

Best of the Best plc
(“Best of the Best”, “BOTB”, “the Company” or “the Group”)
Preliminary results for the year ended 30 April 2022

Profitable, cash generative with no debt and a large and loyal customer base

Best of the Best plc (LSE: BOTB), the provider of online competitions to win cars and other prizes, is pleased to report its preliminary results for the year ended 30 April 2022 (the "Period")

Financial highlights:

- Revenue of £34.68 million, significantly greater than the £17.79 million delivered in the pre-pandemic year of FY2020, the most appropriate comparative period. In FY2021, the Group delivered £45.68m as the business benefited from what transpired to be particularly favourable trading conditions during the pandemic.
- Profit before tax of £5.14 million is up by 22.2% on FY2020 (£4.21million) although lower than FY2021 (£14.06 million) owing to the operational leverage experienced last year.
- A very strong financial position and cash generation maintained, with cash balances of £10.82 million as at 30 April 2022, an increase from the £8.34m for the six months ended 31 October 2021.
- The Group is debt free and has net assets of £8.09 million, substantially underpinned by property and cash.
- Earnings per share was 45.30p (2020: 37.51p, 2021: 122.52p)
- In line with the Group’s progressive dividend policy, the Board is proposing a 20% year-on-year increase in the final dividend to 6.0p per ordinary share to be paid to shareholders on 30 September 2022 (2021: 5.0p, 2020: 3.0p).
- Tender offer announced to return up to circa £6.275 million to shareholders.
- Trading for the new financial year has started in line with management expectations.

William Hindmarch, Chief Executive, said:

“This year saw the Company navigating a post pandemic world and understanding changing customer behaviour. Management has remained sharply focused on shaping the Company for revenues that are lower than during the successive lockdowns in 2020-21, albeit which are still double the levels experienced pre-pandemic.

Our ongoing profitability, financial performance and improved capital efficiency are largely a result of the decision to convert BOTB from a bricks and mortar business into an online only operator. In achieving this conversion well ahead of the pandemic, the Company was able to benefit from its operational gearing and specific trading patterns experienced during this unusual period. The Company has, however, delivered consistently strong results over many years and management has been adjusting the various business levers at its disposal, to ensure that where revenues and customer acquisition are settling and normalising post pandemic, the business continues to produce strong profits and cash generation.

Whilst the period has not been without its challenges, with so many changing elements in this financial year, we are pleased to have produced financial results slightly above expectations that we set out at the time of our interim financial results in January 2022.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2022

BOTB is underpinned by solid financials, a large and loyal customer base, and a proven business model. We also benefit from a diverse offering and a broad addressable market. We will continue to sensibly assess current trading and remain focused in the short term on both profit and cash generation to support and further strengthen our platform, as we then to look to further business development opportunities and ongoing growth in due course. We are pleased to announce today an increased proposed final dividend of 6.0p per share, as well as a tender offer to buy back shares at £6.00 per share. Trading for the new financial year has started in line with management expectations”

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The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014
Please visit www.botb.com for further information

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2022

CHIEF EXECUTIVE'S STATEMENT

We have been dedicated to understanding changing customer behaviour in a post-pandemic world, while ensuring that we protect the efficiency and profitability of new player recruitment. Management has also remained sharply focused on shaping the Company for revenues that are lower than during the successive lockdowns in 2020-21, albeit which are still nearly double the levels experienced pre-pandemic, thus delivering a profitable and cash generative set of numbers.

The Company has delivered consistently strong results over recent years and management has been adjusting the various business levers at our disposal, to ensure that where revenues and customer acquisition are settling and normalising post pandemic, the business continues to produce strong profits and cash generation. Whilst this has not been without its challenges, with so many changing elements in the period under review, we are pleased to have produced financial results slightly above expectations that we set out at the time of our interim financial results in January 2022.

We are preparing the Company for a return to steady ongoing growth that, while not at the levels achieved in FY2021, is significantly above the historic levels that we achieved ahead of the conversion of the business from a bricks and mortar retail player to an online only operator. As we embark on the new financial year, we remain confident that BOTB is underpinned by very solid financials, a large and loyal customer base, and a proven business model. There will understandably be continued focus in the short term on both profit and cash generation to support and strengthen our platform, as we then to look to further business development opportunities and growth in due course.

Final Results

Revenue for the year ended 30 April 2022 was £34.68 million (2020: £17.79 million, 2021: £45.68 million) and profit before tax was £5.14 million (2020: £4.21 million, 2021: £14.06 million). Earnings per share were 45.30p (2020: 37.51p, 2021: 122.52p).

BOTB remains highly cash generative and a total of £5.90 million of cash flow was generated from operations during the period. Net assets at 30 April 2022 stood at £8.09 million (2020: £3.30 million, 2021: £8.96 million), underpinned by cash balances of £10.82 million (2020: £5.2 million, 2021: £11.8 million) and our 965-year leasehold office properties valued at £0.95 million. The Group is debt free.

Dividends

In line with its progressive dividend policy, the Board is recommending a final dividend of 6.0p per share (2021: 5.0p, 2020: 3.0p) for the full year ended 30 April 2022 subject to shareholder approval at the Annual General Meeting on 14 September 2022. The final dividend will be paid on 30 September 2022 to shareholders on the register on 16 September 2022.

Strategy, competitions, pricing and partnerships

With a principally fixed cost operating model and high levels of operational gearing, the business is sensitive to changes in revenue and the cost of prizes given away. In order to better shape the business for steady ongoing growth we have recently trialled some changes to the product line-up, re-balancing the three principal weekly competitions, to two enhanced ones.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2022

Our principal competitions are now the Weekly Dream Car and Midweek Lifestyle Competitions, the latter being the result of a recent trial combining our Midweek Car and Lifestyle competitions. Both competitions offer the opportunity to win brand new cars, with the former operating via Spot the Ball and the latter via a suitably skill-based question.

Our flagship Dream Car competition offers a choice of up to 200 models, combined with the ability to add up to £50,000 in cash with your prize. Ticket prices start from just 90p, with our largest individual prizes valued at up to £250,000. Alongside weekly themed 'In the Headlights' promotions we have been trialling the addition of higher value prizes and cash sums, with total cash-included prizes available in excess of £300,000. These have proven popular and have assisted average order values.

With an entry point ticket price costing 50p, the recently introduced Midweek Lifestyle Competition features a more focussed selection of lower value cars, top-end motorbikes, luxury watches, holidays, top technology and cash prizes. In combination with the Dream Car Competition, this gives players the opportunity to win a car twice a week and also addresses the wider non-car market.

During FY2022 we ran multiple trials producing valuable data, including variable pricing structures, boosted cash additions, and bundled prizes. This data contributes to our weekly schedule of promotions and offers that keep the competitions fresh, interesting and relevant to our customer base.

In an environment where inflationary pressures are well documented we have sought to protect our margins not only through tight cost control, but also by passing on increased car manufacturer RRP's, in the form of slightly increased ticket prices. With our low ticket prices, these increases often amount to only 5p - 10p and customers have been understanding.

Whilst the COVID-19 restrictions in place at the beginning of the financial year significantly curtailed the ability of our presenting team to surprise winners at home or at work, we are now pleased to be fully back on the road filming our winners in person, which has been well received by our players and continues to provide the very engaging content for which BOTB has become so well known. Covid has kept us away from the Goodwood Festival of Speed for the past two years, but we are pleased to be back again this year with a fantastic stand in front of a perfect audience, and where we will be able to engage with many customers, both old and new.

BOTB now has a customer base of over 1.8 million contactable players, which supports existing competitions and which we believe can also provide us with new revenue opportunities. We have previously identified the potential to introduce new products (other than competitions) to our customers, to leverage our database by building revenues streams from third party advertisers and partners, and to seek additional partnership and possibly white-label opportunities with e.g. football clubs, insurance companies and others. We are pleased to have recently recruited a full time Partnerships Lead to spearhead this effort, and whilst it is still early days, some interesting ideas and leads are starting to develop.

IT development

During the year, we completed a major project to transfer all BOTB's CRM activities to the Emarsys platform, which has allowed us to materially improve our approach and future-proof the technology we use. In short, the new platform has increased efficiency and productivity on a daily basis, allowing quicker construction of communications, more reliable rendering of emails across all clients and devices with a much more detailed interface. It also gives us a single customer view, allowing consolidation of all of our CRM and data into one platform.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2022

We have also been able to retire numerous third-party CRM vendors, making meaningful cost savings. Emarsys' Web Channel has replaced Qubit which now allows us to personalise elements on-site at a 1:1 level, from pop-ups ads and site-ribbons to bespoke creative and layouts. We have also retired Litmus, as Emarsys' email rendering and inbox preview tool is more robust, whilst the 3rd party Survey Tools have been replaced by Emarsys' own form and data capture capabilities.

Marketing and CRM

As previously reported, customer acquisition during the financial year has been less efficient than in prior periods, both as a result of Apple's iOS 14 release affecting audience targeting, alongside material increases in CPMs particularly on Meta Group platforms. Despite this, we continue to see a positive ROI when measuring cost per acquisition against the 24-month lifetime value of newly acquired players. We remain focused on optimisation and investment in the most efficient and trackable digital channels, supported by traditional media, to acquire new players and retain existing ones. At the same time, we have continued testing new channels focused on raising brand awareness, allied with the appointment of an agency to improve our SEO.

Alongside this, we have run regular promotions to drive traffic to the website from the significantly larger customer base of players acquired during the pandemic, as well as interacting with them on our social pages, which continue to grow and now amount to 860k followers in total. Much of our CRM and customer service is carried out via daily content updates on our social media accounts, mainly Facebook (420,000 followers) and Instagram (312,000 followers).

As indicated above, our previous CRM platform was email only and everything else was manually implemented via a host of third-party providers, but we are now able to use Emarsys to create customer journeys and interaction points across multiple channels, all from one platform and dataset. Email, Rich App Push, onsite experience, and retargeting are all now part of the multi-channel CRM journey. Emarsys also has much improved test & optimisation functionality, making it an omnichannel solution that will benefit the business as we continue to grow and leverage the entire technology suite available.

Board Changes

The Board continues to place significant importance on independent corporate governance and as a result David Firth, an existing Independent Non-Executive Director, was appointed Independent Non-Executive Chairman on 1 October 2021. In addition, and as separately announced today, the Company is pleased to announce the appointment of Joanna (Jo) Bucci as a further Independent Non-Executive Director, who will join the Board on 1 July 2022.

Jo is a commercially astute operator with proven success leading major business transformation and business growth, with extensive experience in sport, gaming, lotteries and media. She was responsible for the UK launch, growth and global brand development of the Peoples Postcode Lottery, the world's second largest privately funded organisation for good causes. In 2019, Jo was appointed General Manager of The Sun Newspaper, where she was responsible for financial performance, as well as setting and implementing brand strategies for long-term multi-platform growth. Further details are set out in the regulatory announcement covering Jo Bucci's appointment.

We are delighted that David has accepted the role of Independent Non-Executive Chairman and that Jo has agreed to join the Board at this exciting time for BOTB. We are confident that their considerable experience will significantly strengthen the Board and the business. Following the appointment of Jo, the Company will have three Executive Directors and three Non-Executive Directors, two of which can be considered independent.

BEST OF THE BEST PLC

Preliminary Results (continued)
For The Year Ended 30 April 2022

Tender Offer

The Company is announcing today that it intends to return surplus cash to Shareholders by way of a tender offer, pursuant to which finnCap Ltd, the Company's broker, will purchase, as principal, up to approximately 11.11 per cent. of the Company's Ordinary Shares (1 Ordinary Share for every 9 held) at a price of 600 pence per Ordinary Share. These Ordinary Shares may then be purchased from finnCap by the Company pursuant to a Repurchase Agreement.

The Company has been cash generative for a number of years and benefits from a strong balance sheet with sufficient distributable cash reserves. Continued profitable trading in recent periods has led to surplus cash on the balance sheet and the Board believes that the Company does not require this level of cash to fund its growth plans in the short term. Following the proposed capital distribution, the Company will retain a robust balance sheet, maintaining cash balances in excess of £2.0 million, which the Directors consider to be sufficient working capital to fund its activities over the next 12-month period. As such, the Board deems it appropriate to return surplus cash to shareholders via the Tender Offer.

In determining the level of return of value, the Board has taken into consideration its aim of improving the Company's earnings per share, as well as targeting a more efficient capital structure through returning excess balance sheet cash to Shareholders. If the maximum number of Ordinary Shares under the Tender Offer are acquired this will result in an amount of £6.275 million being paid to Qualifying Shareholders. The Company will shortly file at Companies House an audited Company balance sheet as at 30 April 2022 demonstrating that it has sufficient distributable reserves.

The Proposals require shareholder approval under the Companies Act and all shareholders will be receiving the information in a shareholder circular and form of acceptance by post. If implemented, the Tender Offer will enable Qualifying Shareholders to achieve a partial realisation of their holding at 600 pence per Ordinary Share.

Outlook

Emerging out of successive lockdowns and the pandemic era, we have been faced with a very tough comparative financial period. Revenues are, however, running at nearly twice the levels recorded pre-pandemic, when we exited our last physical retail site and completed our successful transformation to a fully online business. We are confident that in the longer term the business is positioned to grow above the traditional growth rates experienced when operations were focused on bricks and mortar retail.

During the period under review, the business traded slightly better than market expectations as updated in January 2022 and, having exhibited the incredible benefits of operational gearing during the financial year ended April 2021, the Board remains fully focused on re-harnessing this opportunity. We will continue to maintain a sharp focus on costs, and prioritising only the most efficient marketing channels, acquiring new customers profitably, through product development, by managing competition frequency and margins, and by seeking additional revenue streams especially through partnerships.

We remain a profitable, cash generative business with no debt and a large and loyal customer base that remains engaged. Whilst we recognise that the wider economic environment remains somewhat uncertain, which is evident in our short-term outlook, we look to the medium and long term with confidence as we push towards a return to steady growth. Trading for the new financial year has started in line with management expectations.

I look forward to updating shareholders in due course.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2022

KEY PERFORMANCE INDICATORS

The Directors have monitored the performance of the Company with particular reference to the following key performance indicators:

1. Sales compared to the prior year.
2. Marketing efficiency calculated using the 24-month Lifetime Value per customer, against the Cost per Acquisition.

RISK MANAGEMENT

In order to execute the Company's strategy, the Company will be exposed to both financial and non-financial risks. The Board has overall responsibility for the Company's risk management, and it is the Board's role to consider whether those risks identified by management are acceptable within the Company's strategy and risk appetite. The Board therefore regularly reviews the principal risks and considers how effective and appropriate the controls that management has in place to mitigate the risk exposure are and will make recommendations to management accordingly.

Financial Risk Management

Credit risk

The exposure to credit risk is limited to the carrying amounts of financial assets. There is considered to be little exposure to credit risk arising on receivables due to the low value of receivables held at the year-end. The credit risk arising on cash balances is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

Sufficient cash balances are maintained to ensure that there are available funds for operations. Operations are financed principally from equity and cash reserves

Non-financial Risk Management

Interruption to website and associated IT infrastructure

As the Company now operates wholly online, it is heavily reliant on the effective operation of its website and associated IT infrastructure. Any interruption to the website or IT infrastructure would therefore have an immediate and significant impact on the Company.

The Company have various processes and controls in place to ensure the likelihood of interruption is minimised and, in the unlikely event that the website or IT infrastructure failed, it could be returned to operation in a short space of time. This includes having contracts in place with third party suppliers to ensure any potential source of interruption is identified promptly and to ensure that data, including customers' data, is protected.

BEST OF THE BEST PLC
Preliminary Results (continued)
For The Year Ended 30 April 2022

Management and key personnel

The success of the Company to a significant extent is dependent on the Executive Directors and other senior managers. To mitigate the risk of losing such personnel, the Company endeavour to ensure that they are fairly remunerated and well incentivised.

Regulatory change

The Company currently operates weekly skilled competitions, which are not regulated. This could be subject to change in the future and the Company continue to seek appropriate legal advice to ensure they comply with all relevant legislation and licensing.

ON BEHALF OF THE BOARD

William Hindmarch
Chief Executive

BEST OF THE BEST PLC
Consolidated Statement of Comprehensive Income
For The Year Ended 30 April 2022

	Notes	2022 £000	2021 £000
CONTINUING OPERATIONS			
Revenue		34,682	45,681
Cost of sales		<u>(15,272)</u>	<u>(17,410)</u>
GROSS PROFIT		19,410	28,271
Administrative expenses		<u>(14,271)</u>	<u>(14,209)</u>
OPERATING PROFIT		5,139	14,062
Finance income	7	<u>2</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	8	5,141	14,063
Income tax	9	<u>(877)</u>	<u>(2,569)</u>
PROFIT FOR THE YEAR		<u>4,264</u>	<u>11,494</u>
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,264</u>	<u>11,494</u>
Profit attributable to:			
Owners of the parent		<u>4,264</u>	<u>11,494</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>4,264</u>	<u>11,494</u>
Earnings per share expressed in pence per share			
Basic from continuing operations	11	45.30	122.52
Diluted from continuing operations	11	<u>44.37</u>	<u>121.82</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Consolidated Statement of Financial Position
As at 30 April 2022

	Notes	2022 £000	2021 £000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	107	160
Property, plant and equipment	14	1,075	1,103
Investments	15	<u>-</u>	<u>-</u>
		1,182	1,263
CURRENT ASSETS			
Trade and other receivables	16	184	271
Cash and cash equivalents	17	10,818	11,814
		<u>11,002</u>	<u>12,085</u>
TOTAL ASSETS		<u>12,184</u>	<u>13,348</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	471	471
Share premium		277	277
Capital redemption reserve		236	236
Foreign exchange reserve		35	27
Retained earnings		7,041	7,953
TOTAL EQUITY		<u>8,060</u>	<u>8,964</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	3,625	3,053
Tax payable		475	1,317
Deferred tax	20	24	14
TOTAL LIABILITIES		<u>4,124</u>	<u>4,384</u>
TOTAL EQUITY AND LIABILITIES		<u>12,184</u>	<u>13,348</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Company Statement of Financial Position
As at 30 April 2022

	Notes	2022 £000	2021 £000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	107	160
Property, plant and equipment	14	1,075	1,103
Investments	15	-	-
		<u>1,182</u>	<u>1,263</u>
CURRENT ASSETS			
Trade and other receivables	16	184	271
Cash and cash equivalents	17	10,818	11,814
		<u>11,002</u>	<u>12,085</u>
TOTAL ASSETS		<u>12,184</u>	<u>13,348</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	471	471
Share premium		277	277
Capital redemption reserve		236	236
Retained earnings		7,076	7,975
TOTAL EQUITY		<u>8,060</u>	<u>8,959</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	3,625	3,058
Tax payable		475	1,317
Deferred tax	20	24	14
TOTAL LIABILITIES		<u>4,124</u>	<u>4,389</u>
TOTAL EQUITY AND LIABILITIES		<u>12,184</u>	<u>13,348</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Consolidated Statement of Changes in Equity
For The Year Ended 30 April 2022

	Called up share capital £000	Share premium £000	Capital redemption reserve £000
Balance at 1 May 2020	469	199	236
Issue of share capital	2	78	-
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the year	-	-	-
Other comprehensive income			
Exchange differences arising on translating foreign operations	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2021	471	277	236
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the year	-	-	-
Other comprehensive income			
Exchange differences arising on translating foreign operations	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2022	471	277	236

	Foreign exchange reserve £000	Retained earnings £000	Total £000
Balance at 1 May 2020	27	2,369	3,300
Issue of share capital	-	-	80
Dividends paid	-	(5,910)	(5,910)
Transactions with owners	-	(5,910)	(5,910)
Profit for the year	-	11,494	11,494
Other comprehensive income			
Exchange differences arising on translating foreign operations	-	-	-
Total comprehensive income	-	11,494	11,494
Balance at 30 April 2021	27	7,953	8,964
Dividends paid	-	(5,177)	(5,177)
Transactions with owners	-	(5,177)	(5,177)
Profit for the year	-	4,264	4,264
Other comprehensive income			
Exchange differences arising on translating foreign operations	8	1	9
Total comprehensive income	8	4,265	4,272
Balance at 30 April 2022	35	7,041	8,060

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Company Statement of Changes in Equity
For The Year Ended 30 April 2022

	Called up share capital £000	Share premium £000	Capital redemption reserve £000
Balance at 1 May 2020	469	199	236
Issue of share capital	2	78	-
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the year	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2021	471	277	236
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the year	-	-	-
Total comprehensive income	-	-	-
Balance at 30 April 2022	471	277	236

	Retained earnings £000	Total £000
Balance at 1 May 2020	2,390	3,294
Issue of share capital	-	80
Dividends paid	(5,910)	(5,910)
Transactions with owners	(5,910)	(5,910)
Profit for the year	11,495	11,495
Total comprehensive income	11,495	11,495
Balance at 30 April 2021	7,975	8,959
Dividends paid	(5,177)	(5,177)
Transactions with owners	(5,177)	(5,177)
Profit for the year	4,270	4,270
Foreign exchange movement	8	8
Total comprehensive income	4,278	4,278
Balance at 30 April 2022	7,076	8,060

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Consolidated Statement of Cash Flows
For The Year Ended 30 April 2022

	Notes	2022 £000	2021 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		5,904	14,270
Tax paid		<u>(1,707)</u>	<u>(1,686)</u>
Net cash from operating activities		<u>4,197</u>	<u>12,584</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-	(84)
Purchase of property, plant and equipment		(18)	(67)
Interest received		<u>2</u>	<u>1</u>
Net cash from investing activities		<u>(16)</u>	<u>(150)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue		-	80
Equity dividends paid		<u>(5,177)</u>	<u>(5,910)</u>
Net cash from financing activities		<u>(5,177)</u>	<u>(5,830)</u>
(Decrease)/Increase in cash and cash equivalents		<u>(996)</u>	<u>6,604</u>
Cash and cash equivalents at beginning of year		<u>11,814</u>	<u>5,210</u>
Cash and cash equivalents at end of year	17	<u>10,818</u>	<u>11,814</u>

RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2022 £000	2021 £000
Profit before income tax	5,141	14,063
Depreciation charges	46	50
Amortisation charges	53	5
Exchange differences	8	-
Finance income	<u>(2)</u>	<u>(1)</u>
	<u>5,246</u>	<u>14,117</u>
Decrease in trade and other receivables	86	105
Increase in trade and other payables	<u>572</u>	<u>48</u>
Cash generated from operations	<u>5,904</u>	<u>14,270</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Company Statement of Cash Flows
For The Year Ended 30 April 2022

	Notes	2022 £000	2021 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		5,904	14,270
Tax paid		<u>(1,707)</u>	<u>(1,686)</u>
Net cash from operating activities		<u>4,197</u>	<u>12,584</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-	(84)
Purchase of property, plant and equipment		(18)	(67)
Interest received		<u>2</u>	<u>1</u>
Net cash from investing activities		<u>(16)</u>	<u>(150)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue		-	80
Equity dividends paid		<u>(5,177)</u>	<u>(5,910)</u>
Net cash from financing activities		<u>(5,177)</u>	<u>(5,830)</u>
(Decrease)/Increase in cash and cash equivalents		<u>(996)</u>	<u>6,604</u>
Cash and cash equivalents at beginning of year		<u>11,814</u>	<u>5,210</u>
Cash and cash equivalents at end of year	17	<u>10,818</u>	<u>11,814</u>

RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2022 £000	2021 £000
Profit before income tax	5,145	14,063
Depreciation charges	46	50
Amortisation charges	53	5
Exchange differences	8	-
Finance income	<u>(2)</u>	<u>(1)</u>
	5,250	14,117
Decrease in trade and other receivables	86	105
Increase in trade and other payables	<u>568</u>	<u>48</u>
Cash generated from operations	<u>5,904</u>	<u>14,270</u>

The notes form part of this Preliminary Announcement

BEST OF THE BEST PLC
Notes to the Preliminary Announcement
For The Year Ended 30 April 2022

1. GENERAL INFORMATION

The principal activity of the Company and the Group is to operate weekly competitions to win luxury cars and other prizes online.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretation Committee (“IFRIC”) Interpretations as issued by the International Accounting Standards Board and in conformity with the requirements of the Companies Act 2006 applicable to those companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements are presented in Pounds Sterling. All amounts, unless otherwise stated, have been rounded to the nearest thousand Pounds.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying those accounting policies. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in Note 4.

The Directors are satisfied that the Company and Group have 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.

2. PRINCIPAL ACCOUNTING POLICIES

2.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

At the date of authorisation of these financial statements, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
Annual improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction.	1 January 2023

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The Directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year, they become effective.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.2 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 those of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

2.3 REVENUE RECOGNITION

The Company and Group operate weekly competitions to win luxury cars and other prizes online. Revenue represents the value of tickets sold in respect of these competitions and is stated net of VAT, where applicable, and returns, rebates and discounts. Revenue in respect of weekly competitions is recognised on the date the result of those individual competitions is determined, being the point when all performance obligations have been fulfilled.

2.4 COST OF SALES

Cost of sales comprises principally of the cost of competition prizes, duties, rent and the associated costs of operating retail sites.

2.5 SEGMENT REPORTING

The accounting policy for identifying segments is based on internal management reporting information which is reviewed by the chief operating decision maker. The Company and Group are considered to have a single business segment, being the operation of weekly competitions to win luxury cars and other prizes.

2.6 RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research is recognised as an expense in the period in which it is incurred.

Development costs are capitalised when all of the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Company or Group intends to complete the intangible asset and use or sell it;
- The Company or Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Amongst other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.7 FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

The assets and liabilities in the financial statements of foreign subsidiaries are translated into the Parent Company's presentation currency at the rates of exchange ruling at the statement of financial position date. Income and expenses are translated at the actual rate on the date of the transaction. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are recognised in other comprehensive income and taken to the foreign exchange reserve in equity. On disposal of a foreign subsidiary, the cumulative translation differences are transferred to profit or loss as part of the gain or loss on disposal.

2.8 SHARE BASED PAYMENT

The Company and Group have applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Group 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.

2.9 PENSION CONTRIBUTIONS AND OTHER POST EMPLOYMENT BENEFITS

The Company operates a money purchase pension scheme for certain employees. The cost of the contributions is charged to the statement of comprehensive income as incurred.

2.10 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 substantively enacted by the statement of financial position 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 statement of comprehensive income as 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 the 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 the deferred tax asset is reviewed at each statement of financial position 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 statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.11 IMPAIRMENT

The carrying amounts of the Company's and the Group's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indicator exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

2.12 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company and Group present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Company and Group classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.13 INTANGIBLE ASSETS

Intangible assets are recognised at cost less any accumulated amortisation and impairment.

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Company or Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separate or when it arises from contractual or other legal rights.

The Company's and Group's intangible assets consist of its IT platform, infrastructure and website. The Directors have estimated the useful economic life of the assets to be three years and they are being amortised over that period on a straight line basis.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

Long leasehold property	- 1% on cost
Improvements to property	- 4% on cost
Display equipment	- At varying rates on cost
Fixtures and fittings	- At varying rates on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- At varying rates on cost

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful economic lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.15 INVESTMENTS

Investments in subsidiaries and unlisted investments are recorded at cost less any provision for permanent diminution in value.

2.16 LEASES

The cost of leases of low value items and those with a term of less than one year at inception are recognised as incurred.

2.17 PROVISIONS

Provisions are liabilities where the exact timing or amount of the obligation is uncertain. Provisions are recognised when the Company or Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the time value of money is material, provisions are discounted to current values using appropriate rates of interest. The unwinding of the discounts is recorded in net finance income or expense.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.18 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the Company's and Group's statement of financial position when the Company and Group becomes a party to the contractual provisions of the instrument. The Company's and Group's financial instruments comprise cash, trade and other receivables and trade and other payables.

Trade and other receivables

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses. Provisions against trade and other receivables are made when there is objective evidence that the Company and Group will not be able to collect all amounts due to them in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

The Company and Group manage short-term liquidity through the holding of cash and highly liquid interest-bearing deposits. Only deposits that are readily convertible into cash with maturities of three months or less from inception, with no penalty of lost interest, are shown as cash and cash equivalents.

Trade payables

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company and Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

2.19 EQUITY

Equity comprises the following:

- Called up share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of consideration received from the equity shares, net of expenses of the share issue;
- Capital redemption reserve represents the value of the re-purchase by the Company of its own share capital;
- Foreign exchange reserve represents accumulated exchange differences from the translation of subsidiaries with a functional currency other than Sterling; and
- Retained earnings represent accumulated profits and losses from incorporation and any credit arising under share-based payments

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

3. CAPITAL MANAGEMENT

The Company defines capital as the total equity of the Company. The objective of the Company's capital management is to ensure that it makes the maximum use of its capital to support its business and to maximise shareholder value. There are no external constraints on the Company's capital.

4. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

The Company and Group make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual expenditure may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

The Company and Group are required to consider assets for impairment where such indicators exist, using value in use calculations or fair value estimates. The use of these methods may require the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary.

Useful lives of property, plant and equipment and intangible assets

Property, plant and equipment are depreciated, and intangible assets are amortised over their useful lives. Useful lives are based on management's estimates, which are periodically reviewed for continued appropriateness. Changes to estimates can result in variations in the carrying values and amounts charged to the statement of comprehensive income in specific periods.

5. SEGMENTAL REPORTING

For management purposes, the Company and Group are considered to have one single business segment, being the operation of weekly competitions to win luxury cars and other prizes. The Group comprises Best of the Best PLC and its subsidiary company BOTB Ireland Limited. BOTB Ireland Limited generated no sales during either the current or prior year and it holds few assets and is expected to have very little trading activity going forward. The two companies do not transact with each other. Further segment information is therefore not presented in these financial statements.

Sales from UK activities totalled £31,422,000 (2021: £41,499,000) whilst sales from non-UK activities totalled £3,260,000 (2021: £4,182,000).

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

6. EMPLOYEES AND DIRECTORS

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Wages and salaries	2,267	1,941	2,267	1,941
Social security costs	262	241	262	241
Other pension costs	22	16	22	16
	<u>2,551</u>	<u>2,198</u>	<u>2,551</u>	<u>2,198</u>

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

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Sales	9	9	9	9
Administration	9	10	9	10
Management	4	2	4	2
	<u>22</u>	<u>21</u>	<u>22</u>	<u>21</u>
			<i>2022</i>	<i>2021</i>
			<i>£000</i>	<i>£000</i>
Directors' remuneration			<u>819</u>	<u>613</u>

The number of Directors to whom retirement benefits were accruing was as follows:

	<i>2022</i>	<i>2021</i>
	<i>Number</i>	<i>Number</i>
Money purchase schemes	<u>3</u>	<u>3</u>

The Directors consider themselves to be the only key management personnel. As such, a separate analysis of remuneration paid to key management personnel has not been presented.

Information regarding the highest paid Director is as follows:

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Emoluments	<u>338</u>	<u>277</u>

7. FINANCE INCOME

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Finance income:		
Deposit account interest	<u>2</u>	<u>1</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

8. PROFIT BEFORE INCOME TAX

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

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Depreciation and impairment of property, plant and equipment	46	50
Amortisation of intangible assets	53	5
Foreign exchange losses	8	1
Auditor's remuneration		
Audit fees	40	36
Taxation services	3	3
Other	10	18
	<u>877</u>	<u>2,569</u>

9. INCOME TAX

Analysis of tax expense

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Current tax:		
Current year charge	865	2,552
Total current tax	<u>865</u>	<u>2,552</u>
Deferred tax		
Origination and reversal of temporary timing differences	12	17
Total deferred tax	<u>12</u>	<u>17</u>
Total tax charge for the year	<u>877</u>	<u>2,569</u>

Factors affecting the tax expense

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

	<i>2022</i>	<i>2021</i>
	<i>£</i>	<i>£</i>
Profit on ordinary activities before income tax	<u>5,141</u>	<u>14,063</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	977	2,672
Effects of:		
Other timing differences	24	(1)
Research and development enhanced deduction	(124)	(102)
Tax expense	<u>877</u>	<u>2,569</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

10. PROFIT OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The parent Company's profit for the financial year was £4,270,000 (2021: £11,494,000).

11. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares outstanding during the year, adjusted to assume the exercise of all dilutive potential ordinary shares under the Company's share option plans.

	<i>2022</i>	<i>2021</i>
Profit for the year and basic and diluted earnings attributable to the owners of the parent - £000	<u>4,264</u>	<u>11,494</u>
Weighted average number of ordinary shares - number	9,412,901	9,381,253
Basic earnings per share - pence	<u>45.30p</u>	<u>122.52p</u>
Adjusted weighted average number of ordinary shares - number	9,532,901	9,435,186
Diluted earnings per share - pence	44.37p	121.82p

12. DIVIDENDS

A Special Dividend of 50.0 pence per ordinary share was paid on 2 July 2021 to shareholders on the register at the close of business on 1 July 2021.

A final dividend of 5.0 pence per ordinary share for the full year ending 30 April 2021 was paid on 01 October 2021 to shareholders on the register at 17 September 2021.

13. INTANGIBLE ASSETS – GROUP AND COMPANY

	<i>Development costs</i> <i>£000</i>
COST	
At 1 May 2021	<u>475</u>
At 30 April 2022	<u>475</u>
AMORTISATION	
At 1 May 2021	315
Charge for year	<u>53</u>
At 30 April 2022	<u>368</u>
NET BOOK VALUE	
2022	<u>107</u>
2021	<u>160</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

13. INTANGIBLE ASSETS – GROUP AND COMPANY (continued)

	<i>Development costs</i> <i>£000</i>
COST	
At 1 May 2020	391
Additions	84
At 30 April 2021	<u>475</u>
 AMORTISATION	
At 1 May 2020	310
Charge for year	5
At 30 April 2021	<u>315</u>
 NET BOOK VALUE	
2021	<u>160</u>
2020	<u>81</u>

14. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

	<i>Long leasehold</i> <i>£000</i>	<i>Improvements to property</i> <i>£000</i>	<i>Display equipment</i> <i>£000</i>
COST			
At 1 May 2021	<u>954</u>	<u>55</u>	<u>103</u>
At 30 April 2022	<u>954</u>	<u>55</u>	<u>103</u>
 DEPRECIATION AND IMPAIRMENT			
At 1 May 2021	18	5	77
Charge for the year	4	-	-
At 30 April 2022	<u>22</u>	<u>5</u>	<u>77</u>
 NET BOOK VALUE			
2022	<u>932</u>	<u>50</u>	<u>26</u>
2021	<u>936</u>	<u>50</u>	<u>26</u>
	<i>Motor vehicles</i> <i>£000</i>	<i>Computer equipment</i> <i>£000</i>	<i>Total</i> <i>£000</i>
COST			
At 1 May 2021	155	184	1,451
Additions	-	18	18
At 30 April 2022	<u>155</u>	<u>202</u>	<u>1,469</u>
 DEPRECIATION AND IMPAIRMENT			
At 1 May 2021	92	156	348
Charge for the year	16	26	46
At 30 April 2022	<u>108</u>	<u>182</u>	<u>394</u>
 NET BOOK VALUE			
2022	<u>47</u>	<u>20</u>	<u>1,075</u>
2021	<u>63</u>	<u>28</u>	<u>1,103</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

14. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (continued)

	<i>Long leasehold £000</i>	<i>Improvements to property £000</i>	<i>Display equipment £000</i>
COST			
At 1 May 2020	954	26	103
Additions	-	29	-
At 30 April 2021	<u>954</u>	<u>55</u>	<u>103</u>
DEPRECIATION AND IMPAIRMENT			
At 1 May 2020	14	4	77
Charge for the year	4	1	-
At 30 April 2021	<u>18</u>	<u>5</u>	<u>77</u>
NET BOOK VALUE			
2021	<u>936</u>	<u>50</u>	<u>26</u>
2020	<u>940</u>	<u>22</u>	<u>26</u>
	<i>Motor vehicles £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
COST			
At 1 May 2020	155	147	1,385
Additions	-	37	66
Disposals	155	184	1,451
At 30 April 2021	<u>155</u>	<u>184</u>	<u>1,451</u>
DEPRECIATION AND IMPAIRMENT			
At 1 May 2020	71	133	299
Charge for the year	21	24	50
At 30 April 2021	<u>92</u>	<u>156</u>	<u>348</u>
NET BOOK VALUE			
2021	<u>63</u>	<u>28</u>	<u>1,103</u>
2020	<u>84</u>	<u>14</u>	<u>1,086</u>

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

15. INVESTMENTS

Group

	<i>Unlisted investments £000</i>
COST	
At 1 May 2021 and 30 April 2022	70
IMPAIRMENT	
At 1 May 2021 and 30 April 2022	70
NET BOOK VALUE	
At 1 May 2021 and 30 April 2022	-

Unlisted investments relate to the cost of acquiring options in another company.

Company

	<i>Shares in group undertakings £000</i>	<i>Unlisted investments £000</i>	<i>Total £000</i>
COST			
At 1 May 2021 and 30 April 2022	-	70	70
IMPAIRMENT			
At 1 May 2021 and 30 April 2022	-	70	70
NET BOOK VALUE			
At 1 May 2021 and 30 April 2022	-	-	-

Shares in Group undertakings comprise of the following subsidiary company:

<i>Name of company</i>	<i>Nature of business</i>	<i>% holding</i>	<i>Country of incorporation</i>
BOTB Ireland Limited	Competition operator	100	Republic of Ireland

BOTB Ireland Limited registered office is Suite 3 One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland

16. TRADE AND OTHER RECEIVABLES – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2022 £000</i>	<i>2021 £000</i>	<i>2022 £000</i>	<i>2021 £000</i>
Trade receivables	13	3	13	3
Other receivables	46	37	46	37
Prepayments and accrued income	125	231	125	231
	184	271	184	271

The fair value of trade and other receivables approximates to their carrying values.

BEST OF THE BEST PLC
Notes to the Preliminary Announcement (continued)
For The Year Ended 30 April 2022

17. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Bank accounts	10,817	11,812	10,817	11,812
Cash in hand	1	2	1	2
	<u>10,818</u>	<u>11,814</u>	<u>10,818</u>	<u>11,814</u>

18. CALLED UP SHARE CAPITAL – COMPANY

Allotted, issued and fully paid	<i>2022</i>		<i>2021</i>	
	<i>Number</i>	<i>Number</i>	<i>£000</i>	<i>£000</i>
<i>Ordinary shares of 5 pence each</i>				
At the start of the year	9,412,901	9,377,253	471	469
Shares allotted during the year	-	35,648	-	2
At the end of the year	<u>9,412,901</u>	<u>9,412,901</u>	<u>471</u>	<u>471</u>

19. TRADE AND OTHER PAYABLES – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade creditors	309	286	309	286
Amounts owed to Group undertakings	-	-	-	5
Social security and other taxes	978	638	978	638
Other creditors	2,456	1,709	2,456	1,709
Contract liability balances	353	416	353	416
Pension creditor	4	4	4	4
	<u>4,100</u>	<u>3,053</u>	<u>4,100</u>	<u>3,058</u>

20. DEFERRED TAX – GROUP AND COMPANY

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Asset/(Liability) at 1 May	(14)	3	(14)	3
Movement in the year	(10)	(17)	(10)	(17)
Liability at 30 April	<u>(24)</u>	<u>(14)</u>	<u>(24)</u>	<u>(14)</u>

Deferred tax liabilities and assets have been recognised in respect of accelerated capital allowances giving rise to deferred tax liabilities and assets where the Directors believe that it is probable that these liabilities will fall due and assets will be recovered.

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21. SHARE BASED PAYMENT – GROUP AND COMPANY

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

<i>Grant date</i>	<i>Outstanding at 1 May 2021</i>	<i>Granted</i>	<i>Exercised</i>	<i>Forfeited</i>	<i>Outstanding at 30 April 2022</i>	<i>Expiry date</i>	<i>Exercise price</i>
19-12-2017	9,352		-	-	9,352	19-12-2027	2.25
28-02-2020	85,000		-	-	85,000	28-02-2030	3.85
19-07-2020	10,000		-	-	10,000	19-07-2030	16.00
19-09-2020	5,000		-	-	5,000	19-09-2030	18.00
23-11-2022	-	84,000	-	-	84,000	23-11-2032	7.10

The Company and Group operate a share option scheme for certain Directors and employees. Options are exercisable at a price defined by the individual option agreements. The vesting period on each option is 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 Group before the options vest, however, this is at the discretion of the Board.

Details of the share options and the weighted average exercise price ('WAEP') outstanding during the year are as follows:

	<i>2022 Number</i>	<i>2022 WAEP</i>	<i>2021 Number</i>	<i>2021 WAEP</i>
Outstanding at the beginning of year	109,352	547.00	130,000	330.00
Granted during the year	84,000	710.00	15,000	1666.67
Exercised during the year	-	-	(30,648)	225.00
Lapsed during the year	-	-	(5,000)	225.00
Outstanding at the end of the year	<u>193,352</u>	<u>617.00</u>	<u>109,352</u>	<u>547.00</u>
Exercisable at the end of the year	<u>9,352</u>	<u>225.00</u>	<u>9,352</u>	<u>225.00</u>

The weighted average remaining contractual life of share options outstanding as at 30 April 2022 was 8 years and 4 months (2021: 8 years and 8 months).

No amount has been recognised in these financial statements in respect of share option charges as the amount would be insignificant (2021: £Nil).

22. LEASES – GROUP AND COMPANY

The amounts recognised in the Consolidated Statement of Comprehensive Income was as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2022 £000</i>	<i>2021 £000</i>	<i>2022 £000</i>	<i>2021 £000</i>
Expenses related to short term leases	-	10	-	10

During the prior year the retail site lease was exited. This was treated as a short-term lease and expensed

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23. LEASES – GROUP AND COMPANY (continued)

The amount recognised in the Consolidated and Company Statement of Cash Flows was as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cash flows from operating activities	-	10	-	10

24. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – GROUP AND COMPANY

The principal financial assets of the Group are bank balances. The Group's principal financial liabilities are trade and other payables. The main purpose of these financial instruments is to generate sufficient working capital for the Group to continue its operations. The Group's financial assets and liabilities are all measured at amortised cost and so no fair value disclosures are required.

Credit risk

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the statement of financial position date, as summarised below. Management considers that the Group is exposed to little credit risk arising on its receivables due to the value of those receivables. The credit risk on cash balances is limited because the third parties are banks with high credit ratings assigned by international credit rating agencies.

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
Financial assets classified as loans and receivables – carrying amounts:		
Trade receivables	13	3
Other receivables	171	37
Cash and cash equivalents	<u>10,818</u>	<u>11,415</u>
	<u>11,002</u>	<u>11,455</u>

Liquidity risk

The Group's funding strategy is to generate sufficient working capital to settle liabilities as they fall due and to ensure sufficient financial resource is in place to support management's long-term growth plans.

The Group's financial liabilities have contractual maturities as follows:

	<i>2022</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>
	<i>Up to 1</i>	<i>Up to 1</i>
	<i>year</i>	<i>year</i>
Financial liabilities– carrying amounts		
Trade and other payables	<u>3,747</u>	<u>2,636</u>
	<u>3,747</u>	<u>2,636</u>