

Lifeworks Corporation Ltd

Annual Report and Financial Statements
for the Year Ended 31 December 2020

Lifeworks Corporation Ltd

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Lifeworks Corporation Ltd

Company Information

Directors	G Colter A Andreou P Mullen
Company secretary	Vistra Cossec Limited S Marsh
Registered office	Suite 1, 3rd Floor 11-12 St James's Square, London SW1Y 4LB
Auditors	Thomas Alexander & Co Ltd 590 Green Lanes Palmers Green London N13 5RY

Lifeworks Corporation Ltd

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The Company holds investments in the following wholly owned subsidiaries: LifeWorks.com Pty Ltd and LifeWorks (U.K.) Ltd (formerly Morneau Shepell (UK) Ltd).

Principal risks and uncertainties

The management of the business is subject to the risk related to the recoverability of the investments in its wholly owned subsidiaries, which is dependent on the financial performance of each subsidiary.

Approved by the Board on 20 September 2021 and signed on its behalf by:

.....
G Colter
Director

Lifeworks Corporation Ltd

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the company

The directors who held office during the year were as follows:

G Colter (appointed 16 September 2020)

A Andreou (appointed 16 September 2020)

P Mullen (appointed 16 September 2020)

S Liptrap (resigned 16 September 2020)

S Milligan (resigned 16 September 2020)

S Marsh (resigned 16 September 2020)

Important non adjusting events after the financial period

The future impact of uncertainties around the outbreak of the Covid-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the reported amounts of assets and liabilities in the financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Thomas Alexander & Co Ltd are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 20 September 2021 and signed on its behalf by:

.....
G Colter
Director

Lifeworks Corporation Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Lifeworks Corporation Ltd

Independent Auditor's Report to the Members of Lifeworks Corporation Ltd

Opinion

We have audited the financial statements of Lifeworks Corporation Ltd (the 'company') for the year ended 31 December 2020, which comprise the Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its results 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 director's 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 original financial statements were 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 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 this regard.

Lifeworks Corporation Ltd

Independent Auditor's Report to the Members of Lifeworks Corporation Ltd

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Lifeworks Corporation Ltd

Independent Auditor's Report to the Members of Lifeworks Corporation Ltd

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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.

.....
A Odysseos (Senior Statutory Auditor)

For and on behalf of Thomas Alexander & Co Ltd, Statutory Auditor

590 Green Lanes

Palmers Green

London

N13 5RY

20 September 2021

Lifeworks Corporation Ltd

(Registration number: 09976204)

Balance Sheet as at 31 December 2020

	Note	2020 \$ 000	2019 \$ 000
Fixed assets			
Investments	<u>4</u>	44,623	146,059
Amounts due from related parties	<u>6</u>	2,220	2,220
Amounts due to related parties	<u>7</u>	(2,612)	(2,612)
Net assets		<u>44,231</u>	<u>145,667</u>
Capital and reserves			
Called up share capital		253	253
Share premium reserve	<u>9</u>	37,001	138,437
Profit and loss account	<u>9</u>	6,977	6,977
Shareholders' funds		<u>44,231</u>	<u>145,667</u>

The Company had no revenues or expenses in the current or the prior year and therefore has not presented an income statement.

Approved and authorised by the Board on 20 September 2021 and signed on its behalf by:

.....
G Colter
Director

Lifeworks Corporation Ltd

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital \$ 000	Share premium \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2020	253	138,437	6,977	145,667
Dividends	-	-	(101,436)	(101,436)
Share premium reserve transfer	-	(101,436)	101,436	-
At 31 December 2020	<u>253</u>	<u>37,001</u>	<u>6,977</u>	<u>44,231</u>

	Share capital \$ 000	Share premium \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2019	<u>253</u>	<u>138,437</u>	<u>6,977</u>	<u>145,667</u>
At 31 December 2019	<u>253</u>	<u>138,437</u>	<u>6,977</u>	<u>145,667</u>

Lifeworks Corporation Ltd

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

Suite 1,
3rd Floor 11-12 St James's Square,
London
SW1Y 4LB
United Kingdom

These financial statements were authorised for issue by the Board on 20 September 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they have chosen to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency transactions and balances

The Company's functional and presentation currency is United States Dollars (\$), given the majority of its activity was in the United States.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Lifeworks Corporation Ltd

Notes to the Financial Statements for the Year Ended 31 December 2020

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Directors & officers	3	3
	<u>3</u>	<u>3</u>

4 Investments

	2020 \$ 000	2019 \$ 000
Investments in subsidiaries	44,623	146,059
Subsidiaries		\$ 000

Cost or valuation

At 1 January 2020	146,059
Disposals	(101,436)
At 31 December 2020	<u>44,623</u>

Provision

Carrying amount

At 31 December 2020	<u>44,623</u>
At 31 December 2019	<u>146,059</u>

Lifeworks Corporation Ltd

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Investment	Holding	Principal Activity
Subsidiary undertakings				
LifeWorks (U.K.) Ltd (formerly Morneau Shepell (UK) Ltd)	Suite 1 3rd Floor 11-12 St James's Square London SW1Y 4LB United Kingdom	\$41,992 (2019: \$41,992)	100%	Employee well-being
LifeWorks.com Pty Ltd	Holding Redlich 'MLC Centre', Level 65, 19-29 Martin Place, Sydney, NSW 2000, Australia	\$2,631 (2019: \$2,631)	100%	Employee well-being

5 Disposal of subsidiaries

On 3 December 2020, the company disposed of its interest in LifeWorks US Inc and LifeWorks Canada Ltd to its immediate parent company LifeWorks (Canada) Ltd. (formerly Morneau Shepell Ltd). The disposal occurred by way of a distribution in specie for an amount equal to the carrying value of the respective subsidiary investments (LifeWorks US Inc: \$77,662) & (LifeWorks Canada Ltd: \$23,774).

6 Debtors

	Note	2020 \$ 000	2019 \$ 000
Amounts owed by related parties	11	2,220	2,220

7 Creditors

	Note	2020 \$ 000	2019 \$ 000
Amounts due to related parties	11	2,612	2,612

Lifeworks Corporation Ltd

Notes to the Financial Statements for the Year Ended 31 December 2020

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	\$	No.	\$
Ordinary shares of \$0.012 each	21,096,109	253	21,096,109	253

9 Reserves

Share capital

Represents the nominal value of the issued share capital.

Share premium

Includes all movements attributable to share premium which is the excess of the fair value of consideration received for shares over the nominal value.

10 Dividends

	2020	2019
	\$ 000	\$ 000
Interim dividend of \$4.8083 (2019 - \$Nil) per ordinary share	101,436	-

11 Related party transactions

Included in debtors is an amount of \$2,220 (2019: \$2,220) owed from LifeWorks (Canada) Ltd. (formerly Morneau Shepell Ltd), the immediate parent company. Included in creditors is an amount of \$1,981 (2019: \$1,981) owed to LifeWorks (US) Ltd. (formerly Morneau Shepell Limited), a company under common control. Also included in creditors is an amount of \$631 (2019: \$631) owed to LifeWorks.com Pty Ltd, a wholly owned subsidiary.

12 Parent and ultimate parent undertaking

The immediate parent is LifeWorks (Canada) Ltd. (formerly Morneau Shepell Ltd), a company incorporated in Canada.

The ultimate parent is LifeWorks Inc. (formerly Morneau Shepell Inc.), a publicly traded company also incorporated in Canada.

The consolidated financial statements of LifeWorks Inc. (formerly Morneau Shepell Inc.) are available to the public and may be obtained from <https://lifeworks.com/en/financial-reports-filings>.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.