

ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD
29 DECEMBER 2000 TO 31 DECEMBER 2001
FOR
I P G PHOTONICS (UK) LIMITED



I P G PHOTONICS (UK) LIMITED

**CONTENTS OF THE ABBREVIATED FINANCIAL STATEMENTS
for the Period 29 December 2000 to 31 December 2001**

	Page
Company Information	1
Report of the Auditors on the Abbreviated Financial Statements	2
Abbreviated Balance Sheet	3
Notes to the Abbreviated Financial Statements	4

I P G PHOTONICS (UK) LIMITED

COMPANY INFORMATION

for the Period 29 December 2000 to 31 December 2001

DIRECTORS:

T Mammen
C Vishowaty

SECRETARY:

A Lopresti

REGISTERED OFFICE:

Stuart House
55 Catherine Place
London
SW1E 6DY

REGISTERED NUMBER:

04132272

AUDITORS:

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

BANKERS:

Barclays Bank plc
PO Box 850
8 Alexandra Road
Wimbledon
London
SW19 7LA

I P G PHOTONICS (UK) LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO
I P G PHOTONICS (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to five, together with the full financial statements of the company for the period ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit 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 financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements 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

Dated: 26 July 2002

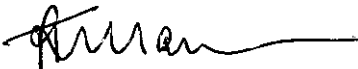
I P G PHOTONICS (UK) LIMITED

ABBREVIATED BALANCE SHEET
31 December 2001

	Notes	£	£
FIXED ASSETS:			
Tangible assets	2		1,964
CURRENT ASSETS:			
Stocks		65,687	
Debtors		189,123	
Cash at bank and in hand		<u>48,198</u>	
		303,008	
CREDITORS: Amounts falling due within one year		<u>346,991</u>	
NET CURRENT LIABILITIES:			<u>(43,983)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(42,019)</u>
CAPITAL AND RESERVES:			
Called up share capital	3		100,000
Profit and loss account			<u>(142,019)</u>
SHAREHOLDERS' FUNDS:			<u>£(42,019)</u>

These abbreviated financial statements have 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:



T Mammen - Director

Approved by the Board on 24/06/02

The notes form part of these financial statements

I P G PHOTONICS (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Period 29 December 2000 to 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Going Concern Basis

Despite the negative Shareholders Funds at 31 December 2001, the directors have prepared the accounts on a going concern basis as the Group Companies will support it until it becomes self financing.

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.

Computer equipment - 33% 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 taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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.

2. TANGIBLE FIXED ASSETS

	Total £
COST:	
Additions	<u>2,654</u>
At 31 December 2001	<u>2,654</u>
DEPRECIATION:	
Charge for period	<u>690</u>
At 31 December 2001	<u>690</u>
NET BOOK VALUE:	
At 31 December 2001	<u><u>1,964</u></u>

I P G PHOTONICS (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Period 29 December 2000 to 31 December 2001

3. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
100,000	Ordinary	£1	<u><u>100,000</u></u>

The following shares were allotted and fully paid for cash at par during the period:

100,000 Ordinary shares of £1 each

4. ULTIMATE PARENT COMPANY

The ultimate parent company is I P G Photonics Corporation, incorporated in USA, which is controlled by Dr V Gapontsev.

5. RELATED PARTY DISCLOSURES

		£
Sales to	IPG Laser GmbH	286,210
	NTO Ire Polus	57,988
Purchases from	IPG Laser GmbH	159,734
	IP Fibre Devices (UK) Limited	180,092
Interest paid to	IPG Photonics Corporation	1,594
Management charges paid to	IPG Photonics Corporation	14,407
	IP Fibre Devices (UK) Limited	114,670
Amounts due from	NTO Ire Polus	58,098
Amounts due to	IPG Photonics Corporation	188,986
	IPG Laser GmbH	55,321