



Independent auditor's report to StarStone Insurance Limited for the purpose of section 92 (1) (b) and (c) of the Companies Act 2006

We have audited the balance sheet, the income statement and related notes of StarStone Insurance Limited as at 31 December 2015 set out on pages 13 to 50. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company in accordance with section 92(1) (b) and (c) of the Companies Act 2006. Our work has been undertaken so that we as the company's auditor might state to the company those matters we are required to state to it in a report under section 92(1) (b) and (c) of the Act 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 for our work under section 92(1) (b) and (c) of the Act, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the balance sheet and related notes are set out on page 10

Our responsibility is to

- (a) Audit the balance sheet and related notes 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. An audit involves obtaining evidence about the amounts and disclosures in the balance sheet and related notes sufficient to give reasonable assurance that the balance sheet and related notes 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 balance sheet and related notes.

In addition we read all the financial and non-financial information in the *[describe the document in which the balance sheet and related notes are included]* to identify material inconsistencies with the audited balance sheet and related notes and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Having carried out this audit we then report on whether the balance sheet has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied if it had been prepared for a financial year of the company, with such modifications as are necessary by reason of that fact.

- (b) Form an independent opinion concerning the relationship between the company's net assets and its called-up share capital and undistributable reserves at the balance sheet date

Opinion concerning preparation of balance sheet

In our opinion the balance sheet and related notes as at 29 February 2016 have been properly prepared in accordance with the provisions of the Companies Act 2006

Statement on net assets

In our opinion, at 31 December 2015 the amount of the company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves



Ben Priestley
For and on behalf of KPMG LLP, Statutory Auditor
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1 March 2016