Registered Number 02638607

SUN LIFE SMC LIMITED

Financial Statements

for the year ended 31 December 2015

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

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Registered Number 02638607

Sun Life SMC Limited

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Registered Number 02638607

Sun Life SMC Limited

Company information

Directors

D. R. Cheeseman
B. Poupart-Lafarge
A. J. Purvis

Company Secretary

J. P. Small

Independent Auditor

Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Sun Life SMC Limited

Strategic Report

The directors present their Strategic Report on Sun Life SMC Limited ("the Company") for the year ended 31 December 2015.

REVIEW OF THE BUSINESS

The Company acts as a UK holding company for a number of offshore companies, based in the Isle of Man.

AXA IOM Limited writes long term assurance business.

AXA IOM Administration Limited provides trustee services.

AXA IOM Services Limited provides administration and marketing services to fellow subsidiaries.

Results and performance

The Company received a dividend during the financial year from AXA Isle of Man Limited ("AXAIOM") amounting to £24 million (2014: £25 million), being 102.65 pence per share on the 23,380,000 shares in issue, held by the Company. The Company in turn paid an interim dividend of £24 million to parent, AXA UK plc.

Strategy

The AXA UK strategy is based on several building blocks, used to further develop existing competitive advantage in order to achieve the goals within each business area. This has been mapped with the AXA Group global strategy, of being the preferred company for customers, employees and shareholders.

Key performance indicators ("KPI's")

The Board monitors the Company by reference to the profit and loss account, which discloses the profit for the current year after taxation at £25.6 million (2014: £13.4 million profit).

Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", with the date of transition being 1 January 2014. The Company has taken advantage of the disclosure exemptions permitted by this standard; and no material recognition or measurement differences arose on transition.

PRINCIPAL RISKS AND UNCERTAINTIES

The AXA UK group has an established process for risk acceptance and risk management, which is addressed through a framework of policies, procedures and internal controls. All policies are subject to 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 compliance and finance teams take on an important oversight role in this regard. Line management is responsible for maintaining an internal control framework to manage financial and operational risks, which is monitored regularly to ensure the completeness, accuracy and integrity of the Company's financial information.

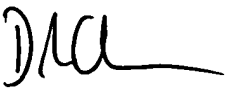
Sun Life SMC Limited

Strategic Report (continued)

FUTURE DEVELOPMENTS

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

Signed on behalf of the board by



D. R. Cheeseman
Director
19 April 2016

Sun Life SMC Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2015.

FUTURE DEVEOPMENTS

Future developments are discussed in the Strategic Report.

DIVIDENDS

The Company paid an interim dividend of £24.0 million to AXA UK plc, on 2 June 2015. (2014: £25.0 million).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of approval of the financial statements are shown on page 1.

Directors' qualifying third party and pension scheme indemnity provisions

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.

The indemnification was in force during the year and at the date of signing.

GOING CONCERN

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 2020. As a consequence, the director believes sufficient contingencies have been put in place that will enable the Company to manage its business risks. In order to support the current position of the Company and ensure its continued operation, the directors have obtained assurances on the continued financial support of the Company from AXA UK plc in the form of a letter of support.

Accordingly the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

BRANCHES OUTSIDE THE UK

The Company does not operate branches outside the UK.

RESEARCH AND DEVELOPMENT

There are no research and development projects underway.

POLITICAL DONATIONS

The Company made no donations for political purposes.

POST BALANCE SHEET EVENTS

The Company has no post balance sheet events which require disclosure.

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 SMC Limited

Directors' Report (continued)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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, including FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements.

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.

Signed on behalf of the Board by



D. R. Cheeseman

Director

19 April 2016

Sun Life SMC Limited

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUN LIFE SMC LIMITED

We have audited the financial statements of Sun Life SMC Limited ("the Company) for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Changes in Equity, 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor
As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

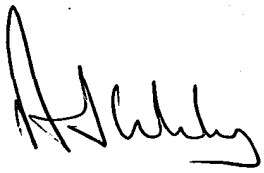
Sun Life SMC Limited

Independent Auditor's Report (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and 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.



Andrew Goldsworthy (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

20 ~~18~~ April 2016

Sun Life SMC Limited

Profit and Loss account
for the period ending 31 December 2015

	Note	2015 £	2014 £
Income from investments in group undertakings		**24,000,000**	25,000,000
Gain/(Loss) on revaluation of investment in group undertakings		**1,618,053**	(11,615,399)
Profit on ordinary activities before taxation		**25,618,053**	13,384,601
Tax (charge)/credit on ordinary activities	7	**-**	60,046
Profit for the financial year		**25,618,053**	13,444,647

The notes on pages 12 to 17 form an integral part of these financial statements.

Sun Life SMC Limited

Statement of Comprehensive Income for the period ending 31 December 2015

	Note	2015 £	2014 £
Profit for the financial year after tax		**25,618,053**	13,444,647
Other comprehensive income:			
Revaluation loss on investment in group undertakings	8	-	(33,443,553)
Other comprehensive income, net of tax		-	(33,443,553)
Total comprehensive income for the year		**25,618,053**	(19,998,906)

The notes on pages 12 to 17 form an integral part of these financial statements.

Sun Life SMC Limited

Balance Sheet
as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments in group undertakings	8	**50,228,854**	48,610,801
Current assets			
Debtors	9	**55,780**	55,780
Creditors: amounts falling due within one year	10	**(55,043)**	(55,043)
Net current assets		**737**	737
Net assets		**50,229,591**	48,611,538
Capital and reserves			
Called up share capital	11	**6,002**	6,002
Profit and loss account	12	**50,223,589**	48,605,536
Total shareholders' funds		**50,229,591**	48,611,538

The financial statements on pages 8 to 17 were approved by the Board of Directors on 19 April 2016 and signed on its behalf by:

D. R. Cheeseman
Director

Sun Life SMC Limited

Statement of Changes in Equity
for the period ending 31 December 2015

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
Balance as at 1 January 2015	6,002	-	48,605,536	48,611,538
Profit for the year	-	-	**25,618,053**	**25,618,053**
Total comprehensive income for the year	-	-	**25,618,053**	**25,618,053**
Transactions with owners:				
Dividend paid on equity shares	-	-	**(24,000,000)**	**(24,000,000)**
Balance as at 31 December 2015	**6,002**	-	**50,223,589**	**50,229,591**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
Balance as at 1 January 2014	6,002	33,443,553	60,160,889	93,610,444
Profit for the year	-	-	13,444,647	13,444,647
Loss on revaluation of investment in group undertakings	-	(33,443,553)	-	(33,443,553)
Total comprehensive income for the year	-	(33,443,553)	13,444,647	(19,998,906)
Transactions with owners:				
Dividend paid on equity shares	-	-	(25,000,000)	(25,000,000)
Balance as at 31 December 2014	6,002	-	48,605,536	48,611,538

The notes on pages 12 to 17 form an integral part of these financial statements.

Sun Life SMC Limited

Notes to the Financial Statements
as at 31 December 2015

General Information

Sun Life SMC Limited ("the Company") acts as a holding company for AXA UK Group companies based in the Isle of Man.

The Company is a private limited company, which is incorporated and domiciled in the United Kingdom ("UK"). The address of its registered office is 5 Old Broad Street, London, EC2N 1AD.

1. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

I. Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention.

This is the Company's first set of financial statements prepared in accordance with FRS 102. The prior year balances prepared in accordance with UK Generally Accepted Accounting Practice ("UKGAAP"), have been restated to comply with FRS 102. The date of transition to FRS 102 was 1 January 2014. The principal effects of the adoption of FRS 102 are provided within note 15 on first time adoption.

The preparation of financial statements in compliance with FRS 102 requires management to monitor and exercise judgment in the selection and application of appropriate accounting policies and in the use of accounting estimates. Management has determined that there are no policies that require significant judgement that could affect the financial statements.

As a qualifying entity, the Company has applied the following exemptions in the preparation of these financial statements, in accordance with FRS 102:

(a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
(b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
(c) The requirements of Section 11 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A providing disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
(d) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

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, which prepares consolidated financial statements and is established under the laws of an EEA State. These financial statements are separate financial statements.

2. Summary of significant accounting policies (continued)

II. Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, with the exception of the following:

Withdrawal of section 410 of the Companies Act 2006
Section 410 has been repealed through the introduction of the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980), resulting in the full disclosure within the notes to the accounts of all related undertakings. The statute came into force on 6 April 2015, applicable to annual accounts approved by the directors on or after 1 July 2015.

III. 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.

IV. Investments in group undertakings

The investments in group undertakings are valued at the underlying net asset value, as an equivalent to fair value, with movements recognised in other comprehensive income and accumulated in equity. If the revaluation results in an increase in the asset value, the increase is recognised in other comprehensive income, unless a prior year revaluation loss had been recognised in the profit and loss account, in this instance the gain is recorded in the profit and loss to the extent that it reverses the prior year loss.

A decrease in the asset's carrying value is recognised in other comprehensive income to the extent that it reverses a prior year gain. If the loss exceeds the accumulated revaluation gains, the difference is recorded within the profit and loss account.

V. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts.

Notes to the Financial Statements (continued)
as at 31 December 2015

3. Management of financial risk

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.

The Group forms part of the AXA UK Group which has an established risk management framework on how each risk profile is identified, measured, monitored and controlled through Risk Committees advising the individual business unit Chief Executives.

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

The risk policies are documented in adherence to the AXA Group Standards issued by AXA Group Risk Management ("GRM"). The AXA UK Board is responsible for governance and the AXA UK Executive Committee for approving all new policies.

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 and from debts due from third parties. The risk in respect of these debts is controlled through on-going monitoring of amounts due.

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.

Mr. B. Poupart-Lafarge was also a director of the intermediate parent company, AXA UK plc, during the year and his emoluments, which relate to his services to the AXA group as a whole, are disclosed in the financial statements of that company.

Mr. D. R. Cheeseman and Mr. A Purvis were also directors of 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.

Two directors exercised share options or employee sharesave options in AXA UK plc during the year (2014: Two).

5. Employee number and cost

The Company does not directly employ any staff (2014: none). All staff are employed by Winterthur Financial Services UK Limited ("WFS"). Staff costs are borne by WFS and disclosed in the accounts of that company.

6. Auditor's remuneration

Auditors' remuneration in respect of audit fees for 2015 of £3,000 (2014: £3,000) was borne by WFS, a fellow group company.

Notes to the Financial Statements (continued)
as at 31 December 2015

7. Tax on profit on ordinary activities

	2015 £	2014 £
Current tax:		
Adjustments in respect of prior periods	-	(60,046)
Tax charge/(credit) on profit on ordinary activities	-	(60,046)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax is as follows:

	2015 £	2014 £
Profit on ordinary activities before tax	**25,618,053**	13,384,601
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	**5,187,656**	2,877,689
Controlled Foreign Company charge – current year		-
Income not taxable in determining taxable profits	**(5,187,656)**	(2,877,689)
Adjustment in respect of prior periods	-	(60,046)
Tax charge/(credit) for the year	-	(60,046)

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014 21.50%). During 2015 the deferred tax balances were re-measured as a result of the changes to the UK corporation tax rate that were enacted in Finance (No.2) Act 2015. The UK corporation tax rate will reduce from 20% to 19% with effect from 1 April 2017 and will be further reduced from 19% to 18% with effect from 1 April 2020.

8. Investment in group undertakings

The Company owns the whole of the ordinary share capital of the following companies:

Principal subsidiaries	Nature of business	Country of incorporation
AXA Isle of Man Limited	Offshore life assurance	Isle of Man
AXA Isle of Man Services Limited	Business development and provision of administration services	Isle of Man
AXA Isle of Man Administration Limited	Offshore trust company	Isle of Man
AXA Isle of Man Insurance Management Limited	Administration company	Isle of Man
AXA Global Partnerships Limited	Dormant company	Isle of Man

	2015 £	2014 £
At 1 January	**48,610,801**	93,669,753
Revaluation	**1,618,053**	(45,058,952)
At 31 December	**50,228,854**	48,610,801

The directors' believe that the carrying value of the investments is supported by their underlying net assets. The significant decrease in 2014 is due to restatements made by group undertaking AXA Isle of Man Limited, upon transition to FRS 101.

The cost of investments in subsidiary undertakings at 31 December 2015 was £60.2m (2014: £60.2m).

Sun Life SMC Limited

Notes to the Financial Statements (continued)
as at 31 December 2015

9. Debtors

	2015 £	2014 £
Amounts owed by fellow subsidiary undertakings	**55,780**	55,780

Amounts owed by fellow subsidiary undertakings are non-interest bearing, repayable on demand and unsecured.

10. Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts owed to immediate parent undertaking	**53,469**	50,708
Amounts owed to fellow subsidiary undertaking	**1,412**	1,412
Other creditors including taxation	**162**	2,923
Total	**55,043**	55,043

Amounts owed to immediate and fellow subsidiary undertakings are non-interest bearing, repayable on demand and unsecured.

11. Called up Share Capital

	2015 £	2014 £
Allotted, called up and fully paid:		
6,002 Ordinary Shares of £1 each	**6,002**	6,002

12. Other reserves

	Profit and loss account £
Balance as at 1 January 2015	48,605,536
Profit for the financial year	**25,618,053**
Dividend paid on equity shares	**(24,000,000)**
Balance as at 31 December 2015	**50,223,589**

Reserve definitions:

Profit and loss account –represents cumulative profits and losses of the Company.

13. Related party transactions

The Company has taken advantage of the exemption granted under FRS 102 Section 33.1A to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

14. Immediate and ultimate parent company

The Company's immediate parent is AXA UK plc, a company incorporated in Great Britain and registered in England and Wales.

In the opinion of the director, 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 25, avenue Matignon, 75008 Paris, France.

15. Transition to FRS 102

The Company has adopted FRS 102 for these financial statements for the year ended 31 December 2015. The prior year financial statements were prepared in accordance with previously extant UK GAAP. In order to show comparative balances, the year ended 31 December 2014 has also been prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014.

In preparing these financial statements in accordance with FRS 102, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 102, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 102. These adjustments are immaterial to the financial statements.

The underlying subsidiaries adopted FRS 101 'Reduced Disclosure Framework' for the year ended 31 December 2015, resulting in the previous UKGAAP results restated in accordance with FRS 101. The transition to FRS 101 had a significant impact on the net assets of AXA Isle Of Man Limited, which due to the valuation methodology of investment in subsidiaries by the Company has resulted in a significant decrease, shown in note 8.