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Vishay BCcomponents UK Limited

Report and Financial Statements

31 December 2006

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COMPANIES HOUSE

Vishay BCcomponents UK Limited

Registered No 2949546

Director

L M Bell

Secretary

C Beesley

Auditors

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

Bankers

HSBC Bank plc
67 West Street
Dorking
Surrey
RH4 1BW

Solicitors

McCombie & Co
St Paul's House
23 Park Square
Leeds
LS1 2ND

Registered Office

Pallion Industrial Estate
Sunderland
Tyne and Wear
SR4 6SU

Director's report

The director presents her report and financial statements for the year ended 31 December 2006

Results and dividends

The loss on ordinary activities after taxation amounted to £88,000 (2005 – loss of £197,000) The director does not recommend the payment of a dividend

Principal activity and review of the business

The principal activity of the company is the sale and distribution of electronic components The director is disappointed with the results for the year and looks forward to an improvement in 2007

Directors

The director who served the company during the year was as follows

L M Bell

Treasury management policy

The company's principal financial instruments comprise cash, cash equivalents and group balances

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 an interest yielding bank deposit account Interest is charged on group borrowings at variable rates Therefore financial assets, financial liabilities, interest income, interest expense and cash flows can be affected by movements in interest rates, although the directors do not consider the exposure to be significant

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

Foreign currency risk

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

Director's report

Disclosure of information to Auditors

So far as the 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. The director, having made enquiries of the company's auditor, has taken all the steps that she is obliged to take as a director in order to make 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 members at the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

On behalf of the Board



L M Bell
Director

19 October 2007

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements the director is required to

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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 BCcomponents Limited

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Vishay BCcomponents UK Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements

Ernst + Young LLP

Ernst & Young LLP
Registered Auditor
Newcastle upon Tyne

22 October 2007

Profit and loss account

for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Turnover	3	3,816	3,638
Cost of sales		3,454	3,415
Gross profit		362	223
Distribution costs and administrative expenses		174	246
Operating profit/(loss)	4	188	(23)
Bank and other interest receivable		18	27
Interest payable to group undertakings		(294)	(201)
Loss on ordinary activities before taxation		(88)	(197)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	12	(88)	(197)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £88,000 attributable to the shareholders for the year ended 31 December 2006 (2005 £197,000)

Balance sheet

at 31 December 2006

	Notes	2006 £000	2005 £000
Current assets			
Stocks	7	139	64
Debtors	8	660	5,494
Cash at bank and in hand		471	2,250
		<u>1,270</u>	<u>7,808</u>
Creditors: amounts falling due within one year	9	1,747	8,192
		<u>(477)</u>	<u>(384)</u>
Net current liabilities			
		<u>(477)</u>	<u>(384)</u>
Total assets less current liabilities			
		<u>(477)</u>	<u>(384)</u>
Provisions for liabilities and charges	10	(27)	(32)
		<u>(504)</u>	<u>(416)</u>
		<u><u></u></u>	<u><u></u></u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(504)	(416)
		<u>(504)</u>	<u>(416)</u>
Equity shareholders' deficit	12	(504)	(416)
		<u><u>(504)</u></u>	<u><u>(416)</u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

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



L M Bell
Director

Notes to the financial statements

at 31 December 2006

1. Fundamental accounting concept

Fundamental accounting concept

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due

At the balance sheet date the company had net current liabilities of £477,000 (2005 £384,000) and total net liabilities of £504,000 (2005 £416,000) including amounts owed to its parent undertaking, Vishay BCcomponents Holdings BV and other group undertakings of £1,596,000 (2005 £8,060,000)

The company meets its day to day working capital requirements with its cash reserves. The company is also dependent on continuing financial support being available from group undertakings through flexibility over repayment of intercompany balances

In view of the circumstances referred to above the director is satisfied that financial support will continue to be available to the company in the foreseeable future. Accordingly, the director of the company believes that it is appropriate to prepare the financial statements on a going concern basis

However, should sufficient continuing finance not be available, the going concern basis would be invalid and adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities

2. Accounting policies

Accounting convention

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

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost, on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate

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 exception

Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Notes to the financial statements

at 31 December 2006

2. Accounting policies (continued)

Foreign currencies

Transactions 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 differences are taken to the profit and loss account

3. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties within the United Kingdom, and is attributable to the continuing principal activity of the company

4. Operating profit/(loss)

This is stated after charging/(crediting)

	2006 £000	2005 £000
Auditors' remuneration	14	9
Exchange (gains)/losses	(101)	36
	<u> </u>	<u> </u>

5. Staff costs

Staff costs and directors emoluments are borne by a fellow group undertaking

6. Tax on loss on ordinary activities

(a) The tax charge is made up as follows

	2006 £000	2005 £000
<i>Current tax</i>		
UK corporation tax	-	-
	<u> </u>	<u> </u>
Total current tax (note 6(b))	-	-
	<u> </u>	<u> </u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	-	-
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2006

6. Tax on loss on ordinary activities (continued)

(b) Factors affecting current tax charge

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

	2006 £000	2005 £000
Loss on ordinary activities before taxation	(88)	(197)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 - 30%)	(26)	(59)
Disallowed expenses and non-taxable income	95	78
Group relief claimed	(56)	-
Capital allowances in advance of depreciation	(2)	(3)
Utilisation of losses brought forward	(11)	(16)
Total current tax (note 6(a))	-	-

(c) Factors affecting future tax charges

Subject to Inland Revenue approval, the company has approximately £nil (2005 - £36,000) of tax trading losses to carry forward at the year end

7. Stocks

	2006 £000	2005 £000
Finished goods	139	64

Included above is £nil (2005 - £50,149) of stock held on a consignment basis at customers premises, which is invoiced as and when it is used

8. Debtors

	2006 £000	2005 £000
Trade debtors	607	589
Prepayments	1	3
Amounts due from group undertakings	52	4,902
	660	5,494

Notes to the financial statements

at 31 December 2006

9. Creditors: amounts falling due within one year

	2006 £000	2005 £000
Amounts owed to group undertakings	1,596	8,060
Other taxes and social security costs	139	120
Accruals and other creditors	12	12
	<u>1,747</u>	<u>8,192</u>

10. Provisions for liabilities and charges

	<i>Sales Rebate £000</i>
At 1 January 2006	32
Utilised	(38)
Arising during the year	33
At 31 December 2006	<u>27</u>

The sales rebate provision relates to estimated amounts payable to customers in respect of turnover rebate agreements

Deferred taxation provided in the financial statements and the amounts not provided are as follows

	<i>Provided</i>		<i>Not provided</i>	
	2006 £000	2005 £000	2006 £000	2005 £000
Capital allowances in advance of depreciation	-	-	(6)	(8)
Other timing differences	-	-	(173)	(78)
Tax losses	-	-	-	(11)
Deferred tax asset	<u>-</u>	<u>-</u>	<u>(179)</u>	<u>(97)</u>

11. Called-up share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2006 <i>No</i>	2005 <i>No</i>	2006 <i>£</i>	2005 <i>£</i>
Ordinary shares of £1 each	100	100	100	100

Notes to the financial statements

at 31 December 2006

12. Reconciliation of shareholders' deficit and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' deficit £000</i>
At 1 January 2005	-	(219)	(219)
Loss for the year	-	(197)	(197)
At 1 January 2006	-	(416)	(416)
Loss for the year	-	(88)	(88)
At 31 December 2006	-	(504)	(504)

13. Related party disclosures

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

14. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Vishay BCcomponents Holdings BV of Eindhoven, incorporated in the Netherlands

In the opinion of the directors, the company's ultimate parent undertaking and controlling party is Vishay Intertechnology Inc, which is incorporated in the USA. Its financial statements can be obtained from 63 Lincoln Highway, Malvern, PA 19355-2120 USA