

ON Semiconductor Limited
Annual Report and financial statements
For the year ended 31 December 2014

Registered Number 3765736

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ON Semiconductor Limited

Annual Report and financial statements for the year ended 31 December 2014

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ON Semiconductor Limited

Directors and advisers for the year ended 31 December 2014

Directors

Y De Busschop
S Penent
AM Hebert

Secretary

Y De Busschop

Independent auditors

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Registered office

Thames Court
1 Victoria Street
Windsor
Berkshire
SL4 1YB

Bankers

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London EC2M 4AA
United Kingdom

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1000 EA Amsterdam
Netherlands

ABN AMRO BANK NV
Nieuwstraat 79
5211 NL-s Hertogenbosch
Netherlands

ON Semiconductor Limited

Strategic Report for the year ended 31 December 2014

The directors present their Strategic report on the Company for the year ended 31 December 2014.

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 \$5,265,056 (as compared to a profit of \$2,711,890 for the year ended 31 December 2013). No dividends were paid or payable for the years ended 31 December 2013 or 2014. Full details are set out in the profit and loss account on page 9.

In terms of business, the company's sales have increased in 2014 (\$468,556,081) as compared to 2013 (\$403,256,562), mainly due to the Automotive Market as well as the standard products through distribution channel. For more details by channel, please refer to the Note 1 pages 13 and 14.

Future outlook

Based upon product booking trends, backlog levels, manufacturing services revenues and estimated turns levels, the Directors anticipate a continuous increase in revenues for 2015 as compared to 2014.

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

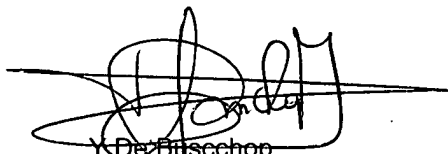
ON Semiconductor manages its worldwide operations on a divisional basis. For this reason, the directors do not believe that further key performance indicators would be necessary or appropriate for an understanding of the development, performance or position of the company. The performance of the UK entity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

Post balance events

No significant events have occurred since 31 December 2014.

This report was approved by the Board on May 26, 2015 and signed on its behalf.

On behalf of the Board



Y. De Busschop
Director

ON Semiconductor Limited

Directors' report for the year ended 31 December 2014

The directors submit their annual report together with the audited financial statements of the company for the year ended 31 December 2014.

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
- AM Hebert

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

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.

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.

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 2014, the company took an average of 15 days to settle its bills with suppliers (2013: 23 days).

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

ON Semiconductor Limited

Directors' report for the year ended 31 December 2014 (continued)

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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:

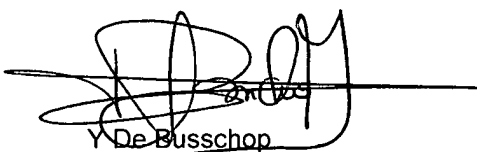
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

A handwritten signature in black ink, appearing to be 'Y. De Busschop', written over a horizontal line.

Y. De Busschop
Director
May 26, 2015

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 2014 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, which are prepared by ON Semiconductor Limited, comprise:

- Balance sheet as at 31 December 2014;
- Profit and loss account for the year then ended;
- The accounting policies; and
- The notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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 5 and 6, 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)").

ON Semiconductor Limited

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

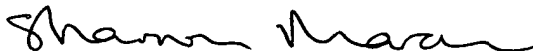
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



Sharron Moran (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
May 26, 2015

ON Semiconductor Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 \$	2013 \$
Turnover	1	468,556,081	403,256,562
Cost of sales		(427,528,944)	(371,808,055)
Gross profit		41,027,137	31,448,507
Distribution costs		(31,645,356)	(28,626,155)
Administrative expenses		(335,539)	(193,382)
Other operating (expense)/income		7,005,178	1,077,106
Operating profit	3	16,051,420	3,706,076
Impairment of investments	7	(9,760,400)	-
(Loss)/Profit on ordinary activities before interest and taxation		6,291,020	3,706,076
Interest payable and similar charges	2	(48,500)	(108,664)
Profit on ordinary activities before taxation		6,242,520	3,597,412
Tax on profit on ordinary activities	6	(977,464)	(885,522)
Profit for the financial year	13	5,265,056	2,711,890
Retained profit brought forward		25,157,296	22,445,406
Retained profit carried forward		30,422,352	25,157,296

All results arose from continuing operations. There is no difference between the profit on ordinary activities before taxation and the profit for the year and their historical cost equivalents. The notes on pages 13 to 21 form an integral part of the financial statements.

The company has no recognised gains or losses other than those included in the results above and therefore no separate statement of recognized gains or losses has been presented.

ON Semiconductor Limited

Balance sheet as at 31 December 2014

	Note	2014 \$	2013 \$
Fixed assets			
Tangible assets		8,680	-
Investments	7	54,742,047	64,502,447
		54,750,727	64,502,447
Current assets			
Stocks	8	7,838,749	5,593,714
Debtors	9	63,429,203	54,059,559
Cash at bank and in hand		15,316,935	7,889,084
		86,584,887	67,542,357
Current liabilities			
Creditors: amounts falling due within one year	10	51,099,338	47,073,584
Net current assets		35,485,549	20,468,773
Net assets		90,236,276	84,971,220
Capital and reserves			
Called up share capital	12	3,777,289	3,777,289
Share premium account	14	1,749	1,749
Capital contribution	14	56,034,886	56,034,886
Profit and loss account	14	30,422,352	25,157,296
Total Shareholders' funds	13	90,236,276	84,971,220

The financial statements on page 9 to 21 were approved by the Board of Directors on May 26, 2015 and were signed on its behalf by:


 Y De Busschop
 Director

ON Semiconductor Limited

Accounting policies

Basis of accounting

Accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Consolidation

The financial statements contain information about ON Semiconductor Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full in the consolidated financial statements of its parent company, ON Semiconductor Corporation.

The company's financial statements and group's financial statements have been drawn up in accordance with the provisions of the Seventh Directive.

Cash flow statement

The company is a wholly owned subsidiary of ON Semiconductor Corporation, a company incorporated in Delaware, United States of America, and the cash flows of the company are included in the consolidated group cash flow statement of ON Semiconductor Corporation. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 revised 1996 "Cash Flow Statements".

Turnover

Turnover 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 turnover is recognised at that point.

Foreign currencies

The company conducts business primarily in U.S. dollars and as a result, utilizes the dollar as their functional currency. 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.

Leases

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

Accounting for fixed asset investments

Investments in group undertakings are stated at the lower of cost and net realisable value. Provision for any diminution in value is made as appropriate and reviewed on an annual basis.

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 cost or net realisable value. Provision is made for obsolete or slow moving items where appropriate.

ON Semiconductor Limited

Accounting policies (continued)

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 2014

1. Turnover

The company is engaged in the design, marketing and sales of a wide variety of semiconductor components. The company is organised into four operating segments, which also represent three reporting segments: Application Products Group (APG) which includes Computing and Consumer Products Group (CCPG), Automotive and Industrial and Medical and Mil-aero products group (AIMM), Standard Products Group (SPG) and SANYO Semiconductor products group (now named as SSG). 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.

Information about segments is as follows, in thousands of US Dollars:

	2014	2013
By Geography	\$000	\$000
Germany	220,576	194,716
Belgium	48,004	40,720
France	35,863	34,553
United Kingdom	34,043	24,210
Hungary	28,170	30,300
Czech Republic	26,063	20,680
Romania	20,893	15,256
Spain	16,200	12,873
Austria	10,623	7,908
Portugal	8,305	7,567
Sweden	6,494	5,139
Italy	6,321	5,391
Other European countries	7,001	3,944
Total	468,556	403,257

ON Semiconductor Limited

1. Turnover (continued)

By product group	2014	2013
	\$000	\$000
APG	249,223	236,460
SPG	196,229	161,431
SSG	6,934	5,366
Image Sensors	16,170	-
Total	468,556	403,257

By Customer	2014	2013
	\$000	\$000
O.E.M.	267,292	239,679
Distributors	174,829	139,477
E.M.S.I.	26,435	24,101
Total	468,556	403,257

2. Interest payable and similar charges

	2014	2013
	\$	\$
Bank interest payable	(40,318)	(84,548)
Interest payable on loans from company undertakings	(8,182)	(24,116)
Interest payable and similar charges	(48,500)	(108,664)

3. Operating profit

Operating profit is stated after charging/(crediting):

	2014	2013
	\$	\$
Auditors' remuneration – audit services	129,660	109,650
Auditors' remuneration - non audit services	26,718	24,340
Operating lease expenses on buildings	110,910	118,500
Exchange loss	(4,403,742)	(1,275,599)

ON Semiconductor Limited

Operating profit (continued)

Dividend income

11,408,920

The dividends have been distributed by ON Semiconductor Netherlands BV for a total amount of \$11,408,920.

4. Staff costs

	2014	2013
	\$	\$
Wages and salaries	1,236,503	1,210,919
Social security costs	143,489	123,148
Other pension costs (Note 16)	81,832	103,897
	1,461,824	1,437,964

The average monthly number of persons employed by the company during the year (excluding directors) was 7 (2013: 8).

5. 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.

6. Tax on profit on ordinary activities

	2014	2013
	\$	\$
UK Current tax:		
- UK corporation tax on profits of the year at 21.5% (2013: 23.25%)	994,137	873,889
- adjustment in respect of prior years	(2,152)	(4,086)
- double tax relief	(2,500)	(4,740)
Total UK current tax	989,485	865,063
Foreign Current tax:		
- foreign tax on income for the period	2,500	4,740
- adjustment in respect of prior years	(1,485)	5,322
Total foreign current tax	1,015	10,062
Total Current Tax	990,500	875,125

ON Semiconductor Limited

Tax on profit on ordinary activities (continued)

Deferred tax:

- Origination and reversal of timing differences	(13,036)	(5,460)
- Change in Tax rates or laws	-	15,857
Total deferred tax (Note 11)	(13,036)	10,397
Tax on profit on ordinary activities	977,464	885,522

The differences are explained below:

	2014 \$	2013 \$
Profit on ordinary activities before taxation	6,242,520	3,597,412
Profit on ordinary activities multiplied by the standard effective rate of tax in the UK 21.5% (2013: 23.25%)	1,342,142	836,398
Effects of:		
Expenses not deductible for tax purposes	(362,014)	(7,477)
Capital allowances for the period in excess of depreciation	(2,174)	(406)
Adjustment in respect of prior years'	(3,637)	1,236
Timing differences	16,183	6,752
Withholding tax suffered	-	-
Translation differences	-	38,622
Total current tax	990,500	875,125

Factors affecting future tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

ON Semiconductor Limited

7. Investments

The Company's investments as at 31 December 2014 are as follows:

Company	Shareholdings (Ordinary shares)	2014	2013
	%	\$	\$
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	200,000	300,000
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	10,060,400
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	1,300,000	1,300,000
Other	-	2	2
		54,742,047	64,502,447

Investments in subsidiaries are stated at carrying value. 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 2014, an impairment review was undertaken by the directors, following a review of each of the entities net assets position, and impairment charge for an amount of \$9,760,400 has been recorded at year-end.

ON Semiconductor Limited

7. Investments (continued)

At 1 January 2014	64,502,447
Additions	-
Cost at 31 December 2014	64,502,447
Impairment charge	(9,760,400)
At 31 December 2014	54,742,047

In the opinion of the directors reflects the fair value of the acquired entities as at 31 December 2014. The directors believe that the carrying value of the investments is supported by their underlying net assets.

8. Stocks

	2014	2013
	\$	\$
Finished goods and goods for resale	7,838,749	5,593,714

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

9. Debtors

	2014	2013
	\$	\$
Trade debtors	58,863,822	49,650,402
Amounts owed by group undertakings	4,359,811	4,221,724
Other debtors	23,088	29,358
Prepayments and accrued income	58,282	46,911
Deferred taxation (Note 11)	124,200	111,164
	63,429,203	54,059,559

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

ON Semiconductor Limited

10. Creditors: amounts falling due within one year

	2014	2013
	\$	\$
Trade creditors	243,500	284,680
Amounts owed to GE Capital	0	229,197
Amounts owed to group undertakings	35,588,964	34,763,133
Corporation tax payable	446,484	604,841
Other taxation and Social security	180,234	217,222
VAT payable	1,456,043	957,331
Accruals and deferred income	13,184,113	10,017,180
	51,099,338	47,073,584

ON Semiconductor Limited signed a Confidential Invoice Discounting agreement with Eurofactor (UK) Limited (acquired by GE Capital in 2011) on November 9, 2009. This agreement has been terminated as at June 20, 2014.

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

11. Deferred taxation

The Company has a deferred taxation asset of \$124,200 as at 31 December 2014 (2013: \$111,164):

	2014	2013
	\$	\$
Accelerated capital allowances	-	-
Short term timing differences	125,443	109,033
Pension provision	4,682	2,131
Closing balance	130,125	111,164

The movement in the deferred taxation asset is as follows:

	\$	\$
At 1 January 2014	111,164	121,561
Credited/(charged) to profit and loss account (Note 6)	13,036	(10,397)
At 31 December 2014	124,200	111,164

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.

ON Semiconductor Limited

12. Called up share capital

	2014	2013
Authorised – 5,000,000 of £1 each (2013: 5,000,000)	£5,000,000	£5,000,000
Allotted and fully paid Ordinary shares : 2,155,372 of £1 each (2013: 2,155,372 of £1 each)	£2,155,372	£2,155,372
Allotted and fully paid Ordinary shares : 2,155,372 at \$1.7525 each (2013: 2,155,372 at \$1.7525)	\$3,777,289	\$3,777,289

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.

13. Reconciliation of movements in total shareholders' funds

	2014 \$	2013 \$
Profit for the financial year	5,265,056	2,711,890
Net addition to shareholders' funds	5,265,056	2,711,890
Opening total shareholders' funds	84,971,220	82,259,330
Closing total shareholders' funds	90,236,276	84,971,220

14. Reserves

	Share premium account \$	Profit and loss account \$	Capital contribution \$
As at 1 January 2014	1,749	25,157,296	56,034,886
Profit for the financial year	-	5,265,056	-
As at 31 December 2014	1,749	30,422,352	56,034,886

ON Semiconductor Limited

15. Operating lease commitments

Annual payments to be made by the Company during the year ending 31 December 2015 in respect of buildings held under operating leases whose commitments expire are as follows:

Company	Land and buildings	
	2014	2013
	\$	\$
- within one year	48,645	50,000

16. 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 \$81,832 (2013: \$103,897), and are based on pension costs across the Company as a whole. An amount of \$3,399 (2013: \$10,148) is included as being the outstanding contributions to the Company scheme.

17. Parent undertaking and principal subsidiaries

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

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

18. Related party transactions

The Company 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 Company.