 December 2014	7
At 31 December 2013	6

Notes to the financial statements

at 31 December 2014

13. Investments

The company held 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.

14. Debtors

	2014	*2013*
	£000	*£000*
Prepayments and accrued income	33	100
Amounts due from group undertakings	9,393	8,680
	9,426	8,780

Included in amounts due from group undertakings are amounts totalling £nil which are due after more than one year (2013: £5,133,774), of which £nil (2013: £nil) is due from the parent undertaking.

15. Creditors: amounts falling due within one year

	2014	*2013*
	£000	*£000*
Trade creditors	26	35
Amounts owed to group undertakings	29	273
Accruals and deferred income	165	137
Corporation tax	1	-
	221	445

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

	2014	*2013*
	£000	*£000*
Amounts owed to group undertakings	-	607
Amounts owed to parent undertaking	4,791	4,791
	4,791	5,398

All amounts at 31 December 2014 fall due in more than five years.

Notes to the financial statements

at 31 December 2014

17. Called up share capital

	Authorised		Allotted, called up and fully paid	
	2014	*2013*	*2014*	*2013*
	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 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2014	*2013*	*2014*	*2013*
	£000	*£000*	*£000*	*£000*
Leases expiring:				
Within one year	-	-	-	-
Within two to five years	9	10	34	18
	9	10	34	18

Notes to the financial statements

at 31 December 2014

19. Pension commitments

The company contributes to a defined contribution pension scheme. The charge for the year amounted to £48,000 (2013: £46,000).

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 2014 and updated to 31 December 2014 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 2014	*Fair value at 31 December 2014*	*Percentage of plan assets 2013*	*Fair value at 31 December 2013*
	%	*£000*	*%*	*£000*
Equities	42%	4,488	40%	4,125
Bonds	44%	4,702	46%	4,743
Properties	13%	1,389	13%	1,340
Other	1%	107	1%	103
Total market value of assets		10,686		10,311
Present value of Scheme liabilities		(11,157)		(10,425)
(Deficit)/asset in the scheme		(471)		66
Effect of pension asset surplus cap		-		(66)
Net pension liability		(471)		-

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:

	2014	*2013*
	£000	*£000*
Recognised in the profit and loss account		
Current service cost (including member contributions)	106	109
Less member contributions	(8)	(12)
Recognised in arriving at operating profit (note 6)	98	97
Expected return on pension scheme assets (after deduction of administration expenses)	(509)	(433)
Interest on pension scheme liabilities	449	445
Net interest on pension scheme assets and liabilities (note 9)	(60)	12
Total recognised in the profit and loss account	38	109

Notes to the financial statements

at 31 December 2014

19. Pension commitments (continued)

	2014	*2013*
	£000	*£000*
Taken to the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on scheme assets	148	389
Experience gains and losses arising on the scheme liabilities	356	135
Changes in assumptions underlying the present value of the scheme liabilities	(1,050)	(228)
Actuarial gain recognised in STRGL	(546)	296

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:

	2014	*2013*
	%	*%*
Rate of increases in salaries	4.4	4.9
Rate of increase in pensions in payment	2.1	2.6
Discount rate for pensioners	3.5	4.5
Discount rate for active and deferred members	3.5	4.5
Inflation assumption	2.9	3.4
Expected rate of return on scheme assets		
Equities	3.5	5.9
Bonds	3.5	4.4
Gilts	3.5	3.6
Property	3.5	5.9
Other	3.5	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 2014 at age 65 will live on average for a further 22.8 years after retirement if they are male and for further 25.2 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 £200,000. The directors also acknowledge their responsibilities

Notes to the financial statements

at 31 December 2014

19. Pension commitments (continued)

for ensuring that actuarial assumptions are suitably updated to reflect changing economic conditions, and they confirm that the 31 December 2014 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 £42,000 to the defined benefit scheme in the period 1 January 2015 to 31 December 2015.

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

	2014	*2013*
	£000	*£000*
As at 1 January	10,245	9,975
Total service cost (including member contributions)	106	109
Other finance expense	449	445
Benefits paid	(337)	(377)
Actuarial loss	694	93
As at 31 December	11,157	10,245

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

	2014	*2013*
	£000	*£000*
As at 1 January	10,311	9,781
Expected return on plan assets	509	433
Total contributions	55	85
Benefits paid	(337)	(377)
Actuarial gain	148	389
As at 31 December	10,686	10,311

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19. Pension commitments (continued)

	2014	*2013*	*2012*	*2011*	*2010*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	10,686	10,311	9,781	6,738	6,305
Present value of defined benefit Obligation	(11,157)	(10,245)	(9,975)	(9,376)	(8,237)
(Deficit)/surplus in the scheme	(471)	66	(194)	(2,638)	(1,932)
Experience adjustments arising on plan liabilities	(356)	(135)	(81)	245	782
Experience adjustments arising on plan assets	509	433	352	376	333

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 £2,926,000 (2013: £2,380,000).

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

	Share capital	*Profit and loss account*	*Total shareholders funds*
	£000	*£000*	*£000*
At January 2013	10	5,757	5,767
Loss for the year	-	(98)	(98)
Actuarial gain	-	296	296
Effect of pension asset surplus cap	-	(66)	(66)
At 1 January 2014	10	5,889	5,899
Profit for the year	-	609	609
Actuarial loss	-	(546)	(546)
Effect of pension asset surplus cap	-	66	66
At 31 December 2014	10	6,018	6,028

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 7a, 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 Limted, can be obtained from 63 Lincoln Highway, PO Box 4004, Malvern, PA19355 – 2120 USA.

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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.