

Company Registration No. 00964286

Team Life Global Limited

Annual report and financial statements

For the year ended 31 December 2019



Team Life Global Limited

Annual report and financial statements for the year ended 31 December 2019

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Team Life Global Limited

Officers and professional advisers

Directors

T K Borisov (appointed 12 December 2019)
J Gautier (appointed 26 November 2019)
C S St J Kingston (resigned 26 November 2019)
P Lancaster (resigned 22 May 2019)
N S Yap (resigned 26 November 2019)

Company Secretary

P H Dipple
WPP Group (Nominees) Limited

Registered Office

Greater London House
Hampstead Road
London
NW1 7QP

Bankers

HSBC Bank PLC
62-76 Park Street
London
SE1 9DZ

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Team Life Global Limited

Directors' report (continued)

The directors present their Annual report and the audited financial statements for the year ended 31 December 2019.

The company has taken advantage of the exemption from preparing a strategic report available under section 414(b) of the Companies Act 2006.

Company information

Team Life Global Limited (registered number 00964286) is a private company limited by shares. The company is registered in England and Wales and has its registered office at Greater London House, Hampstead Road, London NW1 7QP.

Business review, principal activities and future outlook

The company is a wholly owned subsidiary of WPP plc and operates as part of the group's Advertising and Media Investment Management sector.

The principal activity of the company is to act as advertising agents and consultants in the UK and the rest of the world.

The income statement on page 8 of the financial statements discloses a loss before tax of £626,562 (2018: profit of £650,639).

The balance sheet on page 9 of the financial statements shows that the company held cash of £7,770,972 (2018: £11,982,826), net current assets of £6,548,331 (2018: £7,230,532) and net assets of £6,548,331 (2018: £7,231,204).

The company paid no interim dividends to the ordinary £1 shareholder in 2019 and 2018 and no final dividend is proposed (2017: £nil).

It is anticipated that the company will have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited.

Post balance sheet events

Details of events impacting the company after the balance sheet date of 31 December 2019 are reflected in note 19 Post balance sheet events.

Key performance indicators

The WPP plc group manages its operations on a network basis. For this reason, the company's directors believe that any further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the advertising sector of WPP plc, which includes the company, is discussed in the WPP plc Annual report which does not form part of this report.

Going concern

As stated in the Business review, principle activities and future outlook above, it is intended the company will have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited. The financial statements have thus been prepared on a basis other than that of the going concern. This basis includes consideration by the Directors whether writing down the company assets to net realisable value and providing for the costs of terminating the business is appropriate. It was concluded no write-downs or additional provisions were required for the financial year ended 31 December 2019.

Covid-19

The coronavirus pandemic has touched all our lives. For the WPP plc group and the company, the first priority is the wellbeing of our people and doing what we can to limit the impact of the virus on society. The second priority has been the continuity of service for our clients. We have thrown ourselves into achieving both objectives.

To ensure the safety of employees and to help reduce transmission, the WPP plc group outlined a global policy of managed remote working from mid-March 2020, which included employees of the company.

Team Life Global Limited

Directors' report (continued)

Covid-19 (continued)

The Directors will continue to monitor, review and take appropriate steps to respond to the impact of the pandemic in the company as well as recognizing and addressing the other current and emerging risks and uncertainties we face as a business.

However, as the company is anticipated to have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited, the impact of the Covid-19 pandemic on the company is anticipated to be limited.

External stakeholder engagement

The company recognises the importance of its continued partnerships with its wider stakeholders including suppliers and customers. The company aims to have an open and transparent relationship which is based on honesty and respect. The company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

A detailed statement on the WPP plc group's external stakeholder engagement can be found in the WPP plc annual report which does not make up part of this report.

Financial risk management and principal risks

The financial risks facing the company as a result of its activities and the management of those risks are described below.

Covid-19 Pandemic

The coronavirus pandemic is adversely affecting and is expected to continue to adversely affect the industry business, revenues, results of operations, financial conditions and prospects.

We are continuing to manage the risk by constantly monitoring our working capital position, supporting actions to maintain liquidity including cost reductions and cash conservation.

The majority of our employees are working remotely and maintaining services to our clients and using creativity to support clients to adjust their communications, and support governments and non-governmental organisations in mitigating the impact of Covid-19.

However, as the company is anticipated to have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited, the financial risks faced by the company as a result of the Covid-19 pandemic are anticipated to be limited.

Client loss

We compete for clients in a highly competitive industry which has been evolving and undergoing structural change and is being adversely affected by the Covid-19 pandemic.

There are a range of impacts on our clients globally as a consequence of the Covid-19 pandemic. There is an increasing volume of cancellations in short term media and a decline in project and retained work. New business pitches continue where the process was underway, but there is uncertainty over the future pipeline.

The risk of client loss or reduction in marketing budgets has increased significantly.

The company manages the risk of client loss by providing value adding services, continuously improving our creative capabilities, and by seeking to secure long-term client relationships.

However, as the company is anticipated to have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited, the risks of client loss faced by the company as a result of the Covid-19 pandemic are anticipated to be limited.

Team Life Global Limited

Directors' report (continued)

Financial risk management objectives and principal risks (continued)

Cyber security and Information Technology staff

The company is reliant on third parties for the performance of a significant portion of our worldwide information technology and operations functions. A failure to provide these functions could have an adverse effect on our business.

A cyber-attack could result in disruption to our business or compromise the security of data.

These could all have a legal, financial or reputational consequence on the company.

With the majority of our employees working remotely as a consequence of the Covid-19 pandemic, there is the potential of an increased risk of compromised data security and cyber-attacks.

The company mitigates the risk of cyber-security and information technology breaches by adhering to strict information security protocol and by monitoring and logging out network and systems. We are also raising our employee's security awareness through our training.

Cash flow and liquidity risk

The directors do not believe that the company is exposed to any significant cash flow or liquidity risk. The company currently has sufficient cash to fund its activities. However, in the event that additional liquidity were to be required for ongoing operations and future developments, the company participates in group banking arrangements with its parent, WPP plc, and has access to a group cash management facility.

Credit risk

The company is subject to credit risk through the default of a client or other counterparty.

The company commits to media and production purchases on behalf of some of our clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look at us to pay those amounts and there could be an adverse effect on our working capital and cash flow.

A significant number of our clients and suppliers are adversely financially impacted by the Covid-19 pandemic and economic activity across markets in periods of lockdown. Clients may seek to renegotiate payment terms, ask for discounts or fail to honour their payment obligations which would have an adverse impact on our working capital and operating cash flow.

We are working closely with our clients during this period of economic uncertainty to ensure timely payment of services in line with contractual commitments and with vendors to maintain the settlement flow on media.

There is increased management processes to manage working capital and review cash outflows and receipts during the Covid-19 pandemic. Client's ongoing creditworthiness is evaluated and monitored – and, when appropriate, credit insurance or payments in advance requested.

The company's principal financial assets are its bank balances, trade, intercompany and other receivables. The company's main credit risk is primarily attributable to its key trade and intercompany receivables. The company has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and clients. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Currency risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Foreign currency transactions are where possible kept to a minimum and are in stable currencies. The company, through WPP 2005 Ltd's treasury function, uses currency hedging on its financial activities when appropriate. The directors keep the situation under review and consult with the WPP 2005 Ltd treasury team with regard to appropriate risk management.

Team Life Global Limited

Directors' report (continued)

Directors

The directors of the company who served during the year and subsequent to the year-end are set out on page 1.

Directors' indemnities

The ultimate parent company, WPP plc, has made qualifying third-party indemnity provisions for the benefit of the company directors. These provisions were made during the year and remain in force at the date of this report.

Auditor

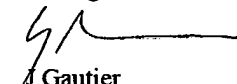
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


J. Gautier
Director

18 November 2020

Team Life Global Limited

Directors' responsibilities statement

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), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

Team Life Global Limited

Independent auditor's report to the members of Team Life Global Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Team Life Global Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter

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 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 respect of these matters.

Team Life Global Limited

Independent auditor's report to the members of Team Life Global Limited (continued)

Report on the audit of the financial statements (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Team Life Global Limited

Independent auditor's report to the members of Team Life Global Limited (continued)

Report on the audit of the financial statements (continued)

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.



Jon Young (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
18 November 2020

Team Life Global Limited

Income statement For the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover	3	1,951,956	5,046,542
Administrative expenses		(2,576,861)	(4,393,919)
Operating (loss) / profit	4	(624,905)	652,623
Interest receivable and similar income	8	608	417
Interest payable and similar expenses	9	(2,265)	(2,401)
(Loss) / profit before taxation		(626,562)	650,639
Tax on (loss) or profit	10	-	-
(Loss) / profit for the financial year attributable to owners of the Company		(626,562)	650,639

Revenue and operating (loss) / profit were all derived from continuing operations. All operations of the company were continuing operations throughout both years.

There are no other comprehensive income or expenses in either the current or the previous year other than the profit for the financial years ended 31 December 2019 and 31 December 2018 as stated above. Therefore no statement of total comprehensive income is required.

The accompanying notes form an integral part of this income statement.

Team Life Global Limited

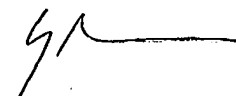
Balance sheet As at 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	12	-	672
		<u>-</u>	<u>672</u>
Current assets			
Debtors	13	1,154,013	1,879,223
Cash at bank and in hand		7,770,972	11,982,826
		<u>8,924,985</u>	<u>13,862,049</u>
Creditors: amounts falling due within one year	14	<u>(2,376,654)</u>	<u>(6,631,517)</u>
Net current assets		<u>6,548,331</u>	<u>7,230,532</u>
Total assets less current liabilities		<u>6,548,331</u>	<u>7,231,204</u>
Net assets		<u>6,548,331</u>	<u>7,231,204</u>
Capital and reserves			
Called-up share capital	15	2,000	2,000
Capital contribution reserve	16	275,444	331,755
Profit and loss account		6,270,887	6,897,449
Shareholder's funds		<u>6,548,331</u>	<u>7,231,204</u>

The accompanying notes are an integral part of the financial statements.

The financial statements of Team Life Global Limited, registered number 00964286 were approved by the Board of Directors and authorised for issue on 18 November 2020.

Signed on behalf of the Board of Directors


J Gautier
Director

Team Life Global Limited

Statement of changes in equity For the year ended 31 December 2019

	Note	Called-up share capital £	Capital contribution reserve £	Profit and loss account £	Total £
Balance at 1 January 2018		2,000	243,573	6,246,810	6,492,383
Profit and total comprehensive income for the year		-	-	650,639	650,639
Capital contribution for equity-settled share-based payments	7	-	88,182	-	88,182
Balance at 31 December 2018		<u>2,000</u>	<u>331,755</u>	<u>6,897,449</u>	<u>7,231,204</u>
Loss and total comprehensive expense for the year		-	-	(626,562)	(626,562)
Capital contribution for equity-settled share-based payments	7	-	(56,311)	-	(56,311)
Balance at 31 December 2019		<u>2,000</u>	<u>275,444</u>	<u>6,270,887</u>	<u>6,548,331</u>

Team Life Global Limited

Notes to the financial statements For the year ended 31 December 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

Team Life Global Limited is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act 2006. The company is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' report on pages 2 and 3.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, share-based payments, impairment of assets, related party transactions and certain disclosures required by IFRS15 and IFRS16. Where required, equivalent disclosures are given in the group financial statements of WPP plc. The group financial statements of WPP plc are available to the public and can be obtained as set out in note 18.

Adoption of new and revised standards

In the year ended 31 December 2019, the company has adopted the following Standards and Interpretations which became mandatorily effective from 1 January 2019:

- IFRS 16 Leases

The company's accounting policy for Leases is disclosed in detail below. Apart from providing more extensive disclosures for these transactions, the Directors confirm the application of IFRS16 has not had a significant impact on the financial position and / or financial performance of the company and has not warranted any re-statement of Revenue, Profit or Loss, Balance Sheet, or Statement of changes in equity for the years ended 31 December 2018 or 31 December 2017.

IFRS16 Leases

IFRS16 is effective from 1 January 2019. The standard eliminates the classification of leases as either operating or finance leases and introduces a single accounting model. Lessees are required to recognise a right-of-use asset and related lease liability for their operating leases and show depreciation of leased assets and interest on lease liabilities separately in the income statement. IFRS16 required the company to recognise substantially all of its operating leases on the balance sheet.

The company adopted IFR16 effective 1 January 2019 on a modified retrospective basis and applied the standard retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to retained earnings. Accordingly, prior year information has not been restated and will continually to be reported under IAS17: Leases. The right-of-use asset and lease liability have initially been measured at the present value of the remaining lease payments, with the right-of-use asset being subject to certain adjustments. For certain leases the right-of-use asset was measured as if the standard had been applied from the lease commencement date and for others the right-of-use asset was set equal to the lease liability.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

Adoption of new and revised Standards (continued)

IFRS16 Leases (continued)

When applying IFRS16, the Group has applied the following practical expedients on transition date:

- Reliance on the previous identification of a lease (as provided by IAS17) for all contracts that existed on the date of initial application;
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review;
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of the initial application;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- The use of hindsight, such as determining the lease term if the contract contains options to extend or terminate the lease.

At the inception of a lease contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The assets are depreciated over the term of the lease using the straight-line method. The lease term includes periods covered by an option to extend if the company is reasonably certain to exercise that option. Right-of-use assets are reviewed for indicators of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate for the same term as the underlying lease. Lease payments included in the measurement of lease liabilities comprise fixed payments less any lease incentives receivable and variable lease payments that depend on index or a rate as at the commencement date. Lease modifications result in measurement of the lease liability.

Depreciation is recognised in operating costs and interest expense is recognised under finance costs.

The company has elected to use the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The payments associated with these leases are recognised as administrative costs on a straight-line basis over the lease term.

The company held no lease contracts for property, office equipment or motor vehicles at 1 January 2019 and 31 December 2019. The Directors have concluded that the initial application of IFRS 16 has had no impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income.

IFRS9 Financial instruments

The company has adopted IFRS9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The company has elected not to restate comparatives in accordance with the transition provisions of IFRS9.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

IFRS9 Financial instruments (continued)

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The directors of the Company have reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost; and,
2. Trade debtors and contract assets.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade debtors and contract assets in certain circumstances.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial assets.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

IFRS9 Financial instruments (continued)

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

IFRS15 Revenue from Contracts with Customers

The company has adopted IFRS15 Revenue from Contracts with Customers from 1 January 2018. This new standard establishes a five-step model where consideration received or expected to be received is recognised as revenue when contractual performance obligations are satisfied by transferring control of the relevant goods or services to the customer. The adoption of IFRS15 did not have a significant impact on the timing of the company's revenue recognition or the company's equity.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet. The Company has adopted the terminology used in IFRS 15 to describe such balances.

The Company's accounting policies for its revenue streams are disclosed in detail below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

For certain of the company's contracts, the adoption of IFRS15 prompted a review of the company's accounting for certain third-party costs. Third-party costs are included in revenue when the company acts as principal with respect to the services provided to the client and are excluded when the company acts as agent. Under IFRS15 the principal versus agent assessment is based on whether the company controls the relevant services before they are transferred to the client. The company has concluded that no adjustment to Revenue computation in respect of third party costs is required as a result of the adoption of IFRS15.

Going concern

As stated in the Directors report above, it is intended the company will have ceased trading by 31 December 2020. The financial statements have thus been prepared on a basis other than that of the going concern basis. This basis includes consideration by the Directors whether writing down the company assets to net realisable value and providing for the costs of terminating the business is appropriate. It was concluded no write-downs or additional provisions were required for the financial year ended 31 December 2019.

Tangible fixed assets

Leasehold improvements, fixtures, fittings and equipment are stated at historical cost less accumulated depreciation. Depreciation is recognised on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset on a straight-line balance basis over its expected useful life, as follows:

Leasehold improvements	10% per annum or evenly over the remaining life of the lease
Computer equipment	33.3% per annum
Fixtures, fittings and equipment	10% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any change in estimate accounted for on a prospective basis.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

Tangible fixed assets (continued)

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment of tangible assets

At each balance sheet 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Work in progress comprises costs incurred on behalf of clients.

Taxation

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

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the ultimate parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

Team Life Global Limited

Notes to the financial statements (continued) **For the year ended 31 December 2019**

1. Accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Revenue recognition

The company recognises revenue from the provision of advertising services. The terms of the company's contracts for the provision of advertising services can vary in accordance with client needs and regulatory requirements. Consistent with the industry, contracts are typically short term in nature and tend to be cancellable by either party with 90 days notice. The company is generally entitled to payment for work done to date.

The company is generally paid in arrears for its services, invoices are typically payable between 30-60 days.

Revenue is stated net of VAT and trade discounts.

Revenue is measured based on the consideration to which the company expects to be entitled in a contract and excludes amounts collected on behalf of third parties. The company recognizes revenue when it transfers control of a service to the customer.

Where a contract has only been partially completed at the balance sheet date revenue represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Contract Liabilities and included as part of Creditors due within one year.

Pension costs

For defined contribution schemes the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

Foreign currency (continued)

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Finance costs

As explained below, where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets such as trade receivables, loans, and other receivables are recognized and derecognized on a trade date basis. Loans and receivables are measured at fair value using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

Lifetime expected credit loss represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit loss represents the portion of lifetime expected credit loss that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under

Team Life Global Limited

Notes to the financial statements (continued) **For the year ended 31 December 2019**

1. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Write-off policy (continued)

the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities such as trade creditors, loans, and other payables are recognized and derecognized on a trade date basis. Loans and payables are measured at fair value using the effective interest method, less any derecognition. Interest expense is recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial.

Derecognition of Financial Liabilities

In accordance with IFRS9 Financial Instruments, a financial liability of the company is only released to the income statement when the underlying legal obligation is extinguished.

Share-based payments

The ultimate parent company, WPP plc, has granted rights to its equity instruments to certain employees of the company. This share-based compensation is accounted for as equity-settled in the consolidated financial statements of the parent. FRS 101 (Share-based payments) requires the company to record an expense for such compensation (see note 13) with a corresponding increase in equity as a contribution from the parent.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The fair value determined at grant date is recognized in the income statement as an expense on a straight-line basis over the relevant vesting period, based on the company's estimate of the number of shares that will ultimately vest and adjusted for, based on management's best estimate, the effects of non-transferability, exercise restrictions, and behavioural considerations.

Accrued and deferred income

Accrued income is classified as Contract assets and recorded within Current assets- Debtors. Accrued income is recognized when a performance obligation has been satisfied but was not yet billed. Contract assets are transferred to receivables when the right to consideration is unconditional as billed as per the terms of the contractual agreement.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1. Accounting policies (continued)

Accrued and deferred income (continued)

Deferred income is classified as Contract liabilities and recorded within Creditors: amounts falling due within one year. Deferred income is recognized when payments are received from customers or amounts billed with an unconditional right to receive consideration prior to satisfaction of performance obligations. These payments are typically related to payments for third party expenses that are incurred shortly after billing.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in IFRS 15 *Revenue from Contracts with Customers* and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Where a contract has only been partially completed at the balance sheet date, revenue represents the value of the service provided to date based on a proportion of the total contract value. Revenue is only recognised where there is persuasive evidence that an arrangement exists; a service has been rendered; the seller's price to the buyer is fixed or determinable; and collectability is reasonably assured.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the company's accounting policies (continued)

Revenue recognition (continued)

There are no key sources of estimation uncertainty in the financial statements.

3. Turnover

An analysis of the Company's turnover is as follows:

	2019 £	2018 £
Continuing operations		
Rendering of advertising services	1,951,956	5,046,542
	<u>1,951,956</u>	<u>5,046,542</u>

An analysis of the Company's turnover by geographical market is set out below.

	2019 £	2018 £
Turnover		
United Kingdom	852,948	410,925
Rest of Europe (excluding the United Kingdom)	1,099,008	4,635,617
	<u>1,951,956</u>	<u>5,046,542</u>

4. Operating profit

	2019 £	2018 £
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	275	411
Intercompany Time of Staff Charge	758,259	1,249,081
Intercompany Services and Facilities recharge	819,197	1,266,370
Auditor's remuneration:		
- Fee payable for the audit of the company's annual financial statements	10,000	9,000
	<u>10,000</u>	<u>9,000</u>

No amounts have been paid to the company's auditor in respect of non-audit services in the year (2018: £nil).

5. Staff costs

The monthly average number of persons employed by the company (including executive directors) during the year, calculated in accordance with the requirements of the Companies Act 2006, was as follows:

	2019 Number	2018 Number
Production	4	9
	<u>4</u>	<u>9</u>

Their aggregate remuneration comprised:

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

5. Staff costs (continued)

	2019 £	2018 £
Employee costs during the year amounted to:		
Wages and salaries	718,702	1,110,808
Social security costs	94,102	135,788
Other pension costs	34,756	48,567
	<u>847,560</u>	<u>1,295,163</u>

6. Directors' remuneration

The remuneration of the directors attributable to the company was as follows:

	2019 £	2018 £
Emoluments	184,151	180,500
Company contributions to money purchase pension schemes	42,510	13,530
	<u>226,661</u>	<u>194,030</u>

All remuneration expenses in 2019 and 2018 were borne by Wunderman Thompson (UK) Limited (formerly J. Walter Thompson Group Limited), a subsidiary of the ultimate parent company, WPP plc and WPP plc. None of the directors' services were specifically attributable to the company.

The above amounts exclude the value of restricted stock awards or share options received under long-term incentive schemes (2019 £nil, 2018: £48,258). These amounts were borne by another group company. No director exercised share options during the year (2018: none) and no share options were received under long-term incentive schemes by any director (2018: none). Restricted stock awards were received under long-term incentive schemes by one director (2018: two).

Pensions

The number of directors who were members of pension schemes was as follows;

	2019 Number	2018 Number
Money purchase schemes	<u>1</u>	<u>1</u>

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2019 £	2018 £
Emoluments	184,151	180,500
Company contributions to money purchase pension schemes	42,510	13,530
	<u>226,661</u>	<u>194,030</u>

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

7. Share-based payments

The company has charged the following amounts to the income statement in the current and prior years in relation to equity-settled share-based payments.

	2019 £	2018 £
Share options		
WPP Worldwide Share Ownership Plan	1,433	1,781
Restricted stock		
WPP Leaders, Partners and High Potential Group	(50,978)	51,058
WPP Other Long-Term Incentive Plans	(6,766)	35,343
	<u>(56,311)</u>	<u>88,182</u>

These amounts have been credited (2019) and debited (2018) to Equity as a Parent Company Capital contribution in accordance with FRS 101 Share-based payments (see Note 16: Other Reserves). A review of the forfeiture rates applied to each share option and restricted stock plan is also reflected in the computation of the current and prior year charges.

Share option plan

The Company became a participant in a share option plan scheme for all employees in 2015.

Options are exercisable on the shares of the ultimate parent company at a price equal to the estimated fair value of the parent company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Company before the options vest.

There were no share options exercised in 2019 or 2018. The options outstanding at 31 December 2019 had exercise prices ranging from £6.2675 to £17.055 (31 December 2018 from £6.2675 to £17.055) and a weighted average remaining contractual life of 87 months (2018: 92 months). In 2019, options were granted on December 5 2019 (2018: December 6 2018). The estimated fair value of the options granted on this date is £1.17 (2018: £1.07.)

Terms of share option plan

WPP Worldwide Share Ownership Plan

The WPP Worldwide Share Ownership Plan is open to employees with at least two years' employment in a company owned by WPP plc. It is not available to those participating in other share-based incentive programmes or to executive directors. The vesting period for each grant is three years and there are no performance conditions other than continued employment with a WPP plc company.

Stock options for the plan have a life of ten years, including the vesting period. The terms of those stock options with performance conditions are such that, if after nine years and eight months, the performance conditions have not been met, then the stock option will vest automatically. All stock options are satisfied out of newly issued shares in WPP plc.

	At 1 January 2019 Number	Granted number	Exercised number	Lapsed/ transferred number	Outstanding at 31 December 2019	Exercisable at 31 December 2019
WPP Worldwide Share Ownership Plan	5,000	875	-	750	5,125	2,500
	<u>5,000</u>	<u>875</u>	<u>-</u>	<u>750</u>	<u>5,125</u>	<u>2,500</u>
Weighted-average exercise price	£13.2006	£9.60	-	£13.042	£12.6487	£9.9735

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

7. Share-based payments (continued)

Terms of share option plan (continued)

WPP Worldwide Share Ownership Plan (continued)

The inputs into the Black Scholes Valuation Model are as follows:

	2019	2018
Weighted Average Share Price	£ 9.938	£11.5560
Weighted Average Exercise Price	-	-
Expected volatility	24%	24%
Expected life (months)	48	48
UK Risk-free interest rate	0.57%	0.78%
Expected dividend yield	3.80%	3.50%

Expected volatility is sourced from external market data and represents the historical volatility in the WPP plc share price over a period equivalent to the expected option life. Expected life is based on a review of historical exercise behaviour in the context of the contractual terms of the options, as described in more detail above.

Restricted stock plans

The Company became a participant in restricted stock plans in 2015.

Certain employees participate in restricted stock plans, which are satisfied by the delivery of stock from one of the WPP plc ESOP trusts. The most significant scheme is:

Leaders, Partners and High Potential Group

Vesting is conditional on continued employment over a three-year vesting period.

For restricted stock awards, the number of shares granted for these schemes and the weighted average fair value of these grants was as follows:

	2019	2018
Leaders, Partners and High Potential Group		
Number of shares granted	-	4,684
Weighted average fair value at grant date (pence per share)	-	8372p
Other Short Term Incentive Plans		
Number of shares granted	-	3,018
Weighted average fair value at grant date (pence per share)	-	12380p

8. Interest receivable and similar income

	2019 £	2018 £
Bank interest receivable	608	417
	<u>608</u>	<u>417</u>

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	(2,265)	(2,401)
	<u>(2,265)</u>	<u>(2,401)</u>

10. Tax on (loss) / profit

i) Current tax on (loss) / profit

- There was no tax charge in either year.

Corporation tax payable is payable at 19% (2018: 19%) on taxable profits for the year. However, losses are available from other group companies to reduce taxable profits to nil under the group relief provisions. There is no corresponding payment by the claimant company for the losses.

The charge for the year, based on the UK standard rate of corporation tax is 19% (2018: 19%). The change in the rate is due to the decrease in the standard rate of corporation tax from 20% to 19%, effective from 1 April 2017. A reconciliation of the tax charge calculated using this standard rate, and the actual charge, is shown below:

	2019 £	2018 £
(Loss) / profit before taxation	(626,562)	650,639
Tax on profit at standard rate of 19% (2018: 19%)	(119,047)	123,621
Factors affecting charge for the year:		
Rate change on temporary differences	(10,710)	14,633
Depreciation in excess of capital allowances	-	78
Expenses not deductible for tax purposes	(2,381)	1,850
Movements in short term timing differences	-	-
Adjustments to tax charge in respect of group relief	132,138	(140,182)
Current tax on (loss) / profit for the year	<u>-</u>	<u>-</u>

ii) Factors that may affect future tax charge

The UK corporation tax rate for the year ended 31 December 2019 is 19%. Further reductions to 17% to be effective from 1 April 2020 were enacted as part of the Finance Act 2017 on 27 April 2017. A further change to the UK tax rate was substantively enacted on 17 March 2020 reversing the reductions to 17% meaning the applicable rate from 1 April 2020 remains at 19%. However, as this change was substantively enacted after the balance sheet date the rate used for deferred tax purposes is 17%.

11. Dividends on equity shares

The company paid no interim dividends to its ordinary shareholders in 2019 or 2018, and no final dividend was declared in either year.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

12. Tangible assets

	Computers £	Total £
Cost or valuation		
At 1 January 2019	1,369	1,369
Additions	-	-
Disposals	(1,099)	(1,099)
At 31 December 2019	270	270
Depreciation		
At 1 January 2019	697	697
Charge for the year	275	275
Depreciation on disposed asset	(702)	(702)
At 31 December 2019	270	270
Net book value		
At 31 December 2018	672	672
At 31 December 2019	-	-

13. Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,151,350	1,733,974
Amounts owed by WPP plc group undertakings	2,663	15,180
Amounts owed by WPP plc group associate parties	-	2,080
VAT	-	122,387
Contract assets	-	5,602
	1,154,013	1,879,223

The company considers that the carrying amount of trade and other receivables approximates their fair value.

Amounts owed by WPP plc group undertakings and WPP plc group associate parties are unsecured, interest free and receivable on 30 days net terms.

Contract assets represent accrued income. Accrued income is recognized when a performance obligation has been satisfied but was not yet billed. Contract assets are transferred to receivables when the right to consideration is unconditional as billed as per the terms of the contractual agreement.

Team Life Global Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts falling due within one year:		
Trade creditors	7,985	176,800
Amounts owed to WPP plc group undertakings	790,825	3,219,534
Amounts owed to WPP plc group associate parties	225,456	682,655
VAT	124,688	-
Taxation and social security	4,197	3,000
Contract liabilities	46,983	39,914
Accruals	1,176,520	2,509,284
	<u>2,376,654</u>	<u>6,631,517</u>

The company considers that the carrying amount of trade and other payables approximates their fair value.

Amounts owed to WPP plc group undertakings and WPP plc group associate parties are unsecured, interest free and payable on 30 days net terms.

Contract liabilities represent deferred income. Deferred income is recognized when payments are received from customers or amounts billed with an unconditional right to receive consideration prior to satisfaction of performance obligations. All of the contract liabilities at 31 December 2018 have been recognized in the year ended 31 December 2019.

15. Called-up share capital

	2019 £	2018 £
Authorised, called up, allotted and fully paid equity share capital		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

16. Capital contribution reserve

	2019 £	2018 £
Capital contribution from ultimate parent company		
	<u>275,444</u>	<u>331,755</u>
	<u>275,444</u>	<u>331,755</u>

The ultimate parent company, WPP plc, has granted rights to its equity instruments to certain employees of the company. This share-based compensation is accounted for as equity-settled in the consolidated financial statements of the parent. FRS 101 (Share-based payments) requires the company to record an expense for such compensation (see note 7) with a corresponding increase in equity as a contribution from the parent.

17. Related party transactions

The company has taken advantage of the exemption provided by FRS 101:8(k) not to disclose the details of transactions with related parties. The company and all companies with whom related party transactions took place in the year are ultimately 100% owned by WPP plc, the consolidated financial statements of which are publicly available.

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Notes to the financial statements (continued) For the year ended 31 December 2019

17. Related party transactions (continued)

Trading transactions and balances at 31 December 2019 and 31 December 2018 with associate companies of WPP plc are summarised below.

Trading transactions

During the year, the company entered into the following trading transactions with associate companies:

	Sale of services		Purchase of service	
	2019	2018	2018	2018
	£	£	£	£
Associates	10,724	23,590	1,369,261	2,230,012

The following amounts were outstanding at the balance sheet date:

	Sale of services		Purchase of service	
	2019	2018	2019	2018
	£	£	£	£
Associates	-	2,405	221,010	351,298

Sales to and purchases from related and associate parties were made at the company's usual list prices.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

18. Controlling party

The directors regard Garrott Dorland Crawford Holdings Limited, a company incorporated in Great Britain and registered in England and Wales as the immediate parent company and WPP plc, a company incorporated in Jersey and the ultimate parent company and ultimate controlling party.

The parent undertaking of the largest group, which includes the company and for which group financial statements are prepared, is WPP plc, a company incorporated in Jersey. The registered office of WPP plc is Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES.

The parent undertaking of the smallest such group is WPP Jubilee Limited, a company incorporated in Great Britain. The registered office of WPP Jubilee Limited is 27 Farm Street, London W1J 5RJ.

Copies of the group financial statements of WPP plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

Copies of the group financial statements of WPP Jubilee Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

19. Post balance sheet events

Covid-19

In the period since 31 December 2019, the emergence and spread of Covid-19 has impacted the WPP plc group and its clients. The coronavirus pandemic is adversely affecting and is expected to continue to adversely affect the WPP plc group business, revenues, results of operations, financial condition and prospects.

However, as stated in the Directors report – Business review, principal activities and future outlook, it is anticipated that the company will have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited. As such, the impact of Covid-19 on the company is anticipated to be limited.

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Notes to the financial statements (continued) For the year ended 31 December 2019

19. Post balance sheet event (continued)

Brexit

The United Kingdom left the European Union on 31 January 2020 and is in a transition period until 31 December 2020. This has also created a degree of caution within the business community which may translate into less certainty on revenue earned by the company. The situation will be continuously monitored by management with appropriate actions taken as required.

However, as stated in the Directors report – Business review, principal activities and future prospects, it is anticipated that the company will have ceased trading by 31 December 2020 with the company's operations integrated with Wunderman Thompson (UK) Limited. As such, the impact of Brexit on the company is anticipated to be limited.