

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

Preliminary results for the twelve months ended 30 April 2013.

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

Key Highlights

- Revenue increased by 15.2 per cent to £6.45 million (2012: £5.60 million)
- Profit before tax £0.12 million (2012: loss £0.18 million)
- Net Assets of £2.77 million, underpinned by cash balance of £1.95 million (2012: £1.10 million)
- Online revenues increased by 46.5 per cent to £2.7 million representing 42.7 per cent of total revenue, principally driven by the increased frequency of competitions
- Like for like revenues at physical locations increased by 10.5 per cent
- Successful launch of new “Win Any Car” format incorporating a broader range of price points

William Hindmarch, Chief Executive, said:

“It has been an encouraging year for the business, and the substantial changes we made over the period have helped increase revenues and restore profitability. Of particular note is the growth in online revenues, which now account for over 40 percent of the Group’s revenues.

During the period we made significant improvements to our core product, the Supercar Competition. This new competition style with its much wider choice of cars, price points and increased frequency has helped the online business in particular, which has recorded its highest ever levels of both revenue and transactions. The website has also been significantly developed and refreshed which has contributed to much improved traffic and conversion statistics.

The business saw strong cash generation in the period, and our balance sheet remains healthy with a cash balance of £1.95 million. We are optimistic about the future prospects of the Company and 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

It has been an encouraging year for the business, and the substantial changes we made over the period have helped increase revenues and restore profitability. Of particular note is the growth in online revenues, which now account for over 40 percent of the Group's revenues.

During the period we made significant improvements to our core product, the Supercar Competition. This new competition style with its much wider choice of cars, price points and increased frequency has helped the online business in particular, which has recorded its highest ever levels of both revenue and transactions. The website has also been significantly updated and refreshed which has contributed to much improved traffic and conversion statistics.

The airport business has traded well throughout the year, despite fairly static passenger numbers and an uncertain economic environment. Like for like offline sales increased by 10.5 per cent compared to the prior period, and we are encouraged by the positive effects that the new competition structures and price points have had on both customer acquisition and repeat play.

Results

Revenue for the twelve months ended 30 April 2013 increased by 15.2 per cent to £6.45 million (2012: £5.60 million). The Company recorded a profit before tax for the period of £0.12 million (2012 loss: £0.18 million).

The Company generated £0.96 million of operating cash flow and reports a net increase in cash of £0.84 million for the period, with cash balances at £1.95 million. Our Net Assets stand at £2.77 million which principally comprise cash, our stock of cars on display which are held at net realisable value of £0.50 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. Therefore, it is not certain that the Company will receive any repayment from HM Revenue & Customs. We will update shareholders as this matter progresses.

Dividend

The Board is recommending a final dividend of 1.0 pence per share (2012: 0.8 pence) for the full year ending 30 April 2013 subject to shareholder approval at the Annual General Meeting on 19 September 2013. The final dividend will be paid on 18 October to shareholders on the register on 20 September 2013.

Business at physical locations

The Company is currently trading from 8 airport sites and 2 sites in shopping centres. Our airport locations are Gatwick North, Stansted, Birmingham, Manchester Terminals 1 and 2, Edinburgh, Copenhagen and Dublin's Terminal 2. Our shopping centre locations are Westfield Shepherds Bush and Westfield Stratford.

The physical locations have traded solidly throughout the year, despite relatively static overall passenger and shopper numbers and the tough economic climate, and like for like revenues have increased by 10.5 per cent compared to the same period in the prior year. Our smaller more lightweight format continues to be well received by landlords as it has increased the flexibility of our offer within the terminals. With lower levels of capital investment fewer cars, it has also significantly improved our return on capital employed at the physical locations.

The shortened competition cycle is important in attracting both new and returning customers to play, whilst the press and public relations coverage afforded by the increased number of supercar winners has been very positive. This is a trend we expect to continue.

Online Business

Online sales accounted for 42.7 per cent of total revenue in the period and increased by 46.5 per cent compared to the same period last year. Over the last 6 months, online sales accounted for 46.7 per cent of total revenue. The changing sales mix and significant online gains experienced result from a combination of initiatives that have been implemented during the period.

The two principal drivers are the new 'Win any Car' concept and the shortening of the competition cycle to two weeks. The Win any Car concept now allows customers to choose from over 170 cars with ticket prices from £2.50 to £25.00 and includes nearly fifty automotive brands including a range of supercars, luxury SUV's, track cars and classic cars. This greater diversity of both product and price points is driving a much broader and more engaged player base. Furthermore, the halving of the competition cycle from four weeks to two means we are communicating more with players and the greater frequency has encouraged our online customers to enter more regularly which has boosted revenues.

We are currently working with a leading advertising and marketing business to undertake a strategic review of our online marketing activities, to help further improve online customer acquisition, user experience, channel optimization and product and brand recognition, the results of which we hope will further enhance the customer proposition.

Emphasis has also been placed on repeat players and we have had considerable success with our recently launched "Supercharged Club" which recognises loyal players and has been well received by our most active customers. We have also just launched a Direct Debit facility to reward our most loyal players, whilst maximizing their participation.

Unsurprisingly we are seeing a rapidly increasing number of people accessing our website via mobile devices – circa 40 per cent of our emails are now opened on a mobile device. We will very shortly be launching a mobile optimized version of the site to make it easier for customers to play on mobiles and tablets. The decision to invest in our own internal IT capabilities and to build our mobile software in house is starting to pay dividends and will deliver much more flexible solutions over the longer term.

David Coulthard, (13 times F1 winner) has been signed up for a further year as our brand ambassador to promote the Company both at the physical sites and online. His presence combined with a newly contracted PR agency has significantly raised the profile of the Company and led to an increased number of articles in regional and national press. This has contributed to our highest ever number of visitors to the website in recent months.

Social media continues to be an important channel for us. We regularly use our Facebook, Twitter and You Tube channels to communicate and interact with our customers but these channels are increasingly becoming an important acquisition channel for new players. Feefo our independent 'trip advisor' style review site has grown in popularity and with its 94 per cent positive rating is an important factor in giving increased assurance and credibility to both new and existing customers.

Outlook

The business is profitable, cash generative and the balance sheet remains strong with a cash balance of £1.95 million, giving the Company a solid base from which to invest.

It has been a better year for the Company and our key focus will be the continued development of the website and the online marketing to complement the airport and shopping centre businesses, and further drive growth in both revenues and profitability.

I look forward to updating shareholders on further progress in due course.

William Hindmarch
Chief Executive
13 June 2013

BEST OF THE BEST PLC

Consolidated Income Statement
For The Year Ended 30th April 2013

	Notes	2013 £'000	2012 £'000
CONTINUING OPERATIONS			
Revenue		6,450	5,599
Cost of sales		(2,572)	(2,249)
GROSS PROFIT		<u>3,878</u>	<u>3,350</u>
Administrative expenses		(3,760)	(3,566)
OPERATING PROFIT		<u>118</u>	<u>(216)</u>
Finance income		2	32
PROFIT / (LOSS) BEFORE TAX		<u>120</u>	<u>(184)</u>
Tax	5	43	60
PROFIT / (LOSS) FOR THE YEAR		<u><u>77</u></u>	<u><u>(124)</u></u>
Profit / (Loss) on earnings per share expressed in pence per share:			
Basic	6	0.82	(1.17)
Diluted	6	0.82	(1.17)

As all option prices exceed the average share price no options would expect to be granted and there is therefore no dilution to the earnings per share this year.

BEST OF THE BEST PLC

**Consolidated Statement of Comprehensive Income
For The Year Ended 30th April 2013**

	Notes	2013 £'000	2012 £'000
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		77	(124)
SHARE REPURCHASE AGREEMENT		-	(1,278)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>77</u>	<u>(1,402)</u>

BEST OF THE BEST PLC

Consolidated Statement of Financial Position 30th April 2013

	Notes	2013 £'000	2012 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		737	950
Deferred tax		94	109
		<u>831</u>	<u>1,059</u>
CURRENT ASSETS			
Inventories		502	933
Trade and other receivables		283	294
Cash and cash equivalents		1,947	1,103
		<u>2,732</u>	<u>2,330</u>
TOTAL ASSETS		<u><u>3,563</u></u>	<u><u>3,389</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	7	468	468
Share premium	8	1,783	1,783
Capital redemption reserve	8	183	183
Share-based payment reserve	8	148	148
Retained earnings	8	183	181
TOTAL EQUITY		<u>2,765</u>	<u>2,763</u>
LIABILITIES			
CURRENT LIABILITES			
Trade and other payables		864	705
Tax payable		(66)	(79)
TOTAL LIABILITIES		<u>798</u>	<u>626</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,563</u></u>	<u><u>3,389</u></u>

BEST OF THE BEST PLC

**Consolidated Statement of Changes in Equity
For The Year Ended 30th April 2013**

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000
Balance at 1 May 2011	548	1,715	1,783
Changes in equity			
Issue of share capital	15	-	-
Redemption of share capital	(95)	-	-
Dividends	-	(132)	-
Total comprehensive income	-	(1,402)	-
Balance at 30 April 2012	<u>468</u>	<u>181</u>	<u>1,783</u>
Changes in equity			
Dividends	-	(75)	-
Total comprehensive income	-	77	-
Balance at 30 April 2013	<u><u>468</u></u>	<u><u>183</u></u>	<u><u>1,783</u></u>
	Capital redemption reserve £'000	Other reserves £'000	Total equity £'000
Balance at 1 May 2011	88	148	4,282
Changes in equity			
Redemption of share capital	-	-	15
Issue of share capital	-	-	(95)
Dividends	-	-	(132)
Total comprehensive income	95	-	(1,307)
Balance at 30 April 2012	<u>183</u>	<u>148</u>	<u>2,763</u>
Changes in equity			
Dividends	-	-	(75)
Total comprehensive income	-	-	77
Balance at 30 April 2013	<u><u>183</u></u>	<u><u>148</u></u>	<u><u>2,765</u></u>

BEST OF THE BEST PLC**Consolidated Cash Flow Statement
For The Year Ended 30th April 2013**

		2013	2012
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations	1	978	249
Tax paid		(16)	(168)
Net cash from operating activities		<u>962</u>	<u>81</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(57)	(366)
Sale of tangible fixed assets		12	
Impairment losses		-	7
Interest received		2	32
Net cash from investing activities		<u>(43)</u>	<u>(327)</u>
Cash flows from financing activities			
Equity dividends paid		(75)	(132)
Share tender offer and movement in share capital		-	(1,263)
Net cash from financing activities		<u>(75)</u>	<u>(1,395)</u>
(Decrease)/Increase in cash and cash equivalents		844	(1,641)
Cash and cash equivalents at beginning of year		1,103	2,744
Cash and cash equivalents at end of year		<u><u>1,947</u></u>	<u><u>1,103</u></u>

BEST OF THE BEST PLC

Notes to the Consolidated Cash Flow Statement For The Year Ended 30th April 2013

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

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Profit before tax	120	(184)
Depreciation charges	259	241
Finance income	<u>(2)</u>	<u>(32)</u>
	377	25
Decrease in inventories	430	342
Decrease in trade and other receivables	11	(123)
Decrease in trade and other payables	<u>160</u>	<u>5</u>
Cash generated from operations	<u>978</u>	<u>249</u>

BEST OF THE BEST PLC

Notes to the Preliminary Announcement For The Year Ended 30th April 2013

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRS's) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been recorded under the historical cost convention.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 30th April 2013 or 2012. The statutory accounts for 2013 will be delivered to the registrar of companies in due course.

2. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings). Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. ACCOUNTING POLICIES

The preliminary financial information has been prepared using accounting policies set out in the Group's statutory accounts for the year ended 30th April 2013.

FRS 20 'Share-based payment' was adopted for the first time during the 2007 year end. Under this standard, an expense is recognised in the income statement when the Group receives goods or services in exchange for shares or where the valuation of those goods or services incorporates the performance of the Group's share price. The income statement includes a charge for share-based payments of £nil (2012: £nil).

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.

4. 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 this preliminary report. All of the Group's material operations are located in the United Kingdom.

5. TAX

Analysis of the tax charge

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Current tax:		
Tax	29	(93)
Under/(over) provision in prior year	-	17
Total current tax	<u>29</u>	<u>(76)</u>
Deferred tax	<u>14</u>	<u>16</u>
Total tax charge in income statement	<u><u>43</u></u>	<u><u>(60)</u></u>

6. PROFIT ON 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. The Group has one category of dilutive potential ordinary shares: share options. For the share options a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Reconciliations are set out below.

	Earnings £'000	2013 Weighted average number of shares	Per-share amount pence
Profit on basic EPS			
Earnings attributable to ordinary shareholders	77	9,372,100	0.82
Effect of dilutive securities			
Options	<u>-</u>	<u>-</u>	<u>-</u>
Diluted EPS			
Adjusted earnings	<u>77</u>	<u>9,372,100</u>	<u>0.82</u>

	<i>Earnings £'000</i>	<i>2012 Weighted average number of shares</i>	<i>Per-share amount pence</i>
Loss on basic EPS			
Earnings attributable to ordinary shareholders	(124)	10,633,032	(1.17)
Effect of dilutive securities			
Options	<u>-</u>	<u>-</u>	<u>-</u>
Diluted EPS			
Adjusted earnings	<u>(124)</u>	<u>10,633,032</u>	<u>(1.17)</u>

The average share price for the year ended 30th April 2013 was £0.20. As all option prices exceed the average share price no options would expect to be granted and therefore no dilution to the earnings per share this year.

7. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2013	<i>2012</i>
			£'000	<i>£'000</i>
30,000,000	Ordinary shares	5p	1,500	1,500
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2013	<i>2012</i>
			£'000	<i>£'000</i>
9,372,100	Ordinary shares	5p	468	468
			<u> </u>	<u> </u>
Capital redemption:				
Number:	Class:	Nominal value:	2013	<i>2012</i>
			£'000	<i>£'000</i>
3,658,980	Ordinary shares	5p	183	183
			<u> </u>	<u> </u>

8. **RESERVES**

	Retained earnings	Share premium	Capital redemption reserve	Other reserves	Totals
	£'000	£'000	£'000	£'000	£'000
At 1 May 2012	181	1,783	183	148	2,295
Profit for the year	<i>77</i>				<i>77</i>
Dividends	<i>(75)</i>				<i>(75)</i>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 April 2013	183	1,783	183	148	2,297

9. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Profit/(loss) for the financial year	77	(124)
Issue of share capital	-	15
Redemption of share capital	-	(1,278)
Dividends	(75)	<i>(132)</i>
	<u> </u>	<u> </u>
Net addition to shareholders' funds	2	<i>(1,519)</i>
Opening shareholders' funds	2,763	<i>4,282</i>
Closing shareholders' funds	2,765	<i>2,763</i>

10. The financial information set out above for the years ended 30th April 2013 and 2012 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 2006. Statutory accounts for 30th April 2012 have been delivered to the Registrar of Companies and those for 30th April 2013 will be delivered following the Company's annual general meeting. The Company's auditors have reported on the full accounts for both years and have accompanied each year with an unqualified report.
 11. The annual report and accounts will be posted to shareholders shortly and will be available for members of the public at the Company's registered office, 2 Plato Place, St Dionis Road, London, SW6 4TU.
 12. The Annual General Meeting will be held on 19th September 2013 at the offices of Charles Stanley Securities, 25 Luke Street, London, EC2A 4AR.
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