

Registered in England number 02515130

**ASSURANT SERVICES  
(UK) LIMITED**

**DIRECTORS REPORT  
AND FINANCIAL STATEMENTS**

**31 DECEMBER 2012**



**ASSURANT**  
Solutions®

**COMPANY INFORMATION**

Director:	M Pringle
Company Secretary:	T Hopkins Pinsent Masons Secretarial Limited
Registered Office:	Assurant House 6-12 Victoria Street Windsor Berkshire SL4 1EN
Registered Number	02515130
Independent Auditors:	PricewaterhouseCoopers LLP Chartered accountants and statutory auditors 7 More London Riverside London SE1 2RT
Solicitors	Pinsent Masons 30 Aylesbury Street London EC1R 0ER
Bankers	Lloyds TSB Commercial Lloyds TSB Bank Plc 1 - 2 Market Place Reading Berkshire RG1 2EQ

CONTENTS	Page
Report of the Director . . . . .	2 - 4
Independent Auditors' Report .....	5 - 6
Profit and Loss Account . . . . .	7
Balance Sheet ... ..	8
Notes to the Financial Statements . . . . .	9 - 14

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## **REPORT OF THE DIRECTOR**

The director presents his annual report and the audited financial statements for the year ended 31 December 2012

## **PRINCIPAL ACTIVITY**

The principal activity of the Company was the provision of office space, personnel, administration, accounting and computing services to fellow subsidiary undertakings, including Assurant General Insurance Limited and Assurant Life Limited, on a cost-plus basis

The Company ceased to provide services to other group undertakings as a result of the transfer of the business to the UK branch of Assurant Services Limited in 2011.

## **REVIEW OF THE BUSINESS**

The results for the year ended 31 December 2012 and the state of the Company's affairs at that date are set out in the financial statements on pages 7 to 14. The profit before tax for the year was £19,000 (2011: £691,000).

## **FUTURE OUTLOOK**

In light of the transfer of the Company's business in 2011, the Director is considering whether the entity will provide other services to the group in future. In the short term the Company will become dormant.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The process of risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the legal, compliance, actuarial and finance departments take on an important oversight role in this regard. The Group's Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

## **DIVIDENDS**

An interim dividend was paid during the year of £1,100,000 (2011: £Nil). The retained loss for the year was £1,081,000 (2011: profit of £390,000), which has been taken to reserves. The director does not recommend the payment of a final dividend.

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**REPORT OF THE DIRECTOR (CONTINUED)**

**DIRECTORS**

The directors set out below have held office during the whole of the period from 1 January 2012 to the date of this report unless otherwise stated

M Boettger (Resigned 31 December 2012)  
M Pringle

**CHARITABLE AND POLITICAL DONATIONS**

During the year, the Company made donations totalling £Nil (2011: £900) to the following charitable causes:

	2012 £	2011 £
Medical charities	-	500
Children's charities	-	400
	<hr/>	<hr/>
Total	-	900
	<hr/>	<hr/>

No donations were made for political purposes.

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**REPORT OF THE DIRECTOR (CONTINUED)**

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

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

- 1) so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2012 of which the auditors are unaware; and
- 2) the director has taken all steps that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

The Company has elected, in accordance with Section 485 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP have indicated their willingness to remain in office.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law, the director 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 director is required to:

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

The director is 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 He is 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.

By Order of the Board



T Hopkins  
Company Secretary  
4 June 2013

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ASSURANT SERVICES (UK) LIMITED**

We have audited the financial statements of Assurant Services (UK) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page 4 the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ASSURANT SERVICES (UK) LIMITED (CONTINUED)

**Matters on which we are required to report by exception**

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.



Matthew Nichols (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
5 June 2013



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £000	2011 £000
Turnover	1		11,320
Administrative expenses		19	(10,629)
Operating profit	2	19	691
Profit on ordinary activities before tax		19	691
Tax on profit on ordinary activities	5	-	(301)
Profit for the financial year		19	390

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

As there are no material differences between the results as described in the profit and loss account above and the results on a historic cost basis, no note of historical cost profits and losses for the year is given.

The notes on pages 9 to 14 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £000	2011 £000
CURRENT ASSETS			
Debtors	7	3,457	16,665
Cash at bank and in hand		-	1
		<u>3,457</u>	<u>16,666</u>
CREDITORS amounts falling due within one year	8	<u>(2,303)</u>	<u>(14,431)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,154	2,235
NET ASSETS		<u>1,154</u>	<u>2,235</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	<u>1,153</u>	<u>2,234</u>
Total shareholder's funds	10	<u>1,154</u>	<u>2,235</u>

The financial statements on pages 7 to 14 were approved by the Director on 4 June 2013



M Pringle, Chief Financial Officer  
Company registered number 02515130

The notes on pages 9 to 14 form an integral part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards

#### a) Basis of Accounting

These financial statements are prepared on the going concern basis, under the historic cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

#### b) Turnover

Turnover represents the amounts charged to other group companies, on a cost plus basis, in respect of expenses incurred on behalf of those companies. Turnover is recognised on a monthly basis calculated on costs incurred in the month. All turnover related to work carried out in the United Kingdom, up to the time of transfer of the business.

#### c) Investment Income

Investment income is accounted for on the accruals basis

#### d) Taxation

Corporation tax is provided at the current rate of taxation on the result for the year as adjusted for items of income and expenditure which are disallowable for taxation purposes

#### e) Deferred Taxation

Provision is made for deferred tax liabilities using the liability method on all material timing differences. Deferred tax is calculated at the tax rates, which have been enacted or substantially enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted

#### f) Leasing

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

#### g) Share Based Payment

The Company operates a number of equity-settled and cash-settled share-based compensation plans.

The fair value of the shares or share options granted is recognised over the vesting period to reflect the value of the employee services received. The charge relating to grants to employees of the Company is recognised as an expense in the profit and loss account

For cash-settled share-based payment a liability is recognised based on the fair value of the payment earned by the balance sheet date. For equity settled share based payment the corresponding credit is recognised directly in reserves.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. ACCOUNTING POLICIES (CONTINUED)**

**h) Pension Fund**

The Company operates a portable defined contribution pension scheme, the assets of which are invested in a managed fund and are completely separate from the assets and business of the Company. The scheme is funded partly by its members and partly by the Company at a rate established by the Company. The Company contributions are expensed and paid in the year in which they are incurred.

**1) Cash Flow Statement**

As the Company is a wholly owned undertaking, it has taken advantage of the exemption granted under Financial Reporting Standard 1 (Revised) ("Cash Flow Statements"), and a cash flow statement has not been prepared. The results of the Company are consolidated in the financial statements of the ultimate parent undertaking, as discussed in note 12, which are publicly available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. OPERATING PROFIT

Profit on ordinary activities before tax is stated after charging

	2012 £000	2011 £000
Staff costs (see note 3)	-	2,217
Auditors' remuneration:		
Audit fees	2	12
Operating lease rentals		
- Land & buildings	-	321
- Other operating leases	-	102
Depreciation	-	194

3. STAFF COSTS

	2012 £000	2011 £000
Wages and salaries	-	1,818
Social security costs	-	261
Pension costs (See note 11)	-	60
Share based payments	-	78
	<u>-</u>	<u>2,217</u>

In May 2011 all employees of the Company had their employment contracts transferred to Assurant Service Limited and Assurant Group Limited, fellow group undertakings. From May 2011 the Company had no employees; the numbers shown below for 2011 are the monthly average prior to the transfer of employees.

The average monthly number of persons (including executive directors) employed by the Company during the year was as follows

By Department

	2012 Number	2011 Number
Executive & Head Office Functions	-	22
Finance & Actuarial	-	23
Information Services & Operations	-	15
Sales & Marketing	-	19
	<u>-</u>	<u>79</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. DIRECTORS' EMOLUMENTS

The Directors were paid no amounts in relation to their services to the Company (2011: £Nil).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge for the year	2012	2011
	£000	£000
UK Corporation Tax at 24.5% (2011: 26.49%)	-	-
Total current tax	-	-
Deferred Tax		
Origination and reversal of timing differences	-	301
Tax charge on profit on ordinary activities	-	301

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.49%). The differences are explained below

	2012	2011
	£000	£000
Profit on activities before tax	19	691
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26.49%)	5	183
Effects of		
Non deductible expenses	-	33
Accelerated capital allowances and other timing differences	-	(1)
Group relief claimed at nil charge	(5)	(215)
Current tax charge for the year	-	-

Factors affecting current and future tax charges

The UK corporation tax rate was reduced from 26% to 24% with effect from 1 April 2012, resulting in a UK corporation tax rate of 24.5% for the period. In July 2012 a further reduction in the corporation tax rate to 23% was substantively enacted, and will be effective from 1 April 2013. The deferred tax rate has been measured at 23% due to timing differences expected to reverse after 1 April 2013.

A further reduction in the corporation tax rate to 20% with effect from 1 April 2015 has been announced, but not substantively enacted at the balance sheet date. This reduction has therefore not been recognised in the financial statements. The impact of these changes in future periods will be dependent on the level of taxable profits in those periods.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. DIVIDENDS**

	2012 £000	2011 £000
Interim paid £1,100 (2011: £Nil) per £1	1,100	-
	<u>1,100</u>	<u>-</u>

**7. DEBTORS**

	2012 £000	2011 £000
Amounts owed by group undertakings	3,457	16,665
	<u>3,457</u>	<u>16,665</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £000	2011 £000
Bank loans and overdrafts	-	11
Amounts owed to group undertakings	2,303	14,419
Other creditors including taxation and social security	-	1
	<u>2,303</u>	<u>14,431</u>

**9. CALLED UP SHARE CAPITAL**

The allotted and fully paid share capital of the Company comprises £1,000 (2011: £1,000) in ordinary shares of £1 each

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUND

	2012			2011
	Called Up Share Capital	Profit and Loss Account	Total	Total
	£000	£000	£000	£000
Balance at beginning of year	1	2,234	2,235	1,845
Profit for the financial year	-	19	19	390
Dividend	-	(1,100)	(1,100)	-
Balance at end of year	1	1,153	1,154	2,235

11. PENSIONS AND SIMILAR OBLIGATIONS

The charge against profit of £Nil (2011 £60,000) is the amount of contributions payable to the defined contribution pension scheme by the Company in respect of the accounting year. There are no outstanding or prepaid contributions

12. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

At the balance sheet date, the immediate parent undertaking was Assurant Group Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Assurant Inc, a publicly listed company on the New York Stock Exchange, registered in Delaware, United States of America. Assurant Inc is the smallest and largest group to consolidate these financial statements.

Copies of the consolidated financial statements can be obtained from the Company Secretary, Assurant Group Limited, Assurant House, 6 - 12 Victoria Street, Windsor, SL4 1EN.

13. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary it has taken advantage of the exemption in FRS 8 not to disclose transactions with the ultimate parent company or any of its wholly owned subsidiaries