

**Company Registration No. 4192467**

**3D SYSTEMS EUROPE LIMITED**

**Report and Financial Statements**

**31 December 2013**

TUESDAY



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COMPANIES HOUSE

# **3D SYSTEMS EUROPE LIMITED REPORT AND FINANCIAL STATEMENTS**

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**3D SYSTEMS EUROPE LIMITED  
REPORT AND FINANCIAL STATEMENTS**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D Gregoire  
D J Langfield  
A Johnson

**SECRETARY**

D J Langfield

**REGISTERED OFFICE**

Mark House  
Mark Road  
Hemel Hempstead  
Herts  
HP2 7UA

**BANKERS**

Barclays Bank plc  
PO Box 87  
22-24 Upper Marlborough Road  
St Albans  
Herts  
AL1 3HJ

**AUDITORS**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **3D SYSTEMS EUROPE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

### **STRATEGIC REPORT**

The directors present their strategic report and the audited financial statements for the year ended 31 December 2013.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to market and service rapid 3-D printing, prototyping and manufacturing systems and related products and materials that enable complex three-dimensional objects to be produced directly from computer data without tooling, which greatly reduces the time and costs required to produce prototypes or customised production parts.

The revenue is derived primarily from the sale of our systems, the sales of the related materials used by the systems to produce solid objects and the provision of services to our customers.

#### **REVIEW OF THE DEVELOPMENT, PERFORMANCE AND POSITION OF THE BUSINESS**

A healthy growth rate was assisted through new product launches and a growing appetite for new customers to adopt the technology.

Within the expanding 3D printing industry the US based parent company is cognisant of the competition from other manufacturers. The company monitors new products entering the market and develops its product offering accordingly.

Our ultimate parent has made, and expect to continue to make strategic international acquisitions which over time is expected to widen the product offering as we funnel the associated UK activity through our UK based entity. Some of this activity transfer was recognised through additional types of system sales in the fourth quarter.

The results for the year are in line with director expectations. There are no signs of price erosion amongst the systems and material product categories. The company has proactively managed its working capital requirements during the period.

During the year the company purchased the trade and assets of BFB from the parent company for cash consideration of £660,554, the value of which have been brought onto books of 3D at book value. There was no profit or loss on disposal.

During the year the company purchased 93% of the issued share capital of Phenix SA. (see note 11 for detail)

The directors are not recommending a dividend

With the increased product offering complimented by healthy industry growth rates the directors believe the company is well positioned to grow its business during 2014 while maintaining margin.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

We are exposed to market risk from changes in interest rates and foreign currency exchange rates and commodity prices which may adversely affect our results of operations and financial condition. We seek to minimise these risks through regular operating activities as appropriate.

Where possible the company minimises its exposure to credit related losses. The company has implemented procedures that require appropriate credit checks on customers before sales commence.

The F1 customer base continues to reflect a significant portion of the UK customer approx. 32% in revenue for 2013. Formula 1 budget caps could adversely impact these sales.

**3D SYSTEMS EUROPE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**STRATEGIC REPORT (continued)**

**KEY PERFORMANCE INDICATORS**

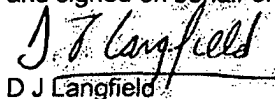
The business uses various KPI's to monitor the results of the business on an ongoing basis. Financial measures include Turnover, Gross Margin and Profit before tax, which are all line items disclosed on the face of the profit and loss account.

**FUTURE PROSPECTS**

We are pursuing a growth strategy that focuses on five strategic initiatives;

- Expand global Quickparts services
- Accelerate 3D printer penetration
- Grow healthcare solutions revenue
- Build 3D consumer and retail products and services
- Reimagine the engineer's desktop

Approved by the Board of Directors  
and signed on behalf of the Board

  
D J Langfield

Date: 30/09/14

# **3D SYSTEMS EUROPE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

### **DIRECTORS REPORT**

The directors submit their report and the audited financial statements for the year ended 31 December 2013.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to market and service rapid 3-D printing, prototyping and manufacturing systems and related products and materials that enable complex three-dimensional objects to be produced directly from computer data without tooling, which greatly reduces the time and costs required to produce prototypes or customised production parts.

#### **RESULTS FOR THE YEAR**

Revenue for the year was £11.3m compared with £9.6m in 2012 which represents an increase of 17.1%. This £1.7m increase was primarily due to higher units of system sales £0.6m, material and parts sales of £0.8m and increased intercompany activity reflecting £0.3m. An increase in share awards added £0.1m to expenses and loan interest of £0.4m relates to intercompany loans with US Parent to fund acquisition activity.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

We are exposed to market risk from changes in interest rates and foreign currency exchange rates and commodity prices which may adversely affect our results of operations and financial condition. We seek to minimise these risks through regular operating activities as appropriate. The F1 customer base continues to reflect a significant portion of the UK customer approx. 32% in revenue for 2013. Formula 1 budget caps could adversely impact these sales.

#### **STRATEGIC REPORT**

A review of the business, future developments and principal risks and uncertainties of the company are included within the Strategic Report on page 4.

#### **DIVIDENDS**

The directors are not recommending a dividend (2012 : £NIL)

#### **POST BALANCE SHEET EVENTS**

There are no Post Balance Sheet Events to report.

#### **DIRECTORS**

The directors who held office since 1st January 2013 were as follows:

D J Gregoire

D J Langfield

A Johnson

#### **PEOPLE WITH DISABILITIES**

The company employs people regardless of disability.

The company makes every effort to make the working environment one which includes the needs of disabled people.

**3D SYSTEMS EUROPE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**DIRECTORS REPORT (continued)**

**EMPLOYEE INVOLVEMENT**

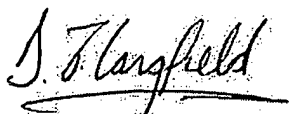
Employees are kept up to date with developments in the company through regular group wide announcements and group briefings. There are regular forums to discuss company issues.

**AUDITORS**

All the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have agreed to be reappointed as the company's auditors.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D J Langfield', with a horizontal line underneath.

D J Langfield

Date: 30/09/14

## **3D SYSTEMS EUROPE LIMITED REPORT AND FINANCIAL STATEMENTS**

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual 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 judgements and accounting 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.



## **3D SYSTEMS EUROPE LIMITED REPORT AND FINANCIAL STATEMENTS**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 3D SYSTEMS EUROPE LIMITED**

We have audited the financial statements of 3D Systems Europe Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, and the related notes. 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 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.

#### **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 and express an opinion on 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2013 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.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the directors' report for the financial year which the financial statements are prepared is consistent with the financial statements.

**3D SYSTEMS EUROPE LIMITED  
REPORT AND FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT (continued)**

**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.

*BDO LLP*

**Marc Reinecke (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
55 Baker Street  
London  
United Kingdom**

Date: *30 September 2014*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# 3D SYSTEMS EUROPE LIMITED

## PROFIT AND LOSS ACCOUNT Year Ended 31 December 2013

	Note	2013 £000's	2012 £000's
<b>TURNOVER</b>	2	10,658	9,616
Cost of sales		(8,484)	(8,089)
<b>GROSS PROFIT</b>		<u>2,174</u>	<u>1,527</u>
Selling expenses		(723)	(798)
Administrative expenses		(726)	(511)
<b>OPERATING PROFIT</b>	3	<u>725</u>	<u>218</u>
Bank interest receivable & similar income	6	82	13
Bank interest payable and similar charges	7	(422)	
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>385</u>	<u>231</u>
Taxation on profit on ordinary activities	8	140	35
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>245</u>	<u>196</u>

All amounts relate to continuing operations.

All recognised gains and losses are included in the profit and loss account.

The profit for the year represents the movement in shareholders' funds.

The notes on pages 13 to 22 form part of these financial statements.

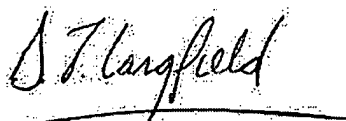
# 3D SYSTEMS EUROPE LIMITED

## BALANCE SHEET as at 31 December 2013

Company number 4192467

	Note	2013 £000's	2012 £000's
<b>FIXED ASSETS</b>			
Tangible Assets	9	29	18
Intangible Fixed Assets	10	1,584	
Investment	11	16,463	2,297
		<u>18,076</u>	<u>2,315</u>
<b>CURRENT ASSETS</b>			
Stock	13	2,608	207
Debtors due more than one year	14	4,926	12
Debtors due within one year	14	6,288	3,318
Cash in hand and at Bank		1,065	1,067
		<u>14,887</u>	<u>4,604</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	(7,218)	(4,933)
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>7,669</u>	<u>(329)</u>
<b>CREDITORS: Amounts falling due more than one year</b>	15	(23,369)	(23)
<b>NET ASSETS</b>		<u>2,376</u>	<u>1,963</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17		
Share option reserve	18	294	126
Profit and Loss account	18,19	2,082	1,837
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>2,376</u>	<u>1,963</u>

These financial statements were approved by the Board of Directors and authorised for issue on 30 September 2014.  
Signed on behalf of the Board of Directors



Director: David J Langfield

The notes on pages 13 to 22 form part of these financial statements.

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2013

#### 1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more significant accounting policies, which have been applied consistently, is set out below.

##### **Basis of Accounting**

The financial statements are prepared in accordance with the historical cost convention.

##### **Tangible Fixed Assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The estimated useful lives for the main categories of tangible fixed assets are:

	Years
Improvements to Leasehold Buildings	4
Plant & Equipment	4-5

##### **Valuation of Investments**

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

##### **Goodwill**

Goodwill arising on an acquisition is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests will be carried out on goodwill if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### **Basis of Consolidation**

The company has taken the exemption conferred by Section 401 of the Companies Act 2006 not to produce consolidated accounts as it is a wholly-owned indirect subsidiary of 3D Systems Corporation. Copies of the consolidated accounts of 3D Systems Corporation are publicly available from 333 Three D Systems Circle, Rock Hill, SC 29730, USA or from the United States Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). These accounts therefore present the results of the company only.

##### **Foreign Currencies**

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

##### **Operating Leases**

The rental charges of operating leases are charged to the profit and loss account on a straight line basis over the life of the leases.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes all direct expenditure. Where necessary, provision is made for obsolete, slow moving or defective stocks.

##### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of the goods and services supplied. Revenue on maintenance contracts is taken to the profit and loss account on a monthly basis across the life of the contract.

## NOTES TO THE ACCOUNTS

Year Ended 31 December 2013

## 1 ACCOUNTING POLICIES (continued)

## Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## Pension costs

The company contributes to certain employees' private pension schemes. The amount charged to the profit and loss represents the contributions payable in respect of the financial year.

## Dividends

Equity dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders this is when paid by the company. In the case of final dividends this is when approved by the shareholders.

## Share-based payments

Where share-based awards are granted to employees, the fair value of the awards at the date of grant are charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awards that eventually vest.

## Cash Flow Statement and Related Party Disclosures

The company is a wholly-owned subsidiary of 3D European Holdings Ltd (a company incorporated in England & Wales no.2540492) which is a wholly-owned indirect subsidiary of 3D Systems Corporation (a company incorporated in Delaware and listed on NYSE in the United States) and is included in the consolidated financial statements of 3D Systems Corporation which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are 100% owned within the 3D Systems Corporation group.

## Going Concern

The accounts have been prepared on a going concern basis. The company has been financed by loans from the parent company which will not be demanded for repayment within the next twelve months.

## 2 ANALYSIS OF TURNOVER

2013	2012
£000's	£000's

The invoiced value (net of sales taxes) of the goods and services arising from the principal activity of the company can be attributable to the company's different geographical as follows:

United Kingdom and Ireland	8,945
Overseas	671

10,658	9,616
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# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2013

### 3 OPERATING PROFIT

	2013 £000's	2012 £000's
Operating profit is after charging/(crediting):		
Depreciation	10	21
Auditor's remuneration		
- audit fees	24	23
- taxation compliance services	3	-
Operating lease rentals		
- land & buildings	234	161
- other assets	1	3
(Gain) / Loss on foreign exchange	(95)	3
Share based payments	168	50

Additional Audit fees of £18,256 (2012 : £22,515) relating to other services provided by the parent company auditors have been borne by the ultimate parent company, 3D Systems Corporation.

### 4 EMPLOYEES

The average number of employees employed by the company within each category of persons was:

	2013 No.	2012 No.
Sales and marketing	6	7
Service and technical	7	7
Administration staff	23	19
	<b>36</b>	<b>33</b>

The costs incurred in respect of these employees were:

	2013 £000's	2012 £000's
Wages and salaries	1,569	1,262
Social security costs	217	217
Other pension costs	70	72
Commissions and bonuses	245	264
Share based payments	168	50
Other benefits	148	155
	<b>2,417</b>	<b>2,020</b>

Analysis of Other Pension Costs:

	2013 £000's	2012 £000's
Defined contribution schemes	70	72
	<b>70</b>	<b>72</b>

As at 31 December 2013 the 20 Bits from Bytes employees were transferred to 3D Systems Europe books.

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 31 December 2013

### 5 DIRECTORS

	2013 £000's	2012 £000's
Emoluments of directors of the company included in staff costs were as follows:		
Aggregate emoluments	92	86
Company contributions to money purchase schemes	6	5
Share based payments	24	14
	<b>122</b>	<b>105</b>

During 2013 the following share transactions occurred: 1,500 3 year restricted share awards were granted at \$1 per shares and 3,000 shares vested within the period.

One director made contributions to the money purchase scheme.

### 6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £000's	2012 £000's
Interest receivable from parent company	2	11
Interest receivable from other group companies	76	-
Other interest	4	2
	<b>82</b>	<b>13</b>

### 7 INTEREST PAYABLE AND SIMILAR EXPENSES

	2013 £000's	2012 £000's
Interest payable to parent company	421	-
Other interest payable	1	-
	<b>422</b>	<b>-</b>



# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2013

### 8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2013 £000's	2012 £000's
UK Corporation taxation	136	34
Adjustment in respect of prior year	-	4
Total current taxation	136	38
Deferred taxation (note 16)	4	(3)
Total taxation charge	140	35

The tax assessed for the current year differs from the standard rate of corporation tax in the UK. The differences are explained below:

Profit on ordinary activities before taxation	385	231
Tax at 23.25% (2012 : 24.5%)	89	56
Income not assessable for tax purposes	(1)	(22)
Expenses not deductible for tax purposes	54	-
Adjustments in respect of prior year	-	4
Group relief	(6)	-
Total current taxation	136	38

#### Factors affecting the future tax charge

The Finance Act 2012, enacted on 17 July 2012, included provision for the main rate of corporation tax to reduce from 24% to 23% from 1 April 2013. Accordingly, deferred tax balances have been restated to reflect the lower rate at which timing differences are expected to reverse. It was also announced in the 2012 Autumn Statement that the main rate of corporation tax will reduce to 21% from 1 April 2014. In addition, the March 2013 Budget announced that the rate will further reduce to 20% in 2015. This will reduce the Company's future tax charge accordingly.

### 9 TANGIBLE FIXED ASSETS

	Improvements to Leasehold Buildings £000's	Plant & Equipment £000's	Total £000's
<b>Cost</b>			
At 1 January 2013	283	597	880
Additions on acquisition	22	67	89
At 31 December 2013	305	664	969
<b>Accumulated depreciation</b>			
At 1 January 2013	283	579	862
Additions on acquisition	11	56	67
Charge for the year	-	11	11
At 31 December 2013	294	646	940
<b>Net Book Value</b>			
At 31 December 2013	11	18	29
At 31 December 2012	-	18	18

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2013

#### 10 INTANGIBLE FIXED ASSETS

Goodwill arising  
on acquisition  
£000's

Cost or valuation  
At 1 January 2013

Additions

At 31 December 2013

Amortisation  
At 1 January 2013

Provided for the year

At 31 December 2013

Net book value  
At 31 December 2013

At 31 December 2012

1,584

1,584

1,584

#### 11 INVESTMENT IN SUBSIDIARY UNDERTAKING

2013  
£000's

Cost

At 1 January 2013

Additions

Reclassification of associate to subsidiary

At 31 December 2013

2,297

15,750

(1,584)

16,463

The company owns the entire share capital of Bits from Bytes Limited, a company incorporated in the United Kingdom. The principal activity of the company is to manufacture and sell low cost 3-D printing systems and related consumables that enable three-dimensional objects to be produced directly from computer data without tooling. The assets in trade were hived into the company at the end of the year.

On the 15 July 2013 3D Systems Europe purchased 81% of the issue share capital of Phenix SA, a company incorporated in France for £11,627,000. The principal activity of the company is to manufacture 3D Systems. The holding at 31 Dec 2013 was 93% of the issued share capital.

On the 20 August 2013 3D Systems Europe purchased 100% of the issue share capital of CRDM Limited a company incorporated in the United Kingdom for £4,123,000. The principal activity of the company is as a provider of 3D printing and rapid prototyping services for industry, across sectors including automotive, aerospace, medical and defence.

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS Year Ended 31 December 2013

### 12 PURCHASE OF TRADE AND ASSETS

On the 31 December 2013, the trade and assets of Bits from Bytes Limited, a wholly owned subsidiary, were purchased for consideration of £713K (which remains due at year end). The trade and assets were transferred at book value, which were:

	Book and fair value £000's
<b>Fixed assets</b>	<b>22</b>
<b>Current assets</b>	
Stocks	2,645
Debtors	6,658
Cash in hand and at Bank	388
<b>Total assets</b>	<b>9,713</b>
<b>Creditors</b>	
Due within one year	9,000
<b>Net assets</b>	<b>713</b>

£1.5m of the investment value of £2.4m was transferred to Goodwill at the date of purchase which will be amortised over 20 years and will be assessed for impairment as necessary (note 10).

### 13 STOCKS

	2013 £000's	2012 £000's
Stocks held for resale and servicing of customer machines	2,608	207
	<b>2,608</b>	<b>207</b>

Of the stock held at year end, £2,399,000 was stock acquired through the Bits from Bytes hive-in.  
In the opinion of the directors the replacement cost of stock is not materially different to the amount at which it is stated in the accounts.

### 14 DEBTORS

	2013 £000's	2012 £000's
<b>Debtors due more than one year *</b>	<b>4,926</b>	<b>12</b>
<b>Debtors due within one year:</b>		
Trade debtors	(21) 3,297	1,803
Amounts owed by other group undertakings	1,682	1,433
Other debtors	1,204	8
Prepayments and accrued income	105	74
	<b>6,288</b>	<b>3,318</b>
	<b>11,214</b>	<b>3,330</b>

\* All amounts shown under debtors are due for payment within one year except:  
- Deferred tax asset £7,000 (2012 - £12,000) (note 16)  
- Amounts owed by other group undertakings £4,919,000 (2012 - Nil)

# 3D SYSTEMS EUROPE LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 31 December 2013

### 15 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £000's	2012 £000's
Trade creditors	1,877	231
Amounts owed to parent undertaking	2,690	2,963
Amounts owed to other group undertakings	759	-
Corporation tax payable	199	7
Other taxation and social security	93	336
Accruals and deferred income	1,600	901
Other creditors		495
	<b>7,218</b>	<b>4,933</b>

### CREDITORS : AMOUNTS FALLING DUE MORE THAN ONE YEAR

	2013 £000's	2012 £000's
Other creditors - 1-2 years	82	23
Intercompany loan - Over 2 years	23,287	-
	<b>23,369</b>	<b>23</b>

The interest rate charged on the intercompany loan during the year was between 3.25-4.75%.

### 16 DEFERRED TAXATION

	£000's
At 1 January 2013	12
Charge to the profit and loss account	(4)
Bits from Bytes Balance Transfer	(1)
At 31 December 2013 (note 14)	<b>7</b>

	2013 £000's	2012 £000's
Tax effect of timing differences because of:		
Deficit of tax allowances over		
Depreciation	(4)	(4)
	<b>(4)</b>	<b>(4)</b>

### 17 CALLED UP SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid::		
1 ordinary share of £1 each	1	1
	<b>1</b>	<b>1</b>

### 18 RESERVES

	Share Option Reserve £000's	Profit and Loss Account £000's	Total £000's
At 1 January 2013	126	1,837	1,963
Profit for the year	-	245	245
Credit in respect of share-based payment (note 22)	168	-	168
At 31 December 2013	<b>294</b>	<b>2,082</b>	<b>2,376</b>

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS Year Ended 31 December 2013

#### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £000's	2012 £000's
Profit for the year	245	196
Capital contribution in year	168	50
Net increase in shareholders' funds	413	246
Opening shareholders' funds	1,963	1,717
Closing shareholders' funds	2,376	1,963

#### 20 LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	2013 Land and Buildings £000's	2013 Other £000's	2012 Land and Buildings £000's	2012 Other £000's
Operating leases which expire within one year	31	-	-	-
Expiring between two and five years	166	2	161	3
	197	2	161	3

#### 21 ULTIMATE CONTROLLING PARTY

At 31st December 2013 the immediate parent undertaking is 3D European Holdings Limited, a company incorporated in England and Wales.

The ultimate parent and controlling party is 3D Systems Corporation, a public company incorporated in Delaware, United States of America. Copies of the 3D Systems Corporation consolidated financial statements may be obtained from 333 Three D Systems Circle, Rock Hill, SC 29730, USA or from the United States Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).

3D Systems Corporation and 3D Systems Inc. are the respective parent undertakings of the largest and smallest groups to consolidate these financial statements.

## 3D SYSTEMS EUROPE LIMITED

### NOTES TO THE ACCOUNTS

Year Ended 31 December 2013

#### 22 SHARE BASED PAYMENTS

The company participates in 3D Systems Corporation's Stock Incentive Plans under which certain employees are provided with equity-settled share-based payments in the form of share awards.

##### Share awards

Share awards are granted to certain UK employees. These awards generally vest at the end of three years provided the awardee remains an employee of 3D Systems. The fair value of share awards is based on the number of shares granted and 3D Systems Corporation's quoted share price at the date of grant less the amount paid by the recipient. The expense is recognised, net of estimated forfeitures, over the vesting period of the awards on a straight-line basis. The expense taken to the profit and loss account for 2013 was £168,290 (2012: £49,593).

The weighted average exercise price for all share options is \$1.

Details of the share awards outstanding during the year are as follows:

	2013 Number of share awards	2013 Weighted average fair value (£)	2012 Number of share awards	2012 Weighted average fair value (£)
Outstanding at 1 January 2013	15,750	17.27	12,800	6.35
Vested	(3,000)	3.14	(5,800)	2.12
	<u>12,750</u>		<u>7,000</u>	
Transfer from BFB	2,500			
3 for 2 stock split (5th Feb 2013)	10,375			
Granted	13,800	45.24	8,750	23.21
Outstanding at 31 December 2013	<u>39,425</u>	24.25	<u>15,750</u>	17.27

In 2013 awards were granted on 4th February, 21st May, and 18th November with a total fair value of \$998,000 (£624,381) (2012 \$324,509 (£203,115)).