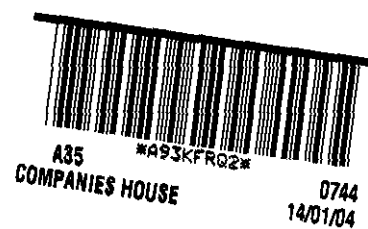


**PHOTRONICS (WALES) LIMITED**

**Report and Financial Statements**

**31 October 2002**



**REPORT AND FINANCIAL STATEMENTS 2002**

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## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 October 2002.

### **ACTIVITIES**

The company has been dormant with in the meaning of Section 249AA of the Companies Act 1985 throughout the year. It is anticipated that the company will remain dormant for the foreseeable future.

### **DIVIDENDS**

As the company did not trade during the year no gains or losses were made (2001 - £11,145,462 profit). The directors do not recommend the payment of a dividend.

### **CONTRIBUTIONS FOR CHARITABLE AND POLITICAL PURPOSES**

During the year there were charitable donations which amounted to £Nil (2001 - £170). There were no political donations (2001 - £Nil).

### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year are set out below, they had no interest in the share capital of the company or in any other group company required to be shown in the register of directors' interests kept under s325 of the Companies Act.

S.T. Smith

J.A. Eder (resigned 1 November 2002)

J.G Hickey did not service during the year, but is a current director having been appointed on 1 February 2003

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

  
Secretary

9/1/04

# PHOTRONICS (WALES) LIMITED

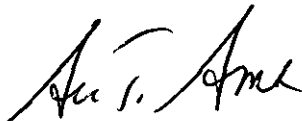
## BALANCE SHEET 31 October 2002

	Note	31 October 2002 £	31 October 2001 £
<b>CURRENT ASSETS</b>			
Amounts owed by group undertakings		<u>19,479,133</u>	<u>19,479,133</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	1,954,851	1,954,851
Capital redemption reserve	3	255,149	255,149
Profit and loss account	4	<u>17,269,133</u>	<u>17,269,133</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>19,479,133</u>	<u>19,479,133</u>

The annual accounts have not been audited because the company is entitled to the exemption provided by Section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors



Director

91.10.02

## NOTES TO THE ACCOUNTS

### Year ended 31 October 2002

#### 1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is shown below.

##### Basis of accounting

The financial statements have been prepared under the historical cost convention.

##### Foreign currency transaction

Transactions denominated in foreign currencies are translated 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 the translation are taken to the profit and loss account in the period to which they relate.

##### Pension costs

The company operates a defined contribution pension scheme. Pension costs are charged to the profit and loss account as they fall due.

##### Turnover

Turnover, which excludes value added tax, comprises sales during the period.

##### Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets' useful life. Other grants are credited to the profit and loss account to match the related revenue expenditure.

##### Cashflow statement

The company is a wholly owned subsidiary of Photronics Inc. and the cashflows of the company are included in the group cashflow statement of Photronics Inc. Consequently the company is exempt under the terms of the Financial Reporting Standards No 1 (revised) from publishing a cashflow statement.

#### 2. CALLED UP SHARE CAPITAL

	2002 £	2001 £
<b>Called up share capital</b>		
<b>Authorised</b>		
1,954,999 ordinary shares of £1 each	1,954,999	1,954,999
1 "A" ordinary share of £1	1	1
800,000 redeemable preference shares of £1 each	800,000	800,000
	<u>2,755,000</u>	<u>2,755,000</u>
<b>Allotted, called up and fully paid</b>		
1,954,850 (March 2000 - £1,954,850) ordinary shares of £1 each	1,954,850	1,954,850
1 "A" ordinary share of £1	1	1
	<u>1,954,851</u>	<u>1,954,851</u>

##### Ordinary shares

The ordinary shares of £1 each are voting shares.

##### "A" ordinary shares

The "A" ordinary share of £1 is a voting share and confers the right on its holder to appoint and remove a director of the company but in all other respects ranks equally with the ordinary shares.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 October 2002**

**3. CAPITAL REDEMPTION RESERVE**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
At 1 November 2001 and 31 October 2002	<u>255,149</u>	<u>255,149</u>

**4. PROFIT AND LOSS ACCOUNT**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
At 1 November 2001	17,269,133	6,123,671
Profit for the period	<u>-</u>	<u>11,145,462</u>
At 31 October 2002	<u>17,269,133</u>	<u>17,269,133</u>

**5. PENSIONS**

The company operates two defined contribution pension schemes for certain of its managers. These schemes are contracted out money purchase schemes being the Standard Life Pension Scheme and the Standard Life Executive Pension Scheme. These plans are Inland Revenue approved pension plans. During the period, the company contributed between 4% and 10% of the employees' current salary for all member employees and contributed 8% for one employee in respect of the Executive Scheme. Membership in the pension schemes is subject to a qualifying period to be specified for each individual. No contributions were made to the plan during the year.

**6. CONTINGENT LIABILITIES**

(a) Guarantees:

- (i) The company has given a terminal indemnity of £100,000 to its bankers in respect of the HM Customs & Excise deferred duty scheme and, consequently, its bankers have a charge over £100,000 of bank deposits.
- (ii) The company has given a guarantee of sums due to the commissioners of HM Customs & Excise in the sum of £50,000.

(b) The company's bankers have a charge over the fixed and floating assets of the company.

**7. RELATED PARTY TRANSACTIONS**

In accordance with the exemption afforded by Financial Reporting Standard 8 there is no disclosure in these financial statements of transactions with entities that are 90% or more owned by the Photronics group (note 23).

**8. IMMEDIATE AND ULTIMATE PARENT COMPANIES**

The immediate parent company is Align-Rite International Limited and the ultimate parent company and controlling party is Photronics, Inc., a company registered in the USA.

The financial statements of Photronics, Inc. can be obtained from the Company Secretary at 15 Secor Road, Connecticut.