

SUN LIFE OLAC LIMITED

Directors' Report and Financial Statements

for the year ended 31 December 2009

Registered Office 5 Old Broad Street, London EC2N 1AD

THURSDAY



AFAB4N23

A10

02/09/2010

302

COMPANIES HOUSE

SUN LIFE OLAC LIMITED
COMPANY INFORMATION

DIRECTORS

J P Small
GRE Nominee Shareholdings Limited

SECRETARY

J P Small

AUDITORS

PricewaterhouseCoopers LLP

SUN LIFE OLAC LIMITED**DIRECTORS' REPORT**

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The Company receives interest income on a loan with Sun Life Assurance Society plc

BUSINESS PERFORMANCE

	2009	2008
	£'000	£'000
Other interest receivable and similar income	436	3,406

Income varies with the interest receivable from amounts owed by group undertakings which then impacts on profit. As the interest rate is linked to the Bank of England base rate, the amount received during 2009 has fallen significantly

DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008 £nil)

PRINCIPAL RISK AND UNCERTAINTIES

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

FUTURE OUTLOOK

No change in activities of the Company is planned for the foreseeable future

DIRECTORS

The directors of the Company at the date of this report and those who have served throughout the year are shown on page 1

EXERCISE OF DIRECTORS' AXA SA OPTIONS

None of the directors of the Company exercised share options during the year (2008 none)

SUN LIFE OLAC LIMITED

DIRECTORS' REPORT (CONTINUED)

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

FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Company is exposed to financial risk through its business operations affecting the financial assets and liabilities. The most important component of this risk for the Company is non-investment credit risk in respect of balances due

Hedge accounting

There are no current or forecasted transactions for which hedge accounting is used

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. The risk in respect of intra-group debts is controlled through on-going monitoring of amounts due

PAYMENT OF CREDITORS

All trade purchases are dealt with through AXA Sun Life Services plc

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

SUN LIFE OLAC LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

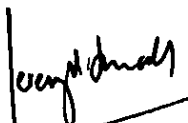
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 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.

By Order of the Board


J P Small
Secretary
26 August 2010

SUN LIFE OLAC LIMITED

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUN LIFE OLAC LIMITED

We have audited the financial statements of Sun Life OLAC Limited for the year ended 31 December 2009 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 directors and auditors

As explained more fully in the 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 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.

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 2009 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

SUN LIFE OLAC LIMITED

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



Mike Vickery (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 August 2010

SUN LIFE OLAC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009	2008
		£	£
Other interest receivable and similar income	3	435,762	3,406,003
Net operating expenses		-	(496)
Profit on ordinary activities before tax		435,762	3,405,507
Tax on profit on ordinary activities	6	(122,013)	(970,842)
Profit for the financial year		313,749	2,434,665
Retained profit brought forward		45,473,454	43,038,789
Retained profit carried forward		45,787,203	45,473,454

All of the above amounts are in respect of continuing operations

The Company had no recognised gains or losses during the year to 31 December 2009 other than those recognised in the profit and loss account

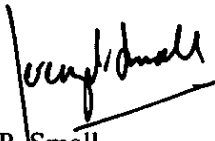
There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

The information on pages 9 to 12 forms an integral part of these financial statements

SUN LIFE OLAC LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2009**

	Note	2009 £	2008 £
Current assets			
Debtors amount owed by group undertakings due after more than one year		76,616,740	76,156,439
Cash at bank and in hand		-	24,776
		<u>76,616,740</u>	<u>76,181,215</u>
Creditors: amount falling due within one year			
Other creditors	7	<u>(4,915,535)</u>	<u>(4,793,759)</u>
Net current assets		<u>71,701,205</u>	<u>71,387,456</u>
Net assets			
		<u>71,701,205</u>	<u>71,387,456</u>
Capital and reserves			
Called up share capital	8	25,914,002	25,914,002
Profit and loss account	9	<u>45,787,203</u>	<u>45,473,454</u>
Total shareholders' funds		<u>71,701,205</u>	<u>71,387,456</u>

The financial statements were approved by the Board of Directors on 26 August 2010 and signed on its behalf by


J P Small
Director

The information on pages 9 to 12 forms an integral part of these financial statements

SUN LIFE OLAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. SUPPORT ARRANGEMENTS

The directors have obtained assurances on the continued financial support of the Company from the Shareholder Fund of Sun Life Assurance Society plc

2. ACCOUNTING POLICIES

The principal accounting policies are set out below. The policies remain unchanged from the previous year.

(a) Basis of presentation

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and with applicable UK accounting standards.

(b) Investment income

Investment income and interest is recognised when earned.

(c) Cash flow statement

Under Financial Reporting Standard 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.

(d) Taxation

The charge for taxation is based on the profit 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 incremental liability method, on material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax is calculated using rates substantively enacted at the balance sheet date. Deferred tax balances have not been discounted.

SUN LIFE OLAC LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2009 £	2008 £
Interest on loans receivable from group companies	<u>435,762</u>	<u>3,406,003</u>

4. 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.

GRE Nominee Shareholdings Limited is a company within the AXA Group.

5. ADMINISTRATIVE EXPENSES

Staff costs have been borne by AXA Sun Life Services plc, a fellow subsidiary undertaking. Audit fees of £4,000 (2008 £5,000) have been borne by AXA Sun Life Holdings Limited, the immediate parent of the Company.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009 £	2008 £
UK corporation tax	122,013	970,569
Adjustments in respect of previous periods	-	273
Tax on profit on ordinary activities	<u>122,013</u>	<u>970,842</u>

Factors affecting the tax charge

The tax assessed for the year is equal to (2008 higher than) the standard rate of corporation tax in the UK (28%, 2008 28.5%). The differences are explained below.

	2009 £	2008 £
Profit on ordinary activities before tax	<u>435,762</u>	<u>3,405,507</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	122,013	970,569
Adjustment to tax charge in respect of previous periods	-	273
	<u>122,013</u>	<u>970,842</u>

SUN LIFE OLAC LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY**

	2009	2008
	£	£
Amounts owed to group undertakings	4,793,522	3,823,332
Corporation tax payable	122,013	970,427
	<u>4,915,535</u>	<u>4,793,759</u>

8. CALLED UP SHARE CAPITAL

	2009	2008
	Paid-up	Paid-up
	£	£
Issued:		
25,914,002 Ordinary Shares of £1 each	<u>25,914,002</u>	25,914,002

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital	Profit and Loss Account	Total
	£	£	£
At 1 January 2009	25,914,002	45,473,454	71,387,456
Profit for the financial year	-	313,749	313,749
At 31 December 2009	<u>25,914,002</u>	<u>45,787,203</u>	<u>71,701,205</u>

10. 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) whereby 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 a subsidiary of Sun Life Assurance Society 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

SUN LIFE OLAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. POST BALANCE SHEET EVENT

On 14 June 2010, AXA management announced that it was in talks with Resolution Ltd regarding a potential transaction concerning part of AXA's life and savings operations in the UK

If implemented, this transaction would result in AXA retaining its AXA Wealth Management and AXA Direct Protection businesses and selling the remainder of its UK life and savings business to Resolution Ltd, which would include the sale of the Company

On 24 June 2010, it was announced that a sale had been agreed and is expected to complete in the third quarter of 2010