

3DS Financial Services Ltd  
Annual report and financial statements  
for the year ended 31 December 2018

Registered number: 09470324



# **3DS Financial Services Ltd**

## **Directors and advisers**

### **Directors**

John Cyril Christian Colleemallay  
Jane Jenkins

### **Company secretary**

Shoosmiths Secretaries Limited

### **Registered office**

Unit 334  
Cambridge Science Park  
Milton Road  
Cambridge  
Cambridgeshire  
CB4 0WN

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Solicitors**

Shoosmiths  
Waterfront House  
Waterfront Plaza  
35 Station St  
Nottingham  
NG2 3DQ

## **3DS Financial Services Ltd**

### **Strategic Report for the year ended 31 December 2018 (continued)**

The directors present their Strategic Report of 3DS Financial Services Ltd ("the Company") for the year ended 31 December 2018.

#### **Principal activities**

The principal activity of the Company is to manage international cash pooling for other group companies, current accounts related to participating entities and intercompany loans (mainly denominated in USD, CAD, and GBP).

#### **Business ethics**

The Company's commitment to professional ethics and business citizenship is formalized through procedures regarding corporate governance, distributed to the employees working for the Company and "Principles of Enterprise Social Responsibility" on the Company's group internet site. This commitment is also evidenced by the ethical and compliance awareness training for the new hires within the Company's group and by targeted training given to Company's group employees who are the most exposed to ethical risks in connection with their daily activities.

#### **Business Code of Conduct and professional equality**

The Business Code of Conduct, backed up by specific policies, is intended to serve as the reference for each Company's group employee to guide his conduct and his interactions in connection with his activities. It recalls the group culture based on mutual respect, fairness and the diversity of its employees. In this context, it is established as a principle that hiring, training, promotion, assignments and other decisions regarding work are based on the competence, talent and results demonstrated by employees and their professional motivations, with no discrimination, harassment or intimidation. The Company's group is particularly attentive to the health and safety of its employees, in their work conditions and environment, and respect for their privacy, particularly as regards the protection of personal data.

#### **Business review**

During the year, the Company continued to operate an automatic cash pooling system with other group entities.

#### **Results and dividends**

The profit for the financial year ended 31 December 2018 amounted to US\$4,771,000 (2017: US\$3,269,000). The directors have not recommended the payment of a dividend.

#### **Key Performance Indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Principal risks and uncertainties**

In June 2016, the UK voted to leave the European Union. It will take time for the implications of the Brexit negotiations to become clear. The Company will continue to stay alert to both the risks and the opportunities that the uncertainty regarding the impact of Brexit brings with it to the Company's markets.

## **3DS Financial Services Ltd**

### **Strategic Report for the year ended 31 December 2016 (continued)**

#### **Future developments of the Company**

The Company will continue to manage international cash pooling for other group companies, current accounts related to participating entities and intercompany loans (mainly denominated in USD, CAD, and GBP).

#### **Post balance sheet events**

There are no significant post balance sheet events.

#### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, foreign exchange risk, and interest rate cash flow risk. The Company had a derivative financial instrument to manage currency risk in place at the year end, but no hedge accounting is applied.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the employees of the Company's group working for the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

#### **Credit risk**

The Company has implemented policies that require appropriate credit checks on potential group companies that require financing from the Company. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board or the finance department depending on the level of risk.

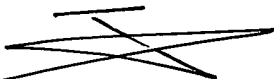
#### **Foreign exchange risk**

The Company is exposed to foreign exchange risk as a consequence of its operations. The Company manages this risk by ensuring loans in foreign currencies are as far as possible matched and by entering into forward foreign currency contracts (see Note 14).

#### **Interest rate cash flow risk**

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise of cash balances and loans issued to other group companies, all of which earn interest at floating rates. The Company has a policy of maintaining debt at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

The Strategic Report was approved by and signed on behalf of the board by:



Jane Jenkins

Director

Date: 24 July 2019

**Registered in England and Wales**  
**Registered number: 09470324**

## **3DS Financial Services Ltd**

### **Directors' Report for the year ended 31 December 2018**

The directors present their report and the audited financial statements of 3DS Financial Services Ltd ("the Company") for the year ended 31 December 2018.

#### **Directors**

Directors of the Company all of whom served throughout the year and subsequently to the date of signing the financial statements, unless otherwise stated, are listed below:

John Cyril Christian Colleemallay

Jane Jenkins

#### **Directors' indemnities**

Dassault Systèmes SE indemnifies officers of subsidiary companies against liabilities arising from the conduct of Dassault Systèmes SE's business, to the extent permitted by law, by the placing of directors' and officers' insurance. The insurance indemnifies individual directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with the business of Dassault Systèmes SE and its subsidiaries.

#### **Employment of disabled persons**

There are currently no employees of 3DS Financial Services Ltd, however applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who did not suffer a disability.

#### **Employee consultation**

There are currently no employees of 3DS Financial Services Ltd.

#### **Dividends**

Please refer to the Strategic Report on page 2.

#### **Future developments of the Company**

Please refer to the Strategic Report on page 2.

#### **Financial risk management**

Please refer to the Strategic Report on page 3.

#### **Financial instruments**

Given their strategic importance the qualitative information in respect of financial instruments transactions that the company has entered into are included in the Strategic Report.

## **3DS Financial Services Ltd**

### **Directors' Report for the year ended 31 December 2018 (continued)**

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

#### **Statement of disclosure of information to auditors**

As at the date this report was signed, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' Report was approved by and signed on behalf of the board by:



Jane Jenkins  
Director  
Date: 24 July 2019

**Registered in England and Wales**  
**Registered number: 09470324**

## **3DS Financial Services Ltd**

### **Independent auditors' report to the members of 3DS Financial Services Ltd**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, 3DS Financial Services Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet; the profit and loss account; the statement of changes in equity for the year ended 31 December 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

## **3DS Financial Services Ltd**

### **Independent auditors' report to the members of 3DS Financial Services Ltd (continued)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

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

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## 3DS Financial Services Ltd

### Independent auditors' report to the members of 3DS Financial Services Ltd (continued)

#### Responsibilities for the financial statements and the audit (continued)

##### *Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

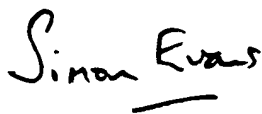
#### Other required reporting

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon Evans (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
Date: 24 July 2019

**3DS Financial Services Ltd**  
**Profit and loss account**  
**for the year ended 31 December 2018**

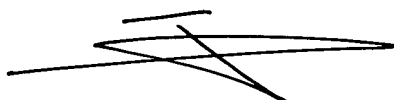
		2018	2017
<b>Continuing Operations</b>	Note	<b>US\$'000</b>	<b>US\$'000</b>
Interest receivable and similar income	5	<b>70,907</b>	42,764
Interest payable and similar expenses	6	<b>(63,480)</b>	(37,263)
<b>Net interest income</b>		<b>7,427</b>	5,501
Administrative expenses		<b>(1,560)</b>	(1,468)
<b>Profit on ordinary activities before taxation</b>	7	<b>5,867</b>	4,033
Tax on profit on ordinary activities	8	<b>(1,096)</b>	(764)
<b>Profit and total comprehensive income for the financial year</b>		<b>4,771</b>	3,269

The notes on pages 12 to 20 are an integral part of these financial statements.

**3DS Financial Services Ltd**  
**Balance Sheet**  
**as at 31 December 2018**

	Note	2018 US\$'000	2017 US\$'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	7,098	10,339
Debtors: amounts falling due after more than one year	11	733	730
Cash and cash equivalents	12	1,772,394	1,721,015
		<b>1,780,225</b>	<b>1,732,084</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(1,725,955)</b>	<b>(1,682,585)</b>
<b>Net current assets</b>		<b>54,270</b>	<b>49,499</b>
<b>Net assets</b>		<b>54,270</b>	<b>49,499</b>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Share premium account		45,000	45,000
Retained earnings		9,269	4,498
<b>Total shareholders' funds</b>		<b>54,270</b>	<b>49,499</b>

The notes on pages 12 to 20 are an integral part of these financial statements.  
The financial statements on pages 9 to 20 were approved by the board of directors and authorised for issue on 24 July 2019 and signed on its behalf by



Jane Jenkins  
Director

**Registered in England and Wales**  
**Registered number: 09470324**

**3DS Financial Services Ltd**  
**Statement of changes in equity**  
**for the year ended 31 December 2018**

	Called up share capital	Share premium account	(Accumulated losses)/ Retained earnings	Total shareholders' funds
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 January 2017</b>	<b>1</b>	<b>45,000</b>	<b>1,229</b>	<b>46,230</b>
Profit for the financial year	-	-	3,269	3,269
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,269</b>	<b>3,269</b>
<b>Balance as at 31 December 2017</b>	<b>1</b>	<b>45,000</b>	<b>4,498</b>	<b>49,499</b>
<b>Balance as at 1 January 2018</b>	<b>1</b>	<b>45,000</b>	<b>4,498</b>	<b>49,499</b>
Profit for the financial year	-	-	4,771	4,771
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,771</b>	<b>4,771</b>
<b>Balance as at 31 December 2018</b>	<b>1</b>	<b>45,000</b>	<b>9,269</b>	<b>54,270</b>

**Called up share capital** - the nominal value of shares issued by the company that has been called up.

**Share premium account** - the excess of cash proceeds receivable on a share issue over the nominal value of shares allotted.

**(Accumulated losses)/Retained earnings** - the net profits and losses of the company reported in the profit and loss account to date.

The accounting policies and the notes on pages 12 to 20 form part of these financial statements.

**3DS Financial Services Ltd.**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

**Note 1 General Information**

3DS Financial Services Ltd ('the Company') has been established to manage international cash pooling for other group companies, current accounts related to participating entities and intercompany loans.

The Company is a private limited company incorporated in England and Wales. The address of its registered office is Unit 334, Cambridge Science Park, Milton Road, Cambridge, Cambridgeshire, CB4 0WN.

**Note 2 Statement of compliance**

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**Note 3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years/periods presented, unless otherwise stated.

**Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

**Reduced disclosure exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. The following exemptions under FRS 102 paragraph 1.12 have been applied in the preparation of these financial statements:

- not to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period
- not to present a statement of cash flows
- not to present a certain disclosures financial instrument disclosures
- not to present disclosures of key management personnel compensation.

The Company is a wholly owned subsidiary of Dassault Systemes UK Limited, who in turn is a wholly owned subsidiary of Dassault Systèmes SE. The Company is included in the consolidated financial statements of Dassault Systèmes SE, which are publicly available (see note 17).

**3DS Financial Services Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018 (continued)**

**Note 3 Summary of significant accounting policies (continued)**

**Related party transactions**

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with wholly-owned members of the same group as the company (FRS 102 paragraph 33.1A).

**Interest receivable**

Interest income is recognised in the profit and loss account using the effective interest method.

**Interest payable**

Interest payable is recognised in the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, money market funds and short-term deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

**Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit/loss for the year or prior periods, where applicable. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

**Employees**

There are currently no employees of 3DS Financial Services Ltd (2017: no employees).

**3DS Financial Services Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018 (continued)**

**Note 3 Summary of significant accounting policies (continued)**

**Foreign currency**

The Company's functional and presentation currency is the United States dollar.

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

**Financial instruments**

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

**Financial assets**

Basic financial assets, including cash and bank balances (which includes short term deposits), amounts due from group undertakings, and accrued income, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Derivatives, including forward foreign exchange contracts are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in administrative expenses.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and regards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**Financial liabilities**

Basic financial liabilities, including amounts owed to group undertakings and accruals are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Share capital and distributions to equity holders**

Ordinary shares are classified as equity.

Dividends and other distributions to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividend and other distributions are paid or are otherwise approved by the shareholders in an annual general meeting. Such amounts are recognised in the Statement of changes in equity.

## 3DS Financial Services Ltd

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### Note 4 Critical accounting judgements and estimation uncertainty

The Company has no critical accounting judgments or estimates, however estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Note 5 Interest receivable and similar income

	2018 US\$'000	2017 US\$'000
Bank interest receivable on cash and cash equivalents	70,592	41,921
Interest on intercompany loans	315	843
	70,907	42,764

#### Note 6 Interest payable and similar expenses

	2018 US\$'000	2017 US\$'000
Bank interest payable	35,670	21,312
Interest on intercompany loans	27,766	15,951
Fair value movement on currency rate swap	33	-
Foreign currency exchange losses	11	-
	63,480	37,263

#### Note 7 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2018 US\$'000	2017 US\$'000
Foreign exchange losses	136	-
Losses/(gains) on derivative financial instruments	33	(23)
Auditors' remuneration – statutory audit	16	16

Auditors' remuneration for non-audit services was US\$ nil (2017: US\$ nil).



**3DS Financial Services Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018 (continued)**

**Note 8 Tax on profit on ordinary activities**

**Tax expense included in profit or loss**

	2018 US\$'000	2017 US\$'000
<b>Current tax:</b>		
UK corporation tax on profit for the year		
Current tax on profit for the year	1,099	790
Adjustment in respect of prior periods	(3)	(26)
<b>Total current tax charge for the year</b>	<b>1,096</b>	<b>764</b>

**Reconciliation of tax charge**

	2018 US\$'000	2017 US\$'000
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:		
Profit on ordinary activities before taxation	5,867	4,033
Profit on ordinary activities multiplied by the standard rate of corporation taxation in the UK of 19% (2017: 19.25%)	1,115	776
<b>Effects of:</b>		
Expenses not deductible for tax purposes	12	-
Adjustment in respect of prior periods	(3)	(26)
Effect of exchange rate change on opening balance	(28)	20
Income not taxable/other permanent differences	-	(6)
<b>Total tax charge for the year</b>	<b>1,096</b>	<b>764</b>

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. The corporation tax rate for the year ended 31 December 2018 was 19% for the whole of that year. The Finance Bill 2019 was substantively enacted in February 2019 and included reductions to the main rate of corporation tax from 19% to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using rates and laws that were substantively enacted at 31 December 2018.

**3DS Financial Services Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018 (continued)**

**Note 9 Employee information**

The monthly average number of staff employed by the Company during the financial year is nil (2017: nil).

No salaries or wages have been paid to employees, including the directors, during the financial year (2017: US\$ nil).

The directors are employed by other group companies and they are remunerated by other group companies.

Although there are no employees of the Company, employees of other companies of the Dassault Systèmes Group have worked for the Company and related costs have been recharged to the Company by the relevant Dassault Systèmes Group companies.

**Note 10 Debtors: amounts falling due within one year**

	2018 US\$'000	2017 US\$'000
Amounts owed by group undertakings due within one year	7,089	10,316
Prepayments and accrued income	9	-
Derivative financial instruments (note 14)	-	23
	<b>7,098</b>	<b>10,339</b>

Amounts owed by group undertakings are unsecured, interest free with no fixed repayment date.

**Note 11 Debtors: amounts falling due after more than one year**

	2018 US\$'000	2017 US\$'000
Amounts owed by group undertakings due within one year	733	730
	<b>733</b>	<b>730</b>

At 31 December 2018, amounts owed by group undertakings includes a loan to Dassault Systemes Mexico of MXN14,400,000 which bears interest at a rate of 8.99% and has a maturity date of 31 December 2023.

All other amounts owed by group undertakings are unsecured, interest free with no fixed repayment date.

**3DS Financial Services Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018 (continued)**

**Note 12 Cash and cash equivalents**

	2018 US\$'000	2017 US\$'000
Bank accounts	1,946	1,804
Cash equivalents	1,770,448	1,719,211
	<b>1,772,394</b>	<b>1,721,015</b>

Cash equivalents include money market funds and short-term deposits, which are maintained on deposit with high credit quality financial institutions. The Company follows a conservative policy for investing its cash resources, mostly relying on short-term maturity investments. The Company's group Treasury department determines investment rules.

**Note 13 Creditors: amounts falling due within one year**

	2018 US\$'000	2017 US\$'000
Amounts owed to group undertakings	1,724,529	1,681,728
UK corporation tax	552	393
Derivative financial instruments (Note 14)	10	-
Accruals and deferred income	864	464
	<b>1,725,955</b>	<b>1,682,585</b>

Amounts owed to group undertakings are unsecured, interest free with no fixed repayment dat

**3DS Financial Services Ltd**  
**Notes to the financial statements**  
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**Note 14 Financial instruments**

The Company has the following financial instruments:

	2018 US\$'000	2017 US\$'000
<b>Financial assets</b>		
Non-basic financial assets - fair value through profit or loss:		
- Derivative financial instruments	-	23
Basic financial assets - amortised cost:		
- Bank accounts	1,946	1,804
- Cash equivalents	1,770,448	1,719,211
- Amounts owed by group undertakings	7,831	11,046
	<b>1,780,225</b>	<b>1,732,084</b>
<b>Financial liabilities</b>		
Non-basic financial liabilities - fair value through profit or loss		
Derivative financial instruments	(10)	-
Basic financial liabilities - amortised cost		
- Amounts owed to group undertakings	(1,724,529)	(1,681,728)
- Accruals	(864)	(464)
	<b>(1,725,403)</b>	<b>(1,682,192)</b>

**Derivative financial instruments**

At 31 December 2018 the Company had entered into one forward foreign currency rate swap in relation to the principal amount of the MXN loan mentioned above with a final maturity date at the end of March 2019. The fair value of the currency rate swaps is a financial liability of US\$10,000.

**3DS Financial Services Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018 (continued)**

**Note 15 Called up share capital**

	<b>2018</b>	<b>2017</b>
	<b>US\$</b>	<b>US\$</b>
<b>Authorised, allotted, called up and fully paid</b>		
501 (2017: 501) ordinary shares of US\$1 each	<b>501</b>	<b>501</b>

**Note 16 Post balance sheet events**

There are no significant post balance sheet events.

**Note 17 Ultimate parent company and controlling party**

The Company is a wholly owned subsidiary of its immediate parent company, Dassault Systemes UK Limited, and of its ultimate parent company and controlling party, Dassault Systèmes SE, a European company incorporated under the laws of France, listed on Euronext Paris.

Dassault Systèmes SE prepares group financial statements which may be obtained from their registered office at 10 rue Marcel Dassault, 78140 Vélizy-Villacoublay, France or at [www.3ds.com](http://www.3ds.com).

Dassault Systèmes SE is controlled by Groupe Industriel Marcel Dassault SAS whose registered office is located at 9 Rond-Point des Champs-Élysées Marcel Dassault, 75008 Paris, France, as holder of the majority of the voting rights at the shareholder meetings of Dassault Systèmes SE as at 31 December 2018.