

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF THE MARKET ABUSE REGULATION (EU 596/2014) AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION CONTAINED HEREIN WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.

**Best of the Best plc
("Best of the Best", "BOTB", "the Company" or "the Group")
Preliminary results for the year ended 30 April 2023**

Best of the Best plc (LSE: BOTB), the provider of online competitions to win cars and other prizes, reports its preliminary results for the year ended 30 April 2023 (the "Period")

Key highlights:

- Revenue of £26.2 million (2022: £34.7 million) is a 47% increase on the £17.8 million delivered in the pre-pandemic year of FY2020, albeit materially lower than the £45.7m delivered in FY2021 when the business benefitted from the favourable trading conditions during the pandemic.
- Profit before tax of £5.5 million (2022: £5.1 million), as a result of cost savings and disciplined investment in customer acquisition and marketing in order to protect margins.
- A final dividend of 6.0p per ordinary share was paid to shareholders on 30 September 2022 (2021: 5.0p) and a tender offer returned c. £6.275 million to shareholders on 15 July 2022. A dividend is not currently proposed in respect of the year ended 30 April 2023.
- On 8 September 2022, Globe Invest Limited ("GIL"), the family office of Teddy Sagi, acquired a 29.9% stake in the Company at 400p per share and signed a letter of Intent ("LOI") to enter into a Licensing and Distribution Agreement and a Marketing and Collaboration Agreement (the "Agreements").
- Trading for the new financial year has started in line with management expectations, which include the successful conclusion and execution of the Agreements and continued collaboration with GIL.

Post period events:

- We draw your attention to the separate Rule 2.7 announcement ("Announcement") released today by GIL, regarding a recommended cash offer for the entire issued and to be issued share capital of the Company which they do not already own, at a price of 535p per ordinary share (the "Offer"). Shareholders are advised to read and review the Announcement and the full details of the Offer, including the reasons for the recommendation of the Offer by the Independent Directors of the Company which is available at botb.com/about/investors/offer, in full.
- In conjunction with the Offer, current Chief Executive Officer William Hindmarch has indicated his intention to accept the Offer for his entire existing shareholding and also step down from the Board on or shortly after the Offer becoming or being declared unconditional. It is intended that the search for a replacement will also commence at this time. Mr. Hindmarch is expected to continue to remain involved with the Company as a consultant for a period of six months following his resignation, to ensure a smooth transition in leadership and an orderly handover.

William Hindmarch, Chief Executive, said:

"Whilst the period has not been without its challenges and we have delivered revenue that is a little lower than hoped, we are pleased to have produced profit in line with the expectations that we set out at the time of our interim financial results in January 2023.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2023

The Company has delivered consistently profitable results over many years and management has been adjusting the various business levers at its disposal, including the competition mix and its marketing strategy, to ensure that where revenues and customer acquisition have stabilised and re-based post pandemic the business continues to be profitable and cash generative.

Management has remained sharply focused on improving the margins on revenue that is clearly lower than during the pandemic affected years of 2020-22, albeit which is still materially higher than the levels experienced pre-pandemic. Revenue has declined this year in line with the trends outlined in the Interim results in January 2023, largely as a result of changes to the competition line-up earlier in the year, with management deciding to reformat both the weekly competitions and available prizes.

This year saw the Company navigating well documented pressures on consumer discretionary spending, and we recognise that recently, a more active competitor landscape has evolved and that the sector has broadened to include a greater range of competition operators contending for a share of wallet. Competitors have also increased the cost of acquiring new customers and therefore impacts the available ROI.

These factors, among others, contributed to management's strong belief that the Company's future required the support of a successful and deep-rooted relationship with an established partner such as GIL, which resulted in them acquiring a 29.9% stake in the Company and the signing of a LOI to enter into a Licensing and Distribution Agreement and a Marketing and Collaboration Agreement.

GIL has today announced its intention to increase its equity holding in the Company to a controlling stake by way of the Offer, before accelerating its collaboration and subsequent investment. The reasons for recommending the Offer are set out in that Announcement, but in particular, the Board strongly believes that the future of the Company lies in a successful and deep-rooted relationship with a partner such as GIL, bringing broader experience and relationships in the Company's sector, that can also provide additional expertise and potential funding, as well as specific assistance in marketing, technology and internationalisation.

After 23 years of steady stewardship since founding the Company in 1999, I have decided in conjunction with the Offer by GIL, that this represents the right time for me to step down as CEO of the Company. I expect to work with GIL to identify my replacement whilst looking forward to pursuing ventures away from the business I founded over two decades ago. Today's news of the Offer for the Company by GIL is material and I urge shareholders to carefully read the offer Announcement."

Enquiries:

Best of the Best plc	William Hindmarch, Chief Executive Rupert Garton, Commercial Director	T: 020 7371 8866
Buchanan (Public Relations & Press)	Chris Lane Toto Berger	T: 0207 466 5000
finnCap (Nominated Adviser and Broker)	<i>Corporate Finance</i> Carl Holmes Teddy Whiley Alice Lane	T: 020 7220 0500

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014
Please visit www.botb.com for further information

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2023

CHIEF EXECUTIVE'S STATEMENT

Final Results

Revenue for the year ended 30 April 2023 was £26.2 million (2022: £34.7 million) and profit before tax was £5.5 million (2022: £5.1 million). Earnings per share were up 20% to 54.5p (2022: 45.30p).

BOTB remains cash generative and a total of £2.9 million (2022: £4.2 million) of cash flow was generated from operations during the year. Net assets at 30 April 2023 stood at £6.0 million (2022: £8.1 million), underpinned by cash balances of £6.9 million (2022: £10.8 million). The Group is debt free.

Competitions

As previously reported, in order to put the business in a better position for the reduced levels of revenue post-pandemic we made changes to the product line-up, re-balancing our three principal weekly competitions, to two enhanced ones with an additional 'Friday Fun' competition, alongside other ad hoc offerings.

Our principal competitions are now the flagship Weekly Dream Car and Midweek Lifestyle Competitions, the latter being a combination of our previous Midweek Car and Lifestyle competitions. Both competitions offer the opportunity to win brand new cars, with the former operating via Spot the Ball and the latter via a skill-based question.

During the year we progressed trials to gain customer insights into frequency and Life Time Value (LTV), including variable pricing structures, large cash prizes and bundled prizes. This data contributed to our varied weekly marketing schedule that keeps the competitions fresh, interesting and relevant to our loyal customer base.

Marketing and CRM

The business continues to offer a diverse promotional schedule featuring a variety of prizes to engage existing and reactivate lapsing players from its database of 1.8 million customers. The weekly selection caters to all player cohorts with a wide range of ticket prices, prize types and cash sums.

Our CRM platform provides enhanced email and push messaging, as well as personalised on-site content and re-targeting campaigns on both the Meta and Google channels.

App uptake has continued to grow and now accounts for 24% of weekly players and revenue. We expect this number to increase due to the improved ease and speed of play, facilitated by the multiple-choice question entry mechanic in both the Midweek Lifestyle and 'Friday Fun' competitions, as well as the wider promotion of both iOS and Android apps across all of our marketing channels.

Customer acquisition during the year has required a careful balance of recruiting new players, whilst ensuring that CPAs and 24-month LTVs remain favourably aligned. We have, as usual, focused on the best-performing digital channels, complemented by ongoing traditional TV media and the PR coverage generated by our winner surprises. Over the year, CPMs on Meta channels slowly trended back towards pre-Covid levels, particularly for the Midweek Lifestyle Competition where the wide-ranging prize offering is attracting a broader pool of players. LTVs have stabilised post-pandemic, albeit at somewhat lower levels, and management continues to assess the best ways to drive engagement with additional competitions to deliver incremental revenue and AOV increases, to offset CPA and inflationary pressures experienced elsewhere.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2023

We continue to see the benefits of our ongoing SEO marketing, complemented recently by the recruitment of an inhouse specialist, with improved organic results allowing us to reduce spend on paid search to drive traffic to the website.

Dividends

A final dividend to 6.0p per ordinary share was paid to shareholders on 30 September 2022 (2021: 5.0p) and a tender offer returned c. £6.275 million to shareholders on 15 July 2022. In the light of the Offer by GIL announced today, a dividend is not currently proposed in respect of the year ended 30 April 2023.

Board changes in the period

Following GIL's acquisition of a 29.9% interest in the Company, Charles Butler was appointed Non-Executive Chairman on 28 September 2022. In conjunction with Charles' appointment, David Firth, BOTB's Chairman, stepped down from his position but remains on the Board as an Independent Non-Executive Director and Audit Committee Chairman.

In addition the Company was pleased to announce the appointment of Joanna (Jo) Bucci as a further Independent Non-Executive Director. Joanna joined the Board on 1 July 2022.

Following the appointment of Jo and Charles, the Company has three Executive Directors and four Non-Executive Directors.

GIL Offer

Shareholders are strongly advised to read the full Announcement released today by GIL regarding the Offer for the entire issued and to be issued share capital of the Company which they do not already own, at a price of 535p per ordinary share. Shareholders are advised to read and review the Announcement and the full details of the Offer, including the reasons for the recommendation of the Offer by the Independent Directors of the Company. A link to the announcement can be found at botb.com/about/investors/offer.

Mr. William Hindmarch

Mr. William Hindmarch, Chief Executive Officer and the founder of the Company has indicated that after 23 years at the helm of the Company, he sees this juncture as the right time for him to stand down to pursue other personal interests and business ventures. Mr. William Hindmarch has indicated his intention to accept the Offer and also to step down from the Board on or shortly after the Offer becoming or being declared unconditional.

The Company has not yet identified a new Chief Executive Officer, but believes that the Company will benefit from the network and expertise of GIL in this search. Mr. William Hindmarch is expected to remain involved with the Company as a consultant to ensure an orderly handover and to assist with identifying his replacement.

BEST OF THE BEST PLC
Consolidated Statement of Comprehensive Income
For The Year Ended 30 April 2023

	Notes	2023 £000	2022 £000
CONTINUING OPERATIONS			
Revenue		26,151	34,682
Cost of sales		<u>(11,107)</u>	<u>(15,272)</u>
GROSS PROFIT		15,044	19,410
Administrative expenses		<u>(9,635)</u>	<u>(14,271)</u>
OPERATING PROFIT		5,409	5,139
Finance income	7	<u>39</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	8	5,448	5,141
Income tax	9	<u>(787)</u>	<u>(877)</u>
PROFIT FOR THE YEAR		<u>4,661</u>	<u>4,264</u>
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,661</u>	<u>4,264</u>
Profit attributable to:			
Owners of the parent		<u>4,661</u>	<u>4,264</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>4,661</u>	<u>4,264</u>
Earnings per share expressed in pence per share			
Basic from continuing operations	11	54.46	45.30
Diluted from continuing operations	11	53.73	44.37

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Consolidated Statement of Financial Position
As at 30 April 2023

	Notes	2023 £000	2022 £000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	89	107
Property, plant and equipment	14	1,045	1,075
Investments	15	-	-
		<u>1,134</u>	<u>1,182</u>
CURRENT ASSETS			
Trade and other receivables	16	213	184
Cash and cash equivalents	17	6,900	10,818
		<u>7,113</u>	<u>11,002</u>
TOTAL ASSETS		<u>8,247</u>	<u>12,184</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	418	471
Share premium		277	277
Capital redemption reserve		289	236
Foreign exchange reserve		45	35
Retained earnings		4,925	7,041
TOTAL EQUITY		<u>5,954</u>	<u>8,060</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	1,754	3,625
Tax payable		507	475
Deferred tax	20	32	24
TOTAL LIABILITIES		<u>2,293</u>	<u>4,124</u>
TOTAL EQUITY AND LIABILITIES		<u>8,247</u>	<u>12,184</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Company Statement of Financial Position
As at 30 April 2023

	Notes	2023 £000	2022 £000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	89	107
Property, plant and equipment	14	1,045	1,075
Investments	15	-	-
		<u>1,134</u>	<u>1,182</u>
CURRENT ASSETS			
Trade and other receivables	16	213	184
Cash and cash equivalents	17	6,900	10,818
		<u>7,113</u>	<u>11,002</u>
TOTAL ASSETS		<u>8,247</u>	<u>12,184</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	418	471
Share premium		277	277
Capital redemption reserve		289	236
Retained earnings		4,970	7,076
TOTAL EQUITY		<u>5,954</u>	<u>8,060</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	1,754	3,625
Tax payable		507	475
Deferred tax	20	32	24
TOTAL LIABILITIES		<u>2,293</u>	<u>4,124</u>
TOTAL EQUITY AND LIABILITIES		<u>8,247</u>	<u>12,184</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Consolidated Statement of Changes in Equity
For The Year Ended 30 April 2023

	Called up share capital £000	Share premium £000	Capital redemption reserve £000
Balance at 1 May 2021	471	277	236
Issue of share capital	-	-	-
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the year	-	-	-
Other comprehensive income			
Exchange differences arising on translating foreign operations	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2022	471	277	236
Dividends paid	-	-	-
Effect of share buy back	(53)	-	53
Transactions with owners	(53)	-	53
Profit for the year	-	-	-
Other comprehensive income			
Exchange differences arising on translating foreign operations	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2023	418	277	289

	Foreign exchange reserve £000	Retained earnings £000	Total £000
Balance at 1 May 2021	27	7,953	8,964
Issue of share capital	-	-	-
Dividends paid	-	(5,177)	(5,177)
Transactions with owners	-	(5,177)	(5,177)
Profit for the year	-	4,264	4,264
Other comprehensive income			
Exchange differences arising on translating foreign operations	8	1	9
Total comprehensive income	8	4,265	4,272
Balance at 30 April 2022	35	7,041	8,060
Dividends paid	-	(502)	(502)
Effect of share buy back	-	(6,275)	(6,275)
Transactions with owners	-	(6,777)	(6,777)
Profit for the year	-	4,661	4,661
Other comprehensive income			
Foreign exchange movement	10	-	10
Total comprehensive income	10	4,661	4,671
Balance at 30 April 2023	45	4,925	5,954

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Company Statement of Changes in Equity
For The Year Ended 30 April 2023

	Called up share capital £000	Share premium £000	Capital redemption reserve £000
Balance at 1 May 2021	471	277	236
Issue of share capital	-	-	-
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the year	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2022	471	277	236
Dividends paid	-	-	-
Effect of share buy back	(53)	-	53
Transactions with owners	(53)	-	53
Profit for the year	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2023	418	277	289

	Retained earnings £000	Total £000
Balance at 1 May 2021	7,975	8,959
Issue of share capital	-	-
Dividends paid	(5,177)	(5,177)
Transactions with owners	(5,177)	(5,177)
Profit for the year	4,270	4,270
Foreign exchange movement	8	8
Total comprehensive income	4,278	4,278
Balance at 30 April 2022	7,076	8,060
Dividends paid	(502)	(502)
Effect of share buy back	(6,275)	(6,275)
Transactions with owners	(6,777)	(6,777)
Profit for the year	4,661	4,661
Foreign exchange movement	10	10
Total comprehensive income	4,671	4,671
Balance at 30 April 2023	4,970	5,954

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Consolidated Statement of Cash Flows
For The Year Ended 30 April 2023

	Notes	2023 £000	2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		5,449	5,141
Depreciation charges		36	46
Amortisation charges		66	53
Exchange differences		-	8
Profit on disposal of property, plant and equipment		(21)	-
Finance income		(39)	(2)
Decrease/(increase) in trade and other receivables		(28)	86
Increase in trade and other payables		(1,838)	572
Tax paid		(764)	(1,707)
Net cash from operating activities		<u><u>2,861</u></u>	<u><u>4,197</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		(74)	-
Purchase of property, plant and equipment		(48)	(18)
Proceeds on disposal of fixed assets		81	-
Interest received		39	2
Net cash from investing activities		<u><u>(2)</u></u>	<u><u>(16)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share repurchase		(6,275)	-
Equity dividends paid		(502)	(5,177)
Net cash from financing activities		<u><u>(6,777)</u></u>	<u><u>(5,177)</u></u>
Decrease in cash and cash equivalents		(3,918)	(996)
Cash and cash equivalents at beginning of year		10,818	11,814
Cash and cash equivalents at end of year	17	<u><u>6,900</u></u>	<u><u>10,818</u></u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Company Statement of Cash Flows
For The Year Ended 30 April 2023

	Notes	2023 £000	2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		5,449	5,145
Depreciation charges		36	46
Amortisation charges		66	53
Exchange differences		-	8
Profit on disposal of property, plant and equipment		(21)	-
Finance income		(39)	(2)
Decrease/(increase) in trade and other receivables		(28)	86
Increase in trade and other payables		(1,838)	568
Tax paid		(764)	(1,707)
Net cash from operating activities		2,861	4,197
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		(74)	-
Purchase of property, plant and equipment		(48)	(18)
Proceeds on disposal of property plant and equipment		81	-
Interest received		39	2
Net cash from investing activities		(2)	(16)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share repurchase		(6,275)	-
Equity dividends paid		(502)	(5,177)
Net cash from financing activities		(6,777)	(5,177)
Decrease in cash and cash equivalents		(3,918)	(996)
Cash and cash equivalents at beginning of year		10,818	11,814
Cash and cash equivalents at end of year	17	6,900	10,818

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Notes to the Preliminary Announcement
For The Year Ended 30 April 2023

1. GENERAL INFORMATION

The principal activity of the Company and the Group is to operate weekly competitions to win luxury cars and other prizes online.

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 in conformity with the requirements of the Companies Act 2006 applicable to those 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 thousand Pounds.

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 4.

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. PRINCIPAL ACCOUNTING POLICIES

2.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Company and the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods beginning 1 May 2022. The adoption of these new and revised Standards and Interpretations had no material effect on the profit or loss or financial position of the Company and Group.

At the date of authorisation of these financial statements, the Company and Group has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction.	1 January 2023

As yet, none of these have been endorsed for use in the United Kingdom (UK) and will not be adopted until such time as endorsement is confirmed. The Directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year, as and when they become effective.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

2.2 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 those of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

2.3 REVENUE RECOGNITION

The Company and Group operate weekly competitions to win luxury cars and other prizes online. Revenue represents the value of tickets sold in respect of these competitions and is stated net of VAT, where applicable, and returns, rebates and discounts. Revenue in respect of weekly competitions is recognised on the date the result of those individual competitions is determined, being the point when all performance obligations have been fulfilled.

2.4 COST OF SALES

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

2.5 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 and other prizes.

2.6 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. Amongst 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.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.7 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's 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.

2.8 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.

2.9 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.

2.10 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 affects 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.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.11 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 the 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.

2.12 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.

2.13 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.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.14 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.

2.15 INVESTMENTS

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

2.16 LEASES

At year end the Group has no leases within the scope of IFRS16. The cost of leases of low value items and those with a term of less than one year at inception are recognised as incurred.

2.17 PROVISIONS

Provisions are liabilities where the exact timing or amount of the obligation is uncertain. 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. Where the time value of money is material, provisions are discounted to current values using appropriate rates of interest. The unwinding of the discounts is recorded in net finance income or expense.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.18 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.

Trade and other receivables

Trade and other 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.

2.19 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

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

3. 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.

4. CRITICAL JUDGEMENTS AND ACCOUNTING 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 indicators 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.

5. SEGMENTAL REPORTING

For management purposes, the Company and Group are considered to have one single business segment, being the operation of weekly competitions to win luxury cars and other prizes. The Group comprises Best of the Best PLC and its subsidiary company BOTB Ireland Limited. BOTB Ireland Limited generated no sales during either the current or prior year and it holds no assets and is expected to have very little trading activity going forward. The two companies do not transact with each other. Further segment information is therefore not presented in these financial statements.

Sales from UK activities totalled £23,582,704 (2022: £31,422,000) whilst sales from non-UK activities totalled £2,567,944 (2022: £3,260,000).

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

6. EMPLOYEES AND DIRECTORS

	<i>Group</i>		<i>Company</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Wages and salaries	1,709	2,267	1,709	2,267
Social security costs	204	262	204	262
Other pension costs	47	22	47	22
	<u>1,960</u>	<u>2,551</u>	<u>1,960</u>	<u>2,551</u>

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

	<i>Group</i>		<i>Company</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Sales	10	9	10	9
Administration	9	9	9	9
Management	7	4	7	4
	<u>26</u>	<u>22</u>	<u>26</u>	<u>22</u>
			<i>2023</i>	<i>2022</i>
			<i>£000</i>	<i>£000</i>
Directors' remuneration			<u>862</u>	<u>819</u>

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

	<i>2023</i>	<i>2022</i>
	<i>Number</i>	<i>Number</i>
Money purchase schemes	<u>3</u>	<u>3</u>

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.

Information regarding the highest paid Director is as follows:

	<i>2023</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>
Emoluments	<u>340</u>	<u>338</u>

7. FINANCE INCOME

	<i>2023</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>
Finance income:		
Deposit account interest	<u>39</u>	<u>2</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

8. PROFIT BEFORE INCOME TAX

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

	2023	2022
	£000	£000
Depreciation and impairment of property, plant and equipment	36	46
Amortisation of intangible assets	66	53
Foreign exchange (gains) / losses	(1)	8
Auditor's remuneration		
Audit fees	42	40
Taxation services	3	3
Other	10	10
	<u>10</u>	<u>10</u>

9. INCOME TAX

Analysis of tax expense

	2023	2022
	£000	£000
Current tax:		
Current year charge	965	865
Release of prior year overprovision	(185)	-
Total current tax	<u>780</u>	<u>865</u>
Deferred tax		
Changes in tax rates	7	12
Total deferred tax	<u>7</u>	<u>12</u>
Total tax charge for the year	<u>787</u>	<u>877</u>

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:

	2023	2021
	£000	£000
Profit on ordinary activities before income tax	<u>5,448</u>	<u>5,141</u>
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 19.5% (2022: 19%)	1,062	977
Effects of:		
Changes in tax rates	7	-
Other timing differences	-	24
Research and development enhanced deduction	(97)	(124)
Reversal of prior year overprovision	(185)	-
Tax expense	<u>787</u>	<u>877</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

10. 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 £4,661,000 (2022: £4,270,000).

11. 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.

	<i>2023</i> <i>£000</i>	<i>2022</i> <i>£000</i>
Profit for the year and basic and diluted earnings attributable to the owners of the parent - £000	<u>4,661</u>	<u>4,264</u>
Weighted average number of ordinary shares - number	8,559,007	9,412,901
Basic earnings per share - pence	<u>54.46p</u>	<u>45.30p</u>
Adjusted weighted average number of ordinary shares - number	8,675,381	9,532,901
Diluted earnings per share - pence	53.73p	44.37p

12. DIVIDENDS

A final dividend of 6.0 pence per ordinary share for the full year ending 30 April 2022 was paid on 22 September 2022 to shareholders on the register at 16 September 2022.

13. INTANGIBLE ASSETS – GROUP AND COMPANY

	<i>Development costs</i> <i>£000</i>
COST	
At 1 May 2022	475
Additions	<u>48</u>
At 30 April 2023	<u>523</u>
AMORTISATION	
At 1 May 2022	368
Charge for year	<u>66</u>
At 30 April 2023	<u>434</u>
NET BOOK VALUE	
2023	<u>89</u>
2022	<u><u>107</u></u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

13. INTANGIBLE ASSETS – GROUP AND COMPANY (continued)

	<i>Development costs £000</i>
COST	
At 1 May 2021	475
At 30 April 2022	475
AMORTISATION	
At 1 May 2021	315
Charge for year	53
At 30 April 2022	368
NET BOOK VALUE	
2022	107
2021	160

14. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

	<i>Long leasehold £000</i>	<i>Improvements to property £000</i>	<i>Display equipment £000</i>
COST			
At 1 May 2022	954	55	103
At 30 April 2023	954	55	103
DEPRECIATION AND IMPAIRMENT			
At 1 May 2022	22	5	77
Charge for the year	1	1	-
At 30 April 2023	23	6	77
NET BOOK VALUE			
2023	931	49	26
2022	932	50	26

	<i>Motor vehicles £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
COST			
At 1 May 2022	155	202	1,469
Additions	65	6	71
Disposals	(160)	-	(160)
At 30 April 2023	60	208	1,380
DEPRECIATION AND IMPAIRMENT			
At 1 May 2022	108	182	394
Charge for the year	17	17	36
Eliminated on disposal	(95)	-	(95)
At 30 April 2023	30	199	335
NET BOOK VALUE			
2023	30	9	1,045
2022	47	20	1,075

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

14. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (continued)

	<i>Long leasehold £000</i>	<i>Improvements to property £000</i>	<i>Display equipment £000</i>
COST			
At 1 May 2021	954	55	103
At 30 April 2022	954	55	103
DEPRECIATION AND IMPAIRMENT			
At 1 May 2021	18	5	77
Charge for the year	4	-	-
At 30 April 2022	22	5	77
NET BOOK VALUE			
2022	932	50	26
2021	936	50	26

	<i>Motor vehicles £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
COST			
At 1 May 2021	155	184	1,451
Additions	-	18	18
At 30 April 2022	155	202	1,469
DEPRECIATION AND IMPAIRMENT			
At 1 May 2021	92	156	348
Charge for the year	16	26	46
At 30 April 2022	108	182	394
NET BOOK VALUE			
2022	47	20	1,075
2021	63	28	1,103

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

15. INVESTMENTS

Group

	<i>Unlisted investments £000</i>
COST	
At 1 May 2022 and 30 April 2023	<u>70</u>
IMPAIRMENT	
At 1 May 2022 and 30 April 2023	<u>70</u>
NET BOOK VALUE	
At 1 May 2022 and 30 April 2023	<u><u>-</u></u>

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

Company

	<i>Shares in group undertakings £000</i>	<i>Unlisted investments £000</i>	<i>Total £000</i>
COST			
At 1 May 2022 and 30 April 2023	<u>-</u>	<u>70</u>	<u>70</u>
IMPAIRMENT			
At 1 May 2022 and 30 April 2023	<u>-</u>	<u>70</u>	<u>70</u>
NET BOOK VALUE			
At 1 May 2022 and 30 April 2023	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Shares in Group undertakings comprise of the following subsidiary company:

<i>Name of company</i>	<i>Nature of business</i>	<i>% holding</i>	<i>Country of incorporation</i>
BOTB Ireland Limited	Competition operator	100	Republic of Ireland

BOTB Ireland Limited registered office is Suite 3 One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland

The subsidiary had previously ceased trading and consequently the Board took the decision to formally strike off the company, which was completed in September 2022.

16. TRADE AND OTHER RECEIVABLES – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2023 £000</i>	<i>2022 £000</i>	<i>2023 £000</i>	<i>2022 £000</i>
Trade receivables	23	13	23	13
Other receivables	20	46	20	46
Prepayments and accrued income	170	125	170	125
	<u>213</u>	<u>184</u>	<u>213</u>	<u>184</u>

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

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

17. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Bank accounts	6,899	10,817	6,899	10,817
Cash in hand	1	1	1	1
	<u>6,900</u>	<u>10,818</u>	<u>6,900</u>	<u>10,818</u>

18. CALLED UP SHARE CAPITAL – COMPANY

Allotted, issued and fully paid	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
<i>Ordinary shares of 5 pence each</i>	<i>Number</i>	<i>Number</i>	<i>£000</i>	<i>£000</i>
At the start of the year	9,412,901	9,412,901	471	471
Purchased for cancellation in the year	(1,045,877)	-	(53)	-
At the end of the year	<u>8,367,024</u>	<u>9,412,901</u>	<u>418</u>	<u>471</u>

1,045,877 Ordinary shares of £0.05 per share were re-purchased by the company and subsequently cancelled. An amount equal to the nominal value of the ordinary shares has been transferred to the capital redemption reserve. The amount paid per share was £6. The difference between the amount paid and the nominal value of the shares re-purchased has been deducted from the retained earnings reserve.

19. TRADE AND OTHER PAYABLES – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade creditors	165	309	165	309
Social security and other taxes	193	503	193	503
Other creditors	1,351	2,456	1,351	2,456
Contract liability balances	39	353	39	353
Pension creditor	6	4	6	4
	<u>1,754</u>	<u>3,625</u>	<u>1,754</u>	<u>3,625</u>

20. DEFERRED TAX – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Liability at 1 May	(24)	(14)	(24)	(14)
Movement in the year	(8)	(10)	(8)	(10)
Liability at 30 April	<u>(32)</u>	<u>(24)</u>	<u>(32)</u>	<u>(24)</u>

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

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2023

21. SHARE BASED PAYMENT – GROUP AND COMPANY

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

<i>Grant date</i>	<i>Outstanding at 1 May 2022 Number</i>	<i>Granted</i>	<i>Exercised</i>	<i>Forfeited</i>	<i>Outstanding at 30 April 2023 Number</i>	<i>Expiry date</i>	<i>Exercise price £</i>
19-12-2017	9,352	-	-	-	9,352	19-12-2027	2.25
28-02-2020	85,000	-	-	-	85,000	28-02-2030	3.85
19-07-2020	10,000	-	-	-	10,000	19-07-2030	16.00
19-09-2020	5,000	-	-	-	5,000	19-09-2030	18.00
23-11-2021	84,000	-	-	-	84,000	23-11-2031	7.10

The Company and Group operate 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 Group 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:

	<i>2023 Number</i>	<i>2023 WAEP</i>	<i>2022 Number</i>	<i>2022 WAEP</i>
Outstanding at the beginning of year	193,352	6.17	109,352	5.47
Granted during the year	-	-	84,000	7.10
Outstanding at the end of the year	193,352	6.17	193,352	6.17
Exercisable at the end of the year	94,352	3.69	9,352	2.25

The weighted average remaining contractual life of share options outstanding as at 30 April 2023 was 7 years and 6 months (2022: 8 years and 4 months).

No amount has been recognised in these financial statements in respect of share option charges as the amount would be insignificant (2022: £Nil).

BEST OF THE BEST PLC
Notes to the Financial Statements (continued)
For The Year Ended 30 April 2023

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – GROUP AND COMPANY

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. The Group's financial assets and liabilities are all measured at amortised cost and so no fair value disclosures are required.

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.

	2023	2022
	£000	£000
Financial assets classified as loans and receivables – carrying amounts:		
Trade receivables	23	13
Other receivables	190	171
Cash and cash equivalents	6,900	10,818
	<u>7,113</u>	<u>11,002</u>

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.

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

	2023	2022
	£000	£000
Financial liabilities– carrying amounts	Up to 1 year	Up to 1 year
Trade and other payables	<u>1,715</u>	<u>3,272</u>