

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

Preliminary results for the twelve months ended 30 April 2015

Best of the Best plc (“BOTB”) runs competitions to win luxury prizes both online and at retail locations

Key Highlights

- Revenue up 25.7% to £8.8 million (2014: £7.0 million)
- Profit before tax increased to £0.81 million (2014: £0.45 million)
- Net Assets of £2.09 million, of which cash balances total £1.91 million
- Online revenues increased by 57.5% to £5.0 million (2014: £3.19million) - representing 57.3% of total revenue
- Successful move to a weekly car competition (previously one every two weeks)
- Special dividend of 14.5 pence per share amounting to approximately £1.32 million, pursuant to a court approved capital reduction, paid to shareholders on 19 December 2014

William Hindmarch, Chief Executive, said:

“I am pleased to announce an encouraging set of preliminary results with increasing revenues and profits. This has been a positive year for the business as we have increasingly become an online business.

We spent much of the year gradually increasing our online marketing investment, as we tested multiple online marketing channels to recruit online players to help us to scale the business. It is our intention to further increase our marketing investment in the current financial year.

Our significant move to operating a weekly car competition (previously once every two weeks), with a guaranteed winner, has been well received by existing customers as well as aiding the acquisition and conversion of new customers, both at airports and online.

The business is well placed for future growth and we look forward to updating shareholders on progress in due course.”

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Please visit www.botb.com for further information

Chief Executive's Statement

I am pleased to announce an encouraging set of preliminary results with increasing revenues and profits. This has been a positive year for the business as we have increasingly become an online business.

We spent much of the year gradually increasing our online marketing investment, as we tested multiple online marketing channels to recruit online players to help us to scale the business. It is our intention to further increase our marketing investment in the current financial year.

Our significant move to operating a weekly car competition (previously once every two weeks), with a guaranteed winner, has been well received by existing customers as well as aiding the acquisition and conversion of new customers, both at airports and online.

Results

Revenue for the twelve months ended 30 April 2015 increased by 25.7 per cent to £8.8 million (2014: £7.0 million) and profit before tax rose to £0.81 million (2014: £0.45 million)

The Company generated £1.32 million of operating cash flow in the period. Net assets at 30 April 2015 stood at £2.09 million (2014: £2.87 million) and principally comprise cash of £1.91 million, our stock of cars on display which are held at a net realisable value of £0.50 million, and our 970 year leasehold office properties valued at £0.95 million.

As previously announced a 14.5 pence special dividend amounting to approximately £1.32 million, was paid to shareholders on 19 December 2014 pursuant to a court approved capital reduction.

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.

Dividend

The Board is recommending a final dividend of 1.2 pence per share (2014: 1.1 pence) for the full year ending 30 April 2015 subject to shareholder approval at the Annual General Meeting on 23 September 2015. The final dividend will be paid on 16 October 2015 to shareholders on the register on 25 September 2015.

New Player Acquisition

The Company has a multi channel approach to acquiring new players. One of the key channels for this is our airport and shopping centre locations. The locations build strong brand awareness as well as providing significant opportunities for player acquisition.

The Company is currently operating from 8 airport sites and 2 shopping centre sites. Our airport locations are at Gatwick North, Gatwick South, Birmingham, Manchester Terminals 1 and 2, Edinburgh, Copenhagen and Dublin's Terminal 2. Our shopping centre sites are both in London at the Westfield shopping centres in Shepherd's Bush and Stratford. These locations have traded steadily throughout the year and initiatives have been undertaken to ensure we are recruiting as many new players as possible from these sites.

During this year we will be continuing to invest in these locations to improve the experience and audio visual capabilities. We are installing 4G enabled screens to enable us to quickly disseminate our weekly winner videos, which we have learned are very powerful for acquiring new customers.

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

Moving to a weekly competition has increased both the participation and contribution of regular customers, but has also facilitated the recruitment of new customers, particularly online. Customers acquired online now exceed the number of players who convert to play online, having first entered at a physical site. The frequency of winners, increased marketing spend, and the positive publicity surrounding the filming and associated public relations activity have combined to make our competitions more appealing to both new and existing customers.

Our website has been incrementally improved throughout the year, whilst our mobile (iOS and android) applications and mobile optimized website have also been launched in beta. During the coming year we will be investing in a full rebuild of our website and IT operating systems, last undertaken in 2009. We anticipate this rebuild facilitating the launch of new functionality, whilst ensuring that we operate from a modern IT platform which will enable us to evolve and develop at sufficient pace. As part of this development, there will be a renewed focus on loyalty, retention and community to reward our regular customers over the shortened competition lifecycle.

Social marketing continues to be a powerful channel for the business, both in terms of customer service and credibility, but also player acquisition. Our Facebook page now has over 120,000 followers, with many of them very active and www.botb.com recorded an average of over 130,000 unique visitors per month. Activity on all social channels is expected to be scaled up this year with increased marketing spend across the spectrum.

We look forward to the continued growth in player acquisition, through our airport and shopping centre locations, and through our increased focus on online channels.

Outlook

Best of the Best 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 a suitable 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.

William Hindmarch
Chief Executive
10 June 2015

BEST OF THE BEST PLC

Consolidated Income Statement For The Year Ended 30th April 2015

	Notes	2015 £'000	2014 £'000
CONTINUING OPERATIONS			
Revenue	3	8,797	7,000
Cost of sales		<u>(3,621)</u>	<u>(2,393)</u>
GROSS PROFIT		5,176	4,607
Administrative expenses		<u>(4,372)</u>	<u>(4,162)</u>
OPERATING PROFIT		804	445
Finance income		<u>2</u>	<u>2</u>
PROFIT BEFORE TAX		806	447
Tax	5	<u>(163)</u>	<u>(92)</u>
PROFIT FOR THE YEAR		<u>643</u>	<u>355</u>
Profit on earnings per share expressed in pence per share:			
Basic	6	7.09	3.84
Diluted		6.56	3.59

BEST OF THE BEST PLC**Consolidated Statement of Financial Position
30th April 2015**

	Notes	2015 £'000	2014 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,053	1,048
Investments		70	-
Deferred tax		83	103
		<u>1,206</u>	<u>1,151</u>
CURRENT ASSETS			
Inventories		501	526
Trade and other receivables		266	362
Tax Receivables		8	2
Cash and cash equivalents		1,907	2,244
		<u>2,682</u>	<u>3,134</u>
TOTAL ASSETS		<u><u>3,888</u></u>	<u><u>4,285</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	7	454	454
Treasury shares	8	-	(161)
Share Premium	8	-	1,783
Capital redemption reserve	8	197	197
Share-based payment reserve	8	148	148
Retained earnings	8	1,290	444
		<u>2,089</u>	<u>2,865</u>
TOTAL EQUITY		<u><u>2,089</u></u>	<u><u>2,865</u></u>
LIABILITIES			
CURRENT LIABILITES			
Trade and other payables		1,594	1,285
Tax payable		205	135
		<u>1,799</u>	<u>1,420</u>
TOTAL LIABILITIES		<u><u>1,799</u></u>	<u><u>1,420</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,888</u></u>	<u><u>4,285</u></u>

BEST OF THE BEST PLC

**Consolidated Statement of Changes in Equity
For The Year Ended 30th April 2015**

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000
Balance at 1 May 2013	468	183	1,783
Changes in equity			
Issue of share capital	(14)	-	-
Dividends	-	(94)	-
Total comprehensive income	-	355	-
Balance at 30 April 2014	<u>454</u>	<u>444</u>	<u>1,783</u>
Changes in equity			
Issue of share capital	-	-	-
Share Premium capital reduction	-	1,783	(1,783)
Treasury share cancellation	-	(161)	-
Dividends	-	(1,419)	-
Total comprehensive income	-	643	-
Balance at 30 April 2015	<u><u>454</u></u>	<u><u>1,290</u></u>	<u><u>-</u></u>

	Capital redemption reserve £'000	Other Reserves £'000	Treasury Shares £'000	Total equity £'000
Balance at 1st May 2013	183	148	-	2,765
Changes in equity				
Issue of share capital	-	-	-	(14)
Dividends	-	-	-	(94)
Total comprehensive income	14	-	(161)	208
Balance at 30th April 2014	<u>197</u>	<u>148</u>	<u>(161)</u>	<u>2,865</u>
Changes in equity				
Issue of share capital	-	-	-	-
Share Premium capital reduction	-	-	-	-
Treasury share cancellation	-	-	161	-
Dividends	-	-	-	(1,419)
Total comprehensive income	-	-	-	643
Balance at 30th April 2015	<u><u>197</u></u>	<u><u>148</u></u>	<u><u>-</u></u>	<u><u>2,089</u></u>

BEST OF THE BEST PLC

Consolidated Cash Flow Statement For The Year Ended 30th April 2015

		2015	2014
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations	1	1,324	968
Tax paid		(79)	97
		<hr/>	<hr/>
Net cash from operating activities		1,245	1,065
Cash flows from investing activities			
Purchase of tangible fixed assets		(95)	(541)
Purchase of fixed asset investments		(70)	-
Sale of tangible fixed assets		-	26
Interest received		2	2
		<hr/>	<hr/>
Net cash from investing activities		(163)	(513)
Cash flows from financing activities			
Equity dividends paid		(1,419)	(94)
Treasury shares purchase		-	(161)
		<hr/>	<hr/>
Net cash from financing activities		(1,419)	(255)
Decrease in cash and cash equivalents		(337)	297
Cash and cash equivalents at beginning of year		<hr/>	<hr/>
		2,244	1,947
Cash and cash equivalents at end of year		<hr/>	<hr/>
		1,907	2,244

BEST OF THE BEST PLC

Notes to the Consolidated Cash Flow Statement For The Year Ended 30th April 2015

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

	2015 £'000	2014 £'000
Profit before tax	806	447
Depreciation charges	90	189
Loss on disposal of fixed assets	-	14
Finance income	(2)	(2)
	<u>894</u>	<u>648</u>
(Increase)/decrease in inventories	25	(24)
(Increase)/decrease in trade and other receivables	96	(79)
Increase in trade and other payables	309	423
	<u>1,324</u>	<u>968</u>
Cash generated from operations	1,324	968

BEST OF THE BEST PLC

Notes to the Preliminary Announcement For The Year Ended 30th April 2015

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 30th April 2015. The statutory accounts for 2015 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 30th April 2015.

The Company has applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Company 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 options 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 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.

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

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 these financial statements.

IFRS8 "Operating Segments", which came into effect not later than accounting periods beginning on 1 January 2009, requires identification and reporting of operating segments on the basis of internal reports that are regularly reviewed by the Board in order to allocate resources to the segment and assess its performance. The Company assessed the impact of IFRS8 and concluded that it would not impact the segments identified in this interim report.

5. TAX

Analysis of the tax charge

	2015 £'000	2014 £'000
Current tax: Tax	142	102
Deferred tax	<u>21</u>	<u>(10)</u>
Total tax charge in income statement	<u>163</u>	<u>92</u>

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.

	Earnings £'000	2015 Weighted average number of shares	Per-share amount pence
Profit on basic EPS			
Earnings attributable to ordinary shareholders	643	9,099,052	7.09
Effect of dilutive securities			
Options	-	727,677	-
Diluted EPS			
Adjusted earnings	643	9,826,729	6.56
		<i>2014 Weighted Average Number Of Shares</i>	<i>Per-share amount pence</i>
Loss on basic EPS			
Earnings attributable to ordinary shareholders	355	9,217,961	3.84
Effect of dilutive securities			
Options	-	639,357	-
Diluted EPS			
Adjusted earnings	355	9,857,318	3.59

The total number of options and warrants granted at 30 April 2015 of 1,106,528 would generate £274,826 in cash if exercised. At 30 April 2015, 1,106,528 were priced above the mid-market closing price of 72.542p per share. 449,528 of these options are vested after 30 April 2015. 657,000 options vested on 26/4/15 but have yet to be exercised.

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
9,099,052	Ordinary shares	5p	£'000	£'000
			<u>454</u>	<u>454</u>

8. **RESERVES**

	Retained Earnings	Share Premium	Capital redemption reserve	Other reserves	Treasury shares	Totals
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2014	444	1,783	197	148	(161)	2,411
Profit for year	643	-	-	-	-	643
Dividends	(1,419)	-	-	-	-	(1,419)
Treasury shares	(161)	-	-	-	161	-
Capital reduction	1,783	(1,783)	-	-	-	-
At 30 April 2015	<u>1,290</u>	<u>-</u>	<u>197</u>	<u>148</u>	<u>-</u>	<u>1,635</u>

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

	2015	2014
	£'000	£'000
Profit for the financial year	643	355
Treasury share purchase	-	(161)
Dividends	(1,419)	(94)
	<u>(776)</u>	<u>100</u>
Net addition to shareholders' funds		
Opening shareholders' funds	<u>2,865</u>	<u>2,765</u>
Closing shareholders' funds	<u>2,089</u>	<u>2,865</u>

10. 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.
11. The Annual General Meeting will be held on 23rd September 2015 at Best of the Best Plc's offices, 2 Plato Place, 72-74 St Dionis Road, London, SW6 4TU.