



MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

ANNUAL REPORT

AVX LIMITED PENSION SCHEME

FOR THE YEAR ENDED

5 APRIL 2009

Scheme Registration Number: 10023435

AVX Limited Pension Scheme

Annual Report

For the year ended 5 April 2009

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AVX Limited Pension Scheme

Annual Report

For the year ended 5 April 2009

Scheme Advisers and Principal Employer

Scheme Actuary

Paul McCarron FIA
Mercer Limited

Independent Auditors

PricewaterhouseCoopers LLP

Investment Managers

State Street Global Advisors

Additional Voluntary Contribution (AVC) Providers

Clerical Medical	
Prudential Assurance	(Varelco members only)
Phoenix Life and Pensions Limited	(Varelco members only)

Legal Adviser

McGrigors

Scheme Administrator and Consultants

Mercer Limited

Bank

National Westminster Bank plc

Life Assurance Companies

Assicurazioni Generali S.p.A.
UnumProvident

Principal Employer

AVX Limited

AVX Limited Pension Scheme

Annual Report

For the year ended 5 April 2009

Contacts for further information and issues about the Scheme

Mr MJ Symonds
AVX Limited
Long Road
Paignton
Devon
TQ4 7ER

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Introduction

The Trustees of the AVX Limited Pension Scheme (the Scheme) are pleased to present their report together with the accounts for the year ended 5 April 2009. The Scheme is a defined benefit scheme.

Management of the Scheme

Under the Pensions Act 2004, from 6 April 2006 scheme trustees, including those whose sponsoring employers opted out of the 1996 Member-nominated Trustee requirements, are required to ensure that at least one third of trustees, or directors of a trustee company, are nominated by and selected by the members. The AVX Pension scheme already complies with these requirements.

During the year under review the Trustees of the Scheme have been:

R J Lawrence	(Chairman)	
M J Symonds		
S H Cunday		Member-nominated
P Curtis		Member-nominated
K P Cummings		

The Member-nominated Trustees 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.

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 a business plan which sets out their objectives in areas such as administration, investment, funding 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.

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. The Trustees have agreed a training plan to enable them to meet these requirements.

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Principal Employer

The Scheme is provided for all eligible employees of the Principal Employer whose registered address is AVX Limited, Admiral House, Harlington Way, Fleet, Hampshire, GU51 4BB.

Financial development

The accounts on pages 14 to 22 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund decreased from £44,840,306 at 5 April 2008 to £38,723,838 at 5 April 2009.

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Actuarial position of the Scheme

An actuarial valuation of the Scheme was carried out with an effective date of 5 April 2006. This was the first valuation carried out under the scheme specific funding requirements of the Pensions Act 2004.

A Summary Funding Statement has been produced by the Trustees dated December 2008 in accordance with the Pensions Act 2004 and the following are extracts taken therefrom.

A summary of the funding position at the date of the latest funding update of the Scheme as at 5 April 2008 showed the following.

	£ million's
The Statutory Funding Objective (SFO) in relation to the liabilities:	59.8
Valuation of assets:	44.6
Shortfall relative to the SFO:	15.2
Funding level	75 %

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 2006, the estimated cost of securing benefits with an insurance policy would be £96.1 million and the Scheme's assets were 43% of this amount. The Company does not wish to wind up the Scheme.

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.

In addition, the Pension Protection Fund (PPF) was set up in April 2005 to help protect member's pension benefits. Further information is available on the PPF's website at www.pensionprotectionfund.org.uk.

It is worth remembering that a valuation is just a "snap shot" of the Scheme' 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 Certificate in relation to the Schedule of Contributions is shown on page 23 of the Annual Report and the Actuarial Certificate of Technical Provisions is shown on page 24 of the Annual Report.

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Membership

Details of the current membership of the Scheme are given below:

	2009	2008
Active members		
Active members at the start of the year	113	192
Adjustments	1	-
Retirements	(6)	(31)
Deaths	(1)	-
Members leaving with preserved benefits	(15)	(48)
Active members at the end of the year	<u>92</u>	<u>113</u>
Pensioners		
Pensioners at the start of the year	356	328
Adjustments	3	(3)
Members retiring	6	31
Members with preserved benefits reaching retirement	9	6
Spouses and dependants	2	1
Pensioners ceasing	(1)	-
Pensioners who died	(9)	(7)
Pensioners at the end of the year	<u>366</u>	<u>356</u>
Members with preserved benefits		
Members with preserved benefits at the start of the year	470	428
Benefits shared on divorce	-	1
Leavers with preserved benefits	15	48
Members with preserved benefits becoming pensioners	(9)	(6)
Cash Taken	-	(1)
Deaths	(2)	-
Transfer Out	(3)	-
Preserveds at the end of the year	<u>471</u>	<u>470</u>
Total membership at the end of the year	<u><u>929</u></u>	<u><u>939</u></u>

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

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.

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Investments

General

All investments, with the exception of the AVC assets, have been managed during the year under review by State Street Global Advisors. There is a degree of delegation of responsibility for investment decisions. The investment strategy is agreed by the Trustees after taking appropriate advice. 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. A copy of the statement is available on request. The main priority of the Trustees when considering the investment policy is to ensure that the promises made about members' pensions may be fulfilled. To ensure this, investments are spread across the available range, both by type of investment (equities, bonds, property etc.) and geographically. Spreading the investments in this way reduces the risk of a sharp fall in one particular market having a substantial impact on the whole fund.

The Myners review and code of best practice

The Trustees understand that the primary purpose of the Code of Best Practice is to ensure that Trustees have the right skill set and decision-making structures and also that they have clear objectives for the Scheme and an appropriate and well-documented strategy in place for achieving these objectives. In a similar vein, the Trustees know that they should set explicit goals for the fund manager used by the Scheme.

The Trustees have complied with the requirements for setting clear objectives and making strategic asset allocation decisions for the Scheme. The Trustees have agreed explicit mandates, appropriate benchmarks and performance targets with investment manager. The Statement of Investment Principles is reviewed regularly and is available to all members on request. Continued compliance with these principles is monitored by the Trustee Board.

In addition, the Trustee Board continually reviews its training needs and the skills of its members to ensure effective decision-making. Where appropriate, it takes independent expert advice.

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Investment report

General Review

The year was dominated by declining equity markets, increasingly correlated asset class returns and unprecedented volatility. The environment dramatically worsened after Lehman Brothers filed for bankruptcy in mid-September 2008. As equity markets around the world endured a sixth consecutive quarter (Q1'09) of disappointment, many popular benchmarks tumbled in early March 2009 to levels more than 50% below the peaks they had achieved less than 18 months ago. Weighing on share prices were a sharp deterioration in the global growth outlook; a similarly steep erosion in profits expectations; and lingering worries about impaired assets and tight credit conditions. But the persistent downward momentum in economic activity began to give rise to questions of its sustainability, particularly with aggressive monetary stimulus and fiscal measures taking ongoing shape in the UK, US, Europe and Asia. With the Bank of England embarking on a program of direct purchase of securities, defensively positioned investors began to recognize the risks of an upside reversal, and global equity markets climbed higher in the latter half of March 2009. The US Federal Reserve fanned the flames on March 18 by announcing that it too would buy fixed income securities to expand its balance sheet further. By the end of the fiscal first quarter 2009, instead of trying to time fresh sales into the powerful rally, many investors were hoping that the unaccustomed equity gains would consolidate and afford them better entry points at which to rebuild positions.

Gilts continued to perform well throughout the year, as sinking UK growth prospects and intensifying credit concerns increased the safe-haven appeal of high-quality issues. The flight to safety, risk aversion and falling rates all boosted Gilts returns. The pattern continued in the fiscal first quarter of 2009 as all the major equity markets declined yet government bonds saw positive returns.

The UK slipped into recession during the second half of 2008. The contraction began in the fiscal third quarter, picked up speed in the fiscal fourth quarter, and is likely to persist throughout 2009. This recession is expected to be on par with the 1979-1981 downturn. We anticipate that the economic recovery will begin in 2010, as the global recovery widens. Despite the decline in oil prices and the weakness of the economy, headline inflation remained at elevated levels in February 2009. However, we expect a marked slowing of inflation in coming months as lower oil prices and the 1.5% VAT cut finally get passed along. Indeed, by the second half of 2009, inflation should drop to near zero. Inflation will reaccelerate next year as oil prices begin to rise and the VAT cut expires. Over the last 16 months, the Bank of England has cut its official Bank Rate 5.25% to a record low of 0.50%. Although rates are unlikely to drop any lower, the Bank of England will continue to employ quantitative easing. We do not anticipate rate hikes until 2011.

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Review of investment performance

The State Street Global Advisors Managed Pension Fund is invested in the SSgA MPF Commingled Funds. The objective is to achieve the total return (capital plus income) in line with the benchmark (net of transaction costs) with acceptable tracking tolerance. The overall return of the Commingled Funds since inception was 5.72% (2008: 11.04%) compared to the benchmark of 5.54% (2008: 11.08%).

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 2009 is shown in the table below.

	1 year %	3 years % p.a.	5 years % p.a.
SSgA MPF UK Equity Index Fund	-9.1	-10.1	1.4
Benchmark	-9.1	-10.2	1.4
SSgA MPF Japan Equity (100% Hedged) Index Fund	-9.0	N/A	N/A
Benchmark	-8.4	N/A	N/A
SSgA MPF Asia Pacific Equity (100% Hedged) Index Fund	-1.3	N/A	N/A
Benchmark	-1.5	N/A	N/A
SSgA MPF Europe Equity ex-UK (100% Hedged) Index Fund	-11.7	N/A	N/A
Benchmark	-11.5	N/A	N/A
SSgA MPF UK Over 15yr Conventional Gilt Index Fund	-4.5	4.1	5.7
Benchmark	-4.5	4.1	5.7
SSgA MPF Sterling Corp Bonds	-6.5	-3.5	4.7
Benchmark	<u>-5.1</u>	<u>N/A</u>	<u>N/A</u>
Total Fund Performance	-6.5	-3.5	4.7
Benchmark	-6.8	-3.8	4.5

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:

	2009 %	2008 %
UK equities	20.5	20.8
Overseas equities	30.6	31.0
UK fixed interest	<u>48.9</u>	<u>48.2</u>
	<u>100.0</u>	<u>100.0</u>

AVX Limited Pension Scheme

Trustees' Report

For the year ended 5 April 2009

Investment Strategy

All the assets of the Scheme are invested with State Street Global Advisors. The investment strategy includes around 50% of the assets being invested in equities and 50% in bonds.

Custodial arrangements

PFT Limited have been appointed by the Trustees as custodian of the cash held in connection with the administration of the Scheme.

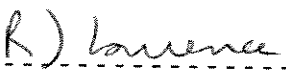
Basis of investment managers' fees

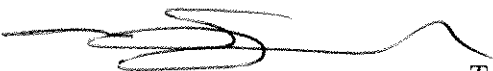
State Street Global Advisors charges fees quarterly based on an annual fixed charge of £1,000 plus variable rates bands of 0.04% to 0.275% on the balance up to £50m.

Further information

Further disclosures required by legislation are included in the Compliance Statement on pages 25 to 27.

Signed on behalf of the Trustees on 30th Sept. 2009


----- Trustee


----- Trustee

AVX Limited Pension Scheme

Statement of Trustees' Responsibilities

For the year ended 5 April 2009

The accounts 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, in accordance with applicable law and United Kingdom Auditing Standards (United Kingdom Generally Accepted Accounting Practice), of the financial transactions of the Scheme during the Scheme year and of the amount and disposition, at the end of that year, of the 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 (Northern Ireland 1997), 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 (other than voluntary 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 that 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

Independent Auditors' Report to the Trustees

For the year ended 5 April 2009

We have audited the accounts of the AVX Limited Pension Scheme for the year ended 5 April 2009 which comprise the Fund Account, the Net Assets Statement and the related Notes. These accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of Trustees and Auditors

The Trustees' responsibilities for obtaining an Annual Report and audited accounts prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the accounts give a true and fair view and contain the information required by the relevant legislation. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited accounts. This other information comprises only the Trustees' Report, the Statement of Trustees' Responsibilities, the Actuarial Certificates, the Compliance Statement, the Summary of Contributions and the other sections listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by or on behalf of the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the Scheme'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 accounts 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 accounts.

AVX Limited Pension Scheme

Independent Auditors' Report to the Trustees

For the year ended 5 April 2009

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the Scheme during the year ended 5 April 2009, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year, and
- the accounts 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Belfast

Date: *30 September 2009*

AVX Limited Pension Scheme

Accounts

As at 5 April 2009

FUND ACCOUNT

	Note	2009	2008
		£	£
Contributions and Benefits			
Additions			
Contributions	3	2,922,432	3,061,584
Transfers in	4	-	24,621
Interest	5	7,511	13,787
		<u>2,929,943</u>	<u>3,099,992</u>
Withdrawals			
Benefits	6	(1,966,100)	(2,109,125)
Payments to and on account of leavers	7	(37,623)	-
Insurance premium	8	(86,254)	(119,897)
Administrative expenses	9	(150,330)	(169,988)
		<u>(2,240,307)</u>	<u>(2,399,010)</u>
Net additions from dealings with members		689,636	700,982
Returns on investments			
Investment income	10	24,683	79,857
Investment management expenses	11	(52,747)	(42,024)
Change in market value of investments	12	(6,778,040)	(187,651)
		<u>(6,806,104)</u>	<u>(149,818)</u>
Net returns on investments		(6,806,104)	(149,818)
Net (decrease)/increase in the fund during the year		(6,116,468)	551,164
Net Assets at 6 April		44,840,306	44,289,142
Net Assets at 5 April		<u>38,723,838</u>	<u>44,840,306</u>

The notes on pages 16 to 22 form part of these accounts.

AVX Limited Pension Scheme

Accounts

As at 5 April 2009

NET ASSETS STATEMENT


	Note	2009 £	2008 £
Investment assets	12	38,471,217	44,510,698
Current assets	13	377,617	463,497
Current liabilities	14	<u>(124,996)</u>	<u>(133,889)</u>
Net Assets at 5 April		<u>38,723,838</u>	<u>44,840,306</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 note on page 5 and the Actuarial Certificates on pages 23 to 24 and these accounts should be read in conjunction therewith.

The notes on pages 16 to 22 form part of these accounts.

The accounts on pages 14 to 22 were approved by the Trustees on

Signed on behalf of the Trustees


----- Trustee


----- Trustee

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

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 taken as the bid price at the accounting date, as advised by the investment manager.

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.

The AVC investments include policies of assurance underwritten by Clerical Medical, Prudential Assurance and Phoenix Life and Pensions Limited. The market value of these policies of assurance has been taken as the surrender values of the policies at the year end, as advised by the AVC Providers.

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.

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

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 Investment and other income

Interest on bank deposits is accounted for as it accrues.

2.6 Administrative expenses and investment management expenses

Administrative expenses and investment management expenses are accounted for on an accruals basis.

3. Contributions

	2009 £	2008 £
Contributions from employer:		
Normal	238,069	372,548
Deficit funding	2,386,000	2,262,000
Augmentations	11,900	84,300
	<u>2,635,969</u>	<u>2,718,848</u>
Contributions from members:		
Normal	205,420	311,996
AVCs	81,043	30,740
	<u>286,463</u>	<u>342,736</u>
	<u>2,922,432</u>	<u>3,061,584</u>

In accordance with the Schedule of Contributions, deficit funding contributions of £198,000 per month are payable until June 2014 inclusive.

The above AVC contributions represent payments of £80,593 made to Clerical Medical and £450 made to Prudential Assurance.

4. Transfers in

	2009 £	2008 £
Transfer in of AVC fund	<u>-</u>	<u>24,621</u>

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

5. Other income

	2009 £	2008 £
Interest on cash deposits	<u>7,511</u>	<u>13,787</u>

6. Benefits

	2009 £	2008 £
Pensions	1,667,884	1,485,706
Commutations and lump sums on retirement	290,816	620,177
Lump sums on death in retirement	5,492	3,242
Refunds of contributions on death	1,908	-
	<u>1,966,100</u>	<u>2,109,125</u>

7. Payments to and on account of leavers

	2009 £	2008 £
Individual transfers to other schemes	<u>37,623</u>	<u>-</u>

8. Other payments

	2009 £	2008 £
Premiums on term insurance policies	<u>86,254</u>	<u>119,897</u>

Term insurance is secured by policies underwritten by Assicurazioni Generali S.p.A and UnumProvident.

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

9. Administrative expenses

	2009 £	2008 £
Administration	75,056	63,959
Pension consultancy and actuarial	39,759	52,089
The Pensions Regulator and Pension Protection Fund	33,218	45,385
Audit	1,262	2,100
Data protection	35	35
Trustee expenses	1,000	-
Legal	-	6,420
	<u>150,330</u>	<u>169,988</u>

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

10. Investment income

	2009 £	2008 £
Annuity income	24,683	27,813
Investment income - Other	-	52,044
	<u>24,683</u>	<u>79,857</u>

11. Investment management expenses

	2009 £	2008 £
Administration, management and custody	<u>52,747</u>	<u>42,024</u>

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

12. Investment

Investment assets

	2009 £	2008 £
Pooled Investment Vehicles		
SSgA Managed Pension Fund		
- UK Equities	7,805,513	9,163,057
- UK Fixed Interest	18,614,571	21,280,556
- Overseas Equities	11,648,817	13,719,357
	<u>38,068,901</u>	<u>44,162,970</u>
AVC investments	402,316	347,728
	<u>38,471,217</u>	<u>44,510,698</u>

The movements in total investments during the year were as follows:

	Market value at 6 April 2008 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 5 April 2009 £
Pooled investment vehicles - managed funds	44,162,970	22,485,893	(21,783,086)	(6,796,876)	38,068,901
AVC investments	347,728	81,043	(45,291)	18,836	402,316
	<u>44,510,698</u>	<u>22,566,936</u>	<u>(21,828,377)</u>	<u>(6,778,040)</u>	<u>38,471,217</u>

The pooled investment vehicles are held under a managed fund policy in the name of the Scheme. Income generated by the SSgA MPF Commingled Funds is not distributed, but retained within the pooled investments and reflected in the market value of the pooled investment units.

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

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Transaction costs charged during the year were £35,159. In addition to transaction costs, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

Concentration of investments

The following pooled investments account for more than 5% of the Scheme's net assets as at 5 April 2009.

	2009	2008
	%	%
SSgA Sterling corp All Stock Fund	24.1	N/A
SSgA MPF UK Over 15y Gilt Index Fund	23.9	30.6
SsgA UK Equity Index Fund	20.1	20.5
SSgA Europe ex UK Equity (100% Hedged) Sub Fund	12.2	N/A
SSgA North America Equity(100% Hedged) Sub Fund	9.0	N/A
SSgA MPF Europe (ex UK) Index Fund	N/A	47.5

12.1 AVC investments

The Trustees hold assets which are separately invested from the main fund, in the form of individual insurance policies. These secure additional benefits, on a money purchase basis, for those members who have elected to pay AVCs. Members participating in this arrangement receive an annual statement made up to 31 March each year, confirming the amounts held to their account and the movements during the year. The total amount of AVC investments at the year end is shown below.

	2009	2008
	£	£
Prudential	31,642	44,247
Phoenix Life and Pensions Limited	11,784	15,122
Clerical Medical	358,890	288,359
	<u>402,316</u>	<u>347,728</u>

AVX Limited Pension Scheme

Notes to the Accounts

For the year ended 5 April 2009

13. Current assets

	2009	2008
	£	£
Contributions receivable - employer	216,792	229,115
- members	16,334	20,289
Reimbursement of insured pensions	-	1,915
Interest on cash deposits	15	341
Pensions paid in advance	-	16,982
Life assurance paid in advance	45,618	-
VAT recoverable	-	1,124
Monies due from AVX Retirement Plan	3,918	-
Cash in transit	9,832	-
Cash deposits held with Scheme Administrator	85,108	193,731
	<u>377,617</u>	<u>463,497</u>

Contributions receivable

The contributions due as at 5 April 2009 were received after the year end in accordance with the due date set out in the Schedule of Contributions.

Cash deposits

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

14. Current liabilities

	2009	2008
	£	£
Reimbursed pensions received in advance	-	515
Lump sums on retirement	82,903	62,589
Death benefits	5,970	404
Refund of contributions	720	720
Taxation	11,515	10,791
State scheme premiums	1,177	1,177
Life assurance premiums	-	1,759
Administrative expenses	9,900	25,200
Investment management expenses	12,811	30,734
	<u>124,996</u>	<u>133,889</u>

Actuarial Certificate

Certification of Schedule of Contributions

Name of Scheme: **AVX Limited Pension Scheme**

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 June 2007.

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 June 2007.

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

Name

Paul McCarron

Date of signing

28 June 2007

Name of Employer

Mercer Limited

Address

Clarendon House
23 Clarendon Road
Belfast
BT1 3BG

Qualification

Fellow of the Institute of Actuaries

Actuarial Certificate

Certificate of Technical Provisions

Name of Scheme: **AVX Limited Pension Scheme**

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Scheme's Technical Provisions as at 5 April 2006 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 June 2007.

Signature

Paul McCarron

Name

Paul McCarron

Date of signing

28 June 2007

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

Compliance Statement

For the year ended 5 April 2009

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 status

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Scheme is a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004.

Pension increases

As at 1 April 2008, all pensions in payment were increased as follows:

3.0 % on pre 97 excess over Guaranteed Minimum Pension

3.0 % on post 1988 Guaranteed Minimum Pension, and

3.9 % on the post 1997 pension

All pensions in payment in respect of pensionable service completed on or after 6 April 2006 will be increased by 2.5% compound a year, or if less the percentage increase in the index of retail prices in the previous 12 months.

Calculation of transfer values

No allowance is made in the calculation of transfer values for discretionary pension increases.

Benefit Design Changes

From 1 July 2007 active members in the Scheme can elect to remain on the 1/60^{ths} accrual rate or move down to the 1/80^{ths} 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 investment

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

AVX Limited Pension Scheme

Compliance Statement

For the year ended 5 April 2009

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: 0870 6063636
Email: customersupport@thepensionsregulator.gov.uk
Website: www.thepensionsregulator.gov.uk

Pension 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 6002537
Website: www.thepensionservice.gov.uk

The Pensions Advisory Service

Any concerns connected with the Scheme should be referred to Mr MJ Symonds, at 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 advisor can usually be contacted through a Citizen's Advice Bureau. Alternatively the Service can be contacted at:

The Pensions, Disability and Carers Service
11 Belgrave Road
London
SW1V 1RB
Telephone: 0845 6012923
Email: enquiries@pensionsadvisoryservice.org.uk
Website: www.pensionsadvisoryservice.org.uk

AVX Limited Pension Scheme

Compliance Statement

For the year ended 5 April 2009

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:

Pensions Ombudsman

11 Belgrave Road

London

SW1V 1RB

Telephone: 0207 8349144

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

Pension Protection Fund

The Pension Protection Fund (PPF) levy for 2008/2009 consists of two parts: a scheme-based levy (20%) based on the Scheme's PPF liabilities, and a risk-based levy (80%) based on the level of underfunding in the Scheme and the risk of the sponsoring employer becoming insolvent. Schemes which are more than 125% funded will not have to pay the risk-based levy. The total levy which the PPF expects to raise in respect of UK pension schemes in 2008/2009 is estimated at £675 million.

AVX Limited Pension Scheme

Independent Auditors' Statement about Contributions to the Trustees

For the year ended 5 April 2009

We have examined the Summary of Contributions to the AVX Limited Pension Scheme for the year ended 5 April 2009 which is set out on the following page.

Respective responsibilities of Trustees and Auditors

The Trustees' responsibilities for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions are set out in the Statement of Trustees' Responsibilities.

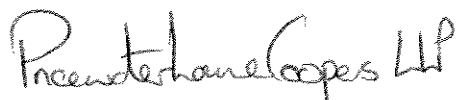
Our responsibility is to provide a statement about contributions to the Scheme in accordance with relevant legislation and to report our opinion to you. This report, including the Statement about Contributions, has been prepared for and only for the Scheme's Trustees as a body in accordance with Section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this statement, 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.

Basis of Statement about contributions

We planned and performed our work 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 contributions reported in the attached summary have been paid in accordance with relevant requirements. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions. Our statement about contributions is required to refer to those breaches of the Schedule of Contributions which we consider to be material for this statement and which come to our attention in the course of our work.

Statement about contributions to the Scheme

In our opinion, the contributions payable to the Scheme required by the Schedule of Contribution during the year ended 5 April 2009, as reported in the Summary of Contributions on the following page, have in all material respects been paid in accordance with the Schedule of Contributions certified by the Actuary on 28 June 2007.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Belfast

Date: 30 September 2009

AVX Limited Pension Scheme

Summary of Contributions Payable

For the year ended 5 April 2009

During the year ended 5 April 2009, the contributions payable to the Scheme by the Employer were as follows:

	2009 £
Contributions payable under the Schedule of Contributions:	
Contributions from employer:	
Normal	238,069
Deficit funding	2,386,000
Augmentations	11,900
	<u>2,635,969</u>
Contributions from members:	
Normal	205,420
Contributions payable under the Schedule (as reported on by the Scheme auditors)	<u>2,841,389</u>
Other contributions payable	
AVCs	81,043
	<u>81,043</u>
Contributions reported in the accounts	<u><u>2,922,432</u></u>

Signed on behalf of the Trustees on 30th Sept 2009

R J Lawrence Trustee

[Signature] Trustee