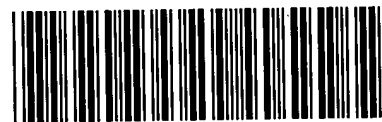


**ALIGN-RITE INTERNATIONAL LIMITED**

**Annual Report and Financial Statements**

**For the year ended 1 November 2015**

TUESDAY



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# **ALIGN-RITE INTERNATIONAL LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 NOVEMBER 2015**

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# **ALIGN-RITE INTERNATIONAL LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

S T Smith (U.S.A.)  
R E Burr (U.S.A.)

### **COMPANY SECRETARY**

S T Smith (U.S.A.)

### **REGISTERED OFFICE**

1 Technology Drive  
Bridgend  
Mid Glamorgan  
CF31 3LU

### **BANKERS**

National Westminster Bank  
28 Adare Street  
Bridgend  
CF31 1EN

### **SOLICITORS**

Squire Patton Boggs (UK) LLP  
7 Devonshire Square  
London  
EC2M 4YH

### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory  
Auditor,  
Cardiff,  
United Kingdom

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 1 November 2015. This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

## PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company. The company did not trade during the current year or the prior year.

## RESULTS AND DIVIDENDS

The profit for the year after taxation was £7,559 (2014 - £2,832 loss). No dividends could be paid during the financial year (2014 - £nil).

## FUTURE PROSPECTS

The directors expect that the company will remain as a holding company for the foreseeable future.

## GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

## DIRECTORS

The current directors of the company, who served throughout the financial year and subsequently to the date of this report, are as shown on page 1.

## AUDITOR

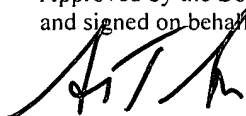
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



S T Smith  
Director

Date 7/18/16

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 elected to prepare 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; 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIGN-RITE INTERNATIONAL LIMITED**

We have audited the financial statements of Align-Rite International Limited for the year ended 1 November 2015 which comprise the Profit and Loss Account, the Reconciliation of Movement in Shareholders' Funds, the Balance Sheet and the related notes 1 to 10. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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. 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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 November 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

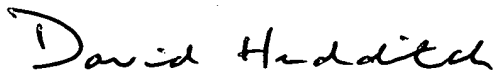
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALIGN-RITE INTERNATIONAL LIMITED (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Directors' Report.



**David Hedditch (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom

Date 22 July 2016

# ALIGN-RITE INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT for the Year ended 1 November 2015

	Note	2015 £	2014 £
Administrative expenses		(3,248)	(2,832)
<b>OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(3,248)	(2,832)
Tax on loss on ordinary activities	4	10,807	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	10	<u>7,559</u>	<u>(2,832)</u>

The financial statements of Align-Rite International Limited have been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

All transactions are derived from continuing operations.

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.



## ALIGN-RITE INTERNATIONAL LIMITED

### RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the Year ended 1 November 2015

	2015 £	2014 £
Profit/(loss) for the financial year	7,559	(2,832)
Net addition /(reduction) to shareholders' funds	7,559	(2,832)
Opening shareholders' funds	325,446	328,278
Closing shareholders' funds	333,005	325,446

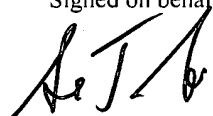
# ALIGN-RITE INTERNATIONAL LIMITED

## BALANCE SHEET As at 1 November 2015

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Investment in subsidiaries	5	-	-
<b>CURRENT ASSETS</b>			
Debtors – prepayments		-	743
Cash at bank and in hand		336,065	327,883
		<u>336,065</u>	<u>328,626</u>
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(3,060)</u>	<u>(3,180)</u>
<b>NET CURRENT ASSETS</b>		<u>333,005</u>	<u>325,446</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>333,005</u>	<u>325,446</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	35,392	35,392
Share premium account	8	5,176,553	5,176,553
Capital reserve	8	452,783	452,783
Profit and loss account	8	(5,331,723)	(5,339,282)
<b>SHAREHOLDERS' FUNDS</b>		<u>333,005</u>	<u>325,446</u>

The financial statements of Align-Rite International Limited, registered number 1964887, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



S T Smith  
Director

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**NOTES TO THE FINANCIAL STATEMENTS  
for the Year ended 1 November 2015**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Consolidated financial statements**

The company has taken advantage of the exemption granted under s398 of the Companies Act 2006 not to prepare consolidated financial statements, as the group qualifies as a small group.

**Going concern**

The company has a net asset value of £333,005 including cash of £336,065. The directors have reviewed the cash flow forecasts and the future liquidity requirements and, despite the current uncertain economic conditions, they are of the opinion that the company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**Cash flow statement**

The company is a wholly owned subsidiary of Photronics Inc. and the cash flows of the company are included in the consolidated group cash flow statement of Photronics Inc. Consequently, the company is exempt under the terms of Financial Reporting Standard No.1 (revised) from publishing a cash flow statement.

**Investments**

Investments in subsidiaries are shown at cost less provision for impairment.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions.

All monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the mid-market rate ruling at the close of business at that date unless there is a contracted exchange rate. Differences arising on translation are taken to the profit and loss account in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year ended 1 November 2015**

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The directors received no remuneration for their services to the company in either the current or the prior financial year. The directors are also directors of the ultimate parent company, Photonics Inc. The majority of the directors' activities relate to services carried out in relation to Photonics Inc. and other group companies. Therefore the directors deem it appropriate not to directly allocate any of their costs to the profit and loss account of the company.

Apart from the directors, the company had no employees during 2015 or 2014.

**3. OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2015 £	2014 £
Operating loss and loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit of the statutory financial statements	2,400	2,700

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2015 £	2014 £
<b>Current taxation</b>		
United Kingdom corporation tax:		
Current tax on loss for the year at 20.41% (2014 – 21.82%)	-	-
Prior year tax charge	(10,807)	-
<b>Total current tax</b>	(10,807)	-

The difference between the total current tax shown above and the amount calculated by applying the blended rate of UK corporation tax to the loss before tax is as follows:

	2015 £	2014 £
Loss on ordinary activities before tax	(3,248)	(2,832)
Tax on loss on ordinary activities before tax at 20.41% (2014 –21.82%)	(663)	(618)
<b>Factors affecting credit for the year</b>		
Group relief	11,470	618
<b>Current tax credit for the year</b>	10,807	-

Tax has been calculated using a blended rate of 21% to March 2015 and 20% from April 2015.

The Finance Act 2014 includes legislation reducing the main rate of corporation tax from 21% to 20% from 1 April 2015. Finance Act 2015 includes legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. These rates had been substantively enacted at the balance sheet date. It has since been announced that the main rate of UK corporation tax will reduce to 17% from 1 April 2020.

## NOTES TO THE FINANCIAL STATEMENTS for the Year ended 1 November 2015

### 5. FIXED ASSET INVESTMENT IN SUBSIDIARIES

	£
<b>Cost</b>	
At 1 November 2015 and 3 November 2014	2,696,971
<b>Provisions for impairment</b>	
At 1 November 2015 and 3 November 2014	(2,696,971)
<b>Net book value</b>	
At 1 November 2015 and 3 November 2014	-

The company has the following interests in the equity share capital of its subsidiary at 1 November 2015:

Subsidiary company	Country of incorporation, registration and operation	Share description	Aggregate amount of capital and reserves £	Proportion held by the company %
Photronics (Wales) Limited	England and Wales	Ordinary shares	-	99.60

Photronics (Wales) Limited was engaged in the manufacture of photomasks for use in the electronics industry, but is now dormant and therefore had no profits or losses in the year. The directors determined that the investment was impaired as at 31 October 2007. The determination was based on reviewing estimated future cash flows from the investment, of which there are now expected to be none. As a result the company recorded an impairment charge of £2,696,971 in the year ended 31 October 2007 which represents the total value of the investment. The directors consider this to continue to be appropriate as at 1 November 2015.

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Other creditors	3,060	3,180

### 7. CALLED UP SHARE CAPITAL

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
3,539,237 ordinary shares of 1p each	35,392	35,392

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year ended 1 November 2015**

**8. STATEMENT OF MOVEMENTS ON RESERVES**

	<b>Profit and loss account £</b>	<b>Share premium account £</b>	<b>Capital reserve £</b>
At 2 November 2014	(5,339,282)	5,176,553	452,783
Profit for the financial year	7,559	-	-
	<hr/>	<hr/>	<hr/>
At 1 November 2015	(5,331,723)	5,176,553	452,783
	<hr/>	<hr/>	<hr/>

The capital reserve relates to a gain arising from the transfer of assets from the parent company.

**9. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 8 from the disclosure of transactions with entities that are wholly owned within the group on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the group are publicly available.

**10. ULTIMATE PARENT UNDERTAKING & CONTROLLING PARTY**

The immediate parent undertaking is Align-Rite International, Inc., a company incorporated in the United States of America.

The ultimate parent company and ultimate controlling party is Photronics Inc., a company incorporated in the United States of America. Copies of the consolidated financial statements of Photronics Inc. may be obtained from the company's offices at 15 Secor Road, Brookfield, Connecticut, USA 06804.

Photronics Inc. is the smallest and largest group into which the results of Align-Rite International Limited are consolidated.