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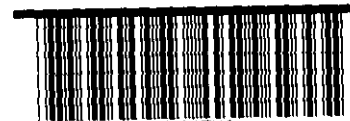
REGISTRAR

# **Vishay BCcomponents UK Limited**

## **Report and Financial Statements**

31 December 2003

 **ERNST & YOUNG**



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# Vishay BCcomponents UK Limited

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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  
67 West Street  
Dorking  
Surrey  
RH4 1BW

## **Solicitors**

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

## **Registered Office**

North Wing  
Hays House  
Millmead  
Guildford  
Surrey  
GU2 5BE

## Director's report

The directors present their report and financial statements for the year ended 31 December 2003.

### Results and dividends

The profit on ordinary activities before taxation amounted to £184,000 (2002: loss of £138,000). The directors do not propose declaring a dividend in respect of the year ended 31 December 2003 or to make any appropriation from reserves (2002: £nil).

### Principal activity and review of the business

The principal activity of the company is the sale and distribution of electronic components. The directors are satisfied with the results for the year and look forward to a similar performance in 2004.

### Directors and their interests

The directors who served during the year were as follows:

N Blakeway (resigned 27 May 2003)

L M Bell (appointed 27 May 2003)

No directors had any interests in the shares of either this or any other group company which require disclosure under Schedule 7 of the Companies Act 1985.

No directors have interests in the company's contracts.

### 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.

On behalf of the Board



L M Bell  
Director

6 October 2004

## **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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 Limited (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads 'Ernst &amp; Young LLP'.

Ernst & Young LLP  
Registered Auditor  
Newcastle upon Tyne

6 October 2004

## Profit and loss account

For the year ended 31 December 2003

	Notes	2003 £000	2002 £000
<b>Turnover</b>	3	7,181	7,178
Cost of sales		5,823	5,776
		<hr/>	<hr/>
<b>Gross profit</b>		1,358	1,402
Distribution costs and administrative expenses		1,149	1,511
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	4	209	(109)
Interest payable to group undertakings		(25)	(29)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		184	(138)
Tax on profit/(loss) on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Retained profit/(loss) for the year</b>	12	184	(138)
		<hr/>	<hr/>

### Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £184,000 attributable to the shareholders for the year ended 31 December 2003 (2002: loss of £138,000).

## Balance sheet

at 31 December 2003

	Notes	2003 £000	2002 £000
<b>Fixed assets</b>			
Tangible assets	7	-	52
<b>Current assets</b>			
Stocks		63	39
Debtors	8	1,070	855
Cash at bank and in hand		283	334
		1,416	1,228
<b>Creditors: amounts falling due within one year</b>	9	1,712	1,753
<b>Net current liabilities</b>		(296)	(525)
<b>Total assets less current liabilities</b>		(296)	(473)
<b>Provisions for liabilities and charges</b>	10	(113)	(120)
<b>Net liabilities</b>		(409)	(593)
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	(409)	(593)
<b>Shareholders' funds:</b>			
Equity	12	(409)	(593)

*L M Bell*

L M Bell  
Director

6 October 2004



## Notes to the financial statements

at 31 December 2003

### 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 £296,000 and total net liabilities of £409,000 including net amounts owed to its parent undertaking, BCcomponents International BV and other group undertakings of £1,221,000.

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 directors have satisfied themselves that financial support will continue to be available to the company in the foreseeable future. Accordingly, the directors of the company believe 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 accounting standards.

#### *Cash flow statement*

The directors have 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.

#### *Fixed assets*

All fixed assets are initially recorded at cost.

#### *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.

## Notes to the financial statements

at 31 December 2003

### 2. Accounting policies (continued)

#### *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:

Office equipment	-	33%
Leasehold improvements	-	over life of lease

The carrying values of fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values 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 exception:

Deferred tax 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.

#### *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.

#### *Leasing and hire purchase commitments*

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

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account in accordance with the rules of the scheme.

### 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.

## Notes to the financial statements

at 31 December 2003

### 4. Operating loss

This is stated after charging:

	2003 £000	2002 £000
Auditors' remuneration	8	8
Directors emoluments	-	-
Depreciation of owned fixed assets	52	47
Operating lease rentals	114	125
Exchange losses	16	19
	<u>190</u>	<u>209</u>

### 5. Staff costs

	2003 £000	2002 £000
Wages and salaries	244	516
Social security costs	23	48
Other pension costs	17	28
	<u>284</u>	<u>592</u>

The monthly average number of employees during the year including executive directors, was as follows:

	2003 No.	2002 No.
Sales	3	13
Administration	2	3
	<u>5</u>	<u>16</u>

## Notes to the financial statements

at 31 December 2003

### 6. Tax on profit/(loss) on ordinary activities

(a) The tax charge is made up as follows:

	2003 £000	2002 £000
<i>Current tax:</i>		
UK corporation tax	-	-
Total current tax (note 6(b))	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Tax on profit/(loss) on ordinary activities	-	-

(b) Factors affecting current tax charge

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 30% (2002 – 30%). The differences are reconciled below:

	2003 £000	2002 £000
Profit/(loss) on ordinary activities before taxation	184	(138)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	55	(41)
Disallowed expenses and non-taxable income	8	10
Capital allowances in advance of depreciation	11	8
Short term timing differences	3	23
Losses brought forward utilised	(77)	-
Total current tax (note 6(a))	-	-

(c) Factors affecting future tax charges

Subject to Inland Revenue approval, the company has approximately £228,000 (2002: £448,000) of tax trading losses to carry forward at the year end.

## Notes to the financial statements

at 31 December 2003

### 7. Tangible fixed assets

	<i>Leasehold Improvements £000</i>	<i>Office equipment £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2003 and 31 December 2003	51	143	194
Depreciation:			
At 1 January 2003	15	127	142
Charge for the year	36	16	52
At 31 December 2003	51	143	194
Net book value:			
At 1 January 2003	36	16	52
At 31 December 2003	-	-	-

### 8. Debtors

	<i>2003 £000</i>	<i>2002 £000</i>
Trade debtors	1,034	795
Other debtors	-	4
Prepayments	36	56
	<u>1,070</u>	<u>855</u>

### 9. Creditors: amounts falling due within one year

	<i>2003 £000</i>	<i>2002 £000</i>
Trade creditors	52	17
Amounts owed to group undertakings	1,221	1,165
Other taxes and social security costs	162	251
Accruals	277	320
	<u>1,712</u>	<u>1,753</u>

## Notes to the financial statements

at 31 December 2003

### 10. Provisions for liabilities and charges

	<i>Sales Rebate £000</i>
At 1 January 2003	120
Arising during the year	106
Utilised	(113)
At 31 December 2003	<u>113</u>

The sales rebate provision relates to estimated amounts payable to customers in respect of stock rotation agreements.

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

	<i>Provided</i>		<i>Not provided</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Capital allowances in advance of depreciation	-	-	(15)	(4)
Other timing differences	-	-	(7)	(5)
Tax losses	-	-	(68)	(146)
Deferred tax asset	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>(155)</u>

### 11. Called-up share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## Notes to the financial statements

at 31 December 2003

### 12. Reconciliation of shareholders' funds and movements on reserves

	Share Capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2002	-	(455)	(455)
Loss for the year	-	(138)	(138)
At 31 December 2002	-	(593)	(593)
Profit for the year	-	184	184
At 31 December 2003	-	(409)	(409)

### 13. Financial commitments

#### (a) Operating leases

The annual commitments under non-cancellable operating leases are as follows:

	2003		2002	
	Motor Vehicles £000	Property £000	Total £000	Total £000
Operating leases which expire:				
- within one year	-	64	-	24
- between two and five years	-	74	-	90
- after five years	-	-	-	-
	-	138	-	114

#### (b) Future commitments

Included within accruals (note 9) is an amount of £192,500 in respect of future operating lease payments for the premises previously occupied. The accrual represents the obligation for rent payable to the end of the lease on 16 February 2006, after which the directors are certain that no further obligation will exist.

### 14. Pension commitments

The company provides pensions to all employees through a funded pension scheme, the assets of which are held independently of the company by William Mercer. The scheme is of a defined contribution nature, and the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The unpaid contributions outstanding at the year end, included in creditors (note 9) are £Nil (2002 - £Nil).

There were no directors who were members of the company money purchase scheme in the year ended 31 December 2003 (2002: none).

### 15. Related party disclosures

Under Financial Reporting Standard 8 the company is exempt from disclosing transactions with other group undertakings.

## Notes to the financial statements

at 31 December 2003

### 16. Ultimate parent undertaking and controlling party

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

In the opinion of the directors, the company's ultimate parent undertaking 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.