

Registered Number 01989351

SUN LIFE CORPORATION PLC

**Directors' Report and Financial Statements
for the year ended 31 December 2011**



Registered Office 5 Old Broad Street, London EC2N 1AD

SUN LIFE CORPORATION PLC

COMPANY INFORMATION

DIRECTORS

D. R. Cheeseman
J P D. L Drouffe
P. J Evans
A J. Purvis

COMPANY SECRETARY

J P Small

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

SUN LIFE CORPORATION PLC

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

During the year, the Company acted as the holding company for a group of companies whose principal activities involved the sales and marketing of the financial services business of the AXA Wealth Group, principally overseas. No change in the activities of the Company is planned for the foreseeable future.

Investments in subsidiary undertakings of £114,281k (2010: £86,674k) are shown at net asset value.

BUSINESS PERFORMANCE

There was no profit or loss for the year (2010: £2k loss).

DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: £nil)

PRINCIPAL RISK AND UNCERTAINTIES

The Company is part of the AXA UK Group which has established group wide processes for risk acceptance and risk management. These are maintained through a framework of policies, procedures and internal controls. All policies are subject to board approval and ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the internal compliance and finance functions take on an important oversight role in this regard.

Financial risk management, including the impact of risk on economic capital, is discussed in the note on management of financial risk on page 10.

SUN LIFE CORPORATION PLC
DIRECTORS' REPORT (CONTINUED)

FUTURE OUTLOOK

No changes in the activities of the company are anticipated in the foreseeable future

DIRECTORS

The directors of the Company at the date of this report are shown on page 1.

EXERCISE OF DIRECTORS' AXA SA OPTIONS

None of the Company's directors exercised share options during the year (2010: none)

INDEMNIFICATION OF DIRECTORS

The Company is party to a group wide 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, this has been in place during the year and at the date of approval of these financial statements.

PAYMENT OF CREDITORS

All trade purchase are managed by Winterthur Financial Services UK Limited ("WFS")

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each Director in office at the date of approval of this report confirms that

- (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all 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

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The ability to cope with unexpected risks to the financial position is shown within the Management of Financial Risk note on page 10.

The Company has considerable financial resources, with significant investments in group companies (note 7) and a loan advanced to its holding company AXA UK of £120.1m (note 8). Detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the AXA Wealth business as a whole for the next 12 months and a strategic plan to 2015. As a consequence, the directors believe sufficient contingencies have been put in place that will enable the Company to manage its business risks despite the current uncertain economic outlook, and they have a reasonable expectation that the

SUN LIFE CORPORATION PLC
DIRECTORS' REPORT (CONTINUED)

GOING CONCERN (CONTINUED)

Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 prepared 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 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, 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

By Order of the Board



D R. Cheeseman
Director

21 June 2012

SUN LIFE CORPORATION PLC
INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUN LIFE CORPORATION PLC

We have audited the financial statements of Sun Life Corporation plc for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities Statement 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. 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements 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 2011 and of its result 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

SUN LIFE CORPORATION PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Heidi Johnson

Heidi Johnson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 June 2011

SUN LIFE CORPORATION PLC**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £000	2010 £000
Administrative expenses	4	-	-
Interest Payable and similar charges	5	-	(3)
Profit/(Loss) on ordinary activities before taxation		<u>-</u>	<u>(3)</u>
Tax on Profit/(loss) on ordinary activities	6	-	1
Profit/(Loss) for the financial year		<u>-</u>	<u>(2)</u>

All of the above amounts are in respect of continuing operations

There are no material differences between the loss on ordinary activities before taxation and the loss for the years stated above and their historical cost equivalents

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR
ENDED 31 DECEMBER 2011**

	2011 £'000	2010 £'000
Loss for the financial year	-	(2)
Movement on revaluation reserve	27,607	28,214
Total recognised gains for the year	<u>27,607</u>	<u>28,212</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

SUN LIFE CORPORATION PLC**BALANCE SHEET
AS AT 31 DECEMBER 2011**

	Note	2011 £000	2010 £000
Fixed asset investments			
Investments in group undertakings	7	114,281	86,674
Current assets			
Debtors	8	120,118	120,504
Cash at bank and in hand		5,401	5,247
		<u>125,519</u>	<u>125,751</u>
Creditors: amounts falling due within one year	9	(4,873)	(5,105)
Net current assets		<u>120,646</u>	<u>120,646</u>
Total assets less current liabilities		<u>234,927</u>	<u>207,320</u>
Equity capital and reserves			
Called up share capital	10	3,408	3,408
Share premium account	11	68,811	68,811
Revaluation reserve	11	114,281	86,674
Profit and loss account	11	48,427	48,427
Total shareholders' funds	11	<u>234,927</u>	<u>207,320</u>

The financial statements were approved by the Board of Directors on 21 June 2012 and signed on its behalf by:



D R. Cheeseman
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

SUN LIFE CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are set out below.

(a) Basis of presentation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of tangible assets, 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

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.

The Company has taken advantage of Section 400 of the Companies Act 2006 and has not produced consolidated financial statements on the basis that it is a subsidiary undertaking of AXA SA, which prepares consolidated financial statements and is established under the laws of an E E A state

(b) Income and Expense Recognition

Investment income is recognised on an accruals basis Expenses incurred and interest payable in the management of investments are recognised on an accruals basis

(c) Fixed Asset Investments

The investments in subsidiaries are valued at the underlying net asset value Movements in carrying value are taken to the revaluation reserve

(d) Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Provision is made for deferred tax liabilities, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account Deferred tax is calculated at the rates at which it is expected that the tax will arise Deferred tax balances are not discounted.

SUN LIFE CORPORATION PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. MANAGEMENT OF FINANCIAL RISK**

The Company is part of AXA UK plc group which has established a group wide financial risk management framework including a set of risk policies. This is designed to ensure that financial risks are adequately controlled and monitored through Risk Committees advising the Group Chief Executive and individual business unit Chief Executives.

A dedicated financial risk management function supports the individual business units by ensuring that a full understanding and control of financial risks is incorporated into management decision making and procedures.

The Company is also exposed to financial risk through its business operations affecting the financial assets and liabilities. The most important components of this risk given that the Company operates as a holding company is non-investment credit risk in respect of balances due

Credit risk

Non-investment credit risk arises from the exposure of the Company to intra-group debts with other companies in the AXA UK Group which is controlled through on-going monitoring of amounts due

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.

Mr. D. R. Cheeseman and Mr A. J. Purvis were also directors of the affiliated company, AXA Portfolio Services Limited, during the year and their emoluments, which relate to their services to the AXA group as a whole, are disclosed in the financial statements of that company.

Mr. J. P. D. L. Drouffe and Mr P. J. Evans were also directors of the intermediate parent company, AXA UK plc, during the year and their emoluments, which relate to their services to the AXA group as a whole, are disclosed in the financial statements of that company.

4. ADMINISTRATIVE EXPENSES

The Company does not employ directly any staff (2012: none). All Staff are employed by WFS. Staff costs are borne by WFS and disclosed in the accounts of that company. Auditors' remuneration of £9,755 (2010: £8,000) has also been borne by WFS.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£000	£000
Interest on account	-	(3)

SUN LIFE CORPORATION PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2011	2010
	£000	£000
UK corporation tax	<u>-</u>	<u>(1)</u>

During the year, as a result of the change in the UK corporation tax rate from 27% to 25% that was enacted in Finance Act 2011 as effective from 1 April 2012, the relevant deferred tax balances have been re-measured on this basis. No impact is reflected in the tax charge for the year since there are no deferred tax balances

In the Budget announcement on 21 March 2012, the Government proposed an additional reduction in the UK corporation tax rate to 24% with effect from 1 April 2012. This is expected to be followed by further 1% per annum annual reductions which will bring the rate to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

7. INVESTMENT IN GROUP UNDERTAKINGS

	Market Value		Purchase Price	
	2011	2010	2011	2010
	£000	£000	£000	£000
At 1 January	86,674	58,460	6	306
Appreciation	27,607	28,214	-	-
Disposal of Sun Life Staff Schemes Ltd	-	-	-	(300)
At 31 December	<u>114,281</u>	<u>86,674</u>	<u>6</u>	<u>6</u>

Principal subsidiaries	Nature of business	Country of incorporation
Sun Life International Limited	Non trading	Great Britain
Sun Life SMC Limited	Holding company for AXA Isle of Man Limited	Great Britain

The Company owns the whole of the ordinary share capital of the principal subsidiaries listed above. All companies operate principally in the country of incorporation. Principal subsidiaries incorporated in Great Britain are registered in England and Wales. The directors believe that the carrying value of the investments is supported by their underlying net assets.

SUN LIFE CORPORATION PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£000	£000
Tax Recoverable	-	4
Accruals	2	-
Amounts owed by group undertakings	120,116	120,500
	120,118	120,504

Amounts due from group undertakings are non-interest bearing, repayable on demand and unsecured.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£000	£000
Amounts owed to group undertakings	4,873	5,105
	4,873	5,105

Amounts due to group undertakings are non-interest bearing, repayable on demand and unsecured

10. CALLED UP SHARE CAPITAL

	2011	2010
	£000	£000
Allotted, called up and fully paid:		
68,155,793 ordinary shares of 5p each	3,408	3,408

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Called up Share Capital	Share Premium	Revaluation Reserve	Profit and Loss Account	Total Shareholders' Fund
	£000	£000	£000	£000	£000
At 1 January 2011	3,408	68,811	86,674	48,427	207,320
Movement on revaluation reserve	-	-	27,607	-	27,607
Profit for the Year	-	-	-	-	-
At 31 December 2011	3,408	68,811	114,281	48,427	234,927

SUN LIFE CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. RELATED PARTIES

As the Company is a wholly-owned subsidiary it has taken advantage of the exemption granted under Financial Reporting Standard 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

13. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The Company is an immediate subsidiary of AXA UK 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 financial statements can be obtained from 23, avenue Matignon, 75008 Paris, France