

65/16

Company Registration No. 07440046 (England and Wales)

**ULTIMATE HC LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

SATURDAY



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07/09/2019  
COMPANIES HOUSE

# ULTIMATE HC LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K R Spencer G Humphreys K J Barber
<b>Secretary</b>	C J Payne
<b>Company number</b>	07440046
<b>Registered office</b>	45 Westerham Road Sevenoaks Kent TN13 2QB
<b>Auditor</b>	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
<b>Business address</b>	The Connect Centre Kingston Crescent Portsmouth Hampshire PO2 8QL

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# **ULTIMATE HC LIMITED**

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# ULTIMATE HC LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present the strategic report for the year ended 31 December 2018.

### Fair review of the business

The company's ultimate parent company is Markerstudy Holdings Ltd and sits within Markerstudy's Affinity Division. In January 2018 it was announced that the Markerstudy Group had exchanged contracts with Qatar Reinsurance Company Limited (Q Re) to sell the insurance companies within the Group. There is no impact on Ultimate HC limited as the deal is structured in such a way that the Markerstudy Group continues to offer Managing General Agent services to Q Re over the long term and existing relationships and agreements will continue as before.

The company paid no dividends during the year (2017 - £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* - 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

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

2 September 2019

# ULTIMATE HC LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### 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  
G Humphreys  
K J Barber

### Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Auditor

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

### 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

Date: .....

2 September 2019

## **ULTIMATE HC LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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.

# ULTIMATE HC LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF ULTIMATE HC LIMITED

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#### Opinion

We have audited the financial statements of Ultimate HC Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 state of the company's affairs as at 31 December 2018 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. 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.

#### Material uncertainty relating to going concern

We draw attention to note 1.2 on page 11 of the financial statements concerning the company's ability to continue as a going concern. The company had net assets of £6,160,538 at 31 December 2018 which included debtor balances of £3,350,000 due from Markerstudy group companies. The ability of the company to continue as a going concern is dependent on the recoverability of amounts sufficient to enable it to meet its obligations as they fall due. The matters explained in note 1.2 on page 11 indicate that a material uncertainty exists that may cast significant doubt on the recoverability of the Markerstudy group balances and consequently the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 our 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 the directors' report have been prepared in accordance with applicable legal requirements.

## ULTIMATE HC LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBER OF ULTIMATE HC LIMITED

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##### **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 and the directors' report.

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.

##### **Responsibilities of directors**

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, 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.

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

##### **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.

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

**Chartered Accountants**  
**Statutory Auditor**

*2 September 2019*

Batchworth House  
Batchworth Place  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1JE



**ULTIMATE HC LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2018**

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		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		(109)	(1,090)
Interest receivable and similar income	<b>3</b>	3,350,000	-
Amounts written off investments	<b>4</b>	(1,376,762)	-
		<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>		<b>1,973,129</b>	<b>(1,090)</b>
Tax on profit/(loss)	<b>5</b>	-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>		<b>1,973,129</b>	<b>(1,090)</b>
		<hr/> <hr/>	<hr/> <hr/>

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 2018***

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	<b>1,973,129</b>	<b>(1,090)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>1,973,129</b>	<b>(1,090)</b>
	<hr/>	<hr/>

**ULTIMATE HC LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Investments	6		2,802,079		4,178,841
<b>Current assets</b>					
Debtors	8	3,350,000		-	
Cash at bank and in hand		23,588		23,697	
		<u>3,373,588</u>		<u>23,697</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(15,129)</u>		<u>(15,129)</u>	
<b>Net current assets</b>			<u>3,358,459</u>		<u>8,568</u>
<b>Total assets less current liabilities</b>			<u><u>6,160,538</u></u>		<u><u>4,187,409</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		9,984		9,984
Share premium account			3,894,236		3,894,236
Capital redemption reserve			275,354		275,354
Profit and loss reserves			<u>1,980,964</u>		<u>7,835</u>
<b>Total equity</b>			<u><u>6,160,538</u></u>		<u><u>4,187,409</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 September 2019 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 2018**

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2017</b>	9,984	3,894,236	275,354	8,925	4,188,499
<b>Year ended 31 December 2017:</b>					
Loss and total comprehensive income for the year	-	-	-	(1,090)	(1,090)
<b>Balance at 31 December 2017</b>	9,984	3,894,236	275,354	7,835	4,187,409
<b>Year ended 31 December 2018:</b>					
Profit and total comprehensive income for the year	-	-	-	1,973,129	1,973,129
<b>Balance at 31 December 2018</b>	9,984	3,894,236	275,354	1,980,964	6,160,538

# ULTIMATE HC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Ultimate HC Limited is a private company limited by shares incorporated in England and Wales. The registered office is 45 Westerham Road, 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 £1.

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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

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 publicly available at 846-848 Europort, Gibraltar.

**1 Accounting policies**

**(Continued)**

**1.2 Going concern**

The group headed by Markerstudy Holdings Limited (the 'Markerstudy Group') is expected to generate positive cash flows for a period of at least 12 months from the date of approval of these financial statements. The Markerstudy Group has amounts due by way of loans owing to Qatar Re of £217.3m, along with interest due on these loans that is forecasted to total c£24.4m. The dates for the repayments to be made to Qatar Re are 50% due on 1 December 2019 and 50% including the interest due on the loans on 31 March 2020.

The directors have forecasted that the Markerstudy Group will generate positive cash flows but the rescheduled repayments are in excess of the Markerstudy Group's expected cash flow.

Therefore, the Markerstudy Group directors are currently seeking new third party investors or lenders to provide the Markerstudy Group with longer-term preferential debt and equity funding to enable the Markerstudy Group to repay group balances due and then subsequently enable the Markerstudy Group to meet both its 1 December 2019 and 31 March 2020 loan repayment commitments to Qatar Re. The directors of the Markerstudy Group are confident that they will obtain the funding required.

In addition to the raising of these funds and cash flows generated from ongoing operations, the Markerstudy Group directors also have a number of other options available to generate sufficient cash flows in order to meet its debt requirements to Qatar Re, which include potential asset disposals including the sale of a business within the Markerstudy Group or additional funds provided by its shareholders.

After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual 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.

**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.

**1.5 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

**1 Accounting policies**

**(Continued)**

***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.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***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.

***Basic financial liabilities***

Basic financial liabilities, including creditors and 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 payments 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1 Accounting policies**

**(Continued)**

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.



**ULTIMATE HC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1 Accounting policies (Continued)**

**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. Historically, areas of judgement have not had a material impact on the company's financial statements.

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 Interest receivable and similar income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	3,350,000	-
	<u>          </u>	<u>          </u>

**4 Amounts written off investments  
fixed asset investments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other gains and losses	(1,376,762)	-
	<u>          </u>	<u>          </u>

**5 Taxation**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit/(loss) before taxation	1,973,129	(1,090)
	<u>          </u>	<u>          </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	374,895	(210)
Tax effect of expenses that are not deductible in determining taxable profit	261,585	39
Unutilised tax losses carried forward	20	171
Dividend income	(636,500)	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	-	-
	<u>          </u>	<u>          </u>

**ULTIMATE HC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6 Fixed asset investments**

	Notes	2018 £	2017 £
Investments in subsidiaries	7	2,802,079	4,178,841
<b>Movements in fixed asset investments</b>			
			<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>			
At 1 January 2018 & 31 December 2018			4,178,841
<b>Impairment</b>			
At 1 January 2018			-
Impairment losses			1,376,762
At 31 December 2018			1,376,762
<b>Carrying amount</b>			
At 31 December 2018			2,802,079
At 31 December 2017			4,178,841

**7 Subsidiaries**

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Ultimate Insurance Solutions Ltd	England and Wales	Claims handling and insurance services	Ordinary	100.00	
Ultimate Pet Partners Limited	England and Wales	Insurance services	Ordinary	100.00	
BPI Holdings Limited	Gibraltar	Holding Company	Ordinary	100.00	

**8 Debtors**

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	3,350,000	-

**ULTIMATE HC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****9 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	15,129	15,129

**10 Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary A shares of £1 each	100	100
9,884 Ordinary B shares of £1 each	9,884	9,884
	<u>9,984</u>	<u>9,984</u>

The Ordinary A and the Ordinary B shares rank equally in all respects other than that the holders of the Ordinary B shares shall apply any income arising on the B shares to settle any outstanding sums relating to their shares pursuant to the Deferred Share Scheme as noted in the company's articles of association.

**11 Events after the reporting date**

After the year end the directors have decided to consolidate the Markerstudy Group's broking division. Accordingly, the intention is that the trade, assets and liabilities (excluding bank accounts, tax repayments and tax liabilities) of BDML Connect Limited, Supercover Insurance Limited, Ultimate Insurance Solutions Limited and Ultimate Pet Partners Limited, all subsidiaries within the Markerstudy Holdings Limited group of companies, will transfer to Insurance Factory Limited, also a subsidiary within the Markerstudy Holdings Limited group of companies, at book value by 30 November 2019.

**12 Related party transactions**

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.

**13 Controlling party**

Throughout the current and prior year the company was controlled 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.