

VIBE SYNDICATE MANAGEMENT LIMITED

Annual Report and Financial Statements for the year ended 31 December 2020

Registered No: 3957729



Vibe Syndicate Management Limited
Annual Report and Financial Statements
for the year ended 31 December 2020

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Vibe Syndicate Management Limited
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Company Information

Directors and Advisers

T J Leggett* (Chairman)
N G Kirk (Chief Executive Officer)
A E Williams
P N E Ceurvorst* (resigned 31st March 2020)
A Fridlyand*
P S Donovan
P A Flamank*
S A Schaen* (resigned 16th March 2021)

* Non-Executive Director

Company Secretary

P Longville (appointed 17th December 2020)
P Box (resigned 17th December 2020)

Registered Office

2nd Floor
New London House
London Street
London EC3R 7AD

Auditors

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Vibe Syndicate Management Limited

Annual Report and Financial Statements

for the year ended 31 December 2020

Strategic Report

The directors present their strategic report for the year ended 31 December 2020.

Review of the business

Vibe Syndicate Management Limited ("The Company") is an approved Lloyd's managing agent, managing the affairs of Syndicate 5678 ("S5678"). The Company was sold to Randall & Quilter II Holdings Limited on 23 December 2020 subject to regulatory approval.

The key financial and other performance indicators during the year were as follows:

	2020	2019
	£'000	£'000
Turnover	100	100
Administration expenses	62	87
Operating profit	38	13
Profit after tax	31	11
Shareholders' funds	1,064	1,033

Turnover has remained constant at a flat fee of £100k.

Principal risks and uncertainties

As a Lloyd's managing agent, the Company is dependent on the continued operation of Syndicate 5678. From this perspective the Company is exposed to credit, liquidity and solvency risk. It manages these risks through regular monitoring of the Company's and the Syndicate's financial position and prospects.

It is also exposed to operational risk with the emergence of Covid 19 during the year. As a result of the measures put in place to restrict the movement of people the company has successfully implemented its business continuity plan. It has also taken steps to keep staff of the Vibe Management Services Limited, (the key service entity of the Company) safe by having them work from home and using all available technology to keep day-to day operations going. The directors continue to monitor the situation and take all appropriate steps to manage the impact on employees of the Service entity and other stakeholders.

The Company must also maintain certain regulatory solvency surpluses.

Vibe Syndicate Management Limited

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Strategic Report (continued)

Section 172 (1) Statement

The directors are aware of their duty under s172 of the Companies Act 2006 to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with brokers, policyholders and others; and
- the desirability of the Company maintaining a reputation for high standards of business conduct

Stakeholder engagement

The Board considers the following groups to be its key stakeholder groups:

- Policyholders and brokers of s5678 – Policyholders and brokers are the central focus of the business. The Company has built lasting relationships with brokers (representing policyholders interests) and the aim of the Company is to honour all policies underwritten by the Company in accordance with their terms and conditions.
- Ultimate investors – The ultimate investors provide the capital which allows the Company to operate. They are concerned with a broad range of issues including the Company's financial and operational performance. Executive management are in regular dialogue with the ultimate investors. They are consulted on significant matters and their views are taken into account when making relevant decisions.
- Employees – Employees are a key resource dedicated to the operation of the business. They are engaged through various forums including Company wide updates, manager briefings (which are cascaded to teams) and electronic communications. Feedback from these forums is communicated to the Executive and the Board where relevant to assist in decision making.

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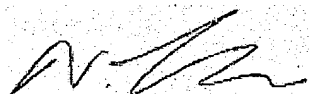
Strategic Report (continued)

- Other providers of capital to the Syndicate – the Syndicate is supported by capital providers through a number of reinsurance relationships. In a manner proportionate to the depth of the relationship, reinsurers are kept abreast of developments within the Syndicate and their interests are taken into account.

Principal decisions

Following consideration of the available options, the Directors decided not to enter into a reinsurance to close transaction at 31 December 2020 for either of the two remaining open years of account (the 2018 and prior years of account and the 2019 year of account).

By Order of the Board



N G Kirk
Director
8 April 2021

Vibe Syndicate Management Limited

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Directors' Report

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2020.

Results and dividend

The results for the year are set out in the Income Statement on page 14. The directors do not recommend a dividend for the year (2019: £2,900,000).

Directors and share interests

The names of the directors who held office during 2020 are as shown on page 2.

The directors of the Company do not hold any interests in the share capital of the company.

Charitable and political donations

During the year the Company made no charitable or political donations (2019: Nil).

Going Concern

The financial statements have been prepared on a going concern basis. In assessing whether the going concern basis is appropriate, the directors have considered the information contained in the financial statements, the company's business expectations, and the company's current solvency calculations. The directors have also considered the risks to the company associated with the run-off of Syndicate 5678 which the company has an obligation to manage for a period beyond 12 months from the date of the Directors' report and financial statements.

The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Future developments

Syndicate 5678 continues a planned and orderly run-off. The Board will explore options to enable the reinsurance to close of the open years of account.

It is expected that the sale of the Company will complete in the first half of 2021, following regulatory approval.

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Director's Report (continued)

Indemnity of directors

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to the Auditors

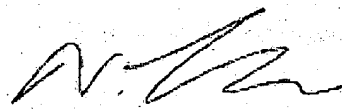
The Directors of Vibe Syndicate Management Limited at the time the report is approved confirm that:

- So far as each person who was a director at the date approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.
- Having made enquiries with fellow directors and the auditor, each director has taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

Ernst & Young were the auditors for the year ended 31 December 2020. Ernst & Young have expressed their willingness to continue in office as auditors

By Order of the Board



N G Kirk
Director
8 April 2021

Vibe Syndicate Management Limited
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Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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 elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained within the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

By order of the Board



P Longville
Secretary
8 April 2021

Vibe Syndicate Management Limited
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBE SYNDICATE MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Vibe Syndicate Management Limited for the year ended 31 December 2020 which comprise of the Income Statement, Statement of Financial Position and Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (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 below. 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Vibe Syndicate Management Limited
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBE SYNDICATE MANAGEMENT LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Vibe Syndicate Management Limited
Annual Report and Financial Statements
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBE
SYNDICATE MANAGEMENT LIMITED (continued)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement page 8, 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.

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 ISAs (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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Vibe Syndicate Management Limited
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBE
SYNDICATE MANAGEMENT LIMITED (continued)**

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are direct laws and regulations related to Companies Act 2006.
- We understood how Vibe Syndicate Management Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the entity. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the company and UK regulatory bodies; reviewed minutes of the Board; and gained an understanding of the company's approach to governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. We have made enquiries of senior management who have confirmed that they are not aware of any actual, suspected or alleged fraud that has taken place within the company. Nothing has arisen during our audit procedures that indicates that the financial statements could be materially misstated due to any actual, suspected or alleged fraud.

Our approach to the audit has been risk based with a focus on significant account balances. For all significant audit areas, our approach involved:

- Obtaining an understanding of core business processes and key controls; and
- Performing analytical procedures and substantive tests of detail for significant accounts
- In addition, we considered the impact of Covid-19 on the company, including an assessment of the consistency of operations and controls in place as they transitioned to operating remotely for a significant proportion of 2020, making enquiries with management via the use of video conferencing. We performed analytical review procedures to assess for unusual movements throughout the year. Our audit procedures also incorporated unpredictability into the nature, timing and extent of our testing.

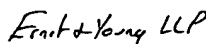
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIBE
SYNDICATE MANAGEMENT LIMITED (continued)

Use of our report

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

DocuSigned by:

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Ed Jervis (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
8 April 2021

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Income Statement for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	2	100,000	100,000
Administrative expenses		(61,609)	(86,611)
Operating Profit		38,391	13,389
Interest income		36	102
Profit on ordinary activities before taxation		38,427	13,491
Taxation on profit on ordinary activities	6	(7,616)	(2,248)
Profit on ordinary activities after taxation		30,811	11,243

There are no gains or losses to be reported in a Statement of Comprehensive Income other than those shown in the Income Statement for the current and preceding year.

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Statement of Financial Position as at 31 December 2020

	Notes	2020	2019
		£	£
Current assets			
Debtors:			
Amounts falling due within one year	7	1,514,208	1,547,821
Cash at bank and in hand		387	1,358
Creditors			
Amounts falling due within one year	8	(483)	(65,878)
Net assets		<u>1,514,112</u>	<u>1,483,301</u>
Capital and reserves			
Called up share capital	9	50,001	50,001
Share premium	10	449,999	449,999
Profit and loss account		<u>564,112</u>	<u>533,301</u>
Shareholder funds attributable to equity interests		1,064,112	1,033,301
Subordinated Loan	12	450,000	450,000
Total equity and liabilities		<u>1,514,112</u>	<u>1,483,301</u>

The financial statements on pages 14 to 24 were approved by the Board of Directors on 8 April 2021 and signed on its behalf on 8 April 2021 by:



A E Williams
Director

Company number: 5957729

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Statement of Changes in Equity For the year ended 31 December 2020

	Called up Capital £	Share Premium £	Profit & Loss Account £	Total Equity £
As at 1 January 2020	50,001	449,999	533,301	1,033,301
Profit for the year	-	-	30,811	30,811
As at 31 December 2020	<u>50,001</u>	<u>449,999</u>	<u>564,112</u>	<u>1,064,112</u>

	Called up Capital £	Share Premium £	Profit & Loss Account £	Total Equity £
As at 1 January 2019	50,000	-	3,422,058	3,472,058
Share Issue	1	449,999	-	450,000
Profit for the year	-	-	11,243	11,243
Equity dividends paid	-	-	(2,900,000)	(2,900,000)
As at 31 December 2019	<u>50,001</u>	<u>449,999</u>	<u>533,301</u>	<u>1,033,301</u>

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements

1. Accounting policies

(a) Basis of Preparation

Vibe Syndicate Management Limited is a limited liability company incorporated in England. The Registered Office is 2nd Floor, New London House, London Street, London EC3R 7AD. The financial statements cover those of the individual entity and are prepared as at 31 December 2020 and for the year ended 31 December 2020.

The financial statements have been prepared in compliance with FRS 102, being the applicable UK GAAP accounting standard, and in accordance with the provisions of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared under the historical cost convention.

The Company has taken advantage of the reduced disclosures available for qualifying entities under paragraph 1.12 of FRS 102, including the exemption from preparing a cash flow statement. The Company is a qualifying entity under this exemption as its ultimate parent company is Syndicate Holding Company Corp ("SHC"), a limited liability company incorporated in Puerto Rico which fully consolidates the Company's results into its Financial Statements including a Group Consolidated Cash Flow Statement.

The Company has also taken advantage of the exemption permitted by FRS 102 section 33, Related Party Disclosures, not to disclose transactions between members of a group where a party to the transaction is a wholly-owned subsidiary. However, the Company is required to disclose year end balances as per Note 14.

Having assessed the principal risks on liquidity, credit risk and operational risk for the company, the directors have concluded that there are no material uncertainties that may cast significant doubt about the company's financial ability to continue as a going concern and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of this report and that therefore it is appropriate to adopt a going concern basis for the preparation of the financial statements, and accordingly these financial statements have been prepared on a going concern basis.

The financial statements are prepared in sterling which is the presentational and functional currency of the company. The financial statements are prepared using the going concern basis of accounting.

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

(b) Turnover

Turnover consists of underwriting agency fees from Syndicate 5678. Managing agency fees have remained constant at a flat fee of £100k.

(c) Expenses

All expenses are accounted for on an accruals basis.

(d) Taxation

Current tax

Current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Amounts expected to be paid to fellow group companies in respect of group relief are shown as intercompany balances. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Income Statement.

Deferred tax

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing difference reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date.

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

(e) Exchange rates

Assets and liabilities held in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date and the exchange differences taken to the profit and loss account in the period. Foreign currency transactions during the period are also translated into sterling using the rate of exchange prevailing at the date of the transactions.

(f) Interest income

Interest return comprises interest income accrued on cash at bank and in hand.

2. Turnover

	2020 £	2019 £
Managing agent's fees	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

Turnover is attributable to the Company's principal activity as a Lloyd's Managing Agency. All turnover arises from continuing operations and is derived wholly from the UK.

3. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the Company's annual accounts	14,000	13,200
	<u>14,000</u>	<u>13,200</u>

4. Staff costs

There were no staff employed by the Company. Staff are employed by Vibe Services Management Limited, a fellow group company which makes a recharge to the company.

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

5. Remuneration of directors

The directors of the Company are paid by Vibe Services Management Limited and a proportion of their remuneration is charged to the company and included in administrative expenses

	2020	2019
	£	£
Remuneration	7,100	3,812
Company contributions to pension schemes	72	66

The amounts set out above include remuneration of the highest paid director as follows:

	2020	2019
	£	£
Remuneration	2,563	2,303
Company contributions to pension schemes	46	-

There are no share options and no long-term incentive plans.

6. Taxation

(i) Analysis of the tax charge for the year

	2020	2019
	£	£
Current Tax		
UK corporation tax on profits of the year	7,301	2,248
Prior tax year adjustment	315	-
Total tax charge for the period	7,616	2,248

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

6. Taxation (continued)

(ii) Factors affecting the tax charge for the year	2020 £	2019 £
Profit on ordinary activities before tax	38,427	13,491
UK corporation tax at 19%	7,301	2,563
Effects of:		
Deferred tax not recognised	-	(315)
Prior tax year adjustment	315	-
Total tax charge for the period	<u>7,616</u>	<u>2,248</u>

The Company's profits are taxable in the UK under the standard rate of corporation tax being 19% for 2020 (2019: 19%).

The government announced on 16 March 2016 as part of its Budget that a rate of 17% will apply from 1 April 2020. On 11 March 2020, it was announced (and substantively enacted on 17 March 2020), that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

The Company has a deferred tax asset of £1,750 (2019: £1,284) in relation to fixed asset timing differences of £9,211 (2019: £7,553) which has not been recognised. The unprovided deferred tax asset has been calculated at 19%, being the rate of corporation tax substantively enacted by the Balance Sheet date (2019: 17%).

An increase from the current 19% UK corporation tax rate to 25%, effective from 1 April 2023, was announced in the Budget on 3 March 2021. This has not yet been substantively enacted. The maximum potential impact on the quantum of the unrecognised deferred tax asset at the balance sheet date is an increase of £533.

7. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts due from group companies	1,514,208	1,547,821
	<u>1,514,208</u>	<u>1,547,821</u>

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

8. Creditors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts due to parent companies	-	65,112
Other creditors	483	766
	<u>483</u>	<u>65,878</u>

9. Authorised and issued share capital

	2020 £	2019 £
Authorised, allotted and called up:		
Ordinary shares of £1 each	<u>50,001</u>	<u>50,001</u>

10. Share premium account

	2020 £	2019 £
Share Premium	<u>449,999</u>	<u>449,999</u>

11. Equity dividends paid

	2020 £	2019 £
Dividends paid to Vibe UK Holdings Limited	<u>-</u>	<u>2,900,000</u>

Vibe Syndicate Management Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements (continued)

12. Subordinated loan

The Company had the benefit of a subordinated loan of £450,000 from its intermediate parent undertaking, Syndicate Re A.I. ("SRAI"), a Company registered in Puerto Rico.

As part of the agreement to sell the Company (subject to regulatory approval) and other related entities to Randall & Quilter II Holdings Limited ("R&Q II"), an amount equivalent to the value of the loan was paid by R&Q II to SRAI on 24 December 2020.

The Directors expect to agree to either the novation of the loan from SRAI to R&Q II such that the loan will become payable to R&Q II or to the settlement and extinguishment of the loan, subject to regulatory approval requirements and financial considerations.

Interest is payable on the facility. The interest incurred on the loan in 2020 was £11,871 (2019: £15,261) with interest payable of £nil at 31 December 2020 (31 December 2019: £65,112).

13. Ultimate parent and controlling undertaking

The Company's immediate parent undertaking is Vibe UK Holdings Limited, a company registered in the United Kingdom. The smallest group which the Company is consolidated in is Syndicate Re A.I., a company registered in Puerto Rico. The Company's ultimate parent undertaking is Syndicate Holding Corp., a company registered in Puerto Rico. The financial statements of Syndicate Re A.I., and Syndicate Holding Corp. are available to the public and may be obtained from 802 Fernandez Juncos Avenue, Miramar, San Juan, Puerto Rico, 00907.

On 23 December 2020, the Company was sold to Randall & Quilter II Holdings Limited. The sale of the Company is subject to regulatory approval.

Vibe Syndicate Management Limited

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14. Related party transactions

At year end 2020, the Company had the following related party balances.

	2020 £	2019 £
Amounts owed by fellow group subsidiaries		
Vibe Services Management Limited	1,514,208	1,547,821
	<u>1,514,208</u>	<u>1,547,821</u>
Amounts owed to parent company		
Syndicate Re A.I. (intermediary)	-	65,112
	<u>-</u>	<u>65,112</u>
Subordinated Loan		
Syndicate Re A.I.	<u>450,000</u>	<u>450,000</u>

15. Subsequent Events

There have been no material subsequent events from the balance sheet date until the date of approval of the financial statements by Management.