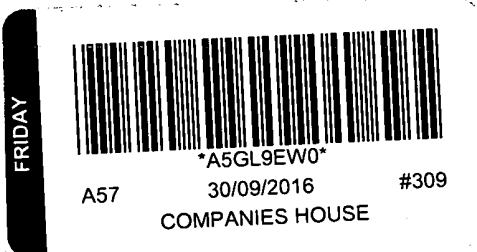


Company Registration No. 04345895 (England and Wales)

ALIGN TECHNOLOGY UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



ALIGN TECHNOLOGY UK LIMITED

COMPANY INFORMATION

Directors

R E George
R S Pascaud
M Chaoui
S Beard

Company number

04345895

Registered office

4th Floor
Imperial House
15 Kingsway
London
WC2B 6UN

Auditors

Alliotts
4th Floor
Imperial House
15 Kingsway
London
WC2B 6UN

ALIGN TECHNOLOGY UK LIMITED

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ALIGN TECHNOLOGY UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and financial statements for the year ended 31 December 2015.

Directors

The following directors have held office since 1 January 2015:

R E George
R S Pascaud
M Chaoui
S Beard

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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;
- 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 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 relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board


.....
M Chaoui

Director

30/9/16

ALIGN TECHNOLOGY UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALIGN TECHNOLOGY UK LIMITED

We have audited the financial statements of Align Technology UK Limited for the year ended 31 December 2015 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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 applicable to Smaller Entities; 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.

ALIGN TECHNOLOGY UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ALIGN TECHNOLOGY UK LIMITED

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Mr Ian Davies FCA (Senior Statutory Auditor)
for and on behalf of Alliotts

30/9/16

Chartered Accountants
Statutory Auditor

4th Floor
Imperial House
15 Kingsway
London
WC2B 6UN

ALIGN TECHNOLOGY UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|----------------|----------------|
| Turnover | 2 | 5,709,260 | 4,296,518 |
| Administrative expenses | | (5,288,695) | (3,979,104) |
| Operating profit | 3 | 420,565 | 317,414 |
| Interest payable and similar charges | | (1,146) | - |
| Profit on ordinary activities before taxation | | 419,419 | 317,414 |
| Tax on profit on ordinary activities | 4 | (94,668) | (78,203) |
| Profit for the year | 11 | <u>324,751</u> | <u>239,211</u> |

ALIGN TECHNOLOGY UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

| | Notes | 2015 £ | £ | 2014 £ | £ |
|---|-------|--------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | 60,854 | | 74,320 |
| Current assets | | | | | |
| Debtors | 6 | 1,780,026 | | 1,314,637 | |
| Cash at bank and in hand | | 617,765 | | 248,511 | |
| | | <u>2,397,791</u> | | <u>1,563,148</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(1,088,482)</u> | | <u>(588,712)</u> | |
| Net current assets | | | <u>1,309,309</u> | | <u>974,436</u> |
| Total assets less current liabilities | | | <u>1,370,163</u> | | <u>1,048,756</u> |
| Provisions for liabilities | 8 | | <u>(11,841)</u> | | <u>(15,185)</u> |
| | | | <u>1,358,322</u> | | <u>1,033,571</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 2 | | 2 |
| Profit and loss account | 11 | | <u>1,358,320</u> | | <u>1,033,569</u> |
| Shareholders' funds | | | <u>1,358,322</u> | | <u>1,033,571</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 30/9/16

M Chaoui
Director

Company Registration No. 04345895

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Turnover

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

1.3 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 the term of the lease |
| Computer equipment | 33% straight line |
| Fixtures, fittings & equipment | 20% straight line |

1.4 Revenue recognition

Income is recognised in an accordance with a "cost-plus" service agreement with the Group to which the company belongs. Income is recognised based on a formula that is applied to costs incurred.

2 Turnover

In the year to 31 December 2015 100% (2014 - 100%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit

| | 2015 | 2014 |
|--|---------|---------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 23,932 | 25,959 |
| Auditors' remuneration | 8,000 | 4,500 |
| Directors' remuneration | 460,465 | 226,327 |

4 Taxation

| | 2015 | 2014 |
|---|---------|---------|
| | £ | £ |
| Domestic current year tax | | |
| U.K. corporation tax | 98,012 | 85,518 |
| Total current tax | 98,012 | 85,518 |
| Deferred tax | | |
| Deferred tax charge/credit current year | (3,344) | (7,315) |
| | 94,668 | 78,203 |

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|-----------------------|-----------------------|-------------------------------|---------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2015 | 95,516 | 33,814 | 129,330 |
| Additions | 8,475 | 1,993 | 10,468 |
| Disposals | | (5,546) | (5,546) |
| At 31 December 2015 | 103,991 | 30,261 | 134,252 |
| Depreciation | | | |
| At 1 January 2015 | 31,839 | 23,171 | 55,010 |
| On disposals | | (5,544) | (5,544) |
| Charge for the year | 21,107 | 2,825 | 23,932 |
| At 31 December 2015 | 52,946 | 20,452 | 73,398 |
| Net book value | | | |
| At 31 December 2015 | 51,045 | 9,809 | 60,854 |
| At 31 December 2014 | 63,677 | 10,643 | 74,320 |

6 Debtors

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 1,618,287 | 1,175,157 |
| Other debtors | 161,739 | 139,480 |
| | 1,780,026 | 1,314,637 |

7 Creditors: amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 62,978 | 16,613 |
| Taxation and social security | 66,124 | 55,647 |
| Other creditors | 959,380 | 516,452 |
| | 1,088,482 | 588,712 |

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Provisions for liabilities

| | Deferred tax liability £ |
|-----------------------------|-----------------------------|
| Balance at 1 January 2015 | 15,185 |
| Profit and loss account | (3,344) |
| Balance at 31 December 2015 | <u>11,841</u> |

The deferred tax liability is made up as follows:

| | 2015 £ | 2014 £ |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>11,841</u> | <u>15,185</u> |

9 Pension costs

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.

| | 2015 £ | 2014 £ |
|---|---------------|---------------|
| Contributions payable by the company for the year | <u>70,319</u> | <u>49,883</u> |

10 Share capital

| | 2015 £ | 2014 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 2 Ordinary Shares of £1 each | <u>2</u> | <u>2</u> |

ALIGN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Statement of movements on profit and loss account

| | Profit and loss account £ |
|-----------------------------|------------------------------------|
| Balance at 1 January 2015 | 1,033,569 |
| Profit for the year | 324,751 |
| Balance at 31 December 2015 | 1,358,320 |

12 Financial commitments

At 31 December 2015, the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2016:

| | 2015 £ | 2014 £ |
|--------------------------------|-----------|-----------|
| Operating leases which expire: | | |
| Within one year | 34,309 | - |
| Between two and five years | 125,173 | 117,666 |
| | 159,482 | 117,666 |

13 Control

The ultimate parent company 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, 2560 Orchard Parkway, San Jose, California, 95131, United States. The immediate parent company is Align Technology BV, a company registered in Holland. No one person has overall control.

14 Related party relationships and transactions

During the year the company made sales to Align Technology BV, an associated company, totalling £5,709,260 (2014 £4,296,518). The group company debtor at the year end was £1,618,287 (2014 £1,175,157).