

Co No

Company Registration No. 07440046 (England and Wales)

ULTIMATE HC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

FRIDAY



A5MX1J8H

A17

30/12/2016

#253

COMPANIES HOUSE

ULTIMATE HC LIMITED

COMPANY INFORMATION

Directors	K R Spencer	(Appointed 9 March 2015)
	G Humphreys	(Appointed 9 March 2015)
	K J Barber	(Appointed 9 March 2015)

Secretary	C J Payne
------------------	-----------

Company number	07440046
-----------------------	----------

Registered office	45 Westerham Road Bessels Green Sevenoaks Kent TN13 2QB
--------------------------	---

Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
----------------	---

Business address	The Connect Centre Kingston Crescent Portsmouth Hampshire PO2 8QL
-------------------------	---

ULTIMATE HC LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 14

ULTIMATE HC LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report for the year ended 31 December 2015.

Fair review of the business

On 9th March 2015 the company's entire share capital was acquired by Markerstudy Holdings Limited. As of this date the company's ultimate parent company is Markerstudy Holdings Limited and the company is included within the group's affinity division.

The company paid dividends during the year amounting to £850,000 (2014: - £nil).

The company closely monitors the performance of the subsidiary companies against a series of indices that are set as part of a rigorous budgeting process. The indices cover key aspects of the business operations including Commissions, Expenses and Claims Processing Income. As a rule, indices are monitored monthly, on both an individual month and year to date basis and are generally the subject of a monthly review meeting for each of the main functions.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the company and the compliance team and finance department take on an important oversight role in this regard. The Board is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The company continues to monitor the key risks facing the subsidiaries, together with assessing the controls used for managing these risks and supporting staff motivation and training initiatives.

The principal risks and uncertainties facing the subsidiaries are as follows:

Claims – We continue to invest in the development of our claims administration team to ensure ever improving customer service whilst tackling the ongoing threats such as fraud and deception. Claims have remained within the predictions and forecasts set out at the start of the year and we have been able to maintain competitive rating structures for our customer and client base.

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Board maintains a significant proportion of its investments in liquid assets to enable any such calls to be met.

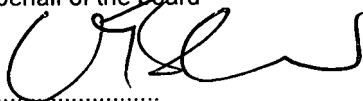
The economy and competition – At present the economy seems steady and the UK markets continue to attract investment. The UK property market is still expanding and we are also seeing more competition growing in our market sector.

Development and performance

Following the acquisition by Markerstudy a new division was formed to encompass the Ultimate businesses alongside Markerstudy's existing Pet affinity business.

Overall, the directors believe that the company and its subsidiaries are well placed in terms of its strategic and market position to maximise its ability to generate sales and satisfy customer demand.

On behalf of the board



K J Barber

Director

22 December 2016

ULTIMATE HC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of a parent company for a group which provides insurance underwriting, third party administration and claims handling.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K R Spencer	(Appointed 9 March 2015)
G Humphreys	(Appointed 9 March 2015)
K J Barber	(Appointed 9 March 2015)
B Lambert	(Resigned 9 March 2015)
P Hampshire	(Resigned 9 March 2015)
C Hammett	(Resigned 9 March 2015)
J Buchanan	(Resigned 9 March 2015)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £850,000. The directors do not recommend payment of a final dividend.

Financial instruments

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The group's primary credit risk is attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit agencies.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Auditor

The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

ULTIMATE HC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 of the company 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



K J Barber

Director

29 December 2016

ULTIMATE HC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ULTIMATE HC LIMITED

We have audited the financial statements of Ultimate HC Limited for the year ended 31 December 2015 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

ULTIMATE HC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ULTIMATE HC LIMITED

Matters on which we are required to report by exception

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

Alexander Bell FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

29 December 2016

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

ULTIMATE HC LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2015**

		2015	2014
	Notes	£	£
Administrative expenses		(100)	(99,206)
Interest receivable and similar income	4	850,000	575,000
Profit before taxation		<u>849,900</u>	<u>475,794</u>
Taxation	5	-	-
Profit for the financial year		<u><u>849,900</u></u>	<u><u>475,794</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ULTIMATE HC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Profit for the year	849,900	475,794
Other comprehensive income	-	-
Total comprehensive income for the year	<u>849,900</u>	<u>475,794</u>

ULTIMATE HC LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	7	4,178,841		4,178,941	
Current assets					
Cash at bank and in hand		24,864		24,864	
Creditors: amounts falling due within one year	9	(15,129)		(15,129)	
Net current assets			9,735		9,735
Total assets less current liabilities		<u>4,188,576</u>		<u>4,188,676</u>	
Capital and reserves					
Called up share capital	10	103,292		103,292	
Share premium account		3,894,236		3,894,236	
Capital redemption reserve		275,354		275,354	
Profit and loss reserves		(84,306)		(84,206)	
Total equity		<u>4,188,576</u>		<u>4,188,676</u>	

The financial statements were approved by the board of directors and authorised for issue on 29 December 2016 and are signed on its behalf by:


K J Barber
Director

Company Registration No. 07440046

ULTIMATE HC LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		109,881	4,163,001	-	-	4,272,882
Year ended 31 December 2014:						
Profit and total comprehensive income for the year		-	-	-	475,794	475,794
Redemption of shares	10	-	-	275,354	(560,000)	(284,646)
Reduction of shares	10	(6,589)	-	-	-	(6,589)
Other		-	(268,765)	-	-	(268,765)
Balance at 31 December 2014		103,292	3,894,236	275,354	(84,206)	4,188,676
Year ended 31 December 2015:						
Profit and total comprehensive income for the year		-	-	-	849,900	849,900
Dividends	6	-	-	-	(850,000)	(850,000)
Balance at 31 December 2015		103,292	3,894,236	275,354	(84,306)	4,188,576

ULTIMATE HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Ultimate HC Limited is a company limited by shares incorporated in England and Wales. The registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Ultimate HC Limited is a wholly owned subsidiary of Markerstudy Holdings Limited and the results of Ultimate HC Limited are included in the consolidated financial statements of Markerstudy Holdings Limited which are available from public records.

For the reasons described above single entity accounts are presented for Ultimate HC Limited.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fixed asset investments

Interests in subsidiary entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

ULTIMATE HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ULTIMATE HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating loss

	2015	2014
	£	£
Operating loss for the year is stated after charging/(crediting):		
Loss on disposal of tangible fixed assets	100	-
	<u> </u>	<u> </u>

4 Interest receivable and similar income

	2015	2014
	£	£
Income from fixed asset investments		
Income from shares in group undertakings	850,000	575,000
	<u> </u>	<u> </u>

ULTIMATE HC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Profit before taxation	849,900	475,794
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	169,980	95,159
Tax effect of expenses that are not deductible in determining taxable profit	20	19,841
Dividend income	(170,000)	(115,000)
Taxation for the year	-	-

6 Dividends

	2015 £	2014 £
Interim paid	850,000	-

7 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	8	4,178,841	4,178,941

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2015	4,178,941
Disposals	(100)
At 31 December 2015	4,178,841
Carrying amount	
At 31 December 2015	4,178,841
At 31 December 2014	4,178,941

ULTIMATE HC LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2015****8 Subsidiaries**

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Ultimate Pet Partners Limited	England and Wales	Insurance services	Ordinary	100.00
Ultimate Insurance Solutions Ltd	England and Wales	Claim Handling & Insurance Services	Ordinary A & Ordinary B	100.00
BPI Holdings Limited	Gibraltar	Holding Company for Insurance Company	Ordinary	100.00

9 Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts due to group undertakings	15,129	15,129

10 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
93,408 Ordinary A shares of £1 each	93,408	93,408
9,884 Ordinary B shares of £1 each	9,884	9,884
	<u>103,292</u>	<u>103,292</u>

11 Related party transactions

No guarantees have been given or received.

The company is a wholly owned subsidiary of Markerstudy Holdings Limited and as such has taken advantage of the exemption permitted by FRS102 Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly owned members of the group.

12 Controlling party

On 9 March 2015 the entire share capital of the company was purchased by Markerstudy Holdings Limited, a company registered in Gibraltar. The ultimate controlling party is K R Spencer by virtue of his ownership of the majority of the share capital of the parent company.

The results of the company and its subsidiaries are consolidated in Markerstudy Holdings Limited group accounts, publicly available at 846-848 Europort, Gibraltar.