Registered number 02513030

Parametric Technology (UK) Limited

Annual report and financial statements

for the year ended 30 September 2013

Parametric Technology (UK) Limited

Annual report and financial statements for the year ended 30 September 2013

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Parametric Technology (UK) Limited

Company Information
for the year ended 30 September 2013

Company Registration Number	02513030 (England and Wales)
Registered office address.	Chester House Aerospace Boulevard Farnborough Aerospace Centre Farnborough Hampshire GU14 6TQ
Directors	C Dunn P Heck
Secretary:	L Vitou (resigned 8/10/2013) C Dunn (appointed 12/12/2013)
Auditors.	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Reading

Strategic Report
for the year ended 30 September 2013

The directors present their strategic report on the company for the year ended 30 September 2013

The business

The company offers solutions in the product lifecycle management, or PLM, market (product data management, collaboration and related solutions), the CAx market (computer-aided design, manufacturing and engineering (CAD, CAM and CAE) solutions) and the application lifecycle management (ALM) market

Our software solutions provide our customers with an integral product development system that enables them to create digital product content, collaborate with others in the product development process, control product content, automate product development processes, configure products and product content, and communicate product information to people and systems across the extended enterprise and design chain

Our solutions are complemented by our experienced services and technical support organizations, as well as resellers and other strategic partners Our services and technical support organizations provide consulting, implementation and training support services to customers worldwide Our resellers supplement our direct sales force to provide greater geographic and small- and medium-size account coverage

Key performance indicators

Total revenue decreased by 10% (£2 million) with license revenue down by 31% (£1 8 million), maintenance revenue up by 2% (£0 2 million) and services revenue down by 15% (£ 0 4 million)

The decrease in turnover in 2013 from 2012 is mainly due to the fact that Software is not recurring revenue and is then subject to variance year over year as customers are usually ordering licenses for multi annual needs The results will continue to be impacted, by the presence or absence of large transactions The amount of revenue, particularly license revenue, attributable to large transactions, and the number of such transactions, may vary from year to year based on customer purchasing decisions and macroeconomic conditions

The slowdown in the global manufacturing industry and uncertainty about the near-term economy resulted in a significant decrease of our license revenue

The decrease in gross profit in 2013 from 2012 by £ 4,380 K is mainly due to decreased license revenues and increased transfer price

Gross profit margin decreased from 76% (2012) to 61% This is mainly due to the change in transfer price for license and maintenance revenues from 30% in 2012 to 45% in 2013

The company's loss for the financial year was £ 1,374 K (loss 2012 £ 42 K)

The directors believe that the company has maintained its overall market share due to its broad engineering solution portfolio, the strategic acquisitions and continuous development and improvement of its products

Position of the business and future developments

Based on 2013 results, current economic conditions and spending patterns and the competitive strength of our products, we believe we are well-positioned in the markets we serve

Strategic Report
for the year ended 30 September 2013 (continued)

Position of the business and future developments (continued)

The directors, working closely with senior corporate management continue to drive the companies' business Parametric Technology (UK) Limited follows the strategy and goals given by our ultimate parent company, PTC Inc The company carries out research and development activities, including developing new releases of our software that work together in a more integrated fashion and that include functionality enhancements desired by our customers Additionally acquisitions may serve to strengthen the market position Those activities are carried out under the guidance of our ultimate parent company, PTC Inc

On 1 January 2013, Parametric Technology (UK) Limited acquired the trade and net assets of Servigistics Limited for approximately £2 1 million

On October 1, 2013, the company acquired the trade and net assets of Enigma UK Limited for $200,000 The net assets acquired are set out in note 21

Principal risks and uncertainties

The principal risk for the company is a downturn in the British Isles market for the products and services of the PTC Group From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately Accordingly, the principal risks and uncertainties of the PTC Group, which include those of the company, are discussed in the group's annual report which does not form part of this report

The company's operations expose it to a variety of financial risks that include the effects of credit risk, changes in market prices, liquidity risk and interest rate cash flow risk

Credit risk
The company has implemented policies that require appropriate credit checks on all potential customers before sales are made

Market prices
The PTC Group seeks to continually modify and enhance the company's products to kkep pace with changing technology and address customers' needs, any failure to do so could reduce demand for the company's products

Liquidity risk
The ultimate parent company, PTC Inc , continues to provide financial support to ensure the company is able to meet all of its financial obligations

Interest rate
The company has no debt outside of the PTC Group of companies The company has no interest bearing debt as of 30 September 2013 (2012 £nil)

The company does not use derivative financial instruments and as such no hedge accounting is applied

By order of the Board

C Dunn
Director
26 June 2014

Directors' report
for the year ended 30 September 2013

The directors present their report on the affairs of the company and the audited statutory financial statements of Parametric Technology (UK) Limited for the year ended 30 September 2013

Principal activities and business review

The company's principal activity during the year was the licensing of product lifecycle management (PLM) software products and from the selling of services consisting of training, consulting and maintenance

More information on the business review can be found in the strategic report

Directors

The directors of the company during the year to 30 September 2013 and up to the date of signing of the financial statements are as follows

C Dunn
P Heck

The directors of the company had the benefit of a qualifying indemnity provision throughout the financial year ending 30 September 2013 and is currently in force

Dividends

The directors do not recommend the payment of a dividend (2012 £nil)

Going concern

PTC Inc , the company's ultimate parent, has confirmed its intention to provide sufficient working capital to the company to enable it to carry on its business without a significant curtailment of its operations for the foreseeable future and at least for the next 12 months from the date of approval of the financial statements On this basis, the directors consider it appropriate for the financial information to be prepared on a going concern basis

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared 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 and,

Directors' report
for the year ended 30 September 2013 (continued)

- 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

The directors are responsible for the maintenance and integrity of the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Disclosure of information to auditors

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

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

By order of the Board

C Dunn
Director
26 June 2014

Independent auditors' report to the members of Parametric Technology (UK) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Parametric Technology (UK) Limited, comprise

- the balance sheet as at 30 September 2013,
- the profit and loss account for the year then ended,
- the accounting policies, and
- the notes to the financial statements, which include other explanatory information

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)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report to the members of Parametric Technology (UK) Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, 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 ISAs (UK & Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

John Howarth

John Howarth (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
Date 27 June 2014

Profit and loss account for the year ended 30 September 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	**19,028**	21,069
Cost of sales		**(7,412)**	(5,073)
Gross profit		**11,616**	15,996
Administrative expenses		**(18,798)**	(22,108)
Other operating income		**7,050**	6,769
Operating (loss)/profit excluding exceptional items	3	**(132)**	657
Exceptional items – Employee restructuring		**(1,233)**	-
Total operating (loss)/profit		**(1,365)**	657
Interest receivable and similar income	4	**1**	41
Interest payable and similar charges	5	**-**	(450)
(Loss)/Profit on ordinary activities before taxation		**(1,364)**	248
Tax on (loss)/profit on ordinary activities	8	**(10)**	(290)
Loss for the financial year	17	**(1,374)**	(42)

All results derive from continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the (loss)/profit on ordinary activities before taxation and the retained loss for the financial years stated above and their historical cost equivalents

Balance sheet
as at 30 September 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	**9,388**	9,001
Tangible assets	10	**221**	354
		9,609	9,355
Current assets			
Debtors amounts falling due within one year	11	**5,072**	6,356
Debtors amounts falling due after more than one year	11	**751**	192
Cash at bank and in hand		**396**	460
		6,219	7,008
Creditors amounts falling due within one year	12	**(8,212)**	(7,359)
Net current liabilities		**(1,993)**	(351)
Total assets less current liabilities		**7,616**	9,004
Creditors amounts falling due after more than one year		**(107)**	-
Provisions for liabilities	13	**(117)**	(98)
Net assets/(liabilities)		**7,392**	(8,906)
Capital and reserves			
Called up share capital	16	**188**	188
Share premium account	17	**37,281**	37,281
Profit and loss account	17	**(30,077)**	(28,563)
Total shareholders' funds	18	**7,392**	8,906

The financial statements on pages 8 to 23 were approved by the board of directors on 26 June 2014 and were signed on its behalf by

C Dunn
Director

Registered number 02513030

Notes to the financial statements for the year ended 30 September 2013

1 Principal accounting policies

These financial statements are 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 principal accounting policies, which have been applied consistently throughout the year are set out below

Going concern

PTC Inc , the company's ultimate parent, has confirmed its intention to provide sufficient working capital to the company to enable it to carry on its business without a significant curtailment of its operations for the foreseeable future and at least for the next 12 months from the date of approval of these financial statements On this basis, the directors consider it appropriate for the financial information to be prepared on a going concern basis

Cash flow statement and related party transactions

The company is exempt from the requirements of FRS 1 'Cash flow statements (revised 1996)' to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of PTC Inc whose consolidated financial statements, which include the company's financial statements, are publicly available

The company is also exempt under the terms of paragraph 3(c) FRS 8 'Related party disclosures' from disclosing related party transactions with entities that are part of the PTC Group

Turnover

Turnover is derived from the licensing of product lifecycle management (PLM) software products and from service revenue consisting of training, consulting and maintenance License revenue is recognised upon contract execution, provided all shipment obligations have been met, fees are fixed or determinable and collection is probable Turnover from software maintenance contracts and royalties is recognised monthly over the contract period Turnover from consulting and training is recognised upon performance Turnover is stated net of value added tax and trade discounts

Accrued income

Revenue that is due on services rendered but not billed is recognised within the same accounting period in which the cost of providing that service is also recognised, and is included in accrued income

Deferred income

The group undertakes to maintain customers' software under maintenance contracts on which the company invoices in advance The income is recognised as turnover on a straight line basis over the life of the contract Maintenance costs are expensed as incurred

Other operating income

Other operating income includes charges for the provision of training and other services to group companies and the reimbursement of research and development expenditure incurred by Parametric Technology (UK) Limited on behalf of other group companies

Notes to the financial statements for the year ended 30 September 2013 (continued)

1 Principal accounting policies (continued)

Goodwill

Goodwill represents the difference between the fair value of assets acquired and the fair value of consideration paid Goodwill is capitalised and amortised over the period in which benefit is to be gained from the acquisition The amortisation period used for goodwill arising on acquisitions made since the introduction of FRS 10 – 'Goodwill and intangible assets' ranges from 5 to 11 years Prior to the issue of FRS 10, goodwill was written off to reserves No prior year adjustment regarding goodwill written off to reserves in prior years of £15 0 million has been made The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation The cost of tangible fixed assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use Depreciation is calculated so as to write off the cost of the tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, which are principally as follows

Leasehold improvements	Over the lease term
Fixtures and fittings	3 years

Intangible assets, amortisation and impairment

Goodwill on acquisitions represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired Goodwill is recognised separately as Intangible assets and carried at cost less accumulated amortisation and impairment losses

Acquired customers lists and trademarks are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses

These costs are amortised to profit and loss over expected useful economic lives of the intangible assets concerned, which are principally

Goodwill	10 to 11 years
Customers lists & trademarks	7 to 10 years

Intangible assets are reviewed annually for signs of impairment

Notes to the financial statements for the year ended 30 September 2013 (continued)

1 Principal accounting policies (continued)

Leased assets

Rentals in respect of operating leases are charged to the profit and loss account as incurred

Provisions

A provision is recognised in the balance sheet when the company has a present obligation as a result of an event prior to the closing date and when an outflow of resources embodying economic benefits that can be reliably measured becomes probable Provisions are discounted when the impact of the time value of money is considered material

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling at the transaction date Monetary assets and liabilities in foreign currencies are translated into sterling at exchange rates ruling at the balance sheet date Exchange differences are taken to the profit and loss account in the period in which they arise

Pension costs

The company operates a number of defined contribution pension schemes The assets of the schemes are held in independently administered funds The company's contributions to the defined contribution schemes are charged to the profit and loss account as they fall due (note 20)

Research and development

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred

Share based payments

The PTC group issues equity-settled share based payments to certain employees Equity-settled share based payments are measured at fair value at the date of grant The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on estimates of shares that will eventually vest At each balance sheet date, the company revises its estimates of the number of equity settled share based payments that are expected to vest It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity

Notes to the financial statements for the year ended 30 September 2013 (continued)

2 Turnover

An analysis of turnover by class of business is as follows

	2013	2012
	£'000	£'000
Licence revenue	4,087	5,929
Maintenance revenue	12,384	12,142
Training and consulting revenue	2,557	2,998
	19,028	21,069

An analysis of turnover by geographical market is as follows

	2013	2012
	£'000	£'000
United Kingdom	18,053	19,402
Rest of world	975	1,667
	19,028	21,069

3 Operating (loss)/profit

	2013	2012
	£'000	£'000
Operating (loss)/profit is stated after charging		
Amortisation of intangible assets	996	899
Depreciation of tangible assets	260	270
Operating lease rentals		
- plant and machinery	15	18
- other	737	725
Research and development	4,620	4,650
Provision for onerous lease (note 13)	24	43
Net exchange difference on foreign currency	60	52
Services provided by the company's auditor		
- Fees payable to the company's auditors for the audit	71	47
Fees payable to the company's auditors for other services		
- Taxation services	26	32

Notes to the financial statements for the year ended 30 September 2013 (continued)

4 Interest receivable and similar income

	2013 £'000	2012 £'000
Other interest receivable	1	41

5 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to group undertakings	-	450

6 Staff numbers and costs

The average monthly number of employees of the company during the year (including directors) was

By activity	2013 Number	2012 Number
Sales	33	37
General administration	11	11
Support services	46	44
Technical development	92	86
	182	178

The aggregate payroll costs were as follows

	2013 £'000	2012 £'000
Wages and salaries	12,076	11,495
Social security costs	1,655	1,505
Stock based compensation (note 19)	598	581
Other pension costs (note 20)	526	452
	14,855	14,033

7 Directors' emoluments

No directors are remunerated for their services as directors of Parametric Technology (UK) Limited (2012 £nil) No directors were entitled to retirement benefits under any pension scheme at 30 September 2013 (2012 none) The directors are employed by the group and their services to the company are incidental Two directors (2012 two) exercised share options during the year

Notes to the financial statements for the year ended 30 September 2013 (continued)

8 Tax on (loss)/profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
United Kingdom corporation tax on (loss)/profit for the year	-	-
Adjustments in respect of previous years	10	80
Total current tax charge	10	80
Deferred tax:		
Origination and reversal of timing differences	-	210
Total deferred tax charge	-	210
Tax on (loss)/profit on ordinary activities	10	290

The current tax charge of £10,000 (2012 tax charge of £80,000 related to adjustments of gains surrendered via group relief in prior years) relates to adjustments of gains surrendered via group relief in prior years

Factors affecting tax in the current year and prior year

The tax assessed for the year is higher (2012 higher) than the income before tax multiplied by the standard rate of corporation tax in the UK (23 5%) (2012 25%) The differences are explained below

	2013 £'000	2012 £'000
Profit/(Loss) on ordinary activities before taxation	(1,364)	248
Profit/(Loss) on ordinary activities multiplied by standard rate in the UK of 23 5% (2011 25%)	(321)	62
Effects of:		
Expenses not deductible for tax purposes	221	328
Accelerated capital allowances and other timing differences	69	(881)
Group relief (claimed) / surrendered not paid	31	-
Capital transactions	-	491
Adjustments in respect of previous years	10	80
Total current tax charge/(credit)	10	80

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013 Accordingly, the company's profits for this accounting year are taxed at a blended rate of 23 5%

Further reductions to the main rate are proposed to reduce the rate by 1-2% per annum to 20% by 2015 These further changes had not been substantively enacted at the balance sheet date and therefore, are not included in these financial statements The proposed reductions of the main rate of corporation tax by 1-2% per year to 20% by 1 April 2015 are expected to be enacted separately each year

Notes to the financial statements for the year ended 30 September 2013 (continued)

9 Intangible fixed assets

	Trademarks £'000	Customer lists £'000	Goodwill £'000	Total £'000
Cost				
At 1 October 2012	-	-	16,091	16,091
Additions	29	794	560	1,383
At 30 September 2013	**29**	**794**	**16,651**	**17,474**
Aggregate amortisation				
At 1 October 2012	-	-	7,090	7,090
Charge for the year	6	48	942	996
At 30 September 2013	**6**	**48**	**8,032**	**8,086**
Net book value				
At 30 September 2013	**23**	**746**	**8,619**	**9,388**
At 30 September 2012		-	9,001	9,001

10 Tangible fixed assets

	Leasehold improvements £'000	Fixtures and Fittings £'000	Total £'000
Cost			
At 1 October 2012	244	1,198	1,442
Additions	4	123	127
Disposals	(93)	(503)	(596)
At 30 September 2013	**155**	**818**	**973**
Accumulated depreciation			
At 1 October 2012	192	896	1,088
Charge of the year	53	207	260
Disposals	(94)	(502)	(596)
At 30 September 2013	**151**	**601**	**752**
Net book value			
At 30 September 2013	**4**	**217**	**221**
At 30 September 2012	52	302	354

Notes to the financial statements for the year ended 30 September 2013 (continued)

11 Debtors

	2013	2012
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	**3,481**	3,200
Amounts owed by group undertakings	**1,331**	2,730
Other debtors	**26**	46
Prepayments and accrued income	**234**	380
	5,072	6,356
Amounts falling due after more than one year.		
Other debtors	**751**	192
	751	192

Amounts owed by group undertakings relate to the recharge of costs borne by the company on behalf of other group entities They are unsecured, interest free and have no fixed repayment date

12 Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	**22**	22
Amounts owed to group undertakings	**35**	-
Taxation and social security	**1,149**	945
Accruals and deferred income	**7,006**	6,392
	8,212	7,359

Amounts owed to group undertakings relate to the recharge of costs borne by other group entities on behalf of the company They are unsecured, interest free and repayable on demand

13 Provisions for liabilities

	Dilapidations	Onerous lease	Total
	£'000	£'000	
At 1 October 2012	98	-	**98**
Charge to profit and loss account (note 3)	27	24	**51**
Utilised during the year	(8)	(24)	**(32)**
At 30 September 2013	**117**	-	**117**

Provision has been made for future restoration costs of leased properties

Notes to the financial statements for the year ended 30 September 2013 (continued)

14 Deferred tax

The unrecognised deferred taxation asset is as follows	**2013**	2012
	£'000	£'000
Capital allowances in excess of depreciation	**(1,380)**	(1,333)
Other short term timing differences	**(93)**	(119)
Losses	**(7,722)**	(9,024)
Total deferred tax asset not recognised	**(9,195)**	(10,476)

At 1 October	**(10,476)**	(11,228)
Utilisation of losses	**(27)**	210
Other deferred tax movements	**1,308**	542
At 30 September	**(9,195)**	(10,476)

In the directors' opinion it is uncertain as to when the deferred tax asset will crystallise and accordingly it has not been recognised

15 Financial commitments

As at 30 September 2013 the company had annual commitments under non-cancellable operating lease agreements expiring as follows

		2013			2012	
	Land and buildings	**Other**	**Total**	Land and buildings	Other	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Commitments expiring						
Within 1 year	**88**	**6**	**94**	413	6	419
Within 2 to 5 years	**569**	**-**	**569**	158	7	165
After more than 5 years	**-**	**-**	**-**	-	-	-
Total	**657**	**6**	**663**	571	13	584

16 Called up share capital

	2013	2012
	£'000	£'000
Authorised.		
500,000 (2012 500,000) ordinary shares of £1 each	**500**	500
Allotted and fully paid·		
188,185 (2012 188,185) ordinary shares of £1 each	**188**	188

Notes to the financial statements for the year ended 30 September 2013 (continued)

17 Reserves

	Profit and loss account £'000	Other Reserves £'000	Share Premium Account £'000
As at 1 October 2012	(28,563)	-	37,281
Loss for the financial year	(1,374)	-	-
Stock based compensation (note 19)	-	598	-
Recharge in respect of share options granted to employees	(140)	(598)	-
As at 30 September 2013	**(30,077)**	**-**	**37,281**

Other reserves are in relation to the equity incentive plan outlined in note 19

18 Reconciliation of movements in total shareholders' funds

	2013 £'000	2012 £'000
(Loss) for the financial year	**(1,374)**	(42)
Stock based compensation	**598**	581
Recharge in respect of share options granted to employees	**(738)**	(886)
Net proceeds of issue of ordinary share capital	**-**	10,000
Net (decrease)/increase in shareholder's funds	**(1,514)**	9,653
Shareholders' funds/(deficit) at 1 October	**8,906**	(747)
Shareholders' funds at 30 September	**7,392**	8,906

19 Equity incentive plan

The 2000 Equity Incentive Plan (2000 Plan) of the ultimate holding company, PTC Inc provides for the grants of non-qualified and incentive stock options, common stock, restricted stock, restricted stock units and stock appreciation rights to its employees, directors, officers and consultants The United Kingdom employees participate in this plan

The company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award That cost is recognised over the period during which an employee is required to provide service in exchange for the award

Until 2005, the company generally granted stock options For those options, the option exercise price was typically the fair market value at the date of grant, and they generally vested over four years and expire ten years from the date of grant The fair value of options was estimated at the date of grant using the Black-Scholes option-pricing model No performance conditions were included in the fair value calculations No stock options have been granted since 2005 to United Kingdom employees

Notes to the financial statements for the year ended 30 September 2013 (continued)

19 Equity incentive plan (continued)

A reconciliation of option movements over the year to 30 September 2013 is shown below

	2013			2012		
	Shares		Weighted average exercise price	Shares		Weighted average exercise price
Outstanding at 1 October	6,957	$	9 09	52,322	$	14 89
Granted	-	$	-	-	$	-
Transfers out	-	$	-	-	$	-
Exercised	(3,604)	$	(7 32)	(35,485)	$	(14 41)
Forfeited	(253)	$	(5 94)	(9,880)	$	(20 73)
Outstanding at 30 September	**3,100**	**$**	**10 94**	**6,957**	**$**	**8 89**
Exercisable at 30 September	**3,100**	**$**	**10 94**	**6,957**	**$**	**9 09**

Note – the weighted average exercise prices are in US Dollar (exchange rate of 1 5642)

Information for stock options outstanding at 30 September 2013 is shown below

	2013				2012			
Range of Exercise prices		Weighted average exercises price	Number of Shares	Weighted average remaining contractual life		Weighted average exercises price	Number of Shares	Weighted average remaining contractual life
$5 94 - $6 43	$	-	-	-	$	6 16	2,629	3 09
$7 75 - $9 75	$	9 05	1,100	0 19	$	9 05	2,088	1 19
$11 475 - $20 75	$	11 99	2,000	0 59	$	11 93	2,240	1 57
$5.94 - $20.75			**3,100**				**6,957**	

Note – the weighted average exercise prices are in US Dollar (exchange rate of 1 5642)

The weighted average share price during the year for options exercised over the year was $10 94 (2012 $8 89) The total charge for the year relating to stock option employee share based payment plans was £nil (2012 £nil), all of which related to equity-settled share based payment transactions

Restricted Stock Units

Since 2005, the company has awarded restricted stock units as the principal equity incentive awards for United Kingdom employees Each restricted stock unit represents the contingent right to receive one share of PTC Inc common stock The fair value of restricted stock units is based on the fair market value of PTC Inc stock on the date of grant, and they are generally vested over a three year period

The fair value of restricted stock units granted in the year was $1 1 million (2012 $1 2 million)

Notes to the financial statements for the year ended 30 September 2013 (continued)

19 Equity incentive plan (continued)

A reconciliation of restricted stock unit movements over the year to 30 September is shown below

	2013			2012		
	Shares		Weighted average grant date price	Shares		Weighted average grant date price
Outstanding at 1 October	105,610	$	20 77	109,416	$	18 03
Granted	49,682	$	22 67	56,935	$	20 95
Transfers in	-	$	-	482	$	20 71
Transfers out	(907)	$	(20 54)	(963)	$	(21 59)
Released	(51,242)	$	(19 81)	(56,018)	$	(15 81)
Forfeited	(12,426)	$	(21 93)	(4,242)	$	(18 00)
Outstanding at 30 September	**90,717**	**$**	**22 59**	**105,610**	**$**	**20 77**

Note – the weighted average exercise prices are in US Dollar (exchange rate of 1 5642)

The total charge for the year relating to employee restricted stock-based compensation was £597,807 (2012 £580,915), all of which related to equity-settled share-based payment transactions

20 Pension commitments

The company operates a number of defined contribution pension schemes The assets of the schemes are held in independently administered funds The contributions to the schemes payable by the company for the year were £526,000 (2012 £452,000) The contributions outstanding as at the balance sheet date were £5,000 (2012 £56,000)

21 Post balance sheet events

On October 1, 2013, Parametric Technology (UK) Limited acquired trade and net assets of Enigma UK Limited for £123,571 ($200,000 translated at the yearend rate of $1 61850 £1) as set out below

	£ '000
Tangible fixed assets	0
Debtors and other receivables	1,508
Creditors, accruals and other liabilities	(1,953)
Cash at bank	33
Customer Lists	536
Net assets	**124**
Consideration	**124**

Notes to the financial statements for the year ended 30 September 2013 (continued)

22 Contingent liabilities

The company has no contingent liabilities at 30 September 2013 (2012 £nil)

23 Parent undertakings and ultimate controlling party

The company's immediate parent company at 30 September 2013 was Parametric Holdings (UK) Limited, a company incorporated in the United Kingdom

The ultimate parent undertaking and the parent of the smallest and largest group for which group financial statements are prepared and of which Parametric Technology (UK) Limited is a member, is PTC Inc , a company incorporated in the United States of America

Copies of these consolidated financial statements can be obtained from

Parametric Technology (UK) Limited
Chester House, Aerospace Boulevard, Farnborough Aerospace Centre, Farnborough,
Hampshire
GU14 6TQ

PTC Inc is the ultimate controlling party

24 Acquisition

Parametric Technology (UK) Limited acquired the trade and net assets of Servigistics Limited on 1 January 2013 The net assets acquired are set out below

	Book Value	Total adjustments	Fair Value
	£'000	£'000	£'000
Tangible Fixed Assets	2	-	2
Debtors and other receivables	1,192	-	1,192
Creditors	(1,186)	-	(1,186)
Cash at bank	680	-	680
Intangible assets	-	823	823
	688	**823**	**1,511**
Goodwill			560
Consideration			**2,071**
Consideration satisfied by			
Cash			2,071

The following fair value adjustments were made to the book value of the assets and liabilities of the above acquisition

	£'000
Customer lists	823
	823

Notes to the financial statements for the year ended 30 September 2013 (continued)

24 Acquisition (continued)

Before acquisition, the last financial year of the Servigistics Limited began on 1 January 2012 The profit after tax for the financial year to 31 December 2012 was £0 6m

From the date of acquisition to 30 September 2013 the business contributed £0 6m to turnover

An indication of the contribution of the operating profit post-acquisition cannot be given, because as of acquisition date Servigistics Limited was fully integrated into Parametric Technology (UK) Limited where both businesses participated in synergy effects in revenues and costs and therefore cannot be separated in detail