

IP FIBRE DEVICES (UK) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2013



IP FIBRE DEVICES (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO IP FIBRE DEVICES (UK) LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of IP Fibre Devices (UK) Limited for the year ended 31 August 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. 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 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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 are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with the regulations made under that section.



Andrew Dore (Senior statutory auditor)
for and on behalf of

Wellers

Accountants

Statutory Auditors

1 Vincent Square

London

SW1P 2PN

Date: 29/05/2014

IP FIBRE DEVICES (UK) LIMITED
REGISTERED NUMBER: 02989622

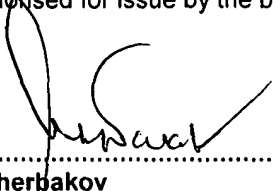
ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	2012 £	£
FIXED ASSETS					
Investments	3		255,099,027		285,803,847
CURRENT ASSETS					
Debtors		135,211		506,641	
Investments		-		3,257	
Cash at bank		613,125		335,308	
		<u>748,336</u>		<u>845,206</u>	
CREDITORS: amounts falling due within one year		<u>(50,858)</u>		<u>(521,287)</u>	
NET CURRENT ASSETS			<u>697,478</u>		<u>323,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>255,796,505</u>		<u>286,127,766</u>
PROVISIONS FOR LIABILITIES					
Deferred tax			(58,086,150)		(67,980,000)
NET ASSETS			<u>197,710,355</u>		<u>218,147,766</u>
CAPITAL AND RESERVES					
Called up share capital	4		1,000		1,000
Share premium account			6,150		6,150
Revaluation reserve			194,089,271		214,946,812
Capital redemption reserve			100		100
Profit and loss account			3,613,834		3,193,704
SHAREHOLDERS' FUNDS			<u>197,710,355</u>		<u>218,147,766</u>

IP FIBRE DEVICES (UK) LIMITED

**ABBREVIATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2013**

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by:



.....
Dr E Scherbakov
Director

Date: 27.05.14.

The notes on pages 4 to 7 form part of these financial statements.

IP FIBRE DEVICES (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of listed investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 True and fair override

The Balance sheet includes a provision for deferred tax arising from revaluation of the company's fixed asset investment. This treatment is contrary to the Financial Reporting Standard for Smaller Entities (effective April 2008) ("FRSSE"). The FRSSE requires that deferred tax should not be recognised on revaluation gains and losses unless, by the balance sheet date, the entity has entered into a binding agreement to sell the asset and has revalued the asset to the selling price. The departure from the FRSSE is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company..

This treatment is to be adopted to account for the material impact of the deferred tax provision, and to state the balance sheet at its fair value. It is felt the true and fair value of the investment would be the valuation at the year end, less any potential tax implications arising on any sale.

The deferred tax provision as a result of the departure from the requirements of the FRSSE amounts to £58,086,150 (2012 - £67,980,000).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 20% on cost
Computer equipment	- 50% on cost

1.4 Investments

Investments held as fixed assets are annually revalued to the market value, and after taking account of the foreign exchange movements.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

IP FIBRE DEVICES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets in the financial statements, however, as detailed in the above policy note (true and fair override) a deferred tax liability has been recognised with regards to the company's substantial fixed asset investment.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

IP FIBRE DEVICES (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013

2. TANGIBLE FIXED ASSETS

	£
Cost or valuation	
At 1 September 2012 and 31 August 2013	25,696
Depreciation	
At 1 September 2012 and 31 August 2013	25,696
Net book value	
At 31 August 2013	-

3. FIXED ASSET INVESTMENTS

	£
Cost or valuation	
At 1 September 2012	285,803,847
Revaluations	(30,704,820)
At 31 August 2013	255,099,027
Net book value	
At 31 August 2013	255,099,027
At 31 August 2012	285,803,847

IP FIBRE DEVICES (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013**

3. FIXED ASSET INVESTMENTS (continued)

Listed investments

The market value of the listed investments at 31 August 2013 was £255,098,173 (2012 - £285,803,055).

The company's investments at the balance sheet date in the share capital of companies include the following:

Listed Investments

	2013 £	2012 £
IPG Photonics Corporation		
Country of incorporation: USA		
Nature of business: Laser technology		
Class of shares: Common stock		
% holding: 14.34%		
Aggregate capital and reserves	598,766,930	462,977,890
Profit for the year	100,516,190	91,647,652
FID GmbH		
Country of incorporation: Germany		
Nature of business: Laser optical and electronic systems		
Class of shares: Ordinary		
% holding: 25%		
Aggregate capital and reserves	174,519	122,764
Profit for the year	42,198	3,373

4. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000