

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook: Insurers (Accounts and Statements Rules) (continued)

Name of company	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2005

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to the Interim Prudential Sourcebook for Insurers and PRU the Integrated Prudential Sourcebook ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13, 14, 17 to 19, 40 to 45, 48, 49, 56, 58 and 60, (including the supplementary notes) on pages 1 to 83, 90 to 95, 165, 172 to 179, 188 and 259 to 270 ("the Forms");
- the statement required by rule 9.29 on pages 271 to 273 ("the Statement"); and
- the statements, analysis and reports required by rule 9.31 (a) ("the valuation report") and 9.31 (b) ("the realistic valuation report") on pages 189 to 258.

We are not required to examine and do not express an opinion on:

- Forms 46 to 47, 50 to 55, 57 and 59A to 59B (including the supplementary notes) on pages 84 to 89, 96 to 164, 166 to 171, 180 to 187 and 266 to 270;
- the statements required by rules 9.30 and 9.36 on pages 274 and 278 respectively; and
- the certificate required by rule 9.34 on page 275 ("the certificate").

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, the realistic valuation report, the forms and statements not examined by us and the certificate under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under section 148 of the Financial Services and Markets Act 2000 in October 2005. Under rule 9.11 the Forms, the Statement, the valuation report, the realistic valuation report, the forms and statements not examined by us and the certificate are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

The methods and assumptions determined by the company and used to perform the actuarial investigation as set out in the valuation report, and the realistic valuation report, prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of PRU 7.3 and 7.4.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement, and the valuation report and the realistic valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information we require for our examination. This report has been prepared for the directors of The Royal London Mutual Insurance Society Limited to comply with their obligations under rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom' and Bulletin 2004/5 issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the Statement, the valuation report and the realistic valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the Statement, the valuation report and the realistic valuation report.

