

Best of the Best plc
(“Best of the Best” or “the Company”)

Interim results for the six months ended 31 October 2013.

Best of the Best plc runs competitions to win luxury prizes online and at retail locations.

Key Highlights

- Revenue up 7.3% to £3.46 million (2012: £3.22 million)
- Profit before tax increased to £0.22 million (2012: £0.01 million)
- Net assets rose to £2.81 million, underpinned by cash balances of £2.36 million (2012: £1.22 million)
- Online revenues increased by 22.5% to £1.49 million (2012: £1.21 million) - representing 43.9% of total revenue
- Like-for-like revenues at physical locations increased by 12.9%
- ‘Win Any Car’ format incorporating a broader range of cars and ticket prices has been successful and well received by new and existing players

William Hindmarch, Chief Executive, said:

“I am pleased to announce that Best of the Best continues to make good progress and we remain on track for an improved year-on-year performance.

Results have been underpinned by the continued growth of our online business, which accounted for 43.9 per cent of revenues during the period, as well as solid results from our physical sites. Our website has experienced higher levels of traffic which together with our social media channels has contributed to customer acquisition, improving both revenues and transactions volumes.

The Group generated strong cash flows in the period and our balance sheet remains healthy with cash balances of £2.36 million at the end of the first half.

Looking ahead, our focus will be on the acquisition of new players online, as well as on improving the audio visual and experiential nature of our physical sites, to attract new customers. We are optimistic about the future prospects of the Company over the remainder of the financial year and beyond, and I look forward to updating shareholders in due course.”

Enquiries:

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Please visit www.botb.com for further information

Chief Executive's Statement

I am pleased to announce that Best of the Best continues to make good progress and we remain on track for an improved year-on-year performance.

Both the online and offline businesses have benefited from the move to the 'Win Any Car' format, which incorporates a broader range of cars and ticket prices, as well our decision to increase competition frequency. The greater number of winners has helped us to generate increased levels of positive press publicity, PR and social media opportunities with the winners' videos providing especially rich content.

Half year profits have been underpinned by the continued growth of our online business, which accounted for 43.9 per cent of revenues during the period, as well as solid results from our physical sites. Our website (www.botb.com) has experienced higher levels of traffic which together with social media has contributed to customer acquisition, improving both revenue and transactions volumes.

We continue to explore ways to use innovative technology to improve the visual and experiential impact of our physical sites, including making the sites more eye-catching in the airport terminals and shopping centres where they are located. We will be investing further in this area over the second half of the financial year.

The Group generated strong cash flows in the period and our balance sheet remains healthy, with cash balances of £2.36 million at the end of the first half. We are optimistic about the prospects for the Company and look forward to updating shareholders in due course.

Results

Revenue for the six months ended 31 October 2013 increased by 7.3 per cent to £3.46 million (2012: £3.22 million) and profit before tax rose to £0.22 million (2012: £0.01 million).

The Company generated £0.54 million of operating cash flow and reports a net increase in cash of £0.41 million for the period. This has helped increase cash balances to a healthy £2.36 million at 31 October 2013 (2012: 1.22 million). Net assets at 31 October 2013 stood at £2.81 million (2012: 2.69 million) and principally comprise cash, our stock of cars on display, which are held at net realisable value of £0.58 million, and our 997 year leasehold office property valued at £0.46 million.

Following a recent VAT decision at the First-tier Tribunal concerning a company with similar activities in our sector, the Company has submitted a protective claim to recover overpaid VAT amounting to £2.20 million (exclusive of professional fees and expenses). At present this VAT litigation has not been concluded. It is therefore not certain that the Company will receive any repayment from HM Revenue & Customs. We will update shareholders as this matter progresses.

Dividend

A dividend in respect of the full year ended 30 April 2013 of 1.0 pence per share was paid to shareholders on 18 October 2013. The Board is not recommending the payment of an interim dividend (2012: nil); however, as in prior years, the Directors expect to propose a final dividend for the financial year ending 30 April 2014, subject to the Company's trading performance, and to maintain a progressive dividend policy.

Business at physical locations

The Company is currently trading from 10 airport sites and 2 shopping centre sites. Our airport locations are at Gatwick North, Gatwick South, London City, Stansted, Birmingham, Manchester Terminals 1 and 2, Edinburgh, Copenhagen and Dublin's Terminal 2. Our shopping centre sites are both in London at the Westfield centres in Shepherd's Bush and Stratford.

Our sites at London City Airport and Gatwick's South Terminal were opened recently in September and November 2013 respectively. During the period, we have also renewed contracts at Edinburgh Airport, Westfield Shepherd's Bush and Westfield Stratford.

Our physical locations have traded solidly throughout the year with like-for-like revenues up by 12.9 per cent. It is our intention to invest further in the physical estate to increase their attractiveness to, and interactivity with our customer base. We are currently examining options with a design company to redevelop the audio visual and experiential nature of the sites. We believe that this will improve sales from the sites whilst enhancing their popularity with both passengers and the airport owners.

Online Business

Online sales accounted for 43.9 per cent of total revenue in the period and increased by 22.5 per cent compared to the same period last year. Over the 3 months to 31 December 2013, online sales have accounted for 47.5 per cent of total revenue. The changing sales mix and online gains have resulted from a combination of initiatives that we have implemented during the period.

The 'Win any Car' concept and the shortening of the competition cycle to two weeks has helped drive the rise in online sales. The 'Win any Car' concept now allows customers to choose from over 190 cars from nearly fifty automotive brands including a range of supercars, luxury SUV's, track cars and classic cars. Tickets are priced from £2.50 to £25.00. This increased diversity of both product and ticket price points is driving a much broader and more engaged player base. The shortening of the competition length from four weeks to two also means we are communicating more regularly with players and the greater frequency has encouraged our online customers to enter more often, which has improved revenues.

We have worked hard at increasing the visual content of the site and we now surprise most winners with the car they have won and film their reactions. This has created some compelling video content, which not only resonates with existing customers, but also helps to attract new ones. We have taken a similar approach to the judging of the competitions, which are now filmed and made available for entrants to view on our website. In this way, we have increased the transparency of the entry process for our customers and encouraged repeat play.

We have launched a monthly free competition in order to help encourage new customers to play for the first time, as well as to give enhanced benefits to our existing loyal players. The competitions prizes are high value, exclusive 'once-in-a-lifetime' motoring related experiences. We have received great feedback on these and they continue to build a sense of community among members, alongside the Supercharged Club that we operate for our most loyal customers.

The sense of community has been reinforced by a growing social media presence using Facebook (62,000 fans), Twitter and YouTube. These are active channels on our site and we are increasingly using them as routes to customer acquisition. We have previously mentioned "Feefo" our online TripAdvisor style review board and our 94 per cent 'positive' rating has been of continued benefit. David Coulthard (13 times F1 winner) also continues to act as a beneficial brand ambassador.

We launched an initiative during the period to personally contact certain segments of our customer base using an in-house outbound calling team. The team targets various different customer segments (e.g. to convert airport players to online, to retain lapsing players) to drive performance from the database. We are pleased to say this trial has been successful and we are expanding the team so we can contact more customers by telephone and online messaging.

The website continues to improve with numerous incremental changes. Our game is now playable using a new interface designed specifically for mobile/tablet and touch screen devices, to improve conversion. This is an area we will be continuing to work on in the coming months. We are also working hard with the latest email technology and deliverability tools. In addition, we have implemented a new technology from Qubit enabling us to fine tune the website journey and content to individuals on a personal basis, based on cookie history, IP address, etc. This tailored experience has improved both conversion and retention.

PR continues to be an important element of our marketing mix. The greater number of winners has led to increased positive press coverage, as well as increased PR and social media opportunities, with the competition winners' videos providing rich content, all helping new player acquisition.

Outlook

Best of the Best has increased profits, is cash generative and is supported by a robust balance sheet, with increased cash balances of £2.36 million. I am pleased with the performance of the business over the period and believe we have a good foundation to continue to invest and to grow both revenues and profits.

Our focus will be on the acquisition of new players online, as well as improving the audio visual and experiential nature of our physical sites to attract new customers through physical channels.

We are optimistic about the prospects for the Company over the remainder of the financial year and beyond, and I look forward to updating shareholders on further progress in due course.

William Hindmarch
Chief Executive
13 January 2014

BEST OF THE BEST PLC

Unaudited interim financial statements for the six months ended 31 October 2013

Report of the independent auditors Independent review report to Best of the Best Plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 October 2013 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position as at 31 October 2013, consolidated cash flow statement, consolidated statement of changes in equity, comparative figures and associated notes.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS's as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the six months ended 31 October 2013 is not prepared, in all material, respects, in accordance with International Accounting Standard 34 as adopted the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditors
Bridge House
London Bridge
London, SE1 9QR

13 January 2014

BEST OF THE BEST PLC

Unaudited Consolidated Statement of Comprehensive Income For The Period Ended 31 October 2013

		Six Months Ended 31/10/13 Unaudited	Six Months Ended 31/10/12 Unaudited	Year Ended 30/04/13 Audited
	Notes	£ 000's	£ 000's	£ 000's
CONTINUING OPERATIONS				
Revenue	1,2	3,455	3,220	6,450
Cost of sales		(1,137)	(1,349)	(2,572)
GROSS PROFIT		<u>2,318</u>	<u>1,871</u>	<u>3,878</u>
Administrative expenses		(2,104)	(1,863)	(3,759)
OPERATING PROFIT		214	8	119
Finance income		1	2	2
PROFIT BEFORE TAX		<u>215</u>	<u>10</u>	<u>121</u>
Tax	6	(25)	(8)	(44)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>190</u>	<u>2</u>	<u>77</u>
PROFIT FOR THE PERIOD		<u>190</u>	<u>2</u>	<u>77</u>
Earnings Per Share expressed in pence per share:				
Basic	3	2.03	0.02	0.82
Diluted	3	1.93	0.02	0.82

BEST OF THE BEST PLC

Unaudited Consolidated Statement of Financial Position For The Period Ended 31 October 2013

	Notes	Six Months Ended 31/10/13 Unaudited	Six Months Ended 31/10/12 Unaudited	Year Ended 30/04/13 Audited
		£ 000's	£ 000's	£ 000's
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		565	847	737
Deferred tax		133	109	94
		698	956	831
CURRENT ASSETS				
Inventories		584	703	502
Trade and other receivables		285	259	283
Cash and cash equivalents		2,360	1,215	1,947
		3,229	2,177	2,732
TOTAL ASSETS		3,927	3,133	3,563
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	4	463	468	468
Share premium		1,783	1,783	1,783
Capital redemption reserve	4	188	183	183
Share-based payment reserve	1,4	148	148	148
Retained earnings		227	108	183
TOTAL EQUITY		2,809	2,690	2,765
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		1,010	515	864
Tax payable		108	(72)	(66)
		1,118	443	798
TOTAL LIABILITIES		1,118	443	798
TOTAL EQUITY AND LIABILITIES		3,927	3,133	3,563

BEST OF THE BEST PLC

Unaudited Consolidated Cash Flow Statement For The Period Ended 31 October 2013

	Six Months Ended 31/10/13 Unaudited	Six Months Ended 31/10/12 Unaudited	Year Ended 30/04/13 Audited
Notes	£ 000's	£ 000's	£ 000's
Cash flows from operating activities			
Cash generated from operations	425	225	978
Tax paid	111	-	(16)
	<hr/>	<hr/>	<hr/>
Net cash from operating activities	536	225	962
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets	(4)	(40)	(57)
Sale of tangible fixed assets	26	-	12
Interest received	1	2	2
	<hr/>	<hr/>	<hr/>
Net cash from investing activities	23	(38)	(43)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Redemption of share capital	(5)	-	-
Capital redemption	(47)	-	-
Equity dividends paid	(94)	(75)	(75)
	<hr/>	<hr/>	<hr/>
Net cash from financing activities	(146)	(75)	(75)
	<hr/>	<hr/>	<hr/>
Increase in cash and cash equivalents	413	112	844
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	1,947	1,103	1,103
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period	2,360	1,215	1,947
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BEST OF THE BEST PLC

**Unaudited Consolidated Interim Statement of Changes in Equity
for the period ended 31 October 2013**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 May 2012	468	181	1,783
Changes in equity			
Dividends	-	(75)	-
Total comprehensive income	-	77	-
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2013	468	183	1,783
Changes in equity			
Redemption of share capital	(5)	-	-
Dividends	-	(94)	-
Total comprehensive income-	-	138	-
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2013	463	227	1,783

	Capital redemption reserve £'000	Share based payment reserve £'000	Total equity £'000
Balance at 1 May 2012	183	148	2,763
Changes in equity			
Dividends	-	-	(75)
Total comprehensive income	-	-	77
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2013	183	148	2,765
Changes in equity			
Redemption of share capital	-	-	(5)
Dividends	-	-	(94)
Total comprehensive income	5	-	143
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2013	188	148	2,809

BEST OF THE BEST PLC

Notes to the Interim Financial Statements for the period ended 31 October 2013

1. Basis of preparation

These condensed interim financial statements are for the six months ended 31 October 2013. 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 2013.

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 2013.

Significant accounting policies include;

Revenue recognition

Revenue represents the value of tickets sold in respect of competitions which have been completed at the accounting date. A competition is completed when the Group closes entries.

Share based payment

The Company has applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Company 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 options 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 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. Segment analysis

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.

IFRS8 “Operating Segments”, which came into effect not later than accounting periods beginning on 1 January 2009, requires identification and reporting of operating segments on the basis of internal reports that are regularly reviewed by the Board in order to allocate resources to the segment and assess its performance. The Company assessed the impact of IFRS8 and concluded that it would not impact the segments identified in this interim report.

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. The weighted average number of equity shares in issue is 9,349,972 (31 October 2012: 9,372,100; 30 April 2013: 9,372,100). The earnings, being the profit after tax, are £189,976 (31 October 2012: £2,280; 30 April 2013: £76,698).

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. The effect of dilutive securities for the period is to increase the weighted average number of shares by 490,596 shares (31 October 2012: nil; 30 April 2013: nil).

4. Statement of changes in equity

On the 19 September 2013 and 30 September 2013, the company purchased 64,237 and 41,454 Ordinary shares at a price of 50 pence and 49 pence per share respectively. The company cancelled these shares and as a consequence of such cancellation, the issued share capital of the Company was 9,266,409 Ordinary Shares at the date of this Interim Statement.

5. Dividends

A final dividend, based on the results for the year ended 30 April 2013 of 1p per share was paid on 11 October 2013 (30 April 2012: 0.8p).

6. Taxation

The current year income tax liability for the six months ended 31 October 2013 is estimated at £24,717 (period ended 31 October 2012: £8,011).

7. 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 54.2% of the issued share capital at the balance sheet date.

8. Post Balance Sheet event

On 17 December 2013 the Company exchanged contracts on a commercial property adjacent to its existing headquarters. A deposit has been paid and the transaction is expected to be completed in March 2014. The impact on cash reserves upon successful completion will be circa £400,000.

9. 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 2013.

The statutory accounts for the financial year ended 30 April 2013 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.