

ON Semiconductor Limited

Directors' report and financial statements 31 December 2003

Registered Number 3765736



ON Semiconductor Limited

Directors' report and financial statements 31 December 2003

Contents

Directors' report for the year ended 31 December 2003	1
Independent auditors' report to the members of ON Semiconductor Limited	4
Consolidated profit and loss account for the year ended 31 December 2003	6
Balance sheet as at 31 December 2003	7
Notes to the financial statements for the year ended 31 December 2003	8

ON Semiconductor Limited

Directors' report for the year ended 31 December 2003

The directors submit their report together with the audited financial statements of the group and the company for the year ended 31 December 2003.

Principal activities

The group's and company's principal activities are the sale of electronic devices.

Review of business

The profit for the group for the year after taxation amounted to £1,164,569. No dividends were paid or payable as at 31 December 2003. Full details are set out in the consolidated profit and loss account on page 6.

During the year ended 31 December 2003, the directors have continued adapting the structure of the company to respond to the level of operating activity which has decreased by 20% as compared to the year ended 31 December 2002 due to the economic slowdown in the electronic business, especially within the mobile phone sector.

On 31 December 2003, as part of a global reorganisation of the legal entities within ON Semiconductor Corporation, the company acquired shareholdings as set in note 9 of the following ON Semiconductor Corporation group companies from fellow group undertakings:

- ✚ ON Semiconductor France SAS
- ✚ ON Semiconductor Germany GmbH
- ✚ ON Semiconductor Italy S.r.l.
- ✚ ON Semiconductor Canada Trading Corporation
- ✚ SCG Korea Limited

As a consequence, the consolidated financial statements as at 31 December 2003 include the consolidated balance sheet for the group including these companies but the profit and loss account represents the activities of the company, ON Semiconductor Limited, alone as the acquisition occurred after trading has finished on 31 December 2003. All amounts are expressed in British Pounds.

Future developments

The Directors believe that the current level of operating activity should not decrease further in the year ending 31 December 2004. Many of the major indicators of market health are forecast to reside at higher levels in 2004 (although not as high as levels in 2000) compared with the more recent historical averages.

2004 is expected to be impacted by the change in the invoicing procedure of ON Semiconductor Corporation in Europe following the implementation of a new global software operating system (Oracle) for cost accounting and inventory distribution. Under the new structure, which became effective on 5 July 2004, ON Semiconductor Limited will sell directly to all European customers. Local European entities, ON Semiconductor France SAS, ON Semiconductor Germany GmbH and

ON Semiconductor Limited

ON Semiconductor Italy S.r.l., will become sales agents on behalf of ON Semiconductor Limited. These sales agents will be responsible for generating local sales orders and they will receive a fee, from ON Semiconductor Limited, for their services.

Post balance events

No significant events have occurred since 31 December 2003 other than disclosed above.

Dividends

No dividends were paid in respect of the year (2002 - £nil).

Research and Development

ON Semiconductor France SAS undertakes research and development in connection with Analogue products. 77 employees are engaged in research and development as at 31 December 2003.

Directors

The directors who held office during the year were:

P Tomlinson

J Caprais

None of the directors held any notifiable interest in the shares of the company at any time during the year.

Statement of Directors' Responsibilities

The Directors are required by UK company law to prepare Financial Statements that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit or loss of the Group for that period.

The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2003 and that applicable accounting standards have been followed.

The Directors are also responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

Employment of disabled persons

The group considers applications for employment, including those from disabled persons, in the light of its requirements and the qualifications, aptitudes and abilities of each individual. Should employees become disabled during the course of their employment every practical effort will be made to retain their services and to provide retraining where necessary.

ON Semiconductor Limited

All employees are eligible for consideration for appropriate training, career development and promotional opportunities and disabled persons are not treated differently in this respect.

Employee involvement

The group maintains a policy of informing and consulting employees upon matters of concern to them affecting their immediate jobs.

The means employed to achieve these objectives vary from formal intimations disseminated by notices to all employees, to discussion and debate within various committees. These committees meet regularly and involve personnel at all levels. The group provides employees with information on the trading performance of the company and encourages interest from the employees in suggesting methods of improvement in production techniques or methods of improving profitability.

Creditor payment policy

The company's policy with regard to the payment of suppliers is to:

- agree the terms of payment at the start of business with that supplier;
- ensure that the suppliers are made aware of the terms of the payment;
- pay in accordance with its contractual and legal obligations.

During the year ended 31 December 2003, the company took an average of 10.4 days (year ended 31 December 2002 - 31 days) to settle its bills with suppliers.

Auditors

Following the conversion of our auditors, PricewaterhouseCoopers, to a limited liability partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 17 September 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP as auditors. A resolution to appoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

By order of the Board


P. Tomlinson
Secretary

14 October 2004

7A Northumberland Buildings
Queen Square
Bath BA1 2JB

ON Semiconductor Limited

Independent auditors' report to the members of ON Semiconductor Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report only.

Basis of audit opinion

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

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

ON Semiconductor Limited

Opinion

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow

14 October 2004

ON Semiconductor Limited

Consolidated profit and loss account for the year ended 31 December 2003

		Group Year ended 31 December 2003	Company Year ended 31 December 2002
	Notes		
Turnover	2	121,353,490	152,491,733
Cost of sales		(107,495,072)	(138,529,433)
Gross profit		13,858,418	13,962,300
Distribution costs		(12,853,876)	(12,695,104)
Administrative expenses		(195,889)	(207,265)
Other operating income / (expense)		1,640,070	(77,714)
Exceptional charges	4	(488,796)	-
Operating profit		1,959,927	982,217
Interest receivable	3	54,433	72,755
Interest payable	3	(189,204)	(209,830)
Profit on ordinary activities before taxation	4	1,825,156	845,142
Tax on profit on ordinary activities	7	(660,587)	(244,616)
Profit for the year		1,164,569	600,526
Retained profit brought forward		2,736,843	2,136,317
Retained profit carried forward		3,901,412	2,736,843

All results arose from continuing operations.

The notes on pages 6 to 19 form an integral part of the financial statements.

ON Semiconductor Limited

Balance sheet as at 31 December 2003

	Notes	Group 2003	Company 2003	Company 2002
Fixed assets				
Tangible assets	8	842,492	-	69,459
Investments	9	1	10,042,797	-
		842,493	10,042,797	69,459
Current assets				
Stocks	10	2,632,805	1,990,782	2,623,502
Debtors	11	23,716,688	13,110,711	19,646,894
Cash at bank and in hand		4,161,646	1,130,677	5,074,571
		30,511,139	16,232,170	27,344,967
Current liabilities				
Creditors: amounts falling due within one year	12	(22,126,605)	(19,978,390)	(22,521,214)
Net current assets/(liabilities)		8,384,534	(3,746,220)	4,823,753
Total assets less current liabilities				
		9,227,027	6,296,577	4,893,212
Creditors: amounts falling due after more than one year	13	(694,470)	-	-
Provisions for liabilities and charges	14	(696,094)	(15,000)	-
Defined benefit pension scheme liabilities	19	(1,778,682)	-	-
Net assets		6,057,781	6,281,577	4,893,212
Capital and reserves				
Called up share capital	16	2,155,371	2,155,371	2,155,371
Share premium account		998	998	998
Profit and loss account		3,901,412	4,125,208	2,736,843
Equity shareholder's funds	17	6,057,781	6,281,577	4,893,212

The financial statements on page 6 to 19 were approved by the Board of Directors on 14 October 2004 and were signed on its behalf by:

Jean Caprais,
Director

ON Semiconductor Limited

Notes to the financial statements for the year ended 31 December 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

The accompanying consolidated financial statements include the accounts of the company, as well as its wholly-owned and majority-owned subsidiaries from the date of their acquisition. All material intergroup accounts and transactions have been eliminated.

Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of ON Semiconductor Corporation and is included in the consolidated financial statements of that company which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the ON Semiconductor Corporation group. For details of other related party transactions, please see note 22.

Turnover

Turnover comprises the invoiced value of sales, net of value added tax, for goods supplied during the year.

Foreign currencies

The Company's foreign subsidiaries conduct business primarily in U.S. dollars and as a result, utilize the dollar as their functional currency. For the translation of financial statements of these subsidiaries, assets and liabilities that are receivable or payable in cash are translated at current exchange rates while inventories and other non-monetary assets are translated at historical rates. Gains and losses resulting from the translation of such financial statements are included in the operating results, as are gains and losses incurred on foreign currency transactions.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Tangible fixed assets and depreciation

Property, plant and equipment are recorded at cost and are depreciated over estimated useful lives using accelerated and straight-line methods. Most of the machinery and equipment currently in use are depreciated on a straight-line basis over a useful life of 5 years.

Expenditures for maintenance and repairs are charged to operations in the year in which the expense is incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations in the period realised.

ON Semiconductor Limited

Accounting for fixed asset investments

Investments in group undertakings are stated at cost at the date of acquisition less provision for any diminution in value.

Pension and post retirement benefits

The group operates both defined benefit and contribution pension schemes for the benefit of employees

Defined benefit plans

The group maintains defined benefit plans covering certain of its employees that provide benefits based on final pensionable pay. The group has adopted FRS 17 and defined benefit pension schemes are measured using fair values. Pension scheme liabilities are measured using the projected unit method calculated by an independent actuary and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. Each pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financing items in the consolidated profit and loss account and the consolidated statement of total recognised gains and losses.

Defined contribution plans

Pension contributions are charged to the profit and loss account as incurred.

Research and Development

Research and development costs are expensed as incurred.

Inventories

Inventories are stated at the lower cost or net realisable value. Provision is made for obsolete or slow moving items where appropriate

Taxation

Corporation tax payable is provided on taxable profits at the current rate of tax in force.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 tax balances are not subject to discounting.

ON Semiconductor Limited

2. Turnover

The Directors consider that the group has one class of activity being the sale of electronic devices. The turnover is split by geographical market as follows:

	Group 2003 £	Company 2002 £
Europe	90,898,745	120,337,889
North America	8,013,162	8,393,811
Asia	22,441,583	23,760,033
	121,353,490	152,491,733

3. Interest and similar items

	Group 2003 £	Company 2002 £
Bank interest receivable	54,433	72,755
Interest payable on loans from group undertakings	(189,204)	(209,830)
Net interest payable	(134,771)	(137,075)

4. Profit on ordinary activities before taxation

	Group 2003 £	Company 2002 £
Auditors' remuneration – audit services	40,108	11,000
Auditors' remuneration – non audit services	43,483	37,962
Depreciation (Note 8)	39,642	20,945
Operating lease rentals – motor vehicles (Note 18)	26,801	37,260
Exchange (gain) / loss on foreign currency translation	(1,678,988)	(509,220)
Exceptional item - restructuring charges	265,000	283,461
Exceptional item - amortisation of the goodwill (Note 9)	223,796	-
Exceptional charges	488,796	283,461

During the year, the Company recorded £265,000 in non-recurring exceptional restructuring and other net charges. These charges included £250,000 of lease and other charges associated with the termination of the lease agreement at Cromwell Court, Aylesbury, on 30 June 2003 and the write down of associated fixed assets.

ON Semiconductor Limited

During the fiscal year ended 31 December 2002, the exceptional restructuring charges related to redundancy costs under a severance programme in that year.

5. Staff costs

	Group 2003 £	Company 2002 £
Wages and salaries	553,559	990,894
Social security costs	83,554	97,860
Other pension costs (Note 19)	67,797	107,096
	704,910	1,195,850

The average number of persons employed by the company during the year was 8 (2002: 13).

6. Directors' remuneration

Two directors were granted share options in the ultimate parent undertaking during the year. Neither director exercised any share options during the year. Directors' remuneration during 2002 and 2003 was borne by a fellow group undertaking. During the year, Peter Tomlinson was a related party of the group and his company charged £98,690; (2002: £97,758) for the provision of his services. As at 31 December 2003 the group was due £10,715; (2002: £nil) to his company.

Retirement benefits are accruing to one director under a defined contribution pension scheme.

7. Taxation on profit on ordinary activities

	Group 2003 £	Company 2002 £
Current tax:		
- UK corporation tax on profits of the year	706,785	234,559
- adjustment in respect of previous year	(359)	(222,129)
Total current tax	706,426	12,430
Deferred tax:		
- charge/(credit) for the year (Note 15)	(45,839)	232,186
Tax on profit on ordinary activities	660,587	244,616

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%).

ON Semiconductor Limited

The differences are explained below:

	Group 2003 £	Company 2002 £
Profit on ordinary activities before tax	1,825,156	845,142
Profit on ordinary activities multiplied by the standard rate in the UK 30% (2002: 30%)	547,547	253,543
Effects of:		
Expenses not deductible for tax purposes	115,191	10,795
Accelerated capital allowances and other timing differences	44,047	(29,779)
Adjustments to tax charge in respect of previous year	(359)	(222,129)
Total current tax	706,426	12,430

8. Tangible fixed assets

	Machinery & Equipment £
Group	
Cost	
At 1 January 2003	122,651
Additions	842,492
Retirements	(109,101)
At 31 December 2003	856,042
Depreciation	
At 1 January 2003	53,192
Charge for year	(39,642)
At 31 December 2003	13,550
Net book amount	
at 31 December 2003	842,492
at 31 December 2002	69,459

Additions during the year include the acquisition of fixed assets held by the subsidiary undertakings that were acquired on 31 December 2003 (Note 9).

ON Semiconductor Limited

	Machinery & Equipment £
Company	
Cost	
At 1 January 2003	122,651
Additions	-
Retirements	(109,101)
At 31 December 2003	13,550
Depreciation	
At 1 January 2003	53,192
Charge for year	(39,642)
At 31 December 2003	13,550
Net book amount	
31 December 2003	-
31 December 2002	69,459

9. Investments

The Company's investments as at 31 December 2003 are as follows:

Company	Shareholdings %	2002 £	Acquired during year £	2003 £
ON Semiconductor France SAS	100	-	5,934,380	5,934,380
ON Semiconductor Germany GmbH	100	-	2,510,699	2,510,699
ON Semiconductor Italy S.r.l.	100	-	570,613	570,613
ON Semiconductor Canada Trading Corporation	100	-	684,736	684,736
SCG Korea Limited	100	-	342,368	342,368
Other	-	-	1	1
		-	10,042,797	10,042,797

Investments in group undertakings are stated at cost at the date of acquisition. The principal activity of all subsidiaries is the sale of electronic devices. Other investments represent a single share in SCG Hong Kong SAR Limited and in ON Semiconductor Industries Singapore Pte Limited.

The Group purchased a 100% shareholding in the above entities from fellow group undertakings on 31 December 2003 for a total consideration of £10,042,796. The directors consider that the carrying value of the assets and liabilities acquired at 31 December 2003 represent their fair value at that date.

ON Semiconductor Limited

	France	Germany	Italy	Canada	Korea	Total
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	709	66	31	-	36	842
Stock	189	368	84	-	-	641
Debtors	8,089	5,578	1,629	565	116	15,977
Cash	771	1,381	141	310	353	2,956
Creditors less than 1 year	(3,226)	(4,131)	(716)	(44)	500	(7,617)
Creditors more than 1 year	(947)	(1,352)	(560)	(2)	(119)	(2,980)
Net assets acquired	5,585	1,910	609	829	886	9,819
Consideration satisfied by:						
Loan note						9,685
Offset of intergroup balances						358
Goodwill arising on acquisition						224

The goodwill arising on the acquisitions of £224,000 has been expensed as an exceptional item as at 31 December 2003 as due to the reorganisation of the group, the directors do not consider it appropriate to apply an extended life to this goodwill.

Pre-acquisition results

The financial results for each of the businesses acquired have been extracted from their individual management accounts which were prepared in accordance with US GAAP for the year ended 31 December 2003.

They have been translated into sterling at an average exchange rate for the period as follows:

Year ended 31 December 2003	France	Germany	Italy	Canada	Korea
	£000	£000	£000	£000	£000
Turnover	33,773	60,106	9,200	2,564	836
Operating profit	554	537	215	76	143
Profit before taxation	399	(65)	353	116	136
Taxation	1,281	(362)	48	28	(39)
Profit/(loss) after taxation	1,680	(427)	401	144	97

ON Semiconductor Limited

10. Stocks

	Group 2003 £	Company 2003 £	Company 2002 £
Finished goods and goods for resale	2,632,805	1,990,782	2,623,502

11. Debtors

	Group 2003 £	Company 2003 £	Company 2002 £
Trade debtors	13,676,590	2,115,323	1,502,114
Amounts owed by group undertakings	3,377,158	8,685,339	17,591,481
Corporation tax recoverable	3,747,156	-	228,805
Prepayments and accrued income	138,193	-	121,002
Other debtors	2,691,940	2,258,833	198,115
Deferred taxation (Note 15)	85,651	51,216	5,377
	23,716,688	13,110,711	19,646,894

12. Creditors: amounts falling due within one year

	Group 2003 £	Company 2002 £	Company 2002 £
Trade creditors	1,898,417	1,111,010	1,694,735
Amounts due to group undertakings	15,658,367	16,585,872	18,589,285
Corporation tax payable	673,554	631,426	-
Other taxes and social security costs	1,306,225	38,777	95,364
Other creditors	2,889	7,795	-
Accruals	2,587,153	1,603,510	2,141,830
	22,126,605	19,978,390	22,521,214

On 31 December 2003, the amount due to group undertakings includes loans for a total amount of £9,684,467. These loans were advanced from the ultimate parent undertaking and bear interest at 10.335% per annum. They have been subscribed on 31 December 2003 to acquire all the investments in shares and are repayable in full on the maturity date which is 30 November 2004.

ON Semiconductor Limited

13. Creditors: amounts falling due after more than one year

	Group 2003 £	Company 2003 £	Company 2002 £
Intergroup loans	694,470	-	-

The loans were advanced from the ultimate parent undertaking and bear interest at 10.5% per annum.

14. Provisions for liabilities and charges

	Group 2003 £	Company 2003 £	Company 2002 £
Restructuring provision	696,094	15,000	-

The provisions for liabilities and charges include a restructuring provision for £591,192 relating to ON Semiconductor France SAS and £88,175 relating to ON Semiconductor Germany GmbH which were acquired by the group on 31 December 2003.

Both provisions arose in respect of the reorganisation of the general and administrative functions in Europe associated with ON Semiconductor Corporation restructuring programmes. The costs predominantly relate to redundancy payments.

15. Deferred taxation

The group has a deferred taxation asset of £85,651 as at 31 December 2003. This, together with the company's deferred taxation asset of £51,216 at 30% (2002 - £5,377 at 30%) which has been recorded in the company's financial statements comprises:

	Group 2003 £	Company 2003 £	Company 2002 £
Accelerated capital allowances	11,645	11,645	(5,311)
Short term timing differences	74,006	39,571	10,688
Opening balance as previously reported	5,377	5,377	237,563
Deferred tax credit/(charge) (Note 7)	45,839	45,839	(232,186)
Deferred tax asset acquired	34,435	-	-
Closing balance	85,651	51,216	5,377

ON Semiconductor Limited

16. Called up share capital

	Group and Company 2003	Company 2002
Authorised – 5,000,000 of £1 each	5,000,000	5,000,000
Allotted and fully paid Ordinary shares : 2,155,371 of £1 each	2,155,371	2,155,371

17. Shareholder's funds

	Group 2003 £	Company 2003 £	Company 2002 £
Profit for the financial year	1,164,569	1,388,365	600,526
Opening shareholders' funds	4,893,212	4,893,212	4,292,686
Closing shareholders' funds	6,057,781	6,281,577	4,893,212

18. Operating lease commitments

Annual payments to be made by the group during the year ending 31 December 2004 in respect of motor vehicles and buildings held under operating leases comprise those whose commitments expire as follows:

Group	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
- within one year	632,000	-	363,000	4,000
- in two to five years	1,787,000	-	477,000	23,000
	2,419,000	-	840,000	27,000

Included within the above are amounts due by the Company in the year ended 31 December 2004 of £93,000.

19. Pension commitments

The group has established a number of pension schemes for its employees. The principal defined benefit schemes are those in Germany and France. They include a funded scheme of the defined benefit type with assets held in a separate administrated funds and a defined contribution group personal pension scheme.

ON Semiconductor Limited

The most recent actuarial valuations of these schemes were at 31 December 2003. The valuation of the schemes used the projected unit method. They were carried out by independent professionally qualified actuaries.

The principal assumptions for both plans made by the actuaries were:

Assumptions as of 31 December 2003	France	Germany
Discount Rate	5.50%	5.50%
Salary Increase Rate	3.00%	3.00%
Return on Assets	5.50%	6.00%
Inflation	2.00%	2.00%

As at 31 December 2003, the value of the assets and liabilities of the group's defined benefit schemes were as follows:

Post retirement benefit obligations	Group
	£
Total market value of pension assets	358,000
Present value of plan liabilities	(2,136,682)
Pension liability before deferred taxation	1,778,682
Related deferred taxation liability	-
Net pension liability	1,778,682

The company operates a defined contribution group personal pension scheme. Contributions are charged to the profit and loss account as incurred.

The assets of the scheme are held separately from those of the company, being invested by insurance companies. The premium cost charge represents contributions payable by the company to the fund and amounted to £67,797 (2002 - £107,096). Contributions totalling £7,794 (2002 - £7,680) were payable at the year-end and are included in other creditors.

20. Profits of holding company

Of the profit for the financial year, a profit of £1,388,365 (2002: £600,526) is dealt with in the accounts of ON Semiconductor Limited. The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and not presented a profit and loss account for the company alone.

21. Parent undertaking and principal subsidiaries

The immediate holding company is ON Semiconductor Trading Limited, in Bermuda. The ultimate holding company is ON Semiconductor Corporation, incorporated in Delaware, United States of America.

Copies of the group consolidated financial statements can be obtained from 5005 East McDowell Road, Phoenix, AZ 85 008, United States of America.

ON Semiconductor Limited

22. Related party transactions

The group has exercised the exemptions available under the terms of FRS 8 Related Party Disclosures relating to the disclosure of related party transactions with entities that are part of the ON Semiconductor Corporation group. Details of transactions with directors are disclosed in note 6.