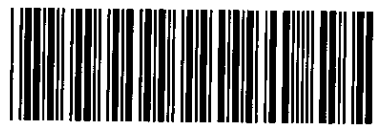


UNUM SELECT LIMITED

Annual Report for the year ended 31 December 2020

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COMPANIES HOUSE

Unum Select Limited is a member of the Unum Group of companies

UNUM SELECT LIMITED

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UNUM SELECT LIMITED

Directors, Officers and Advisers

Directors

Jonathan Fletcher
Mark Till

Bankers

Lloyds Bank plc, City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Gillingham
Kent
ME8 0LS

Secretary and Registered Office

David Whitehead
Unum Select Limited
Milton Court
Dorking
Surrey
RH4 3LZ

Registered Auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Registered Number

07203708

UNUM SELECT LIMITED
STRATEGIC REPORT
for the year ended 31 December 2020

Company strategy

The Company's strategy is to support the wider objectives of the UK Group, with particular regard to the insurance business of the UK group operated through Unum Limited.

Review of the business

The Company maintains a "Benni" platform, which provides education and enrolment service for Unum products as well as products offered by third parties. The Company receives commission revenue on sales generated through this platform.

Turnover, relating to service charges made to Unum Ltd in respect of "Benni" totalled £1,827,404 in 2020 compared to £2,464,437 in 2019. This reduction was due to the lower operational costs incurred by the Company in 2020 than in 2019, which included setting up costs for "Benni". Turnover in respect of commissions increased to £39,341 in 2020 compared to £7,531 in 2019 (Note 2).

Operational costs for 2020 of £1,772,199 (2019: £2,366,143) are included in the administrative expenses on the Statement of Comprehensive Income (page 13) and consist mainly of salary and marketing costs.

Profit on ordinary activities for 2020 was £95,517 compared to £107,236 for the prior year reflecting the reduced turnover and operating costs, although the gross margin on turnover increased slightly from 4.3% in 2019 to 5.1% this year.

At 31 December 2020 the Company had net assets of £478,772 (2019: £401,404).

Future business outlook

The Directors consider that the business will continue to reflect turnover and margins arising through the provision of education and enrolment services on behalf of its fellow UK group Company, Unum Ltd, in addition to receiving commission income from Unum Ltd and its third-party partners.

The Company has adequate financial resources, in the form of cash, to meet its current liabilities and is expected to generate positive cash flows through its operations, sufficient to settle all future liabilities as they fall due.

We continue to monitor the COVID-19 and Brexit situations closely, responding to the changing external environment to ensure that the business continues to provide its services to its customers and partners and protects the Company's financial position in this challenging economic environment.

UNUM SELECT LIMITED

STRATEGIC REPORT for the year ended 31 December 2020 (continued)

Principal risks and uncertainties

The Company's operations are predominantly contained within its UK group, with limited exposure to counterparties outside the group. Less than 2% of the Company's turnover in 2020 related to external parties. At 31 December 2020, amounts due to other group companies amounted to £287,155 which was more than off-set by the amount of £292,686 owed from other group undertakings (Note 13).

COVID-19

We continue to monitor the COVID-19 situation closely to ensure that the business is in position to continue to provide services to its customers. COVID-19 has caused no short-term disruption to the business.

Brexit

The Company does not expect any challenges to its business model as a result of Brexit and will continue to provide support to the other UK group companies as well as its UK based external business partners.

Climate Change

Our strategy design and execution processes include consideration of climate change risk that is proportionate to the nature, scale and complexity of our business. The Directors believe the risk of any climate change impact on the Company is low.

By order of the board



David Whitehead
Company Secretary

16 July 2021

UNUM SELECT LIMITED
Company Number: 07203708
REPORT OF THE DIRECTORS
for the year ended 31 December 2020

The Directors submit their report and the financial statements for the year ended 31 December 2020.

Performance for the year

Profit before tax for 2020 totalled £95,517, compared to profit of £107,236 in the prior year.

Details of the Company's performance for the year is given in the 'Review of the business' section of the Strategic Report.

Directors

The Directors who were members of the board at the time of approving the Directors' Report are listed on page 3.

Peadar O'Donnell resigned as a Director on 31 March 2021 and Peter Goddard resigned on 31 March 2020.

Jonathan Fletcher was appointed Director on 9 June 2020 and Mark Till was appointed on 13 April 2021.

None of the Directors have any beneficial interest in the shares of the Company.

Steven Leverett resigned as Company Secretary on 23 April 2021 and David Whitehead was appointed on the same date.

Going concern assessment

The Company's business activities, together with the factors to be considered which may affect its future performance, are set out in the Strategic Report on page 4.

The Directors consider that the business will continue to generate profits in the short-term through the Company's principal activity, being the provision of insurance education and enrolment services. The Company has sufficient financial resources and is expected to generate positive cash flows through its operations over the twelve months from the date of the signing of the financial services. Consequently, the Directors believe that the Company is well placed to manage its business risks successfully despite the uncertain economic climate.

As set out in Note 1 of the financial statements, the Directors have considered the possible impact of COVID-19 on Unum Select Limited over the 12 months from the date of signing the financial statements and believe that the Company is well placed to manage its business risks successfully despite the uncertain economic climate.

The business activities of the Company are closely associated with Unum Ltd, a fellow UK group undertaking. The financial position of Unum Ltd was assessed in the signed accounts of the Company in April 2021, with the conclusion that Unum Ltd will be able to meet its liquidity and capital requirements over the 12 months from the date of the signing of those accounts. Given the close business relationship between Unum Select Ltd and Unum Ltd, and the financial position of Unum Ltd, the Directors have a reasonable expectation that Unum Select Ltd has adequate resources to continue in operational existence over the 12 months from the date of the signing of these financial statements and that the going concern basis of accounting is used in the preparation of these financial statements.

UNUM SELECT LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2020 (continued)

Statement as to disclosure of information to auditors

Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

In accordance with Section 487(2) of the Companies Act 2006, the Auditors, Ernst and Young LLP, are deemed reappointed.

Insurance of Directors and officers

The Directors and officers of the Group are covered under a global professional indemnity insurance policy held by Unum Group, the ultimate parent company. The insurance was in force at 31 December 2020 and on the day the Report of the Directors was approved.

By order of the board



David Whitehead
Company Secretary

16 July 2021

UNUM SELECT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 to 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.

UNUM SELECT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNUM SELECT LIMITED

Opinion

We have audited the financial statements of Unum Select Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

UNUM SELECT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNUM SELECT LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

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

UNUM SELECT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNUM SELECT LIMITED (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We obtained a general understanding of how Unum Select Limited is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. We also gained an understanding of the Company's approach to governance and risk management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Additionally, we tested year-end adjustments including manual journals, to provide reasonable assurance that the financial statements were free from fraud or error.

UNUM SELECT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNUM SELECT
LIMITED (continued)**

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance and management for their awareness of any non-compliance with laws or regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; inquiring about the Company's methods of enforcing and monitoring compliance with such policies

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Ernst & Young LLP

John Headley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

19 July 2021

UNUM SELECT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Note	2020	2019
		£	£
Turnover	2	1,866,745	2,471,968
Administrative expenses	3	(1,772,199)	(2,366,143)
		<hr/>	<hr/>
Operating Profit		94,546	105,825
Other interest receivable and similar income	4	978	1,420
Interest payable and similar charges		(7)	(9)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		95,517	107,236
Tax charge	5	(18,149)	(20,375)
		<hr/>	<hr/>
Profit for the financial year		<u>77,368</u>	<u>86,861</u>

The notes on pages 16 to 20 form an integral part of these financial statements.

UNUM SELECT LIMITED

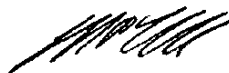
**STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2020**

	Note	2020	2019
		£	£
Current Assets			
Debtors	8	297,008	260,688
Cash at bank and in hand		481,849	397,335
		<u>778,857</u>	<u>658,023</u>
Current liabilities			
Creditors	9	300,085	256,619
		<u>300,085</u>	<u>256,619</u>
NET CURRENT ASSETS		<u>478,772</u>	<u>401,404</u>
Capital and Reserves			
Called up share capital	10	250,000	250,000
Profit and loss account		228,772	151,404
SHAREHOLDERS' FUNDS		<u>478,772</u>	<u>401,404</u>

The financial statements on pages 13 to 15 were approved by the board of directors and were signed on its behalf by:



J. Fletcher
Director
16 July 2021



M. Till
Director
16 July 2021

UNUM SELECT LIMITED

STATEMENT OF CHANGES IN EQUITY

at 31 December 2020

	Called up Share Capital £	Profit & Loss Account £	Total £
Balance as at 1 January 2019	250,000	64,543	314,543
Profit for the year	-	86,861	86,861
Balance as at 31 December 2019	250,000	151,404	401,404
Balance as at 1 January 2020	250,000	151,404	401,404
Profit for the year	-	77,368	77,368
Balance as at 31 December 2020	250,000	228,772	478,772

UNUM SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

1. Principal accounting policies

General Information

Unum Select Limited is incorporated and domiciled in England, registration number 07203708. The registered office is Milton Court, Dorking, Surrey RH4 3LZ.

Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Ireland' (FRS 102) and the Companies Act 2006.

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention. They are presented in pounds sterling, the functional and presentation currency of the Company.

As part of their going concern assessment, the Directors have considered the possible impact of COVID-19 on the Company and are satisfied that the Company will continue to provide services to its customers.

This assessment indicates that the Company will meet its liquidity and capital requirements over the next twelve months from the date of the signing of these financial statements. Therefore, the financial statements continued to be prepared on a going concern basis.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company is a qualifying entity for the purposes of the preparation of individual financial statements. Details regarding the parent entity of the group in whose consolidated financial statements the Company's financial statements are consolidated, and from where those financial statements may be obtained are provided in note 11.

The Company has chosen to take exemption from the requirement to provide disclosures in relation to:

1. The requirement to prepare a statement of cash flows; and
2. The disclosure of key management personnel compensation in total.

Income

Income represents the amounts receivable, excluding VAT, in respect of services provided to customers during the year.

UNUM SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)

Taxation

The taxation charge in the Statement of Comprehensive income is provided at the corporation tax rate applicable for the period and based on the profit on ordinary activities for the year after making adjustments for items which are not taxable or tax deductible.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that they will be recoverable against the reversal of deferred tax liabilities or other future taxable profits.

2. Turnover

	2020 £	2019 £
Education and enrolment services	1,827,404	2,464,437
Commission and fees	39,341	7,531
Total	<u>1,866,745</u>	<u>2,471,968</u>

Turnover represents the recharge of the Company's operational costs to another group company, Unum Limited, in support of that Company's insurance business. Commissions and fees are earned from the introduction of customers to insurance products offered by Unum Limited as well as products offered by two third-party business partners.

3. Administrative expenses

	2020 £	2019 £
Operating expenses	<u>1,772,199</u>	<u>2,366,143</u>
Total expenses	<u>1,772,199</u>	<u>2,366,143</u>

The Company has no employees. It has a resourcing and services agreement with its immediate parent Company, Unum European Holding Company Ltd (UEHCL), under which it is provided with staff that perform enrolment, education, administrative and management services.

Administrative expenses comprise of costs charged from UEHCL, in respect of management services and expense overheads attributed to the Company. These consist mainly of salary and marketing expenses in 2020.

UNUM SELECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)**

4. Other interest receivable and similar income

	2020	2019
	£	£
Bank Interest received	899	1,420
HMRC interest received	79	-
Total Other Income	<u>978</u>	<u>1,420</u>

5. Taxation

	2020	2019
	£	£
(a) Current tax		
UK corporation tax on ordinary profit for the year at 19% (2019: 19%)	18,149	20,375
Total tax charge for year	<u>18,149</u>	<u>20,375</u>

	2020	2019
	£	£
(b) Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	95,517	107,236
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 19% (2019: 19%)	18,149	20,375
Total tax charge	<u>18,149</u>	<u>20,375</u>

There are no factors affecting the tax charge for the year and the Company has no deferred tax balances at 31 December 2020 (2019: £Nil).

(c) Factors affecting current and future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main corporation tax rate would increase from 19% to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021. The Company has no deferred tax balances at 31 December 2020, so is not presently affected by this change.

UNUM SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)

6. Directors' emoluments

The Directors received no remuneration in respect of qualifying services provided to the Company.

The aggregate amount of compensation paid to Directors or past Directors for loss of office amounted to £nil (2019: £nil).

7. Auditors' remuneration

The auditors' remuneration of £10,000 (2019: £10,000) for the statutory audit was borne by a fellow subsidiary undertaking, Unum European Holding Company Limited. The auditors received no other remuneration in respect of services provided to the company for the year.

8. Debtors – amounts falling due in one year

	2020 £	2019 £
Amounts due from group undertakings	292,686	258,157
Commissions and fees due	4,322	2,531
Total Debtors	<u>297,008</u>	<u>260,688</u>

9. Creditors – amounts falling due in one year

	2020 £	2019 £
Amounts due to group undertakings	287,155	239,862
Tax & social security	12,930	16,757
Total Creditors	<u>300,085</u>	<u>256,619</u>

10. Called Up Share Capital

	2020 £	2019 £
Allotted, issued and fully paid		
250,000 Ordinary shares of £1 each:	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

There are no rights, preferences or restrictions attached to this class of shares, including restrictions on distribution of dividends and repayment of capital.

UNUM SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (continued)

11. Parent company

The Company's immediate parent company is Unum European Holding Company Limited, incorporated in England.

The Directors regard Unum Group, a company incorporated in the United States of America as the ultimate parent company and ultimate controlling party. The smallest and largest group in which the results of the company are consolidated is that of Unum Group. Copies of the consolidated financial statements of Unum Group can be obtained from Unum Group, 1 Fountain Square, Chattanooga, Tennessee, 37402, USA.

12. Insurance

Unum Limited, a fellow subsidiary, provides the Company with a professional indemnity guarantee in respect of its Insurance Mediation activity, as required by the Insurance Distribution Directive. The aggregate annual amount covered under the guarantee, for all claims, is a maximum of €3.3m, with the likelihood of a claim being remote.

13. Related Party Transactions

Advantage has been taken of the exemption in FRS 102 under section 33.1A not to disclose transactions with the immediate and ultimate parent companies or any of its wholly owned subsidiaries.

A summary of balances owing to / from group undertakings, by company, is shown below.

	2020	2019
	£	£
Amounts owed from group undertakings		
Unum Ltd	292,686	258,157
Amounts owed to group undertakings		
Unum European Holding Company Ltd	(287,155)	(239,862)
	<u>5,531</u>	<u>18,295</u>