



**AVX LIMITED PENSION SCHEME
ANNUAL REPORT
FOR THE YEAR ENDED 5 APRIL 2012**
Scheme Registration Number: 10023435

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

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AVX Limited Pension Scheme

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Trustees, Principal Employer and Advisers

Trustees

Employer-nominated Trustees

R J Lawrence - (Chairman)
K P Cummings
H McCann

Member-nominated Trustees

S H Cunday
P Curtis (resigned 6 December 2011)
P Fenwick (appointed 6 December 2011)

Principal Employer

AVX Limited

Actuary

Paul McCarron, F.I.A.
Mercer Limited

Independent Auditors

PricewaterhouseCoopers LLP

Investment Managers

State Street Global Advisors

Investment Custodians

State Street Bank and Trust Limited

AVC Providers

Prudential Assurance
Phoenix Life and Pensions Limited

Life Assurance Company

Assicurazioni Generali S.p.A
UnumProvident

Bank

National Westminster Bank plc

Legal Advisers

McGrigors

Scheme Administrator and Consultants

Mercer Limited

AVX Limited Pension Scheme

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Trustees, Principal Employer and Advisers

Contact for further information and complaints about the Scheme

Mr R J Lawrence
AVX Limited
Prospect House
6 Archipelago
Lyon Way
Frimley, Surrey
GU16 7ER

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Trustees' Report

Introduction

The Trustees of AVX Limited Pension Scheme (the Scheme) are pleased to present their report together with the accounts for the year ended 5 April 2012. The Scheme is a defined benefit scheme. The Scheme was closed to new entrants with effect from 1 April 1997. New entrants after that date are eligible to join the defined contribution section of the AVX Retirement Plan.

Management of the Scheme

Trustees

In accordance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for Member-nominated Trustees.

The two Member-nominated Trustees, as shown on , are nominated by the members under the rules notified to the members of the Scheme to serve for a period of five years. They may be removed before the end of their five year term only by agreement of all the remaining Trustees, although their appointment ceases if they cease to be members of the Scheme.

In accordance with the trust deed, the Principal Employer, AVX Limited, has the power to appoint and remove the other Trustees of the Scheme.

The Trustees have met twice during the year.

Further information about the Scheme is given in the explanatory booklet, dated April 1999, which is issued to all members.

Governance and risk management

The Trustees have in place a business plan which sets out their objectives in areas such as administration, investment and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustees run the Scheme efficiently and serves as a useful reference document.

The Trustees have also focused on risk management. A risk register has been put in place which sets out the key risks to which the Scheme is subject along with the controls in place to mitigate these. This register is regularly reviewed and updated by the Trustees.

Trustee knowledge and understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective from 6 April 2006 and which was revised and reissued in November 2009. The Trustees have agreed a training plan to enable them to meet these requirements.

Principal Employer

The Scheme is provided for all eligible employees of the Principal Employer whose registered address is AVX Limited, Prospect House, 6 Archipalego, Lyon Way, Frimley, Surrey, GU16 7ER.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Trustees' Report

Financial development

The accounts on have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund increased from £54,271,125 at 5 April 2011 to £59,758,633 at 5 April 2012.

The increase shown above comprised net additions from Company and member contributions less benefits and expenses of £1,942,463 together with net returns on investments of £3,545,045.

Actuarial position of the Scheme

An actuarial valuation of the Scheme was carried out with an effective date of 5 April 2009.

A subsequent update of the funding position to 5 April 2011, on a consistent basis, was completed in May 2011 and showed the following:

	£ million's
The Statutory Funding Objective (SFO) in relation to the liabilities:	65.3
Valuation of assets:	53.7
Shortfall relative to the SFO:	11.6
Funding level	82%

If the Trustees were to buy insurance policies to meet the Scheme's liabilities, instead of continuing to run the Scheme as a going concern, the Company would need to meet the full additional cost of doing this. At the last actuarial valuation of the Scheme as at 5 April 2009, the estimated cost of securing benefits with an insurance policy would be £80.4 million and the Scheme's assets were 47.6% of this amount. This does not mean that the Company is thinking of winding up the Scheme. The fact that there was a shortfall at the last valuation has not affected the pensions paid from the Scheme and all members who have retired have received the full amount of their pension.

The Trustees have reviewed the Company's financial position and are satisfied that it is financially secure and can continue to pay the agreed level of contributions to the Scheme.

It is worth remembering that a valuation is just a "snap shot" of the Scheme's funding position and it can change considerably if there are sudden changes in share prices, gilt yields or we just live longer than we expect.

The actuarial information in relation to the Scheme is shown on pages 24 to 25 of the Annual Report.

Membership

The membership movements of the Scheme for the year are given below:

	Actives	Pensioners	Members with Preserved Benefits	Total
At 6 April 2011	10	431	469	910
Adjustments	-	-	2	2
Retirements	-	5	(5)	-
Deaths	-	(4)	-	(4)
Transfers out	-	-	(1)	(1)
Spouses and dependants	-	4	-	4
At 5 April 2012	<u>10</u>	<u>436</u>	<u>465</u>	<u>911</u>

Pensioners include individuals receiving a pension upon the death of their spouse.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Trustees' Report

Investments

General

All investments have been managed during the year under review by the investment manager and AVC providers as detailed in the Trustees, Principal Employer and Advisers section on page 1. There is a degree of delegation of responsibility for investment decisions.

The investment strategy is agreed by the Trustees after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day-to-day management of the Scheme's asset portfolio, which includes full discretion for stock selection, is the responsibility of the investment manager.

Investment principles

The Trustees have produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. The statement was updated in June 2010 and a copy of the statement is available on request. The Trustees primary objectives in considering the investment policy are:

- To restore the funding position of the Scheme on an ongoing basis to at least 100%
- To ensure that it can meet its obligation to the beneficiaries of the Scheme
- To pay due regard to the Company's interest in the size and incidence of contribution payments
- To achieve a return on the total Scheme monies which is compatible with the level of risk considered appropriate

The Myners Review and Code of Best Practice

The Myners principles codify best practice in investment decision-making. While they are voluntary, pension fund trustees are expected to consider their applicability to their own fund and report on a 'comply or explain' basis how they have used them.

The principles were initially published in 2001 following a Government sponsored review of institutional investment by Paul Myners, which found shortcomings in the expertise and organisation of investment decision-making by pension fund trustees.

In March 2008 the Government consulted on proposals to update the Myners principles. This led to the publication of a revised set of six principles for Defined Benefit (DB) schemes in October 2008, together with the establishment of an Investment Governance Group (IGG) to oversee the industry-led framework for the application of the principles.

While there are now only six DB principles, in place of the original ten, their scope is largely unchanged. The principles continue to emphasise the essentials of investment governance, notably the importance of effective decision-making, clear investment objectives and a focus on the nature of each scheme's liabilities. The principles also require that trustees include a statement of the scheme's policy on responsible ownership in the Statement of Investment Principles and report periodically to members on the discharge of these responsibilities. The Trustees consider that their investment policies and their implementation are in keeping with the revised principles for DB schemes.

AVX Limited Pension Scheme

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Trustees' Report

Investment Report

Market Review

While the challenges facing the eurozone remained a key focus throughout the first quarter of 2012, stronger economic data in the US, further easing of reserve requirements by the Chinese central bank and the positive influence of the European Central Bank's (ECB) liquidity measures acted as counterbalances and ensured that risk assets in general enjoyed strong returns. US economic data was consistently strong, building on the rebound witnessed at the end of 2011. Initial and continuing jobless claims data improved to levels not seen for over four years, while the monthly employment reports were also strong. In general, economics data surprised to the upside, with consumer confidence posting steady gains despite US retail gas prices approaching \$4 per gallon. Economic data in the eurozone was not as resilient and the divergence between the core and the periphery was increasingly evident. German business confidence and employment data remained strong but elsewhere the weakening trends in industrial production and PMI surveys continued. As a result, consensus forecasts indicate that the region as a whole will experience negative GDP growth of -0.4% in 2012.

The first six months of the year under review were particularly challenging as evidence started to mount that the economic recovery was rather insipid and that the Eurozone sovereign debt crisis was going to be a recurring theme throughout the year. A further headwind was the rapid spread of unrest across the oil-producing regions of North Africa and the Middle East, driving regime change in some countries (Egypt, Tunisia) and prolonged violence in others (Libya, Bahrain, Syria). Unsurprisingly, this drove oil prices sharply higher with consequent concerns for economic growth prospects. Such uncertainty was exacerbated by the devastating earthquake and tsunami that hit Japan in March, which had the secondary effect of significantly disrupting global manufacturing supply chains.

As the year progressed the outlook for most major economies deteriorated but, despite this and the stresses within the eurozone, the ECB moved earlier than expected to raise interest rates. Monetary policy tightening steadily reduced the growth rate in China, Japan was negatively impacted by the aforementioned tsunami, core Europe by the issues on the periphery and the USA by continued weakness in the housing and jobs markets. Gradually, and it seemed inexorably, global economic confidence weakened, amid concerns of double dips and evidence of little or no job creation in the USA. Whereas previously China was seen as the global growth engine, this too was now being called into question amid continuing evidence of a deceleration in growth.

Towards the end of the first half the situation deteriorated further with the political gridlock over the US debt ceiling and budget issues moving to centre-stage. During Fed Chairman Bernanke's semi-annual testimony he indicated that the Fed was prepared to respond if additional stimulus was needed. Later in the quarter, all focus shifted to the continuing debt ceiling issues and the possibility of a US credit-rating downgrade. After much debate, Congress passed a resolution which would allow the US to raise the debt ceiling by around \$2.5 trillion in two stages. On 5 August, after the US markets had closed, Standard & Poor's downgraded the US' credit rating from AAA to AA+ and maintained a negative outlook.

Market sentiment improved over the second-half of the year as economic data in the US provided evidence of an improving jobless market while hopes for progress in Europe were aided by the €1 trillion liquidity boost provided to banks by the ECB's three-year Long-Term Refinancing Operations (LTRO). Accommodative monetary policy was a recurring theme in the main global economies as the ECB reversed direction and cut interest rates in November and December, the Federal Reserve indicated rates would remain low through 2013 and the Bank of England increased its quantitative easing programme. While the troubles within the Eurozone have not been fully addressed, undoubtedly, the actions of the ECB, combined with the new fiscal compact and planned increase in the lending capacity of the European Stability Mechanism, have eased matters. However, the market remains concerned and Spain is considered to be in a precarious position given its higher budget deficits, and worries that the cost of recapitalising its banks may be higher than anticipated. The UK economy continues to stutter along unimpressively, while the outlook for 2012 is for an anaemic expansion despite the boost expected from the Olympics. The fiscal austerity measures enacted by the coalition government are having a negative impact and, with the unemployment rate at a 16-year high, further quantitative easing by the Bank of England seems inevitable.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Trustees' Report

Market Review - continued

Against this background of weak economic growth and sovereign stress defensive fixed income instruments generally held up well through much of the year. The troubles within the Eurozone continue to dominate the agenda in fixed income markets, with core market bond yields remaining at or near record lows throughout the last six months. Similarly, US benchmark yields continue to benefit from safe haven flows and remained near their record lows despite better economic data, while UK yields, buoyed by the additional asset purchases announced by the MPC in October and February, posted record lows right across the curve.

Equity markets finished the year on a positive note with two very strong quarters. Better economic data and hopes for progress in Europe helped the sour equity sentiment that had taken hold during August and September to reverse sharply in October, and the final quarter of 2011 and first quarter of 2012 saw strong returns for many major equity markets. The strong second half saw the S&P 500® end the 12 months ahead by 6.23% but for most European bourses the strong second half was not sufficient to see positive returns for the full period (the DAX was down 1.34% and FTSE 100 2.37%). For now equity markets seem to be focusing more on the positives, principally strong corporate earnings, the liquidity boost provided to eurozone banks in December, better US economic data and ultra-accommodative monetary policy. Opposing forces include the next phase of the eurozone debt crisis, the impact of bank recapitalisation/deleveraging and the diminishing impact of fiscal stimulus, with austerity measures more to the fore. Given these competing forces, equity markets are likely to remain volatile but any progress on the eurozone debt crisis could lend support to the healthier tone in equity markets of late.

Review of investment performance

The performance of the SSgA MPF Commingled Funds portfolio against each of their benchmarks for the 1, 3, and 5 year periods to 31 March 2012 is shown in the table below.

	1 year %	3 years % p.a.	5 years % p.a.
SSgA MPF UK Equity Index Fund	1.52	19.02	1.97
<i>Benchmark</i>	1.39	18.84	1.82
SSgA MPF Japan Equity (100% Hedged) Index Fund	-0.14	4.05	N/A
<i>Benchmark</i>	-0.44	4.16	N/A
SSgA MPF North American Equity (100% Hedged) Index Fund	6.18	21.84	N/A
<i>Benchmark</i>	6.17	21.85	N/A
SSgA MPF Asia Pacific Equity (100% Hedged) Index Fund	-6.59	15.94	N/A
<i>Benchmark</i>	-6.77	15.95	N/A
SSgA MPF Europe ex -UK Equity (100% Hedged) Index Fund	-6.94	14.26	N/A
<i>Benchmark</i>	-6.97	14.19	N/A
SSgA MPF UK Over 15yr Conventional Gilt Index Fund	22.57	N/A	N/A
<i>Benchmark</i>	22.55	N/A	N/A
SSgA MPF Sterling Corporate Bonds All Stocks Index Fund	8.69	N/A	N/A
<i>Benchmark</i>	8.83	N/A	N/A

AVX Limited Pension Scheme

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Trustees' Report

Deployment of Assets

The deployment at the year end and the previous year end of the assets underlying the investments (excluding AVCs) is shown in the table below:

	2012	2011
	%	%
UK Equities	18.4	20.6
Overseas Equities	26.7	30.9
UK Fixed Interest and Corporate Bonds	54.9	48.5
	<u>100.0</u>	<u>100.0</u>

Custodial arrangements

The Trustees have appointed the custodian as detailed in the Trustees, Principal Employer and Advisers section on pages 1 to 2 as custodian of the Scheme's assets managed by the investment manager. The custodian is responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the custodian's nominee company, in line with common practice for pension scheme investments.

PFT Limited, a wholly owned subsidiary of Mercer Limited, has been appointed by the Trustees as custodian of the cash held in connection with the administration of the Scheme.

Basis of investment manager's fees

State Street Global Advisors charges fees quarterly based on an annual fixed charge of £1,000 plus variable rates bands of 0.04% to 0.275% on the balance up to £50m.

Further information

Further disclosures required by legislation are included in the Compliance Statement on pages 21 to 23.

Signed on behalf of the Trustees on

..... Trustee

..... Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Statement of Trustees' Responsibilities

The accounts, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited accounts for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition, at the end of that year, of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year, and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement as to whether the accounts have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised May 2007).

The Trustees have supervised the preparation of the accounts and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

The Trustees also have a general responsibility for ensuring adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Independent Auditors' Report to the Trustees

We have audited the accounts of the AVX Limited Pension Scheme for the year ended 5 April 2012 which comprise the fund account, the net assets statement and the related notes. 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).

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts and being satisfied that they show a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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.

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the accounts

In our opinion the accounts:

- show a true and fair view of the financial transactions of the Scheme during the year ended 5 April 2012, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Date:

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Accounts

Fund Account

	Note	2012 Total £	2011 Total £
Contributions and benefits			
Contributions	3	4,324,605	4,539,269
Other income	4	745	6,444
		<u>4,325,350</u>	<u>4,545,713</u>
Benefits	5	(2,142,310)	(2,485,763)
Payments to and on account of leavers	6	(37,856)	(126,293)
Other payments	7	(15,826)	(33,018)
Administration expenses	8	(186,895)	(200,201)
		<u>(2,382,887)</u>	<u>(2,845,275)</u>
Net additions from dealings with members		<u>1,942,463</u>	<u>1,700,438</u>
Returns on investments			
Investment income	9	28,638	29,288
Investment management expenses	10	(72,946)	(68,384)
Change in market value of investments	11	3,589,353	3,192,190
		<u>3,545,045</u>	<u>3,153,094</u>
Net returns on investments		<u>3,545,045</u>	<u>3,153,094</u>
Net increase in the fund during the year		5,487,508	4,853,532
Net assets at 6 April		<u>54,271,125</u>	<u>49,417,593</u>
Net assets at 5 April		<u>59,758,633</u>	<u>54,271,125</u>

The notes on pages 13 to 18 form part of these accounts.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Accounts

Net Assets Statement

	Note	2012 Total £	2011 Total £
Investment assets	11	59,315,545	53,637,521
Current assets	12	543,896	686,157
Current liabilities	13	(100,808)	(52,553)
Net assets at 5 April		<u>59,758,633</u>	<u>54,271,125</u>

The accounts summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Trustees' Report on page 4 and the Actuarial information on pages 24 to 25 and these accounts should be read in conjunction therewith.

The notes on pages 13 to 18 form part of these accounts.

The accounts on pages 11 to 18 were approved by the Trustees on

Signed on behalf of the Trustees

..... Trustee

..... Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Notes to the Accounts

1. Basis of preparation

The accounts have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised May 2007).

2. Accounting policies

The principal accounting policies are set out below.

2.1 Accruals concept

The accounts have been prepared on an accruals basis.

2.2 Valuation of investments

The market value of pooled investment vehicles is based on the bid price operating at the accounting date, as advised by the investment manager.

The AVC investments include policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC providers.

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

2.3 Contributions and benefits

Contributions and benefits are accounted for in the period in which they fall due.

Augmentations are accounted for in accordance with the agreement under which they are received or, in the absence of an agreement, on a receipts basis.

Employer deficit funding contributions are accounted for on the due dates in accordance with the Schedule of Contributions.

The Trustees hold insurance policies that secure pensions payable to specified beneficiaries. These policies remain assets of the Trustees but, as is permitted under current regulations and accounting practice, the Trustees have decided that these policies need not be valued in the net assets statement.

Income arising from annuity policies is included in investment income and the pensions paid are included in benefits payable.

2.4 Transfers

Individual transfers are accounted for when the transfer has been agreed by both parties and the receiving scheme has accepted liability for the transfer.

2.5 Income

Income is accounted for in the period in which it falls due.

2.6 Fees and expenses

Fees and expenses are accounted for in the period in which they fall due.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Notes to the Accounts

3. Contributions

	2012 Total £	2011 Total £
Contributions from employer:		
Normal	65,449	72,105
Deficit funding	4,200,000	4,200,000
Augmentations	-	140,000
	<u>4,265,449</u>	<u>4,412,105</u>
Contributions from members:		
Normal	56,607	58,364
Additional voluntary contributions	2,549	68,800
	<u>59,156</u>	<u>127,164</u>
	<u>4,324,605</u>	<u>4,539,269</u>

In accordance with the Schedule of Contributions certified by the Actuary on 18 March 2010, deficit funding contributions of at least £350,000 per month are payable into the Scheme by the employer from January 2010 to December 2014 inclusive.

4. Other income

	2012 Total £	2011 Total £
Interest on cash deposits held by the Trustees	745	958
Other income	-	5,486
	<u>745</u>	<u>6,444</u>

5. Benefits

	2012 Total £	2011 Total £
Pensions payable	2,092,442	2,014,106
Commutations and lump sums on retirement	46,549	443,895
Lump sums on death in retirement	2,516	6,376
Refunds of contributions on death	803	21,386
	<u>2,142,310</u>	<u>2,485,763</u>

AVX Limited Pension Scheme

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Notes to the Accounts

6. Payments to and on account of leavers

	2012 Total £	2011 Total £
State scheme premiums	-	(380)
Individual transfer values paid to other schemes	37,856	126,673
	<u>37,856</u>	<u>126,293</u>

7. Other payments

	2012 Total £	2011 Total £
Premiums on term insurance policies	<u>15,826</u>	<u>33,018</u>

Term insurance is secured by policies underwritten by Assicurazioni Generali S.p.A and UnumProvident. The reduction in the cost of insurance when compared to the prior year is due to a refund received from Assicurazioni Generali S.p.A in respect of prior years.

8. Administration expenses

	2012 Total £	2011 Total £
Administration fees	73,536	81,713
Audit fees	2,685	3,144
Trustee fees	3,500	2,450
Legal fees	5,392	7,599
Miscellaneous expenses	39	35
Scheme levies	58,376	39,795
Pension consultancy and actuarial	43,367	65,465
	<u>186,895</u>	<u>200,201</u>

Except as noted above, costs of the administration of the Scheme are borne by the Principal Employer.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Notes to the Accounts

9. Investment income

	2012 Total £	2011 Total £
Annuity income	<u>28,638</u>	<u>29,288</u>

10. Investment management expenses

	2012 Total £	2011 Total £
Administration, management and custody	<u>72,946</u>	<u>68,384</u>

11. Investment assets

11.1 Investments

	2012 Total £	2011 Total £
Pooled investments		
- Managed funds		
- UK non-property	43,345,633	36,977,906
- Overseas non-property	15,819,568	16,509,861
	<u>59,165,201</u>	<u>53,487,767</u>
Additional voluntary contribution investments	150,344	149,754
	<u>59,315,545</u>	<u>53,637,521</u>

11.2 Summary of movement of investments for the year

	Market value at 6 April 2011 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 5 April 2012 £
Pooled investments	53,487,767	10,684,000	(8,591,890)	3,585,324	59,165,201
AVC investments	149,754	2,549	(5,988)	4,029	150,344
	<u>53,637,521</u>	<u>10,686,549</u>	<u>(8,597,878)</u>	<u>3,589,353</u>	<u>59,315,545</u>

11.3 Pooled investments

The pooled investments are held in the name of the Scheme. Income generated by these units is not distributed, but retained within the pooled investments and reflected in the market value of the units.

The companies managing the pooled investments are registered in the United Kingdom.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Notes to the Accounts

11.4 Additional voluntary contribution investments

The Trustees hold assets which are separately invested from the main fund in the form of individual policies of assurance. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to 5 April each year, confirming the amounts held to their account and the movements during the year.

The total amount of additional voluntary contribution investments at the year end is shown below.

	2012	2011
	Total	Total
	£	£
Prudential Assurance	133,135	134,296
Phoenix Life and Pensions Limited	17,209	15,458
	<u>150,344</u>	<u>149,754</u>

11.5 Transaction costs

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £6,124 (2011: £1,993). In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

11.6 Concentration of investments

The following investments account for more than 5% of the Scheme's net assets at the year end:

	2012		2011	
	Total		Total	
	£	%	£	%
SSgA Sterling Corp Bonds All Stock Fund	16,223,601	27.1	12,961,772	23.9
SsgA UK Equity Index Fund	10,871,586	18.2	11,001,151	20.3
SSgA MPF UK Index Linked Gilts over 5y	8,165,018	13.7	N/A	N/A
SSgA MPF UK Conventional Gilts Over 15y Gilt Index Fund	8,085,428	13.5	13,014,983	24.0
SSgA Europe ex UK Equity (100% Hedged) Sub Fund	5,940,796	9.9	6,655,990	12.3
SSgA North America Equity(100% Hedged) Sub Fund	5,147,887	8.6	4,918,425	9.1

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Notes to the Accounts

12. Current assets

	2012 Total £	2011 Total £
Contributions receivable - employer	355,464	355,156
- members	4,717	4,429
Reimbursement of insured pensions	794	11,315
Pensions paid in advance	40,862	1,391
Life assurance paid in advance	17,477	-
Monies due from AVX Retirement Plan	4,568	44,568
Amount owed from other schemes	-	56,800
Cash deposits held with the Scheme Administrator	120,014	212,498
	<u>543,896</u>	<u>686,157</u>

The contributions due as at 5 April 2012 were received after the year end in accordance with the due date set out in the Schedule of Contributions.

The cash deposits held with the Scheme Administrator represents the balance applicable to the Scheme on the PFT Limited Clients' Trust Account. The account is held with the National Westminster Bank plc.

13. Current liabilities

	2012 Total £	2011 Total £
Reimbursement of pensions received in advance	472	386
Pensions payable	-	90
Lump sums on retirement payable	16,640	-
Death benefits payable	-	2,477
Taxation	15,461	15,806
Life assurance premiums payable	2,516	-
Administrative expenses payable	35,074	15,771
Investment management expenses payable	19,079	18,023
Amounts owed to other Schemes	11,566	-
	<u>100,808</u>	<u>52,553</u>

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Independent Auditors' Statement about Contributions to the Trustees

We have examined the Summary of Contributions to the AVX Limited Pension Scheme for the Scheme year ended 5 April 2012 which is set out on the following page.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with relevant requirements.

It is our responsibility to provide a statement about contributions and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of work on the statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme under the Schedule of Contributions and the timing of those payments.

Statement about contributions

In our opinion the contributions required by the Schedule of Contributions for the Scheme year ended 5 April 2012 as reported in the Summary of Contributions have in all material respects been paid in accordance with the Schedule of Contributions certified by the Scheme Actuary on 18 March 2010.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Date:

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Summary of Contributions

During the year ended 5 April 2012, the contributions payable to the Scheme by the Employer were as follows:

	2012 Total £
Contributions payable under the Schedule of Contributions:	
Contributions from employer:	
Normal	65,449
Deficit funding	4,200,000
	<u>4,265,449</u>
Contributions from members:	
Normal	56,607
Contributions payable under the Schedule of Contributions (as reported on by the Scheme Auditors)	4,322,056
Other contributions:	
Additional voluntary contributions	2,549
Total contributions reported in the accounts	<u><u>4,324,605</u></u>

Signed on behalf of the Trustees on

..... Trustee

..... Trustee

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Compliance Statement

Constitution

The Scheme was established on 16 November 1987 and is governed by a definitive trust deed dated 20 September 1991, with subsequent amendments.

Taxation

The Scheme is a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004.

Pension increases

As at 1 April 2011, all pensions in payment to Tantalum members of the Plan were increased as follows:

- 3.0% on pre 97 excess over Guaranteed Minimum Pension;
- 3.0% on post 1988 Guaranteed Minimum Pension, and
- 4.6% on the post 1997 pension.
- 2.5% on the post 6 April 2006 pension

As at 1 April 2011 all pensions in payment to Varelco members of the Plan were increased as follows:

- 5.0% on pre 97 excess over Guaranteed Minimum Pension;
- 3.0% on post 1988 Guaranteed Minimum Pension;
- 4.6% on the post 1997 pension, and
- 2.5% on the post 6 April 2006 pension

No pension increase awarded during the year were discretionary.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations made under Section 97 of the Pension Schemes Act 1993. None of the transfer values paid was less than the amount provided by the Regulations.

Benefit Design Changes

From 1 July 2007 active members in the Scheme can elect to remain on the 1/60ths accrual rate or move down to the 1/80ths accrual rate, with corresponding member contribution rates of 13% or 8% of Pensionable Salaries respectively.

Pension built up prior to 1 July 2007 is unaffected.

Active members have a further option on a one-off basis to switch from their original decision on any 1 April between now and when they retire. This switch, if made, would be final and non-reversible.

Employer related investments

There was no employer-related investment at any time during the year.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Compliance Statement

The Pensions Regulator

The statutory body that regulates occupational pension schemes is the Pensions Regulator and can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
Telephone: 0845 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

Pensions tracing

A pension tracing service is carried out by the Department for Work and Pensions. This service can be contacted as follows:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA
Telephone: 0845 600 2537

The Pensions Advisory Service

Any concerns connected with the Scheme should be referred to Mr R J Lawrence, are the address shown on page 2, who will try to resolve the problem as quickly as possible. Members and beneficiaries of pension schemes who have problems concerning their scheme which are not satisfied by the information or explanation given by the administrators or the trustees can consult with The Pensions Advisory Service. A local adviser can usually be contacted through a Citizen's Advice Bureau. Alternatively the Service can be contacted at:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Telephone: 0845 601 2923
Email: enquiries@pensionsadvisoryservice.org.uk
Website: www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved, normally after the intervention of The Pensions Advisory Service, an application can be made to the Pensions Ombudsman for him to investigate and determine any complaint or dispute of fact or law involving occupational pension schemes. The address is:

The Office of the Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: 020 7630 2200
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Compliance Statement

The Pension Protection Fund

The Pension Protection Fund (PPF) was established to pay compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation. The pension protection levy is one of the ways that the PPF funds the compensation payable to members of schemes that transfer to the PPF.

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Actuarial Information

Certification of schedule of contributions

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that
 - the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated March 2010.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated March 2010.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound-up.

Signature

Paul McCarron

Scheme Actuary

Paul McCarron

Date of Signing

18 March 2010

Name of Employer

Mercer Limited

Address

Clarendon House
23 Clarendon Road
Belfast
BT1 3BG

Qualification

Fellow of the Institute of Actuaries

AVX Limited Pension Scheme

Annual Report for the year ended 5 April 2012

Actuarial Information

Certificate of technical provisions

Calculation of technical provisions

I certify that, in my opinion, the calculation of the scheme's technical provisions as at 5 April 2009 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the trustees of the scheme and set out in the Statement of Funding Principles dated March 2010.

Signature

Paul McCarron

Name

Paul McCarron

Date of Signing

18 March 2010

Address

Clarendon House
23 Clarendon Road
Belfast
BT1 3BG

Qualification

Fellow of the Insititute of Actuaries