

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

Interim results for the six months ended 31 October 2020

Best of the Best plc runs competitions online to win cars and other prizes.

Online-only model and efficient marketing investment drive ongoing revenue and profit growth

Financial Highlights:

- Total revenue for the six months £22.09 million (2019: £7.60 million)
- Profit before tax £6.80 million (2019: £1.38 million)
- Earnings per share 59.84p (2019: 12.40p)
- Net assets of £6.75 million (2019: £2.26 million), substantially underpinned by property and cash
- Cash balances of £11.18 million at 31 October 2020 with no borrowings

Operational Highlights:

- Strong performance reflects the move to a pure online model, with continued growth in customer acquisition, enhanced content creation and IT investment
- New Midweek Car Competition added
- Ticket prices reduced and Dream Car Competition prizes enhanced

William Hindmarch, Chief Executive, said:

“These strong results reflect our successful move to a pure online model together with our increased confidence in marketing investment as we look to accelerate growth.

Sales momentum since the period end has been encouraging, and we expect pre-tax profits for the full year to be materially ahead of management’s expectations. We look forward to updating shareholders with further progress in due course.”

Enquiries:

Best of the Best plc	William Hindmarch, Chief Executive Rupert Garton, Commercial Director	T: 020 7371 8866
Buchanan	Chris Lane Toto Berger Charlotte Slater	T: 020 7466 5000
Oakvale Capital (Financial Adviser)	Daniel Burns Kieran Davey	T: 0207 580 3838
finnCap (Nominated Adviser and Broker)	<i>Corporate Finance</i> Carl Holmes Kate Bannatyne <i>ECM</i> 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

Chief Executive's Statement

Over the past few years the Company has cautiously but actively reduced the estate of physical sites upon which it was originally established 20 years ago. Having previously traded from up to twenty-six airport and shopping centre locations, the business has completed its evolution and now operates entirely online.

The financial results for the first half reflect the benefits of our successful transition to an online only model, with a reduced cost base and improved capital efficiency. I am particularly pleased with the smooth and measured way in which this transition has been executed, with no loss of overall revenue or unwelcome exceptional costs.

With the transition now complete, the Company is benefitting from a very effective and scalable platform from which it can continue to leverage its brand, supplier relationships and the proprietary systems, software and database it has developed.

Whilst growing our investment in new customer acquisition, alongside improving the products and experience we offer existing players, BOTB has invested in increasing the range of competitions and prizes. I am pleased with the growth delivered in the year to date and how well positioned the business is for the future.

Interim Results

Revenue for the six months ended 31 October was £22.09 million (2019: £7.60 million). Profit before tax was £6.80 million (2019: £1.38 million) with earnings per share increasing to 59.84p (2019: 12.40p).

Net assets at 31 October 2020 stood at £6.75 million underpinned by cash balances at the period end of £11.18 million and our 967-year leasehold office properties in London, valued at £0.95 million. The Group has no borrowings.

Competitions, Strategy & CRM

Both our 'Dream Car' and 'Lifestyle' competitions delivered encouraging results and during the period we have added a new Midweek Car Competition, offering a more focused selection of the most popular lower-priced prizes. More recently, the ticket prices in our car competitions have been materially reduced and all cars in the Dream Car Competition are now awarded together with £50,000 in cash as standard.

The Lifestyle Competition, which features luxury watches, motorbikes, holidays, other gadgets/technology and cash prizes, continued to perform well showing the benefits of considered diversification. The wide range of prizes in the Lifestyle Competition, with entry prices starting at just 15p, has also significantly broadened our addressable market.

The weekly 'In The Headlights' edits, our YouTube car reviews and other social channel automotive content continue to provide valuable engagement with players. This activity has recently been bolstered by a new 'Under the Hood' section of the website, showcasing recent car winners and prize collections, in-house car reviews, and other editorial content.

BOTB has built a substantial and valuable database, which not only supports its existing competitions, but also offers interesting opportunities for new products and strategic partnerships, which are currently under review.

New player acquisition

We continued to invest confidently to attract new customers to our increased range of competitions and content, through a wide array of digital marketing channels, as well as TV, Radio, Print and PR. Encouraging revenue growth has been delivered by an enlarged in-house marketing team, deploying constantly updated, dynamic and creative content at a granular level across all channels. This has also delivered increasingly efficient customer acquisition metrics.

Social media continues to be a core marketing and community channel, driving both customer acquisition and contributing to brand awareness. We now have a Facebook following of over 350,000 alongside 240,000 Instagram users, actively engaged with our unique content. Traditional media is also used to maximise the Company's exposure to a wide range of demographics, including our 'traditional' airport customer. Investment in print and PR continues to secure frequent coverage of weekly winners and is working well to positively strengthen and promote the BOTB brand.

All investment in this area is carefully analysed on the cost per acquisition of a new customer, versus their lifetime value. This metric, which is tracked in considerable detail across the various channels, is critical in our decision making on where and how we continue to grow our marketing budget in the year ahead.

IT development

There have been numerous iterative changes to the system architecture and website during the period, all aimed at incremental improvements in the user experience of new and existing customers. Our in-house team of developers work to a fortnightly deployment schedule with new code being released regularly and consistently, using AB split testing to refine and roll out new functionality.

Also during the period our native iOS App was soft launched, with the native Android app to follow shortly. Our marketing team is poised to promote both of these apps to our customers as a simpler way to enter our competitions with a richer user experience.

Dividends

In line with various previous distributions, as the Company continues to be profitable, cash generative and benefits from a robust balance sheet, the Board is also pleased to declare the return of approximately £3.75 million to shareholders by way of a special dividend (the “Special Dividend”) of 40.0p per ordinary share.

The Special Dividend will be paid on 5th February 2021 to shareholders on the register at the close of business on 22nd January 2021. The ex-dividend date is 21st January 2021. Following the payment of the Special Dividend the Company will retain working capital cash balances in excess of £7.0 million, which the Directors consider to be sufficient working capital to fund the Company’s activities over the next 12 month period.

Update of FSP

The Company, together with its advisers, remains in ongoing discussions with interested parties from a number of sector verticals and including private equity, who are reviewing information in a data room and having management team meetings. These discussions are continuing despite the renewed constraints of Covid-19, though the related restrictions are naturally impacting the speed of discussions and decision making. The Board wishes to reiterate that there can be no certainty that an offer will be forthcoming or as to the terms of any such offer and looks forward to keeping shareholders updated in due course.

Outlook

The first half of the year has delivered encouraging sales and profits growth, and importantly, we also completed the transition to an online-only business which has driven a step change in growth. This momentum has continued since the period end and, as a result, the Board now expects full year pre-tax profits to materially exceed management expectations.

With the Group well-positioned for the remainder of the financial year and beyond, the Board remains confident about the prospects for the business. I look forward to updating shareholders with further progress in due course.

William Hindmarch
Chief Executive

14 January 2021

BEST OF THE BEST PLC

Unaudited Consolidated Income Statement For the Six Months Ended 31 October 2020

	Notes	Six Months Ended 31/10/20 Unaudited £'000	Six Months Ended 31/10/19 Unaudited £'000	Year Ended 30/04/20 Audited £'000
Revenue	2	22,088	7,604	17,789
Cost of sales		<u>(8,206)</u>	<u>(3,033)</u>	<u>(7,267)</u>
GROSS PROFIT		13,882	4,571	10,522
Administrative expenses		(7,083)	(3,192)	(6,328)
OPERATING PROFIT		<u>6,799</u>	<u>1,379</u>	<u>4,194</u>
Finance income		<u>1</u>	<u>4</u>	<u>11</u>
PROFIT BEFORE TAX		6,800	1,383	4,205
Tax		<u>(1,188)</u>	<u>(220)</u>	<u>(687)</u>
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		<u><u>5,612</u></u>	<u><u>1,163</u></u>	<u><u>3,518</u></u>
Profit and total comprehensive income attributable to: Owners of the parent		<u>5,612</u>	<u>1,163</u>	<u>3,518</u>
Profit on earnings per share expressed in pence per share:				
Basic from continuing operations	3	59.84	12.40	37.51
Diluted from continuing operations		59.39	12.39	37.44

BEST OF THE BEST PLC**Unaudited Consolidated Statement of Financial Position
As at 31 October 2020**

	Six Months Ended 31/10/20 Unaudited £'000	Six Months Ended 31/10/19 Unaudited £'000	Year Ended 30/04/20 Audited £'000
Notes			
ASSETS			
NON-CURRENT ASSETS			
Development costs	157	70	81
Property, plant and equipment	1,098	1,106	1,086
Deferred tax	-	3	3
	<u>1,255</u>	<u>1,179</u>	<u>1,170</u>
CURRENT ASSETS			
Trade and other receivables	105	111	376
Cash and cash equivalents	11,183	3,238	5,210
	<u>11,288</u>	<u>3,349</u>	<u>5,586</u>
TOTAL ASSETS	<u><u>12,543</u></u>	<u><u>4,528</u></u>	<u><u>6,756</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	469	469	469
Share premium	199	199	199
Capital redemption reserve	237	237	236
Foreign exchange reserve	20	26	27
Retained earnings	5,824	1,327	2,369
	<u>6,749</u>	<u>2,258</u>	<u>3,300</u>
TOTAL EQUITY	<u><u>6,749</u></u>	<u><u>2,258</u></u>	<u><u>3,300</u></u>
LIABILITIES			
CURRENT LIABILITES			
Trade and other payables	4,610	2,061	3,004
Tax payable	1,184	209	452
	<u>5,794</u>	<u>2,270</u>	<u>3,456</u>
TOTAL LIABILITIES	<u><u>5,794</u></u>	<u><u>2,270</u></u>	<u><u>3,456</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>12,543</u></u>	<u><u>4,528</u></u>	<u><u>6,756</u></u>

BEST OF THE BEST PLC

**Unaudited Consolidated Statement of Changes in Equity
For the Six Months Ended 31 October 2020**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 May 2019	469	352	199
Dividends	-	(1,501)	-
Transactions with owners	-	(1,501)	-
Profit for the year	-	3,518	-
Total comprehensive income	-	3,518	-
Balance at 30 April 2020	469	2,369	199
Dividends	-	(2,157)	-
Transactions with owners	-	(2,157)	-
Profit for the period	-	5,612	-
Total comprehensive income	-	5,612	-
Balance at 31 October 2020	469	5,824	199

	Capital redemption reserve £'000	Foreign exchange reserves £'000	Total equity £'000
Balance at 1 May 2019	237	26	1,283
Issue of share capital	-	-	-
Dividends	-	-	(1,501)
Transactions with owners	-	-	(1,501)
Profit for the year	-	-	3,518
Total comprehensive income	-	-	3,518
Balance at 30 April 2020	237	26	3,300
Dividends	-	-	(2,157)
Transactions with owners	-	-	(2,157)
Profit for the period	-	(6)	5,606
Total comprehensive income	-	(6)	5,606
Balance at 31 October 2020	237	20	6,749

BEST OF THE BEST PLC**Unaudited Consolidated Statement of Changes in Equity
For the Six Months Ended 31 October 2020**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 May 2019	<u>469</u>	<u>352</u>	<u>199</u>
Dividends	-	(188)	-
Transactions with owners	-	(188)	-
Profit for the period	-	1,163	-
Total comprehensive income	-	1,163	-
Balance at 31 October 2019	<u>469</u>	<u>1,327</u>	<u>199</u>

	Capital redemption reserve £'000	Foreign exchange reserves £'000	Total Equity £'000
Balance at 1 May 2019	<u>237</u>	<u>26</u>	<u>1,283</u>
Dividends	-	-	(188)
Transactions with owners	-	-	(188)
Profit for the period	-	-	1,163
Total comprehensive income	-	-	1,163
Balance at 31 October 2019	<u>237</u>	<u>26</u>	<u>2,258</u>

BEST OF THE BEST PLC

Unaudited Consolidated Cash Flow Statement For the Six Months Ended 31 October 2020

		Six Months Ended 31/10/20 Unaudited	Six Months Ended 31/10/19 Unaudited	Year Ended 30/04/20 Audited
	Notes	£'000	£'000	£'000
Cash flows from operating activities				
Cash generated from operations	5	8,697	1,362	4,892
Tax paid		<u>(455)</u>	<u>(410)</u>	<u>(644)</u>
Net cash from operating activities		8,242	952	4,248
Cash flows from investing activities				
Purchase of intangible fixed assets		(78)	(63)	(76)
Purchase of tangible fixed assets		(35)	(12)	(18)
Sale of tangible fixed assets		-	-	-
Interest received		<u>1</u>	<u>4</u>	<u>11</u>
Net cash from investing activities		(112)	(71)	(83)
Cash flows from financing activities				
Equity dividends paid		<u>(2,157)</u>	<u>(188)</u>	<u>(1,500)</u>
Net cash from financing activities		<u>(2,157)</u>	<u>(188)</u>	<u>(1,500)</u>
Increase in cash and cash equivalents		5,973	693	2,665
Cash and cash equivalents at beginning of period		<u>5,210</u>	<u>2,545</u>	<u>2,545</u>
Cash and cash equivalents at end of period		<u><u>11,183</u></u>	<u><u>3,238</u></u>	<u><u>5,210</u></u>

BEST OF THE BEST PLC

Notes to the Interim Financial Statements For the Six Months Ended 31 October 2020

1. BASIS OF PREPARATION

These condensed interim financial statements are for the six months ended 31 October 2020. 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 2020.

The Group is listed on the AIM market 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 2020.

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 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.

	Six Months Ended 31/10/20 Unaudited	Six Months Ended 31/10/19 Unaudited	Year Ended 30/04/20 Audited
Profit and basic and diluted earnings attributable to the owners of the parent	5,611,363	£1,163,137	£3,517,626
Weighted average number of ordinary shares	9,377,253	9,377,253	9,377,253
Basic earnings per share	59.84p	12.40p	37.51p
Adjusted weighted average number of ordinary shares	9,448,550	9,386,867	9,394,296
Diluted earnings per share	59.39p	12.39p	37.44p

BEST OF THE BEST PLC

Notes to the Interim Financial Statements For the Six Months Ended 31 October 2020

4. DIVIDENDS

A Special Dividend of 20.0 pence per ordinary share was paid on 10 July 2020 to shareholders on the register at the close of business on 26 June 2020.

A final dividend of 2.0 pence per ordinary share for the full year ending 30 April 2020 was paid on 02 October 2020 to shareholders on the register at 18 September 2020.

A Special Dividend of 40.0 pence per ordinary share will be paid on 5 February 2021 to shareholders on the register at the close of business on 22 January 2021. The ex-dividend date is 21 January 2021.

5. CASH GENERATED FROM OPERATIONS

	Six Months Ended 31/10/20 Unaudited £'000	Six Months Ended 31/10/19 Unaudited £'000	Year Ended 30/04/20 Audited £'000
Profit before income tax	6,800	1,383	4,205
Depreciation and amortisation charges	25	25	53
Finance income	(1)	(4)	(11)
Decrease / (increase) in trade and other receivables	270	49	(215)
Increase / (decrease) in trade and other payables	1,603	269	1,212
(Decrease) / increase in provisions	-	(360)	(352)
	<u>8,697</u>	<u>1,362</u>	<u>4,892</u>

6. 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 six months ended 31 October 2020, payments were made to him totalling £10,000 (£6,000 for the six months ended 31 October 2019) in respect of consultancy services provided.

7. ULTIMATE CONTROLLING PARTY

The ultimate controlling party at the end of this interim period was W S Hindmarch, the Chief Executive Officer of the Company, by virtue of his controlling shareholding at the statement of financial position date.

8. 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 2020.

The statutory accounts for the financial year ended 30 April 2020 were prepared under IFRS as adopted by the EU. These accounts, upon which the auditor issued an unqualified opinion, did not include references to any matters to which the auditor 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.