

Best of the Best Plc Annual Report & Accounts 2007



**Report of the Directors and
Financial Statements
For The Year Ended 30th April 2007
for
BEST OF THE BEST PLC**

BEST OF THE BEST PLC
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For The Year Ended 30th April 2007

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BEST OF THE BEST PLC

Company Information For The Year Ended 30th April 2007

DIRECTORS:	W S Hindmarch R C E Garton M W Hindmarch N A Ziebland W A Henbrey
SECRETARY:	C D Stamp
REGISTERED OFFICE:	Unit 2 Plato Place 72/74 St Dionis Road London SW6 4TU
REGISTERED NUMBER:	03755182
AUDITORS:	Wilkins Kennedy Chartered Accountants & Registered Auditors Bridge House London Bridge London SE1 9QR
NOMINATED ADVISORS	Charles Stanley Securities 25 Luke Street London EC2A 4AR
BANKERS:	Natwest Bank 2nd Floor 180 Brompton Road London SW3 1HL
SOLICITORS:	Tolhurst Fisher Marlborough House Victoria Road South Chelmsford Essex, CM1 1LN

BEST OF THE BEST PLC
Results for the Year Ended 30th April 2007

Best of the Best plc displays luxury cars as competition prizes within airport terminals and online

Financial Highlights

- Turnover up 23.4 per cent. to £5.9m (2006 £4.7m)
- Profit Before Tax up 20.2 per cent. to 0.71m (2006 £0.59m)
- 2 New Airport Contracts signed during the period and a further 3 since the year end
- In discussions with new non-airport sites
- New ticket pricing widening customer base and increasing player frequency
- Significant growth in online players
- Database at 210,000 and growing at approximately 9,000 new players per month
- Senior appointments to drive growth in airport and online business
- Directors confident of steady progress in the year ahead

William Hindmarch, Chief Executive, said:

“I am pleased to report a strong second half performance with the full year results in line with expectations. We continue to diversify our competition structures, which in turn is generating new customers. Our online presence continues to grow and our database is now increasing at a rate of approximately 9,000 new players a month. We continue to assess non airport sites as we focus on developing new markets and I look forward to updating shareholders with further progress in due course.”

BEST OF THE BEST PLC
Chief Executive's Statement
For the Year Ended 30th April 2007

Chief Executive's Statement

I am pleased to announce our results for the year ended 30th April 2007. Overall, it has been a successful year for the Company, which floated on AIM in August 2006 raising £2.0m net of expenses. Although we experienced difficult trading conditions almost immediately post-flotation due to major security alerts across the UK's airports, we had a strong second half to the year which produced full year results in line with market expectations.

We have consolidated on our success to date and have made a number of senior management and operational appointments, which will underpin further progress in the year ahead.

Results

During the year ended 30th April 2007 turnover was £5.9m (2006 £4.7m) with profit before tax increasing by 20.2 per cent. to £0.71m (2006 £0.59m). A small overall decline in the operating margin was principally due to the impact of the security alerts in the first six months. However, over the second half the operating margin improved significantly and was helped by the popularity of our new lower pricing structure and shorter competition durations.

The cash position of the Company remains solid at £1.77m, and we have increased the inventory by £0.38m over the year to accommodate new competition prizes on display.

Dividend

The Board is not recommending the payment of a dividend but as stated on Admission to AIM it intends to pay a dividend for the financial year ending 30th April 2008.

New Site Contracts

In the financial year we signed two new contracts, one in Heathrow Terminal 4 which commenced operations in July 2006 and a further contract for a flagship site in the new Terminal 5 which will open in March 2008. Since the year end we have also signed three further contracts for sites in Birmingham Airport, Heathrow Terminal 2 and Nottingham East Midlands Airport.

We continue to assess the development of sites at foreign airports, shopping centres and other high footfall locations. We have completed a short trial in one of the UK's leading shopping centres at Bluewater and we are in discussions with several other venue owners and operators about further trials.

Business

Our lower ticket price and shorter duration competitions continue to be successful and have been well received by customers. The lower ticket price has enabled us to target a broader demographic, both in terms of passengers through the airports, and also online. Furthermore, airport to online conversion has improved, player frequency has increased and our competitions are attracting a younger customer base. The shorter competitions have proved very attractive and our increasing critical mass should allow us to continue to increase the frequency of our competitions in the future.

We have recently refitted our stands in the Gatwick North and South terminals to a much higher standard and I am pleased to report that the new style has materially improved revenues at these sites. By using a completely new stand design together with the latest audiovisual and lighting effects, we have significantly improved the customers' experience and contributed to the quality of the airport departure lounges. We are now submitting plans to upgrade other key sites to a similar standard, which have been well received by the airport operators.

BEST OF THE BEST PLC

Chief Executive's Statement For the Year Ended 30th April 2007

During the period we recruited a senior Sales Director who previously ran direct sales teams for Sky TV, and who is responsible for overseeing all of our airport sales. We have already experienced encouraging results, through enhanced commission structures, better recruitment and improved retention of staff. We continue to focus on recruitment and training which are key to building and maintaining a productive sales force.

Online Business

Our lower priced tickets have significantly improved the rate of growth of our database, which now stands at circa 210,000 registered players. We believe the online business has significant potential for growth and we have therefore recently made two key hires. The Head of Online Marketing brings considerable experience in online sales, and database acquisition, whilst the Chief Technical Officer will enable us to develop our website, new games and competitions, with greater speed and efficiency. With this additional resource, we aim to materially increase the growth of online sales.

Our instant win game has recently been launched online with encouraging early results, and improvements to our website are driving increased levels of traffic. We will continue to focus hard on developing the online offering during the year ahead.

Strategy

Our core strategy continues to focus on growing sales at airport sites and online, and building our database accordingly. Increasing the number of new sites will continue to remain a priority as will attracting a wider target market to both our physical and online sites by creating new and attractive game formats. The higher margin online competitions will benefit from the increase in customers on the database. The new competition format strongly supports this strategy, as we are now growing our database much more rapidly, and we have identified significant potential to offer additional games and content to our website.

Outlook

The Board remains positive of the trading prospects for the Company in the new financial year. We are currently in discussions to develop physical sites within a number of new locations and we are reviewing new game formats.

We continue to monitor developments and review opportunities in our skill gaming sector and look forward to updating shareholders with further progress in due course.

William Hindmarch
Chief Executive
19th July 2007

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2007

The Directors present their report with the financial statements of the Company for the year ended 30th April 2007.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of competition operators.

REVIEW OF BUSINESS

The results for the year and financial position of the Company are as shown in the financial statements set out on pages 16 to 32.

A full review of the business's progress during the year and future developments are contained in the Chief Executive's Statement on pages 3 to 4.

There was a profit for the period after taxation of £558,709 (2006: £433,066).

The Company's key performance indicator is sales and this is discussed in the Chief Executive's Statement.

DIVIDENDS

No dividends will be distributed for the year ended 30th April 2007. It is the Director's intention that a dividend will be paid based on the results for the year ended 30th April 2008.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2007

DIRECTORS

The Directors during the year under review were:

W S Hindmarch
R C E Garton – appointed 21/6/2006
M W Hindmarch – appointed 21/6/2006
N A Ziebland
W A Henbrey – appointed 4/7/2006

The beneficial interests of the Directors holding office on 30th April 2007 in the issued share capital of the Company were as follows:

	<i>Ordinary £1 Shares</i>		<i>Ordinary 5p Shares</i>	
	<i>30th April 2007</i>	<i>1 May 2006 or date of appointment if later</i>	<i>30th April 2007</i>	<i>1 May 2006 or date of appointment if later</i>
W S Hindmarch	–	42,500	5,950,000	–
R C E Garton	–	–	384,421	50,000
M W Hindmarch	–	–	745,421	100,000
N A Ziebland	–	–	–	–
W A Henbrey	–	–	–	–

The following Directors were appointed during the year at the dates shown below:

Mr R C E Garton – 21st June 2006
Mr M W Hindmarch – 21st June 2006
Mr W A Henbrey – 4th July 2006

According to the register of Directors' interests, no rights to subscribe for shares in or debentures of the Company were granted to any of the Directors or their immediate families, or exercised by them, during the financial year except as indicated below:

	<i>As at beginning of year</i>	<i>Granted</i>	<i>Forfeited</i>	<i>As at end of year</i>	<i>Exercise price £</i>	<i>Date first exercisable</i>	<i>Date of expiry</i>
R C E Garton	–	127,182	–	127,182	£0.05	1-8-2007	7-8-2016
N A Ziebland	–	79,365	–	79,365	£0.63	8-8-2009	7-8-2016
W A Henbrey	–	79,365	–	79,365	£0.63	8-8-2009	7-8-2016

Note 25 provides full details of share options granted.

At the 30th April 2007 the market price of the Company's shares was £0.66 (2006: N/A). The maximum share price during the year was £0.695 (2006: N/A) and the minimum price was £0.435 (2006: N/A).

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The Company payment policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the term agreed with the supplier at the time of the supply or otherwise 30 days from the receipt of the relevant invoice. Trade creditor days based on creditors at 30th April 2007 were 18 days.

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2007

FINANCIAL RISK MANAGEMENT

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

Credit Risk

The Company has a relatively low exposure to credit risk due to the nature of its sales. However the Company employs various procedures to ensure that all sales are collected promptly and accurately.

Liquidity Risk

The Company actively maintains sufficient cash balances to ensure that the Company has available funds for operations. The Company finances its operations principally from equity and cash reserves.

Interest rate cash flow risk

During the year the Company had both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances, all of which earn interest at a variable rate.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Company made the following charitable donations in excess of £200:

<i>Donee</i>	<i>Contribution</i> £
Cancer Research	4,000
The Princes Trust	3,000
Unicef	2,500
British Red Cross	2,500
Royal Marsden	2,000
Marie Curie Charities	2,000
Oxfam	3,000
Save the Children	6,000

SHARE CAPITAL

Prior to 21st June 2006 the Company had 62,500 ordinary shares of £1 each in issue. Following the sub-division on the 21st June 2006 the Company had an issued share capital of 1,250,000 ordinary shares of £0.05 each and an authorised share capital of £1,500,000 comprising 30,000,000 ordinary shares of £0.05 each. On the 4th August 2006 the Company passed special resolutions authorising the allotment of bonus shares to the ordinary shareholders at six ordinary shares of £0.05 each for each one ordinary share held. Pursuant to the special resolution on the 4th August 2006 the Company had an issued share capital of 8,750,000 ordinary shares.

On the 14th August 2006 the Company placed 3,968,254 new ordinary shares of £0.05 each at a price of £0.63p per share following the admission to trading on AIM. The cash consideration was £1.98 million net of expenses.

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2007

SUBSTANTIAL SHAREHOLDERS

As at 4th July 2007 the Directors were aware of the following interest of 3 per cent. or more in the issued ordinary share capital of the Company (other than Directors interests already disclosed) and had not been notified, pursuant to the provisions of the Companies Act 1985, of any further such interests.

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
BAA Enterprises Limited	1,750,000	13.6%
Stancroft Trust Limited	900,000	7.0%
Octopus Asset Management Nominees Limited	623,000	4.9%

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
W S Hindmarch
Chief Executive
Date: 19th July 2007

BEST OF THE BEST PLC
ANNUAL REPORT AND ACCOUNTS 2007
CORPORATE GOVERNANCE REPORT

PRINCIPLES OF CORPORATE GOVERNANCE

The policy of the Board is to manage the affairs of the Company in accordance with the principles underlying the combined code on corporate governance.

The Board of Directors is accountable to shareholders for the good corporate governance of the Company. The principles of corporate governance and a code of best practice are set out in the combined code. The revised combined code applies to reporting years beginning on or after 1st November 2003. Under the rules of the AIM, the Company is not required to comply in full with the code nor to state whether it derogates from it. The Board considers that the size and nature of the Company does not warrant compliance with all the code's requirements. This statement sets out how the principles of the code are applied to Best of the Best Plc.

BOARD STRUCTURE

The chief executive of the Company is William Hindmarch. He is heavily involved in the day to day running of the Company. In total the Board comprises a chief executive, one further executive Director and three non-executive Directors. William Henbrey is an independent non-executive Director. It is considered that this gives the necessary mix of industry specific and broad business experience necessary for the effective governance of the Company.

There are no matters specifically reserved to the Board for its decision, although Board meetings are held on a regular basis and effectively no decision of any consequence is made other than by the Directors. All Directors participate in the key areas of decision making, including the appointment of new Directors.

The Board is responsible to shareholders for the proper management of the Company. A statement of Directors' responsibilities in respect of the accounts is set out on page 8. The non-executive Directors have a particular responsibility to ensure that the strategies proposed by the executive Directors are fully considered.

To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information.

There is no agreed formal procedure for the Directors to take independent professional advice at the Company's expense.

All Directors submit themselves for re-election at the annual general meeting at regular intervals. The non-executive Directors are appointed under fixed term contracts of no more than one year.

A brief biography of each of the Directors is set out below.

William Hindmarch, Age 33 – Chief Executive

William graduated from the University of Durham in 1996 and joined Kleinwort Benson as a graduate trainee. He founded the business in 1999. He has been the Chief Executive for 7 years.

Rupert Garton, Age 33 – Commercial Director

Rupert graduated from the University of Durham in 1997 and joined JP Morgan as a graduate trainee. He moved to Dresdner Kleinwort Wasserstein to take up a position in the equity capital markets division and then spent a further four years in Dresdner Kleinwort Wasserstein's corporate finance division, working in London, Milan and Johannesburg.

BEST OF THE BEST PLC
ANNUAL REPORT AND ACCOUNTS 2007

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD STRUCTURE (CONTINUED)

In 2003, he left to do an MBA at the Oxford Said Business School, before joining a specialist retailer as Commercial Director. He joined the Company in January 2006.

Michael Hindmarch, Age 67 – Non-Executive Chairman

Michael qualified as a Polymer Technologist at the National College of Rubber and Plastics Technology, London. He founded Plantpak (Plastics) Ltd, a horticultural plastics company in 1970. In 1985 he reversed Plantpak into Falcon Industries Plc, a listed conglomerate, becoming Chairman and CEO. Since 1990 he has acted as an independent business consultant to a number of small companies.

Nick Ziebland, Age 54 – Non-executive Director

Nick joined BAA in 1987 as commercial manager looking after retail at Heathrow Terminal 1, before moving on to become Head of Retail at Gatwick. In 1995 Nick became Group Retail Strategy Director and took on a dual role in 2004, when he also became Retail Director of Heathrow Terminal 5.

Bill Henbrey, Age 61 – Non-executive Finance Director

Bill, a Chartered Accountant, was a partner in BDO Stoy Hayward LLP, London from 1978 until his retirement from the firm in June 2006 and was head of the UK Betting & Gaming and Leisure & Hospitality Units.

He has been involved in all aspects of the betting and gaming sector, and the leisure industry generally, for over 30 years. He has acted for a wide range of clients on both the private and quoted arena, including UK and international land based operators and, in recent years, leading online gaming and sports book operators. He has extensive experience of advising and assisting these clients with business and strategic planning, flotations, acquisitions and disposals.

The following committees which have written terms of reference, deal with specific aspects of the Company's affairs.

AUDIT COMMITTEE

The audit committee comprises of William Henbrey (Chairman of the committee) and Michael Hindmarch.

Meetings are also generally attended by the Company's executive Directors, and the external auditors.

The remit of the committee is to review:

- the appointment and performance of the external auditors;
- remuneration for both audit and non-audit work and the nature and scope of the audit with the external auditors;
- the interim or final financial report and accounts;
- the external auditors' management letter and management's responses;
- the systems of risk management and internal controls;
- operating, financial and accounting practices; and
- related recommendations to the Board.

The audit committee meets at least twice a year.

BEST OF THE BEST PLC
ANNUAL REPORT AND ACCOUNTS 2007

CORPORATE GOVERNANCE REPORT (CONTINUED)

REMUNERATION COMMITTEE

The remuneration committee comprises of Michael Hindmarch (Chairman of the committee) and William Henbrey, and is responsible for making recommendations to the Board on the Company's framework of executive remuneration and its cost. The committee determines the contract terms, remuneration and other benefits for each of the executive Directors. The Board itself determines the remuneration of the non-executive Directors. The committee comprises the non-executive Directors. The report on Directors' remuneration is set out on pages 12 to 13.

NOMINATION COMMITTEE

There is no separate nomination committee at the moment due to the size of the Board.

All Directors are subject to re-election by rotation.

INTERNAL FINANCIAL CONTROL

The Board acknowledges its responsibility for establishing and monitoring the Company's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Company maintains a comprehensive process of financial reporting. The annual budget is reviewed and approved before being formally adopted. Other key procedures that have been established and which are designed to provide effective control as follows:

- Management structure – The Board meets regularly to discuss all issues affecting the Company.
- Investment appraisal – The Company has a clearly defined framework for investment appraisal and approval is required by the Board where appropriate.

The Board regularly reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant deficiencies have come to light during the period and no weakness in internal financial control have resulted in any material losses, or contingencies which would require disclosure as recommended by the guidance for Directors on reporting on internal financial control.

The Board considers that in light of the control environment described above, there is no current requirement for a separate internal audit function.

RELATIONS WITH SHAREHOLDERS

The Chief Executive is the Company's principal spokesperson with investors, fund managers, the press and other interested parties. At the annual general meeting, private investors are given the opportunity to question the Board.

This year's annual general meeting will be held on 20th September 2007.

GOING CONCERN

The Directors confirm that they are satisfied that the Company has 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.

BEST OF THE BEST PLC
ANNUAL REPORT AND ACCOUNTS 2007
DIRECTOR'S REMUNERATION REPORT

REMUNERATION AND NOMINATION COMMITTEES

The Company has a remuneration committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee during 2007 were William Henbrey and Michael Hindmarch (Chairman of the Committee).

Details of the remuneration of each Director are set out below.

No Director plays part in any discussion about his or her own remuneration.

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of high calibre, who are needed to drive and maintain the Company's position as a market leader and to reward them for enhancing value to shareholders.

REMUNERATION POLICY SHARE OPTIONS

The Directors have options granted to them under the terms of the approved and unapproved share option schemes which are open to other qualifying employees. The reason for the scheme is to incentivise the Directors and management personnel and enable them to benefit from the increased market capitalisation of the Company. The exercise of options under the scheme is based upon the satisfaction of conditions relating to the share price. The conditions vary from grant to grant.

As at 30th April 2007 three of the Directors, Rupert Garton, William Henbrey and Nicholas Ziebland, held options. Conditions of these options are detailed on page 6.

PENSION ARRANGEMENTS

There are no pension arrangements in the Company.

DIRECTORS' CONTRACTS

It is the Company's policy that executive Directors should have contracts with an indefinite term providing for a maximum of six months notice in the event of early termination, the Directors' contracts provide for compensation, where appropriate, up to a maximum of basic salary for the notice period.

NON-EXECUTIVE DIRECTORS

The fees of non-executive Directors are determined by the Board as a whole having regard to the commitment of time required and the level of fees in similar companies.

Non-executive Directors are employed on renewable fixed term contracts not exceeding one year.

DIRECTORS' EMOLUMENTS

	<i>Benefits in kind</i>	<i>Salary</i>	<i>Bonus</i>	<i>Fees paid to third parties</i>	<i>2007 Total</i>
	£	£	£	£	£
Rupert Garton	1,069	60,000	40,000	—	101,069
William Henbrey	—	—	—	9,000	9,000
William Hindmarch	24,317	60,000	40,000	—	124,317
Michael Hindmarch	—	—	—	12,000	12,000
Nicholas Ziebland	—	—	—	—	—

BEST OF THE BEST PLC
ANNUAL REPORT AND ACCOUNTS 2007

DIRECTOR'S REMUNERATION REPORT (CONTINUED)

DIRECTORS' EMOLUMENTS (CONTINUED)

As at the 30th April 2007 Mr R Garton was due a performance bonus of £40,000 as agreed by the Board of Directors, this bonus is as yet to be paid. Mr Garton has since indicated to the board that he wishes for the bonus to effectively be paid in the form of share options. The board agreed in principle on 21st May 2007 that Mr Garton may take his bonus in this way, but only after the end of the close period.

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company or granted to or held by the Directors. There were no share options exercised during the year. Details of options for Directors who served during the year are as follows:

	<i>Date of grant</i>	<i>Options over ordinary shares of 5p</i>	<i>Exercise price</i>	<i>Option exercise period</i>
Rupert Garton	08/08/2006	127,182	0.05	1/8/07 to 7/8/16
Nicholas Ziebland	08/08/2006	79,365	0.63	8/8/09 to 7/8/16
William Henbrey	08/08/2006	79,365	0.63	8/8/09 to 7/8/16

Share options granted to Rupert Garton on 8th August 2006 for 127,182 shares were granted under the EMI approved share option scheme. The share options granted Nicholas Ziebland and William Henbrey on 8th August 2006, were granted under an unapproved share option scheme.

Options granted under the unapproved share option scheme are not subject to performance criteria. The market price of the ordinary shares at 30th April 2007 was £0.66 and the range during the year was £0.435 to £0.695 (average £0.585).

There was no exercise or waiver of options during the period.

APPROVAL

The report was approved by the Board of Directors and authorised for issue on 19th July 2007 and signed on its behalf by:



.....
M W Hindmarch
Chairman

19th July 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BEST OF THE BEST PLC

We have audited the financial statements of Best of the Best Plc for the year ended 30th April 2007 on pages sixteen to thirty two. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out on page eight.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chief Executive's Statement, the Corporate Governance Statement, and the Report on Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BEST OF THE BEST PLC

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of the Company's affairs as at 30th April 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Wilkins Kennedy
Chartered Accountants & Registered Auditors
Bridge House
London Bridge
London
SE1 9QR

Date: 19th July 2007

BEST OF THE BEST PLC
Income Statement
For The Year Ended 30th April 2007

	<i>Notes</i>	2007 £	2006 £
CONTINUING OPERATIONS			
Revenue	2	5,861,353	4,747,997
Cost of sales		(2,375,649)	(2,030,991)
GROSS PROFIT		<u>3,485,704</u>	<u>2,717,006</u>
Administrative expenses		(2,815,693)	(2,102,363)
OPERATING PROFIT		<u>670,011</u>	<u>614,643</u>
Finance costs	4	(11,798)	(23,971)
Finance income	4	51,970	–
PROFIT BEFORE TAX	5	<u>710,183</u>	<u>590,672</u>
Tax	6	(151,474)	(157,606)
PROFIT FOR THE YEAR		<u>558,709</u>	<u>433,066</u>
Earnings per share expressed in pence per share:			
Basic	7	4.99	4.95
Diluted		<u>4.93</u>	<u>4.95</u>

BEST OF THE BEST PLC
Statement of Recognised Income and Expense
For The Year Ended 30th April 2007

	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
PROFIT FOR THE FINANCIAL YEAR	<u>558,709</u>	<u>433,066</u>
TOTAL RECOGNISED INCOME AND EXPENSE RELATING TO THE YEAR	<u>558,709</u>	433,066
Prior year adjustment		<u>(270,000)</u>
TOTAL RECOGNISED INCOME AND EXPENSE SINCE LAST ANNUAL REPORT		<u>163,066</u>

BEST OF THE BEST PLC

Balance Sheet as at 30th April 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	563,001	444,265
Deferred tax	16	19,851	8,046
		<u>582,852</u>	<u>452,311</u>
CURRENT ASSETS			
Inventories	10	1,534,663	1,160,588
Trade and other receivables	11	50,298	46,598
Cash and cash equivalents	12	1,768,391	471
		<u>3,353,352</u>	<u>1,207,657</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	667,134	631,003
Financial liabilities – borrowings			
Bank overdrafts	14	–	187,115
Interest bearing loans and borrowings	14	–	15,900
Tax payable		158,663	105,384
		<u>825,797</u>	<u>939,402</u>
NET CURRENT ASSETS		<u>2,527,555</u>	<u>268,255</u>
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings			
Interest bearing loans and borrowings	14	–	177,035
NET ASSETS		<u>3,110,407</u>	<u>543,531</u>
SHAREHOLDERS' EQUITY			
Called up share capital	17	635,913	62,500
Share premium	18	1,782,622	137,500
Share-based payment reserve	18	27,132	–
Retained earnings	18	664,740	343,531
TOTAL EQUITY		<u>3,110,407</u>	<u>543,531</u>

The financial statements were approved by the Board of Directors on 19th July 2007 and were signed on its behalf by:



.....
W S Hindmarch
Chief Executive

BEST OF THE BEST PLC
Cash Flow Statement
For The Year Ended 30th April 2007

	<i>Notes</i>	2007 £	2006 £
Cash flows from operating activities			
Cash generated from operations	1	496,930	255,703
Interest paid		(11,798)	(23,971)
Tax paid		(110,000)	(27,631)
Net cash from operating activities		<u>375,132</u>	<u>204,101</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(278,794)	(89,231)
Sale of tangible fixed assets		18,627	–
Interest received		51,970	–
Net cash from investing activities		<u>(208,197)</u>	<u>(89,231)</u>
Cash flows from financing activities			
Loan repayments in year		(192,935)	(4,034)
Amount withdrawn by Directors		–	(77,278)
Share issue		1,981,035	–
Net cash from financing activities		<u>1,788,100</u>	<u>(81,312)</u>
Increase in cash and cash equivalents		1,955,035	33,558
Cash and cash equivalents at beginning of year	2	<u>(186,644)</u>	<u>(220,202)</u>
Cash and cash equivalents at end of year	2	<u>1,768,391</u>	<u>(186,644)</u>

BEST OF THE BEST PLC
Notes to the Cash Flow Statement
For The Year Ended 30th April 2007

1. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Profit before tax	710,183	590,672
Depreciation charges	145,697	112,462
Profit on disposal of fixed assets	(4,266)	–
Employee share based payment	27,132	–
Finance costs	11,798	23,971
Finance income	(51,970)	–
	<u>838,574</u>	<u>727,105</u>
Increase in inventories	(374,075)	(258,835)
Increase in trade and other receivables	(3,700)	(7,795)
Increase/(Decrease) in trade and other payables	<u>36,131</u>	<u>(204,772)</u>
Cash generated from operations	<u><u>496,930</u></u>	<u><u>255,703</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

Year ended 30th April 2007

	<i>30th April 2007</i>	<i>1st May 2006</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	1,768,391	471
Bank overdrafts	<u>–</u>	<u>(187,115)</u>
	<u><u>1,768,391</u></u>	<u><u>(186,644)</u></u>

Year ended 30th April 2006

	<i>30th April 2006</i>	<i>1st May 2005</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	471	762
Bank overdrafts	<u>(187,115)</u>	<u>(220,964)</u>
	<u><u>(186,644)</u></u>	<u><u>(220,202)</u></u>

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

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 Company closes entries.

Property, plant and equipment

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

Long leasehold	– not provided
Improvements to property	– Depreciated over the period of the lease
Fixtures and fittings	– 50% on cost and 33% on cost
Motor vehicles	– 25% on reducing balance
Computer equipment	– at varying rates on cost

Financial instruments

The Company's financial instruments comprise cash together with various items such as trade and other receivables and trade and other payables etc. that arise directly from its operations. The main purpose of these financial instruments is to provide working capital.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liability and equity

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

BEST OF THE BEST PLC
Notes to the Financial Statement
For The Year Ended 30th April 2007

1. ACCOUNTING POLICIES (CONTINUED)

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 substantially enacted by the balance sheet 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 Income Statement because 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 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 deferred tax assets are reviewed at each balance sheet 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 income statement, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 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.

Pension contributions

The Company operates a money purchase pension scheme for certain employees. The cost of the contribution is charged in the profit and loss account as incurred.

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

1. ACCOUNTING POLICIES (CONTINUED)

Accruals and deferred income

Accruals and deferred income includes the value of tickets sold for competitions which have not been completed at the accounting date and the cost of prizes to be awarded to winners.

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.

All of the Company's operations are located in the United Kingdom.

3. EMPLOYEES AND DIRECTORS

	2007	2006
	£	£
Wages and salaries	1,934,637	1,369,178
Social security costs	19,190	8,206
	<u>1,953,827</u>	<u>1,377,384</u>

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

	2007	2006
Sales	66	55
Administration	9	5
Management	2	2
	<u>77</u>	<u>62</u>

	2007	2006
	£	£
Directors' emoluments	<u>185,386</u>	<u>88,831</u>

4. NET FINANCE INCOME

	2007	2006
	£	£
Finance income:		
Deposit account interest	<u>51,970</u>	<u>—</u>
Finance costs:		
Bank interest	10,650	8,765
Bank loan interest	1,148	15,206
	<u>11,798</u>	<u>23,971</u>
Net finance income	<u>40,172</u>	<u>(23,971)</u>

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

5. PROFIT BEFORE TAX

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

	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Cost of inventories recognised as expense	2,375,649	2,030,991
Depreciation – owned assets	145,697	112,462
Profit on disposal of fixed assets	(4,266)	–
Auditor’s remuneration	13,500	11,100
Auditors’ remuneration for non audit work	28,250	10,359
Operating leases – Land and buildings	<u>1,047,173</u>	<u>854,974</u>

Amounts payable to the auditors and their associates in respect of both audit and non-audit services:

	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Audit services		
– Statutory audit	13,500	5,730
– other services relating to such legislation	26,250	4,300
Tax services – compliance services	2,000	1,000
Other Services	<u>–</u>	<u>10,359</u>

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

6. TAX

Analysis of the tax charge

	2007 £	2006 £
Current tax:		
Tax	160,000	170,000
Overprovision in prior year	–	(7,985)
Underprovision in prior year	3,279	–
Total current tax	163,279	162,015
Deferred tax	(11,805)	(4,409)
Total tax charge in income statement	<u>151,474</u>	<u>157,606</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2007 £	2006 £
Profit on ordinary activities before tax	<u>710,183</u>	<u>590,672</u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 30% (2006 – 30%)	213,055	177,202
Adjustments for the effects of:		
Expenses not deductible for tax purposes	2,985	1,880
Depreciation in excess of capital allowances	11,673	11,594
Marginal relief	(24,518)	(28,661)
Income accounting adjustment	(45,900)	–
Profit on disposal of assets	(1,280)	–
Overprovision in accounts	4,000	–
Underprovision prior year	3,264	–
Total tax	<u>163,279</u>	<u>162,015</u>

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

7. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	<i>Earnings £</i>	<i>2007 Weighted average number of shares</i>	<i>Per-share amount pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	558,709	11,196,262	4.99
Effect of dilutive securities			
Options	—	138,838	—
Diluted EPS			
Adjusted earnings	558,709	11,335,100	4.93

	<i>Earnings £</i>	<i>2006 Weighted average number of shares</i>	<i>Per-share amount pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	433,066	8,750,000	4.95
Effect of dilutive securities	—	—	—
Diluted EPS			
Adjusted earnings	433,066	8,750,000	4.95

8. PRIOR YEAR ADJUSTMENT

The prior year adjustment as disclosed in the Statement of Recognised Income and Expense in the year ended 30th April 2006 relates to a change in accounting policy in relation to turnover.

The effect has been to increase Accruals and Deferred income by £330,000, increase turnover by £252,000 and increase cost of sales by £221,000. The effect on the tax charge was to reduce this by £28,000.

The retained profits, after these adjustments, were reduced by £270,000 in the year ended 30th April 2005.

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

9. PROPERTY, PLANT AND EQUIPMENT

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Fixtures and fittings £</i>
Cost			
At 1st May 2006	301,354	–	378,070
Additions	–	17,045	134,381
At 30th April 2007	<u>301,354</u>	<u>17,045</u>	<u>512,451</u>
Depreciation			
At 1st May 2006	–	–	277,287
Charge for year	–	–	83,123
At 30th April 2007	<u>–</u>	<u>–</u>	<u>360,410</u>
Net book value			
At 30th April 2007	<u>301,354</u>	<u>17,045</u>	<u>152,041</u>
At 30th April 2006	<u>301,354</u>	<u>–</u>	<u>100,783</u>
	<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Totals £</i>
Cost			
At 1st May 2006	35,000	160,980	875,404
Additions	35,000	92,368	278,794
Disposals	(35,000)	–	(35,000)
At 30th April 2007	<u>35,000</u>	<u>253,348</u>	<u>1,119,198</u>
Depreciation			
At 1st May 2006	17,716	136,136	431,139
Charge for year	3,744	58,830	145,697
Eliminated on disposal	(20,639)	–	(20,639)
At 30th April 2007	<u>821</u>	<u>194,966</u>	<u>556,197</u>
Net book value			
At 30th April 2007	<u>34,179</u>	<u>58,382</u>	<u>563,001</u>
At 30th April 2006	<u>17,284</u>	<u>24,844</u>	<u>444,265</u>

No depreciation is provided on long leasehold land and buildings as in the opinion of the Directors, the Company's policy of repair and refurbishment is such that the residual values taken as a whole are at least equal to their book values.

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

10. INVENTORIES

	2007	2006
	£	£
Finished goods	1,534,663	1,160,588

11. TRADE AND OTHER RECEIVABLES

	2007	2006
	£	£
Current:		
Trade debtors	7,455	–
Other debtors	42,843	46,598
	<u>50,298</u>	<u>46,598</u>

12. CASH AND CASH EQUIVALENTS

	2007	2006
	£	£
Cash in hand	372	471
Bank accounts	1,768,019	–
	<u>1,768,391</u>	<u>471</u>

13. TRADE AND OTHER PAYABLES

	2007	2006
	£	£
Current:		
Trade creditors	113,061	103,401
Social security and other taxes	225,433	67,936
Other creditors	328,640	241,666
Accruals and deferred income	–	218,000
	<u>667,134</u>	<u>631,003</u>

14. FINANCIAL LIABILITIES – BORROWINGS

	2007	2006
	£	£
Current:		
Bank overdrafts	–	187,115
Bank Loans	–	15,900
	<u>–</u>	<u>203,015</u>
Non-current:		
Bank Loan	–	177,035

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases relating to airport sites fall due as follows:

	2007	2006
	£	£
Within one year	<u>514,277</u>	<u>415,364</u>

16. DEFERRED TAX

	2007	2006
	£	£
Balance at 1st May	(8,046)	(637)
Movement in the year	<u>(11,805)</u>	<u>(4,409)</u>
Balance at 30th April	<u>(19,851)</u>	<u>(5,046)</u>

17. CALLED UP SHARE CAPITAL

<i>Authorised:</i>		<i>Nominal</i>	2007	2006
<i>Number:</i>	<i>Class:</i>	<i>value:</i>	£	£
30,000,000	Ordinary shares	5p	1,500,000	–
100,000	Ordinary shares	£1	<u>–</u>	<u>100,000</u>
<i>Allotted, issued and fully paid:</i>		<i>Nominal</i>	2007	2006
<i>Number:</i>	<i>Class:</i>	<i>value:</i>	£	£
12,718,254	Ordinary shares	5p	635,913	–
62,500	Ordinary shares	£1	<u>–</u>	<u>62,500</u>

The Company has one class of share which carry no right to fixed income.

The share issues during the year were as listed below

- (1) On 4th August 2006 a bonus share issue took place whereby existing shareholders were granted 6 shares for every one held resulting in a total issue of 7,500,000 ordinary shares of £0.05 each. This issue was a non-cash consideration
- (2) On 14th August 2006 3,968,254 ordinary shares were issued at £0.63 per share for cash consideration.

No shares were issued subsequent to 30th April 2007.

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

18. RESERVES

	<i>Retained earnings</i>	<i>Share premium</i>	<i>Share-based payment reserve</i>	<i>Totals</i>
	£	£	£	£
At 1st May 2006	343,531	137,500	–	481,031
Profit for the year	558,709			558,709
Bonus share issue	(237,500)	(137,500)	–	(375,000)
Cash share issue (net of expenses)	–	1,782,622	–	1,782,622
Employee benefits	–	–	27,132	27,132
At 30th April 2007	<u>664,740</u>	<u>1,782,622</u>	<u>27,132</u>	<u>2,474,494</u>

19. CAPITAL COMMITMENTS

	<i>2007</i>	<i>2006</i>
	£	£
Contracted but not provided for in the financial statements	<u>–</u>	<u>–</u>

20. TRANSACTIONS WITH DIRECTORS

William Hindmarch, a Director of the Company, during the year ended 30 April 2005 gave a personal guarantee to secure the bank loan and overdraft on behalf of the Company up to a maximum of £440,000. This guarantee was discharged during the year ended 30th April 2007.

Michael Hindmarch is a non-executive Director of the Company. During the year ended 30th April 2007 payments were made in respect of consultancy services received during the year from Michael Hindmarch. These payments totalled £12,000 for the year (2006: £12,000) and the balance owed at the end of the year was £Nil. Michael Hindmarch also purchased a car from the business that was surplus to the Company's requirement. The price paid was £2,500 higher than the highest arms length offer and was in excess of book value.

Also during the year the Company made payments in respect of consultancy services to William Henbrey a non-executive Director. These payments totalled £7,000 for the year (2006: £Nil) and the balance owed at the end of the year was £2,000 (2006: £Nil).

Various executive and non-executive Directors were granted share options during the year, details of which can be found in the Directors' and remuneration reports.

21. RELATED PARTY DISCLOSURES

During the period the Company entered into of transactions with related parties, all of which are undertaken in the normal course of trading. Details of these are set out below.

During the period the Company undertook transactions with BAA plc, a Company connected by virtue of its shareholding. These transactions were made up of rental charges totalling £835,382 (2006: £655,945) and other charges totalling £14,967 (2006: £23,567). As at 30 April 2007, the amount owed to BAA plc was £3,124 (2006: £2,282).

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

22. POST BALANCE SHEET EVENTS

On the 1st June 2007 the Company granted share options totalling 50,000 to an employee of the Company.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	558,709	433,066
Issue of shares (net of expenses)	1,981,035	–
Employee share schemes adjustment	27,132	–
Net addition to shareholders' funds	2,566,876	433,066
Opening shareholders' funds	543,531	110,465
Closing shareholders' funds	3,110,407	543,531

24. CHANGE IN COMPANY NAME

The Company passed a special resolution on 21st June 2006 changing its name from SWSH Limited to Best of the Best Plc.

25. SHARE BASED PAYMENTS

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

<i>Grant Date</i>	<i>Granted during the period</i>	<i>Exercised during the period</i>	<i>Forfeited during the period</i>	<i>Outstanding as at 30th April 2007</i>	<i>Expiry Date</i>	<i>Weighted Average exercise price</i>
8-8-2006	127,182	–	–	127,182	7-8-2016	£0.05
8-8-2006	10,000	–	–	10,000	7-8-2016	£0.63
8-8-2006	10,000	–	–	10,000	7-8-2016	£0.63
8-8-2006	10,000	–	–	10,000	7-8-2016	£0.63
8-8-2006	10,000	–	–	10,000	7-8-2016	£0.63
8-8-2006	10,000	–	(5,000)	5,000	7-8-2016	£0.63
8-8-2006	79,365	–	–	79,365	7-8-2016	£0.63
8-8-2006	79,365	–	–	79,365	7-8-2016	£0.63
24-10-2006	15,000	–	–	15,000	23-10-2016	£0.62
24-10-2006	15,000	–	–	15,000	23-10-2016	£0.63
30-04-2007	46,619	–	–	46,619	29-04-2017	£0.05

The Company operates a share option scheme for certain Directors and employees of the Company. Options are exercisable at a price defined by the individual option agreement. The vesting period varies according to the individual employment contract (between one and three years). If the options remain unexercised during the specified period from the date of grant, the options expire. Options are generally forfeited if the employee leaves the Company before the options vest, however this is at the discretion of the board.

As at 30th April 2007 a total of 412,531 subscription rights had been issued to Directors and employees. Members of the executive board hold share options as disclosed in the Directors and remuneration reports.

BEST OF THE BEST PLC
Notes to the Financial Statements
For The Year Ended 30th April 2007

25. SHARE BASED PAYMENTS – continued

The inputs into the Black-Scholes model are as follows:

<i>Weighted Average share price</i>	<i>Stated Above</i>
Expected volatility	40%
Expected life	10 years
Vesting periods	Varying between one and three years
Risk-free rate	4.5%
Expected dividends	Zero

The Company recognises the following expenses relating to equity settled share-based payment transactions:

	<i>Year ended</i>
	<i>30th April 2007</i>
	£
Employee benefits	27,132

BEST OF THE BEST PLC

NOTICE OF MEETING

Notice is hereby given that the first Annual General Meeting of Best of the Best Plc (the “Company”) will be held at the offices of Charles Stanley & Co. Ltd., 25 Luke Street, London EC2A 4AR on Thursday 20th September 2007 at **2.30 pm** (the “Meeting”) for the following purposes:

Ordinary Business

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company’s financial statements together with the reports thereon of the Directors and auditors for the year ended 30th April 2007.
2. To approve the Directors’ remuneration report (as set out on pages 12 to 13 of the Annual Report).
3. To re-elect Michael Hindmarch as a Director of the Company.
4. To re-elect Rupert Garton as a Director of the Company.
5. To re-elect William Henbrey as a Director of the Company.
6. To re-appoint the auditors, Wilkins Kennedy, as auditors of the Company until the conclusion of the next Annual General Meeting.
7. To authorise the Directors to set the auditors’ remuneration.

Special Business

To consider, and if thought fit, pass the following resolutions, of which resolution 8 will be proposed as an ordinary resolution and resolutions 9 and 10 will be proposed as special resolutions:

8. That the Directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the “Act”) to exercise all the powers of the Company to allot relevant securities (as defined by the subsection (2) of the said section 80) up to an aggregate nominal amount of £211,971 provided that this authority shall revoke all previous existing authorities granted under Section 80 of the Act and shall expire on the conclusion of the Annual General Meeting to be held in 2008 or in 15 months after the passing of the Resolution (whichever is the earliest) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
9. That, pursuant to Section 95 of the Act, the Directors be and are hereby empowered to allot equity securities (as defined by Section 94 of the Act) for cash pursuant to the authority conferred by Resolution 8 above as if Section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:
 - a. The allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of ordinary shares in the capital of the Company and other persons entitled to participate therein for cash in proportion (as nearly as may be) to the holdings of ordinary shares of such holders (or, as appropriate, to the numbers of ordinary shares which other persons are for these purposes deemed to hold), subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of fractional entitlements or otherwise; and
 - b. The allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal amount equal to £31,795;

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NOTICE OF MEETING

and shall (unless previously revoked, varied or renewed) expire on the conclusion of the Annual General Meeting to be held in 2008 or 15 months after the passing of the Resolution (whichever is earlier).

10. That the Company be and is hereby generally and unconditionally authorised to make market purchases as defined in section 163(3) of the Companies Act 1985) of ordinary shares of 5p each in the issued capital of the Company (“Ordinary Shares”) subject to the following conditions:
- (a) The maximum number of Ordinary Shares of 5p each which may be purchased is 1,271,825 (representing approximately 10 per cent. of the issued Ordinary Share capital);
 - (b) The maximum price at which an Ordinary Share may be purchased is an amount equal to 105 per cent. of the average of the middle market quotations for such shares as derived from the daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase and the minimum price is 5p per Ordinary Share; and
 - (c) The authority conferred by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2008 provided that any contract for the purchase of ordinary Shares permitted by this Resolution which has been concluded before the expiry of this authority may be executed wholly or partly after the authority expires.

By order of the Board

C D STAMP

COMPANY SECRETARY

17 August 2007

REGISTERED OFFICE:

2 Plato Place,
72-74 St. Dionis Road,
London SW6 4TU

Notes:

- (a) A member entitled to attend and vote is entitled to appoint one or more proxies, who need not be members of the Company, to attend and, in the event of a poll, vote instead of him. A proxy need not be a member. A Form of Proxy is enclosed. To be valid, a Form of Proxy must be received, together with any power of attorney or other authority under which it is executed (or a duly certified copy of such power or authority), by the Company’s registrar, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH not later than 48 hours before the time fixed for the meeting.
- (b) The completion and return of a Form of Proxy will not preclude a member from attending and voting at the Meeting in person.
- (c) Entitlement to attend and vote at the Meeting, and the number of votes which may be cast thereat, will be determined by reference to the Company’s register of members at **2.30 pm** on 18th September 2007 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be).

