

Your Ref:

Our Ref: 2010/0205

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Company Number: 65985

4 July 2023

The Directors  
City Re Ltd  
PO Box 155  
Mill Court  
La Charroterie  
St Peter Port  
GY1 4ET

Dear Directors,

**CITY RE LIMITED (THE 'COMPANY')  
MANAGEMENT AND GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The purpose of this letter is to provide the directors with constructive observations arising from the audit process. We set out below details of any expected modifications to our audit report, details of any uncorrected misstatements in the financial statements (except any misstatements which are clearly trivial) including the effect of uncorrected misstatements related to prior periods on the current period, any material weaknesses in systems we have identified during the course of our audit work and our views about the quality of accounting practices and financial reporting procedures, and any other relevant matters.

Our procedures are carried out solely for the purpose of our audit so that we can form and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Our audit does not necessarily disclose every weakness and for this reason the matters referred to below may not be the only shortcomings which exist.

We take this opportunity to remind you that:

- This report has been prepared for the sole use of City Re Limited
- No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes.

**Independence**

The engagement team and the firm have complied with relevant ethical requirements regarding independence. There are no relationships between the firm, network firms and the Company that may reasonably be thought to affect our independence.

**Expected modifications to the audit report**

We do not expect to make any modifications to our audit report. However, our responsibilities with regard to the audit report extend up to the date on which it is signed and we will advise you of any changes to this position if necessary.

**Unadjusted misstatements**

There were no unadjusted misstatements noted during the audit, excluding those that we consider to be trivial.

## **Qualitative aspects of accounting practice and financial reporting**

During the course of our audit, we consider the qualitative aspect of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. We have discussed with you the following observations:

- The appropriateness of the accounting policies to the particular circumstances of the company;
- The timing of transactions and the period in which they are recorded;
- The appropriateness of accounting estimates and judgements, (for example, in relation to the IBNR), including the consistency of assumptions and degree of prudence reflected in the accounting records;
- The potential effect on the financial statements of any uncertainties including significant risks and disclosures, such as pending litigation that are required to be disclosed in the financial statements.
- Material uncertainties, if any, related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern;
- The extent to which the financial statements are affected by any unusual transactions during the period, if any, and the extent to which such transactions are separately disclosed in the financial statements;
- Apparent misstatements in the directors' report, if any, or material inconsistencies with the audited financial statements, if any;
- Disagreements about matters that, individually or in aggregate, could be significant to the company's financial statements or the auditor's report, if any. These communications include consideration of whether the matters, if any, have or have not been resolved and the significance of the matters.
- Significant matters, if any, arising from the audit that we discussed, or subject to correspondence with management; and written representations the auditor is requesting from management.

## **Accounting system and internal controls**

During the course of our audit of the financial statements for the above year we examined the principal internal controls which the directors have established to enable them to ensure, as far as possible, the accuracy and reliability of the company's accounting records and to safeguard the company's assets.

We are pleased to report that there are no significant weaknesses in control which came to our notice during the audit.

## **Concluding remarks**

We shall be pleased to supply you with any further information you may require.

Yours faithfully,



 **Audit and Assurance (Guernsey) Ltd**