

BEST OF THE BEST PLC

Preliminary audited results for the year ended 30th April 2007

Best of the Best plc displays luxury cars as competition prizes within airport terminals and online

Key points

- Turnover up 23.4% to £5.9m (2006 £4.7m)
- Profit Before Tax up 20.2% to 0.71m (2006 £0.59m)
- 2 New Airport Contracts signed during the period and a further 3 since the year end
- In discussions with new non-airport sites
- New ticket pricing widening customer base and increasing player frequency
- Significant growth in online players
- Database at 210,000 and growing at approximately 9,000 new players per month
- Senior appointments to drive growth in airport and online business
- Directors confident of steady progress in the year ahead

William Hindmarch, Chief Executive, said:

“I am pleased to report a strong second half performance with the full year results in line with expectations. We continue to diversify our competition structures, which in turn is generating new customers. Our online presence continues to grow and our database is now increasing at a rate of approximately 9,000 new players a month. We continue to assess non airport sites as we focus on developing new markets and I look forward to updating shareholders with further progress in due course.”

Enquiries:

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Please visit www.bestofthebest.co.uk for further information

Chief Executive's Statement

I am pleased to announce our results for the year ended 30th April 2007. Overall, it has been a successful year for the Company, which floated on AIM in August 2006 raising £2.0m net of expenses. Although we experienced difficult trading conditions almost immediately post-flotation due to major security alerts across the UK's airports, we had a strong second half to the year which produced full year results in line with current market expectations.

We have consolidated on our success to date and have made a number of senior management and operational appointments, which will underpin further progress in the year ahead.

Results

During the year ended 30th April 2007 Turnover was £5.9m (2006 £4.7m) with profit before tax increasing by 20.2 per cent to £0.71m (2006 £0.59m). A small overall decline in operating margin was principally due to the impact of the security alerts in the first six months. However, over the second half operating margin improved significantly and was helped by the popularity of our new lower pricing structure and shorter competition durations.

The cash position of the Company remains solid at £1.77m, and we have increased the inventory by £0.38m over the year to accommodate new competition prizes on display.

Dividend

The Board is not recommending the payment of a dividend but as stated on Admission to AIM it intends to pay a dividend for the financial year ending 30 April 2008.

New Site Contracts

In the financial year we signed two new contracts, one in Heathrow Terminal 4 which commenced operations in July 2006 and a further contract for a flagship site in the new Terminal 5 which will open in March 2008. Since the year end we have also signed three further contracts for sites in Birmingham Airport, Heathrow Terminal 2 and Nottingham East Midlands Airport.

We continue to assess the development of sites at foreign airports, shopping centres and other high footfall locations. We have completed a short trial in one of the UK's leading shopping centres at Bluewater and we are in discussions with several other venue owners and operators about further trials.

Business

Our lower ticket price and shorter duration competitions continue to be successful and have been well received by customers. The lower ticket price has enabled us to target a broader demographic, both in terms of passengers through the airports, and also online. Furthermore, airport to online conversion has improved, player frequency has increased and our competitions are attracting a younger customer base. The shorter competitions have proved very attractive and our increasing critical mass should allow us to continue to increase the frequency of our competitions in the future.

We have recently refitted our stands in the Gatwick North and South terminals to a much higher standard and I am pleased to report that the new style has materially improved revenues at these sites. By using a completely new stand design together with the latest audiovisual and lighting effects, we have significantly improved the customers' experience and contributed to the quality of the airport departure lounges. We are now submitting plans to upgrade other key sites to a similar standard, which have been well received by the airport operators.

During the period we recruited a senior Sales Director who previously ran direct sales teams for Sky TV, and who is responsible for overseeing all of our airport sales. We have already experienced encouraging results, through enhanced commission structures, better recruitment and improved retention of staff. We continue to focus on recruitment and training which are key to building and maintaining a productive sales force.

Online Business

Our lower priced tickets have significantly improved the rate of growth of our database, which now stands at circa 210,000 registered players. We believe the online business has significant potential for growth and we have therefore recently made two key hires. The Head of Online Marketing brings considerable experience in online sales, and database acquisition, whilst the Chief Technical Officer will enable us to develop our website, new games and competitions, with greater speed and efficiency. With this additional resource, we aim to materially increase the growth of online sales.

Our instant win game has recently been launched online with encouraging early results, and improvements to our website are driving increased levels of traffic. We will continue to focus hard on developing the online offering during the year ahead.

Strategy

Our core strategy continues to focus on growing sales at airport sites and online, and building our database accordingly. Increasing the number of new sites will continue to remain a priority as will attracting a wider target market to both our physical and online sites by creating new and attractive game formats. The higher margin online competitions will benefit from the increase in customers on the database. The new competition format strongly supports this strategy, as we are now growing our database much more rapidly, and we have identified significant potential to offer additional games and content to our website.

Outlook

The Board remains positive of the trading prospects for the Company in the new financial year. We are currently in discussions to develop physical sites within a number of new locations and we are reviewing new game formats.

We continue to monitor developments and review opportunities in our skill gaming sector and look forward to updating shareholders with further progress in due course.

William Hindmarch
Chief Executive
19 July 2007

BEST OF THE BEST PLC
Income Statement
For The Year Ended 30th April 2007

		2007 £'000	2006 £'000
	Notes	£ 000's	£ 000's
CONTINUING OPERATIONS			
Revenue		5,861	4,748
Cost of sales		(2,376)	(2,031)
		<hr/>	<hr/>
GROSS PROFIT		3,485	2,717
Administrative expenses		(2,815)	(2,102)
		<hr/>	<hr/>
OPERATING PROFIT		670	615
Finance costs		(12)	(24)
Finance income		52	-
		<hr/>	<hr/>
PROFIT BEFORE TAX		710	591
Tax	3	(152)	(158)
		<hr/>	<hr/>
PROFIT FOR THE PERIOD		558	433
		<hr/>	<hr/>
(Loss)/Earnings Per Share expressed in pence per share:			
Basic	4	4.99	4.95
Diluted		4.93	4.95

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**Statement of Recognised Income and Expense
For The Year Ended 30 April 2007**

	Notes	2007 £'000	2006 £'000
PROFIT FOR THE FINANCIAL YEAR		558	433
TOTAL RECOGNISED INCOME AND EXPENSE RELATING TO THE YEAR		<hr/> 558	<hr/> 433
Prior year adjustment			(270)
TOTAL RECOGNISED INCOME AND EXPENSE SINCE LAST ANNUAL REPORT			<hr/> 163

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**Balance Sheet
30 April 2007**

	Notes	2007 £'000	2006 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		562	444
Deferred tax		20	8
		<u>582</u>	<u>452</u>
CURRENT ASSETS			
Inventories		1,535	1,161
Trade and other receivables		50	47
Cash and cash equivalents		1,768	-
		<u>3,353</u>	<u>1,208</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		666	630
Financial liabilities - borrowings		-	187
Bank overdrafts		-	16
Interest bearing loans and borrowings		-	105
Tax payable		159	-
		<u>825</u>	<u>938</u>
NET CURRENT ASSETS		<u>2,528</u>	<u>270</u>
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings		-	177
Interest bearing loans and borrowings		-	-
NET ASSETS		<u>3,110</u>	<u>545</u>
SHAREHOLDERS' EQUITY			
Called up share capital	6	636	63
Share premium	7	1,783	138
Share-based payment reserve	7	27	-
Retained earnings	7	664	344
TOTAL EQUITY		<u>3,110</u>	<u>545</u>

BEST OF THE BEST PLC**Cash Flow Statement
For The Year Ended 30 April 2007**

		2007	2006
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations	1	497	256
Interest paid		(12)	(24)
Tax paid		(109)	(28)
Net cash from operating activities		<u>376</u>	<u>204</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(278)	(90)
Sale of tangible fixed assets		18	-
Interest received		52	-
Net cash from investing activities		<u>(208)</u>	<u>(90)</u>
Cash flows from financing activities			
Loan repayments in year		(194)	(4)
Amount withdrawn by directors		-	(77)
Share issue		1,981	-
Net cash from financing activities		<u>1,787</u>	<u>(81)</u>
Increase in cash and cash equivalents		1,955	33
Cash and cash equivalents at beginning of year	2	(187)	(220)
Cash and cash equivalents at end of year	2	<u>1,768</u>	<u>(187)</u>

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**Notes to the Cash Flow Statement
For The Year Ended 30 April 2007**

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

	2007 £'000	2006 £'000
Profit before tax	709	592
Depreciation charges	146	112
Profit on disposal of fixed assets	(4)	-
Employee share based payment	27	-
Finance Costs	12	24
Finance Income	(52)	-
	<hr/>	<hr/>
	838	728
Increase in inventories	(374)	(259)
Increase in trade and other receivables	(3)	(8)
Increase/(Decrease) in trade and other payables	36	(205)
	<hr/>	<hr/>
Cash generated from operations	497	256
	<hr/>	<hr/>

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Notes to the Preliminary Report For The Year Ended 30th April 2007

1. ACCOUNTING POLICIES

The preliminary financial information has been prepared using accounting policies set out in the Company's statutory accounts for the year ended 30th April 2007. FRS 20 'Share-based payment' has been adopted for the first time. Under this standard, an expense is recognised in the profit and loss account when the Company receives goods or services in exchange for shares or where the valuation of those goods or services incorporates the performance of the Company's share price. The profit and loss account includes a charge for share-based payments of £27,132 (2006: £Nil). The implementation of FRS 20 has not resulted in a prior year adjustment. 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 Company closes entries.

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 the preliminary report

All of the Company's operations are located in the United Kingdom.

3. TAX

Analysis of the tax charge	2007	2006
	£'000	£'000
Current tax:		
Tax	160	170
Overprovision in prior year	-	(8)
Underprovision in prior year	3	-
	<hr/>	<hr/>
Total current tax	163	162
Deferred tax	(11)	(4)
	<hr/>	<hr/>
Total tax charge in income statement	152	158
	<hr/> <hr/>	<hr/> <hr/>

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**Notes to the Financial Statements
For The Year Ended 30th April 2007**

4. 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.

Reconciliations are set out below.

	Earnings £'000	2007 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	588	11,196,262	4.99
Effect of dilutive securities			
Options	-	138,838	-
	588	11,335,100	4.93
Diluted EPS			
Adjusted earnings	588	11,335,100	4.93

	<i>Earnings £</i>	<i>2006 Weighted average number of shares</i>	<i>Per-share amount pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	433,066	8,750,000	4.95
Effect of dilutive securities			
	-	-	-
	433,066	8,750,000	4.95
Diluted EPS			
Adjusted earnings	433,066	8,750,000	4.95

5. PRIOR YEAR ADJUSTMENT

The prior year adjustment as disclosed in the Statement of Recognised Income and Expense in the year ended 30th April 2006 relates to a change in accounting policy in relation to turnover.

The effect has been to increase Accruals and Deferred income by £330,000, increase turnover by £252,000 and increase cost of sales by £221,000. The effect on the tax charge was to reduce this by £28,000.

The retained profits, after these adjustments, were reduced by £270,000 in the year ended 30th April 2005.

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**Notes to the Financial Statements
For The Year Ended 30th April 2007**

6. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2007	<i>2006</i>
value:			£'000	<i>£'000</i>
30,000,000	Ordinary shares	5p	1,500	<i>100</i>
(2006 - 100,000)			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	2007	<i>2006</i>
value:			£'000	<i>£'000</i>
12,718,254	Ordinary shares	5p	636	<i>63</i>
(2006 - 62,500)			<u> </u>	<u> </u>

The Company has one class of share which carry no right to fixed income.

The share issues during the year were as listed below

(1) On 4th August 2006 a bonus share issue took place whereby existing shareholders were granted 6 shares for every one held resulting in a total issue of 7,500,000 ordinary shares of £0.05 each. This issue was a non-cash consideration

(2) On 14th August 2006 issued 3,968,254 ordinary shares at £0.63 per share for cash consideration.

No shares were issued subsequent to 30th April 2007.

7. RESERVES

Share-based

	Retained earnings £'000	Share premium £'000	payment reserve £'000	Totals £'000
At 1 May 2006	344	138	-	482
Profit for the year	558			558
Bonus share issue	(238)	(138)	-	(376)
Cash share issue (Net of expenses)	-	1,783	-	1,783
Employee benefits	-	-	27	27
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 April 2007	664	1,783	27	2,474
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	<i>2006</i>
	£'000	<i>£'000</i>
Profit for the financial year	558	433
Issue of shares (net of expenses)	1,981	-
Employee share schemes adjustment	27	-
	<u> </u>	<u> </u>
Net addition to shareholders' funds	2,566	433
Opening shareholders' funds	544	112
	<u> </u>	<u> </u>
Closing shareholders' funds	3,110	<i>545</i>
	<u> </u>	<u> </u>

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Notes to the Financial Statements For The Year Ended 30th April 2007

9. The financial information set out above for the years ended 30 April 2007 and 2006 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for 30 April 2006 have been delivered to the Registrar of Companies and those for 30 April 2007 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.
10. The annual report and accounts will be posted to shareholders and will be available for members of the public at the Company's registered office, 2 Plato Place, St Dionis Road, London, SW6 4TU.
11. The Annual General Meeting will be held on 20th September 2007 at the offices of Charles Stanley Securities, 25 Luke Street, London EC2A 4AR.

