

## Oclaro Innovations LLP

### Report and Financial Statements

30 June 2017

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COMPANIES HOUSE

# Oclaro Innovations LLP

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Registered No: OC356079 (England and Wales)

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## Oclaro Innovations LLP

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Registered No: OC356079 (England and Wales)

### Partnership Information

Designated Members:

Oclaro, Inc.  
Oclaro Fiber Optics, Inc.

Registered Office:

Caswell  
Towcester  
Northamptonshire  
NN12 8EQ

## Members' report

The member's present their report together with the audited financial statements for the year ended 30 June 2017.

### Principal activity and review of the business

The LLP has not traded during the financial year ended 30 June 2017 or subsequent to year end. The LLP was also dormant in the preceding year.

On 16 May 2017 under a group reorganisation, Oclaro Technology Inc. ceased to be a member of the LLP, with Oclaro Fiber Optics Inc. being appointed in its place.

### Going concern

The LLP is currently not trading and does not generate sufficient cash flows from operations to fund its liquidity needs. The LLP is therefore reliant on the support of its ultimate controlling party, Oclaro, Inc., in order to finance its operations and meet its obligations as they fall due in the foreseeable future. The directors of Oclaro, Inc. have confirmed its intention to support the LLP for a period of at least 12 months from the signing of the financial statements.

### Subsequent events

There were no subsequent events requiring disclosure.

### Designated Members

The following were designated members during the year and subsequent to 30 June 2016:

Oclaro, Inc.

Oclaro Technology Inc. (Terminated 16 May 2017)

Oclaro Fiber Optics, Inc. (Appointed 16 May 2017)

### Members' liabilities

The LLP's ultimate controlling party, Oclaro, Inc. has granted an indemnity to Oclaro Fiber Optics, Inc., against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as of the date of approving the members' report.

### Members' Interests

All members are equity members and share in the profits and subscribe to the entire capital.

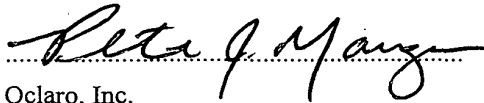
## Members' report

### Auditors

Grant Thornton UK LLP has indicated its willingness to continue in office and in accordance with section 485 of the Companies Act 2006, a resolution concerning its reappointment and authorising the members to fix its remuneration, will be proposed at the next Annual General Meeting of the LLP.

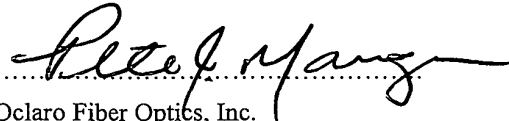
Approved by the members on  
and signed on their behalf by  
On behalf of the board

26 February 2018



Oclaro, Inc.

Designated Member



Oclaro Fiber Optics, Inc.

Designated Member

## Statement of members' responsibilities

The members are responsible for preparing the report to the members and the financial statements in accordance with applicable law and regulations.

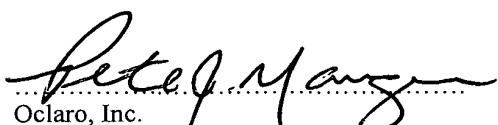
The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

  
Oclaro, Inc.  
Designated Member

26 February 2018

## **Independent auditor's report to the members of Oclaro Innovations LLP**

### **Opinion**

We have audited the financial statements of Oclaro Innovations LLP (the 'company') for the year ended 30 June 2017 which comprise the Profit and loss account, the Balance Sheet, The Statement of Changes in members' interests and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its result 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Who we are reporting to**

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 auditor's 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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the members of Oclaro Innovations LLP**

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the members' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of members for the financial statements**

As explained more fully in the members' responsibilities statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Eleanor Walsh, FCCA**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

2<sup>nd</sup> Floor

St Johns House

Haslett Avenue West

Crawley

28 February 2018



## Profit and loss account

for the year ended 30 June 2017

		Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
	<i>Note</i>		
Reversal of impairment of investment	4	-	(27,917)
<b>Profit for the year before taxation and members' Profit share</b>		-	27,917
<b>Retained profit for the financial year available for division among members</b>		-	27,917

There was no other comprehensive income in the year or 2016.

The notes on page 11 to 13 form part of these financial statements.

## Balance Sheet

for the year ended 30 June 2017

	Note	30 June 2017 £000	30 June 2016 £000
<b>Current assets</b>			
Investments	4	127,001	127,001
<b>Net assets attributable to Members</b>		<u>127,001</u>	<u>127,001</u>
Represented by:			
<b>Equity</b>			
Members' interests	6	127,001	127,001
<b>Total Members' Interests</b>		<u>127,001</u>	<u>127,001</u>

The notes on pages 11 to 13 form part of these financial statements.

Approved by the members on... 26 February 2018

and

signed on their behalf by .....  
Oclaro, Inc.  
Designated Member

signed on their behalf by .....  
Oclaro Fiber Optics, Inc.  
Designated Member

## Statement of Changes in members' interests

for the year ended 30 June 2017

	Member's capital £000	Profit and loss reserve £000	Total member's interests £000
Members' interest as 1 July 2016	<u>127,001</u>	<u>-</u>	<u>127,001</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Members' interest at 30 June 2017	<u>127,001</u>	<u>-</u>	<u>127,001</u>

	Member's capital £000	Profit and loss reserve £000	Total member's interests £000
Members' interest as 1 July 2015	<u>127,001</u>	<u>(27,917)</u>	<u>99,084</u>
Profit for the year	<u>-</u>	<u>27,917</u>	<u>27,917</u>
Total comprehensive income	<u>-</u>	<u>27,917</u>	<u>27,917</u>
Members' interest at 30 June 2016	<u>127,001</u>	<u>-</u>	<u>127,001</u>

The notes on pages 11 to 13 form part of these financial statements.

## Notes to the financial statements

for the year ended 30 June 2017

### 1. Accounting policies

#### *a) Basis of preparation*

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

#### *b) Going concern*

The LLP is currently not trading and does not generate sufficient cash flows from operations to fund its liquidity needs. The LLP is therefore reliant on the support of its members to meet its obligations as they fall due in the foreseeable future. The LLP's funding requirements are therefore built into the Oclaro group's forecasts and are considered as part of the assessment of the group's ability to remain a going concern.

The directors of Oclaro, Inc. have prepared detailed forecasts which demonstrate that the Oclaro group will have sufficient funds to support operations across the group as a whole for the foreseeable future and has confirmed its intention to support the UK entity for a period of at least 12 months from the date of signing the financial statements.

The financial statements do not include any adjustments that would result should the LLP's ultimate parent be unsuccessful in achieving its financial plans or raising additional funding and consequently be unable to provide the LLP with the continued financial support necessary to continue as a going concern.

#### *c) Judgements*

The preparation of the financial statements requires management to make judgements, estimates and assumptions. These estimates and judgements are continually evaluated and are based upon historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *d) Key sources of estimates and assumption concerning the future*

The resulting accounting estimates and assumptions will by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period is set out below.

##### *Investment impairment*

The LLP conducts an annual review for impairment of its investment in Oclaro Technology Limited, using estimates and assumptions about the company's financial performance and outlook to determine whether impairment is appropriate.

#### *e) Cash flow statement*

The LLP has taken advantage of the disclosure exemption granted by FRS102 not to present a cash flow as its cash flows are included within the financial statements of the ultimate parent company within the Oclaro group of companies, Oclaro, Inc., which are publicly available.

#### *f) Investments*

Investments in subsidiaries are accounted for at cost less impairment.

### 2. Auditors' Remuneration

The auditor's fees for conducting the 2017 statutory audit totalling £2,000 (2016: £2,000) were borne by the LLP's wholly owned subsidiary, Oclaro Technology Limited.

## Notes to the financial statements

for the year ended 30 June 2017

### 3. Staff costs

The LLP has no employees. Administrative services were provided by Oclaro Technology Limited without recharge and there is accordingly no staff costs included in these financial statements (2016: £nil).

### 4. Investments

	<i>Investments in Subsidiary undertakings £000</i>
Costs:	
At 1 July 2016	127,001
As at 30 June 2017	127,001
Provision:	
At 1 July 2016	-
As at 30 June 2017	-
Net Book Value:	
As at 30 June 2017	127,001
As at 30 June 2016	127,001

Details of the investments in which the LLP holds a share capital of any class as at 30 June 2017 and 30 June 2016 are set out below:

Name of undertaking	Activity	Country of Incorporation	Proportion of voting rights and shares held
Bookham Nominees Limited	Dormant subsidiary	England and Wales	100%
Oclaro Technology Limited	Manufacturing and distribution	England and Wales	100%

## Notes to the financial statements

for the year ended 30 June 2017

### 5. Guarantor of group financial arrangements

The LLP, together with certain of its subsidiaries and fellow Oclaro group undertakings, was a guarantor to a group borrowing arrangements, summarised below, under which substantially all of its assets were secured.

#### *Credit Agreements and Term Loan*

On 28 March 2014 the Oclaro group entered into a loan and security agreement with Silicon Valley Bank through which the Bank provided us with a three-year revolving credit facility of up to \$40.0 million. On 28 March 2017 the loan agreement expired and was not renewed. There were no amounts outstanding under the loan agreement during the year ended 30 June 2017 and as at 30 June 2016.

### 6. Members' Interests

	£000
As at 30 June 2016	127,001
	<hr/>
As at 30 June 2017	127,001
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### 7. Related party transactions

The LLP has taken advantage of the disclosure exemption under FRS102 not to disclose transactions with other members of the Oclaro, Inc. group.

### 8. Subsequent events

There were no subsequent events requiring disclosure.

### 9. Ultimate controlling party

The LLPs ultimate controlling party is Oclaro, Inc., a company incorporated in the State of Delaware, United States. The smallest and largest group in which the results of the LLP are consolidated is that headed by Oclaro Inc. consolidated financial statements are available from Oclaro Inc. 225 Charcot Avenue, San Jose, California 95131, USA.