

Company registration number 03841792 (England and Wales)

CYNOSURE UK LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
PAGES FOR FILING WITH REGISTRAR

CYNOSURE UK LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

CYNOSURE UK LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		943,476		565,480
Current assets					
Stocks		1,516,673		1,087,608	
Debtors	4	5,273,867		4,760,201	
Cash at bank and in hand		725,847		622,363	
		<u>7,516,387</u>		<u>6,470,172</u>	
Creditors: amounts falling due within one year	5	<u>(4,579,873)</u>		<u>(3,363,252)</u>	
Net current assets			<u>2,936,514</u>		<u>3,106,920</u>
Total assets less current liabilities			<u>3,879,990</u>		<u>3,672,400</u>
Provisions for liabilities			<u>(20,505)</u>		<u>(14,809)</u>
Net assets			<u><u>3,859,485</u></u>		<u><u>3,657,591</u></u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			<u>3,859,484</u>		<u>3,657,590</u>
Total equity			<u><u>3,859,485</u></u>		<u><u>3,657,591</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

B K Savigar-Jones
Director

Company Registration No. 03841792

CYNOSURE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Cynosure UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 17th Floor, Chiswick Tower, 389 High Road, London, W4 4AJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in pound sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Turnover comprises of services rendered during the year for laser system sales, rental fees, time and material based contracts and warranty contracts.

Laser system sales: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Time and material based contracts: Services provided on a time and materials basis are recognised as turnover in the period they are provided.

Warranty and service contracts: Invoices for warranty contracts are issued in advance and revenue is recognised as income in the period to which they relate.

1.3 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Plant, machinery and equipment	33% on cost
Fixtures and fittings	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price.

CYNOSURE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Such liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.7 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.8 Leases

Rentals payable under operating leases are charged to profit and loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

CYNOSURE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.9 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	38	29

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2020	-	1,298,760	1,298,760
Additions	696,557	251,461	948,018
Disposals	-	(331,321)	(331,321)
At 30 September 2021	696,557	1,218,900	1,915,457
Depreciation and impairment			
At 1 October 2020	-	733,280	733,280
Depreciation charged in the year	96,744	394,396	491,140
Eliminated in respect of disposals	-	(252,439)	(252,439)
At 30 September 2021	96,744	875,237	971,981
Carrying amount			
At 30 September 2021	599,813	343,663	943,476
At 30 September 2020	-	565,480	565,480

CYNOSURE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,854,735	1,769,551
Amounts owed by group undertakings	2,323,050	1,348,427
Other debtors	96,082	1,642,223
	<u>5,273,867</u>	<u>4,760,201</u>

5 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	303,616	207,935
Amounts owed to group undertakings	1,760,107	1,727,355
Corporation tax	173,212	113,134
Other taxation and social security	491,291	90,435
Other creditors	1,851,647	1,224,393
	<u>4,579,873</u>	<u>3,363,252</u>

6 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditors reported as follows:

CYNOSURE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Audit report information

(Continued)

Qualified opinion on financial statements

We have audited the financial statements of Cynosure UK Ltd (the 'company') for the year ended 30 September 2021 which comprise the balance sheet and notes to the financial statements, including 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit 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 qualified opinion

We did not observe the counting of physical stock as at 30 September 2021 and therefore were unable to satisfy ourselves by alternative means concerning the stock quantities held at the year end by using other audit procedures. Consequently we were unable to determine whether any adjustment to this area was necessary.

We have also taken into account that the comparative information in these financial statements was derived from the company's prior period financial statements which have not been audited and was issued with a disclaimer of opinion audit report. Our opinion on the current years financial statements have taken into account the possible effects of this matter on the current period's figures.

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.

Senior Statutory Auditor:
Statutory Auditor:

Cemal Soydaner
Charterhouse (Audit) Limited

8 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

2021	2020
£	£
897,537	49,583
=====	=====

CYNOSURE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

9 Parent company

The immediate parent company is Cynosure, LLC, a company incorporated in the United States of America.

At the balance sheet date, the directors considered the ultimate parent company and controlling party to be Clayton, Dubilier & Rice Lotus Holdings, L.P., based in the Cayman Islands and controlled by the private equity group Clayton, Dubilier & Rice.

