

Company Registration No. 4345895 (England and Wales)

ALIGN TECHNOLOGY UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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ALIGN TECHNOLOGY UK LIMITED

COMPANY INFORMATION

Directors	J Mosley G Laks M L Roy	(Appointed 13 July 2009)
Secretary	J Mosley	
Company number	4345895	
Registered office	4th Floor 33 Cavendish Square London W1G 0PW	
Auditors	Alliotts Congress House 14 Lyon Road Harrow Middlesex HA1 2EN	

ALIGN TECHNOLOGY UK LIMITED

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ALIGN TECHNOLOGY UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company continued to be that of dental technicians providing marketing support to the parent company in respect of the UK market.

Directors

The following directors have held office since 1 January 2008:

J Mosley

G Laks

P Dicochea

K D de Vries

M L Roy

(Resigned 13 July 2009)

(Resigned 7 November 2008)

(Appointed 13 July 2009)

Auditors

The auditors, Alliotts, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- 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 proper accounting records that 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 1985. 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.

ALIGN TECHNOLOGY UK LIMITED

DIRECTORS' REPORT (CONTINUED)

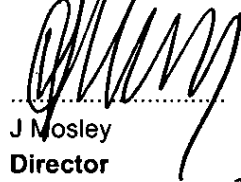
FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



J Mosley

Director

23 November 2009

ALIGN TECHNOLOGY UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ALIGN TECHNOLOGY UK LIMITED

We have audited the financial statements of Align Technology UK Limited for the year ended 31 December 2008 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

ALIGN TECHNOLOGY UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ALIGN TECHNOLOGY UK LIMITED

Opinion


In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Alliotts

Chartered Accountants
Registered Auditor


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Congress House
14 Lyon Road
Harrow
Middlesex
HA1 2EN

ALIGN TECHNOLOGY UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
	Notes	£	£
Turnover		1,295,066	1,051,556
Administrative expenses		(1,210,669)	(987,544)
Other operating income		-	150
		<hr/>	<hr/>
Operating profit	2	84,397	64,162
Other interest receivable and similar income	3	3,235	4,105
		<hr/>	<hr/>
Profit on ordinary activities before taxation		87,632	68,267
Tax on profit on ordinary activities	4	(34,043)	(31,389)
		<hr/>	<hr/>
Profit for the year	11	53,589	36,878
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ALIGN TECHNOLOGY UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	5		7,064		1,601
Current assets					
Debtors	6	265,498		143,908	
Cash at bank and in hand		106,785		85,492	
		<u>372,283</u>		<u>229,400</u>	
Creditors: amounts falling due within one year	7	<u>(188,835)</u>		<u>(94,078)</u>	
Net current assets			<u>183,448</u>		<u>135,322</u>
Total assets less current liabilities			<u>190,512</u>		<u>136,923</u>
			<u>190,512</u>		<u>136,923</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		<u>190,510</u>		<u>136,921</u>
Shareholders' funds	12		<u>190,512</u>		<u>136,923</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and authorised for issue on 23 November 2008

J Mosley
Director

G Laks
Director

Company Registration No. 4345895

ALIGN TECHNOLOGY UK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	£	2008 £	£	2007 £
Net cash inflow/(outflow) from operating activities		56,504		(27,821)
Returns on investments and servicing of finance				
Interest received	3,235		4,105	
Net cash inflow for returns on investments and servicing of finance		3,235		4,105
Taxation		(31,389)		(18,792)
Capital expenditure				
Payments to acquire tangible assets	(7,057)		(1,000)	
Net cash outflow for capital expenditure		(7,057)		(1,000)
Net cash inflow/(outflow) before management of liquid resources and financing		21,293		(43,508)
Increase/(decrease) in cash in the year		21,293		(43,508)

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2008	2007
		£	£
	Operating profit	84,397	64,162
	Depreciation of tangible assets	1,594	788
	Increase in debtors	(105,515)	(93,720)
	Increase in creditors within one year	76,028	949
	Net cash inflow/(outflow) from operating activities	56,504	(27,821)

2	Analysis of net funds	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	85,492	21,293	-	106,785
	Bank deposits	-	-	-	-
	Net funds	85,492	21,293	-	106,785

3	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	Increase/(decrease) in cash in the year	21,293	(43,508)
	Movement in net funds in the year	21,293	(43,508)
	Opening net funds	85,492	129,000
	Closing net funds	106,785	85,492

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for services net of Value Added Tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over 5 years on a straight line basis
Computer equipment	20 % on net book value
Fixtures, fittings & equipment	25% on net book value

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance had not been discounted.

2 Operating profit	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,594	788
Operating lease rentals		
- Plant and machinery	9,557	13,287
Auditors' remuneration	4,375	4,375
Directors' emoluments	139,537	148,001

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

3	Investment income	2008	2007
		£	£
	Bank interest	3,157	4,105
	Other interest	78	-
		<u>3,235</u>	<u>4,105</u>
4	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	50,118	31,389
	Current tax charge	<u>50,118</u>	<u>31,389</u>
	Deferred tax		
	Deferred tax charge/credit current year	(16,075)	-
		<u>34,043</u>	<u>31,389</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>87,632</u>	<u>68,267</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	<u>24,537</u>	<u>20,480</u>
	Effects of:		
	Non deductible expenses	24,801	7,555
	Depreciation add back	446	236
	Capital allowances	(541)	(910)
	Other tax adjustments	875	4,028
		<u>25,581</u>	<u>10,909</u>
	Current tax charge	<u>50,118</u>	<u>31,389</u>

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2008	-	6,039	6,039
Additions	7,057	-	7,057
	<u>7,057</u>	<u>6,039</u>	<u>13,096</u>
At 31 December 2008	7,057	6,039	13,096
Depreciation			
At 1 January 2008	-	4,438	4,438
Charge for the year	-	1,594	1,594
	<u>-</u>	<u>6,032</u>	<u>6,032</u>
At 31 December 2008	-	6,032	6,032
Net book value			
At 31 December 2008	<u>7,057</u>	<u>7</u>	<u>7,064</u>
At 31 December 2007	<u>-</u>	<u>1,601</u>	<u>1,601</u>

6 Debtors

	2008 £	2007 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	196,663	130,284
Other debtors	52,760	13,624
Deferred tax asset (see note 8)	16,075	-
	<u>265,498</u>	<u>143,908</u>

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7	Creditors: amounts falling due within one year	2008	2007
		£	£
	Trade creditors	3,233	5,596
	Taxation and social security	59,469	38,689
	Other creditors	126,133	49,793
		<u>188,835</u>	<u>94,078</u>

8 Provisions for liabilities

The deferred tax asset (included in debtors, note 6) is made up as follows:

	2008	2007
	£	£
Profit and loss account	<u>(16,075)</u>	
	2008	2007
	£	£
Other timing differences	<u>(16,075)</u>	<u>-</u>

9 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2008	2007
	£	£
Contributions payable by the company for the year	<u>21,972</u>	<u>14,499</u>

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

10 Share capital	2008	2007
	£	£
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	2	2
	<u> </u>	<u> </u>
 11 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2008		136,921
Profit for the year		53,589
		<u> </u>
Balance at 31 December 2008		190,510
		<u> </u>
 12 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the financial year	53,589	36,878
Opening shareholders' funds	136,923	100,045
	<u> </u>	<u> </u>
Closing shareholders' funds	190,512	136,923
	<u> </u>	<u> </u>

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

13 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	136,800	41,964	6,373	5,258
Between two and five years	-	10,126	4,205	6,373
	<u>136,800</u>	<u>52,090</u>	<u>10,578</u>	<u>11,631</u>

14 Control

The ultimate parent company and ultimate controlling party is Align Technology Inc which is registered in the United States of America. Copies of the financial statements can be obtained from Align Technology Inc, 881 Martin Avenue, Santa Clara, California, 95050.

15 Related party transactions

During the year the company made sales to Align Technology BV, an associated company, totalling £1,295,066 (2007 £1,051,556). The group company debtor at the year end was £196,663 (2007 £130,284).