

Registered no: 2513030

Parametric Technology (UK) Limited
Annual report
for the year ended 30 September 2005

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Parametric Technology (UK) Limited

Annual report

For the year ended 30 September 2005

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Directors' report for the year ended 30 September 2005

The directors present their report and the audited financial statements for the year ended 30 September 2005.

Principal activities

The company's principal activities during the year were the sale of computer aided design and manufacturing software and the provision of training, consultancy and support to its customers and those customers of its parent undertakings who have operational units in the British Isles.

Review of business and future developments

For the year ended 30 September 2005, company turnover decreased 14% to £17.9 million from £20.8 million for the year ended 30 September 2004. The net loss for the years ended 30 September 2005 and 2004 were £3.4 million and £3.2 million respectively. As a result of the lower turnover, the company has been implementing cost reduction initiatives and its average number of employees has decreased approximately 10% to 158 for the year ended 30 September 2005 from 175 for the year ended 30 September 2004. The directors expect that its cost cutting initiatives will help improve operating results in the upcoming year.

Parametric Technology Corporation, 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.

Results and dividends

The company's loss for the financial year is shown on page 4. The directors do not recommend the payment of a dividend (2004: £nil).

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. 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 company's finance department. The company does not use derivative financial instruments and as such no hedge accounting is applied.

Directors

The directors of the company during the year to 30 September 2005, all of whom have served throughout the year, unless otherwise stated, are as follows:

R D Seifert
A von Staats
T Gylling
C Dunn

Company Secretary C Dunn

Directors' interests

According to the register required to be kept under Section 325 of the Companies Act 1985, no director had any notifiable interest in the shares of the company.

Interests in shares or share options in the ultimate parent company and its related companies are exempt by statutory instrument from disclosure as the ultimate parent company is registered outside the United Kingdom.

Employees

Parametric Technology (UK) Limited encourages the development of employees. This is achieved by both formal and informal meetings, and a structured training programme. Information on matters of concern to employees is given in a periodic newsletter which seeks to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

It is the company's policy to give every consideration to applications for employment from disabled persons and to afford them every opportunity for appointment to, and training for, positions within their capabilities. Should an employee become disabled during his or her employment with the company, every effort is made to continue employment within his or her existing capability wherever practicable, or failing that, to retrain them to perform in some alternative suitable capacity.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



C Dunn
Director

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

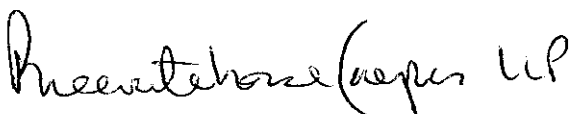
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Reading

16 March 2007

**Profit and loss account
for the year ended 30 September 2005**

	Notes	2005 £'000	2004 £'000
Turnover	2	17,903	20,846
Cost of sales		(3,959)	(4,368)
Gross profit		13,944	16,478
Total administrative expenses		(19,583)	(22,941)
Other operating income		2,395	3,151
Operating loss	3	(3,244)	(3,312)
Interest receivable		224	388
Interest payable	4	(376)	(300)
Loss on ordinary activities before taxation		(3,396)	(3,224)
Tax on loss on ordinary activities	7	-	14
Loss for the financial year	19	(3,396)	(3,210)

All activities are from continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

Balance Sheet as at 30 September 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	817	1,077
		817	1,077
Current assets			
Debtors: due within one year	11	7,738	13,394
Debtors: due after more than one year	11	5,213	4,841
Cash at bank and in hand		689	1,537
		13,640	19,772
Creditors: amounts falling due within one year	12	(16,887)	(24,298)
Net current liabilities		(3,247)	(4,526)
Total assets less current liabilities		(2,430)	(3,449)
Creditors: amounts falling due after more than one year	13	(33,212)	(28,214)
Provisions for liabilities and charges	14	(1,995)	(2,578)
Net liabilities		(37,637)	(34,241)
Capital and reserves			
Called up share capital	18	12	12
Share premium	19	2,220	2,220
Profit and loss account – deficit	19	(39,869)	(36,473)
Total shareholders' deficit	20	(37,637)	(34,241)

The financial statements on pages 4 to 18 were approved by the board of directors on
and were signed on its behalf by:

15 March 2007



C Dunn
Director

**Notes to the financial statements
for the year ended 30 September 2005**

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

Parametric Technology Corporation, 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.

Consolidated accounts

The company has taken advantage of the exemption provided by section 228 of the United Kingdom's Companies Act 1985 from producing consolidated financial statements as it is consolidated within the accounts of Parametric Holdings (UK) Limited, its immediate parent company.

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 Parametric Technology Corporation whose consolidated financial statements, which include the company's financial statements, are publicly available.

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Parametric Technology Corporation group.

Turnover

Revenue is derived from the licensing of computer 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. Revenue from software maintenance contracts and royalties is recognised monthly over the contract period. Revenue from consulting and training is recognised upon performance.

Other operating income

Other operating income represents 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 by other group companies.

Deferred income

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

Investments

Fixed asset investments are shown at cost or fair value less amounts written off. Provisions are made for permanent diminutions in value.

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 Financial Reporting Standard No. 10 is 5 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 has been made.

Taxation and deferred taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, with the following exceptions;

- Deferred taxation assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted;
- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets.

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase price together with any incidental costs of acquisitions. 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
Furniture and fittings	33%

Leased assets

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

Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown in creditors. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. These capitalised leased assets are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

Foreign currencies

Monetary assets and liabilities are translated using the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the relevant transaction. All differences are taken to the profit and loss account.

Pension costs

The company operates both a funded defined benefit pension scheme (closed to new members) and a funded defined contribution pension scheme. The assets of the schemes are held separately from the company in independently administered funds. For the defined benefit scheme, the fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular costs are spread over the expected average remaining services lives of members of the scheme. The transitional arrangements of FRS17 'Retirement benefits' have been applied in the preparation of these financial statements with the relevant disclosures made in Note 22.

The company's contributions to the defined contribution scheme are charged to the profit and loss account as they fall due. The pension charge of £373,000 (2004: £375,000) includes contributions payable by the company to the funds of £373,000 (2004: £375,000) and an increase in the provision for the estimated shortfall under the Minimum Funding Requirement basis of £nil (2004: £nil).

2 Turnover

	2005	2004
	£'000	£'000
Licence revenue	3,809	4,096
Maintenance revenue	9,387	10,463
Training and consulting revenue	4,707	6,287
	17,903	20,846

The level of sales made outside of the United Kingdom is not considered significant.

3 Operating loss

	2005	2004
	£'000	£'000
Operating loss is stated after charging/(crediting):		
Auditors' remuneration:		
Audit fees	73	70
Non-audit fees	24	25
Depreciation of tangible assets:		
Owned	438	608
Operating lease rentals:		
Other	866	1,392
Plant and machinery	58	115
Profit on disposal of tangible assets	-	(7)
Provision for onerous lease (Note 14)	207	662
Net exchange difference on foreign currency	5	112

4 Interest payable

	2005	2004
	£'000	£'000
Interest payable to group undertakings	376	300

5 Staff numbers and costs

The average monthly number of employees of the company during the year was:

	2005	2004
	Number	Number
Sales	68	72
General administration	18	17
Support services	54	70
Technical development	18	16
	158	175

The aggregate payroll costs were as follows:

	2005	2004
	£'000	£'000
Wages and salaries	12,775	13,139
Social security costs	1,190	1,688
Other pension costs	373	375
	14,338	15,202

6 Directors' emoluments

No directors are remunerated for their services as directors of Parametric Technology (UK) Limited.

No directors were entitled to retirement benefits under any pension scheme at 30 September 2005 (2004: nil).

7 Tax on loss on ordinary activities

	2005 £'000	2004 £'000
Current tax		
United Kingdom corporation tax at 30% (2004: 30%)	-	-
Adjustments in respect of previous periods	-	(14)
Tax on loss on ordinary activities	-	(14)

Factors affecting the tax charge for the year

The tax assessed for the period is higher (2004: higher) than the loss before tax multiplied by the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(3,396)	(3,224)
Loss on ordinary activities multiplied by standard rate in the UK of 30% (2004: 30%)	(1,019)	(967)
Effects of:		
Expenses not deductible for tax purposes	248	125
Accelerated capital allowances and other timing differences	771	842
Adjustments in respect of previous periods	-	(14)
Current tax charge/(credit) for the year	-	(14)

8 Intangible assets

	Goodwill £'000
Cost	
At 1 October 2004 and 30 September 2005	5,008
Aggregate amortisation	
At 1 October 2004 and 30 September 2005	5,008
Net book value	
At 30 September 2004 and at 30 September 2005	-

9 Tangible assets

	Leasehold improvements £'000	Fixtures & fittings £'000	Total £'000
Cost			
At 1 October 2004	1,408	1,620	3,028
Additions	9	169	178
Disposals and write-offs	(23)	(646)	(669)
At 30 September 2005	1,394	1,143	2,537
Accumulated depreciation			
At 1 October 2004	709	1,242	1,951
Charge for the year	148	290	438
Disposals and write-offs	(23)	(646)	(669)
At 30 September 2005	834	886	1,720
Net book value			
At 30 September 2005	560	257	817
At 30 September 2004	699	378	1,077

10 Investments

	£'000
As at 1 October 2004 and 30 September 2005	-

All investments are at cost and represent 100% of the ordinary share capital in the following companies:

	Class of shares held	Country of incorporation	Business
Computervision Limited	£1 ordinary	Great Britain	Non-trading
RASNA UK Limited	£1 ordinary	Great Britain	Non-trading

11 Debtors

	2005 £'000	2004 £'000
Amounts due within one year:		
Trade debtors	5,885	8,921
Amounts owed by group undertakings	553	3,603
Other debtors	13	43
Prepayments and accrued income	1,287	827
	7,738	13,394
Amounts due after one year:		
Trade debtors	1,165	818
Other debtors	4,048	4,023
	5,213	4,841

Amounts owed by group undertakings accrues interest at LIBOR – 0.5% (2004: LIBOR – 0.5%) per annum, are unsecured and have no fixed repayment date.

12 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	236	424
Amounts due to group undertakings	6,760	11,242
Tax and social security	1,272	1,661
Other creditors	3	-
Accruals and deferred income	8,616	10,971
	16,887	24,298

Included in amount due to group undertakings is an amount of £6,030,000 (2004: £5,715,000) whereby interest is payable at LIBOR + 0.5% (2004: LIBOR + 0.5%) per annum. The remaining amount due to group undertakings bears no interest. The amounts due are unsecured and have no fixed repayment date.

13 Creditors: amounts falling due after more than one year

	2005 £'000	2004 £'000
Amounts due to group companies	33,212	28,214

Interest on long term loan amounts due to group companies of £928,000 (2004: £928,000) included above is charged at 6.5% (2004: 6.5%) per annum. The remaining amount due to group companies bears no interest. The amounts due are unsecured and have no fixed repayment date although they are not repayable within the next 12 months.

14 Provisions for liabilities and charges

	Property lease £'000
At 1 October 2004	2,578
Utilised during the year	(790)
Charge to profit and loss account (Note 3)	207
At 30 September 2005	1,995

Provision has been made for the expected future shortfall of rental receipts against payments due on a lease of a property not occupied by the company.

15 Deferred tax

The unrecognised deferred taxation asset is as follows:

	2005 £'000	2004 £'000
Capital allowances in excess of depreciation	3,171	3,068
Short term timing difference	538	524
Losses	8,871	8,336
	12,580	11,928

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

16 Financial commitments

As at 30 September 2005 the company had annual commitments under non-cancellable operating lease agreements expiring as follows:

	2005			2004		
	Land and Buildings £'000	Other £'000	Total £'000	Land and Buildings £'000	Other £'000	Total £'000
Commitments expiring:						
Within one year	13	- *	13	27	29	56
Within 2 to 5 years	1,092	89	1,181	1,270	58	1,328
After more than 5 years	339	-	339	487	-	487
Total	1,444	89	1,533	1,784	87	1,871

* less than £1,000

17 Capital Commitments

At 30 September 2005 there was no capital expenditure contracted but not provided for in the financial statements (2004: £nil).

18 Called up share capital

	2005 £'000	2004 £'000
Authorised:		
100,000 ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
12,000 ordinary shares of £1 each	12	12

19 Reserves

	Profit and loss £'000	Share premium £'000
As at 1 October 2004	(36,473)	2,220
Loss for the financial year	(3,396)	-
As at 30 September 2005	(39,869)	2,220

In prior years, £15,009,000 of goodwill has been written off directly to reserves.

20 Reconciliation of shareholders' deficit

	2005 £'000	2004 £'000
Loss for the financial year	(3,396)	(3,210)
Shareholders' deficit at 1 October	(34,241)	(31,031)
Shareholders' deficit at 30 September	(37,637)	(34,241)

21 Employees' stock option plan

The employees of Parametric Technology (UK) Limited may enjoy the benefits of the 1987 Incentive Stock Option Plan which gives certain employees the option to purchase shares in Parametric Technology Corporation. Details of the plan can be found in the financial statements of that company.

22 Pension schemes

The group 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 group for the year was £373,000 (2004: £375,000).

An actuarial valuation of the defined benefit scheme, which is closed to new members, was carried out as at 31 March 2001 by a qualified actuary. The major assumptions used by the actuary were:

	%
Investment return	8.0
Rate of increase in pensions	2.75 – 3.50
Inflation assumption	4.0

The company has continued to account for pensions in accordance with SSAP24 'Accounting for Pension Costs'. At the date of the most recent actuarial valuation, the market value of the assets was sufficient to cover 102% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The company has provided for the estimated shortfall under the Minimum Funding Requirement basis of £1,746,000, of this no amount (2004: £nil) was charged to the profit and loss account in the year.

On a Minimum Funding Requirement valuation, the assets were approximately £17,000,000 and the liabilities were approximately £18m, giving a shortfall of approximately £1,000,000.

An up to date valuation position is shown overleaf under FRS 17. This shows a deficit of £9,315,000 at 30 September 2005. This has not been included in the financial statements, but is disclosed under the transitional rules of FRS 17.

The company also presents below the disclosure requirements under the transitional rules of FRS17 'Retirement Benefits'.

Major assumptions used by the actuaries were:

	2005	2004	2003
	%	%	%
Rate of increase in salaries	0.00	0.00	0.00
Rate of increase in pensions in payment			
- on pensions accrued after April 1997	2.75	2.75	2.75
- on pensions accrued prior to April 1997	0.00	0.00	0.00
Rate of increase in pensions in deferment	2.75	2.75	2.75
Discount rate	5.00	5.50	5.50
Inflation assumption	2.75	2.75	2.75

22 Pension schemes (continued)

The net liabilities in the defined benefit scheme and the expected rate of return under FRS 17 were as follows:

	Long-term rate of return expected at	Value at	Long-term rate of return expected	Value at	Long-term rate of return expected at	Value at
	30 September 2005 %	30 September 2005 £'000	30 September 2004 %	30 September 2004 £'000	30 September 2003 %	30 September 2003 £'000
Bonds	3.90	14,985	4.75	14,490	4.75	15,316
Total market value of assets		14,985		14,490		15,316
Present value of scheme liabilities		(24,300)		(20,496)		(20,799)
Deficit in the scheme		(9,315)		(6,006)		(5,483)
Related deferred tax liability		-		-		-
Net pension liability		(9,315)		(6,006)		(5,483)

If the above amounts had been recognised in the financial statements, the group's net liabilities and reserves would be as follows:

Impact on net liabilities	2005 £'000	2004 £'000
Net liabilities excluding pension liability	(37,637)	(34,241)
Provision already accounted for	1,746	1,746
Pension liability under FRS17	(9,315)	(6,006)
Net liabilities including FRS17 pension liability	(45,206)	(38,501)

Impact on reserves	2005 £'000	2004 £'000
Profit and loss deficit excluding pension liability	(39,869)	(36,473)
Provision already accounted for	1,746	1,746
Pension liability under FRS17	(9,315)	(6,006)
Profit and loss reserve including FRS17 pension liability	(47,438)	(40,733)

The following amounts would have been recognised in the performance statements in the year ended 30 September 2005 under the requirements of FRS17:

22 Pension schemes (continued)

	2005	2004
	£'000	£'000
Analysis of amount charged to operating profit		
Current service cost	-	-
Total operating charge	-	-
Analysis of amount charged to other finance income	£'000	£'000
Expected return on pension scheme assets	664	692
Interest on pension share liabilities	(1,103)	(1,108)
Net finance cost	(439)	(416)
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	2005	2004
	£'000	£'000
Actual return less expected return on pension scheme assets	833	(25)
Experience gains and losses arising on the scheme liabilities	398	536
Changes in assumptions underlying the present value of the scheme liabilities	(3,972)	(443)
Actuarial loss recognised in the STRGL	(2,741)	68
Movement in deficit during the year	£'000	£'000
Deficit in scheme at the beginning of the year	(6,006)	(5,483)
Movement in year:		
Current service cost	-	-
Expenses	(129)	(175)
Other finance income	(439)	(416)
Actuarial loss recognised in the STRGL	(2,741)	68
Deficit in scheme at year end	(9,315)	(6,006)

22 Pension schemes (continued)

	2005	2004	2003
	£'000	£'000	£'000
History of experience gains and losses			
Difference between the expected and actual return of scheme assets:	833	(25)	(605)
Percentage of scheme assets at period end	6%	0%	(4%)
Experience gains and losses of scheme liabilities	398	536	279
Percentage of the present value of the scheme liabilities at period end	2%	0%	1%
Total amount recognised in the STRGL	(2,741)	68	(361)
Percentage of the present value of the scheme liabilities at period end	(11%)	0%	(2%)

The Scheme is closed to new entrants. Therefore, under the projected unit method, the current service cost as a percentage of pensionable salary will increase as the members of the Scheme approach retirement.

23 Contingent liabilities

The company has no contingent liabilities at 30 September 2005 (2004: nil)

24 Parent undertakings and ultimate controlling party

The company's immediate parent company at 30 September 2005 was Parametric Holdings (UK) Limited.

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

Parametric Holdings (UK) Limited is parent undertaking of the smallest group to prepare consolidated accounts which include Parametric Technology (UK) Limited.

Copies of both sets of these consolidated financial statements can be obtained from:

Parametric Technology (UK) Limited
Innovation House
Harvest Crescent
Fleet
Hampshire
GU51 2QR

The directors regard Parametric Technology Corporation as the ultimate controlling party.