BOTB

WIN YOUR DREAM CAR

Annual Report & Accounts 2017

Group Strategic Report,

Report of the Directors and

Financial Statements

For The Year Ended 30 April 2017

for

BEST OF THE BEST PLC

BEST OF THE BEST PLC

Contents of the Financial Statements
For The Year Ended 30 April 2017

BEST OF THE BEST PLC

Company Information
For The Year Ended 30 April 2017

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 Road London SW6 4TU
REGISTERED NUMBER:	03755182
AUDITOR:	Wilkins Kennedy LLP 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 2017

The Directors present their strategic report of the Company and the Group for the year ended 30 April 2017.

Key Highlights:

- Revenue up 7.0% to £10.81 million (2016: £10.10 million).
- Profit before tax increased by 42.7% to £1.51 million (2016: £1.06 million).
- Earnings per share increased by 41.3% to 13.78p (2016: 9.75p).
- Online revenue increased by 18.5% to £8.36 million (2016: £7.06 million) – representing 77.5% of total revenue.
- Net assets of £1.87 million, underpinned by cash balances of £2.11 million (following 1.3p ordinary dividend paid in October 2016 and 10p special dividend paid in December 2016).
- Special Dividend of 6.5p per ordinary share to be paid to shareholders in June 2017 in addition to the proposed 1.4p ordinary dividend to be paid in September 2017.
- Wholly upgraded website and IT infrastructure successfully launched.
- Online marketing and investment to acquire new players increased by over 40% to £1.2 million.
- Improving margins due to the increasing proportion of online sales, combined with overall scale and competition frequency enabling the Group to negotiate better prices on cars purchased.

CHIEF EXECUTIVE'S STATEMENT

I am pleased to announce a solid set of results with increased revenues and profits. The shift of revenues towards a predominantly online business continues, which we expect will be enhanced by a new, fully responsive mobile website and optimised IT infrastructure launched during the period.

We have continued to increase our marketing investment both online and at our physical sites to support the growth in new customers. The results of this have been encouraging and the customer acquisition budget will increase further this year.

Our new and improved website gives us a strong, fresh and flexible platform on which to improve our online offering, both to attract new players and to extend functionality to retain existing players.

Results

Total revenue for the twelve months ended 30 April 2017 increased by 7.0% to £10.81 million (2016: £10.10 million). Online revenues rose by 18.5% over the period to £8.36 million. Profit before tax rose by 42.7% to £1.51 million (2016: £1.06 million).

Encouragingly, the proportion of online sales rose to 77.5% of total revenue for the period, increasing to 80% for the second half of the year. These higher margin online sales contributed to improved margins overall, which were further aided by increasingly well-informed digital media purchasing and execution. Furthermore, the Group is now buying cars as prizes for winners almost every week and, as a result, the Group has been able to negotiate better volume discounts from suppliers. This improved purchasing power, combined with selective offers and discounts for targeted brands and models, has aided margins over the period, contributing to strong performance.

The Group generated £2.13 million of operating cash flow during the year. Net assets at 30 April 2017 stood at £1.87 million (2016: £1.59 million) and principally comprise cash of £2.11 million, our cars on display at physical locations, which are held at cost less depreciation and impairment, of £0.30 million, and our 968 year leasehold office properties carried at £0.95 million.

The Group has noted the recent VAT decision concerning a company with similar activities in our sector. The Group is reviewing this decision and will update shareholders in due course.

Dividends

As previously announced, a 1.3p ordinary dividend was paid to shareholders on 14 October 2016 and a 10p Special Dividend amounting to £1.01 million was paid on 2 December 2016. The Board is recommending a final dividend of 1.4p per share (2016: 1.3p) for the full year ending 30 April 2017, subject to shareholder approval at the Annual General Meeting on 7 September 2017. The final dividend will be paid on 22 September 2017 to shareholders on the register on 8 September 2017.

As the Group continues to be profitable, cash generative and benefits from a robust balance sheet, the Group is also pleased to declare the return of approximately £0.66m to shareholders by way of a special dividend of 6.5p per ordinary share. Following the payment of the special dividend, the Group will retain cash balances in excess of £1.2 million which the Directors consider to be sufficient working capital to fund its activities over the next twelve month period. The Special Dividend will be paid on 30 June 2017 to shareholders on the register at the close of business on 16 June 2017. The ex-dividend date is 15 June 2017.

New website launch

In January 2017, we launched an entirely new website and IT platform that was built from the ground up on a completely new code base and infrastructure, replacing the 2009 legacy systems. The principal aim of this was to give us a modern, mobile optimised platform, offering the flexibility to continually develop and improve the digital offering of the Group over the coming years.

Maximum loads on the previous solution were becoming a limiting factor in the face of a shortened competition lifecycle and increased customer expectations. The new website and infrastructure has been designed and built for greater scale, allowing us to process many more simultaneous transactions.

The new website also offers further enhancements such as a new multi-tiered loyalty club, player leagues, friend referral and improved gameplay. We are seeking to leverage this functionality throughout the coming year to retain and entertain existing customers and to attract an increasing number of new players.

Marketing strategy and new player acquisition

Whilst retaining, servicing and rewarding our existing customer base is critically important, the Group's principal focus is on increasing our scale and in acquiring new players to participate in our weekly win a car competition. Our key offline channels include the display of physical cars in airports and shopping centre locations, as well as other advertising through TV, radio, print and public relations. Alongside our increased online digital and social media marketing, we have also been placing considerable emphasis on content creation and sponsorship as we work in partnership with various social influencers, vloggers and specialist car websites. The combination of these activities has delivered an 18.5% increase in online sales.

Each of our key channels is carefully assessed to analyse marketing returns versus player lifetime values. The weighting and quantum of investment through each channel and individual campaign is constantly monitored to optimise returns and educate future investment decisions. Greater experience and better data contribute to our confidence in growing our marketing budget. Last year, our marketing investment increased by over 40% on the previous year. We are budgeting to further increase our commitment by more than 70% to approximately £2.0 million in the current financial year.

Our airport and shopping centre locations continue to be a key route to recruit and introduce new players. Over the period, we significantly increased transaction levels at these sites, as part of a deliberate strategy to focus on educating and acquiring as many new customers as possible, albeit at the expense of maximising revenues. These physical locations also help build strong brand awareness which aids the efficiency and effectiveness of our online marketing spend. The Group is currently operating from seven airport sites, at Gatwick North, Gatwick South, Birmingham, Manchester, Stansted, Edinburgh and Dublin; and one site at the Westfield shopping centre in London's Shepherds Bush.

In the past twelve months, the biggest increase in marketing spend has been on TV advertising as well as through collaborations with social influencers and vloggers. We will be filming and producing a new TV advert in June 2017 and will continue to increase our investment in this medium. Although this channel is much harder to track than much of our digital advertising, we are confident that it has contributed to the overall improvement in metrics in many other areas of our marketing. TV exposure has been supplemented by trials on radio stations and specifically, on regional stations where public relations can support the positive news of a local winner in the area. In line with many other aspirational brands, social influencers and vloggers are attracting an increasing share of our investment. We have been collaborating with and sponsoring several high-profile individuals to help promote the BOTB brand and recruit new players by leveraging their sizeable and very engaged audiences.

Our weekly winner surprises continue to generate very engaging PR opportunities and we work with a specialist agency to ensure we achieve as much coverage from this news as possible. We have been particularly effective with local newspapers and websites as the 'feel-good' content is considered both newsworthy and unique. Our social media platforms continue to gather scale and traction, with our Facebook page now attracting 185,000 followers. Our website metrics and traffic have maintained growth with circa 180,000 unique visitors to www.botb.com each month.

In the next year, we look forward to continued growth in player acquisition through our airport and shopping centre locations, through an increased focus on digital, social and video channels and through further investments in TV and radio.

Outlook

BOTB has increased both revenues and profits during the year, remains 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, leveraging the new website and updated IT infrastructure, whilst ensuring that this strategy provides a solid return on investment for shareholders.

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 INDICATORS

The Directors have monitored the performance of the Company and Group with particular reference to the following key performance indicators:

1. Sales, both online and at retail sites, compared to the prior year;

2. Marketing efficiency, calculated using the twelve months Life Time Value per customer against the Cost per Acquisition.

RISK MANAGEMENT

Financial Risk Management

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

Credit risk

The exposure to credit risk is limited to the carrying amounts of financial assets. There is considered to be little exposure to credit risk arising on receivables due to the low value of receivables held at the year-end. The credit risk arising on cash balances is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

Sufficient cash balances are maintained to ensure that there are available funds for operations. Operations are financed principally from equity and cash reserves.

Non-financial Risk Management

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

Renewal of site contracts

The Company and Group operate from a number of sites where the leases can be terminated on notice by either party.

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

Geo-political risk

The Company's and Group's operations within airport terminals, which are largely dependent on passenger footfall, expose the Company and Group to geo-political risks affecting the aviation and travel industries. To mitigate the Company's and Group's exposure to these risks, they seek to diversify their airport sites beyond the United Kingdom, to grow their online business and to develop non-airport trading sites.

Management and key personnel

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

Regulatory change

The Company and Group currently operate weekly competitions, which is not regulated. This could be subject to change in the future and the Company and Group continue to seek appropriate legal advice to ensure they comply with all relevant legislation and licensing.

Information technology

The Company and Group rely heavily on their IT systems and software for their day to day operations. The Company and Group have in place contracts with third party suppliers to ensure the levels of service delivered are adequate and that their data and customers' data is protected.

ON BEHALF OF THE BOARD

....
W S Hindmarch
Director
10 July 2017

BEST OF THE BEST PLC

Corporate Governance Report
For The Year Ended 30 April 2017

PRINCIPLES OF CORPORATE GOVERNANCE

The policy of the Board is to manage the affairs of the Group in accordance with the principles underlying the UK Corporate Governance Code. The Board is accountable to the shareholders for the good corporate governance of the Group. The principles of Corporate Governance and a code of best practice are set out in the UK Corporate Governance Code 2016 (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 unwieldly 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, who 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.

As announced by the Company on 8 December 2016, Colin Hargrave was taken ill and, in agreement with the Board, it was decided that he was unable to fulfil his duties as Chairman of the Audit Committee and Member of the Remuneration Committee. As a result, the Board agreed that Mr David Clifford would cover these roles in a non-Board capacity as an interim independent adviser while Colin recovered, to maintain the independence of these roles. Mr David Clifford is a former partner of KPMG and is currently a non-executive director and chairman of the audit committee of Carpetright PLC.

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. The 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 Board Committees is agreed on an annual basis. The agenda for the board meetings is prepared by the Company Secretary in consultation with the Chief Executive and the Board.

The Board is responsible to the shareholders for the proper management of the Group. A Statement of Directors' Responsibilities in respect of the financial statements 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 of the 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 of the Directors submit themselves for re-election at the Annual General Meeting at regular intervals. 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 43 – *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 and has been Chief Executive for 14 years.

Rupert Garton, age 42 – *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.

Michael Hindmarch (DL), age 77 – *Non-Executive Director*

Michael qualified as a Polymer Technologist at the National College of Rubber and Plastics Technology, London. He founded Plantpak (Plastics) Limited, a horticultural plastics company, in 1970. In 1985, he reversed Plantpak into Falcon Industries Plc, a listed conglomerate, becoming Chairman and Chief Executive Officer. 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, age 64 – *Non-Executive Director*

Colin has spent all of 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 ('ELC'), a division of John Menzies Plc. Reporting to the Chief Executive Officer 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 of circa £650 million from the seven airports which BAA Plc owned.

The Board has established the following committees, each of which 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 Company's Executive Directors and the external auditor. Two meetings during the year were chaired by Mr David Clifford, in his capacity as an independent adviser, to maintain the balance of independence on the Committee whilst Colin was absent due to illness.

The remit of the Committee is to review:

– the appointment and performance of the external auditor;

– remuneration for both audit and non-audit work and the nature and scope of the audit with the external auditor;

– the interim and final financial reports and financial statements;

– the external auditor's 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 of the Remuneration Committee is set out on page 10.

NOMINATION COMMITTEE

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

BOARD MEETING ATTENDANCE

Directors' attendance at Board meetings is shown below:

	Number of Board meetings attended
William Hindmarch	6/6
Rupert Garton	6/6
Michael Hindmarch	6/6
Colin Hargrave	2/6

Note: Absences relate to 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 weaknesses in internal financial control have resulted in any material losses, or 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 7 September 2017. Notice of the Annual General Meeting is set out at the back of this document.

BEST OF THE BEST PLC

Report of the Remuneration Committee
For The Year Ended 30 April 2017

This Report does not constitute a Directors' Remuneration Report in accordance with the Directors' Remuneration Regulations 2007, which do not apply to the Company as it is not fully listed. This Report sets out the Company's policy on Directors' remuneration, including emoluments, benefits and other share-based awards made to each Director.

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 Company's and the Group's position as a market leader and to reward them for enhancing value to the shareholder.

REMUNERATION POLICY

Certain Directors may 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 Company. 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 2017, no Directors held options in the Company.

PENSION ARRANGEMENTS

During the year, the Company provided £28,000 (2016: £48,000) in respect of the Executive Director pension payments. At the year end, £Nil (2016: £Nil) was outstanding and owing to the scheme.

DIRECTORS' CONTRACTS

It is the Company'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.

DIRECTORS' REMUNERATION

Director	*Benefits in kind*	*Salary*	*Bonus*	*Pension*	*Fees paid to third parties*	*30 April 2017 Total*	*30 April 2016 Total*
Rupert Garton	6,606	133,750	70,000	14,000	–	224,356	239,443
William Hindmarch	4,149	134,583	70,000	14,000	–	222,732	223,322
Michael Hindmarch	–	–	–	–	12,000	12,000	13,000
Colin Hargrave	1,223	18,000	–	–	–	19,223	19,849

DIRECTORS' INTERESTS IN PERFORMANCE SHARE AWARDS

Details of share options held and exercised by the Directors are set out below.

Director	*Outstanding at 1 May 2016*	*Granted*	*Forfeited*	*Exercised*	*Outstanding at 30 April 2017*
Colin Hargrave	10,000	–	–	(10,000)	–

On 5 September 2016, C Hargrave exercised options over 10,000 shares. The amount paid per share was £0.38 and the share price on that date was £2.26 per share.

At 30 April 2017, the market price of the Company's shares was £3.95 (2016: £2.19). The maximum share price during the year was £4.25 (2016: £2.75) and the minimum price was £1.56 (2016: £0.87).

APPROVAL

The report was approved by the Board of Directors and authorised for issue on 10 July 2017 and signed on its behalf by:

....
M W Hindmarch
10 July 2017

BEST OF THE BEST PLC

Report of the Directors
For The Year Ended 30 April 2017

The Directors of Best of the Best PLC present their report for the year ended 30 April 2017. Particulars of important events affecting the Company and its subsidiaries and likely future developments may be found in the Strategic Report on pages 2 to 6.

DIRECTORS

The Directors during the year and summaries of their experience are set out on pages 7 and 8. The Directors who held office from 1 May 2016 to the date of this report and their beneficial interest in the share capital of the Company at 30 April 2017 were as follows:

	30 April 2017	*30 April 2016*
William Hindmarch	5,086,851	5,086,851
Rupert Garton	1,502,124	1,502,124
Michael Hindmarch	874,722	874,722
Colin Hargrave	136,519	126,519

DIVIDENDS

Details of dividends paid during the year and declared as at the date of this report are set out in the Strategic Report on page 3.

SHARE CAPITAL

Details of the Company's share capital are set out in Note 19. The Company's share capital consists of one class of ordinary share, which does not carry rights to fixed income. As at 30 April 2017, there were 10,124,580 ordinary shares of 5p 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 on 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 2016 Annual General Meeting, the Company was authorised by shareholders to purchase up to 1,011,458 of its own shares, representing approximately 10 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.

SUBSTANTIAL SHAREHOLDERS

As at 30 April 2017 the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights (other than the Directors' interests, already disclosed).

Name	*Shareholding*	*Percentage*
Stancroft Trust Limited	782,647	7.73

POLITICAL CONTRIBUTIONS

The Company has made no political contributions during the year (2016: £Nil).

EVENTS SINCE THE END OF THE YEAR

No material subsequent events have occurred since the year end that require disclosure within these financial statements.

DISCLOSURE IN THE STRATEGIC REPORT

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Group Strategic Report which would otherwise be required to be contained in the Report of the Directors:

– Outlook

– Risk management, including financial risk management and non-financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'). 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; and

– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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 AUDITOR

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 auditor is 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 auditor is aware of that information.

AUDITOR

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

ON BEHALF OF THE BOARD

....
W S Hindmarch
Director
10 July 2017

BEST OF THE BEST PLC

Report of the Independent Auditor
For The Year Ended 30 April 2017

We have audited the financial statements of Best of the Best PLC for the year ended 30 April 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 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 Annual Report 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 Company's affairs as at 30 April 2017 and of the Group's profit for the year then ended;

– the Group and Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and

– the Group's and the Company's 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, based on the work undertaken in the course of the audit:

– the information given in the 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; and

– the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and in the Report of the Directors.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or

– the 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.

Wilkins Kennedy LLP

Ian Jefferson (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor
Bridge House
London SE1 9QR
United Kingdom

10 July 2017

BEST OF THE BEST PLC

Consolidated Statement of Comprehensive Income
For The Year Ended 30 April 2017

	Notes	*2017* £	*2016* £
CONTINUING OPERATIONS			
Revenue	3.3	10,811,989	10,104,505
Cost of sales	3.4	(3,864,696)	(3,969,297)
GROSS PROFIT		6,947,293	6,135,208
Administrative expenses		(5,435,703)	(5,077,788)
OPERATING PROFIT		1,511,590	1,057,420
Finance income	8	1,056	2,235
PROFIT BEFORE INCOME TAX	9	1,512,646	1,059,655
Income tax	10	(117,915)	(125,761)
PROFIT FOR THE YEAR		1,394,731	933,894
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		24,849	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		24,849	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,419,580	933,894
Profit attributable to:			
Owners of the parent		1,394,731	933,894
Total comprehensive income attributable to:			
Owners of the parent		1,419,580	933,894
Earnings per share expressed in pence per share:			
Basic	12	13.78	9.75
Diluted	12	13.74	9.70

The notes form part of these financial statements

BEST OF THE BEST PLC

Consolidated Statement of Financial Position
As at 30 April 2017

	Notes	*2017* £	*2016* £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	14	178,133	267,200
Property, plant and equipment	15	1,356,988	1,496,651
Investments	16	70,000	70,000
Deferred tax	21	36,964	41,077
		1,642,085	1,874,928
CURRENT ASSETS			
Trade and other receivables	17	245,186	169,418
Tax receivable		–	4,178
Cash and cash equivalents	18	2,106,156	1,201,629
		2,351,342	1,375,225
TOTAL ASSETS		3,993,427	3,250,153
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	19	506,226	505,726
Share premium		179,074	175,774
Capital redemption reserve		197,651	197,651
Foreign exchange reserve		24,849	–
Retained earnings		962,108	711,455
TOTAL EQUITY		1,869,908	1,590,606
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	20	1,718,128	1,448,132
Tax payable		275,575	211,415
Provision	22	129,816	–
TOTAL LIABILITIES		2,123,519	1,659,547
TOTAL EQUITY AND LIABILITIES		3,993,427	3,250,153

The financial statements were approved by the Board of Directors on 10 July 2017 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 2017

	Notes	2017 £	2016 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	14	178,133	267,200
Property, plant and equipment	15	1,356,988	1,496,651
Investments	16	70,085	82,585
Deferred tax	21	36,964	41,077
		1,642,170	1,887,513
CURRENT ASSETS			
Trade and other receivables	17	184,056	115,958
Cash and cash equivalents	18	2,076,908	1,167,701
		2,260,964	1,283,659
TOTAL ASSETS		3,903,134	3,171,172
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	19	506,226	505,726
Share premium		179,074	175,774
Capital redemption reserve		197,651	197,651
Retained earnings		841,335	594,794
TOTAL EQUITY		1,724,286	1,473,945
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	20	1,769,811	1,485,812
Tax payable		279,221	211,415
Provision	22	129,816	–
TOTAL LIABILITIES		2,178,848	1,697,227
TOTAL EQUITY AND LIABILITIES		3,903,134	3,171,172

The financial statements were approved by the Board of Directors on 10 July 2017 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 2017

	Called up share capital £	*Share premium* £	*Capital redemption reserve* £	*Other reserve* £
Balance at 1 May 2015	454,950	–	196,601	147,810
Issue of share capital	51,826	175,774	–	–
Dividends paid	–	–	–	–
Effect of share options lapsed or exercised	–	–	–	(147,810)
Share repurchase	(1,050)	–	1,050	–
Transactions with owners	50,776	175,774	1,050	(147,810)
Profit for the year	–	–	–	–
Total comprehensive income	–	–	–	–
Balance at 30 April 2016	505,726	175,774	197,651	–
Issue of share capital	500	3,300	–	–
Dividends paid	–	–	–	–
Transactions with owners	500	3,300	–	–
Profit for the year	–	–	–	–
Other comprehensive income:				
Exchange differences on translating foreign operations	–	–	–	–
Total comprehensive income	–	–	–	–
Balance at 30 April 2017	506,226	179,074	197,651	–

The notes form part of these financial statements

BEST OF THE BEST PLC

Consolidated Statement of Changes in Equity (continued)
For The Year Ended 30 April 2017

	Foreign exchange reserve £	*Retained earnings* £	*Total* £
Balance at 1 May 2015	–	1,763,243	2,562,604
Issue of share capital	–	–	227,600
Dividends paid	–	(2,088,612)	(2,088,612)
Effect of share options lapsed or exercised	–	147,810	–
Share repurchase	–	(44,880)	(44,880)
Transactions with owners	–	(1,985,682)	(1,905,892)
Profit for the year	–	933,894	933,894
Total comprehensive income	–	933,894	933,894
Balance at 30 April 2016	–	711,455	1,590,606
Issue of share capital	–	–	3,800
Dividends paid	–	(1,144,078)	(1,144,078)
Transactions with owners	–	(1,144,078)	(1,140,278)
Profit for the year	–	1,394,731	1,394,731
Other comprehensive income:			
Exchange differences on translating foreign operations	24,849	–	24,849
Total comprehensive income	24,849	1,394,731	1,419,580
Balance at 30 April 2017	24,849	962,108	1,869,908

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 2017

	Called up share capital £	*Share premium* £	*Capital redemption reserve* £
Balance at 1 May 2015	454,950	–	196,601
Issue of share capital	51,826	175,774	–
Dividends paid	–	–	–
Effect of share options lapsed or exercised	–	–	–
Share repurchase	(1,050)	–	1,050
Transactions with owners	50,776	175,774	1,050
Profit for the year	–	–	–
Total comprehensive income	–	–	–
Balance at 30 April 2016	505,726	175,774	197,651
Issue of share capital	500	3,300	–
Dividends paid	–	–	–
Transactions with owners	500	3,300	–
Profit for the year	–	–	–
Total comprehensive income	–	–	–
Balance at 30 April 2017	506,226	179,074	197,651

	Other reserve £	*Retained earnings* £	*Total* £
Balance at 1 May 2015	147,810	1,639,333	2,438,694
Issue of share capital	–	–	227,600
Dividends paid	–	(2,088,612)	(2,088,612)
Effect of share options lapsed or exercised	(147,810)	147,810	–
Share repurchase	–	(44,880)	(44,880)
Transactions with owners	(147,810)	(1,985,682)	(1,905,892)
Profit for the year	–	941,143	941,143
Total comprehensive income	–	941,143	941,143
Balance at 30 April 2016	–	594,794	1,473,945
Issue of share capital	–	–	3,800
Dividends paid	–	(1,144,078)	(1,144,078)
Transactions with owners	–	(1,144,078)	(1,140,278)
Profit for the year	–	1,390,619	1,390,619
Total comprehensive income	–	1,390,619	1,390,619
Balance at 30 April 2017	–	841,335	1,724,286

The notes form part of these financial statements

BEST OF THE BEST PLC

Consolidated Statement of Cash Flows
For The Year Ended 30 April 2017

	Notes	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	2,177,993	1,517,656
Tax paid		(45,464)	(19,294)
Net cash from operating activities		2,132,529	1,498,362
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		–	(267,200)
Purchase of property, plant and equipment		(132,113)	(195,654)
Sales of property, plant and equipment		43,333	162,868
Interest received		1,056	2,235
Net cash from investing activities		(87,724)	(297,751)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		3,800	227,600
Cost of share buy back		–	(44,880)
Equity dividends paid		(1,144,078)	(2,088,612)
Net cash from financing activities		(1,140,278)	(1,905,892)
Increase/(decrease) in cash and cash equivalents		904,527	(705,281)
Cash and cash equivalents at beginning of year	18	1,201,629	1,906,910
Cash and cash equivalents at end of year	18	2,106,156	1,201,629

The notes form part of these financial statements

BEST OF THE BEST PLC

Company Statement of Cash Flows
For The Year Ended 30 April 2017

	Notes	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	2,183,205	1,501,220
Tax paid		(45,996)	(553)
Net cash from operating activities		2,137,209	1,500,667
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		–	(267,200)
Purchase of property, plant and equipment		(132,113)	(195,654)
Sales of property, plant and equipment		43,333	162,868
Interest received		1,056	2,235
Net cash from investing activities		(87,724)	(297,751)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		3,800	227,600
Cost of share buy back		–	(44,880)
Equity dividends paid		(1,144,078)	(2,088,612)
Net cash from financing activities		(1,140,278)	(1,905,892)
Increase/(decrease) in cash and cash equivalents		909,207	(702,976)
Cash and cash equivalents at beginning of year	18	1,167,701	1,870,677
Cash and cash equivalents at end of year	18	2,076,908	1,167,701

The notes form part of these financial statements

1. GENERAL INFORMATION

The principal activity of the Company and the Group is to operate weekly competitions to win luxury cars online and operated through retail sites within airport terminals and at shopping centres.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and International Financial Reporting Interpretation Committee ('IFRIC') Interpretations as issued by the International Accounting Standards Board and adopted by the European Union and in accordance 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 financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements are presented in Pounds Sterling. All amounts, unless otherwise stated, have been rounded to the nearest Pound.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying those accounting policies. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in Note 5.

The Directors are satisfied that the Company and Group have 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.

2. STATEMENT OF FINANCIAL POSITION RECLASSIFICATION

The Company and Group have previously classified motor vehicles on display at retail sites as inventory on the basis that customers had the opportunity to win these vehicles and they were therefore considered to form part of the inventory of competition prizes.

As noted in the 2016 financial statements, the competitions have changed in recent years and given the increased choice, it has become much less common for the vehicles on display to actually be taken by customers as prizes. The Directors have therefore concluded that such vehicles ought to have been classified as display items and as a category of plant and equipment in the prior year, given the change in the nature of the competitions.

These vehicles have been included in plant and equipment as at 30 April 2017 with a corresponding reclassification in the comparative year. The net amount reclassified from inventories to plant and equipment at 30 April 2016 is £314,240. Cash flows from investing activities for the year ended 30 April 2016 have increased by £157,668 with a corresponding reduction in cash flows from operating activities.

3. PRINCIPAL ACCOUNTING POLICIES

3.1 *NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS*

The Company and Group applied for the first time certain Standards and Amendments which are effective for annual periods commencing on or after 1 May 2016. The Company and Group have not early adopted any other Standards, Interpretations or Amendments that have been issued but are not yet effective.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.1 *NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)*

The nature and the extent of these changes are disclosed below. Although these new Standards and Amendments applied for the first time in the year ended 30 April 2017, they did not have a material impact on the Company's or the Group's financial statements.

IFRS 7 Financial Instruments: Disclosures

Amendments resulting from the September 2014 Annual Improvements to IFRS.

IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities

Amendments relating to the consolidation exemption.

IAS 1 Presentation of Financial Statements

Amendments resulting from the Disclosure Initiative.

IAS 16 Property, Plant and Equipment

Amendments regarding the classification of acceptable methods of depreciation and amortisation.

IAS 19 Employee Benefits

Amendments resulting from the September 2014 Annual Improvements to IFRS.

IAS 27 Separate Financial Statements

Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IAS 38 Intangible Assets

Amendments regarding the classification of acceptable methods of depreciation and amortisation.

At the date of authorisation of these financial statements, certain new Standards, Amendments and Interpretations to existing Standards have been published but are not yet effective and have not been adopted early by the Company and Group.

Management anticipates that all of the pronouncements will be adopted in the accounting periods for the first period beginning after the effective date of the pronouncement. Information on new Standards, Amendments and Interpretations that are expected to be relevant to the financial statements is provided below. Certain other new Standards, Amendments and Interpretations have been issued but are not expected to be relevant to the financial statements.

IAS 7 Statement of Cash Flows

The Amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The Amendments are effective for accounting periods commencing on after 1 January 2017, subject to adoption by the European Union.

IFRS 9 Financial Instruments

Amendments to IFRS 9 address the classification and measurement of financial assets and will replace IAS 39. The Amendments are effective for accounting periods commencing on or after 1 January 2018.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.1 *NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)*

IFRS 12 Disclosure of Interests in Other Entities

The Amendments result from the Annual Improvements 2014-2016 Cycle, which clarifies the scope of the Standard. The Amendments are effective for accounting periods commencing on or after 1 January 2017, subject to adoption by the European Union.

IFRS 15 Revenue from Contracts with Customers

The Standard sets out at what point and how revenue is recognised and also requires enhanced disclosures. Revenue contracts should be recognised in accordance with a single, principles based five-step plan. The Standard is effective for accounting periods beginning on or after 1 January 2018.

IFRS 16 Leases

The Standard specifies how an entity recognises, measures, presents and discloses leases. The Standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset is low value. The Standard is effective for accounting periods commencing on or after 1 January 2019, subject to adoption by the European Union.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation is effective for accounting periods commencing on or after 1 January 2018, subject to adoption by the European Union.

The Directors do not expect that the adoption of the Standards and Amendments listed above will have a material impact on the financial statements of the Company and Group in future periods, although the detailed impact has not yet been quantified.

3.2 *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.

3.3 *REVENUE RECOGNITION*

Revenue represents the value of tickets sold in respect of weekly competitions, stated net of VAT, returns, rebates and discounts. Revenue in respect of individual weekly competitions is recognised on the date the result of those individual competitions is determined.

3.4 *COST OF SALES*

Cost of sales comprises principally of the cost of competition prizes and the rent and associated costs of operating retail sites.

3.5 *SEGMENT REPORTING*

The accounting policy for identifying segments is based on internal management reporting information which is reviewed by the chief operating decision maker. The Company and Group are considered to have a single business segment, being the operation of weekly competitions to win luxury cars.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.6 *RESEARCH AND DEVELOPMENT EXPENDITURE*

Expenditure on research is recognised as an expense in the period in which it is incurred.

Development costs are capitalised when all of the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Company or Group intends to complete the intangible asset and use or sell it;
- The Company or Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

3.7 *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 rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

The assets and liabilities in the financial statements of foreign subsidiaries are translated into the parent Company presentation currency at the rates of exchange ruling at the statement of financial position date. Income and expenses are translated at the actual rate on the date of the transaction. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are recognised in other comprehensive income and taken to the foreign exchange reserve in equity. On disposal of a foreign subsidiary, the cumulative translation differences are transferred to profit or loss as part of the gain or loss on disposal.

3.8 *SHARE BASED PAYMENT*

The Company and Group have 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.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.9 *PENSION CONTRIBUTIONS AND OTHER POST EMPLOYMENT BENEFITS*

The Company operates a money purchase pension scheme for certain employees. The cost of the contributions is charged to the statement of comprehensive income as incurred.

3.10 *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 substantively enacted by the statement of financial position 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 statement of comprehensive income as 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 the 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 affect neither the tax profit nor the accounting profit.

The carrying amount of the deferred tax asset is reviewed at each statement of financial position 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 statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

3.11 *IMPAIRMENT*

The carrying amounts of the Company's and the Group's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indicator exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.12 *CURRENT VERSUS NON-CURRENT CLASSIFICATION*

The Company and Group present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Company and Group classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.13 *INTANGIBLE ASSETS*

Intangible assets are recognised at cost less any accumulated amortisation and impairment.

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Company or Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separate or when it arises from contractual or other legal rights.

The Company's and Group's intangible assets consist of its IT platform, infrastructure and website. The Directors have estimated the useful economic life of the assets to be three years and they are being amortised over that period on a straight line basis.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.14 *PROPERTY, PLANT AND EQUIPMENT*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

Long leasehold property	– 1% on cost
Improvements to property	– 4% on cost
Display equipment	– At varying rates on cost
Fixtures and fittings	– At varying rates on cost
Motor vehicles	– 25% on reducing balance
Computer equipment	– At varying rates on cost

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful economic lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.15 *INVESTMENTS*

Investments in subsidiaries are recorded at cost less any provision for permanent diminution in value.

3.16 *LEASES*

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company and Group is classified as a finance lease. The Company and Group have not entered into any finance leases during any financial year included in these financial statements.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight line basis over the lease term.

3.17 *PROVISIONS*

Provisions are recognised when the Company or Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.18 *FINANCIAL INSTRUMENTS*

Financial assets and liabilities are recognised in the Company's and Group's statement of financial position when the Company and Group becomes a party to the contractual provisions of the instrument. The Company's and Group's financial instruments comprise cash, trade and other receivables and trade and other payables.

Loans and receivables

Loans and receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the Company and Group will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

The Company and Group manage short-term liquidity through the holding of cash and highly liquid interest-bearing deposits. Only deposits that are readily convertible into cash with maturities of three months or less from inception, with no penalty of lost interest, are shown as cash and cash equivalents.

Trade payables

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company and Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

3.19 *EQUITY*

Equity comprises the following:

- Called up share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of consideration received from the equity shares, net of expenses of the share issue;
- Capital redemption reserve represents the value of the re-purchase by the Company of its own share capital;
- Foreign exchange reserve represents accumulated exchange differences from the translation of subsidiaries with a functional currency other than Sterling; and
- Retained earnings represent accumulated profits and losses from incorporation and any credit arising under share based payments.

4. CAPITAL MANAGEMENT

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

The Company and Group make 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.

Impairment of assets

The Company and Group are 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 and intangible assets

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

6. SEGMENTAL REPORTING

Sales from UK activities totaled £8,852,252 (2016: £8,097,408) whilst sales from non-UK activities totaled £1,959,737 (2016: £2,007,097).

7. EMPLOYEES AND DIRECTORS

	2017	*2016*
	£	*£*
Wages and salaries	2,355,051	2,864,729
Social security costs	273,925	308,907
Other pension costs	12,493	28,600
	2,641,469	3,202,236

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

	2017	*2016*
	Number	*Number*
Sales	44	47
Administration	17	21
Management	2	2
	63	70

	2017	*2016*
	£	*£*
Directors' remuneration	478,311	495,614

7. EMPLOYEES AND DIRECTORS (CONTINUED)

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

	2017 Number	2016 Number
Money purchase schemes	2	2

Details of individual Director's remuneration are set out in the Report of the Remuneration Committee on page 10.

Information regarding the highest paid Director is as follows:

	2017 £	2016 £
Emoluments	224,356	239,443

The Directors consider themselves to be the only key management personnel. As such, a separate analysis of remuneration paid to key management personnel has not been presented.

8. FINANCE INCOME

	2017 £	2016 £
Finance income:		
Deposit account interest	1,056	2,235

9. PROFIT BEFORE INCOME TAX

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

	2017 £	2016 £
Depreciation and impairment of property, plant and equipment	228,894	141,463
Amortisation of intangible assets	89,067	–
(Profit) on disposal of property, plant and equipment	(451)	(50,714)
Operating lease expense – buildings	744,939	647,450
Operating lease expense – other	5,084	–
Foreign exchange (gains)/losses	(18,632)	26,858
Auditor's remuneration		
– Audit fees	33,900	34,000
– Taxation services	14,102	9,140
– Other	5,250	8,000

10. INCOME TAX

Analysis of tax expense

	2017	*2016*
	£	*£*
Current tax:		
Current year charge	219,682	87,647
Overprovision in prior years	(105,880)	(3,403)
Interest on overdue tax	–	(345)
Total current tax	113,802	83,899
Deferred tax		
Origination and reversal of temporary timing differences	4,113	41,862
Total deferred tax	4,113	41,862
Total tax charge for the year	117,915	125,761

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:

	2017	*2016*
	£	*£*
Profit on ordinary activities before income tax	1,512,646	1,059,655
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	302,529	211,931
Effects of:		
Depreciation in excess of/(less than) capital allowances	4,499	(42,901)
Tax effect of overseas subsidiaries	–	16,117
Other timing differences	4,113	41,862
Non-deductible expenses	19,210	–
Research and development enhanced deduction	(106,556)	(97,500)
Overprovision in prior years	(105,880)	(3,748)
Tax expense	117,915	125,761

Tax rates

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantively enacted on 26 October 2015 and 15 September 2016 respectively. This will reduce the Group's future tax charge accordingly.

11. PROFIT OF THE 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 £1,390,619 (2016: £941,143).

12. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares outstanding during the year, adjusted to assume the exercise of all dilutive potential ordinary shares under the Company's share option plans.

	2017	*2016*
Profit for the year and basic and diluted earnings attributable to the owners of the parent	£1,394,731	£933,894
Weighted average number of ordinary shares	10,121,247	9,582,651
Basic earnings per share	13.78p	9.75p
Adjusted weighted average number of ordinary shares	10,151,247	9,626,686
Diluted earnings per share	13.74p	9.70p

13. DIVIDENDS

During the year, the Company paid a final dividend equating to 1.3 pence per share as recommended in the financial statements to 30 April 2016 and a Special Dividend of 10 pence per share was paid on 2 December 2016 to shareholders on the register on 17 November 2016.

The Board is recommending a final dividend of 1.4 pence per share for the full year ending 30 April 2017, subject to shareholder approval at the Annual General Meeting on 7 September 2017. In addition, the Board is recommending a Special Dividend of 6.5 pence per share for the full year ending 30 April 2017, which will be paid on 30 June 2017 to shareholders on the register at the close of business on 16 June 2017.

14. INTANGIBLE ASSETS – GROUP AND COMPANY

	Development costs *£*
COST	
At 1 May 2016 and 30 April 2017	267,200
AMORTISATION	
At 1 May 2016	–
Charge for year	89,067
At 30 April 2017	89,067
NET BOOK VALUE	
2017	178,133
2016	267,200

15. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

	Long leasehold £	*Improvements to property* £	*Display equipment* £	*Fixtures and fittings* £
COST				
At 1 May 2016	954,034	25,950	680,549	170,219
Additions	–	–	90,833	–
Disposals	–	–	(58,322)	–
At 30 April 2017	954,034	25,950	713,060	170,219
DEPRECIATION AND IMPAIRMENT				
At 1 May 2016	–	–	365,014	42,047
Charge for the year	3,500	1,040	74,401	97,130
Eliminated on disposals	–	–	(24,560)	–
At 30 April 2017	3,500	1,040	414,855	139,177
NET BOOK VALUE				
2017	950,534	24,910	298,205	31,042
2016	954,034	25,950	315,535	128,172

	Motor vehicles £	*Computer equipment* £	*Total* £
COST			
At 1 May 2016	72,775	93,120	1,996,647
Additions	33,400	7,880	132,113
Disposals	(47,900)	–	(106,222)
At 30 April 2017	58,275	101,000	2,022,538
DEPRECIATION AND IMPAIRMENT			
At 1 May 2016	55,809	37,126	499,996
Charge for the year	10,312	42,511	228,894
Eliminated on disposals	(38,780)	–	(63,340)
At 30 April 2017	27,341	79,637	665,550
NET BOOK VALUE			
2017	30,934	21,363	1,356,988
2016	16,966	55,994	1,496,651

15. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (CONTINUED)

	Long leasehold £	*Improvements to property* £	*Display equipment* £	*Fixtures and fittings* £
COST				
At 1 May 2015	954,034	25,950	1,043,937	499,306
Additions	–	–	–	120,778
Disposals	–	–	(363,388)	(449,865)
At 30 April 2016	954,034	25,950	680,549	170,219
DEPRECIATION AND IMPAIRMENT				
At 1 May 2015	–	–	542,800	464,221
Charge for the year	–	–	78,650	27,691
Eliminated on disposals	–	–	(256,436)	(449,865)
At 30 April 2016	–	–	365,014	42,047
NET BOOK VALUE				
2016	954,034	25,950	315,535	128,172
2015	954,034	25,950	501,137	35,085

	Motor vehicles £	*Computer equipment* £	*Total* £
COST			
At 1 May 2015	72,775	185,004	2,781,006
Additions	–	74,876	195,654
Disposals	–	(166,760)	(980,013)
At 30 April 2016	72,775	93,120	1,996,647
DEPRECIATION AND IMPAIRMENT			
At 1 May 2015	50,154	169,219	1,226,394
Charge for the year	5,655	29,467	141,463
Eliminated on disposals	–	(161,560)	(867,861)
At 30 April 2016	55,809	37,126	499,996
NET BOOK VALUE			
2016	16,966	55,994	1,496,651
2015	22,621	15,785	1,554,612

16. INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 May 2016 and 30 April 2017	70,000
IMPAIRMENT	
At 1 May 2016 and 30 April 2017	–
NET BOOK VALUE	
2017	70,000
2016	70,000

Unlisted investments relate to the cost of acquiring options in another company.

Company

	Shares in Group undertakings £	*Unlisted investments* £	*Total* £
COST			
At 1 May 2016 and 30 April 2017	12,585	70,000	82,585
IMPAIRMENT			
At 1 May 2016	–	–	–
Additions	12,500	–	12,500
At 30 April 2017	12,500	–	12,500
NET BOOK VALUE			
2017	85	70,000	70,085
2016	12,585	70,000	82,585

Share in Group undertakings comprise of the following subsidiary companies:

Name of company	*Nature of business*	*% holding*	*Country of incorporation*
Best of the Best Aps	Competition operator	100	Denmark
BOTB Ireland Limited	Competition operator	100	Republic of Ireland

The Company started the process of winding up Best of the Best Aps during the year under review. As such, the cost of investment in this subsidiary company has been written down in full.

17. TRADE AND OTHER RECEIVABLES – GROUP AND COMPANY

	Group		*Company*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
Trade receivables	13,396	1,444	9,294	–
Other receivables	117,732	100,703	66,995	53,353
Prepayments and accrued income	114,058	67,271	107,767	62,605
	245,186	169,418	184,056	115,958

The fair values of trade and other receivables approximates to their carrying values.

18. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

	Group		*Company*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
Cash in hand	1,390	2,900	1,390	2,900
Bank accounts	2,104,766	1,198,729	2,075,518	1,164,801
	2,106,156	1,201,629	2,076,908	1,167,701

19. CALLED UP SHARE CAPITAL – COMPANY

Allotted, issued and fully paid

		Nominal	*2017*	*2016*
Number	*Class*	*Value*	*£*	*£*
10,124,580 (2016: 10,114,580)	Ordinary	£0.05	506,226	505,726

10,000 Ordinary shares of £0.05 per share were allotted as fully paid during the year at a premium of £0.33 per share.

20. TRADE AND OTHER PAYABLES – GROUP AND COMPANY

	Group		*Company*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
Trade creditors	317,707	236,989	311,001	230,574
Amounts owed to Group undertakings	–	–	71,716	67,422
Social security and other taxes	136,028	102,815	131,638	95,419
Other creditors	1,258,977	1,105,444	1,250,040	1,089,513
Pension creditor	5,416	2,884	5,416	2,884
	1,718,128	1,448,132	1,769,811	1,485,812

21. DEFERRED TAX – GROUP AND COMPANY

	Group		*Company*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
At 1 May	41,077	82,939	41,077	82,939
Movement in the year	(4,113)	(41,862)	(4,113)	(41,862)
At 30 April	36,964	41,077	36,964	41,077

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

22. PROVISIONS – GROUP AND COMPANY

	Group		*Company*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
At 1 May	–	–	–	–
Movement in the year	129,816	–	129,816	–
At 30 April	129,816	–	129,816	–

Provisions include rentals payable on a six month lease for a retail site, which the Directors consider to be onerous, and provision for dilapidations.

23. SHARE BASED PAYMENT

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

Grant date	*Outstanding at 1 May 2016*	*Granted*	*Exercised*	*Forfeited*	*Outstanding at 30 April 2017*	*Expiry date*	*Exercise price*
05-08-2013	10,000	–	(10,000)	–	–	04-08-2023	£0.380
19-03-2015	60,000	–	–	(30,000)	30,000	18-03-2025	£0.725

The Company operates a share option scheme for certain Directors and employees. Options are exercisable at a price defined by the individual option agreements. 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 Company before the options vest, however, this is at the discretion of the Board.

Details of the share options and the weighted average exercise price (‘WAEP’) outstanding during the year are as follows:

	2017 Number	*2017 WAEP*	*2016 Number*	*2016 WAEP*
Outstanding at the beginning of year	70,000	67.571p	1,106,528	24.837p
Granted during the year	–	–	–	–
Exercised during the year	(10,000)	38.000p	(1,036,528)	21.951p
Lapsed during the year	(30,000)	72.500p	–	–
Outstanding at the end of the year	30,000	72.500p	70,000	67.571p
Exercisable at the end of the year	–	–	–	–

23. SHARE BASED PAYMENT (CONTINUED)

The weighted average remaining contractual life of share options outstanding as at 30 April 2017 was 8 years and 10 months (2016: 8 years).

No amount has been recognised in these financial statements in respect of share option charges as the amount would be insignificant (2016: £Nil).

24. LEASE COMMITMENTS – GROUP AND COMPANY

Future minimum rentals payable under operating leases at 30 April 2017 were as follows:

	Buildings		*Other*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
Due within one year	281,250	231,237	10,167	–
Due between one and two years	–	–	4,236	–
	281,250	231,237	14,403	–

25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – GROUP

The principal financial assets of the Group are bank balances. The Group's principal financial liabilities are trade and other payables. The main purpose of these financial instruments is to generate sufficient working capital for the Group to continue its operations.

Credit risk

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the statement of financial position date, as summarised below. Management considers that the Group is exposed to little credit risk arising on its receivables due to the value of those receivables. The credit risk on cash balances is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

	2017	*2016*
	£	*£*
Financial assets classified as loans and receivables – carrying amounts:		
Trade receivables	13,396	1,444
Other receivables	117,732	100,703
Cash and cash equivalents	2,106,156	1,201,629
	2,237,284	1,303,776

Liquidity risk

The Group's funding strategy is to generate sufficient working capital to settle liabilities as they fall due and to ensure sufficient financial resource is in place to support management's long-term growth plans.

25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – GROUP (CONTINUED)

The Group's financial liabilities have contractual maturities as follows:

	2017		*2016*	
	£	*£*	*£*	*£*
	Up to 1 year	*After 1 year*	*Up to 1 year*	*After 1 year*
Financial liabilities measured at amortised cost – carrying amounts				
Trade and other payables	1,718,128	–	1,448,132	–
	1,718,128	–	1,448,132	–

26. RELATED PARTY DISCLOSURES

M W Hindmarch is considered to be a related party as he is a Non-Executive Director of the Company. During the year ended 30 April 2017, payments were made to him totaling £12,000 (2016: £13,000) in respect of consultancy services provided. The total amount due to M W Hindmarch at 30 April 2017 was £1,000 (2016: £1,000).

R Garton is considered to be a related party as he is an Executive Director of the Company. During the year ended 30 April 2017, the Company sold a motor vehicle to R Garton for £12,500, which was settled in full during the year.

Details of share options granted to the Directors are set out in the Report of the Remuneration Committee.

27. EVENTS AFTER THE REPORTING PERIOD

No material subsequent events have occurred since the year end that require disclosure within these financial statements.

28. ULTIMATE CONTROLLING PARTY

The Company is under the ultimate control of W S Hindmarch, the Chief Executive Director of the Company, by virtue of his controlling shareholding at the statement of financial position date.

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

	Group		*Company*	
	2017	*2016*	*2017*	*2016*
	£	*£*	*£*	*£*
Profit before income tax	1,512,646	1,059,655	1,508,536	1,061,229
Depreciation charges	228,894	141,463	228,894	141,463
Amortisation charges	89,067	–	89,067	–
Profit on disposal of property, plant and equipment	(451)	(50,714)	(451)	(50,714)
Investment impairment charge	–	–	12,500	–
Exchange differences	24,849	–	–	–
Finance income	(1,056)	(2,235)	(1,056)	(2,235)
	1,853,949	1,148,169	1,837,490	1,149,743
(Increase)/decrease in trade and other receivables	(75,768)	515,561	(68,098)	515,186
Increase/(decrease) in trade and other payables	269,996	(146,074)	283,997	(163,709)
Increase in provision	129,816	–	129,816	–
Cash generated from operations	2,177,993	1,517,656	2,183,205	1,501,220

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 Thursday 7 September 2017 at 12.00 noon (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 2017.

2. To declare a final dividend of 1.4 pence per ordinary share for the year ended 30 April 2017.

3. To re-appoint the auditors, Wilkins Kennedy LLP, as auditors of the Company until the conclusion of the next Annual General Meeting.

4. 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 5 will be proposed as an ordinary resolution and resolutions 6 and 7 will be proposed as special resolutions:

5. **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 £168,743 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.

6. **SPECIAL RESOLUTION**

   THAT, subject to the passing of resolution 5, 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 5 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 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 £25,311.45 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.

7. **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 1,012,458 representing 10 per cent. of the Company's issued ordinary share capital as at 10 July 2017;

(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
10 July 2017

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

Notes:

(a) A member entitled to attend and vote at the Meeting 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 5 September 2017 (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. Should the Annual General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Annual General Meeting. Should the Annual General Meeting be adjourned for a longer period, to be so entitled, members must have been entered on the Register by 6 p.m. on the day which is two business days prior to the adjourned Annual General Meeting or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in such notice.

(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.

(h) A Nominated Person may under an agreement between him/her and the member who nominated him/her, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and speak and vote at the Annual General Meeting. Nominated Persons are advised to contact the member who nominated them for further information on this and the procedure for appointing any such proxy.

(i) If a Nominated Person does not have a right to be appointed, or to have someone else appointed, as a proxy for the Annual General Meeting, or does not wish to exercise such a right, he/she may still have the right under an agreement between himself/herself and the member who nominated him/her to give instructions to the member as to the exercise of voting rights at the Annual General Meeting. Such Nominated Persons are advised to contact the members who nominated them for further information on this.

(j) To facilitate entry to the meeting, shareholders are requested to bring with them suitable evidence of their identity. Persons who are not shareholders of the Company (or their appointed proxy) will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company. For security reasons, all hand luggage may be subject to examination prior to entry to the Annual General Meeting. Cameras, tape recorders, laptop computers and similar equipment may not be taken into the Annual General Meeting. We ask all those present at the Annual General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

BEST OF THE BEST PLC

Notice of Annual General Meeting – 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 2017.

RESOLUTION 2: DECLARATION OF DIVIDEND

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

RESOLUTION 3: 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 LLP.

RESOLUTION 4: 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 5: 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 3,374,860 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 6 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 6: 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 £25,311.45, 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 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 7: 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 21 September 2016 and would be limited to 1,012,458 ordinary shares, representing approximately 10 per cent. of the issued share capital at 10 July 2017. The Directors intend to seek renewal of this power at each Annual General Meeting. As of 10 July 2017 there were options outstanding over 30,000 shares, representing 0.30 per cent. of the Company's issued share capital. If the authority given by this resolution was to be fully used, this would represent 0.33 per cent. of the Company's issued share capital.