

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

Interim results for the six months ended 31 October 2016

Best of the Best runs competitions to win cars both online and at retail locations

**Key Highlights**

- Revenue up 10.9% to £5.52 million (2015: £4.98 million)
- Profit before tax increased to £0.92 million (2015: £0.48 million)
- Net assets of 2.22 million (2015: £2.92 million), with cash balances of £2.28 million (2015: £2.19 million)
- Online revenues increased by 24.6% to £4.16 million (2015: £3.34 million)
- Online revenues represented 75.4% of total revenue in the period
- Earnings per share increased from 3.68 pence per share to 7.50 pence per share
- Special dividend of 10.0 pence per share paid in December 2016
- Growing investment in online marketing to increase player acquisition

William Hindmarch, Chief Executive, said:

“I am pleased to announce an encouraging set of interim results with increased revenues and profits.

We have continued to grow our investment in all forms of marketing which has helped drive revenues and increase awareness of the BOTB brand and the Dream Car competition. It is our intention to gradually accelerate the rate of this investment to build on these results.

We are placing a strong emphasis on social media to share our winners’ experiences and this in turn is proving an effective medium through which to acquire new customers.

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

**Enquiries:**

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

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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## **Chief Executive's Statement**

We have continued to grow our investment in all forms of marketing which has helped drive revenues and increase awareness of the BOTB brand and the Dream Car competition. It is our intention to gradually accelerate the rate of this investment to build on these results.

We are placing a strong emphasis on social media to share our winners' experiences and this in turn is proving an effective medium through which the Company can acquire new customers.

## **Results**

Revenue for the six months ended 31 October 2016 increased by 10.9 per cent to £5.52 million (2015: £4.98 million) and profit before tax rose to £0.92 million (2015: £0.48 million). Operating margins have improved and marketing investment in customer acquisition during the period was marginally lower than originally anticipated. The Company has also benefited from the operational gearing driven by the increased proportion of higher margin online revenues.

The Company generated £1.38 million of operating cash flow. Net assets at 31 October 2016 stood at £2.22 million (2015: £2.92 million) and principally comprise cash of £2.28 million, our stock of cars on display which are held at a net realisable value of £0.28 million, and our 967 year leasehold office properties valued at £0.95 million.

At the period end, cash balances stood at £2.28 million (2015: £2.19 million). As previously reported, a 10.0 pence special dividend amounting to approximately £1.0 million, was paid to shareholders on 2 December 2016. Current cash balances stand at approximately £1.6 million.

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

## **Dividend**

A dividend in respect of the full year ended 30 April 2016 of 1.3 pence per share was paid to shareholders on 14 October 2016. A special dividend of 10.0 pence per share was paid to shareholders on 2 December 2016 and, as in prior years, the Directors expect to propose a final dividend for the financial year ending 30 April 2017, subject to the Company's trading performance, and to maintain a progressive dividend policy.

## **New Player Acquisition**

The Company acquires new players and services existing players through two principal routes. The first is via traditional physical retail locations in airport terminals and shopping centres. The second is through principally online advertising channels including various digital marketing initiatives, television and radio, as well as more traditional print advertising and PR.

The Company is currently operating from seven airport sites and one shopping centre site. Our airport locations are at Gatwick North, Gatwick South, Birmingham, Manchester Terminal 1, Stansted, Edinburgh, and Dublin's Terminal 2. We also operate from Westfield's Shepherds Bush shopping centre. We continue to focus on acquiring as many new customers as possible at these locations as well as expanding and reinforcing the BOTB brand, and I am pleased to say that recent initiatives have performed well.

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

We continue to grow our online marketing spend and it is expected that this investment will continue to scale as we gain confidence and data around the longer-term customer lifecycle returns we are achieving. We have experienced success in many forms of social media marketing, with our Facebook page now having over 175,000 followers. Our weekly videos of winners being surprised with their cars, and showing the cars being collected from dealerships, continue to be very well received and are encouraging both new customer registrations and increasingly regular play.

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Our website [www.botb.com](http://www.botb.com) is in the final phase of testing, following a complete redesign and rebuild, to take advantage of the latest online and database technologies. This will improve the performance of the site for our customers as well as the back-end platform components we use internally. It will also add new functionality for our customers such as enhanced loyalty features, player leagues and other community and content facilities. The updated designs will both refresh the site for existing users and aid the conversion of new customers across multiple device formats. We expect this to be launched in the coming weeks.

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

## **Outlook**

It has been a solid first six months, showing encouraging growth in both revenues and profits, together with firm cost control. We hope to build on the solid start to the financial year and I look forward to updating shareholders on further progress in due course.

William Hindmarch  
Chief Executive

18 January 2017

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# BEST OF THE BEST PLC

## Unaudited Consolidated Income Statement For the Period Ended 31<sup>st</sup> October 2016

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	Notes	Six Months Ended 31/10/16 Unaudited £'000	Six Months Ended 31/10/15 Unaudited £'000	Year Ended 30/04/16 Audited £'000
Revenue	2	5,519	4,976	10,104
Cost of sales		<u>(1,874)</u>	<u>(2,033)</u>	<u>(3,969)</u>
<b>GROSS PROFIT</b>		<b>3,645</b>	<b>2,943</b>	<b>6,135</b>
Administrative expenses		<u>(2,722)</u>	<u>(2,466)</u>	<u>(5,078)</u>
<b>OPERATING PROFIT</b>		<b>923</b>	<b>477</b>	<b>1,057</b>
Finance income		<u>1</u>	<u>1</u>	<u>2</u>
<b>PROFIT BEFORE TAX</b>		<b>924</b>	<b>478</b>	<b>1,059</b>
Tax	5	<u>(165)</u>	<u>(132)</u>	<u>(125)</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>759</u></b>	<b><u>346</u></b>	<b><u>934</u></b>
Profit on earnings per share expressed in pence per share:				
Basic from continuing operations	3	7.50	3.68	9.75
Diluted from continuing operations		7.47	3.53	9.70

**BEST OF THE BEST PLC**

**Unaudited Consolidated Statement of Comprehensive Income  
For the Period Ended 31<sup>st</sup> October 2016**

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	<b>Six Months Ended 31/10/16 Unaudited £'000</b>	<b>Six Months Ended 31/10/15 Unaudited £'000</b>	<b>Year Ended 30/04/16 Audited £'000</b>
Notes			
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>759</b>	<b>346</b>	<b>934</b>
	<hr/>	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>759</b>	<b>346</b>	<b>934</b>

**BEST OF THE BEST PLC**

**Unaudited Consolidated Statement of Financial Position  
31<sup>st</sup> October 2016**

	Notes	Six Months Ended 31/10/16 Unaudited £'000	Six Months Ended 31/10/15 Unaudited £'000	Year Ended 30/04/16 Audited £'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Development costs		376	105	267
Property, plant and equipment		1,154	1,125	1,181
Investments		70	70	70
Deferred tax		53	42	41
		<u>1,653</u>	<u>1,342</u>	<u>1,559</u>
<b>CURRENT ASSETS</b>				
Inventories		279	398	316
Trade and other receivables		191	660	169
Tax receivables		5	-	4
Cash and cash equivalents		2,277	2,192	1,202
		<u>2,752</u>	<u>3,250</u>	<u>1,691</u>
<b>TOTAL ASSETS</b>		<u><u>4,405</u></u>	<u><u>4,592</u></u>	<u><u>3,250</u></u>
<b>EQUITY</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Called up share capital		506	485	506
Treasury shares		-	(14)	-
Share premium		179	118	176
Capital redemption reserve		198	197	198
Share-based payment reserve		-	148	-
Retained earnings		1,338	1,993	711
<b>TOTAL EQUITY</b>		<u>2,221</u>	<u>2,927</u>	<u>1,591</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		1,842	1,500	1,448
Tax payable		342	165	211
<b>TOTAL LIABILITIES</b>		<u>2,184</u>	<u>1,665</u>	<u>1,659</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,405</u></u>	<u><u>4,592</u></u>	<u><u>3,250</u></u>

**BEST OF THE BEST PLC**

**Unaudited Consolidated Statement of Changes in Equity  
For the Period Ended 31<sup>st</sup> October 2016**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
<b>Balance at 1 May 2015</b>	455	1,763	-
<b>Changes in equity</b>			
Issue of share capital	51	-	176
Dividends	-	(2,089)	-
Share repurchase	-	(44)	-
Total comprehensive income	-	1,081	-
<b>Balance at 30 April 2016</b>	<u>506</u>	<u>711</u>	<u>176</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	3
Dividends	-	(132)	-
Total comprehensive income	-	759	-
<b>Balance at 31 October 2016</b>	<u><u>506</u></u>	<u><u>1,338</u></u>	<u><u>179</u></u>

	Capital redemption reserve £'000	Other reserves £'000	Total equity £'000
<b>Balance at 1 May 2015</b>	197	148	2,563
<b>Changes in equity</b>			
Issue of share capital	-	-	227
Dividends	-	-	(2,089)
Share repurchase	-	-	(44)
Total comprehensive income	1	(148)	934
<b>Balance at 30 April 2016</b>	<u>198</u>	<u>-</u>	<u>1,591</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	3
Dividends	-	-	(132)
Total comprehensive income	-	-	759
<b>Balance at 31 October 2016</b>	<u><u>198</u></u>	<u><u>-</u></u>	<u><u>2,221</u></u>

**BEST OF THE BEST PLC**

**Unaudited Consolidated Statement of Changes in Equity  
For the Period Ended 31<sup>st</sup> October 2016**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	
<b>Balance at 1 May 2015</b>	455	1,763	-	
<b>Changes in equity</b>				
Issue of share capital	30	-	118	
Treasury shares	-	-	-	
Dividends	-	(116)	-	
Total comprehensive income	-	346	-	
<b>Balance at 31 October 2015</b>	<u>485</u>	<u>1,993</u>	<u>118</u>	
	Capital redemption reserve £'000	Other reserves £'000	Treasury shares £'000	Total equity £'000
<b>Balance at 1 May 2015</b>	197	148	-	2,563
<b>Changes in equity</b>				
Issue of share capital	-	-	-	148
Treasury shares	-	-	(14)	(14)
Dividends	-	-	-	(116)
Total comprehensive income	-	-	-	346
<b>Balance at 31 October 2015</b>	<u>197</u>	<u>148</u>	<u>(14)</u>	<u>2,927</u>



## BEST OF THE BEST PLC

### Unaudited Consolidated Cash Flow Statement For the Period Ended 31<sup>st</sup> October 2016

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		Six Months Ended 31/10/16 Unaudited £'000	Six Months Ended 31/10/15 Unaudited £'000	Year Ended 30/04/16 Audited £'000
<b>Cash flows from operating activities</b>	<b>Notes</b>			
Cash generated from operations	7	1,384	525	1,675
Tax paid		<u>(47)</u>	<u>(69)</u>	<u>(19)</u>
Net cash from operating activities		1,337	456	1,656
<b>Cash flows from investing activities</b>				
Purchase of intangible fixed assets		(109)	(100)	(267)
Purchase of tangible fixed assets		(37)	(90)	(195)
Sale of tangible fixed assets		12	-	5
Interest received		<u>1</u>	<u>1</u>	<u>2</u>
Net cash from investing activities		(133)	(189)	(455)
<b>Cash flows from financing activities</b>				
Share issue		3	30	227
Share options exercised		-	118	-
Equity dividends paid		(132)	(116)	(2,089)
Share repurchase		<u>-</u>	<u>(14)</u>	<u>(44)</u>
Net cash from financing activities		(129)	18	(1,906)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>1,075</b>	<b>285</b>	<b>(705)</b>
<b>Cash and cash equivalents at beginning of period</b>		<u>1,202</u>	<u>1,907</u>	<u>1,907</u>
<b>Cash and cash equivalents at end of period</b>		<u>2,277</u>	<u>2,192</u>	<u>1,202</u>

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# BEST OF THE BEST PLC

## Notes to the Interim Financial Statements For the Year Ended 31<sup>st</sup> October 2016

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### 1. BASIS OF PREPARATION

These condensed interim financial statements are for the six months ended 31 October 2016. They have been prepared with regard to the requirements of International Financial Reporting Standards as adopted by the EU. They do not include all of the information required for full financial statements, and should be read in conjunction with the financial statements (under IFRS) of the Group for the year ended 30 April 2016.

The Group is listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange and has prepared the interim financial statements in accordance with AIM rule 18. The Group has elected not to adopt the full scope of IAS 34 ‘Interim Financial Reports’, which is a voluntary requirement.

The financial statements have been prepared under the historical cost convention. Principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 April 2016.

### 2. SEGMENTAL REPORTING

The directors consider that the primary reporting format is by business segment and that there is only one such segment being that of competition operators. This disclosure has already been provided in these financial statements.

### 3. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the relevant financial period attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares in issue during the relevant financial periods.

Diluted earnings per share is calculated by adjusting earnings and weighted average number of ordinary shares outstanding to assume conversion of dilutive potential ordinary shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

	<b>Six Months Ended 31/10/16</b>	<b>Six Months Ended 31/10/15</b>	<b>Year Ended 30/04/16</b>
Weighted average number of shares in issue	10,117,678	9,398,052	9,582,651
Profit after tax i.e. earnings	£758,893	£346,113	£933,894
Impact of dilutive securities on weighted average number of shares in issue	38,237	415,231	44,035

### 4. DIVIDENDS

A final dividend, based on the results for the year ended 30 April 2016 of 1.3p per share was paid on 14 October 2016 (30 April 2015; 1.2p).

### 5. TAXATION

The current year income tax liability for the six months ended 31 October 2016 is estimated at £165,153 (period ended 31 October 2015; £131,664).

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## 6. POST BALANCE SHEET EVENTS

A special dividend was declared of approximately £1.0m to shareholders of 10 pence per ordinary share (the "Special Dividend").

In order to pay the Special Dividend the Company has produced and filed a new unaudited balance sheet as at 30 September 2016 with Companies House, demonstrating that it had sufficient distributable reserves.

Following payment of the Special Dividend, the Company retained cash balances in excess of £1.0 million, which the Directors considered to be sufficient working capital to fund its activities over the following 12 month period.

The Special Dividend was paid on 2 December 2016 to shareholders on the register at the close of business on 18 November 2016. The Ex-dividend date was 17 November 2016.

## 7. CASH GENERATED FROM OPERATIONS

	<b>Six Months Ended 31/10/16 Unaudited £'000</b>	<b>Six Months Ended 31/10/15 Unaudited £'000</b>	<b>Year Ended 30/04/16 Audited £'000</b>
Profit before income tax	924	478	1,059
Depreciation charges	55	14	63
Profit on disposal of fixed assets	(3)	-	-
Finance income	(1)	(1)	(2)
Decrease in inventories	37	103	185
(Increase)/decrease in trade and other receivables	(22)	25	516
Increase/(decrease) in trade and other payables	394	(94)	(146)
	<u>1,384</u>	<u>525</u>	<u>1,675</u>

## 8. RELATED PARTY DISCLOSURES

M W Hindmarch, a non-executive director, of Best of the Best Plc. During the period ended 31 October 2016 payments were made to him in respect of consultancy services totalling £6,000 (2015: £6,000).

On 5 September 2016 Colin Hargrave, a non-executive director, exercised options over 10,000 ordinary shares under an unapproved share option scheme. These shares were exercised at £0.38 per share and on that day the share price was £2.26.

## 9. ULTIMATE CONTROLLING PARTY

The ultimate controlling party at the end of this interim period was Mr W. Hindmarch, the Chief Executive Officer of the Company, who owns 50.29% of the issued share capital at the balance sheet date.

## 10. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information contained in this interim statement does not constitute statutory accounts as defined in sections 434 of the Companies Act 2006. All information is unaudited apart from that included for the year ended 30 April 2016.

The statutory accounts for the financial year ended 30 April 2016 were prepared under IFRS as adopted by the EU. These accounts, upon which the auditors issued an unqualified opinion did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under 498(2) or (3), (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006, have been delivered to the Registrar of Companies.

This interim statement will be made available at the Company's registered office at 2 Plato Place, 72-74 St. Dionis Road, London SW6 4TU and will be available on the Company's website: [www.botb.com](http://www.botb.com).