

# BOTB

WIN YOUR DREAM CAR

## Annual Report & Accounts 2016



**Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
For The Year Ended 30 April 2016  
for  
BEST OF THE BEST PLC**

**BEST OF THE BEST PLC**  
**Contents of the Consolidated Financial Statements**  
**For The Year Ended 30 April 2016**

|  | <i>Page</i> |
|--|-------------|
| <b>Company Information</b>   | 1           |
| <b>Group Strategic Report</b>  | 2           |
| <b>Corporate Governance Report</b>   | 6           |
| <b>Directors' Remuneration Report</b>  | 9           |
| <b>Report of the Directors</b>   | 11          |
| <b>Report of the Independent Auditors</b>                                      | 14          |
| <b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> | 16          |
| <b>Consolidated Statement of Financial Position</b>                            | 17          |
| <b>Company Statement of Financial Position</b>                                 | 18          |
| <b>Consolidated Statement of Changes in Equity</b>                             | 19          |
| <b>Company Statement of Changes in Equity</b>                                  | 20          |
| <b>Consolidated Statement of Cash Flows</b>                                    | 21          |
| <b>Company Statement of Cash Flows</b>   | 22          |
| <b>Notes to the Statements of Cash Flows</b>                                   | 23          |
| <b>Notes to the Consolidated Financial Statements</b>                          | 24          |
| <b>Notice of Annual General Meeting</b>  | 42          |

**BEST OF THE BEST PLC**  
**Company Information**  
**For The Year Ended 30 April 2016**

**DIRECTORS:** W S Hindmarch  
R C E Garton  
M W Hindmarch  
C Hargrave

**SECRETARY:** Prism Cosec Limited

**REGISTERED OFFICE:** Unit 2 Plato Place  
72/74 St Dionis Rd  
London  
SW6 4TU

**REGISTERED NUMBER:** 03755182

**AUDITORS:** Wilkins Kennedy LLP  
Chartered Accountants  
& Statutory Auditor  
Bridge House  
London Bridge  
London  
SE1 9QR

**BANKERS:** Barclays Bank Plc  
93 Baker Street  
London  
W1A 4SD

**NOMINATED ADVISORS:** finnCap  
60 New Broad Street  
London  
EC2M 1JJ

**SOLICITORS:** Pinsent Masons LLP  
30 Crown Place  
Earl Street  
London  
EC2A 4ES

**BEST OF THE BEST PLC**  
**Group Strategic Report**  
**For The Year Ended 30 April 2016**

The Directors present their strategic report of the Company and the Group for the year ended 30 April 2016.

**Key Highlights:**

- Revenue up 12.6% to £10.10 million (2015: £8.97 million)
- Profit before tax increased by 10.9% to £1.06 million (2015: £0.96 million)
- Online revenue increased by 40.6% to £7.06 million (2015: £5.02 million) – representing 70.5% of total revenue
- Net assets of £1.59 million, underpinned by cash balances of £1.2 million (following 1.2p ordinary paid in Oct 2015, and 19.5p special paid in March 2016)
- Significant investment in digital marketing and commencement of TV advertising
- Company rebranded from Best of the Best to BOTB
- Weekly car competition well received and continues to drive sales
- Recommended dividend of 1.3 pence (2015: 1.2 pence)

**CHIEF EXECUTIVE'S STATEMENT**

I am pleased to announce a solid set of results with increasing revenues and profits. The transformation from a retail business to a predominantly online operation has continued, with the majority of our revenues driven by digital channels, realised through our website botb.com.

Our online customer acquisition spend has significantly increased during the year, with encouraging results. On the back of these successful trials, we will be further increasing our acquisition and marketing investment this year.

Our weekly car competition continues to benefit from incremental changes and continues to be well received by our customers both online and at our airports and retail locations.

**Results**

Revenue for the twelve months ended 30 April 2016 increased by 12.6 per cent to £10.10 million (2015: £8.97 million) and profit before tax rose by 10.9 per cent to £1.06 million (2015: £0.96 million).

The Company generated £1.68 million of operating cash flow in the period. Net assets at 30 April 2016 stood at £1.59 million (2015: £2.56 million) and principally comprise cash of £1.2 million, our stock of cars on display which are held at a net realisable value of £0.32 million, and our 969 year leasehold office properties valued at £0.95 million.

As previously announced, a 1.2p ordinary was paid to shareholders in October 2015 and a 19.5 pence special dividend amounting to £1.97 million was paid on 18 March 2016.

Following a recent VAT decision at the First-tier Tribunal concerning a company with similar activities in our sector, the Company has submitted a protective claim to recover overpaid VAT amounting to £2.20 million (exclusive of professional fees and expenses). At present this VAT litigation has not been concluded. It is therefore not certain that the Company will receive any repayment from HM Revenue & Customs. We will update shareholders as this matter progresses.

**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2016**

**Dividend**

The Board is recommending a final dividend of 1.3 pence per share (2015: 1.2 pence) for the full year ending 30 April 2016 subject to shareholder approval at the Annual General Meeting on 21 September 2016. The final dividend will be paid on 14 October 2016 to shareholders on the register on 23 September 2016.

**Marketing Strategy, Business Development and New Player Acquisition**

The Company has a multi-channel approach to acquiring new players. Channels are assessed and trialled through many different marketing initiatives. Their relative efficiency is calculated using the twelve-month Life Time Value (LTV) of a customer, against the Cost Per Acquisition (CPA). Whilst the airport and shopping centre sites and many of our more traditional online channels are accurately trackable, we are now committing increased levels of spend to less trackable brand marketing, such as TV and radio to enable us to reach a larger audience.

The airport and shopping centre sites continue to be a key channel to educate and introduce new players. These locations build strong brand awareness, as well as providing a significant opportunity for player acquisition. The Company is currently operating from seven airport sites at Gatwick North, Gatwick South, Birmingham, Manchester Terminal 1, Edinburgh and Dublin's Terminal 2; and one site at the Westfield shopping centre in London's Shepherds Bush. These locations have traded steadily throughout the year and further pricing initiatives and staffing incentives have been undertaken to ensure we are recruiting and converting as many new players as possible from these sites.

Our Indian franchise, which is now trading under the BOTB brand from Hyderabad airport, continues to trade well with a further site in Delhi under negotiation. The royalty-based agreement allows them to leverage our systems and software, as well as our marketing and operating experience.

Our weekly competition continues to drive player acquisition as well as encouraging repeat play from existing database customers. The weekly cycle also allows for the regular filming of the "winner surprises", which create compelling marketing content and have given us many PR opportunities which aid the conversion of new players when visiting both the web site and physical locations.

Our current website at botb.com has been incrementally improved throughout the year. Running in parallel, we have undertaken a project to completely rebuild the website and associated databases, systems and IT infrastructure. I am pleased to report that this project is nearing completion with a new front end design and back end architecture due to be released in the third quarter of this year. This will have a fresh new look, will be fully mobile responsive and will enable higher performance from the servers and database. It has been designed with a renewed focus on tiered loyalty, retention and community, to reward and entertain our regular customers over the shortened competition lifecycle.

Social media marketing continues to be a powerful channel for the business, both in terms of customer service and credibility, but more importantly for player acquisition. Our Facebook page now has 160,000 (2015: 120,000) active followers, contributing to the circa 225,000 monthly unique visitors per month (2015: 165,000) to botb.com. Activity on all social channels is expected to be scaled up this year with increased marketing spend across the spectrum.

We look forward to continued growth in player acquisition, through our airport and shopping centre locations, through an increased focus on various digital channels and through further investments in TV and Radio.

**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2016**

**Outlook**

BOTB has increased revenues and profits, is cash generative and is supported by a robust balance sheet. In the current financial year, the Board will focus on executing an increased multi-channel digital marketing plan, whilst ensuring that this strategy provides an attractive return on investment.

I believe the business is well positioned for the remainder of the financial year, and I look forward to updating shareholders on further progress in due course.

**KEY PERFORMANCE INDICATOR**

The Company's key performance indicator is sales revenue which as discussed in the Chief Executive's statement has increased from £8.97 million in 2015 to £10.1 million in 2016. Due to the nature of the business, the Board maintains that comparative sales revenue figures are an appropriate indication of the Company's performance.

**RISKS AND UNCERTAINTIES**

**Financial Risk Management**

The Group's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk, interest risk and credit risk.

*Credit Risk*

The Group has a relatively low exposure to credit risk due to the nature of its sales. However the Group employs various procedures to ensure that all sales are collected promptly and accurately.

*Liquidity Risk*

The Group actively maintains sufficient cash balances to ensure that the Group has available funds for operations. The Group finances its operations principally from equity and cash reserves.

*Interest Rate Cash Flow Risk*

During the year the Group had both interest bearing assets that include cash balances, all of which earn interest at a variable rate.

**Non-Financial Risk Management**

The Directors regularly review the non-financial risks which the Group is exposed to and the following have been identified as key risk factors:

*Renewal of Site Contracts*

The Group continues to explore opening further sites and to diversity between operators. Efforts are made to diversify revenue streams by increasing online sales and acquiring customers through non-airport channels.

*Geo-political Risk*

The Group's operations within airport terminals which is largely dependent on passenger footfall, exposes the Group to both the political and geological risks affecting the aviation and travel industries. To mitigate the Group's exposure to these risks the Company seeks to diversify its airport sites beyond the United Kingdom, to grow its online business and to develop non-airport trading sites.

**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2016**

***Management and Key Personnel***

The success of the Company to a significant extent is dependent on the Executive Directors and other senior managers. To mitigate the risk of losing such personnel the Company endeavours to ensure that they are fairly remunerated and well incentivised.

***Regulatory Change***

The Company currently operates as a skilled competition which is not regulated. This could be subject to change in the future and the Company continues to seek appropriate legal advice to ensure it complies with all relevant legislation and licensing.

***Information Technology***

The Group relies heavily on its IT systems and software for its day to day operation. The Group has in place contracts with third party suppliers to ensure the levels of service delivered are adequate and that its data and customers' data is protected.

**ON BEHALF OF THE BOARD:**



.....  
W S Hindmarch  
Director  
8 June 2016



**BEST OF THE BEST PLC**  
**Corporate Governance Report**  
**For The Year Ended 30 April 2016**

**PRINCIPLES OF CORPORATE GOVERNANCE**

The policy of the Board is to manage the affairs of the Company in accordance with the principles underlying the UK Corporate Governance Code. The Board of Directors is accountable to shareholders for the good corporate performance of the Group. The principles of Corporate Governance and a code of best practice are set out in the UK Corporate Governance Code 2014 (the Code). Under the rules of AIM, the Group is not required to comply in full with the Code nor to state whether it derogates from it. The Board considers that full compliance with the Code is not appropriate at this stage as, due to the size of the business, full compliance would be both unwieldy and costly. This statement sets out how the principles of the Code have been applied having regard to the size and nature of the Group.

**BOARD STRUCTURE AND OPERATION**

The Chief Executive of the Group is William Hindmarch. He is heavily involved in the day to day running of the Group. In total the Board comprises a Chief Executive, one further Executive Director, Rupert Garton, and two Non-Executive Directors, Colin Hargrave and Michael Hindmarch. Colin Hargrave is an independent Non-Executive Director. It is considered that this gives the necessary mix of industry specific and broad business experience necessary for the effective governance of the Group.

There are certain matters specifically reserved to the Board for its decision which includes approvals of major expenditure and investments and key policies. Board meetings are held on a regular basis and effectively no decision of any consequence is made other than by the Board. Directors also have ongoing contact on a variety of issues between formal meetings. All Directors participate in the key areas of decision making, including the appointment of new Directors. A schedule of regular matters to be addressed by the Board and its Committees is agreed on an annual basis. The agenda for the board meetings is prepared by the Company secretary in consultation the CEO and the Board.

The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities in respect of the accounts is set out on page 13. The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered. To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information. The Board is supported in its work by Board Committees which are responsible for a variety of tasks delegated by the Board.

All Directors have access to the Company Secretary. There is no agreed formal procedure for the Directors to take independent professional advice at the Group's expense. All Directors submit themselves for re-election at the annual general meeting at regular intervals and will all be doing so this year. The Non-Executive Directors are appointed under fixed term contracts of no more than one year. The Directors who served during the year and a brief biography of each, is set out below.

***William Hindmarch, Age 42 – Chief Executive***

William graduated from the University of Durham in 1996 and joined Kleinwort Benson as a graduate trainee. He founded the business in 1999. He has been the Chief Executive for 13 years.

***Rupert Garton, Age 41 – Commercial Director***

Rupert graduated from the University of Durham in 1997 and joined JP Morgan as a graduate trainee. Later he spent seven years in Dresdner Kleinwort Wasserstein's equity capital markets and corporate finance divisions working in London, Milan and Johannesburg. In 2003, he then completed an MBA at the Oxford University Said Business School, before joining a specialist retailer as Commercial Director. He joined the Group in January 2006.

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2016**

*Michael Hindmarch (DL), Age 76 – Non-Executive Chairman*

Michael qualified as a Polymer Technologist at the National College of Rubber and Plastics Technology, London. He founded Plantpak (Plastics) Ltd, a horticultural plastics Company in 1970. In 1985 he reversed Plantpak into Falcon Industries Plc, a listed conglomerate, becoming Chairman and CEO. Since 1990 he has acted as an independent business consultant to a number of Companies. Michael served as High Sheriff of Essex 2010/2011 and is a Deputy Lieutenant of the County.

*Colin Hargrave, Aged 63 – Non-Executive Director*

Colin has spent all his working life in the retail, leisure and travel industries having started his career with the Burton Group. From 1991 to 1997 Colin worked for the Early Learning Centre, a division of John Menzies plc. Reporting to the CEO as International Development Manager he was responsible for expanding ELC into 13 new overseas markets through franchising, joint ventures and wholesaling. From 1997 until he left in 2008 he worked for BAA Plc, more recently taken into private ownership. His role prior to leaving was Managing Director of UK Retail where he was responsible for sales in excess of £2.3 billion and a profit contribution c £650 million from the seven UK airports BAA owned.

The Board has established the following committees, which each have written terms of reference, to deal with specific aspects of the Group's affairs.

#### **AUDIT COMMITTEE**

The Audit Committee comprises of Colin Hargrave (Chairman of the committee) and Michael Hindmarch. Meetings are also generally attended by the Group's Executive Directors, and the external auditors.

The remit of the committee is to review:

- the appointment and performance of the external auditors;
- remuneration for both audit and non-audit work and nature and scope of the audit with the external auditors;
- the interim and final financial report and accounts;
- the external auditors' management letter and management's responses;
- the systems of risk management and internal controls;
- operating, financial and accounting practices; and
- related recommendations to the Board.

#### **REMUNERATION COMMITTEE**

The Remuneration Committee comprising of Michael Hindmarch (Chairman of the committee) and Colin Hargrave is responsible for making recommendations to the Board on the Group's framework of Executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the Executive Directors. The Board itself determines the remuneration of the Non-Executive Directors. The report on Directors' remuneration is set out on pages 9 and 10.

#### **NOMINATION COMMITTEE**

There is no separate nomination committee at the moment due to the size of the Board. All Directors participate in the appointment of new Directors.

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2016**

**BOARD MEETING ATTENDANCE**

Directors' attendance at Board meetings is shown below

|                   | <i>No. of Board<br/>meetings attended</i> |
|-------------------|---|
| William Hindmarch | 6/6                                       |
| Rupert Garton     | 6/6                                       |
| Michael Hindmarch | 3/6                                       |
| Colin Hargrave    | 6/6                                       |

Note: Absences relate to unavoidable prior commitments or illness. Further ad hoc board meetings were held during the year.

**INTERNAL FINANCIAL CONTROL**

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The Group maintains a comprehensive process of financial reporting. The annual budget is reviewed and approved before being formally adopted. Other key procedures that have been established and which are designed to provide effective control are as follows:

Management structure – The Board meets regularly to discuss all issues affecting the Group.

Investment appraisal – The Group has a clearly defined framework for investment appraisal and approval is required by the Board where appropriate.

The Board regularly reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant deficiencies have come to light during the period and no weakness in internal financial control have resulted in any material losses, contingencies which would require disclosure as recommended by the guidance for Directors on reporting on internal financial control.

The Board considers that in light of the control environment described above, there is no current requirement for a separate internal audit function.

**RELATIONS WITH SHAREHOLDERS**

The Chief Executive is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. At the annual general meeting, private investors are given the opportunity to question the Board.

This year's Annual General Meeting will be held on 21 September 2016. Notice of the Annual General Meeting is set out at the back of this document.

**GOING CONCERN**

The Directors confirm that they are satisfied that the Company and Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**BEST OF THE BEST PLC**  
**Directors' Remuneration Report**  
**For The Year Ended 30 April 2016**

**REMUNERATION COMMITTEE**

The members of the Committee are Michael Hindmarch (Chairman of the Committee) and Colin Hargrave.

Details of the remuneration of each Director are set out below.

No Director plays a part in any discussion about his own remuneration.

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of high calibre, who are needed to drive and maintain the Group's position as a market leader and to reward them for enhancing value to the shareholder.

**REMUNERATION POLICY**

**SHARE OPTIONS**

Certain Directors have options granted to them under the terms of the approved and unapproved share option schemes which are open to other qualifying employees. The reason for the schemes is to incentivise and retain the Directors and key personnel and enable them to benefit from the increased market capitalisation of the Group. The exercise of options under the scheme is based upon the satisfaction of conditions relating to the share price. The conditions vary from grant to grant.

As at 30 April 2016, one of the Directors, Colin Hargrave, held options. Details and conditions of these options can be found on page 11.

**PENSION ARRANGEMENTS**

During the year, the Group provided £48,000 (2015: £48,000) in respect of Executive Director pension payments. At the year end, £nil (2015: £nil) was outstanding and owing to the scheme.

**DIRECTORS' CONTRACTS**

It is the Group's policy that Executive Directors should have contracts with an indefinite term providing for a maximum of six months' notice. In the event of early termination, the Directors' contracts provide for compensation, where appropriate, up to a maximum of basic salary for the notice period.

**NON-EXECUTIVE DIRECTORS**

The fees of Non-Executive Directors are determined by the Board as a whole having regard to the commitment of time required and the level of fees in similar Companies. Non-Executive Directors are engaged on renewable fixed term contracts not exceeding one year.

|                   | <i>Benefits</i> |               | <i>Fees paid to</i> |                |                      | <i>30 April</i> | <i>30 April</i> |
|-------------------|-----------------|---------------|---------------------|----------------|----------------------|-----------------|-----------------|
|                   | <i>in kind</i>  | <i>Salary</i> | <i>Bonus</i>        | <i>Pension</i> | <i>third parties</i> | <i>2016</i>     | <i>2015</i>     |
|                   |                 |               |                     |                |                      | <i>Total</i>    | <i>Total</i>    |
| Rupert Garton     | 22,160          | 128,283       | 65,000              | 24,000         | –                    | 239,443         | 230,187         |
| William Hindmarch | 4,739           | 129,583       | 65,000              | 24,000         | –                    | 223,322         | 218,301         |
| Michael Hindmarch | –               | –             | –                   | –              | 13,000               | 13,000          | 12,000          |
| Colin Hargrave    | 1,849           | 18,000        | –                   | –              | –                    | 19,849          | 21,730          |

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Group held by the Directors. Details of share options held and exercised by the Directors can be found in the Directors' Report. No share options were granted to Directors during the year. As at 30 April 2016, 10,000 options over shares granted to the Directors in previous years, were outstanding.

**BEST OF THE BEST PLC**  
**Directors' Remuneration Report (continued)**  
**For The Year Ended 30 April 2016**

**APPROVAL**

The report was approved by the Board of Directors and authorised for issue on 7 June 2016 and signed on its behalf by:



.....  
M W Hindmarch  
Chairman

**BEST OF THE BEST PLC**  
**Report of the Directors**  
**For The Year Ended 30 April 2016**

The Directors of Best of the Best PLC present their report for the year ended 30 April 2016. Particulars of important events effecting the Company and its subsidiaries and likely future developments may be found in the strategic report on pages 2 to 5.

**DIRECTORS**

The Directors during the year and summaries of their experience are set out on pages 6 and 7. The number of Ordinary Shares of the Company in which the Directors holding office on 30 April 2016 were beneficially interested in were as follows:

|                   | <i>30 April 2016</i> | <i>30 April 2015</i> |
|-------------------|----------------------|----------------------|
| William Hindmarch | 5,086,851            | 5,016,851            |
| Rupert Garton     | 1,502,124            | 647,596              |
| Michael Hindmarch | 874,722              | 944,722              |
| Colin Hargrave    | 126,519              | 36,773               |

According to the register of Directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the Directors or their immediate families, or exercised by them, during the financial year except as indicated below:

|              | <i>Outstanding<br/>at beginning<br/>of year</i> | <i>Granted</i> | <i>Forfeited</i> | <i>Exercised<br/>in year</i> | <i>Outstanding<br/>at end of<br/>year</i> | <i>Exercise<br/>price £</i> | <i>Date first<br/>exercisable</i> | <i>Date of<br/>expiry</i> |
|--------------|---|----------------|------------------|------------------------------|---|-----------------------------|-----------------------------------|---------------------------|
| R C E Garton | 500,000   | –              | –                | 500,000                      | –   | 0.225                       | 26/04/15                          | 25/04/22                  |
| R C E Garton | 154,528   | –              | –                | 154,528                      | –   | 0.210                       | 21/09/15                          | 20/09/22                  |
| R C E Garton | 200,000   | –              | –                | 200,000                      | –   | 0.210                       | 21/09/15                          | 20/09/22                  |
| C Hargrave   | 90,000  | –              | –                | 90,000                       | –   | 0.225                       | 26/04/15                          | 25/04/22                  |
| C Hargrave   | 10,000  | –              | –                | –                            | 10,000                                    | 0.380                       | 05/08/16                          | 04/08/23                  |

On 19 August 2015, Rupert Garton exercised options over 500,000 ordinary shares under the Best of the Best EMI Share Option Scheme. These shares were exercised at £0.225 per share. On 29 February 2016, Rupert Garton exercised options over 354,528 ordinary shares under the Best of the Best EMI Share Option Scheme. These shares were exercised at £0.210 per share.

On 19 August 2015, Colin Hargrave exercised options over 90,000 ordinary shares under an unapproved share option Scheme. These shares were exercised at £0.225 per share

At the 30 April 2016 the market price of the Group's shares was £2.19 (2015: £0.91). The maximum share price during the year was £2.75 (2015: £0.97) and the minimum price was £0.87 (2015: £0.58).

**DIVIDENDS**

During the year, the Group paid a final dividend equating to 1.2 pence per share as recommended in the accounts to 30 April 2015; and a special interim dividend of 19.5 pence per share was paid on 18 March 2016 to shareholders on the register on 4 March 2016.

The Board is recommending a final dividend of 1.3 pence per share (2015: 1.2 pence) for the full year ending 30 April 2016 subject to shareholder approval at the Annual General Meeting on 21 September 2016. The final dividend is covered 7.5 times by earnings per share and will be paid on 14 October 2016 to shareholders on the register on 23 September 2016.

The total distribution of dividends for the year ended 30 April 2016 will be £2,103,833.

**BEST OF THE BEST PLC**  
**Report of the Directors (continued)**  
**For The Year Ended 30 April 2016**

**SHARE CAPITAL**

Details of the Company's share capital is set out in note 17. The Company's share capital consists of one class of ordinary shares which do not carry rights to fixed income. As at 30 April 2016, there were 10,114,580 ordinary shares of 5 pence each in issue. Ordinary shareholders are entitled to receive notice and to attend and speak at general meetings. Each shareholder present in person or by proxy (or by duly authorised corporate representatives) has, on a show of hands, one vote. On a poll, each shareholder present in person or by proxy has one vote for each share held.

Other than the general provisions of the Articles (and prevailing legislation) there are no specific restrictions of the size of a holding or on the transfer of the ordinary shares.

The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

**AUTHORITY TO PURCHASE OWN SHARES**

At the 2015 annual general meeting, the Company was authorised by shareholders to purchase up to 909,905 of its own shares, representing approximately 9 per cent. of the total issued share capital. This authority will expire at the forthcoming annual general meeting and a resolution to renew the authority for a further year will be sought. During the period 21,000 ordinary shares were purchased by the Company and held in Treasury. These shares were cancelled by the Company on 27 April 2016. The Company now has no ordinary shares held in Treasury.

**SUBSTANTIAL SHAREHOLDERS**

As at 8 June 2016 the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights (other than Directors' interests already disclosed).

| <i>Name</i>                         | <i>Shareholding</i> | <i>Percentage</i> |
|-------------------------------------|---------------------|-------------------|
| Stancroft Trust Limited             | 782,647             | 7.74              |
| Rock Nominees Limited               | 655,506             | 6.48              |
| Lawshare Nominees Limited           | 378,730             | 3.74              |
| Octopus Investment Nominees Limited | 339,839             | 3.36              |
| Lynchwood Nominees Limited          | 325,000             | 3.21              |

**POLITICAL CONTRIBUTIONS**

The Company has made no political donations during the year.

**EVENTS SINCE THE END OF THE YEAR**

No material subsequent events have occurred since the year end that require disclosure within the accounts.

**DISCLOSURE IN THE STRATEGIC REPORT**

The Directors have chosen (under S414(c) of the Companies Act 2006) to show Risks and Uncertainties within the Group Strategic Report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

**BEST OF THE BEST PLC**  
**Report of the Directors (continued)**  
**For The Year Ended 30 April 2016**

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 International Financial Reporting Standards as adopted by the European Union. 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 the Group and of the profit or loss of the Group 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 that the financial statements comply with IFRS;
- 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

**AUDITORS**

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
W S Hindmarch  
Director  
8 June 2016



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BEST OF THE BEST PLC**

We have audited the financial statements of Best of the Best Plc for the year ended 30 April 2016 on pages 16 to 41. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 a Report of the Auditors 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 AUDITORS**

As explained more fully in the Statement of Directors' Responsibilities set out on page 13, 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 Group's and the parent 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 Group Strategic Report and the Report of the Directors 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 Group's and the parent Company's affairs as at 30 April 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

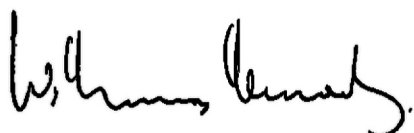
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BEST OF THE BEST PLC**

### **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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



Daniel Garside (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Chartered Accountants  
& Statutory Auditor  
Bridge House  
London Bridge  
London  
SE1 9QR

8 June 2016

**BEST OF THE BEST PLC**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For The Year Ended 30 April 2016**

|   | <i>Notes</i> | <i>2016</i><br>£ | <i>2015</i><br><i>as restated</i><br>£ |
|---|--------------|------------------|--|
| <b>CONTINUING OPERATIONS</b>                                  |              |                  |  |
| Revenue   | 2            | 10,104,505       | 8,972,050                              |
| Cost of sales   |              | (3,969,297)      | (3,620,661)                            |
| <b>GROSS PROFIT</b>   |              | <u>6,135,208</u> | <u>5,351,389</u>                       |
| Administrative expenses                                       |              | (5,077,788)      | (4,397,976)                            |
| <b>OPERATING PROFIT</b>                                       |              | <u>1,057,420</u> | <u>953,413</u>                         |
| Finance income  | 4            | 2,235            | 1,863                                  |
| <b>PROFIT BEFORE INCOME TAX</b>                               | 5            | <u>1,059,655</u> | <u>955,276</u>                         |
| Income tax  | 6            | (125,761)        | (115,010)                              |
| <b>PROFIT FOR THE YEAR</b>                                    |              | <u>933,894</u>   | <u>840,266</u>                         |
| <b>OTHER COMPREHENSIVE INCOME</b>                             |              |                  |  |
| <b>Items that will not be reclassified to profit or loss:</b> |              |                  |  |
| Share repurchase  |              | (43,830)         | –                                      |
| Capital reduction   |              | –                | 1,782,622                              |
| Income tax relating to items of other comprehensive income    |              | –                | –                                      |
| <b>OTHER COMPREHENSIVE INCOME</b>                             |              | <u>(43,830)</u>  | <u>1,782,622</u>                       |
| <b>FOR THE YEAR, NET OF INCOME TAX</b>                        |              | <u>(43,830)</u>  | <u>1,782,622</u>                       |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                |              | <u>890,064</u>   | <u>2,622,888</u>                       |
| Profit attributable to:                                       |              |                  |  |
| Owners of the parent  |              | <u>933,894</u>   | <u>840,266</u>                         |
| Total comprehensive income attributable to:                   |              |                  |  |
| Owners of the parent  |              | <u>890,064</u>   | <u>2,622,888</u>                       |
| Earnings per share expressed in pence per share:              |              |                  |  |
| Basic   | 9            | 9.75             | 9.23                                   |
| Diluted   |              | <u>9.70</u>      | <u>8.55</u>                            |

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Consolidated Statement of Financial Position**  
**As at 30 April 2016**

|                                     | <i>Notes</i> | <i>2016</i>      | <i>2015</i>        |
|-------------------------------------|--------------|------------------|--------------------|
|                                     |              | £                | <i>as restated</i> |
|                                     |              |                  | £                  |
| <b>ASSETS</b>                       |              |                  |                    |
| <b>NON-CURRENT ASSETS</b>           |              |                  |                    |
| Intangible assets                   | 11           | 267,200          | –                  |
| Property, plant and equipment       | 12           | 1,181,116        | 1,053,475          |
| Investments                         | 13           | 70,000           | 70,000             |
| Deferred tax                        | 20           | 41,077           | 82,939             |
|                                     |              | <u>1,559,393</u> | <u>1,206,414</u>   |
| <b>CURRENT ASSETS</b>               |              |                  |                    |
| Inventories                         | 14           | 315,535          | 501,137            |
| Trade and other receivables         | 15           | 169,418          | 684,981            |
| Tax receivable                      |              | 4,178            | 7,513              |
| Cash and cash equivalents           | 16           | 1,201,629        | 1,906,910          |
|                                     |              | <u>1,690,760</u> | <u>3,100,541</u>   |
| <b>TOTAL ASSETS</b>                 |              | <u>3,250,153</u> | <u>4,306,955</u>   |
| <b>EQUITY</b>                       |              |                  |                    |
| <b>SHAREHOLDERS' EQUITY</b>         |              |                  |                    |
| Called up share capital             | 17           | 505,726          | 454,950            |
| Share premium                       | 18           | 175,774          | –                  |
| Capital redemption reserve          | 18           | 197,651          | 196,601            |
| Other reserves                      | 18           | –                | 147,810            |
| Retained earnings                   | 18           | 711,455          | 1,763,243          |
| <b>TOTAL EQUITY</b>                 |              | <u>1,590,606</u> | <u>2,562,604</u>   |
| <b>LIABILITIES</b>                  |              |                  |                    |
| <b>CURRENT LIABILITIES</b>          |              |                  |                    |
| Trade and other payables            | 19           | 1,448,132        | 1,594,206          |
| Tax payable                         |              | 211,415          | 150,145            |
|                                     |              | <u>1,659,547</u> | <u>1,744,351</u>   |
| <b>TOTAL LIABILITIES</b>            |              | <u>1,659,547</u> | <u>1,744,351</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b> |              | <u>3,250,153</u> | <u>4,306,955</u>   |

The financial statements were approved by the Board of Directors on 8 June 2016 and were signed on its behalf by:



.....  
W S Hindmarch  
Director

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Company Statement of Financial Position**  
**As at 30 April 2016**

|                                     | <i>Notes</i> | <i>2016</i><br>£ | <i>2015</i><br><i>as restated</i><br>£ |
|-------------------------------------|--------------|------------------|--|
| <b>ASSETS</b>                       |              |                  |  |
| <b>NON-CURRENT ASSETS</b>           |              |                  |  |
| Intangible assets                   | 11           | 267,200          | –                                      |
| Property, plant and equipment       | 12           | 1,181,116        | 1,053,475                              |
| Investments                         | 13           | 82,585           | 82,585                                 |
| Deferred tax                        | 20           | 41,077           | 82,939                                 |
|                                     |              | <u>1,571,978</u> | <u>1,218,999</u>                       |
| <b>CURRENT ASSETS</b>               |              |                  |  |
| Inventories                         | 14           | 315,535          | 501,137                                |
| Trade and other receivables         | 15           | 115,958          | 631,144                                |
| Cash and cash equivalents           | 16           | 1,167,701        | 1,870,677                              |
|                                     |              | <u>1,599,194</u> | <u>3,002,958</u>                       |
| <b>TOTAL ASSETS</b>                 |              | <u>3,171,172</u> | <u>4,221,957</u>                       |
| <b>EQUITY</b>                       |              |                  |  |
| <b>SHAREHOLDERS' EQUITY</b>         |              |                  |  |
| Called up share capital             | 17           | 505,726          | 454,950                                |
| Share premium                       | 18           | 175,774          | –                                      |
| Capital redemption reserve          | 18           | 197,651          | 196,601                                |
| Other reserves                      | 18           | –                | 147,810                                |
| Retained earnings                   | 18           | 594,794          | 1,639,333                              |
| <b>TOTAL EQUITY</b>                 |              | <u>1,473,945</u> | <u>2,438,694</u>                       |
| <b>LIABILITIES</b>                  |              |                  |  |
| <b>CURRENT LIABILITIES</b>          |              |                  |  |
| Trade and other payables            | 19           | 1,485,812        | 1,649,519                              |
| Tax payable                         |              | 211,415          | 133,744                                |
|                                     |              | <u>1,697,227</u> | <u>1,783,263</u>                       |
| <b>TOTAL LIABILITIES</b>            |              | <u>1,697,227</u> | <u>1,783,263</u>                       |
| <b>TOTAL EQUITY AND LIABILITIES</b> |              | <u>3,171,172</u> | <u>4,221,957</u>                       |

The financial statements were approved by the Board of Directors on 8 June 2016 and were signed on its behalf by:



.....  
W S Hindmarch  
Director

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Consolidated Statement of Changes in Equity**  
**For The Year Ended 30 April 2016**

|                                 | <i>Called up<br/>share<br/>capital<br/>£</i> | <i>Retained<br/>earnings<br/>£</i> | <i>Share<br/>premium<br/>£</i> |
|---------------------------------|--|------------------------------------|--------------------------------|
| <b>Balance at 1 May 2014</b>    | 454,950                                      | 721,179                            | 1,782,622                      |
| <b>Changes in equity</b>        |  |                                    |                                |
| Issue of share capital          | –  | –                                  | (1,782,622)                    |
| Dividends                       | –  | (1,419,452)                        | –                              |
| Total comprehensive income      | –  | 2,461,516                          | –                              |
| <b>Balance at 30 April 2015</b> | <u>454,950</u>                               | <u>1,763,243</u>                   | <u>–</u>                       |
| <b>Changes in equity</b>        |  |                                    |                                |
| Issue of share capital          | 50,776                                       | –                                  | 175,774                        |
| Dividends                       | –  | (2,088,612)                        | –                              |
| Total comprehensive income      | –  | 1,036,824                          | –                              |
| <b>Balance at 30 April 2016</b> | <u>505,726</u>                               | <u>711,455</u>                     | <u>175,774</u>                 |

|                                 | <i>Capital<br/>redemption<br/>reserve<br/>£</i> | <i>Other<br/>reserves<br/>£</i> | <i>Treasury<br/>shares<br/>£</i> | <i>Total<br/>equity<br/>£</i> |
|---------------------------------|---|---------------------------------|----------------------------------|-------------------------------|
| <b>Balance at 1 May 2014</b>    | 196,601   | 147,810                         | (161,372)                        | 3,141,790                     |
| <b>Changes in equity</b>        |   |                                 |                                  |                               |
| Issue of share capital          | –   | –                               | –                                | (1,782,622)                   |
| Dividends                       | –   | –                               | –                                | (1,419,452)                   |
| Total comprehensive income      | –   | –                               | 161,372                          | 2,622,888                     |
| <b>Balance at 30 April 2015</b> | <u>196,601</u>                                  | <u>147,810</u>                  | <u>–</u>                         | <u>2,562,604</u>              |
| <b>Changes in equity</b>        |   |                                 |                                  |                               |
| Issue of share capital          | –   | –                               | –                                | 226,550                       |
| Dividends                       | –   | –                               | –                                | (2,088,612)                   |
| Total comprehensive income      | 1,050   | (147,810)                       | –                                | 890,064                       |
| <b>Balance at 30 April 2016</b> | <u>197,651</u>                                  | <u>–</u>                        | <u>–</u>                         | <u>1,590,606</u>              |

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Company Statement of Changes in Equity**  
**For The Year Ended 30 April 2016**

|                                 | <i>Called up<br/>share<br/>capital<br/>£</i> | <i>Retained<br/>earnings<br/>£</i> | <i>Share<br/>premium<br/>£</i> |
|---------------------------------|--|------------------------------------|--------------------------------|
| <b>Balance at 1 May 2014</b>    | 454,950                                      | 323,413                            | 1,782,622                      |
| <b>Changes in equity</b>        |  |                                    |                                |
| Issue of share capital          | –  | –                                  | (1,782,622)                    |
| Dividends                       | –  | (1,419,452)                        | –                              |
| Total comprehensive income      | –  | 2,735,372                          | –                              |
| <b>Balance at 30 April 2015</b> | <u>454,950</u>                               | <u>1,639,333</u>                   | <u>–</u>                       |
| <b>Changes in equity</b>        |  |                                    |                                |
| Issue of share capital          | 50,776                                       | –                                  | 175,774                        |
| Dividends                       | –  | (2,088,612)                        | –                              |
| Total comprehensive income      | –  | 1,044,073                          | –                              |
| <b>Balance at 30 April 2016</b> | <u>505,726</u>                               | <u>594,794</u>                     | <u>175,774</u>                 |

|                                 | <i>Capital<br/>redemption<br/>reserve<br/>£</i> | <i>Other<br/>reserves<br/>£</i> | <i>Treasury<br/>shares<br/>£</i> | <i>Total<br/>equity<br/>£</i> |
|---------------------------------|---|---------------------------------|----------------------------------|-------------------------------|
| <b>Balance at 1 May 2014</b>    | 196,601   | 147,810                         | (161,372)                        | 2,744,024                     |
| <b>Changes in equity</b>        |   |                                 |                                  |                               |
| Issue of share capital          | –   | –                               | –                                | (1,782,622)                   |
| Dividends                       | –   | –                               | –                                | (1,419,452)                   |
| Total comprehensive income      | –   | –                               | 161,372                          | 2,896,744                     |
| <b>Balance at 30 April 2015</b> | <u>196,601</u>                                  | <u>147,810</u>                  | <u>–</u>                         | <u>2,438,694</u>              |
| <b>Changes in equity</b>        |   |                                 |                                  |                               |
| Issue of share capital          | –   | –                               | –                                | 226,550                       |
| Dividends                       | –   | –                               | –                                | (2,088,612)                   |
| Total comprehensive income      | 1,050   | (147,810)                       | –                                | 897,313                       |
| <b>Balance at 30 April 2016</b> | <u>197,651</u>                                  | <u>–</u>                        | <u>–</u>                         | <u>1,473,945</u>              |

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended 30 April 2016**

|   | <i>Notes</i> | <i>2016</i>        | <i>2015</i>        |
|---|--------------|--------------------|--------------------|
|   |              | £                  | <i>as restated</i> |
|   |              |                    | £                  |
| <b>Cash flows from operating activities</b>           |              |                    |                    |
| Cash generated from operations                        | 1            | 1,675,324          | 1,323,481          |
| Tax paid  |              | (19,294)           | (78,445)           |
| Net cash from operating activities                    |              | <u>1,656,030</u>   | <u>1,245,036</u>   |
| <b>Cash flows from investing activities</b>           |              |                    |                    |
| Purchase of intangible fixed assets                   |              | (267,200)          | –                  |
| Purchase of tangible fixed assets                     |              | (195,654)          | (94,764)           |
| Purchase of fixed asset investments                   |              | –                  | (70,000)           |
| Sale of tangible fixed assets                         |              | 5,200              | –                  |
| Interest received                                     |              | 2,235              | 1,863              |
| Net cash from investing activities                    |              | <u>(455,419)</u>   | <u>(162,901)</u>   |
| <b>Cash flows from financing activities</b>           |              |                    |                    |
| Share issue   |              | 227,600            | –                  |
| Share buyback   |              | (44,880)           | –                  |
| Equity dividends paid                                 |              | (2,088,612)        | (1,419,452)        |
| Net cash from financing activities                    |              | <u>(1,905,892)</u> | <u>(1,419,452)</u> |
| <b>Decrease in cash and cash equivalents</b>          |              | <u>(705,281)</u>   | <u>(337,317)</u>   |
| <b>Cash and cash equivalents at beginning of year</b> | 2            | <u>1,906,910</u>   | <u>2,244,227</u>   |
| <b>Cash and cash equivalents at end of year</b>       | 2            | <u>1,201,629</u>   | <u>1,906,910</u>   |

The notes form part of these financial statements



**BEST OF THE BEST PLC**  
**Company Statement of Cash Flows**  
**For The Year Ended 30 April 2016**

|   | <i>Notes</i> | <i>2016</i>        | <i>2015</i>        |
|---|--------------|--------------------|--------------------|
|   |              | £                  | <i>as restated</i> |
|   |              |                    | £                  |
| <b>Cash flows from operating activities</b>           |              |                    |                    |
| Cash generated from operations                        | 1            | 1,658,888          | 975,933            |
| Tax paid  |              | (553)              | (12,374)           |
| Net cash from operating activities                    |              | <u>1,658,335</u>   | <u>963,559</u>     |
| <b>Cash flows from investing activities</b>           |              |                    |                    |
| Purchase of intangible fixed assets                   |              | (267,200)          | –                  |
| Purchase of tangible fixed assets                     |              | (195,654)          | (94,764)           |
| Purchase of fixed asset investments                   |              | –                  | (70,000)           |
| Sale of tangible fixed assets                         |              | 5,200              | –                  |
| Interest received                                     |              | 2,235              | 1,863              |
| Dividends received                                    |              | –                  | 369,252            |
| Net cash from investing activities                    |              | <u>(455,419)</u>   | <u>206,351</u>     |
| <b>Cash flows from financing activities</b>           |              |                    |                    |
| Share issue   |              | 227,600            | –                  |
| Share buyback   |              | (44,880)           | –                  |
| Equity dividends paid                                 |              | (2,088,612)        | (1,419,452)        |
| Net cash from financing activities                    |              | <u>(1,905,892)</u> | <u>(1,419,452)</u> |
| <b>Decrease in cash and cash equivalents</b>          |              | <b>(702,976)</b>   | <b>(249,542)</b>   |
| <b>Cash and cash equivalents at beginning of year</b> | 2            | <u>1,870,677</u>   | <u>2,120,219</u>   |
| <b>Cash and cash equivalents at end of year</b>       | 2            | <u>1,167,701</u>   | <u>1,870,677</u>   |

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Notes to the Statements of Cash Flows**  
**For The Year Ended 30 April 2016**

**1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

**Group**

|  | 2016             | 2015<br><i>as restated</i> |
|--|------------------|----------------------------|
|  | £                | £                          |
| Profit before income tax                           | 1,059,655        | 955,276                    |
| Depreciation charges                               | 62,815           | 90,028                     |
| Finance income                                     | (2,235)          | (1,863)                    |
|  | 1,120,235        | 1,043,441                  |
| Decrease in inventories                            | 185,602          | 25,308                     |
| Decrease/(increase) in trade and other receivables | 515,561          | (51,981)                   |
| (Decrease)/increase in trade and other payables    | (146,074)        | 306,713                    |
| <b>Cash generated from operations</b>              | <b>1,675,324</b> | <b>1,323,481</b>           |

**Company**

|  | 2016             | 2015<br><i>as restated</i> |
|--|------------------|----------------------------|
|  | £                | £                          |
| Profit before income tax                           | 1,061,229        | 1,210,229                  |
| Depreciation charges                               | 62,815           | 90,028                     |
| Finance income                                     | (2,235)          | (371,115)                  |
|  | 1,121,809        | 929,142                    |
| Decrease in inventories                            | 185,602          | 25,308                     |
| Decrease/(increase) in trade and other receivables | 515,186          | (62,969)                   |
| (Decrease)/increase in trade and other payables    | (163,709)        | 84,452                     |
| <b>Cash generated from operations</b>              | <b>1,658,888</b> | <b>975,933</b>             |

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

|                                 | <i>Group</i>         |                   | <i>Company</i>       |                   |
|---------------------------------|----------------------|-------------------|----------------------|-------------------|
| <b>Year ended 30 April 2016</b> | <i>30 April 2016</i> | <i>1 May 2015</i> | <i>30 April 2016</i> | <i>1 May 2015</i> |
|                                 | £                    | £                 | £                    | £                 |
| Cash and cash equivalents       | 1,201,629            | 1,906,910         | 1,167,701            | 1,870,677         |
| <b>Year ended 30 April 2015</b> | <i>30 April 2015</i> | <i>1 May 2014</i> | <i>30 April 2015</i> | <i>1 May 2014</i> |
|                                 | <i>as restated</i>   |                   | <i>as restated</i>   |                   |
|                                 | £                    | £                 | £                    | £                 |
| Cash and cash equivalents       | 1,906,910            | 2,244,227         | 1,870,677            | 2,120,219         |

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements**  
**For The Year Ended 30 April 2016**

**1. ACCOUNTING POLICIES**

***Basis of preparation***

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to Companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in Pound Sterling.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 24.

***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

***Changes in accounting policies***

The following new standards, interpretations and amendments, are effective for annual periods beginning on or after 1 May 2016.

IFRS 10 (Amendment) Consolidated Financial Statements

IFRS 14 Regulatory Deferral Accounts

IAS 1 (Amendment) Presentation of Financial Statements

IAS 16 (Amendment) Property, Plant and Equipment

IAS 27 (Amendment) Separate Financial Statements

IFRS 9 Financial Instruments

IFRS 16 Leases

IFRS 11 (Amendments) Accounting for acquisitions of interests in Joint Operations

IFRS 15 Revenue from contracts with customers

The amendments as noted above are not believed to have a material impact on the financial statements of the Group. The Group will adopt these standards on the date at which they become effective.

***Revenue recognition***

Revenue represents the value of tickets sold in respect of weekly competitions. The Company's obligation to its client is discharged on the sale of a ticket.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**1. ACCOUNTING POLICIES (CONTINUED)**

***Externally acquired intangible assets***

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives at the point they are brought into use by the Group.

***Property, plant and equipment***

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                          |                            |
|--------------------------|----------------------------|
| Long leasehold           | – not provided             |
| Improvements to property | – Not depreciated          |
| Fixtures and fittings    | – at varying rates on cost |
| Motor vehicles           | – 25% on reducing balance  |
| Computer equipment       | – at varying rates on cost |

***Financial instruments***

The Group's financial instruments comprise cash together with various items such as trade and other receivables and trade and other payables etc. that arise directly from its operations. The main purpose of these financial instruments is to provide working capital.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

***Trade receivables***

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

***Financial liability and equity***

Financial liabilities 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 Group after deducting all of its liabilities.

***Trade payables***

Trade payables are not interest-bearing and are stated at their nominal value.

***Equity instruments***

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

The Group's ordinary shares are classified as equity instruments.

***Inventories***

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**1. ACCOUNTING POLICIES (CONTINUED)**

***Taxation***

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

The tax currently payable is based on the taxable profit for the year. Taxable profit/(loss) differs from the net profit/(loss) reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

***Foreign currencies***

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

***Share based payment***

The Group has applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Group to acquire shares of the Company. For all grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest, except where forfeiture is only due to market-based conditions not achieving the threshold for vesting. The expense is recognised over the expected life of the option.

***Pension contributions***

The Company operates a money purchase pension scheme for certain employees. The cost of the contribution is charged in the profit and loss account as incurred.

***Accruals and deferred income***

Accruals and deferred income includes the value of tickets sold for competitions which have not been completed at the accounting date and the cost of prizes to be awarded to winners.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**2. SEGMENTAL REPORTING**

The Directors consider that the primary reporting format is by business segment and that there is only one such segment being that of competition operators. This disclosure has already been provided in these financial statements.

Sales from UK activities totalled £8,097,408 (2015: £7,160,393) whilst sales from non-UK activities totalled £2,007,097 (2015: £1,811,657).

**3. EMPLOYEES AND DIRECTORS**

|                       | 2016      | 2015<br><i>as restated</i> |
|-----------------------|-----------|----------------------------|
|                       | £         | £                          |
| Wages and salaries    | 2,864,729 | 2,833,769                  |
| Social security costs | 308,907   | 267,108                    |
| Other pension costs   | 28,600    | 25,081                     |
|                       | 3,202,236 | 3,125,958                  |

The average monthly number of employees during the year was as follows:

|                | 2016 | 2015<br><i>as restated</i> |
|----------------|------|----------------------------|
| Sales          | 47   | 53                         |
| Administration | 21   | 21                         |
| Management     | 2    | 2                          |
|                | 70   | 76                         |

|                         | 2016    | 2015<br><i>as restated</i> |
|-------------------------|---------|----------------------------|
|                         | £       | £                          |
| Directors' remuneration | 495,614 | 482,218                    |
|                         | 495,614 | 482,218                    |

The number of Directors to whom retirement benefits were accruing was as follows:

|                        |   |   |
|------------------------|---|---|
| Money purchase schemes | 2 | 2 |
|------------------------|---|---|

Information regarding the highest paid Director is as follows:

|                | 2016    | 2015<br><i>as restated</i> |
|----------------|---------|----------------------------|
|                | £       | £                          |
| Emoluments etc | 239,443 | 230,187                    |
|                | 239,443 | 230,187                    |

The Directors consider themselves to be the only key management personnel.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**4. NET FINANCE INCOME**

|                          | 2016         | 2015<br><i>as restated</i> |
|--------------------------|--------------|----------------------------|
|                          | £            | £                          |
| Finance income:          |              |                            |
| Deposit account interest | 2,235        | 1,863                      |
|                          | <u>2,235</u> | <u>1,863</u>               |

**5. PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging/(crediting):

|   | 2016             | 2015<br><i>as restated</i> |
|---|------------------|----------------------------|
|   | £                | £                          |
| Cost of inventories recognised as expense | 3,969,297        | 3,620,661                  |
| Depreciation – owned assets               | 62,813           | 90,028                     |
| Auditors’ remuneration                    | 26,000           | 25,000                     |
| Auditors’ remuneration for non audit work | 8,000            | 8,000                      |
| Foreign exchange differences              | 26,858           | (23,491)                   |
|   | <u>3,992,968</u> | <u>3,710,100</u>           |

Amounts payable to the auditors and their associates in respect of both audit and non-audit services:

|   | <i>Year ended</i><br>30 April 2016 | <i>Year ended</i><br>30 April 2015 |
|---|------------------------------------|------------------------------------|
|   | £                                  | £                                  |
| Audit services                                |                                    |                                    |
| – Statutory audit                             | 26,000                             | 25,000                             |
| – Other services relating to such legislation | 8,000                              | 8,000                              |
| – Tax services – compliance services          | –                                  | –                                  |
| – Other Services                              | –                                  | –                                  |

**6. INCOME TAX**

**Analysis of tax expense**

|   | 2016           | 2015<br><i>as restated</i> |
|---|----------------|----------------------------|
|   | £              | £                          |
| Current tax:  |                |                            |
| Tax   | 87,647         | 94,057                     |
| Overprovision in prior year   | (3,403)        | –                          |
| Interest on overdue taxation  | (345)          | –                          |
| Total current tax   | <u>83,899</u>  | <u>94,057</u>              |
| Deferred tax  | 41,862         | 20,953                     |
| Total tax expense in consolidated statement of profit or loss<br>and other comprehensive income | <u>125,761</u> | <u>115,010</u>             |

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**6. INCOME TAX (CONTINUED)**

**Factors affecting the tax expense**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

|  | 2016           | 2015<br><i>as restated</i> |
|--|----------------|----------------------------|
|  | £              | £                          |
| Profit on ordinary activities before income tax  | 1,059,655      | 955,276                    |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 – 20.842%) | 211,931        | 199,099                    |
| Effects of:  |                |                            |
| Tax purposes   |                |                            |
| Capital allowances in excess of depreciation   | (42,901)       | (21,835)                   |
| Tax effect of overseas subsidiaries  | 16,117         | (8,083)                    |
| Deferred taxation  | 41,862         | 20,953                     |
| Research & Development enhanced deduction  | (97,500)       | (75,124)                   |
| Prior year adjustment and interest   | (3,748)        | –                          |
| Tax expense  | <u>125,761</u> | <u>115,010</u>             |

**7. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The parent Company's profit for the financial year was £941,143 (2015 – £1,114,122).

**8. DIVIDENDS**

During the year, the Company paid a dividend equating to 1.2 pence per share as recommended in the accounts to 30 April 2015; and a special dividend of 19.5 pence per share on 18 March 2016.

The Board is recommending a final dividend of 1.3 pence per share (2015: 1.2 pence) for the full year ending 30 April 2016 subject to shareholder approval at the Annual General Meeting on 21 September 2016. A final dividend is covered 7.5 times by earnings per share and will be paid on 14 October 2016 to shareholders on the register on 23 September 2016.

The total distribution of dividends for the year ended 30 April 2016 will be £2,103,833.



**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**9. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Reconciliations are set out below.

|  | <i>Earnings</i><br>£ | <i>2016</i><br><i>Weighted</i><br><i>average</i><br><i>number</i><br><i>of shares</i> | <i>Per-share</i><br><i>amount</i><br><i>pence</i> |
|--|----------------------|---|---|
| <b>Basic EPS</b>                               |                      |   |   |
| Earnings attributable to ordinary shareholders | 933,894              | 9,582,651   | 9.75  |
| <b>Effect of dilutive securities</b>           |                      |   |   |
| Options  | –                    | 44,035  | –   |
| <b>Diluted EPS</b>                             |                      |   |   |
| Adjusted earnings                              | <u>933,894</u>       | <u>9,626,686</u>  | <u>9.70</u>                                       |
|  |                      | <i>2015</i><br><i>as restated</i>   |   |
|  | <i>Earnings</i><br>£ | <i>Weighted</i><br><i>average</i><br><i>number</i><br><i>of shares</i>                | <i>Per-share</i><br><i>amount</i><br><i>pence</i> |
| <b>Basic EPS</b>                               |                      |   |   |
| Earnings attributable to ordinary shareholders | 840,266              | 9,099,052   | 9.23  |
| <b>Effect of dilutive securities</b>           |                      |   |   |
| Options  | –                    | 727,677   | –   |
| <b>Diluted EPS</b>                             |                      |   |   |
| Adjusted earnings                              | <u>840,266</u>       | <u>9,826,729</u>  | <u>8.55</u>                                       |

During the year 21,000 shares were returned to the Company and cancelled. Once cancelled they were removed from the earnings per share calculation.

The total number of options and warrants granted at 30 April 2016 of 70,000 would generate £43,500 in cash if exercised. At 30 April 2016, 70,000 were priced above the mid-market closing price of 182.2p per share, however the earliest any of these options can be vested is August 2016.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**10. PRIOR YEAR ADJUSTMENT**

During December 2015, HMRC made a decision in favour of the Company allowing overpaid VAT to be reclaimed dating back to December 2010.

Also during April 2016 a Corporation Tax Research & Development claim was submitted retrospectively for the years ended 30th April 2015 and 2014. The claim was refunded to the Company in the year to 30 April 2016.

The impact of these amendments at 1st May 2015 was an increase in retained earnings of £473,717, an increase of £419,116 in receivables due within one year and a decrease in tax payable of £54,601.

The year ended 30th April 2015 has been restated in the financial statements to ensure comparability is maintained. Revenue was increased by £173,670, administrative expenses increased by £26,050 and income tax reduced by £47,968.

**11. INTANGIBLE ASSETS**

**Group**

|                       | <i>Development<br/>costs<br/>£</i> |
|-----------------------|------------------------------------|
| <b>COST</b>           |                                    |
| Additions             | 267,200                            |
| At 30 April 2016      | 267,200                            |
| <b>NET BOOK VALUE</b> |                                    |
| At 30 April 2016      | 267,200                            |

**Company**

|                       | <i>Development<br/>costs<br/>£</i> |
|-----------------------|------------------------------------|
| <b>COST</b>           |                                    |
| Additions             | 267,200                            |
| At 30 April 2016      | 267,200                            |
| <b>NET BOOK VALUE</b> |                                    |
| At 30 April 2016      | 267,200                            |

Intangible assets relate to new website & IT Systems development. To date the new website is not operational so no amortisation has been recognised.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**12. PROPERTY, PLANT AND EQUIPMENT**

**Group**

|                        | <i>Long<br/>leasehold<br/>£</i> | <i>Improvements<br/>to<br/>property<br/>£</i> | <i>Fixtures<br/>and<br/>fittings<br/>£</i> |
|------------------------|---------------------------------|---|--|
| <b>COST</b>            |                                 |   |  |
| At 1 May 2015          | 954,034                         | 25,950  | 499,306                                    |
| Additions              | –                               | –   | 120,778                                    |
| Disposals              | –                               | –   | (449,865)                                  |
| At 30 April 2016       | <u>954,034</u>                  | <u>25,950</u>                                 | <u>170,219</u>                             |
| <b>DEPRECIATION</b>    |                                 |   |  |
| At 1 May 2015          | –                               | –   | 464,221                                    |
| Charge for year        | –                               | –   | 27,691                                     |
| Eliminated on disposal | –                               | –   | (449,865)                                  |
| At 30 April 2016       | <u>–</u>                        | <u>–</u>                                      | <u>42,047</u>                              |
| <b>NET BOOK VALUE</b>  |                                 |   |  |
| At 30 April 2016       | <u>954,034</u>                  | <u>25,950</u>                                 | <u>128,172</u>                             |
|                        | <i>Motor<br/>vehicles<br/>£</i> | <i>Computer<br/>equipment<br/>£</i>           | <i>Totals<br/>£</i>                        |
| <b>COST</b>            |                                 |   |  |
| At 1 May 2015          | 72,775                          | 185,004                                       | 1,737,069                                  |
| Additions              | –                               | 74,876  | 195,654                                    |
| Disposals              | –                               | (166,760)                                     | (616,625)                                  |
| At 30 April 2016       | <u>72,775</u>                   | <u>93,120</u>                                 | <u>1,316,098</u>                           |
| <b>DEPRECIATION</b>    |                                 |   |  |
| At 1 May 2015          | 50,154                          | 169,219                                       | 683,594                                    |
| Charge for year        | 5,655                           | 29,467  | 62,813                                     |
| Eliminated on disposal | –                               | (161,560)                                     | (611,425)                                  |
| At 30 April 2016       | <u>55,809</u>                   | <u>37,126</u>                                 | <u>134,982</u>                             |
| <b>NET BOOK VALUE</b>  |                                 |   |  |
| At 30 April 2016       | <u>16,966</u>                   | <u>55,994</u>                                 | <u>1,181,116</u>                           |

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Group**

|                       | <i>Long<br/>leasehold<br/>£</i> | <i>Improvements<br/>to<br/>property<br/>£</i> | <i>Fixtures<br/>and<br/>fittings<br/>£</i> |
|-----------------------|---------------------------------|---|--|
| <b>COST</b>           |                                 |   |  |
| At 1 May 2014         | 950,908                         | 25,950  | 423,264                                    |
| Additions             | 3,126                           | –   | 76,042                                     |
| At 30 April 2015      | <u>954,034</u>                  | <u>25,950</u>                                 | <u>499,306</u>                             |
| <b>DEPRECIATION</b>   |                                 |   |  |
| At 1 May 2014         | –                               | –   | 389,801                                    |
| Charge for year       | –                               | –   | 74,420                                     |
| At 30 April 2015      | <u>–</u>                        | <u>–</u>                                      | <u>464,221</u>                             |
| <b>NET BOOK VALUE</b> |                                 |   |  |
| At 30 April 2015      | <u>954,034</u>                  | <u>25,950</u>                                 | <u>35,085</u>                              |
|                       | <i>Motor<br/>vehicles<br/>£</i> | <i>Computer<br/>equipment<br/>£</i>           | <i>Totals<br/>£</i>                        |
| <b>COST</b>           |                                 |   |  |
| At 1 May 2014         | 72,775                          | 169,408                                       | 1,642,305                                  |
| Additions             | –                               | 15,596  | 94,764                                     |
| At 30 April 2015      | <u>72,775</u>                   | <u>185,004</u>                                | <u>1,737,069</u>                           |
| <b>DEPRECIATION</b>   |                                 |   |  |
| At 1 May 2014         | 42,613                          | 161,152                                       | 593,566                                    |
| Charge for year       | 7,541                           | 8,067   | 90,028                                     |
| At 30 April 2015      | <u>50,154</u>                   | <u>169,219</u>                                | <u>683,594</u>                             |
| <b>NET BOOK VALUE</b> |                                 |   |  |
| At 30 April 2015      | <u>22,621</u>                   | <u>15,785</u>                                 | <u>1,053,475</u>                           |

No depreciation is provided on long leasehold land and buildings as in the opinion of the Directors, the market values are not materially different to their book values.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Company**

|                        | <i>Long<br/>leasehold<br/>£</i> | <i>Improvements<br/>to<br/>property<br/>£</i> | <i>Fixtures<br/>and<br/>fittings<br/>£</i> |
|------------------------|---------------------------------|---|--|
| <b>COST</b>            |                                 |   |  |
| At 1 May 2015          | 954,034                         | 25,950  | 499,306                                    |
| Additions              | –                               | –   | 120,778                                    |
| Disposals              | –                               | –   | (449,865)                                  |
| At 30 April 2016       | <u>954,034</u>                  | <u>25,950</u>                                 | <u>170,219</u>                             |
| <b>DEPRECIATION</b>    |                                 |   |  |
| At 1 May 2015          | –                               | –   | 464,221                                    |
| Charge for year        | –                               | –   | 27,691                                     |
| Eliminated on disposal | –                               | –   | (449,865)                                  |
| At 30 April 2016       | <u>–</u>                        | <u>–</u>                                      | <u>42,047</u>                              |
| <b>NET BOOK VALUE</b>  |                                 |   |  |
| At 30 April 2016       | <u>954,034</u>                  | <u>25,950</u>                                 | <u>128,172</u>                             |
|                        | <i>Motor<br/>vehicles<br/>£</i> | <i>Computer<br/>equipment<br/>£</i>           | <i>Totals<br/>£</i>                        |
| <b>COST</b>            |                                 |   |  |
| At 1 May 2015          | 72,775                          | 185,004                                       | 1,737,069                                  |
| Additions              | –                               | 74,876  | 195,654                                    |
| Disposals              | –                               | (166,760)                                     | (616,625)                                  |
| At 30 April 2016       | <u>72,775</u>                   | <u>93,120</u>                                 | <u>1,316,098</u>                           |
| <b>DEPRECIATION</b>    |                                 |   |  |
| At 1 May 2015          | 50,154                          | 169,219                                       | 683,594                                    |
| Charge for year        | 5,655                           | 29,467  | 62,813                                     |
| Eliminated on disposal | –                               | (161,560)                                     | (611,425)                                  |
| At 30 April 2016       | <u>55,809</u>                   | <u>37,126</u>                                 | <u>134,982</u>                             |
| <b>NET BOOK VALUE</b>  |                                 |   |  |
| At 30 April 2016       | <u>16,966</u>                   | <u>55,994</u>                                 | <u>1,181,116</u>                           |

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**Company**

|                       | <i>Long<br/>leasehold<br/>£</i> | <i>Improvements<br/>to<br/>property<br/>£</i> | <i>Fixtures<br/>and<br/>fittings<br/>£</i> |
|-----------------------|---------------------------------|---|--|
| <b>COST</b>           |                                 |   |  |
| At 1 May 2014         | 950,908                         | 25,950  | 423,264                                    |
| Additions             | 3,126                           | –   | 76,042                                     |
| At 30 April 2015      | <u>954,034</u>                  | <u>25,950</u>                                 | <u>499,306</u>                             |
| <b>DEPRECIATION</b>   |                                 |   |  |
| At 1 May 2014         | –                               | –   | 389,801                                    |
| Charge for year       | –                               | –   | 74,420                                     |
| At 30 April 2015      | <u>–</u>                        | <u>–</u>                                      | <u>464,221</u>                             |
| <b>NET BOOK VALUE</b> |                                 |   |  |
| At 30 April 2015      | <u>954,034</u>                  | <u>25,950</u>                                 | <u>35,085</u>                              |

|                       | <i>Motor<br/>vehicles<br/>£</i> | <i>Computer<br/>equipment<br/>£</i> | <i>Totals<br/>£</i> |
|-----------------------|---------------------------------|-------------------------------------|---------------------|
| <b>COST</b>           |                                 |                                     |                     |
| At 1 May 2014         | 72,775                          | 169,408                             | 1,642,305           |
| Additions             | –                               | 15,596                              | 94,764              |
| At 30 April 2015      | <u>72,775</u>                   | <u>185,004</u>                      | <u>1,737,069</u>    |
| <b>DEPRECIATION</b>   |                                 |                                     |                     |
| At 1 May 2014         | 42,613                          | 161,152                             | 593,566             |
| Charge for year       | 7,541                           | 8,067                               | 90,028              |
| At 30 April 2015      | <u>50,154</u>                   | <u>169,219</u>                      | <u>683,594</u>      |
| <b>NET BOOK VALUE</b> |                                 |                                     |                     |
| At 30 April 2015      | <u>22,621</u>                   | <u>15,785</u>                       | <u>1,053,475</u>    |

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**13. INVESTMENTS**

**Group**

|                                 |                                 |
|---------------------------------|---------------------------------|
|                                 | <i>Unlisted<br/>investments</i> |
|                                 | £                               |
| <b>COST</b>                     |                                 |
| At 1 May 2015 and 30 April 2016 | <u>70,000</u>                   |

**NET BOOK VALUE**

|                  |               |
|------------------|---------------|
| At 30 April 2016 | <u>70,000</u> |
|------------------|---------------|

|  |                                 |
|--|---------------------------------|
|  | <i>Unlisted<br/>investments</i> |
|  | £                               |

**COST**

|           |               |
|-----------|---------------|
| Additions | <u>70,000</u> |
|-----------|---------------|

|                  |               |
|------------------|---------------|
| At 30 April 2015 | <u>70,000</u> |
|------------------|---------------|

**NET BOOK VALUE**

|                  |               |
|------------------|---------------|
| At 30 April 2015 | <u>70,000</u> |
|------------------|---------------|

**Company**

|  | <i>Shares in<br/>Group<br/>undertakings</i> | <i>Unlisted<br/>investments</i> | <i>Totals</i> |
|--|---|---------------------------------|---------------|
|  | £   | £                               | £             |

**COST**

|                                 |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| At 1 May 2015 and 30 April 2016 | <u>12,585</u> | <u>70,000</u> | <u>82,585</u> |
|---------------------------------|---------------|---------------|---------------|

**NET BOOK VALUE**

|                  |               |               |               |
|------------------|---------------|---------------|---------------|
| At 30 April 2016 | <u>12,585</u> | <u>70,000</u> | <u>82,585</u> |
|------------------|---------------|---------------|---------------|

|  | <i>Shares in<br/>Group<br/>undertakings</i> | <i>Unlisted<br/>investments</i> | <i>Totals</i> |
|--|---|---------------------------------|---------------|
|  | £   | £                               | £             |

**COST**

|               |        |   |        |
|---------------|--------|---|--------|
| At 1 May 2014 | 12,585 | – | 12,585 |
|---------------|--------|---|--------|

|           |          |               |               |
|-----------|----------|---------------|---------------|
| Additions | <u>–</u> | <u>70,000</u> | <u>70,000</u> |
|-----------|----------|---------------|---------------|

|                  |               |               |               |
|------------------|---------------|---------------|---------------|
| At 30 April 2015 | <u>12,585</u> | <u>70,000</u> | <u>82,585</u> |
|------------------|---------------|---------------|---------------|

**NET BOOK VALUE**

|                  |               |               |               |
|------------------|---------------|---------------|---------------|
| At 30 April 2015 | <u>12,585</u> | <u>70,000</u> | <u>82,585</u> |
|------------------|---------------|---------------|---------------|

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**13. INVESTMENTS (CONTINUED)**

**Company**

The Group or the Company's investments at the Statement of Financial Position date in the share capital of Companies include the following:

**Subsidiaries**

**Best of the Best ApS**

Country of incorporation: Denmark

Nature of business: Competition operator

| <i>Class of shares:</i>        | <i>% holding</i> |               |
|--------------------------------|------------------|---------------|
| Ordinary                       | 100.00           |               |
|                                | <i>2016</i>      | <i>2015</i>   |
|                                | <i>£</i>         | <i>£</i>      |
| Aggregate capital and reserves | 1,127            | 33,909        |
| (Loss)/profit for the year     | <u>(32,782)</u>  | <u>30,507</u> |

During the year Dividends of £nil (2015 – £195,000) were paid from Best of the Best ApS to Best of the Best PLC.

**BOTB Ireland Limited**

Country of incorporation: Republic of Ireland

Nature of business: Competition operator

| <i>Class of shares:</i>        | <i>% holding</i> |               |
|--------------------------------|------------------|---------------|
| Ordinary                       | 100.00           |               |
|                                | <i>2016</i>      | <i>2015</i>   |
|                                | <i>£</i>         | <i>£</i>      |
| Aggregate capital and reserves | 128,120          | 102,584       |
| Profit for the year            | <u>25,536</u>    | <u>64,889</u> |

During the year Dividends of £nil (2015 – £174,252) were paid from BOTB Ireland Limited to Best of the Best PLC.

**Other investments**

During 2015 the Company acquired options worth £70,000. These options allow the Company to purchase a 15% stake in Fortune Express Private Limited before 23rd August 2017.

Fortune Express Private Limited is a Company incorporated in India, trading as a franchise of Best of the Best PLC.



**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**14. INVENTORIES**

|                | <i>Group</i> |                                   | <i>Company</i> |                                   |
|----------------|--------------|-----------------------------------|----------------|-----------------------------------|
|                | <i>2016</i>  | <i>2015</i><br><i>as restated</i> | <i>2016</i>    | <i>2015</i><br><i>as restated</i> |
|                | £            | £                                 | £              | £                                 |
| Finished goods | 315,535      | 501,137                           | 315,535        | 501,137                           |

**15. TRADE AND OTHER RECEIVABLES**

|               | <i>Group</i> |                                   | <i>Company</i> |                                   |
|---------------|--------------|-----------------------------------|----------------|-----------------------------------|
|               | <i>2016</i>  | <i>2015</i><br><i>as restated</i> | <i>2016</i>    | <i>2015</i><br><i>as restated</i> |
|               | £            | £                                 | £              | £                                 |
| Current:      |              |                                   |                |                                   |
| Other debtors | 169,418      | 684,981                           | 115,958        | 631,144                           |

**16. CASH AND CASH EQUIVALENTS**

|               | <i>Group</i>     |                                   | <i>Company</i>   |                                   |
|---------------|------------------|-----------------------------------|------------------|-----------------------------------|
|               | <i>2016</i>      | <i>2015</i><br><i>as restated</i> | <i>2016</i>      | <i>2015</i><br><i>as restated</i> |
|               | £                | £                                 | £                | £                                 |
| Cash in hand  | 2,900            | 1,222                             | 2,900            | 1,222                             |
| Bank accounts | 1,198,729        | 1,905,688                         | 1,164,801        | 1,869,455                         |
|               | <u>1,201,629</u> | <u>1,906,910</u>                  | <u>1,167,701</u> | <u>1,870,677</u>                  |

**17. CALLED UP SHARE CAPITAL**

*Allotted, issued and fully paid:*

|                |               |                       | <i>2016</i>    | <i>2015</i>                    |
|----------------|---------------|-----------------------|----------------|--------------------------------|
|                |               |                       | <i>£</i>       | <i>as restated</i><br><i>£</i> |
| <i>Number:</i> | <i>Class:</i> | <i>Nominal value:</i> |                |                                |
| 10,114,580     | Ordinary      | £0.05                 | <u>505,726</u> | <u>454,950</u>                 |

1,015,528 Ordinary shares of £0.05 each were allotted as fully paid during the year. 646,000 were paid at a premium of 17.5p per Share and 369,528 were paid at a premium of 16.0p per Share.

**18. RESERVES**

All reserve movements are detailed in the Consolidated Statement of Changes in Equity (Group) on Page 19 and Company Statement of Changes in Equity (Company) on Page 20.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**19. TRADE AND OTHER PAYABLES**

|                                    | <i>Group</i>     |                                | <i>Company</i>   |                                |
|------------------------------------|------------------|--------------------------------|------------------|--------------------------------|
|                                    | <i>2016</i>      | <i>2015</i>                    | <i>2016</i>      | <i>2015</i>                    |
|                                    | <i>£</i>         | <i>as restated</i><br><i>£</i> | <i>£</i>         | <i>as restated</i><br><i>£</i> |
| Current:                           |                  |                                |                  |                                |
| Trade creditors                    | 236,989          | 143,322                        | 230,574          | 137,383                        |
| Amounts owed to Group undertakings | –                | –                              | 67,422           | 157,322                        |
| Social security and other taxes    | 102,815          | 262,394                        | 95,419           | 240,493                        |
| Other creditors                    | 1,108,328        | 1,188,490                      | 1,092,397        | 1,114,321                      |
|                                    | <u>1,448,132</u> | <u>1,594,206</u>               | <u>1,485,812</u> | <u>1,649,519</u>               |

**20. DEFERRED TAX**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2015: 20%). The reduction in the main rate of corporation tax to 20% was substantively enacted in July 2013. The rate used has been applied to deferred tax balances which are expected to reverse after 1 April 2015, the date on which that rate became effective.

Further reductions in the main rate of corporation tax to 19% and 18% were substantively enacted in November 2015 and these new rates will be applied to future deferred tax balances which are expected to reverse after 1 April 2017 (19%) and 1 April 2020 (18%), the date on which these rates become effective.

**Group**

|                      | <i>2016</i>     | <i>2015</i>                    |
|----------------------|-----------------|--------------------------------|
|                      | <i>£</i>        | <i>as restated</i><br><i>£</i> |
| Balance at 1 May     | (82,939)        | (103,892)                      |
| Movement in the year | 41,862          | 20,953                         |
| Balance at 30 April  | <u>(41,077)</u> | <u>(82,939)</u>                |

**Company**

|                      | <i>2016</i>     | <i>2015</i>                    |
|----------------------|-----------------|--------------------------------|
|                      | <i>£</i>        | <i>as restated</i><br><i>£</i> |
| Balance at 1 May     | (82,939)        | (103,892)                      |
| Movement in the year | 41,862          | 20,953                         |
| Balance at 30 April  | <u>(41,077)</u> | <u>(82,939)</u>                |

Deferred tax assets have been recognised in respect of accelerated capital allowances giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**21. RELATED PARTY DISCLOSURES**

M W Hindmarch is a Non-executive Director of Best of the Best Plc. During the year ended 30 April 2016 payments were made in respect of consultancy services received during the year from M W Hindmarch. These payments totalled £13,000 for the year (2015: £12,000).

Various non-executive Directors have been granted share options, details for which can be found in the Directors and remuneration reports.

**22. EVENTS AFTER THE REPORTING PERIOD**

No material subsequent events have occurred since the year end that require disclosure within the accounts.

**23. ULTIMATE CONTROLLING PARTY**

The Company is under the ultimate control of Mr W S Hindmarch, the Chief Executive Director of the Company, by virtue of his 50.29 per cent share ownership at the balance sheet date.

**24. CRITICAL JUDGEMENTS AND KEY ESTIMATES**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual expenditure may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***Revenue recognition***

Revenue is recognised as the service is delivered. This is considered to be when the customer buys a ticket on the basis that there is no further service to be delivered.

***Impairment of assets***

The Group is required to consider assets for impairment where such indications exist using value in use calculations or fair value estimates. The use of these methods may require the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary.

***Useful lives of property, plant and equipment***

Property, plant and equipment are depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in variations in the carrying value and amounts charged to the consolidated statement of comprehensive income in specific periods.

***Capital Management***

The Group defines capital as the total equity of the Group. The objective of the Group's capital management is to ensure that it makes the maximum use of its capital to support its business and maximise shareholder value. There are no external constraints on the Group's capital.

**BEST OF THE BEST PLC**  
**Notes to the Consolidated Financial Statements (continued)**  
**For The Year Ended 30 April 2016**

**25. SHARE BASED PAYMENTS**

Details of the share options outstanding during the year are as follows:

| <i>Grant Date</i> | <i>Outstanding at 1 May 2015</i> | <i>Granted during the period</i> | <i>Exercised during the period</i> | <i>Forfeited during the period</i> | <i>Outstanding at 30 April 2016</i> | <i>Expiry Date</i> | <i>Weighted Ave. exercise price</i> |
|-------------------|----------------------------------|----------------------------------|------------------------------------|------------------------------------|-------------------------------------|--------------------|-------------------------------------|
| 26-04-2012        | 657,000                          | –                                | 657,000                            | –                                  | –                                   | 25-04-2022         | £0.225                              |
| 21-09-2012        | 379,528                          | –                                | 379,528                            | –                                  | –                                   | 20-09-2022         | £0.210                              |
| 05-08-2013        | 10,000                           | –                                | –                                  | –                                  | 10,000                              | 04-08-2023         | £0.380                              |
| 19-03-2015        | 60,000                           | –                                | –                                  | –                                  | 60,000                              | 18-03-2025         | £0.725                              |

The Group operates a share option scheme for certain Directors and employees of the Group. Options are exercisable at a price defined by the individual option agreement. The vesting period on each option is three years. If the options remain unexercised during the specified period from the date of grant, the options expire. Options are generally forfeited if the employee leaves the Group before the options vest, however this is at the discretion of the Board.

As at 30th April 2016 a total of 70,000 subscription rights had been issued to Directors and employees and remained outstanding. Members of the Board hold share options, as disclosed in the Directors and remuneration reports.

**BEST OF THE BEST PLC**  
**Notice of Annual General Meeting**

**Notice is hereby given that the Annual General Meeting of Best of the Best PLC (the “Company”) will be held at 2 Plato Place, 72/74 St. Dionis Road, London, SW6 4TU on Wednesday 21 September 2016 at 11.00 a.m. (the “Meeting”) for the following purposes:**

**ORDINARY BUSINESS**

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company’s financial statements together with the reports thereon of the Directors and auditors for the year ended 30 April 2016.
2. To declare a final dividend of 1.3 pence per ordinary share for the year ended 30 April 2016.
3. To re-elect Michael Hindmarch as a Director of the Company.
4. To re-elect William Hindmarch as a Director of the Company.
5. To re-elect Colin Hargrave as a Director of the Company.
6. To re-elect Rupert Garton as a Director of the Company.
7. To re-appoint the auditors, Wilkins Kennedy, as auditors of the Company until the conclusion of the next Annual General Meeting.
8. To authorise the Audit Committee to set the auditors’ remuneration.

**SPECIAL BUSINESS**

To consider and, if thought fit, pass the following resolutions of which resolution 9 will be proposed as an ordinary resolution and resolutions 10 and 11 will be proposed as special resolutions:

9. **ORDINARY RESOLUTION**

THAT (in substitution for all subsisting authorities) the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the “Act”) to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company (“Rights”) up to an aggregate nominal amount of £168,576.33 for the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earliest) but the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of that offer or agreement as if the authority conferred by this resolution had not expired.

10. **SPECIAL RESOLUTION**

THAT, subject to the passing of resolution 9, the Directors be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 9 as if section 561 of the Act did not apply to the allotment. This power is limited to:

- (a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the capital of the Company made in proportion (as nearly as may be) to their existing holdings of ordinary shares

**BEST OF THE BEST PLC**  
**Notice of Annual General Meeting (continued)**

but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient:

- (i) to deal with equity securities representing fractional entitlements; and
  - (ii) to deal with legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) the allotment of equity securities for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount of £25,286.45 for the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earliest) but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

**11. SPECIAL RESOLUTION**

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 5 pence each in the Company provided that:

- (a) the maximum number of ordinary shares which may be purchased is 1,011,458 representing 10 per cent. of the Company's issued ordinary share capital as at 30 June 2016;
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 5 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations of an ordinary share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased;
- (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earlier); and
- (e) the Company may, before such expiry, enter into one or more contracts to purchase ordinary shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By Order of the Board

**PRISM COSEC LIMITED**  
COMPANY SECRETARY  
30 June 2016

*REGISTERED OFFICE:*  
2 Plato Place  
72-74 St. Dionis Road  
London SW6 4TU

**BEST OF THE BEST PLC**  
**Notice of Annual General Meeting (continued)**

**Notes:**

- (a) A member entitled to attend and vote is entitled to appoint one or more proxies, who need not be members of the Company, to attend, speak and vote instead of him. To be valid, a Form of Proxy must be received, together with any power of attorney or other authority under which it is executed (or a duly certified copy of such power or authority), by the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 48 hours before the time fixed for the meeting. The completion and return of a Form of Proxy will not preclude a member from attending and voting at the Meeting in person.
- (b) Pursuant to regulation 41 of the Uncertificated Regulations 2001, the Company specifies that only those shareholders registered on the register of members of the Company as at 6.00 p.m. on 19 September 2016 (being not more than 48 hours prior to the time fixed for the Meeting) shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time or if the meeting is adjourned 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (c) Each of the resolutions to be put to the meeting will be voted on by poll and not show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. It is also in line with recommendations made by the Shareholder Voting Working Group and Paul Myners in 2004. Members and Proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the UK Listing Authority once the votes have been counted and verified.
- (d) Copies of all letters of appointment between the Company and its Non-Executive Directors are available for inspection at the registered office of the Company during normal business hours, and will be available for inspection at 2 Plato Place, 72/74 St. Dionis Road, London, SW6 4TU at least 15 minutes prior to the commencement of, and during the continuance of, the Annual General Meeting.
- (e) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend and speak and vote at the meeting. A member may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares. If you appoint more than one proxy, then on each Form of Proxy you must specify the number of shares for which each proxy is appointed.
- (f) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (g) Explanatory notes in relation to the resolutions to be proposed at the Meeting are set out below.

**BEST OF THE BEST PLC**  
**Explanatory Notes to the Resolutions**

**RESOLUTION 1: REPORTS AND ACCOUNTS**

The Directors are required to present to the meeting the audited accounts and the reports of the Directors and the auditors for the financial year ended 30 April 2016.

**RESOLUTION 2: DECLARATION OF DIVIDEND**

Final dividends must be approved by shareholders but cannot exceed the amount recommended by the Directors.

**RESOLUTION 3 to 6: RE-APPOINTMENT OF DIRECTORS**

Under the Company's Articles of Association, Directors are obliged to retire and offer themselves up for re-election every three years. Biographical details of these Directors are set out on pages 6 & 7 of the Annual Report.

**RESOLUTION 7: RE-APPOINTMENT OF AUDITORS**

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the re-appointment of Wilkins Kennedy.

**RESOLUTION 8: AUTHORITY TO SET THE AUDITORS' REMUNERATION**

In accordance with standard practice, this resolution gives authority to the Audit Committee to determine the remuneration to be paid to the auditors.

**RESOLUTION 9: AUTHORITY TO ALLOT SHARES**

Section 549 of the Companies Act 2006 provides, in relation to all companies, that the Directors may not allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company unless authorised to do so by the Company in general meeting or by its Articles of Association. Accordingly, this resolution seeks renewal, for a further period expiring at the earlier of the close of the next annual general meeting of the Company and fifteen months after the passing of the resolution, of the authority previously granted to the Directors at the last annual general meeting of the Company. This authority will relate to a total of 3,371,527 ordinary shares of 5 pence each, representing approximately one third of the Company's issued share capital as at the date of this Notice. While this resolution empowers the Directors to allot shares they are required to effect any such allotment on a pre-emptive basis save to the extent that they are otherwise authorised. Resolution 10 below contains a limited power to allot on a non-pre-emptive basis. The Directors have no present intention of allotting, or agreeing to allot, any shares otherwise than in connection with employee share schemes, to the extent permitted by such schemes.

**RESOLUTION 10: DIS-APPLICATION OF PRE-EMPTION RIGHTS**

If the Directors wish to allot any shares of the Company for cash in accordance with the authority granted at this year's annual general meeting these must generally be offered first to shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the interests of the Company for the Directors to be able to allot some shares for cash without having to offer them first to existing shareholders. In line with normal practice, this resolution, which will be proposed as a special resolution, seeks approval to renew the current authority to exclude the statutory pre-emption rights for issues of shares having a maximum aggregate nominal value of up to £25,286.45, representing 5 per cent. of the Company's issued share capital as at the date of this Notice. In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, the resolution also permits the Directors to make appropriate exclusions or



**BEST OF THE BEST PLC**  
**Explanatory Notes to the Resolutions (continued)**

arrangements to deal with such difficulties. This authority would be effective until the earlier of the conclusion of the next annual general meeting of the Company and fifteen months after the passing of the resolution. The Directors believe that obtaining this authority is in the best interests of shareholders as a whole and recommend that shareholders vote in favour of this resolution.

**RESOLUTION 11: PURCHASE OF OWN SHARES**

The Directors believe that it is in the interests of the Company and its members to continue to have the flexibility to purchase its own shares and this resolution seeks authority from members to do so. The Directors intend only to exercise this authority where, after considering market conditions prevailing at the time, they believe that the effect of such exercise would be to increase the earnings per share and be in the best interests of shareholders generally. The effect of such purchases would either be to cancel the number of shares in issue or the Directors may elect to hold them in treasury pursuant to the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the “Treasury Share Regulations”), which came into force on 1 December 2003. The Treasury Share Regulations enable certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by a company in accordance with the Companies Act 2006. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under a company’s employee share scheme. Once held in treasury, a company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the company’s assets may be made to the company in respect of the treasury shares. This resolution renews the authority given at the Annual General Meeting held on 23 September 2015 and would be limited to 1,011,458 ordinary shares, representing approximately 10 per cent. of the issued share capital at 30 June 2016. The Directors intend to seek renewal of this power at each Annual General Meeting. As of 30 June 2016 there were options outstanding over 70,000 shares, representing 0.69 per cent. of the Company’s issued share capital. If the authority given by this resolution was to be fully used, this would represent 0.77 per cent. of the Company’s issued share capital.





