

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2004
FOR
IP FIBRE DEVICES (UK) LIMITED



IP FIBRE DEVICES (UK) LIMITED

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for the Year Ended 31 August 2004**

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IP FIBRE DEVICES (UK) LIMITED

COMPANY INFORMATION
for the Year Ended 31 August 2004

DIRECTORS:	Dr V Gapontsev Dr D Gapontsev Dr V Fomin I Samartsev Dr N Platonov Dr E Shcherbakov
SECRETARY:	T Mammen
REGISTERED OFFICE:	Stuart House 55 Catherine Place London SW1E 6DY
REGISTERED NUMBER:	02989622
AUDITORS:	Wellers Accountants Registered Auditor Stuart House 55 Catherine Place London SW1E 6DY
BANKERS:	Barclays Bank plc PO Box 1008 Kingston Surrey KT1 2WG

**REPORT OF THE INDEPENDENT AUDITORS TO
IP FIBRE DEVICES (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages three to five, together with the full financial statements of the company for the year ended 31 August 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to five are properly prepared in accordance with those provisions.



Wellers Accountants
Registered Auditor
Stuart House
55 Catherine Place
London
SW1E 6DY

Date:

10 May 2005

IP FIBRE DEVICES (UK) LIMITED

ABBREVIATED BALANCE SHEET

31 August 2004

	Notes	2004 £	2003 £
FIXED ASSETS:			
Tangible assets	2	266,432	280,459
Investments	3	<u>79,137</u>	<u>198,429</u>
		345,569	478,888
CURRENT ASSETS:			
Stocks		140,862	145,387
Debtors		3,244,946	3,076,267
Cash at bank		<u>28,507</u>	<u>840,278</u>
		3,414,315	4,061,932
CREDITORS: Amounts falling due within one year	4	<u>33,881</u>	<u>281,948</u>
NET CURRENT ASSETS:		<u>3,380,434</u>	<u>3,779,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		3,726,003	4,258,872
CREDITORS: Amounts falling due after more than one year	4	<u>128,682</u>	<u>147,703</u>
		<u><u>£3,597,321</u></u>	<u><u>£4,111,169</u></u>
CAPITAL AND RESERVES:			
Called up share capital	5	1,000	1,000
Share premium		6,150	6,150
Capital redemption reserve		100	100
Profit and loss account		<u>3,590,071</u>	<u>4,103,919</u>
SHAREHOLDERS' FUNDS:		<u><u>£3,597,321</u></u>	<u><u>£4,111,169</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


Dr V Gapontsev - Director

Approved by the Board on

March 30, 2005

The notes form part of these abbreviated accounts

IP FIBRE DEVICES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the Year Ended 31 August 2004**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office Equipment	- 20% on cost
Computer equipment	- 50% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. TANGIBLE FIXED ASSETS

	Total £
COST:	
At 1 September 2003 and 31 August 2004	<u>355,842</u>
DEPRECIATION:	
At 1 September 2003	75,383
Charge for year	<u>14,027</u>
At 31 August 2004	<u>89,410</u>
NET BOOK VALUE:	
At 31 August 2004	<u>266,432</u>
At 31 August 2003	<u>280,459</u>

IP FIBRE DEVICES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the Year Ended 31 August 2004**

3. FIXED ASSET INVESTMENTS

	£
COST OR VALUATION:	
At 1 September 2003	237,561
Additions	12,753
Deficit on revaluation	<u>(18,062)</u>
At 31 August 2004	<u>232,252</u>
PROVISIONS:	
At 1 September 2003 and 31 August 2004	<u>153,115</u>
NET BOOK VALUE:	
At 31 August 2004	<u>79,137</u>
At 31 August 2003	<u>198,429</u>

4. CREDITORS

The following amounts included within creditors are secured:

	2004	2003
	£	£
Bank loans (secured)	<u>141,682</u>	<u>160,703</u>

Creditors include the following debts falling due in more than five years:

	2004	2003
	£	£
Repayable by instalments		
Bank loans	<u>76,682</u>	<u>95,703</u>

5. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004	2003
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004	2003
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

6. ULTIMATE CONTROL

The control of the company rests with Dr V Gapontsev by virtue of his 53% shareholding in the current and preceding year.