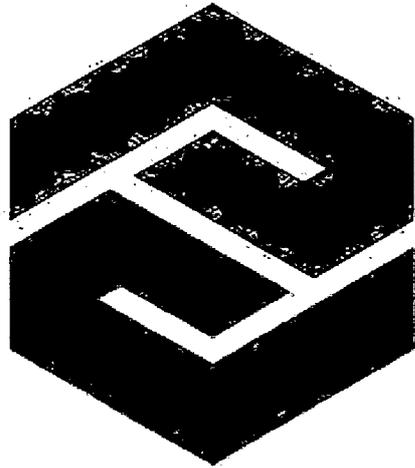


Annual Report Parametric Holdings (UK) Limited

For the year ended 30 September 2020



Registered number: 03723625



Contents

	Page
Company Information	1
Directors Report	2 – 4
Independent Auditor's Report	5 – 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the financial statements	11-20

Company Information

Directors	Steve Bouchard Axel Aurelio Heltzel
Company number	03723625 (England and Wales)
Registered office	Abbey House 282 Farnborough Road Farnborough, Hampshire England GU14 7NA
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

Parametric Holdings (UK) Limited

Directors' Report

For the year ended 30 September 2020

The directors present their report and the financial statements for the year ended 30 September 2020. This report has taken the small companies exemption to not prepare a Strategic Report in accordance with section 414B of the Companies Act 2006.

Principal activities

The company's principal activity is to act as an intermediate holding company for subsidiaries of PTC Inc.

Results

The result for the year ended 30 September 2020 was a profit of \$5.3m (2019: loss of \$0.3m).

Dividends

The directors do not recommend the payment of a dividend (2019: \$nil).

Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

Steve Bouchard

Marina Stavrinides (resigned 26 March 2020)

Axel Aurelio Heltzel (appointed on 1 April 2020)

The Directors of the company have the benefit of a qualifying indemnity provision (as provided through the ultimate parent company) throughout the financial year ending 30 September 2020 and is currently in force.

Covid-19

In December 2019, the COVID-19 coronavirus surfaced. The virus has spread worldwide and has been declared a pandemic by the World Health Organization. The COVID-19 pandemic has significantly impacted global economic activity and has created macroeconomic uncertainty.

The extent to which the novel coronavirus COVID-19 may impact our business is uncertain and it could materially adversely affect our financial condition and results of operations. The COVID-19 pandemic has significantly impacted global economic activity and has created macroeconomic uncertainty. Public and private sector policies and initiatives to reduce the transmission of COVID-19, such as the imposition of travel restrictions, temporary closures of businesses, and the adoption of remote working, have significantly changed the way we and our customers work. The effects and duration of this disruption remain uncertain.

Our results have been impacted, and we expect will continue to be impacted, by our ability to close large transactions, which has been adversely impacted by the COVID-19 pandemic as customers delay purchases due to the macroeconomic uncertainty and the inability to implement many of our solutions due to the on-site work generally required to do so. In addition, existing customers may renew fewer license subscriptions as their own operations are affected by the ongoing pandemic. Additionally, under the subscription license model, particularly sales of products in our growth business, customers may place smaller initial orders than under a perpetual license model. Sales of our products may have long lead times as they often follow a lengthy product selection and evaluation process and, for existing customers, are influenced by contract duration and expiration cycles. Accordingly, the amount of revenue attributable to large transactions, and the number of such transactions, may vary significantly based on customer purchasing decisions and macroeconomic conditions. This may cause volatility in our group wide results and our subsidiaries' results and future dividends.

Directors' Report (continued)

For the year ended 30 September 2020

The economic uncertainty caused by the COVID-19 pandemic has also caused our customers to focus on their liquidity. This focus on liquidity, or our customers' lack of liquidity, could adversely affect our cash flows if we make concessions in the amount or timing of payments due from customers or if our customers do not pay when or as expected. Moreover, some of our resellers may face liquidity challenges, which could adversely affect our cash flows if they do not pay us when or as expected.

Despite the challenges associated with the COVID-19 pandemic, we currently anticipate the group to show ARR, revenue, and operating income growth in FY'21. We expect churn to improve compared to FY'20 but remain slightly higher than it was in FY'19. We expect to have sufficient liquidity with cash on hand and cash generated from operations to meet our working capital requirements through at least the next twelve months.

Going concern

Taking into consideration the company's 2020 results, the competitive strength of group's products and the positioning in the markets served as well as the anticipated impact of COVID-19, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Principal risks and uncertainties

The principal risk for the company is a downturn in the market for the products and services of the PTC Group, which in turn would reduce the underlying investments the company holds. 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 PTC Inc.'s annual report which does not form part of this report.

Following the withdrawal of the United Kingdom from the European Union on 31 January 2020, we analysed the terms of future trade and other relationships with the European Union based on the agreement signed by the parties in December 2020. From our preliminary assessment, the impact for Parametric Holdings (UK) Limited is minimal, taking into consideration the nature of operations of main subsidiaries. The PTC Group is working to mitigate potential risks that may arise as a result.

Statement of Directors' responsibilities

The directors are responsible for preparing the 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) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Parametric Holdings (UK) Limited

Directors' Report (continued)

For the year ended 30 September 2020

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 him 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.

Statement of disclosure of information to auditors

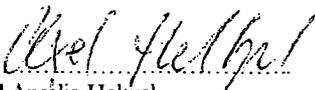
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- that directors have 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.

Auditor

Mazars LLP was reappointed as approved by shareholders on 13 April 2021 in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 April 2021 and is signed on its behalf.


.....
Axel Aurélio Heltzel
Director

Company registration no: 03723625

Independent auditor's report to the members of Parametric Holdings (UK) Limited

Opinion

We have audited the financial statements of Parametric Holdings (UK) Limited (the 'company') for the year ended 30 September 2020 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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

Independent auditor's report to the members of Parametric Holdings (UK) Limited (continued)

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's report that includes our opinion.

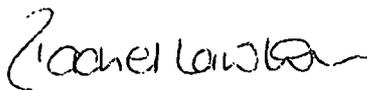
Independent auditor's report to the members of Parametric Holdings (UK) Limited (continued)

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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Rachel Lawton (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date 22 April 2021

Statement of Comprehensive Income

For the year ended 30 September 2020

	Note	2020 \$'000	2019 \$'000
Administrative expenses		(1)	(1)
Impairment of investments	10	<u>(768)</u>	<u>-</u>
Operating loss		(769)	(1)
Loss on ordinary activities before interest and taxation	4	(769)	(1)
Income from shares in group undertakings	4	6,196	-
Interest receivable and similar charges	5	-	4,395
Interest payable and similar charges	6	<u>(130)</u>	<u>(4,772)</u>
Profit/(loss) on ordinary activities before taxation	4	5,297	(378)
Tax on loss on ordinary activities	9	-	72
Profit/(loss) for the financial year		<u>5,297</u>	<u>(306)</u>
Profit/(loss) for the year attributable to:			
Owners of the parent		<u>5,297</u>	<u>(306)</u>
Total comprehensive income/(loss) for the financial year		<u>5,297</u>	<u>(306)</u>
Total comprehensive (income)/loss for the year attributable to:			
Owners of the parent		<u>5,297</u>	<u>(306)</u>

All amounts relate to continuing operations.

The notes on pages 11 to 20 form part of these financial statements and include significant accounting policies.

Parametric Holdings (UK) Limited

Statement of Financial Position

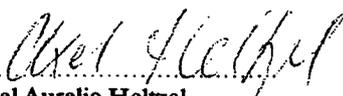
As at 30 September 2020

Registered number: 03723625

	Note	2020 \$'000	2019 \$'000
Fixed assets			
Investments	1	<u>13,885</u>	<u>14,653</u>
		13,885	14,653
Current assets			
Debtors:			
amounts falling due within one year	11	-	72
amounts falling due after more than one year	11	-	-
Cash at bank and in hand		<u>16</u>	<u>45</u>
		16	117
Creditors: amounts falling due within one year		<u>-</u>	<u>-</u>
		-	-
Net current assets		<u>16</u>	<u>117</u>
		16	117
Total assets less current liabilities		<u>13,901</u>	<u>14,770</u>
Creditors: amounts falling due after more than one year	12	-	(6,165)
		-	(6,165)
Net assets		<u>13,901</u>	<u>8,605</u>
		13,901	8,605
Capital and reserves			
Called up share capital	14	672	672
Share premium account	15	87,591	87,591
Profit and loss account	15	(74,361)	(79,658)
		<u>13,902</u>	<u>8,605</u>
		13,902	8,605

The notes on pages 11 to 20 form part of these financial statements and include significant accounting policies.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 April 2021.


Axel Aurelio Heltzel
Director

Statement of changes in equity

As at 30 September 2020

	Called- up share capital \$'000	Share premium account \$'000	Profit and loss account \$'000	Total \$'000
Balance as at 1 October 2018	672	87,591	(79,352)	8,911
Loss for the year	-	-	(306)	(306)
Total comprehensive income	-	-	(306)	(306)
Balance as at 30 September 2019	<u>672</u>	<u>87,591</u>	<u>(79,658)</u>	<u>8,605</u>
Profit for the year	-	-	5,297	5,297
Total comprehensive income	-	-	5,297	5,297
Balance as at 30 September 2020	<u>672</u>	<u>87,591</u>	<u>(74,361)</u>	<u>13,902</u>

The notes on pages 11 to 20 form part of these financial statements and also include significant account policies.

Notes to the financial statements

For the year ended 30 September 2020

1. Company information

Parametric Holdings (UK) Ltd is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Abbey House, 282 Farnborough Road, Farnborough, Hampshire, England, GU14 7NA.

The functional currency of the company is US Dollars and the financial statements have been prepared using US Dollars as the presentation currency rounded to the nearest thousand.

2. Basis of preparation

These financial statements for the year ended 30 September 2020 have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis, unless otherwise stated.

In preparing these financial statements, the company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The company has therefore complied with the applicable conditions.

The company has taken advantage of the following exemptions in preparing the Company financial statements:

- (i) from preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- (ii) from providing the financial instrument disclosures, required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as this information is provided in the PTC Inc. consolidated financial statements;
- (iii) from disclosing the company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'; and
- (iv) from disclosing share based payment arrangements, required under paragraphs 26.18(c), 26.19 to 26.21 and 26.23 concerning its own equity instruments.

Going concern

Taking into consideration the company's 2020 results, the competitive strength of the group's products and the positioning in the markets served as well as the anticipated impact of COVID-19, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. On this basis, the directors consider it appropriate for the financial information to be prepared on a going concern basis.

Consolidation

The financial statements contain information about Parametric Holdings (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the publicly available consolidated financial statements of its parent, PTC Inc., a company incorporated in the United States of America.

Notes to the financial statements

For the year ended 30 September 2020

3. Principal accounting policies

3.1. Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. Impairment reviews are conducted on an annual basis.

3.2. Investments

Investments are accounted for at cost less impairment in the individual financial statements. Impairment reviews are conducted on an annual basis.

3.3. Financial instruments

Basic financial instruments are measured at transaction price and subsequently measured at amortised cost using the effective interest method. A financial asset or liability that is repayable on demand is measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

3.4. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.5. Dividend income

Dividend income is recognised when the right to receive payment is established.

3.6. Impairments

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

3.7. Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Notes to the financial statements (continued)

For the year ended 30 September 2020

3. Principal accounting policies (continued)

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

3.8. Critical accounting judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

The most important accounting judgments and estimates that we made in preparing the financial statements involved:

- Valuation of investments

3.9. Foreign currency translation

Functional currency and presentation currency

In preparing the financial statements, transactions in currencies other than the functional currency of the company (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transactions and balances

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise.

Notes to the financial statements (continued)

For the year ended 30 September 2020

4. Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after:

	2020	2019
	\$'000	\$'000
Income from shares in group undertakings	6,196	
Impairment of investments	<u>(768)</u>	<u>-</u>

5. Interest receivable and similar charges

	Note	2020	2019
		\$'000	\$'000
Interest on intercompany loan to PTC Inc.	11	<u>-</u>	<u>4,395</u>

The interest rate is based on LIBOR plus 3%

6. Interest payable and similar charges

	Note	2020	2019
		\$'000	\$'000
Interest on intercompany loan with PTC (IFSC) Limited	12	<u>130</u>	<u>4,772</u>

The interest rate is based on LIBOR plus 3%

7. Directors emoluments and employee information

No directors are remunerated for their services as directors of Parametric Holdings (UK) Limited (2019: £nil). No directors were entitled to retirement benefits under any pension scheme at 30 September 2020 (2019: none). The directors are employed by the group and their services to the company are incidental.

The company has no other employees (2019: nil).

8. Auditors' remuneration

The audit fees for the company for the years ended 30 September 2020 and 30 September 2019 were paid by its subsidiary, Parametric Technology (UK) Limited. No recharge is made to the Company and it is not possible to apportion the auditors' remuneration in respect of the company.

Notes to the financial statements (continued)

For the year ended 30 September 2020

9. Tax on loss on ordinary activities

The tax credit is based on the profit/(loss) for the year and represents:

	2020	2019
	\$'000	\$'000
Analysis of tax credit for the period		
<i>Current tax</i>		
UK Corporation Tax at 19%	-	-
Group relief receivable	-	(72)
Total current tax credit	<u>-</u>	<u>(72)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Effect on tax rate change on opening balance	-	-
Total deferred tax charge	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(72)</u>
Provision for deferred tax		
<i>Movement in Provision</i>		
Provision at start of period	-	-
Deferred tax charged in Statement of comprehensive income for the period	-	-
Provision at end of period	<u>-</u>	<u>-</u>
Deferred tax liability not recognised (note 13)	<u>441</u>	<u>372</u>
	2020	2019
	\$'000	\$'000
Reconciliation of tax credit		
Profit / (Loss) on ordinary activities before tax	<u>5,297</u>	<u>(378)</u>
Tax on Profit / (Loss) on ordinary activities at standard Corporation Tax rate of 19% (2019: 19%)	1,006	(72)
Effects of:		
Expenses not deductible for tax purposes	(1,031)	-
Group relief (claimed)/surrendered	-	72
Payment/(receipt) for group relief	-	(72)
Deferred tax not recognised	25	-
Tax credit for the period	<u>-</u>	<u>(72)</u>

Notes to the financial statements (continued)

For the year ended 30 September 2020

10. Investments

Total fixed asset investments comprise:

	2020	2019
	\$'000	\$'000
Interests in subsidiaries	13,885	14,093
Other fixed asset investments	-	560
	<u>13,885</u>	<u>14,653</u>

Interests in subsidiaries

	Investments in subsidiaries \$'000
Cost	
At 1 October 2019	105,494
Additions	-
Disposal	-
At 30 September 2020	<u>105,494</u>
Provision for impairment	
At 1 October 2019	91,401
Impairment	208
Disposal	-
At 30 September 2020	<u>91,609</u>
Net book amount at 30 September 2020	<u>13,885</u>
Net book amount at 30 September 2019	<u>14,093</u>

All investments by the company are at cost less amounts written off due to permanent diminution in value.

Notes to the financial statements (continued)

For the year ended 30 September 2020

10. Investments (continued)

At 30 September 2019 the company had interests in the following subsidiaries:

Subsidiaries	Type of shares held	Proportion held (%)	Registered Office	Nature of business
Parametric Technology (UK) Limited	Ordinary	100%	Abbey House 282 Farnborough Road Farnborough, Hampshire	Software, maintenance and related services
PTC (IFSC) Limited	Ordinary	100%	North Wall Quay Dublin 1, Ireland	Internal Financing Services

The net income/(loss) for the year ended 30 September 2020 and aggregate capital and reserves for the subsidiary undertakings at 30 September 2020 were:

	2020		2019	
	Net income/(loss) for the financial year \$'000	Aggregate capital and reserves \$'000	Net income/(loss) for the financial year \$'000	Aggregate capital and reserves \$'000
Parametric Technology (UK) Limited	1,841	4,699	1,780	7,082
PTC (IFSC) Limited	6,335	21,073	2,799	14,737

An impairment of \$208k was recognised during the year related to the investment in Parametric Technology (UK) Limited. The value of PTC (IFSC) Limited is supported by the net assets in the subsidiary, therefore no impairment necessary.

Notes to the financial statements (continued)

For the year ended 30 September 2020

10. Investments (continued)

Other fixed asset investments

At 30 September 2020 the company had interests in the following other fixed asset investments:

	Outsource Technical Concepts Ltd \$'000
Cost	
At 30 September 2019 and at 30 September 2020	560
Additions	-
Impairment	560
Disposals	-
Net book amount at 30 September 2020	-

On 23 September 2016 the company subscribed €500,000 for 50,000 €1 convertible preference shares from Outsource Technical Concepts Limited, a private company limited by shares Incorporated in Ireland.

At 30 September 2020 the investment is held at cost less impairment. The investment will be valued at cost less impairment as fair value cannot be reliably determined. An impairment of \$560k has been recognised during the current financial year.

11. Debtors

	2020 \$'000	2019 \$'000
Amounts falling due within one year:		
Taxation	-	72
Amounts falling due after more than one year:		
Loan to PTC Inc.	-	-

Notes to the financial statements (continued)

For the year ended 30 September 2020

12. Creditors: amounts falling due after more than one year

	2020 \$'000	2019 \$'000
Intercompany loan	<u>0</u>	<u>6,165</u>

On 5 May 2015 Parametric Holdings (UK) Ltd entered an unsecured receiving loan agreement with PTC (IFSC) Limited of a total principal not to exceed \$100m. The interest rate is based on LIBOR plus 3%.

	2020 \$'000
At 30 September 2019	6,165
Intercompany loan	-
Interest	130
Repayment	<u>(6,295)</u>
At 30 September 2020	<u>0</u>

13. Deferred taxation

The unrecognised deferred taxation asset is as follows:

	2020 \$'000	2019 \$'000
Losses	<u>25</u>	<u>372</u>
Total deferred tax asset not recognised	<u>25</u>	<u>372</u>
At 1 October 2019	372	372
Losses and other deductions	25	-
Other deferred tax movements	<u>44</u>	<u>-</u>
At 30 September 2020	<u>441</u>	<u>372</u>

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

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%. At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

Notes to the financial statements (continued)

For the year ended 30 September 2020

14. Called up share capital

	2020	2019
	\$'000	\$'000
Allotted and fully paid:		
443,807 (2019: 443,807) ordinary shares of USD 1.51391 each	<u>672</u>	<u>672</u>

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the company.

15. Reserves

Share premium account

This reserve represents any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

This reserve represents the cumulative profits and losses.

16. Parent undertakings and ultimate controlling party

The immediate and ultimate parent undertaking, and the parent of the smallest and largest group for which group financial statements are prepared and of which Parametric Holdings (UK) Limited is a member, is PTC Inc., a company incorporated in the Commonwealth of Massachusetts.

Copies of these consolidated financial statements can be obtained from:

Parametric Technology (UK) Limited
Abbey House
282 Farnborough Road
Farnborough
Hampshire
England
GU14 7NA

PTC Inc. is the ultimate controlling party.

17. Related party disclosures

The company is a wholly owned subsidiary of PTC Inc., and as such has taken advantage of the exemption permitted by FRS 102 section 33 'Related party disclosures' not to provide disclosures of transactions entered into with wholly owned members of the group. The company undertakings are included within the consolidated financial statements of PTC Inc., which are publicly available and can be obtained from its registered office at Abbey House, 282 Farnborough Road, Farnborough, Hampshire, England, GU14 7NA.