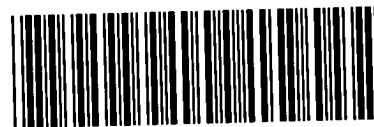


SLF OF CANADA UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2019

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SLF OF CANADA UK LIMITED

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SLF OF CANADA UK LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

K A Garner
N D Kent
F C Maclachlan

COMPANY SECRETARY

M F Hobbs

REGISTERED OFFICE

Matrix House
Basing View
Basingstoke
Hampshire
RG21 4DZ

COMPANY REGISTRATION

Registered in England and Wales, number 6704581

COMPANY INFORMATION

A private company, limited by shares

GROUP INFORMATION

A member of the Sun Life Financial Inc. group of companies

AUDITOR

Deloitte LLP, London

SLF OF CANADA UK LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of SLF of Canada UK Limited, company number 6704581, for the year ended 31 December 2019.

Principal activity

The company is an intermediate holding company. The principal activity of the SLF of Canada UK Limited group is the management of a closed book of long-term insurance business.

Dividends

The directors have declared the following dividends:

	2019 £m	2018 £m
Ordinary shares:		
Interim dividend paid: 22.4p (2018: 13.8p) per £1 ordinary share	<u>56.0</u>	<u>34.5</u>

Directors

The directors of the company are shown on page 1.

Directors' indemnities

Sun Life Financial Inc., the company's ultimate parent undertaking, has made third party indemnity provisions for the benefit of the directors of the company. These were made during the year and remain in force at the date of this report.

Employees

The company does not directly employ any staff (2018: none). SLFC Services Company (UK) Limited, a subsidiary undertaking, employs all staff of the SLF of Canada UK Limited group.

Events after the balance sheet date

In light of the current Covid-19 pandemic, the directors have considered the potential impact on the balance sheet at the date of authorising the annual report and financial statements for issue. The most significant asset is the investment in subsidiary undertakings. The fair value of Sun Life Assurance Company of Canada (U.K.) Limited, the principal subsidiary undertaking, has been re-calculated and it is estimated that this would result in a further reduction of £30.0 million in the carrying value to £370.0 million, based on current market conditions.

Statement of disclosure of information to auditor

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

- so far as each of them is aware, there is no relevant audit information of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The above confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

SLF OF CANADA UK LIMITED
DIRECTORS' REPORT (Continued)

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor. This will be the final year of their appointment.

During the year, in order to comply with the Statutory Auditors and Third Country Auditors Regulations, 2016, the Audit and Compliance Committee of Sun Life Assurance Company of Canada (U.K.) Limited, a subsidiary undertaking, carried out a formal tender for the role of external auditor. Ernst and Young LLP were the preferred choice to be appointed as auditor for all companies in the SLF of Canada UK Limited group for the financial year commencing 1 January 2021. The Board, having considered the recommendation, will recommend the appointment of Ernst and Young LLP to the shareholder.

The directors' report of SLF of Canada UK Limited (registered number 6704581) was approved by the Board, authorised for issue and signed on its behalf by:



M F Hobbs
Company Secretary

9 April 2020

SLF OF CANADA UK LIMITED

STRATEGIC REPORT

Results and performance

The results of the company for the year, as set out on page 8, show a profit for the financial year of £46.0 million (2018: £59.0 million). The total equity of the company at the year-end was £402.1 million (2018: £412.1 million).

The company is an intermediate holding company. The results of the company are largely dependent on dividends received from subsidiary undertakings.

Primary risks and uncertainties

The company is exposed to financial risk through its financial assets and financial liabilities. As an intermediate holding company, the company's most significant asset is its investment in group undertakings. The financial risks of these group undertakings predominantly arise in Sun Life Assurance Company of Canada (U.K.) Limited and include interest rate risk, equity price risk and credit risk. These risks are managed by the respective companies in their own right. In the context of its own business, the company is primarily exposed to liquidity risk.

Liquidity risk is the risk that the company does not have sufficient available cash to meet its obligations as they fall due. The company maintains sufficient cash to meet its liabilities as they fall due and takes into account the nature of its liabilities, including whether the liabilities are with other companies within the group, in determining the amount of cash required.

Section 172(1) statement

The principal activity of the SLF of Canada UK Limited group is the management of a closed book of long-term insurance business. The company is the holding company of that group. Its principal operating subsidiary is Sun Life Assurance Company of Canada (U.K.) Limited and its parent is Sun Life Assurance Company of Canada, a company incorporated in Canada.

The strategy of the company is to continue its role as an intermediate holding company, receiving dividend income from its subsidiary undertakings and paying a dividend to its immediate parent.

The company does not directly employ any staff. SLFC Services Company (UK) Limited employs all staff of the group. Employees' duties are relatively minor for SLF of Canada UK Limited and as such, given the simple nature of the company, the Board considers its key stakeholders to be limited to its immediate parent and its subsidiary companies.

As the principal operating company in the group, Sun Life Assurance Company of Canada (U.K.) Limited considers a wider range of stakeholders including customers, employees, suppliers, regulators, the environment and the wider community in which it operates. A separate Section 172 Statement has been prepared for that company, with full consideration given to all of these stakeholders.

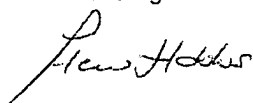
In 2019, the most significant decision made by the Board of the company was the approval of an interim dividend of £56.0 million to be paid to its parent, subject to the receipt of a dividend of £56.0 million from Sun Life Assurance Company of Canada (U.K.) Limited. In paying the same amount as received from its subsidiaries, the company ensures it maintains financial strength and liquidity in order to meet its obligations as they fall due.

Future outlook

The directors expect that the company will continue to act as an intermediate holding company and to perform the associated current activities.

The directors believe that the company is managing its business risks appropriately, also having regard to the current uncertain economic climate. The directors have also considered the impact of the Covid-19 pandemic and details of this are disclosed in the directors' report on page 2. Financial resources are available within the group to meet liabilities as they become due. After making enquiries, and taking into consideration the company's statement of financial position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The strategic report of SLF of Canada UK Limited (registered number 6704581) was approved by the Board, authorised for issue and signed on its behalf by:



M F Hobbs
Company Secretary

9 April 2020

SLF OF CANADA UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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, International Accounting Standard (IAS) 1, 'Presentation of Financial Statements' requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SLF OF CANADA UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU and IFRS as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SLF of Canada UK Limited for the year ended 31 December 2019 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement, the accounting policies and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISA (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISA (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SLF OF CANADA UK LIMITED (Continued)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

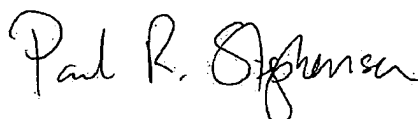
Under the Companies Act 2006, we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's member, as a body, 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 as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Stephenson BA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

9 April 2020

SLF OF CANADA UK LIMITED
INCOME STATEMENT
For the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Investment return	1	56,001	59,000
Total revenue		56,001	59,000
Administrative expenses	2	(14)	(13)
Change in value of subsidiary undertakings		(10,000)	-
Profit before tax		45,987	58,987
Tax	5	-	-
Profit for the year		45,987	58,987

The company has no other comprehensive income other than that included in the income statement above and, accordingly no statement of comprehensive income has been presented.

All results arise from continuing operations and all profits are attributable to the equity shareholder of the company.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

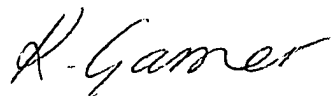
	Notes	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2018		274,551	137,610	412,161
Profit for the year		-	58,987	58,987
Dividend paid	6	-	(34,500)	(34,500)
Repayment of preference share capital		(24,500)	-	(24,500)
At 31 December 2018		250,051	162,097	412,148
Profit for the year		-	45,987	45,987
Dividend paid	6	-	(56,000)	(56,000)
At 31 December 2019		250,051	152,084	402,135

SLF OF CANADA UK LIMITED

BALANCE SHEET At 31 December 2019

	Notes	2019 £'000	2018 £'000
ASSETS			
Investment in subsidiary undertakings	7	402,000	412,000
Receivables	8	1	1
Cash and cash equivalents		148	160
Total assets		402,149	412,161
Equity attributable to equity shareholder of the company			
Called up share capital	9	250,051	250,051
Retained earnings		152,084	162,097
Total equity		402,135	412,148
LIABILITIES			
Payables	10	14	13
Total liabilities		14	13
Total equity and liabilities		402,149	412,161

The financial statements of SLF of Canada UK Limited (registered number 6704581) on pages 8 to 15 were approved by the Board, authorised for issue and signed on its behalf by:



K A Garner
Director

9 April 2020

SLF OF CANADA UK LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2019

	2019 £'000	2018 £'000
OPERATING ACTIVITIES		
Payments to service providers	(13)	(13)
Interest received	1	-
Net cash used in operating activities	<u>(12)</u>	<u>(13)</u>
INVESTING ACTIVITIES		
Dividend received	56,000	51,500
Return of capital from subsidiary undertaking	-	7,500
Net cash from investing activities	<u>56,000</u>	<u>59,000</u>
FINANCING ACTIVITIES		
Dividend paid	(56,000)	(34,500)
Repayment of preference share capital	-	(24,500)
Net cash used in financing activities	<u>(56,000)</u>	<u>(59,000)</u>
Net decrease in cash and cash equivalents	<u>(12)</u>	<u>(13)</u>
Cash and cash equivalents at beginning of the year	160	173
Cash and cash equivalents at end of the year	<u>148</u>	<u>160</u>

SLF OF CANADA UK LIMITED

ACCOUNTING POLICIES

a) Basis of presentation

The financial statements have been prepared in accordance with IFRS as adopted by the EU and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. In addition to fulfilling its legal obligation to comply with IFRS as adopted by the EU, the company has also complied with IFRS as issued by the IASB and applicable at 31 December 2019.

A summary of the principal accounting policies is set out below and, unless otherwise stated, accounting policies have been applied consistently in the current period and preceding year.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The company's business activities are set out in the directors' report on page 2. The strategic report on page 4 describes the financial position of the company, the primary risks that it is exposed to and the factors likely to affect its future development, performance and position. After making enquiries, including the impact on operations of the Covid-19 pandemic as detailed in the directors' report on page 2, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

No consolidated financial statements have been prepared on the basis of the exemptions provided by Section 401 of the Companies Act 2006 and IAS 27, 'Consolidated and Separate Financial Statements', paragraph 10. The company is a subsidiary undertaking of Sun Life Financial Inc., a company incorporated in Canada, and the company's accounts are consolidated in the financial statements of Sun Life Financial Inc.

b) Changes in accounting policies

New, amended and revised IFRSs

There are no standards relevant to the company that have been issued and apply to these financial statements. There were no changes to the company's accounting policies during 2019

c) Use of judgements, estimates and assumptions

The preparation of the financial statements does not require the use of judgements, estimates and assumptions.

d) Investment return

Investment return comprises dividends and other capital distributions plus interest receivable. Interim dividends are recognised on the date that the dividend is received. Final dividends are recognised on the date that the dividend payment is declared and approved by the subsidiary undertaking.

SLF OF CANADA UK LIMITED
ACCOUNTING POLICIES (Continued)

e) Taxation

Corporation tax in the income statement is based on income for the year determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. The liability for current tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. The tax rates used are those that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated at the rates at which it is expected that the tax benefit / liability will arise. Deferred tax assets are recognised for deductible temporary differences to the extent that it is more likely than not that they will be recovered against future taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax is recognised in the income statement for the period, except to the extent that it is attributable to items that are recognised in the same or a different period outside the income statement, in which case the deferred tax will be recognised in other comprehensive income or equity.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

f) Dividends

Interim dividends are recognised when paid. Final dividends payable are recognised as a liability on the date declared by the Board and approved by the shareholder in a General Meeting.

g) Investment in subsidiary undertakings

Investments in subsidiary undertakings are included in the balance sheet at cost less impairment. All impairments are recognised in the income statement as they occur.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term investments with a maturity of three months or less from the date of acquisition. The carrying amount of these assets approximates to their fair value.

SLF OF CANADA UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. INVESTMENT RETURN

	2019 £'000	2018 £'000
Investment income:		
Dividend income	56,000	51,500
Return of capital from subsidiary undertaking	-	7,500
Interest received	<u>1</u>	<u>-</u>
Total investment return	<u>56,001</u>	<u>59,000</u>

2. ADMINISTRATIVE EXPENSES

Administration expenses include:	2019 £'000	2018 £'000
Audit services:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	6	6
Non-audit services:		
Other services pursuant to legislation - audit of the group regulatory return	<u>8</u>	<u>7</u>
Total Fees	<u>14</u>	<u>13</u>

Expenses are recharged to the company at cost by SLFC Services Company (UK) Limited, a subsidiary undertaking.

3. EMPLOYEE NUMBERS AND COSTS

The company does not directly employ any staff. All staff were employed by a subsidiary undertaking, SLFC Services Company (UK) Limited, in the current and preceding year.

4. KEY MANAGEMENT REMUNERATION

The company considers that only directors of the company meet the definition of key management. The directors were employed by SLFC Services Company (UK) Limited, a subsidiary undertaking, in the current and preceding year. The directors did not receive any remuneration for their services as directors of the company (2018: £nil).

5. TAXATION

(a) Tax charged to the income statement

	2019 £'000	2018 £'000
Current taxation	<u>-</u>	<u>-</u>

SLF OF CANADA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TAXATION (Continued)

(b) Factors affecting the charge for the year

The total tax for the year can be reconciled to the accounting profit as follows:

	2019 £'000	2018 £'000
Profit before tax	45,987	58,987
Profit before tax multiplied by the standard UK corporation tax rate of 19.00% (2018: 19.00%)	8,738	11,208
Effects of:		
Non-taxable dividends	(10,640)	(9,785)
Non-taxable return of capital from subsidiary undertaking	-	(1,425)
Non-taxable change in value of subsidiary undertaking	1,900	-
Non-trading losses not recognised	2	2
Total tax charge	-	-

The company has unrecognised tax losses carried forward consisting of a non-trade loan relationship deficit of £14 million (2018: £14 million) and capital losses of £257 million (2018: £257 million).

6. DIVIDENDS

The directors have declared the following dividends:

	2019 £'000	2018 £'000
Ordinary shares:		
Interim dividend paid: 22.4p (2018: 13.8p) per £1 ordinary share	56,000	34,500

7. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are valued at cost less impairment as follows:

	2019 £'000	2018 £'000
Balance at 1 January	412,000	412,000
Change in value	(10,000)	-
Balance at 31 December	402,000	412,000

The fair value of Sun Life Assurance Company of Canada (U.K.) Limited has been calculated at 31 December 2019 as £400 million, resulting in an impairment to the carrying value of £10 million.

Set out below are the company's subsidiary undertakings, both directly and indirectly held, as at 31 December 2019. All subsidiary undertakings are wholly owned.

Name of subsidiary undertaking	Principal activity
Sun Life of Canada UK Holdings Limited	Intermediate holding company
SLFC Services Company (UK) Limited	Administrative services
Laurtrust Limited	Trustee for company pension schemes
Sun Life Assurance Company of Canada (U.K.) Limited	Long-term insurance business
Barnwood Properties Limited	Property investment

All subsidiary undertakings are incorporated in the United Kingdom and have the same registered office as the company.

SLF OF CANADA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. RECEIVABLES

	2019 £'000	2018 £'000
Amounts due from parent undertaking – unpaid share capital	<u>1</u>	<u>1</u>

All amounts are current and repayable on demand.

Receivables are held at amortised cost, with the carrying amount approximating to fair value.

9. SHARE CAPITAL

	2019 £'000	2018 £'000
Allotted and fully paid:		
250 million (2018: 250 million) ordinary shares of £1 each	250,050	250,050
Unpaid:		
999 (2018: 999) ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>250,051</u>	<u>250,051</u>

10. PAYABLES

	2019 £'000	2018 £'000
Amounts owed to subsidiary undertakings	<u>14</u>	<u>13</u>

Payables are held at amortised cost, with the carrying amount approximating to fair value. All amounts are current.

11. RELATED PARTY TRANSACTIONS

The company received dividends from subsidiary undertakings of £56.0 million (2018: £51.5 million) as shown in note 1.

The company paid dividends of £56.0 million (2018: £34.5 million) to its parent company as shown in note 6.

The company has receivable and payable balances with parent undertakings and subsidiary undertakings as shown in notes 8 and 10.

Administrative services are provided by a subsidiary undertaking, SLFC Services Company (UK) Limited, as shown in note 2.

12. EVENTS AFTER THE BALANCE SHEET DATE

In light of the current Covid-19 pandemic, the directors have considered the potential impact on the balance sheet at the date of authorising the annual report and financial statements for issue. The most significant asset is the investment in subsidiary undertakings. The fair value of Sun Life Assurance Company of Canada (U.K.) Limited, the principal subsidiary undertaking, has been calculated and it is estimated that this would result in a further reduction of £30.0 million in the carrying value to £370.0 million, based on current market conditions.

13. PARENT COMPANIES

The company's immediate parent company is Sun Life Assurance Company of Canada, a company incorporated in Canada.

The company's ultimate parent company and controlling party is Sun Life Financial Inc., a company also incorporated in Canada. This is also the parent undertaking of the largest group, which includes the company, for which group accounts are prepared. The parent undertaking of the smallest such group is Sun Life Assurance Company of Canada, a company also incorporated in Canada.

Extensive financial and other information, including the Sun Life Financial Inc. annual report, is available on the Sun Life Financial Inc. website at www.sunlife.com and is updated frequently.