Registered No: 886870

Vishay Limited

Report and Financial Statements

31 December 2017

Registered No: 886870

Directors
G W Paul
L M Bell

Secretary
L M Bell

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

Bankers
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Solicitors
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Directors' report

Registered No. 886870

The directors present their report and audited financial statements for the year ended 31 December 2017.

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 £20,000 (2016: profit of £808,000). 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 W Wheeler (Resigned 6th September 2017)
G W Paul
P N Jeffreys (Resigned 6th September 2017)
L M Bell

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 auditor

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.

Re-appointment of auditor

In accordance with 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

L M Bell
Director

26th September 2018

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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), including FRS102 "The Financial Reporting standard applicable in the UK and the Republic of Ireland". 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 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 adequate accounting records that 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 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 Limited

Opinion

We have audited the financial statements of Vishay Limited for the year ended 31 December 2017 which comprise the Income statement, the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 "The Financial Reporting standard applicable in the UK and the Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report (continued)

to the members of Vishay Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report (continued)

to the members of Vishay Limited

Use of our report

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

Darren Rutherford (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Newcastle upon Tyne

Date: 26/9/18.

Income statement

for the year ended 31 December 2017

	Notes	*2017* *£000*	*2016* *£000*
Turnover	2	-	-
Net operating costs	3	(72)	(45)
		(72)	(45)
Other operating income (net)	7	114	867
Operating profit	4	42	822
Bank and other interest receivable	8	23	1
Net interest on pension scheme assets and liabilities	9	(45)	(15)
Profit before taxation		20	808
Tax charge on profit	10	-	-
Profit retained for the financial year		20	808

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

Statement of comprehensive income

for the year ended 31 December 2017

		2017 *£000*	*2016* *£000*
Profit for the financial year		20	808
Re –measurement gain/(loss) recognised on defined benefit pension scheme	17	249	(1,294)
Total comprehensive income for the financial year		269	(486)

Statement of changes in equity

for the year ended 31 December 2017

	Share capital	*Profit and loss account*	*Total shareholders funds*
	£000	*£000*	*£000*
At January 2016	10	5,949	5,959
Profit for the year	-	808	808
Actuarial loss	-	(1,294)	(1,294)
At 1 January 2017	10	5,463	5,473
Profit for the year	-	20	20
Actuarial gain	-	249	249
At 31 December 2017	10	5,732	5,742

Statement of financial position

Registered No: 886870

at 31 December 2017

	Notes	*2017* *£000*	*2016* *£000*
Fixed assets			
Intangible assets	11	393	541
Tangible assets	12	6	7
		399	548
Current assets			
Debtors	13	8,899	9,612
Investments		500	500
Cash at bank and in hand		2,543	1,727
		11,942	11,839
Creditors: amounts falling due within one year	14	(5,074)	(5,204)
Net current assets		6,868	6,635
Total assets less current liabilities		7,267	7,183
Net assets excluding pension liability		7,267	7,183
Defined benefit pension liability	17	(1,525)	(1,710)
Net assets		5,742	5,473
Capital and reserves			
Called up share capital	15	10	10
Profit and loss account	18	5,732	5,463
Shareholders' funds		5,742	5,473

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102.

These financial statements were approved and authorised for issue by the Board on 26th September 2018 and signed on their behalf by:

Lan Bell

L M Bell
Director

Notes to the financial statements

at 31 December 2017

1. Accounting policies

Statement of compliance

Vishay Limited is a private limited company, limited by shares, incorporated in England. The Registered Office is
Suite 7a, Tower House, St Catherine's Court, Sunderland, Tyne and Wear, SR5 3XJ.

The company's financial statements have been prepared in compliance with FRS 102 for the period ended 31 December 2017.

In these financial statements, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

– the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)

– the requirements of Section 7 Statement of Cash Flows

– the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A

– the requirements of Section 33.7 and 33.1A Related Party Disclosures

The group in which the results of the Company are consolidated is Vishay Intertechnology Inc

Consolidated financial statements are available at 63 Lincoln Highway, PO Box 4004, Malvern, PA 19355-2120, United States of America.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards.
The accounting principles used to prepare the financial statements are based on historical cost, unless stated otherwise.

The financial statements are prepared in GBP sterling which is the functional currency of the company, and rounded to the nearest £000.

Judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenues and expenses during the period.

However, the nature of estimation means that actual outcomes could differ from those estimates.

The company did not have any significant estimates or judgements at either year end.

Other significant accounting polices

Leased assets

Rentals payable under operating leases are charged to the income statement 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

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

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 Statement of financial position 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.

Cash and cash equivalents

Cash and cash equivalents in the Statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

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 income statement.

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

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 102, 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 income statement 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 income statement. 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 income statement as other finance income or expense.

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

The defined benefit pension liability in the statement of financial position 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 income statement 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.

Segmental analysis has not been disclosed as Vishay Limited's ultimate parent undertaking provides segmental accounting disclosures in compliance with the relevant standard and which includes the company's results.

Notes to the financial statements

at 31 December 2017

3. Operating costs/(income)

	2017 £000	2016 £000
Staff costs:		
-Wages and salaries	838	784
- Social security costs	102	98
- Pension costs	147	117
Depreciation and other amounts written off tangible fixed assets	5	5
Amortisation of goodwill	148	147
Restructuring charges	239	-
Other operating income	(1,407)	(1,106)
	72	45

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

4. Operating profit

Operating profit is stated after charging:

	2017 £000	2016 £000
Operating lease rentals - property	37	33
Operating lease rentals – plant and machinery	43	52
Auditors' remuneration - audit services	22	26
Depreciation of owned fixed assets	5	5
Amortisation of goodwill	148	147
Exchange losses/(gains)	109	(647)

Non audit fees amounted to £21,000 (2016: £16,000) and related to taxation compliance services.

5. Emoluments of directors

	Highest paid director		All directors	
	2017 £000	2016 £000	2017 £000	2016 £000
Directors' fees and remuneration	104	131	142	171
Company contributions paid to money purchase pension schemes	10	15	27	32

At 31 December 2017 one director participated in the defined benefit pension scheme (2016: two directors).

Notes to the financial statements
at 31 December 2017

6. Staff costs

	2017	2016
	£000	£000
Wages and salaries (excluding redundancy costs)	838	784
Social security costs	102	98
Pension costs - defined benefit scheme (note 17)	80	63
- other pension costs	67	54
	1,087	999

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

	2017	2016
	No.	No.
Selling	9	8
Administration	3	3
	12	11

7. Other operating income (net)

	2017	2016
	£000	£000
Commission receivable	223	220
Exchange (loss)/gain	(109)	647
	114	867

8. Bank and other interest receivable

	2017	2016
	£000	£000
Bank interest receivable	23	1
	23	1

9. Interest payable and similar charges

	2017	2016
	£000	£000
Interest on net defined pension liability (note 17)	(45)	(15)
	(45)	(15)

Notes to the financial statements

at 31 December 2017

10. Tax on profit

	2017	*2016*
	£'000	*£'000*
(a) Analysis of charge in year		
Current tax:		
UK Corporation tax	-	-
UK Corporation tax under provided in prior period	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax charge on profit on ordinary activities	-	-

(b) Factors affecting current tax charge for the year

The tax assessed on the profit for the year is different to the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:

	2017	*2016*
	£'000	*£'000*
Profit before tax	20	808
Profit at standard rate of corporation tax in the UK of 19.25% (2016: 20%)	4	162
Effects of:		
Expenses not deductible for tax purposes (including goodwill amortisation)	30	33
Movement in unrecognised deferred tax asset / rate changes	-	(195)
Group relief surrendered not paid for	(5)	-
Deferred tax not provided	(29)	-
Current tax charge for the year (note 10(a))	-	-

Notes to the financial statements

at 31 December 2017

10. Tax charge on profit (continued)

(c) Deferred taxation

There is an unrecognised deferred tax asset as at 31 December 2017 and 31 December 2016.

There is no potential deferred tax liability.

		2017		*2016*
	Provided	*Unprovided*	*Provided*	*Unprovided*
	£000	*£000*	*£000*	*£000*
Capital allowances in advance of depreciation	-	(11)	-	(13)
Losses	-	(68)	-	(103)
Timing differences - trading	-	(259)	-	(291)
Deferred tax asset	-	(338)	-	(407)

The deferred tax asset as at 31 December 2017 and 31 December 2016 has not been recognised 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

The standard rate of UK corporation tax reduced from 20% to 19% from 1 April 2017. A rate of 19.25% therefore applies to the current tax charge arising during the year ended 31 December 2017.

In addition to the change in rate of Corporation Tax identified above, a further reduction in the rate to 17% from 1 April 2020 was substantively enacted prior to the balance sheet date and has been applied to the company's deferred tax balance at the balance sheet date.

11. Intangible fixed assets

	Goodwill
	£000
Cost:	
At 1 January 2017 and 31 December 2017	2,953
Amortisation:	
At 1 January 2017	2,412
Provided during the year	148
At 31 December 2017	2,560
Net book value:	
At 31 December 2017	393
At 31 December 2016	541

Goodwill is being amortised over a period of 20 years.

Notes to the financial statements
at 31 December 2017

12. Tangible fixed assets

	Plant, machinery and equipment £000
Cost:	
A 1 January 2017	96
Additions	4
Disposals	(50)
At 31 December 2017	50
Depreciation:	
At 1 January 2017	89
Charge for year	5
Disposals	(50)
At 31 December 2017	44
Net book value:	
At 31 December 2017	6
At 31 December 2016	7

13. Debtors

	2017 £000	*2016 £000*
Prepayments and accrued income	20	31
Amounts due from group undertakings - loans	8,879	9,581
	8,899	9,612

Included in amounts due from group undertakings are amounts totalling £nil which are due after more than one year (2016: £nil), of which £nil (2016: £nil) is due from the parent undertaking. All balances are repayable on demand and are interest free.

Notes to the financial statements

at 31 December 2017

14. Creditors: amounts falling due within one year

	2017	*2016*
	£000	*£000*
Trade creditors	15	27
Amounts owed to group undertakings - trading	18	19
Amounts owed to group undertakings - loan	4,853	4,854
Accruals and deferred income	188	304
	5,074	5,204

The above amounts due to group undertakings are unsecured, repayable on demand and interest free.

15. Allotted and issued share capital

	Allotted, called up and fully paid	
	2017	*2016*
	£000	*£000*
Ordinary 'A' shares of 5p each	5	5
Ordinary 'B' shares of 5p each	5	5
	10	10

16. Financial commitments

At 31 December 2017 the company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings			*Other*
	2017	*2016*	*2017*	*2016*
	£000	*£000*	*£000*	*£000*
Leases expiring:				
Within one year	-	-	23	12
Within two to five years	26	38	29	39
	26	38	52	51

17. Pension commitments

The company contributes to a defined contribution pension scheme. The charge for the year amounted to £67,000 (2016: £54,000).

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 2017 by a qualified independent actuary using assumptions consistent with those required under FRS 102.

Notes to the financial statements

at 31 December 2017

17. Pension commitments (continued)

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

	Percentage of plan assets 2017 %	*Fair value at 31 December 2017 £000*	*Percentage of plan assets 2016 %*	*Fair value at 31 December 2016 £000*
Equities	31%	2,976	39%	4,567
Bonds	54%	5,155	51%	6,022
Properties	10%	949	14%	1,639
Cash	5%	542	-4%	(394)
Total market value of assets		9,622		11,834
Present value of Scheme liabilities		(11,147)		(13,544)
Deficit in the scheme		(1,525)		(1,710)
Deferred tax		-		-
Net pension liability		(1,525)		(1,710)

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 income statement, and in the statement of total recognised gains and losses for the year, are analysed as follows:

	2017 £000	*2016 £000*
Recognised in the income statement		
Current service cost (including member contributions)	86	68
Less member contributions	(6)	(5)
Recognised in arriving at operating profit (note 6)	80	63
Expected return on pension scheme assets (after deduction of administration expenses)	(270)	(410)
Interest on pension scheme liabilities	315	425
Net interest on pension scheme assets and liabilities (note 9)	45	15
Total recognised in the income statement	125	78

	2017 £000	*2016 £000*
Taken to the statement of other comprehensive income (OCI)		
Actual return less expected return on scheme assets	393	845
Experience gains and losses arising on the scheme liabilities	(280)	(4)
Changes in assumptions underlying the present value of the scheme liabilities	136	(2,135)
Actuarial gain/(loss) recognised in OCI	249	(1,294)

Notes to the financial statements

at 31 December 2017

17. Pension commitments (continued)

Approximate valuations have been carried out on a set of assumptions consistent with those required under FRS102 by a qualified actuary. The major assumptions and calculation dates for these valuations were:

	2017	*2016*
	%	*%*
Rate of increases in salaries	4.7	4.8
Rate of increase in pensions in payment	2.5	2.5
Discount rate for pensioners	2.5	2.6
Discount rate for active and deferred members	2.5	2.6
Inflation assumption - RPI	3.2	3.3
Inflation assumption - CPI	2.4	2.5
Expected rate of return on scheme assets		
Equities	4.9	5.0
Bonds	2.4	2.6
Gilts	1.8	1.9
Property	4.9	5.0
Other	0.50	0.25

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumption is that a member who retired in 2017 at age 65 will live on average for a further 22.2 years after retirement if they are male and for further 24.1 years after retirement if they are female. Similarly, life expectancy at age 65 for male and female non-pensioners (currently aged 45) is assumed to be 23.9 years and 25.9 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 FRS102, 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 £223,000. The directors also acknowledge their responsibilities for ensuring that actuarial assumptions are suitably updated to reflect changing economic conditions, and they confirm that the 31 December 2017 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 planns to make contributions totalling £63,700 to the defined benefit scheme in the period 1 January 2018 to 31 December 2018.

Notes to the financial statements

at 31 December 2017

17. Pension commitments (continued)

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

	2017	*2016*
	£000	*£000*
As at 1 January	13,544	11,382
Total service cost (including member contributions)	86	68
Other finance expense	315	425
Benefits paid	(2,942)	(470)
Actuarial loss	144	2,139
As at 31 December	11,147	13,544

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

	2017	*2016*
	£000	*£000*
As at 1 January	11,834	10,989
Expected return on plan assets	270	410
Total contributions	67	60
Benefits paid	(2,942)	(470)
Actuarial gain/(loss)	393	845
As at 31 December	9,622	11,834

	2017	*2016*	*2015*	*2014*	*2013*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	9,622	11,834	10,989	10,686	10,311
Present value of defined benefit Obligation	(11,147)	(13,544)	(11,382)	(11,157)	(10,245)
(Deficit)/surplus in the scheme	(1,525)	(1,710)	(393)	(471)	66
Experience adjustments arising on plan liabilities	(280)	(4)	27	(356)	(135)
Experience adjustments arising on plan assets	-	-	-	509	433

The cumulative amount of actuarial gains and losses recognised in the statement of total other comprehensive income is a net loss of £4,248,000 (2016: (£4,497,000)).

Notes to the financial statements

at 31 December 2017

18. Reserves

Profit and loss account
This reserve records the cumulative amount of profits and losses less any distribution of dividends.

19. 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.

20. Related party transactions

The company has not disclosed transactions with other Group companies or key management personnel, as it has taken advantage of the exemption contained within FRS 102.33.1A and FRS102.33.7 on the grounds that the subsidiaries are wholly owned.

21. Financial Instruments

	2017	*2016*
Financial assets measured at amortised cost	*£*	*£*
Prepayments and accrued income	20	31
Amounts due from group undertakings	8,879	9,581

	2017	*2016*
	£	*£*
Financial liabilities measured at amortised cost		
Trade creditors	(15)	(27)
Other creditors and accruals	(188)	(304)
Amounts owed to group undertakings	(4,871)	(4,873)