

Company Registration No. 07238536 (England and Wales)

PERFICIENT UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



PERFICIENT UK LIMITED

COMPANY INFORMATION

Directors	P Martin R Coetzee S Adomite
Secretary	Taylor Wessing Secretaries Limited
Company number	07238536
Registered office	5 New Street Square London EC4A 3TW
Auditor	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford Oxfordshire OX2 7DY
Business address	Sandford Gate East Point Business Park Oxford OX4 6LB

PERFICIENT UK LIMITED

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PERFICIENT UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The company is part of the global Perficient Inc group, and principally acts as an intermediate holding company for subsidiaries that provide delivery services.

In 2021, Perficient Inc continued to implement a strategy focused on:

- expanding our relationships with existing and new clients;
- delivering solutions via our offshore and nearshore capabilities in our legacy business in Latin America, India, China, and Eastern Europe; and
- leveraging our existing (and pursuing new) strategic alliances by targeting leading business advisory companies and technology providers.

Effective December 31, 2022, the company underwent a group restructuring amongst our Latin American subsidiaries. The restructuring was in alignment of our strategy of using the company as a non-U.S. holding and acquiring company for entities in the Latin American region. As a result, the company made a dividend in specie by the transfer of the entire interest in One Button World LLC and Overactive Inc. to Perficient Inc., thereby realigning the company's focus as an intermediate holding company for subsidiaries that provide delivery services.

Principal risks and uncertainties

As the company principally acts as a holding company, the principal risk is the financial results of the subsidiaries. The results are used to ascertain if there are any indicators of impairment in the value of the investments held by Perficient UK Limited.

Key performance indicators

The company does not use key performance indicators. Perficient UK Limited's key role is that of a holding company for other trading entities in the group, as well as to act as a UK base for the global Perficient Inc group.

Promoting the success of the company

The company, as an intermediate holding company, has minimal employees and suppliers, and primarily serves Perficient Inc as its core customer and as such the directors primarily consider the interests of the shareholder and parent company, Perficient Inc, with regard to performing their duty on matters set out under Section 172. All key board decisions approved during the year were in line with the strategic goals of both the company and the parent company.

On behalf of the board

P Martin

Director

13 October 2023

PERFICIENT UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the provision of sales and technical support services in relation to the clinical trials industry for its parent company and third parties, as well as to act as an intermediate holding company for its group.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £40,500,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Martin
R Coetzee
S Adomite

Future developments

The parent company of Perficient UK Limited has a dedicated plan of growth through acquisition. Future acquisitions may result in growth in Perficient UK Limited.

Auditor

The auditor, Shaw Gibbs (Audit) Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The directors have reviewed the guidance and a detailed disclosure is not considered appropriate given the company only has a handful of employees and the nature of its business, it does not produce 40,000 KWh of energy.

PERFICIENT UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

P Martin
Director

13 October 2023

PERFICIENT UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERFICIENT UK LIMITED

Opinion

We have audited the financial statements of Perficient UK Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 December 2022 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.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

PERFICIENT UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PERFICIENT UK LIMITED

Matters on which we are required to report by exception

In the 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 strategic report or 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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, 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. 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

1. At the planning stage of the audit, we gain an understanding of the laws and regulations which apply to the company and how the directors seek to comply with those laws and regulations. This helps us to plan appropriate risk assessments.
2. During the audit, we focus on relevant risk areas and reviewed the compliance with the laws and regulations by making relevant enquiries from the directors and undertaking corroboration, for example by reviewing directors' minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertook the following procedures but were not limited to:
 - a. Reviewing the controls set in place by the directors;
 - b. Making enquiries of the directors as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging the directors' assumptions with regard to accounting estimates; and
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PERFICIENT UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PERFICIENT UK LIMITED

Use of our 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.

Samantha Daniels
Senior Statutory Auditor
For and on behalf of Shaw Gibbs (Audit) Limited

16 October 2023

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
Oxfordshire
OX2 7DY

PERFICIENT UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	968,965	1,212,735
Administrative expenses		(854,802)	(1,078,838)
Operating profit	4	114,163	133,897
Interest receivable and similar income	7	41,732,068	1,524,598
Interest payable and similar expenses	8	(204,309)	(57,935)
Impairment of investments		(43,860,000)	-
(Loss)/profit before taxation		(2,218,078)	1,600,560
Tax on (loss)/profit	9	5,487	(112,713)
(Loss)/profit for the financial year		(2,212,591)	1,487,847

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PERFICIENT UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		3,462		4,662
Investments	12		113,626,174		158,068,877
			<u>113,629,636</u>		<u>158,073,539</u>
Current assets					
Debtors	14	10,202,281		10,884,548	
Cash at bank and in hand		111,123		398,082	
		<u>10,313,404</u>		<u>11,282,630</u>	
Creditors: amounts falling due within one year	15	(9,146,941)		(11,013,537)	
Net current assets			<u>1,166,463</u>		<u>269,093</u>
Total assets less current liabilities			<u>114,796,099</u>		<u>158,342,632</u>
Creditors: amounts falling due after more than one year	16		(4,316,394)		(5,150,108)
Provisions for liabilities					
Deferred tax liability	18	658		886	
		<u>658</u>	<u>(658)</u>	<u>886</u>	<u>(886)</u>
Net assets			<u><u>110,479,047</u></u>		<u><u>153,191,638</u></u>
Capital and reserves					
Called up share capital	20		1,000		1,000
Equity reserve	21		151,278,755		151,278,755
Profit and loss reserves			(40,800,708)		1,911,883
Total equity			<u><u>110,479,047</u></u>		<u><u>153,191,638</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 October 2023 and are signed on its behalf by:

P Martin
Director

Company Registration No. 07238536

PERFICIENT UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Equity reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2021		1,000	70,134,569	424,036	70,559,605
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	1,487,847	1,487,847
Capital contribution made by the parent company		-	81,144,186	-	81,144,186
Balance at 31 December 2021		1,000	151,278,755	1,911,883	153,191,638
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(2,212,591)	(2,212,591)
Dividends	10	-	-	(40,500,000)	(40,500,000)
Balance at 31 December 2022		1,000	151,278,755	(40,800,708)	110,479,047

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Perficient UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 New Street Square, London, EC4A 3TW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare and deliver consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The company is a wholly owned subsidiary of Perficient, Inc. which is a publicly traded company in the United States with the registered office of 555 Maryville University Drive, Suite 600, Saint Louis, Missouri 63141. The financial statements of the company and its subsidiary undertakings are consolidated in the financial statements of Perficient, Inc. which can be obtained on the SEC.gov website using the company ticker symbol PRFT.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Loans to group undertakings are initially recognised at transaction price and subsequently remeasured using the effective interest method.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of investments

Management carry out a review of indicators of impairment in relation of investments in subsidiaries on an annual basis. In performing this review, management are required to make judgements as to whether the information considered (for example, recent results of the subsidiary) represents an indicator of impairment. Should indicators of impairment be noted, management then perform a detailed review of the value of the investments held in order to assess whether an impairment is required.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Management consultancy activities	968,965	1,212,735
	<u> </u>	<u> </u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United States of America	968,965	1,212,735
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other revenue		
Interest income	27	156,177
Dividends received	41,732,041	1,368,421
	<u> </u>	<u> </u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(13,058)	(80,273)
Fees payable to the company's auditor for the audit of the company's financial statements	14,100	10,000
Depreciation of owned tangible fixed assets	3,961	4,516
	<u> </u>	<u> </u>

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022 Number	2021 Number
7	7
<u>7</u>	<u>7</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	668,387	932,771
Social security costs	91,900	130,564
Pension costs	34,147	37,774
	<u>794,434</u>	<u>1,101,109</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	168,263	98,460
Company pension contributions to defined contribution schemes	3,607	3,332
	<u>171,870</u>	<u>101,792</u>

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	20	-
Other interest income	7	156,177
Total interest revenue	<u>27</u>	<u>156,177</u>
Income from fixed asset investments		
Income from shares in group undertakings	41,732,041	1,368,421
Total income	<u>41,732,068</u>	<u>1,524,598</u>

8 Interest payable and similar expenses

	2022 £	2021 £
Interest payable to group undertakings	204,309	57,935
	<u>204,309</u>	<u>57,935</u>

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(16,873)	45,150
Adjustments in respect of prior periods	(31,828)	-
Total UK current tax	(48,701)	45,150
Foreign current tax on profits for the current period	43,442	68,421
Total current tax	(5,259)	113,571
Deferred tax		
Origination and reversal of timing differences	(228)	(858)
Total tax (credit)/charge	(5,487)	112,713

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(2,218,078)	1,600,560
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(421,435)	304,106
Tax effect of expenses that are not deductible in determining taxable profit	8,333,580	206
Adjustments in respect of prior years	(31,828)	-
Dividend income	(7,929,088)	(260,000)
Deferred tax	(228)	(858)
Foreign tax	43,442	68,421
Depreciation add back net of capital allowances	70	838
Taxation (credit)/charge for the year	(5,487)	112,713

10 Dividends

	2022 £	2021 £
Interim paid	40,500,000	-

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2022	16,724
Additions	2,761
	<hr/>
At 31 December 2022	19,485
	<hr/>
Depreciation and impairment	
At 1 January 2022	12,062
Depreciation charged in the year	3,961
	<hr/>
At 31 December 2022	16,023
	<hr/>
Carrying amount	
At 31 December 2022	3,462
	<hr/>
At 31 December 2021	4,662
	<hr/>

12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	13	113,626,174	158,068,877
		<hr/>	<hr/>

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022	158,068,877
Valuation changes	(582,703)
At 31 December 2022	157,486,174
Impairment	
At 1 January 2022	-
Impairment losses	43,860,000
At 31 December 2022	43,860,000
Carrying amount	
At 31 December 2022	113,626,174
At 31 December 2021	158,068,877

The company impaired its investment balance in Izmul S.A. as a result of the group restructuring that took place during the year.

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Izmul S.A.	Uruguay	Technical Support	Ordinary	100.00	-
Productora de Software S.A.S.	Colombia	Technical Support	Ordinary	100.00	-
Perficient d.o.o. Novi Sad	Serbia	Technical Support	Ordinary	100.00	-
Talos Digital S.A.S.	Colombia	Technical Support	Ordinary	-	100.00
TCOMM S.A.S.	Colombia	Technical Support	Ordinary	-	100.00
Overactive SPA	Chile	Technical Support	Ordinary	-	100.00
Soft OA S.R.L.	Uruguay	Technical Support	Ordinary	-	100.00
Lundol Trade S.A.	Uruguay	Technical Support	Ordinary	-	100.00
Overactive S.A.S.	Colombia	Technical Support	Ordinary	-	100.00
First Plus Soft S.A.U.	Argentina	Technical Support	Ordinary	-	100.00

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	170,502	81,235
Corporation tax recoverable	40,731	-
Amounts owed by group undertakings	9,987,398	10,798,640
Other debtors	1,367	2,547
Prepayments and accrued income	2,283	2,126
	<u>10,202,281</u>	<u>10,884,548</u>

15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Loans from group undertakings	17	5,699	299,364
Trade creditors		2,313	3,264
Corporation tax		-	59,151
Other taxation and social security		24,886	27,986
Other creditors		9,076,315	10,554,526
Accruals and deferred income		37,728	69,246
		<u>9,146,941</u>	<u>11,013,537</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Loans from group undertakings	17	<u>4,316,394</u>	<u>5,150,108</u>

17 Loans and overdrafts

	2022	2021
	£	£
Loans from group undertakings	<u>4,322,093</u>	<u>5,449,472</u>
Payable within one year	5,699	299,364
Payable after one year	<u>4,316,394</u>	<u>5,150,108</u>

Loans from group undertakings relate to a loan payable to Perficient Inc which is unsecured with a maturity date of 13 Oct 2024, and the interest charged on the loan at 4% per annum.

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	658	886
	<u> </u>	<u> </u>
Movements in the year:		2022 £
Liability at 1 January 2022		886
Credit to profit or loss		(228)
		<u> </u>
Liability at 31 December 2022		658
		<u> </u>

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	34,147	37,774
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end, amounts payable to the pension schemes totalled £5,217 (2021: £5,723).

20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Equity reserve

The company received a loan of £Nil (2021: £81,144,186) from the parent company during the year to fund its investments. This loan was converted into capital contribution during the year, resulting in the year-end capital contribution of £151,278,755 (2021: £151,278,755).

22 Related party transactions

As a wholly owned subsidiary of Perficient Inc, the company has taken advantage of the exemption in FRS 102 Section 33.1A and has not disclosed transactions with entities which form part of the group detailed in note 24 and which are directly or indirectly owned by the parent company.

PERFICIENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Ultimate controlling party

The company is a wholly owned subsidiary of Perficient, Inc. which is a publicly traded company in the United States with the registered office of 555 Maryville University Drive, Suite 600, Saint Louis, Missouri 63141. Perficient, Inc. is the parent undertaking of the largest and smallest group within which the company belongs and for which group financial statements are prepared.

The financial statements of the company and its subsidiary undertakings are consolidated in the financial statements of Perficient, Inc. which can be obtained on the SEC.gov website using the company ticker symbol PRFT.

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