

ON Semiconductor Limited
Annual Report and financial statements
For the year ended 31 December 2015

Registered Number 3765736



ON Semiconductor Limited

Annual Report and financial statements for the year ended 31 December 2015

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ON Semiconductor Limited

Strategic Report for the year ended 31 December 2015

The directors present their Strategic Report on the Company for the year ended 31 December 2015.

Business review and principal activities

The company is a wholly owned subsidiary of ON Semiconductor Corporation, incorporated in the United States of America. The principal activity of the company is the sale of electronic devices.

The profit for the financial year for the company amounted to \$2,111,984 (as compared to a profit of \$5,265,056 for the year ended 31 December 2014).

In terms of business, the company's sales have increased in 2015 (\$502,795,850) as compared to 2014 (\$468,556,081), mainly due to the Automotive Market as well as the business of standard products sold through distribution channel. For more details by channel, please refer Note 1 on page 12.

Principal risks and uncertainties

Competitive pressure abroad is a continuing risk to the company. The company operates in highly competitive and volatile markets particularly around price and quality. This not only results in downward pressure on margins but also in the risk that we will not exceed our customers' expectations. The company's sales are made in US Dollars and Euros and therefore the company is exposed to movement in exchange rates.

Key performance indicators

ON Semiconductor manages its worldwide operations on a divisional basis. For this reason, the directors do not believe that further key performance indicators would be necessary or appropriate for an understanding of the development, performance or position of the company. The performance of the UK entity is discussed in the group's annual financial review, which does not form part of this report.

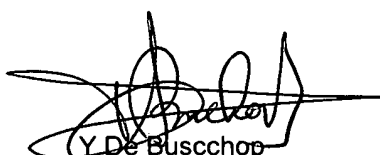
Employment of disabled persons

The company 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.

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

This report was approved by the Board on 30 June 2016 and signed on its behalf.

On behalf of the Board



Y. De Buschop
Director

ON Semiconductor Limited

Directors' report for the year ended 31 December 2015

The directors submit their annual report together with the audited financial statements of the company for the year ended 31 December 2015.

Future developments

Based upon product booking trends, backlog levels, manufacturing services revenues and estimated turns levels, the Directors anticipate a continuous increase in revenues for 2016 as compared to 2015.

Dividends

No dividends were paid or payable for the years ended 31 December 2014 or 2015.

Directors

The directors who held office during the year and up to the date of signing these financial statements were:

- Y De Busschop
- S Penent

Mrs AM Hebert has resigned as at 6 November 2015 and has not been replaced.

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

Research & Development

The company does not conduct any Research & Development activity.

Branches

The Finnish branch has been closed as at 30 June 2015.

Post balance sheet events

No significant events have occurred since 31 December 2015.

Employee involvement

The company 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 company 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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Accounting Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

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Directors' report (continued)

- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

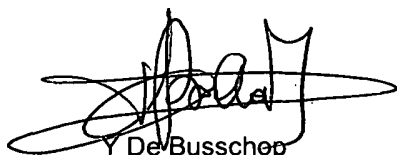
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Y De Busschep
Director
30 June 2016

ON Semiconductor Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ON SEMICONDUCTOR LIMITED

Report on the financial statements

Our opinion

In our opinion, ON Semiconductor Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ON Semiconductor Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Julie Cavin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

4 July 2016

ON Semiconductor Limited

Profit and Loss accounts for the year ended December 31, 2015

	Note	2015 \$	2014 \$
Revenue	1	502,795,850	468,556,081
Cost of sales		(468,391,902)	(427,528,944)
Gross profit		34,403,948	41,027,137
Distribution costs		(31,181,944)	(31,645,356)
Administrative expenses		(343,612)	(335,539)
Other operating gains		175,273	7,005,178
Impairment of investments	7	(600,000)	(9,760,400)
Profit on ordinary activities before interest and taxation		2,453,665	6,291,020
Financial gains/(costs)	5	39	(48,500)
Profit on ordinary activities before taxation		2,453,704	6,242,520
Tax on profit on ordinary activities	6	(341,720)	(977,464)
Profit for the financial year	13	2,111,984	5,265,056
Retained profit brought forward		30,422,352	25,157,296
Retained profit carried forward		32,534,336	30,422,352

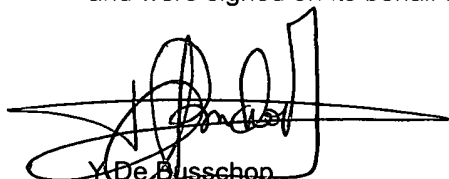
ON Semiconductor Limited

Balance Sheet as at 31 December 2015

	Note	2015 \$	2014 \$
Fixed assets			
Property, Plant and Equipment		7,671	8,680
Investments	7	54,142,095	54,742,047
		54,149,766	54,750,727
Current assets			
Inventories	8	8,296,929	7,838,749
Debtors	9	70,276,258	63,429,203
Cash		21,051,977	15,316,935
		99,625,164	86,584,887
Current liabilities			
Creditors: amounts falling due within one year	10	61,426,670	51,099,338
Net current assets		38,198,494	35,485,549
Net assets		92,348,260	90,236,276
Equity			
Called up Share capital	12	3,777,289	3,777,289
Share premium account		1,749	1,749
Capital contribution		56,034,886	56,034,886
Profit and loss account	13	32,534,336	30,422,352
Total Shareholders' funds		92,348,260	90,236,276

The notes on page 10 to 20 are an integral part of these financial statements.

The financial statements on page 8 to 20 were approved by the Board of Directors on 30 June 2016 and were signed on its behalf by:



Y. De Busschop
Director

ON Semiconductor Limited

Accounting Policies

For the year ended 31 December 2015

General information

ON Semiconductor Limited is a Private Limited company, incorporated and domiciled in the United Kingdom. The address of its registered office is Siena Court, The Broadway, Maidenhead, SL6 1NJ, United Kingdom.

Statement of compliance

The individual financial statements of ON Semiconductor Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 18.

(a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following paragraphs.

(b) Going concern

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

After making inquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

(i) Cash flow statements: The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, ON Semiconductor Corporation, includes the Company's cash flows in its own consolidated financial statements.

(ii) Related party transactions: the Company has exercised the exemptions available under the terms of FRS102, Paragraph 33.1A relating to the disclosure of related party transactions with entities that are part of the ON Semiconductor Corporation Company.

ON Semiconductor Limited

Accounting Policies (continued) For the year ended 31 December 2015

(d) Foreign currency

- (i) Functional and presentation currency: the company's functional and presentation currency is the US Dollars due to the primary economic environment in which the company operates and generates net cash flows.
- (ii) Transactions and balances: for the translation of financial statements, 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 the financial statements are included in the operating results, as are gains and losses incurred on foreign currency transactions.

(e) Consolidated financial statements

The company is a wholly owned subsidiary of ON Semiconductor Corporation, a company incorporated in Delaware, United States of America. It is included in the consolidated financial statements of ON Semiconductor Corporation which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Revenue

Revenue comprises the invoiced value of sales, net of value added tax, for goods supplied during the year. Customers are invoiced at the time of delivery of goods and revenue is recognised at that point.

Leases

Leases do not transfer all the risks and rewards of ownership and are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Investments

Investments in group undertakings are stated at the lower of cost and fair value less cost to sell. Provision for any diminution in value is made as appropriate and reviewed on an annual basis which is considered as an appropriate timing taking into account the nature of the investments.

Pension and post-retirement benefits

The company operates under a defined contribution plan. Pension contributions are charged to the profit and loss account as incurred.

Inventories

Inventories are stated at the lower of cost and estimated selling price less cost to complete and sell. Provision is made for obsolete or slow moving items where appropriate.

Current 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

Notes to the financial statements for the year ended 31 December 2015

1. Revenue

The company is engaged in the design, marketing and sales of a wide variety of semiconductor components.

As of July 3, 2015, the Company has been organized into four operating segments, which also represent our four reporting segments: Application Products Group, Standard Products Group, Image Sensor Group and System Solutions Group. Each of the major product lines has been assigned to a segment based on the operating strategy. The Company's Image Sensor Group was established during the third quarter of 2014 following the Group's acquisitions of Truesense and Aptina. These segments represent the company's view of the business and as such are used to evaluate the progress of major initiatives.

The company has direct customers and also serves significant original equipment manufacturers indirectly through distributor and electronic manufacturing service provider customers. The direct and indirect customers include: (1) leading Original Equipment Manufacturers (O.E.M.) in a broad variety of industries, such as Continental or Hella; (2) Global Distributors, such as EBV Elektronik, Avnet, Arrow or Future; (3) Electronic Manufacturing Service Providers (E.M.S.I.), such as Flextronics or Jabil.

Analysis by geography is as follows, in thousands of US Dollars:

	2015	2014
By Geography	\$000	\$000
Germany	242,738	220,576
Belgium	47,045	48,004
France	35,238	35,863
United Kingdom	33,215	34,043
Romania	28,788	20,893
Hungary	26,995	28,170
Czech Republic	23,378	26,063
Spain	18,937	16,200
Austria	10,324	10,623
Portugal	7,462	8,305
Italy	6,098	6,321
Poland	5,999	2,941
Slovakia	5,902	4,774
Other European countries	10,495	7,208
Total	502,796	468,556

ON Semiconductor Limited

By product group	2015	2014
	\$000	\$000
APG	235,540	249,223
SPG	201,659	196,229
Image Sensors	61,363	16,170
SSG	4,234	6,934
Total	502,796	468,556

By Customer	2015	2014
	\$000	\$000
O.E.M.	305,705	267,292
Distributors	174,455	174,829
E.M.S.I.	22,636	26,435
Total	502,796	468,556

2. Operating profit

Operating profit is stated after charging / (crediting):

	2015	2014
	\$	\$
Auditors' remuneration - audit services	131,057	129,66
Auditors' remuneration - non audit services	17,66	26,71
Exchange loss	(1,160,038	(4,403,742
Dividend income	1,335,31	11,408,92

The dividends have been distributed by ON Semiconductor Netherlands BV (\$326,280) and SCG Korea Limited (\$1,009,031).

3. Staff costs

	2015	2014
	\$	\$
Wages and salaries	1,523,127	1,236,503
Social security costs	181,164	143,489
Other pension costs (Note 16)	91,363	81,832
	1,795,654	1,461,824

The average monthly number of persons employed by the company during the year (excluding directors) was 9 (2014: 7). All of them are Sales employees.

ON Semiconductor Limited

4. Directors' remuneration

None of the directors received remuneration or retirement benefits from the company. The costs have been paid by another group company and have not been recharged to ON Semiconductor Limited.

5. Financial gain/(costs)

	2015	2014
	\$	\$
Bank interest receivable/(payable)	39	(40,318)
Interest payable on loans from company undertakings	-	(8,182)
Financial gain/(costs)	39	(48,500)

6. Tax on Profit on ordinary activities

	2015	2014
	\$	\$
UK Current Tax:		
- UK corporation tax on profits of the year at 20.25% (2014: 21.5%)	358,94	994,13
- adjustment in respect of prior years	(2,293)	(2,152)
- double tax relief	(823)	(2,500)
Total UK Current Tax	355,83	989,48
Foreign Current Tax:		
- foreign tax on income for the period	823	2,50
- adjustment in respect of prior years	(1,882)	(1,485)
Total Foreign Tax	(1,059)	1,01
Total Current Tax	354,77	990,50
Deferred tax:		
- Origination and reversal of timing differences	(13,054)	(13,036)
- Change in Tax rates or laws	-	-
Total Deferred tax (Note 11)	(13,054)	(13,036)
Tax on profit on ordinary activities	341,72	977,46

ON Semiconductor Limited

Tax assessed for the period is lower (2014: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.25% (2014: 21.5%). The differences are explained below:

	2015 \$	2014 \$
Profit on ordinary activities before tax	2,494,3	6,242,5
Profit multiplied by the standard effective rate of tax in the UK 20.25% (2014: 21.5%)	505,0	1,342,1
Effects of:		
Expenses not deductible for tax purposes	(157,0)	(362,0)
Capital allowances for the period in excess of depreciation	-	-
Adjustment in respect of prior years'	(6,3)	(3,6)
Other timing differences	-	-
Change in tax rates	133	973
Translation differences	(89)	-
Tax on profit on ordinary activities	341,7	977,4

Factors affecting future tax charges

A change to the UK Corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce to the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 have already been substantially enacted on 26 October 2015.

As the change to 17% has not been substantively enacted at the balance sheet date, its effects are not included in the financial statements. Deferred taxes at the balance sheet date have been measured using the tax rate of 20% and reflected in these financial statements.

ON Semiconductor Limited

7. Investments

The Company's investments as at 31 December 2015 are as follows:

Company	Shareholdings (Ordinary shares)	2015	2014
	%	\$	\$
ON Semiconductor France SAS	100	7,100,000	7,100,000
ON Semiconductor SAS	100	142,946	142,946
ON Semiconductor Germany GmbH	100	500,000	500,000
ON Semiconductor Italy S.r.l.	100	100,000	200,000
ON Semiconductor Canada Trading Corporation	100	835,000	835,000
SCG Korea Limited	100	1,100,000	1,100,000
AMI Semiconductor companies			
ON Semiconductor Netherlands BV	100	400,000	400,000
ON Semiconductor Leasing BVBA	100	32,077,199	32,077,199
ON Semiconductor Belgium BVBA	100	8,586,900	8,586,900
ON Semiconductor Design Czech S.r.o.	100	2,500,000	2,500,000
ON Semiconductor Switzerland SA	100	800,000	1,300,000
Other	-	50	2
		54,142,095	54,742,047

Investments in subsidiaries are stated at deemed costs which are the existing UK GAAP carrying value amounts. The principal activity of all subsidiaries is the sale of electronic devices and dedicated activities (R&D) to develop new products. Other investments represent a single share in SCG Hong Kong SAR Limited, in Semiconductor Components Industries Singapore Pte Limited and in ON Electronics Private Ltd.

The Company acquired a 100% shareholding in the above entities from fellow Company undertakings. The original investments were acquired on 31 December 2003 for a total consideration of \$17,600,002 and the remaining investments were acquired on 26 March 2009 for a total consideration of \$91,103,680.

In 2010, a new company, ON Semiconductor SAS, was set-up in France and fully acquired by ON Semiconductor Ltd for a total amount of \$142,946.

As at 31 December 2015, an impairment review was undertaken by the directors, following a review of each of the entities net assets position, and an impairment charge of \$600,000 has been recorded at year-end.

In the opinion of the directors the ending balance reflects the fair value of the acquired entities as at 31 December 2015. The directors believe that the carrying value of the investments is supported by their underlying net assets.

ON Semiconductor Limited

8. Inventories

	2015	2014
	\$	\$
Finished goods and goods for resale	8,296,929	7,838,749

The inventories are stored in consignment inventories at our customers' premises.

There is no significant difference between the replacement cost of finished goods and goods for resale and their carrying amounts. Inventories are stated after provisions for impairment of \$181,152 (2014: \$46,221).

9. Debtors

	2015	2014
	\$	\$
Trade debtors	65,807,410	58,863,822
Amounts owed by group undertakings	4,244,033	4,359,811
Other debtors	18,445	23,088
Prepayments and accrued income	69,116	58,282
Deferred taxation (Note 11)	137,254	124,200
	70,276,258	63,429,203

Amounts owed by group undertakings are repayable according to the payment terms agreed in the intercompany agreements.

10. Creditors: amounts falling due within one year

	2015	2014
	\$	\$
Trade creditors	199,995	243,500
Amounts owed to group undertakings	43,534,093	35,588,964
Corporation tax payable	170,668	446,484
Other taxation and Social security	148,767	180,234
VAT payable	1,858,543	1,456,043
Accruals and deferred income	15,514,604	13,184,113
	61,426,670	51,099,338

Amounts owed to group undertakings are repayable according to the payment terms agreed in the intercompany agreements.

ON Semiconductor Limited

11. Deferred taxation

The Company has a deferred taxation asset of \$137,254 as at 31 December 2015 (2014: \$124,200):

	2015 \$	2014 \$
Accelerated capital allowances		-
Short term timing differences	136,249	125,443
Pension provision	1,005	4,682
Closing balance	137,254	130,125

The movement in the deferred taxation asset is as follows:

	\$	\$
At 1 January 2015	124,200	111,164
Credited/(charged) to profit and loss account (Note 6)	13,054	13,036
At 31 December 2015	137,254	124,200

There are no unused tax losses or unused tax credits.

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore the asset has been recognised within the financial statements.

The net deferred tax liability expected to reverse in 2016 is \$137,254. This primarily relates to the reversal of timing differences on doubtful debts and cash discounts and on accruals for pension contributions.

12. Called up Share capital

The Called up Share capital is as follows:

- Authorized shares: 5,000,000 of £1 each (2014: 5,000,000). No new shares have been issued within the period.
- Ordinary shares: 2,155,372 at £1 each (\$1.7525) (2014: 2,155,372). No new shares have been issued within the period.

There is a single class of ordinary shares. The shares are all 'pari passu in all respects': there are no restrictions on the distribution of dividends and the repayment of capital.

Share capital is translated at the rate of exchange ruling at date of change of functional currency and this becomes the historic rate.

As at 26 March 2009, ON Semiconductor Trading Limited increased its ownership in the Company through a capital contribution, in return for the issue of one share, for a total amount of \$45,551,840 to allow its subsidiary to acquire the European AMI Semiconductor companies as listed in note 7.

ON Semiconductor Limited

13. Profit and Loss accounts

	2015 \$	2014 \$
Opening retained earnings	30,422,352	25,157,296
Profit for the year	2,111,984	5,265,056
Closing retained earnings	32,534,336	30,422,352

14. Operating lease commitments

Annual payments to be made by the Company during the year ending 31 December 2016 in respect of buildings held under operating leases whose commitments expire are as follows:

Company	Land and buildings	
	2015 \$	2014 \$
- within one year	68,616	48,645

15. Pension commitments

Defined contribution scheme

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

The cost of contributions to the Company scheme amount to \$91,363 (2014: \$81,832), and are based on pension costs across the Company as a whole. An amount of \$5,023 (2014: \$3,399) is included as being the outstanding contributions to the Company scheme.

16. Parent undertaking and principal subsidiaries

The immediate parent undertaking is ON Semiconductor Trading Sàrl, in Switzerland. The ultimate parent undertaking and controlling party is ON Semiconductor Corporation, incorporated in Delaware, United States of America.

ON Semiconductor Corporation is the parent undertaking of the largest group of undertakings to consolidate these financial statements as at 31 December 2016.

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

17. Events after the end of the reporting period

The company has nothing to report at the date of the report.

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18. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Adopting FRS 102 has resulted in no changes in accounting policy and no requirement to restate the prior year financial statements. Therefore no transitional reconciliations are necessary.