

**Best of the Best plc**  
**(“Best of the Best”, “the Company” or “the Group”)**

Preliminary results for the twelve months ended 30 April 2014.

Best of the Best plc runs competitions to win luxury cars and other prizes online and at retail locations.

**Key Highlights**

- Revenue increased by 8.5 per cent to £7.0 million (2013: £6.45 million)
- Profit before tax increased to £0.45 million (2013: £0.12 million)
- Net Assets of £2.87 million, underpinned by cash balance of £2.24 million (2013: £1.95 million)
- Online revenues increased by 13.9 per cent, representing 45.1 per cent of total revenue
- Revenues at physical locations increased by 3.1 per cent
- Continued focus and investment towards online player acquisition
- Recommended dividend of 1.1 pence (2013 1.0 pence)

William Hindmarch, Chief Executive, said:

“It has been a good year for the business and I am pleased to report that we have continued the trend of delivering increased revenues and profits whilst improving both customer experience and engagement.

The online business has continued to drive the growth in revenues and now accounts for 45.1% of total revenue. We will be looking to invest further in online marketing over the coming year to increase player acquisition. This will be combined with further technical enhancements to the website to improve conversion, retention and the overall customer experience.

Our physical sites have continued to perform well and remain an important part of our sales and player acquisition strategy. We will be investing in these sites to further enhance their visual impact and attraction to both new and existing players.

The Group generated strong cash flows in the period and our balance sheet remains healthy with cash balances of £2.24 million at the end of the period.

We are optimistic about the future prospects of the Company over the next financial year, and I look forward to updating shareholders on further progress in due course.”

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Please visit [www.botb.com](http://www.botb.com) for further information

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## **Chief Executive's Statement**

It has been a good year for the business and I am pleased to report that we have continued the trend of delivering increased revenues and profits whilst improving both customer experience and engagement.

The online business has continued to drive the growth in revenues and now accounts for 45.1% of Group revenue. Our website ([www.botb.com](http://www.botb.com)) has continued to attract higher levels of traffic as a result of both increased marketing investment and greater press coverage. We will be looking to invest further in online marketing over the coming year with a view to increasing player acquisition and to drive further revenue growth. This will be combined with further technical enhancements to the website to improve conversion, retention and the overall customer experience.

Our physical sites have continued to perform well and are an important part of our sales and player acquisition strategy. We will be investing in these sites to further enhance their visual impact and attraction to both new and existing players.

The Group generated strong cash flows in the period and our balance sheet remains healthy with cash balances of £2.24 million at the end of the period.

We are optimistic about the future prospects of the Company over the next financial year and beyond, and I look forward to updating shareholders on further progress in due course.

## **Results**

Revenues for the twelve months ended 30 April 2014 increased by 8.5 per cent to £7.0 million (2013: £6.45 million). The Company recorded a profit before tax for the period of £0.45 million (2013: £0.12 million).

The Company generated £0.97 million of operating cash flow and reports a net increase in cash of £0.30 million for the period, with cash balances at £2.24 million. Our Net Assets stand at £2.87 million which principally comprise cash, our stock of cars on display which are held at a net realisable value of £0.53 million, and our 970 year leasehold head office property valued at £0.95 million.

As previously reported, 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 (gross of professional fees and expenses). At present this VAT litigation has not been concluded and therefore, it is not certain that the Company will receive any repayment from HM Revenue & Customs. We will update shareholders as this matter progresses.

During the period the Company purchased the adjacent office to its current headquarters for £400,000 and has combined the space of both offices. This has permitted the Company to accommodate a larger team, and will allow for further expansion as the business grows.

## **Dividend**

The Board is recommending a final dividend of 1.1 pence per share (2013: 1.0 pence) for the full year ending 30 April 2014 subject to shareholder approval at the Annual General Meeting on 18 September 2014. The final dividend will be paid on 17 October 2014 to shareholders on the register on 19 September 2014.

## **Business at physical locations**

The Company is currently trading from 9 airport sites and 2 shopping centre sites. Our airport locations are located at Gatwick North, Gatwick South, London City, Birmingham, Manchester Terminals 1 and 2, Edinburgh, Copenhagen and Dublin's Terminal 2. Our shopping centre sites are both in London at the Westfield centres in Shepherd's Bush and Stratford.

Our physical locations have traded solidly throughout the year with revenues up by 3.1 per cent. We are investing further in the audiovisual capabilities of the sites to enhance their appeal for both new and existing customers, as well as the airport operators. The first of these new units will be installed soon at our Gatwick North Terminal site. This will allow us to more effectively display our powerful winners' videos and aims to increase registrations and conversion at our physical sites.

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## **Online Business**

Online sales accounted for 45.1 per cent of total revenue in the period and increased by 13.9 per cent compared to the same period last year. There is a continued focus on digital marketing activities, with a growing online marketing team and greater budget allocated to this area. Over the coming year we will be aiming to materially increase the quantity of new players acquired online, using a wide variety of digital marketing channels.

The 'Win any Car' concept and the shortening of the competition cycle to two weeks have continued to underpin the increase in online sales. The 'Win any Car' concept allows customers to choose from over 190 cars from nearly fifty automotive brands including a range of supercars, luxury SUV's, track cars and classic cars, with tickets priced from £3 to £22. The increased choice of both product and price points is driving a broader and more engaged player base.

Our "Free Competitions" whilst rewarding existing loyal players, have also proved to be a successful route to acquiring new online players. These competitions for exclusive, aspirational driving experiences encourage people to register and experience the site for the first time for free. A proportion are then converting to paying customers and this success has encouraged us to offer bigger and better prizes and invest more promoting them online.

We have reported previously how we had started filming the competition winners as we surprise them with the cars they have won, and we have continued with this marketing initiative, filming in many locations across the UK as well as overseas. The resulting content is particularly compelling and has really helped to bring the concept alive to our website visitors and has assisted with customer acquisition and conversion. It has also afforded us many more press and PR opportunities leading to increased coverage in both online and traditional publications as well as national press.

Social media activity through Facebook, YouTube, Twitter etc., is becoming increasingly important both for interacting with our existing customers and to acquire new ones. We have increased the staffing dedicated to social media channels and we will be raising our investment in social media marketing during the year.

The initiative to contact targeted segments of our customer base using an in-house outbound calling team continues to perform well. The team personally contacts specific customer segments (e.g. to convert one-time airport players to online players and to retain lapsing players) to improve online sales and drive performance from the database. We will be expanding the team so we can contact more customers by telephone and to support online messaging.

It is crucial to maintain the technical and experiential development of our website to offer the best possible user interface both for existing customers and to acquire new players. The website continues to improve with numerous incremental changes and there is a strong pipeline of enhancements in development. We are also increasing development resources to expand the team and speed up the delivery of projects.

## **Outlook**

Best of the Best has increased its profits, is cash generative and is supported by a robust balance sheet, with increased cash balances of £2.24 million. I am pleased with the performance of the business over the period and believe we have a good foundation to continue to invest and to grow both revenues and profits.

Our focus will be on the acquisition of new players online, as well as improving the audio visual and experiential nature of our physical sites to attract new customers through physical channels.

We are optimistic about the prospects for the Company for the next financial year and beyond, and I look forward to updating shareholders on further progress in due course.

William Hindmarch  
Chief Executive  
10 June 2014

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**BEST OF THE BEST PLC**

**Consolidated Income Statement**  
**For The Year Ended 30<sup>th</sup> April 2014**

	Notes	2014 £'000	2013 £'000
<b>CONTINUING OPERATIONS</b>			
Revenue	3	7,000	6,450
Cost of sales		<u>(2,393)</u>	<u>(2,572)</u>
<b>GROSS PROFIT</b>		<b>4,607</b>	<b>3,878</b>
Administrative expenses		<u>(4,162)</u>	<u>(3,760)</u>
<b>OPERATING PROFIT</b>		<b>445</b>	<b>118</b>
Finance income		<u>2</u>	<u>2</u>
<b>PROFIT BEFORE TAX</b>		<b>447</b>	<b>120</b>
Tax	5	<u>(92)</u>	<u>(43)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>355</b></u>	<u><b>77</b></u>
Profit on earnings per share expressed in pence per share:			
Basic	6	3.84	0.82
Diluted		3.84	0.82

**BEST OF THE BEST PLC**

**Consolidated Statement of Comprehensive Income  
For The Year Ended 30<sup>th</sup> April 2014**

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	Notes	2014 £'000	2013 £'000
<b>PROFIT FOR THE FINANCIAL YEAR</b>		355	77
<b>TREASURY SHARE PURCHASE</b>		<u>(161)</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>194</u></u>	<u><u>77</u></u>

**BEST OF THE BEST PLC****Consolidated Statement of Financial Position  
30<sup>th</sup> April 2014**

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	Notes	2014 £'000	2013 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,048	737
Deferred tax		<u>103</u>	<u>94</u>
		1,151	831
<b>CURRENT ASSETS</b>			
Inventories		526	502
Trade and other receivables		362	283
Tax Receivables		2	-
Cash and cash equivalents		<u>2,244</u>	<u>1,947</u>
		3,134	2,732
<b>TOTAL ASSETS</b>		<u><u>4,285</u></u>	<u><u>3,563</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	7	454	468
Treasury shares	8	(161)	-
Share Premium	8	1,783	1,783
Capital redemption reserve	8	197	183
Share-based payment reserve	8	148	148
Retained earnings	8	<u>444</u>	<u>183</u>
<b>TOTAL EQUITY</b>		<u>2,865</u>	<u>2,765</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITES</b>			
Trade and other payables		1,285	864
Tax payable		135	(66)
<b>TOTAL LIABILITIES</b>		<u>1,420</u>	<u>798</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,285</u></u>	<u><u>3,563</u></u>

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**BEST OF THE BEST PLC**

**Consolidated Statement of Changes in Equity  
For The Year Ended 30<sup>th</sup> April 2014**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Share premium £'000</b>
<b>Balance at 1 May 2012</b>	468	181	1,783
<b>Changes in equity</b>			
Issue of share capital	-	-	-
Redemption of share capital	-	-	-
Dividends	-	(75)	-
Total comprehensive income	-	77	-
<b>Balance at 30 April 2013</b>	<u>468</u>	<u>183</u>	<u>1,783</u>
<b>Changes in equity</b>			
Treasury shares	(14)		
Dividends	-	(94)	-
Total comprehensive income	-	355	-
<b>Balance at 30 April 2014</b>	<u><u>455</u></u>	<u><u>444</u></u>	<u><u>1,783</u></u>

	<b>Capital redemption reserve £'000</b>	<b>Other Reserves £'000</b>	<b>Treasury Shares £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1st May 2012</b>	183	148	-	2,763
<b>Changes in equity</b>				
Dividends	-	-	-	(75)
Total comprehensive income	-	-	-	77
<b>Balance at 30th April 2013</b>	<u>183</u>	<u>148</u>	<u>-</u>	<u>2,765</u>
<b>Changes in equity</b>				
Treasury shares	14			
Dividends	-	-	-	(94)
Total comprehensive income	-	-	(161)	194
<b>Balance at 30th April 2014</b>	<u><u>183</u></u>	<u><u>148</u></u>	<u><u>(161)</u></u>	<u><u>2,865</u></u>

## BEST OF THE BEST PLC

### Consolidated Cash Flow Statement For The Year Ended 30<sup>th</sup> April 2014

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		2014	2013
		£'000	£'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	968	978
Tax paid		97	(16)
		<hr/>	<hr/>
Net cash from operating activities		1,065	962
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(541)	(57)
Sale of tangible fixed assets		26	12
Impairment losses		-	-
Interest received		2	2
		<hr/>	<hr/>
Net cash from investing activities		(513)	(43)
<b>Cash flows from financing activities</b>			
Equity dividends paid		(94)	(75)
Treasury shares purchase		(161)	-
		<hr/>	<hr/>
Net cash from financing activities		(255)	(75)
<b>Increase in cash and cash equivalents</b>		297	844
<b>Cash and cash equivalents at beginning of year</b>		<hr/> 1,947	<hr/> 1,103
<b>Cash and cash equivalents at end of year</b>		<hr/> 2,244	<hr/> 1,947

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# BEST OF THE BEST PLC

## Notes to the Consolidated Cash Flow Statement For The Year Ended 30<sup>th</sup> April 2014

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

	<b>2014</b>	<i>2013</i>
	<b>£'000</b>	<i>£'000</i>
Profit before tax	447	120
Depreciation charges	189	259
Loss on disposal of fixed assets	14	-
Finance income	(2)	(2)
	<u>648</u>	<u>377</u>
(Increase)/decrease in inventories	(24)	430
(Increase)/decrease in trade and other receivables	(79)	11
Increase in trade and other payables	423	160
	<u>968</u>	<u>978</u>
<b>Cash generated from operations</b>	<u><b>968</b></u>	<u><i>978</i></u>

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# BEST OF THE BEST PLC

## Notes to the Preliminary Announcement For The Year Ended 30<sup>th</sup> April 2014

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### 1. BASIS OF PREPARATION

The financial information has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRS's) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been recorded under the historical cost convention.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 30<sup>th</sup> April 2014 or 2013. The statutory accounts for 2014 will be delivered to the registrar of companies in due course.

### 2. 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.

### 3. ACCOUNTING POLICIES

The preliminary financial information has been prepared using accounting policies set out in the Group's statutory accounts for the year ended 30<sup>th</sup> April 2014.

FRS 20 'Share-based payment' was adopted for the first time during the 2007 year end. Under this standard, an expense is recognised in the income statement when the Group receives goods or services in exchange for shares or where the valuation of those goods or services incorporates the performance of the Group's share price. The income statement includes a charge for share-based payments of £nil (2013: £nil).

Revenue represents the value of tickets sold in respect of competitions which have been completed at the accounting date. A competition is completed when the Group closes entries.

### 4. 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 this preliminary report. All of the Group's material operations are located in the United Kingdom.

### 5. TAX

#### Analysis of the tax charge

	<b>2014</b>	<i>2013</i>
	<b>£'000</b>	<i>£'000</i>
Current tax: Tax	102	29
Deferred tax	<u>(10)</u>	<u>14</u>
Total tax charge in income statement	<u>92</u>	<u>43</u>

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## 6. PROFIT ON 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 performed 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.

	<b>Earnings £'000</b>	<b>2014 Weighted average number of shares</b>	<b>Per-share amount pence</b>
<b>Profit on basic EPS</b>			
Earnings attributable to ordinary shareholders	355	9,217,960	3.84
<b>Effect of dilutive securities</b>			
Options	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>355</u>	<u>9,217,960</u>	<u>3.84</u>
		<i>2013 Weighted average number of shares</i>	<i>Per-share amount pence</i>
<b>Loss on basic EPS</b>			
Earnings attributable to ordinary shareholders	77	9,372,100	0.82
<b>Effect of dilutive securities</b>			
Options	-	-	-
<b>Diluted EPS</b>			
Adjusted earnings	<u>77</u>	<u>9,372,100</u>	<u>0.82</u>

During the year 273,048 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 2014 of 1,046,528 would generate £231,326 in cash if exercised. At 30 April 2014, 1,046,528 were priced above the mid-market closing price of 56.8p per share, however the earliest these options can be vested is 2015.

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>2014</b>	2013
9,099,052	Ordinary shares	5p	<b>£'000</b>	<b>£'000</b>
			<u>454</u>	<u>468</u>

During the year 273,048 shares were returned to the company and cancelled. Once cancelled they were removed from the earnings per share calculation.

8. **RESERVES**

	<b>Retained Earnings</b>	<b>Share Premium</b>	<b>Capital redemption reserve</b>	<b>Other reserves</b>	<b>Treasury shares</b>	<b>Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 May 2013	183	1,783	183	148	-	2,297
Profit for year	355	-	-	-	-	355
Dividends	(94)	-	-	-	-	(94)
Treasury share purchase	-	-	14	-	(161)	(147)
At 30 April 2014	<u>444</u>	<u>1,783</u>	<u>197</u>	<u>148</u>	<u>(161)</u>	<u>2,411</u>

9. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	2013
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	<b>355</b>	77
Treasury share purchase	<b>(161)</b>	-
Dividends	<b>(94)</b>	(75)
	<u><b>100</b></u>	<u>2</u>
<b>Net addition to shareholders' funds</b>		
Opening shareholders' funds	<u><b>2,765</b></u>	<u>2,763</u>
<b>Closing shareholders' funds</b>	<u><b>2,865</b></u>	<u>2,765</u>

10. The financial information set out above for the years ended 30<sup>th</sup> April 2014 and 2013 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 2006. Statutory accounts for 30<sup>th</sup> April 2013 have been delivered to the Registrar of Companies and those for 30<sup>th</sup> April 2014 will be delivered following the Company's annual general meeting. The Company's auditors have reported on the full accounts for both years and have accompanied each year with an unqualified report.

11. The annual report and accounts will be posted to shareholders shortly and will be available for members of the public at the Company's registered office, 2 Plato Place, St Dionis Road, London, SW6 4TU and will be available on the Company's website: [www.botb.com](http://www.botb.com).
  12. The Annual General Meeting will be held on 18<sup>th</sup> September 2014 at the offices of Charles Stanley Securities, 25 Luke Street, London, EC2A 4AR.
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