

Registered Number 00975601

**SUN LIFE UNIT ASSURANCE LIMITED**

**Directors' Report and Financial Statements**  
**for the year ended 31 December 2008**



Registered Office: 5 Old Broad Street, London EC2N 1AD

# **SUN LIFE UNIT ASSURANCE LIMITED**

## **DIRECTORS' REPORT**

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The directors present their report and financial statements for the year ended 31 December 2008.

### **REVIEW OF ACTIVITIES**

The Company transferred all business and shareholders' funds to AXA Sun Life plc under a Part VII Scheme on 1 January 2007. The Company ceased to transact insurance business on this date and applied to the Financial Services Authority for de-authorisation. This was received with effect from 31 December 2007.

The Company has entered into no transactions since 1 January 2007. The Company therefore qualifies as a dormant company, and has prepared accounts on that basis.

### **DIRECTORS AND SECRETARY**

The present directors and secretary, who have served throughout the year unless otherwise stated, are noted below:

Mr. N. J-M. D. Moreau	(Chairman/Director)
Mr. P. J. Evans	(Chief Executive/Director)
Mr. D. R. Cheeseman	(Director, appointed 23 July 2008)
Mr. F. de Ménéval	(Director)
Mr. A. J. Purvis	(Director)
Mr. I. Robinson	(Director, appointed 18 June 2008)
Mr. J. P. Small	(Secretary)

Mr. P. L. H. Maso y Guell Rivet resigned as a director of the Company on 11 April 2008.  
Mr. D. E. Hynam resigned as a director of the Company on 11 June 2008.

### **INDEMNIFICATION OF DIRECTORS**

The Company is party to a groupwide indemnity policy which benefits all of its current directors and is a Qualifying Third Party Indemnity Provision for the purpose of the Companies Act 2006.

By Order of the Board



**D. R. Cheeseman**

Director

19 October 2009

**SUN LIFE UNIT ASSURANCE LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**TECHNICAL ACCOUNT – LONG-TERM BUSINESS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008	2007
		£m	£m
<b>Claims incurred, net of reinsurance</b>			
Change in provision for outstanding claims		-	0.2
<b>Change in other technical provisions, net of reinsurance</b>			
Long-term business provision		-	13.3
Technical provisions for linked liabilities		-	13,942.7
		-	13,956.0
<b>Net operating expenses</b>	2	-	(374.3)
<b>Other technical charges</b>	5	-	(13,581.9)
<b>Balance on the long-term business technical account</b>		-	-

**PROFIT AND LOSS ACCOUNT**  
**NON-TECHNICAL ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008	2007
		£m	£m
<b>Balance on the long-term business technical account</b>		-	-
Exceptional item	5	-	(467.1)
<b>Loss on ordinary activities before tax</b>		-	(467.1)
Tax on profit on ordinary activities	4	-	-
<b>Loss on ordinary activities after tax</b>		-	(467.1)

The Company has recognised no gains or losses during the year. In 2007, no gains and losses were recognised other than the loss for the financial year shown above.

All of the above amounts are in respect of discontinued operations.

The notes on page 4 to 7 form an integral part of these financial statements.

# SUN LIFE UNIT ASSURANCE LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008	2007
		£m	£m
<b>Equity Shareholders' Fund</b>			
Called up share capital	6	3.0	3.0
Profit and loss account	7	(3.0)	(3.0)
		-	-

For the year ended 31 December 2008 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts that give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 2 to 7 were approved by the Board of Directors on 19 October 2009 and signed on its behalf by:



**D. R. Cheeseman**  
Director

**SUN LIFE UNIT ASSURANCE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1. ACCOUNTING POLICES**

The principal accounting policies are set out below.

**Basis of preparation**

For the period to 31 December 2007, the financial statements were prepared in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985, which cover the special disclosures applicable to insurance companies.

The financial statements have been prepared on a going concern basis in accordance with the Companies Act 1985 and applicable UK accounting standards.

**2. NET OPERATING EXPENSES**

	<b>Technical Account</b>	
	<b>2008</b>	<b>2007</b>
	<b>£m</b>	<b>£m</b>
Change in deferred acquisition costs	-	374.3
	<u>-</u>	<u>374.3</u>

**3. DIRECTORS' EMOLUMENTS**

The directors are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. No director has received any emoluments or other benefits from the Company or from any other company in the AXA Group in respect of services to the Company.

# SUN LIFE UNIT ASSURANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. TAXATION

	Technical Account		Non-technical Account	
	2008	2007	2008	2007
	£m	£m	£m	£m
<b>UK corporation tax:</b>				
UK corporation tax	-	-	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Factors affecting the tax charge

No tax has been charged in the year. The tax assessed in 2007 was lower than that calculated using the standard rate of corporation tax in the UK (30%). The differences are explained below:

Non-technical account	2008	2007
	£m	£m
<b>Loss on ordinary activities before tax</b>	-	(467.1)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	-	140.1
Exceptional item not subject to tax	-	(140.1)
<b>Current tax charge for the period</b>	<u>-</u>	<u>-</u>

### 5. EXCEPTIONAL ITEM

In 2007 an exceptional loss of £467m was recognised in the non technical account. This was in respect of the transfer of shareholder net assets from the Company to AXA Sun Life plc ("ASL") under a Part VII scheme.

The transfer of insurance business under the Scheme resulted in the following movements in the technical account in 2007:

	2007
	£m
<b>Claims incurred, net of reinsurance</b>	
Change in provision for outstanding claims	0.2
<b>Change in other technical provisions, net of reinsurance</b>	
Long-term business provision	13.3
Technical provision for linked liabilities	13,942.7
<b>Net operating expenses</b>	(374.3)
<b>Other technical charges</b>	<u>(13,581.9)</u>
	<u>-</u>

Other technical charges represent the write down of assets passed to ASL as compensation for the liabilities transferred.

# SUN LIFE UNIT ASSURANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. CALLED UP SHARE CAPITAL

	2008 £m	2007 £m
<b>Authorised:</b>		
3,000,000 ordinary shares of £1 each	<u>3.0</u>	<u>3.0</u>
<b>Issued:</b>		
3,000,000 ordinary shares of £1 each, fully paid	<u>3.0</u>	<u>3.0</u>

### 7. PROFIT AND LOSS ACCOUNT

	2008 £m	2007 £m
As at 1 January	(3.0)	464.1
Retained loss for the financial year	<u>-</u>	<u>(467.1)</u>
At 31 December	<u>(3.0)</u>	<u>(3.0)</u>

On 1 January 2007 all shareholder fund net assets were transferred to ASL, a fellow subsidiary under the provisions of the Part VII scheme. Following the transfer, no distributable profits remain in the company.

### 8. PROVISIONS FOR OTHER RISKS AND CHARGES

Deferred taxation	2008 £m	2007 £m
At 1 January	-	39.2
Transferred during the year	<u>-</u>	<u>(39.2)</u>
At 31 December	<u>-</u>	<u>-</u>

### 9. CASH FLOW STATEMENT

Under Financial Reporting Standard ("FRS") 1 (Cash flow statements (revised 1996)), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary undertaking of a parent undertaking which produces a consolidated cash flow statement. The cash flow of the Company is consolidated in the AXA Group financial statements, which can be obtained from 23, avenue Matignon, 75008 Paris, France.

## **SUN LIFE UNIT ASSURANCE LIMITED**

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

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#### **10. RELATED PARTIES**

As the Company is a wholly-owned subsidiary it has taken advantage of the exemption granted under FRS 8 (Related Party Disclosures) where subsidiary undertakings do not have to disclose transactions with Group companies qualifying as related parties provided that consolidated financial statements are publicly available.

#### **11. IMMEDIATE AND ULTIMATE PARENT COMPANIES**

The Company is an immediate subsidiary of AXA Sun Life Holdings plc, a company incorporated in Great Britain and registered in England and Wales.

In the opinion of the directors, the Company's ultimate parent and controlling company is AXA, a company incorporated in France. The parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared is AXA. Copies of the AXA Group financial statements can be obtained from 23 avenue Matignon, 75008 Paris, France.