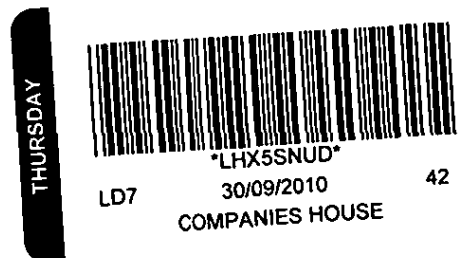


Registered number: 04132272

**I P G PHOTONICS (UK) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**



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**I P G PHOTONICS (UK) LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

T Mammen  
C Vishowaty

**COMPANY SECRETARY**

A Lopresti

**COMPANY NUMBER**

04132272

**REGISTERED OFFICE**

22 Buckingham Gate  
London  
SW1E 6LB

**AUDITORS**

Wellers  
Accountants & Statutory Auditors  
Stuart House  
55 Catherine Place  
London  
SW1E 6DY

**BANKERS**

Barclays Bank plc  
Barclays House  
8 Alexandra Road  
Wimbledon  
London  
SW19 7LA

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**I P G PHOTONICS (UK) LIMITED**

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## **I P G PHOTONICS (UK) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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The directors present their report and the financial statements for the year ended 31 December 2009

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Fibre Optic Technology

#### **BUSINESS REVIEW**

IPG Photonics (U K ) Limited is a 100% subsidiary of IPG Photonics Corporation a U S public company listed on the NASDAQ exchange. The company distributes and sells fiber lasers in the United Kingdom and Ireland manufactured by its affiliates in the U S and Germany. Fiber lasers are a new generation of lasers manufactured using laser diodes to convert an electrical input into an optical output and fiber optic components and glass fibers to create the laser source. Each of these components is spliced together to create a monolithic device with no moving parts. Fiber lasers are more efficient, productive, reliable, robust, and smaller, they deliver a less divergent beam with higher power density than other laser technologies. These lasers are rapidly gaining market share from legacy laser technologies that use gas and crystals to convert electrical energy into an optical output.

In 2009, while fiber laser technology continued to gain market share from legacy laser technologies, worldwide and the company's sales of fiber lasers decreased primarily due to a decrease in the laser market caused by the worldwide economic downturn. Optech Consulting's Fiber Laser Report 2010 estimates that the worldwide materials processing market for laser sources decreased by \$1.4 billion or 45% from \$3.1 billion to \$1.7 billion in 2009. This decrease in the materials processing market was the primary factor that caused the company's sales to decrease by 31%. However, the same report expects the materials processing market to recover to \$2 billion in 2010 and this coupled with the further penetration of fiber lasers into materials processing will, we believe, drive a recovery in the company's and IPG Photonics Group sales.

The lower level of sales resulted in a decrease in gross profit which was only partially offset by a decrease in operating expenses. As a result the loss for the year ended 31st December 2009 increased to £67,751 from a loss of £34,329 for the year ended 31st December 2008. The loss for the current year resulted in a further reduction in shareholder funds which stood at £42,374 as of 31st December 2009 substantially all represented by net current assets which demonstrate that the company has sufficient liquidity to meet its current obligations. In the event that further losses are incurred before a recovery in the market and business IPG Photonics Corporation will provide additional funding to the business. In addition to this we have moved to new premises which cost substantially less and have used some of the savings to hire an additional sales person to increase sales activity.

#### **RESULTS**

The loss for the year, after taxation, amounted to £67,751 (2008 - loss £34,329)

#### **DIRECTORS**

The directors who served during the year were

T Mammen  
C Vishowaty

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## **I P G PHOTONICS (UK) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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#### **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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

#### **FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

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**I P G PHOTONICS (UK) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**AUDITORS**

Under section 487(2) of the Companies Act 2006, Wellers will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf



... ..  
**T Mammen**  
Director

Date *September 24<sup>th</sup>, 2010*

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## **I P G PHOTONICS (UK) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF I P G PHOTONICS (UK) LIMITED**

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We have audited the financial statements of I P G Photonics (UK) Limited for the year ended 31 December 2009, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of directors' responsibilities, 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 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.

#### **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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

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I P G PHOTONICS (UK) LIMITED

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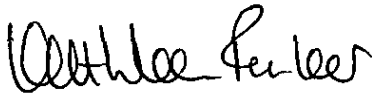
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF I P G PHOTONICS (UK) LIMITED

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**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



Kathleen Parker (Senior statutory auditor)  
for and on behalf of

**WELLERS**

Accountants

Statutory Auditors

Stuart House

55 Catherine Place

London

SW1E 6DY

Date 27th September 2010



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**I P G PHOTONICS (UK) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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|                                                    | Note | 2009<br>£              | 2008<br>£              |
|----------------------------------------------------|------|------------------------|------------------------|
| <b>TURNOVER</b>                                    | 1,2  | <b>529,286</b>         | <b>769,124</b>         |
| Cost of sales                                      |      | <u>(388,735)</u>       | <u>(505,763)</u>       |
| <b>GROSS PROFIT</b>                                |      | <b>140,551</b>         | <b>263,361</b>         |
| Administrative expenses                            |      | <u>(255,845)</u>       | <u>(368,609)</u>       |
| Other operating income                             | 3    | <u>34,173</u>          | <u>62,153</u>          |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | <b>(81,121)</b>        | <b>(43,095)</b>        |
| Tax on loss on ordinary activities                 | 7    | <u>13,370</u>          | <u>8,766</u>           |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                 |      | <u><b>(67,751)</b></u> | <u><b>(34,329)</b></u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account

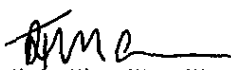
The notes on pages 8 to 14 form part of these financial statements

**I P G PHOTONICS (UK) LIMITED**  
**REGISTERED NUMBER 04132272**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

|                                                      | Note | 2009<br>£      | 2008<br>£      |
|------------------------------------------------------|------|----------------|----------------|
| <b>FIXED ASSETS</b>                                  |      |                |                |
| Tangible fixed assets                                | 8    | -              | 64             |
| <b>CURRENT ASSETS</b>                                |      |                |                |
| Stocks                                               | 9    | 32,379         | 32,037         |
| Debtors                                              | 10   | 153,802        | 245,336        |
| Cash at bank and in hand                             |      | 36,555         | 93,100         |
|                                                      |      | <u>222,736</u> | <u>370,473</u> |
| <b>CREDITORS</b> amounts falling due within one year | 11   | (180,362)      | (260,412)      |
| <b>NET CURRENT ASSETS</b>                            |      | <u>42,374</u>  | <u>110,061</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>         |      | <u>42,374</u>  | <u>110,125</u> |
| <b>CAPITAL AND RESERVES</b>                          |      |                |                |
| Called up share capital                              | 13   | 100,000        | 100,000        |
| Other reserves                                       | 14   | 111,940        | 111,940        |
| Profit and loss account                              | 14   | (169,566)      | (101,815)      |
| <b>SHAREHOLDERS' FUNDS</b>                           | 15   | <u>42,374</u>  | <u>110,125</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



**T Mammen**  
Director

Date *September 24<sup>th</sup>, 2010*

The notes on pages 8 to 14 form part of these financial statements

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## **I P G PHOTONICS (UK) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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#### **1 ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

##### **1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### **1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

|                    |   |                   |
|--------------------|---|-------------------|
| Computer equipment | - | 33% straight line |
|--------------------|---|-------------------|

##### **1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

##### **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

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

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**I P G PHOTONICS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**1 ACCOUNTING POLICIES (continued)**

**1.7 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

**2 TURNOVER**

The whole of the turnover is attributable to the sale of Fibre Optic Technology

All turnover arose within the United Kingdom

**3 OTHER OPERATING INCOME**

|                               | 2009<br>£     | 2008<br>£     |
|-------------------------------|---------------|---------------|
| Management charges receivable | 34,173        | 62,053        |
| Other income                  | -             | 100           |
|                               | <u>34,173</u> | <u>62,153</u> |

**4 LOSS**

The loss is stated after charging/(crediting)

|                                       | 2009<br>£       | 2008<br>£     |
|---------------------------------------|-----------------|---------------|
| Depreciation of tangible fixed assets |                 |               |
| - owned by the company                | 64              | 203           |
| Foreign exchange differences          | (10,787)        | 60,837        |
|                                       | <u>(10,723)</u> | <u>61,040</u> |

During the year, no director received any emoluments (2008 - £NIL)

**5. AUDITORS' REMUNERATION**

|                                                                                      | 2009<br>£    | 2008<br>£    |
|--------------------------------------------------------------------------------------|--------------|--------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 2,000        | 1,500        |
|                                                                                      | <u>2,000</u> | <u>1,500</u> |

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**I P G PHOTONICS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**6. STAFF COSTS**

Staff costs were as follows

|                       | 2009<br>£      | 2008<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 133,294        | 145,497        |
| Social security costs | 15,302         | 18,092         |
|                       | <u>148,596</u> | <u>163,589</u> |

The average monthly number of employees, including the directors, during the year was as follows

|       | 2009<br>No | 2008<br>No |
|-------|------------|------------|
| Staff | <u>5</u>   | <u>5</u>   |

**7 TAXATION**

|                                                | 2009<br>£       | 2008<br>£      |
|------------------------------------------------|-----------------|----------------|
| <b>Analysis of tax credit in the year</b>      |                 |                |
| Current tax (see note below)                   |                 |                |
| UK corporation tax charge on loss for the year | -               | -              |
| <b>Deferred tax (see note 12)</b>              |                 |                |
| Effects of accumulated trading losses          | (13,370)        | (8,766)        |
| <b>Tax on loss on ordinary activities</b>      | <u>(13,370)</u> | <u>(8,766)</u> |

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 21% (2008 - 21%)

**Factors that may affect future tax charges**

Current tax losses carried forward by the company amount to £205,025 (2008 - £125,462)

**I P G PHOTONICS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

**8 TANGIBLE FIXED ASSETS**

|                                        | Computer<br>equipment<br>£ |
|----------------------------------------|----------------------------|
| <b>Cost</b>                            |                            |
| At 1 January 2009 and 31 December 2009 | 3,320                      |
| <b>Depreciation</b>                    |                            |
| At 1 January 2009                      | 3,256                      |
| Charge for the year                    | 64                         |
| At 31 December 2009                    | 3,320                      |
| <b>Net book value</b>                  |                            |
| At 31 December 2009                    | -                          |
| At 31 December 2008                    | 64                         |

**9 STOCKS**

|                                     | 2009<br>£ | 2008<br>£ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 32,379    | 32,037    |

**10 DEBTORS**

|                                     | 2009<br>£ | 2008<br>£ |
|-------------------------------------|-----------|-----------|
| <b>Due after more than one year</b> |           |           |
| Deferred tax asset (see note 12)    | 47,625    | 34,255    |
| <b>Due within one year</b>          |           |           |
| Trade debtors                       | 78,563    | 162,825   |
| Amounts owed by group undertakings  | 22,661    | 37,073    |
| Other debtors                       | 4,953     | 11,183    |
|                                     | 153,802   | 245,336   |

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**I P G PHOTONICS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**11 CREDITORS**

**Amounts falling due within one year**

|                                    | <b>2009</b>     | <b>2008</b>     |
|------------------------------------|-----------------|-----------------|
|                                    | <b>£</b>        | <b>£</b>        |
| Trade creditors                    | <b>37,739</b>   | <b>51,758</b>   |
| Amounts owed to group undertakings | <b>88,935</b>   | <b>158,987</b>  |
| Taxation and social security       | <b>5,921</b>    | <b>23,740</b>   |
| Accruals and deferred income       | <b>37,550</b>   | <b>25,772</b>   |
| Other creditors                    | <b>(27,333)</b> | <b>(25,617)</b> |
| Accruals and deferred income       | <b>37,550</b>   | <b>25,772</b>   |
|                                    | <b>180,362</b>  | <b>260,412</b>  |

**12. DEFERRED TAX ASSET**

|                                              | <b>2009</b>   | <b>2008</b>   |
|----------------------------------------------|---------------|---------------|
|                                              | <b>£</b>      | <b>£</b>      |
| At beginning of year                         | <b>34,255</b> | <b>25,489</b> |
| Affect of increase in tax losses in the year | <b>13,370</b> | <b>8,766</b>  |
|                                              | <b>47,625</b> | <b>34,255</b> |

The deferred tax asset is made up as follows

|                            | <b>2009</b>   | <b>2008</b>   |
|----------------------------|---------------|---------------|
|                            | <b>£</b>      | <b>£</b>      |
| Tax losses carried forward | <b>47,625</b> | <b>34,255</b> |

The deferred tax asset has been provided on the tax losses carried forward. Despite losses generated by the company, future profits (and so tax profits) are expected as a result of current reviews of the IPG group internal processes.

**13. SHARE CAPITAL**

|                                           | <b>2009</b>    | <b>2008</b>    |
|-------------------------------------------|----------------|----------------|
|                                           | <b>£</b>       | <b>£</b>       |
| <b>Allotted, called up and fully paid</b> |                |                |
| 100,000 Ordinary shares of £1 each        | <b>100,000</b> | <b>100,000</b> |

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**I P G PHOTONICS (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**14. RESERVES**

|                     | <b>Other<br/>reserves<br/>£</b> | <b>Profit and<br/>loss account<br/>£</b> |
|---------------------|---------------------------------|------------------------------------------|
| At 1 January 2009   | <b>111,940</b>                  | <b>(101,815)</b>                         |
| Loss for the year   |                                 | <b>(67,751)</b>                          |
|                     | <hr/>                           | <hr/>                                    |
| At 31 December 2009 | <b>111,940</b>                  | <b>(169,566)</b>                         |
|                     | <hr/>                           | <hr/>                                    |

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

|                             | <b>2009<br/>£</b> | <b>2008<br/>£</b> |
|-----------------------------|-------------------|-------------------|
| Opening shareholders' funds | <b>110,125</b>    | <b>144,454</b>    |
| Loss for the year           | <b>(67,751)</b>   | <b>(34,329)</b>   |
|                             | <hr/>             | <hr/>             |
| Closing shareholders' funds | <b>42,374</b>     | <b>110,125</b>    |
|                             | <hr/>             | <hr/>             |



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## IPG PHOTONICS (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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#### 16. RELATED PARTY TRANSACTIONS

The company is a fully owned subsidiary of IPG Photonics Corporation (USA), in addition to related party transactions with the parent company, the company also traded with other fully owned subsidiaries of the parent company, the following companies traded with IPG Photonics (UK) Limited during the year under review

IPG Laser GmbH (Germany)  
IPG Fibertech S r l (Italy)

During the period sales were made to IPG Photonics Corporation £10,516 (2008 - £27,558), IPG Laser GmbH £75,834 (2008 - £150,558) and IPG Fibertech S r l £1,085 (2008 - £Nil)

Purchases were made from IPG Photonics Corporation £102,238 (2008 - £116,878), IPG Laser GmbH of £271,926 (2008 - £355,001) and IPG Fibertech Srl £7,385 (2008 - £63,497)

Management charges were received from IPG Photonics Corporation £34,173 (2008 - £62,053)

Management charges were paid to an associated company, IP Fibre Devices (UK) Limited, of £71,798 (2008 - £82,692) IP Fibre Devices (UK) Limited is associated by way of similar directors of that of IPG Photonics Corporation

At 31 December 2009, the balances owing by group companies were

IPG Laser GmbH £15,704 (2008 - £19,291)  
IPG Photonics Corporation £6,957 (2008 - £17,782)

Balances owing to group companies were  
IPG Laser GmbH £88,935 (2008 - £125,421)  
IPG Fibertech S r l £Nil (2008 - £33,566)

An amount of £33,381 (2008 - £43,890) was also owing to IP Fibre Devices (UK) Limited

#### 17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company during the current and previous year was IPG Photonics Corporation, a public listed company in the USA. In the view of the directors, there is no ultimate controlling party for this or the previous year

The ultimate parent company of the group, IPG Photonics Corporation (USA) prepares consolidated financial statements, which are publically available from the company's website. These financial statements include the results of IPG Photonics (UK) Limited

#### 18. GOING CONCERN

The accounts have been prepared on the going concern basis, on the understanding that the company will continue to receive the support of its parent company