

**Report of the Directors and
Consolidated Financial Statements
For The Year Ended 30th April 2012
for
BEST OF THE BEST PLC**

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BEST OF THE BEST PLC
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For The Year Ended 30th April 2012

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BEST OF THE BEST PLC
Company Information
For The Year Ended 30th April 2012

DIRECTORS:	W S Hindmarch R C E Garton M W Hindmarch C Hargrave
SECRETARY:	Prism Cosec Limited
REGISTERED OFFICE:	Unit 2 Plato Place 72/74 St Dionis Rd London SW6 4TU
REGISTERED NUMBER:	03755182
AUDITORS:	Wilkins Kennedy LLP Chartered Accountants & Statutory Auditor Bridge House London Bridge London SE1 9QR
BANKERS:	Natwest Bank 2nd Floor 180 Brompton Road London SW3 1HL
NOMINATED ADVISORS:	Charles Stanley Securities 131 Finsbury Pavement London EC2A 1NT
SOLICITORS:	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES

BEST OF THE BEST PLC
Financial Highlights
For The Year Ended 30th April 2012

Key points

- Revenue from continuing operations increased 18 per cent to £5 60m (2011 £4 74m)
- Loss before tax from continuing operations £0 18m (2011 profit £0 07m)
- Current cash balance of £1 10m and Net Assets of £2 74m
- 5 Shopping centre sites opened
- 6 airport sites refurbished with a flexible, smaller format with encouraging results
- David Coulthard (13 times F1 winner) hired as brand ambassador
- Successful changes to competition structures with further enhancements planned
- Tender Offer completed in November 2011, resulting in £1 18m being returned to shareholders

William Hindmarch, Chief Executive, said

‘In light of the significant impact the business faced with the loss of its Heathrow sites, and the consequent impact on customer acquisitions for the online business, I am pleased with the progress we have made. During the second half of the financial year the Company traded close to breakeven and we are now taking further positive steps to restore profitability.

During the period we opened 5 new shopping centres sites and refitted six of our airport terminals. David Coulthard, (13 times F1 winner) has been contracted as a brand ambassador to promote the Company and together, these have contributed to an 18 per cent increase in turnover. The online business is benefitting from changes made to competition structures, categories and variants, resulting in a larger and much more active player base than 12 months ago.

Following the tender offer in November 2011 the balance sheet remains strong with a cash balance in excess of £1 1m. We are optimistic about the future prospects of the Company and look forward to updating shareholders in due course’

BEST OF THE BEST PLC
Chief Executive's Statement
For The Year Ended 30th April 2012

Chief Executive's Statement

In light of the significant impact the business faced with the loss of its Heathrow sites, I am pleased with the progress we have made to date. During the second half of the financial year the Company traded close to breakeven and we are now taking further positive steps to restore profitability.

The airport business has traded steadily throughout the year, despite the tough economic climate, and has been bolstered by the addition of 5 shopping centre sites. Offline sales for continuing operations increased by 27 per cent compared to the prior period and we are encouraged by the diversification of these revenues, with shopping centres now accounting for some 20 per cent of the total from physical sites.

The online business which accounted for some 34 per cent of total revenues in the period is benefitting from the changes we have made to competition structures, categories and variants, resulting in a larger and much more active player base. Our website and gameplay have recently been updated to support mobile devices and we have already begun to see the benefits – a trend we expect to accelerate.

Results

Revenue from continuing operations for the twelve months ended 30th April 2012 increased by 18 per cent to £5.60m (2011: £4.74m). The Company recorded a loss before tax from continuing operations for the period of £0.18m (2011 profit: £0.07m).

Following the Tender Offer and subsequent repurchase of shares in November 2011 (resulting in £1.18m being returned to shareholders), cash balances have reduced but currently remain in excess of £1.10m (2011: £2.74m).

Our net assets stood at £2.76m (2011: £4.28m), which principally comprise cash, our stock of cars on display which are held at net realisable value of £0.93m, and our 997 year leasehold office property valued at £0.46m.

Dividend

The Board is recommending a final dividend of 0.8 pence per share for the full year ending 30th April 2012, subject to shareholder approval at the AGM on 20th September 2012. The final dividend will be paid on 15th October to shareholders on the register on 21st September 2012.

Business at physical locations

The Company is currently trading from 10 airport sites, and five sites in shopping centres. Airport locations include Gatwick North and South, Stansted, Luton, Birmingham, Manchester Terminals 1 and 2, Edinburgh, Copenhagen and Dublin's Terminal 2. Shopping centre locations include Westfield Shepherds Bush, Westfield Stratford, Westfield Derby, Lakeside and Bluewater.

The airport locations have traded steadily throughout the year, despite the tough economic climate, and have benefitted from the programme of site refurbishment that has been undertaken during the period. Six sites have now been refurbished using a smaller, cleaner and more flexible format which has been well received by both airport operators and customers. Furthermore, we have been able to exhibit significantly increased sales per square foot, which is a key metric for airport operators.

The shopping centres have performed in line with expectations, with the best locations generating revenues similar to an average airport, despite the much shorter trading day. We continue to monitor their performance and to evaluate the possibility of opening further locations in the future.

BEST OF THE BEST PLC
Chief Executive's Statement
For The Year Ended 30th April 2012

Online Business

Online sales accounted for 34 per cent of total revenue in the period and were up 4.3 per cent compared to the same period last year. Whilst only showing a modest increase on prior year, we believe this is a worthy result, given the substantial loss of customer registrations, and therefore online players, from the BAA Heathrow sites.

As previously reported, we made significant changes nine months ago to the pricing structure of the principal supercar competition, to help improve customer acquisition at physical sites, and increase online conversion rates. There was a concern that in the short term the effect of lower average order values could actually erode revenues. I am, however, pleased to say that this has not occurred, and that average order values have stabilized, whilst the number of online transactions we are processing is up 55.0 per cent compared to the same period in the prior year.

David Coulthard, (13 times F1 winner) has been contracted as a brand ambassador to promote the Company both at the physical sites and online, where we anticipate his association can strengthen the credibility of our brand and help attract and educate new customers.

We are also working on a major product initiative for release later in the year through which customers will be able to enter the main car competition from as little as £2 and will be able to choose from a range of circa 130 premium cars – employing the concept that you can almost ‘Win any Car’. This strategy has been led by customer feedback that has suggested there is increasingly an appetite for more accessible competitions, with a wider range of prices, a more regular cycle, and with the ability to enter quickly and easily from mobile devices.

Our website and gameplay have recently been updated to support mobile devices and we have already begun to see the benefits – a trend we expect to accelerate. A beta version of our first app for iOS was accepted into the Apple App Store, and will be developed over the coming months in conjunction with the ‘Win any Car’ concept.

We have made excellent progress with our social marketing, and this will form a key cornerstone of our online marketing in the current year. We have identified great opportunities to integrate our new ‘customer led’ competitions with social media and will be allocating resources accordingly.

Outlook

The past financial year has been a difficult one for the Company, as we have adjusted to loss of BAA contracts (which represented 48 per cent of our income from physical sites). However, we have made significant steps in returning the business to profitability, through a combination of reducing overheads, restructuring competitions, introducing new products, opening new outlets and acquiring new customers online.

Following the tender offer in November 2011, the balance sheet remains strong with a cash balance in excess of £110m, and having stabilised the core business, we are looking forward to the year ahead with some exciting future developments, especially online.

I look forward to updating shareholders in due course.

William Hindmarch
Chief Executive
25th June 2012

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2012

The Directors present their report with the financial statements of the Company and the Group for the year ended 30th April 2012

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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 loss for the period after taxation of £0.12m (2011 profit of £0.06m)

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

DIVIDENDS

During the year, the Company paid a dividend equating to 1.2 pence per share as recommended in the accounts to 30th April 2011

The Board is recommending a final dividend payment of 0.8 pence per share for the full year ended 30th April 2012 subject to shareholder approval at the AGM on the 20th September 2012. A final dividend is covered (0.60) times by earnings per share and will be paid on 15th October to shareholders on the register on 21st September 2012.

The total distribution of dividends for the year ended 30th April 2012 will be £74,977

DIRECTORS

The Directors shown below have held office during the whole of the period from 1st May 2011 to the date of this report

W S Hindmarch
R C E Garton
M W Hindmarch
C Hargrave

The beneficial interests of the Directors holding office on 30th April 2012 in the issued share capital of the Company were as follows

	<i>30th April 2012</i>	<i>30th April 2011</i>
Ordinary 5p shares		
W S Hindmarch	4,980,268	5,950,000
R C E Garton	623,449	455,619
M W Hindmarch	920,575	1,108,367
C Hargrave	12,626	15,151

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2012

DIRECTORS (CONTINUED)

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>Outstanding at beginning of year</i>	<i>Granted</i>	<i>Forfeited</i>	<i>Exercised in year</i>	<i>Outstanding 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	01-08-2007	07-08-2016
R C E Garton	63,492	–	–	63,492	–	0 05	19-07-2007	18-07-2017
R C E Garton	400,000	–	400 000	–	–	0 595	20-09-2010	19-09-2017
R C E Garton	74,528	–	74,528	–	–	0 315	17-07-2008	16-07-2018
R C E Garton	75,472	–	–	75,472	–	0 05	17-07-2011	16-07-2018
R C E Garton	180,000	–	180,000	–	–	0 315	08-04-2012	07-07-2019
R C E Garton	–	500 000	–	–	500,000	0 225	30-04-2015	29-04-2022
C Hargrave	50,000	–	50,000	–	–	0 315	17-07-2011	16-07-2018
C Hargrave	20,000	–	20,000	–	–	0 375	10-11-2012	09-11-2019
C Hargrave	–	90,000	–	–	90 000	0 225	30-04-2015	29-04-2022

At the 30th April 2012 the market price of the Company's shares was £0 225 (2011 £0 185) The maximum share price during the year was £0 325 (2011 £0 345) and the minimum price was £0 16 (2011 £0 15)

There were 266,146 share options exercised and 724,528 share options forfeited by the Directors during the year with a further 590,000 granted and outstanding as at 30th April 2012 Share options have been granted on both an approved and unapproved basis

GROUP'S POLICY ON PAYMENT OF CREDITORS

The Group 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 2012 were 30 days (2011 28 days)

FINANCIAL RISK MANAGEMENT

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

Liquidity Risk

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

Interest rate cash flow risk

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

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2012

POLITICAL AND CHARITABLE CONTRIBUTIONS

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

<i>Donee</i>	<i>Contribution £</i>
Sparks	250 00
Children with Cancer	500 00
Children in Need	500 00
The SMA Trust	500 00
Motivation	500 00
Leukemia Research Foundation	1,500 00
Brainwave	500 00

SHARE CAPITAL

In the previous period 1,750,000 shares were cancelled

During this year, share options were exercised resulting in a further 312,765 ordinary shares being issued 1,874,419 Ordinary Shares purchased under the Repurchase Agreement were cancelled, combined with 34,500 Ordinary Shares that were previously held in Treasury

SUBSTANTIAL SHAREHOLDERS

As at 25th June 2012 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 2006, of any further such interests

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
Stancroft Trust Limited	782,647	8.35%
Rock Nominees Limited	550,155	5.87%
Octopus Investments Nominees	360,151	3.84%
Pershing Nominees Limited	351,518	3.75%

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and 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 by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group 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 accounting 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

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30th April 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group 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 418 of the Companies Act 2006) of which the Group'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 Group's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



W S Hindmarch
Director
25th June 2012



BEST OF THE BEST PLC
Corporate Governance Report
For The Year Ended 30th April 2012

PRINCIPLES OF CORPORATE GOVERNANCE

The policy of the Board is to manage the affairs of the Company in accordance with the principles underlying the UK Corporate Governance Code

The Board of Directors is accountable to shareholders for the good corporate performance of the Group. The principles of Corporate Governance and a code of best practice are set out in the UK Corporate Governance Code. Under the rules of the AIM, the Group is not required to comply in full with the code nor to state whether it derogates from it. The Board considers that full compliance with the Code is not appropriate at this stage. This statement sets out how the principles of the Code have been applied having regard to the size and nature of the Company.

BOARD STRUCTURE

The Chief Executive of the Company is William Hindmarch. He is heavily involved in the day to day running of the Group. In total the Board comprises a Chief Executive, one further Executive Director and two Non-Executive Directors, Colin Hargrave and Michael Hindmarch. Colin Hargrave 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 Group.

There are certain matters specifically reserved to the Board for its decision. Board meetings are held on a regular basis and effectively no decision of any consequence is made other than by the Board. 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 Group. A statement of Directors' responsibilities in respect of the accounts is set out on page 7. 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.

All Directors have access to the Company Secretary. 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 38 – 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 10 years.

Rupert Garton, Age 37 – 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.

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

BEST OF THE BEST PLC
Corporate Governance Report (continued)
For The Year Ended 30th April 2012

BOARD STRUCTURE (CONTINUED)

Michael Hindmarch DL, Age 73 – 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 companies. Michael served as High Sheriff of Essex 2010/2011 and is a Deputy Lieutenant of the County.

Colin Hargrave, Aged 59 – Non-Executive Director

Colin has spent all his working life in the retail, leisure and travel industries having started his career with the Burton Group. From 1991 to 1997 Colin worked for the Early Learning Centre, a division of John Menzies plc. Reporting to the CEO as International Development Manager he was responsible for expanding ELC into 13 new overseas markets through franchising, joint ventures and wholesaling.

From 1997 until he left in 2008 he worked for BAA Plc, more recently taken into private ownership. His role prior to leaving was Managing Director of UK Retail where he was responsible for sales in excess of £2.3 billion and a profit contribution of circa £650m from the seven UK airports BAA owned.

The Board has established the following committees, which have written terms of reference, to deal with specific aspects of the Company's affairs:

AUDIT COMMITTEE

The audit committee comprises of Colin Hargrave (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 nature and scope of the audit with the external auditors,
- the interim and 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.

REMUNERATION COMMITTEE

The remuneration committee comprising of Michael Hindmarch (Chairman of the committee) and Colin Hargrave 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 Executive Directors. The report on Directors' remuneration is set out on pages 12 and 13.

BEST OF THE BEST PLC
Corporate Governance Report (continued)
For The Year Ended 30th April 2012

NOMINATION COMMITTEE

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

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 Group 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 Group
- Investment appraisal – The Group 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, 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 2012. Notice of the Annual General Meeting is set out in the back of this document.

GOING CONCERN

The Directors confirm that they are satisfied that the Company and Group 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
Directors' Remuneration Report
For The Year Ended 30th April 2012

REMUNERATION COMMITTEE

The Company has a remuneration committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee are Michael Hindmarch (Chairman of the Committee) and Colin Hargrave.

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 Group's position as a market leader and to reward them for enhancing value to the shareholder.

REMUNERATION POLICY

SHARE OPTIONS

Certain 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 schemes is to incentivise and retain the Directors and key 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 2012, two of the Directors, Rupert Garton and Colin Hargrave, held options. Details and conditions of these options are detailed on page 6.

PENSION ARRANGEMENTS

A reserve has been made during the year to 30th April 2012 based upon the ability of Executive Directors to benefit from pension contributions as detailed in their contracts. It is the intention of the Directors to commence payment into a Defined Contribution Self Invested Pension Plan in the near future.

During the year, the Company provided £2,000 (2011: £12,000) in respect of Executive Director pension payments. At the year end, £nil (2011: £nil) was outstanding and owing to the scheme.

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 engaged on renewable fixed term contracts not exceeding one year.

BEST OF THE BEST PLC
Directors' Remuneration Report (continued)
For The Year Ended 30th April 2012

DIRECTORS' EMOLUMENTS

	<i>Benefits in Kind</i>	<i>Salary</i>	<i>Bonus</i>	<i>Pension</i>	<i>Fees paid to Third parties</i>	<i>30th April 2012 Total</i>	<i>30th April 2011 Total</i>
	£	£	£	£	£	£	£
Rupert Garton	19 846	108 667	–	1 000	–	129 513	175 681
William Hindmarch	18,417	107,720	–	1,000	–	127 137	187 772
Michael Hindmarch	–	–	–	–	12 000	12,000	11,000
Colin Hargrave	5 060	19 200	–	–	–	24,260	23,367

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. There were 266,146 share options exercised and 724,528 share options forfeited by the Directors during the year with a further 590,000 granted and outstanding as at 30th April 2012. Share options have been granted on both an approved and unapproved basis.

APPROVAL

The report was approved by the Board of Directors and authorised for issue on 25th June 2012 and signed on its behalf by




M W Hindmarch
Chairman

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

We have audited the financial statements of Best of the Best Plc for the year ended 30th April 2012 on pages 16 to 37. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on pages 7 and 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Financial Highlights, the Chief Executive's Statement and the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30th April 2012 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BEST OF THE BEST PLC**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Parent Company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Norton (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Chartered Accountants
& Statutory Auditor
Bridge House
London Bridge
London
SE1 9QR

25 June 2012

BEST OF THE BEST PLC
Consolidated Income Statement
For The Year Ended 30th April 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
CONTINUING OPERATIONS			
Revenue	2	5,598,632	4,737,356
Cost of sales		<u>(2,248,721)</u>	<u>(1,922,593)</u>
GROSS PROFIT		3,349,911	2,814,763
Administrative expenses		<u>(3,566,048)</u>	<u>(2,765,540)</u>
OPERATING (LOSS)/PROFIT		(216,137)	49,223
Finance income	5	<u>32,055</u>	<u>24,710</u>
(LOSS)/PROFIT BEFORE INCOME TAX	6	(184,082)	73,933
Income tax	7	<u>60,020</u>	<u>(17,294)</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(124,062)</u>	<u>56,639</u>
Profit for the year on discontinued operations	4	–	75,637
(Loss)/profit attributable to Owners of the Parent		<u>(124,062)</u>	<u>132,276</u>
Loss on earnings per share expressed in pence per share	10		
Basic		(1 17)	1 13
Diluted		<u>(1 17)</u>	<u>1 11</u>
Discontinued operations	10		
Basic		–	0 65
Diluted		<u>–</u>	<u>0 63</u>

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

The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Comprehensive Income
For The Year Ended 30th April 2012

	<i>Notes</i>	<i>2012</i>	<i>2011</i>
		<i>£</i>	<i>£</i>
(LOSS)/PROFIT FOR THE YEAR		(124,062)	132 278
OTHER COMPREHENSIVE INCOME			
Share repurchase agreement		(1,278,908)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,402,970)</u>	<u>132,278</u>
 Total comprehensive income attributable to Owners of the Parent		 <u>(1,402,970)</u>	 <u>132,278</u>

The notes form part of these financial statements


BEST OF THE BEST PLC
Consolidated Statement of Financial Position
For The Year Ended 30th April 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	950,101	832,504
Investments	12	–	–
Deferred tax	19	108,701	124,441
		<u>1,058,802</u>	<u>956,945</u>
CURRENT ASSETS			
Inventories	13	932,647	1,274,965
Trade and other receivables	14	293,690	170,686
Cash and cash equivalents	15	1,103,578	2,744,025
		<u>2,329,915</u>	<u>4,189,676</u>
TOTAL ASSETS		<u>3,388,717</u>	<u>5,146,621</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	468,602	548,413
Share premium	17	1,782,622	1,782,622
Capital redemption reserve	17	182,949	87,500
Other reserves	17	147,810	147,810
Retained earnings	17	180,812	1,715,404
TOTAL EQUITY		<u>2,762,795</u>	<u>4,281,749</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	704,900	699,889
Tax payable		(78,978)	164,983
		<u>625,922</u>	<u>864,872</u>
TOTAL LIABILITIES		<u>625,922</u>	<u>864,872</u>
TOTAL EQUITY AND LIABILITIES		<u>3,388,717</u>	<u>5,146,621</u>

The financial statements were approved by the Board of Directors on 25th June 2012 and were signed on its behalf by



W S Hindmarch
Director



The notes form part of these financial statements


BEST OF THE BEST PLC
Company Statement of Financial Position
For The Year Ended 30th April 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	950,101	832,502
Investments	12	12,585	12,585
Deferred tax	19	108,701	124,441
		<u>1,071,387</u>	<u>969,528</u>
CURRENT ASSETS			
Inventories	13	932,647	1,274,965
Trade and other receivables	14	218,271	218,269
Cash and cash equivalents	15	995,784	2,628,131
		<u>2,146,702</u>	<u>4,121,365</u>
TOTAL ASSETS		<u>3,218,089</u>	<u>5,090,893</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	468,602	548,413
Share premium	17	1,782,622	1,782,622
Capital redemption reserve	17	182,949	87,500
Other reserves	17	147,810	147,810
Retained earnings	17	17,062	1,715,326
TOTAL EQUITY		<u>2,599,045</u>	<u>4,281,671</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	728,303	646,525
Tax payable		(109,259)	162,697
		<u>619,044</u>	<u>809,222</u>
TOTAL LIABILITIES		<u>619,044</u>	<u>809,222</u>
TOTAL EQUITY AND LIABILITIES		<u>3,218,089</u>	<u>5,090,893</u>

The financial statements were approved by the Board of Directors on 25th June 2012 and were signed on its behalf by



W S Hindmarch
Director



The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Changes in Equity
For The Year Ended 30th April 2012

	<i>Called up share capital £</i>	<i>Profit and loss account £</i>	<i>Share premium £</i>
Balance at 1st May 2010	635,913	1,714,744	1,782,622
Changes in equity			
Redemption of share capital	(87,500)	–	–
Dividends	–	(131,618)	–
Total comprehensive income	–	132,278	–
Balance at 30th April 2011	<u>548,413</u>	<u>1,715,404</u>	<u>1,782,622</u>
Changes in equity			
Issue of share capital	15,635	–	–
Redemption of share capital	(95,446)	–	–
Dividends	–	(131,619)	–
Total comprehensive income	–	(1,402,973)	–
Balance at 30th April 2012	<u>468,602</u>	<u>180,812</u>	<u>1,782,622</u>

	<i>Capital redemption reserve £</i>	<i>Other reserves £</i>	<i>Total equity £</i>
Balance at 1st May 2010	–	147,810	4,281,089
Changes in equity			
Redemption of share capital	–	–	(87,500)
Dividends	–	–	(131,618)
Total comprehensive income	87,500	–	219,778
Balance at 30th April 2011	<u>87,500</u>	<u>147,810</u>	<u>4,281,749</u>
Changes in equity			
Issue of share capital	–	–	15,635
Redemption of share capital	–	–	(95,446)
Dividends	–	–	(131,619)
Total comprehensive income	95,449	–	(1,307,524)
Balance at 30th April 2012	<u>182,949</u>	<u>147,810</u>	<u>2,762,795</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Company Statement of Changes in Equity
For The Year Ended 30th April 2012

	<i>Called up share capital £</i>	<i>Profit and loss account £</i>	<i>Share premium £</i>
Balance at 1st May 2010	635,913	1,739,520	1,782,622
Changes in equity			
Redemption of share capital	(87,500)	–	–
Dividends	–	(131,618)	–
Total comprehensive income	–	107,424	–
Balance at 30th April 2011	<u>548,413</u>	<u>1,715,326</u>	<u>1,782,622</u>
Changes in equity			
Issue of share capital	15,635	–	–
Redemption of share capital	(95,446)	–	–
Dividends	–	(131,619)	–
Total comprehensive income	–	(1,566,645)	–
Balance at 30th April 2012	<u>468,602</u>	<u>17,062</u>	<u>1,782,622</u>

	<i>Capital redemption reserve £</i>	<i>Other reserves £</i>	<i>Total equity £</i>
Balance at 1st May 2010	–	147,810	4,305,865
Changes in equity			
Redemption of share capital	–	–	(87,500)
Dividends	–	–	(131,618)
Total comprehensive income	87,500	–	194,925
Balance at 30th April 2011	<u>87,500</u>	<u>147,810</u>	<u>4,281,671</u>
Changes in equity			
Issue of share capital	–	–	15,635
Redemption of share capital	–	–	(95,446)
Dividends	–	–	(131,619)
Total comprehensive income	95,449	–	(1,471,196)
Balance at 30th April 2012	<u>182,949</u>	<u>147,810</u>	<u>2,599,045</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Cash Flows
For The Year Ended 30th April 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
Cash flows from operating activities			
Cash generated from operations	1	249,198	473,565
Tax paid		<u>(168,201)</u>	<u>(126,056)</u>
Net cash from operating activities		<u>80,997</u>	<u>347,509</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(365,829)	(313,773)
Impairment losses		7,220	526,956
Interest received		<u>32,055</u>	<u>24,710</u>
Net cash from investing activities		<u>(326,554)</u>	<u>237,893</u>
Cash flows from financing activities			
Share issue		(79,811)	–
Share Tender offer		(1,278,911)	–
Capital redemption		95,451	–
Equity dividends paid		<u>(131,619)</u>	<u>(131,618)</u>
Net cash from financing activities		<u>(1,394,890)</u>	<u>(131,618)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,640,447)</u>	<u>453,784</u>
Cash and cash equivalents at beginning of year	2	<u>2,744,025</u>	<u>2,290,241</u>
Cash and cash equivalents at end of year	2	<u>1,103,578</u>	<u>2,744,025</u>

The notes form part of these financial statements

BEST OF THE BEST PLC

Notes to the Consolidated Statement of Cash Flows For The Year Ended 30th April 2012

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
(Loss)/profit before income tax	(184,082)	172 665
Depreciation charges	241,010	268,400
Finance income	(32,055)	(24,710)
	<u>24,873</u>	<u>416,355</u>
Decrease in inventories	342,318	145,894
Increase in trade and other receivables	(123,004)	(61,381)
Increase/(decrease) in trade and other payables	5,011	(27,303)
Cash generated from operations	<u>249,198</u>	<u>473,565</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 30th April 2012

	<i>30th April 2012</i>	<i>1st May 2011</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	<u>1,103,578</u>	<u>2,744,025</u>

Year ended 30th April 2011

	<i>30th April 2011</i>	<i>1st May 2010</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	<u>2,744,025</u>	<u>2,290,241</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements
For The Year Ended 30th April 2012

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 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

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.

Revenue recognition

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

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, 33% on cost and 20% on cost
Motor vehicles	– 25% on reducing balance
Computer equipment	– at varying rates on cost

Financial instruments

The Group'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 Group's balance sheet when the Group 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 Group after deducting all of its liabilities.

Trade payables

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

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

1. ACCOUNTING POLICIES (CONTINUED)

Equity instruments

Equity instruments issued by the Group 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

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.

Employee benefit costs

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate.

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

1. ACCOUNTING POLICIES (CONTINUED)

Share Based Payment

The Group has 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.

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.

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 Group's material operations are located in the United Kingdom.

3. EMPLOYEES AND DIRECTORS

	2012	2011
	£	£
Wages and salaries	2,408,253	2,746,225
Social security costs	34,800	34,491
	<u>2,443,053</u>	<u>2,780,716</u>

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

	2012	2011
Sales	44	50
Administration	12	11
Management	2	3
	<u>58</u>	<u>64</u>

	2012	2011
	£	£
Directors' remuneration	<u>216,387</u>	<u>279,346</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

3. EMPLOYEES AND DIRECTORS (CONTINUED)

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

	2012	2011
	£	£
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid Director is as follows

	2012	2011
	£	£
	<u>129,513</u>	<u>175,681</u>

4. DISCONTINUED OPERATIONS

	Year ended 30th April 2012				Year ended 30th April 2011			
	Continuing	Discontinuing	Result of termination	Total	Continuing	Discontinuing	Result of termination	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Turnover	5,599	–	–	5,599	4,737	1,831	–	6,568
Cost of sales	(2,249)	–	–	(2,249)	(1,922)	(701)	–	(2,623)
Admin expenses	(3,566)	–	–	(3,566)	(2,766)	(1,137)	(645)	(4,548)
Other income	32	–	–	32	25	–	750	775
Profit before tax	(184)	–	–	(184)	74	(7)	105	172
Tax	60	–	–	60	(17)	2	(25)	(40)
Profit/(Loss) for the period	(124)	–	–	(124)	57	(5)	80	132

As per the release dated 11th October 2010, BAA Airports Limited terminated a majority of the on-going concession agreements with Best of the Best Plc and as a result, Best of the Best Plc received a termination payment of £750,000. This was included within other discontinued income during the year ended 30th April 2011.

Associated costs with regards to the closure of the BAA sites included an asset impairment provision of £526,956 and additional wages and legal costs of £118,424, all included within discontinued admin expenses.

5. NET FINANCE INCOME

	2012	2011
	£	£
Finance income		
Deposit account interest	<u>32,055</u>	<u>24,710</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

6. (LOSS)/PROFIT BEFORE INCOME TAX

The loss before income tax (2011 – profit before income tax) is stated after charging/(crediting)

	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
Cost of inventories recognised as expense	2,248,721	2,623,238
Depreciation – owned assets	241,012	268,399
Auditors' remuneration	22,000	25,351
Auditors' remuneration for non audit work	14,000	13,500
Foreign exchange differences	(708)	413
	<u> </u>	<u> </u>

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

	<i>Year ended 30th April 2012</i>	<i>Year ended 30th April 2011</i>
	<i>£</i>	<i>£</i>
Audit services		
– Statutory audit	22,000	25,351
– other services relating to such legislation	14,000	13,500
Tax services-compliance services	–	–
Other Services	–	–

7. INCOME TAX

Analysis of tax (income)/expense

	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
Current tax		
Tax	(93,302)	164,983
Over provision in prior year	–	(22,363)
Under provision in prior year	17,542	–
Total current tax	<u>(75,760)</u>	<u>142,620</u>
Deferred tax	15,740	(102,233)
Total tax (income)/expense in consolidated income statement	<u>(60,020)</u>	<u>40,387</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

7. INCOME TAX (CONTINUED)

Factors affecting the tax expense

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

	2012 £	2011 £
(Loss)/profit on ordinary activities before income tax	(184,081)	172,665
(Loss)/profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 26.00% (2011 – 27.83%)	(47,861)	48,057
Effects of		
Expenses not deductible for tax purposes	65,960	221,372
Capital allowances in excess of depreciation	(80,589)	(84,289)
Marginal relief	–	(14,907)
(Over)/under provision in prior year	17,542	(22,364)
Tax on overseas group profit/(losses) for the year	51,265	(5,249)
Losses carried back to previous period	(82,077)	–
Deferred taxation	15,740	(102,233)
Tax (income)/expense	(60,020)	40,387

8. LOSS OF 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 loss for the financial year was £(287,734) (2011 – £107,424 profit).

9. DIVIDENDS

During the year, the Company paid a dividend equating to 1.2 pence per share as recommended in the accounts to 30th April 2011.

The Board is recommending a final dividend payment of 0.8 pence per share for the full year ended 30th April 2012, subject to shareholder approval at the AGM on the 20th September 2012. A final dividend is covered 0.6 times by earnings per share and will be paid on 15th October 2012 to shareholders on the register on 21st September 2012.

The total distribution of dividends for the year ended 30th April 2012 will be £74,977.

BEST OF THE BEST PLC

Notes to the Consolidated Financial Statements (continued) For The Year Ended 30th April 2012

10. 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 done 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

	<i>Earnings £</i>	<i>2012 Weighted average number of shares</i>	<i>Per-share amount pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	(124,062)	10,633,032	(1.17)
Effect of dilutive securities	—	—	—
Diluted EPS			
Adjusted earnings	(124,062)	10,633,032	(1.17)
	<i>Earnings £</i>	<i>2011 Weighted average number of shares</i>	<i>Per-share amount pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	132,278	11,697,421	1.13
Effect of dilutive securities			
Options	—	248,987	—
Diluted EPS			
Adjusted earnings	132,278	11,946,408	1.11

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

11. PROPERTY, PLANT AND EQUIPMENT

Group

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Fixtures and fittings £</i>
COST			
At 1st May 2011	437,800	25,950	431,494
Additions	–	–	240,870
Impairments	–	–	(107,374)
At 30th April 2012	<u>437,800</u>	<u>25,950</u>	<u>564,990</u>
DEPRECIATION			
At 1st May 2011	–	–	244,824
Charge for year	–	–	118,812
Impairments	–	–	(100,154)
At 30th April 2012	<u>–</u>	<u>–</u>	<u>263,482</u>
NET BOOK VALUE			
At 30th April 2012	<u>437,800</u>	<u>25,950</u>	<u>301,508</u>
At 30th April 2011	<u>437,800</u>	<u>25,950</u>	<u>186,670</u>
	<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Totals £</i>
COST			
At 1st May 2011	102,740	358,718	1,356,702
Additions	–	124,958	365,828
Impairments	–	–	(107,374)
At 30th April 2012	<u>102,740</u>	<u>483,676</u>	<u>1,615,156</u>
DEPRECIATION			
At 1st May 2011	38,205	241,169	524,198
Charge for year	16,800	105,399	241,011
Impairments	–	–	(100,154)
At 30th April 2012	<u>55,005</u>	<u>346,568</u>	<u>665,055</u>
NET BOOK VALUE			
At 30th April 2012	<u>47,735</u>	<u>137,108</u>	<u>950,101</u>
At 30th April 2011	<u>64,535</u>	<u>117,549</u>	<u>832,504</u>

No depreciation is provided on long leasehold land and buildings as in the opinion of the Directors, the Group'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 Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Fixtures and fittings £</i>
COST			
At 1st May 2011	437,800	25,950	431,494
Additions	–	–	240,870
Impairments	–	–	(107,374)
At 30th April 2012	<u>437,800</u>	<u>25,950</u>	<u>564,990</u>
DEPRECIATION			
At 1st May 2011	–	–	244,824
Charge for year	–	–	118,812
Impairments	–	–	(100,154)
At 30th April 2012	<u>–</u>	<u>–</u>	<u>263,482</u>
NET BOOK VALUE			
At 30th April 2012	<u>437,800</u>	<u>25,950</u>	<u>301,508</u>
At 30th April 2011	<u>437,800</u>	<u>25,950</u>	<u>186,670</u>
	<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Totals £</i>
COST			
At 1st May 2011	102,740	358,718	1,356,702
Additions	–	124,958	365,828
Impairments	–	–	(107,374)
At 30th April 2012	<u>102,740</u>	<u>483,676</u>	<u>1,615,156</u>
DEPRECIATION			
At 1st May 2011	38,205	241,169	524,198
Charge for year	16,800	105,399	241,011
Impairments	–	–	(100,154)
At 30th April 2012	<u>55,005</u>	<u>346,568</u>	<u>665,055</u>
NET BOOK VALUE			
At 30th April 2012	<u>47,735</u>	<u>137,108</u>	<u>950,101</u>
At 30th April 2011	<u>64,535</u>	<u>117,549</u>	<u>832,504</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

12. INVESTMENTS

Company

	<i>Shares in Group Undertakings £</i>
COST	
As at 1st May 2011	12,585
As at 30th April 2012	<u>12,585</u>
NET BOOK VALUE	
At 30th April 2012	12,585
As 30th April 2011	<u>12,585</u>

The Group or the Company's investments at the balance sheet date in the share capital of the Companies include the following

Subsidiary

Best of the Best ApS

Country of operation Denmark
Nature of business Competition Operator

<i>Class of shares</i>		<i>holding</i>
Ordinary		100%
	<i>2012</i>	<i>2011</i>
	£	£
Aggregate capital and reserves	84,652	(3,426)
Profit/(loss) for the year	88,078	8,850

BOTB Ireland Limited

Country of operation Ireland
Nature of business Competition Operator

<i>Class of shares</i>		<i>holding</i>
Ordinary		100%
	<i>2012</i>	<i>2011</i>
	£	£
Aggregate capital and reserves	91,684	16,087
Profit/(loss) for the year	75,597	16,002

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

13. INVENTORIES

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Finished goods	<u>932,647</u>	<u>1,274,965</u>	<u>932,647</u>	<u>1,274,965</u>

14. TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Current				
Trade debtors	27,138	10,104	27,138	10,104
Amounts owed by Group undertakings	–	–	–	123,177
Other debtors	<u>266,552</u>	<u>160,582</u>	<u>191,133</u>	<u>84,988</u>
	<u>293,690</u>	<u>170,686</u>	<u>218,271</u>	<u>218,269</u>

15. CASH AND CASH EQUIVALENTS

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash in hand	872	372	872	372
Bank accounts	<u>1,102,706</u>	<u>2,743,653</u>	<u>994,912</u>	<u>2,627,759</u>
	<u>1,103,578</u>	<u>2,744,025</u>	<u>995,784</u>	<u>2,628,131</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
9,372,100	Ordinary shares	5p	<u>469</u>	<u>548</u>

Capital redemption

<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	<i>2012</i> <i>£'000</i>	<i>2011</i> <i>£'000</i>
3,658,980	Ordinary shares	5p	<u>183</u>	<u>88</u>

In the previous period 1,750,000 shares owned by BAA Airports Limited were cancelled and an amount of £87,500 has been credited to the capital redemption reserve

Share options were exercised 10th November 2011 resulting in a further 312,765 ordinary shares being issued. During the year the Company also purchased 34,500 of its own ordinary shares at a price of 19 pence per ordinary share. The ordinary shares purchased were held in treasury.

On 20th February 2012, 1,874,419 Ordinary Shares purchased under the Repurchase Agreement were cancelled at a cost of £1,180,884 equating to 63 pence per share. This combined with the 34,500 Ordinary Shares that were previously held in Treasury has led to a further £95,446 being transferred to the Capital Redemption Reserve.

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

17. RESERVES

Group

	<i>Retained earnings</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Other reserves</i>	<i>Totals</i>
	£	£	£	£	£
At 1st May 2011	1,715,404	1,782,622	87,500	147,810	3,733,336
Deficit for the year	(124,062)				(124,062)
Dividends	(131,619)				(131,619)
Share tender offer	(1,278,911)	–	95,449	–	(1,183,462)
At 30th April 2012	<u>180,812</u>	<u>1,782,622</u>	<u>182,949</u>	<u>147,810</u>	<u>2,294,193</u>

Company

	<i>Retained earnings</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Other reserves</i>	<i>Totals</i>
	£	£	£	£	£
At 1st May 2011	1,715,326	1,782,622	87,500	147,810	3,733,258
Deficit for the year	(287,734)				(287,734)
Dividends	(131,619)				(131,619)
Share tender offer	(1,278,911)	–	95,449	–	(1,183,462)
At 30th April 2012	<u>17,062</u>	<u>1,782,622</u>	<u>182,949</u>	<u>147,810</u>	<u>2,130,443</u>

18. TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Current				
Trade creditors	184,612	203,494	168,703	195,008
Amounts owed to Group undertakings	–	–	98,108	–
Social security and other taxes	166,734	166,782	121,326	131,371
Other creditors	<u>353,554</u>	<u>329,613</u>	<u>340,166</u>	<u>320,146</u>
	<u>704,900</u>	<u>699,889</u>	<u>728,303</u>	<u>646,525</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

19. DEFERRED TAX

Group

	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
Balance at 1st May	(124,441)	(22,209)
Movement in the year	15,740	(102,232)
Balance at 30st April	<u>(108,701)</u>	<u>(124,441)</u>

20. TRANSACTIONS WITH DIRECTORS

M W Hindmarch is a Non-executive Director of Best of the Best Plc. During the year ended 30th April 2012 payments were made in respect of consultancy services received during the year from M W Hindmarch. These payments totalled £12,000 for the year (2011 £11,000) and the balance owed at the end of the year was £1,000 (2011 £1,200).

Various Executive and Non-Executive Directors have been granted share options, details for which can be found in the Directors and remuneration reports.

21. ULTIMATE CONTROLLING PARTY

The Company is under the ultimate control of Mr W S Hindmarch, the Chief Executive Director of the Company, by virtue of his 53.14 per cent share ownership at the balance sheet date.

22. RECONCILIATION OF MOVEMENTS IN RESERVES

Group

	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
(Loss)/profit for the financial year	(124,062)	132,278
Issue of share capital	15,635	–
Redemption of share capital	(1,278,908)	–
Dividends	(131,619)	(131,618)
Net (reduction)/addition to reserves	<u>(1,518,954)</u>	<u>660</u>
Opening reserves	4,281,749	4,281,089
Closing reserves	<u>2,762,795</u>	<u>4,281,749</u>

Company

	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
(Loss)/profit for the financial year	(287,734)	107,424
Issue of share capital	15,635	–
Redemption of share capital	(1,278,908)	–
Dividends	(131,619)	(131,618)
Net reduction of reserves	<u>(1,682,626)</u>	<u>(24,194)</u>
Opening reserves	4,281,671	4,305,865
Closing reserves	<u>2,599,045</u>	<u>4,281,671</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30th April 2012

23. SHARE BASED PAYMENTS

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

<i>Grant Date</i>	<i>Outstanding at 1st May 2011</i>	<i>Granted during the period</i>	<i>Exercised during the period</i>	<i>Forfeited during the period</i>	<i>Outstanding at 30th April 2012</i>	<i>Expiry Date</i>	<i>Weighted Ave exercise price</i>
08-08-2006	127,182	-	127,182	-	-	07-08-2016	£0 05
07-08-2006	10,000	-	-	10,000	-	07-08-2016	£0 63
07-08-2006	79,365	-	-	-	79,365	07-08-2016	£0 63
07-08-2006	79,365	-	-	-	79,365	07-08-2016	£0 63
24-10-2006	15,000	-	-	15,000	-	23-10-2016	£0 62
30-04-2007	46,619	-	46,619	-	-	29-04-2017	£0 05
19-07-2007	63,492	-	63,492	-	-	18-07-2017	£0 05
20-09-2007	400,000	-	-	400,000	-	19-09-2017	£0 595
20-11-2007	10,000	-	-	10,000	-	19-11-2017	£0 545
23-05-2008	10,000	-	-	10,000	-	22-05-2018	£0 355
23-05-2008	2,000	-	-	2,000	-	22-05-2018	£0 355
17-07-2008	74,528	-	-	74,528	-	16-07-2018	£0 315
17-07-2008	75,472	-	75,472	-	-	16-07-2018	£0 05
08-04-2009	180,000	-	-	180,000	-	07-07-2019	£0 315
17-07-2008	50,000	-	-	50,000	-	16-07-2018	£0 315
10-11-2009	20,000	-	-	20,000	-	09-11-2019	£0 375
12-07-2010	20,000	-	-	20,000	-	11-07-2020	£0 30
30-04-2012	-	500,000	-	-	500,000	29-04-2022	£0 225
30-04-2012	-	10,000	-	-	10,000	29-04-2022	£0 225
30-04-2012	-	25,000	-	-	25,000	29-04-2022	£0 225
30-04-2012	-	10,000	-	-	10,000	29-04-2022	£0 225
30-04-2012	-	2,000	-	-	2,000	29-04-2022	£0 225
30-04-2012	-	90,000	-	-	90,000	29-04-2022	£0 225
30-04-2012	-	20,000	-	-	20,000	29-04-2022	£0 225

The Group operates a share option scheme for certain Directors and employees of the Group. 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 Group before the options vest, however this is at the discretion of the Board.

As at 30th April 2012 a total of 815,730 subscription rights had been issued to Directors and employees and remained outstanding. Members of the Executive Board hold share options as disclosed in the Directors and remuneration reports.

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

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

BEST OF THE BEST PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Best of the Best PLC (the 'Company') will be held at the offices of Charles Stanley Securities, 25 Luke Street, London EC2A 4AR on Thursday 20th September 2012 at 1.30 p.m. (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 2012
- 2 To declare a final dividend of 0.8 pence per ordinary share for the year ended 30th April 2012
- 3 To re-appoint the auditors, Wilkins Kennedy, as auditors of the Company until the conclusion of the next Annual General Meeting
- 4 To authorise the Directors to set the auditors' remuneration

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions of which resolution 5 will be proposed as an ordinary resolution and resolutions 6 and 7 will be proposed as special resolutions

5 ORDINARY RESOLUTION

THAT (in substitution for all subsisting authorities) the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the 'Act') to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £156,201.67 for the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earliest) but the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of that offer or agreement as if the authority conferred by this resolution had not expired

6 SPECIAL RESOLUTION

THAT, subject to the passing of resolution 5, the Directors be and they are hereby empowered pursuant to section 551 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 5 as if section 561 of the Act did not apply to the allotment. This power is limited to

- (a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the capital of the Company made in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient
 - (i) to deal with equity securities representing fractional entitlements, and
 - (ii) to deal with legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, and

- (b) the allotment of equity securities for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount of £23,430 25 for the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earliest) but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired

7 SPECIAL RESOLUTION

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 5p each in the Company provided that

- (a) the maximum number of ordinary shares which may be purchased is 937,210 (representing 10 per cent of the Company's issued ordinary share capital as at 26th July 2012),
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 5 pence,
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations of an ordinary share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased,
- (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (unless previously renewed, varied or revoked by the Company in general meeting), and
- (e) the Company may, before such expiry, enter into one or more contracts to purchase ordinary shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts

By Order of the Board

PRISM COSEC LIMITED
COMPANY SECRETARY
26th July 2012

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, speak and vote instead of him. 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, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 48 hours before the time fixed for the meeting. The completion and return of a Form of Proxy will not preclude a member from attending and voting at the Meeting in person.
- (b) Pursuant to regulation 41 of the Uncertificated Regulations 2001, the Company specifies that only those shareholders registered on the register of members of the Company as at 6 00 p.m. on 18th September 2012 (being not more than 48 hours prior to the time fixed for the Meeting) shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time or if the meeting is adjourned 48 hours before the time fixed for the adjourned meeting (as the case maybe). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

- (c) Copies of all letters of appointment between the Company and its Non-executive Directors are available for inspection at the registered office of the Company during normal business hours, and will be available for inspection at 25 Luke Street London EC2A 4AR at least 15 minutes prior to the commencement of, and during the continuance of, the Annual General Meeting
- (d) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend and speak and vote at the meeting. A member may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares. If you appoint more than one proxy, then on each Form of Proxy you must specify the number of shares for which each proxy is appointed
- (e) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares
- (f) Explanatory notes in relation to the resolutions to be proposed at the Meeting are set out below

BEST OF THE BEST PLC

EXPLANATORY NOTES TO THE RESOLUTIONS

RESOLUTION 1: REPORTS AND ACCOUNTS

The Directors are required to present to the meeting the audited accounts and the reports of the Directors and the auditors for the financial year ended 30th April 2012

RESOLUTION 2: DECLARATION OF DIVIDEND

Final dividends must be approved by shareholders but cannot exceed the amount recommended by the Directors

RESOLUTION 3: RE-APPOINTMENT OF AUDITORS

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the re-appointment of Wilkins Kennedy

RESOLUTION 4: AUTHORITY TO SET THE AUDITORS' REMUNERATION

In accordance with standard practice, this resolution gives authority to the Directors to determine the remuneration to be paid to the auditors

RESOLUTION 5: AUTHORITY TO ALLOT SHARES

Section 549 of the Companies Act 2006 provides, in relation to all companies, that the Directors may not allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company unless authorised to do so by the Company in general meeting or by its Articles of Association. Accordingly, this resolution seeks renewal, for a further period expiring at the earlier of the close of the next annual general meeting of the Company and fifteen months after the passing of the resolution, of the authority previously granted to the Directors at the last annual general meeting of the Company. This authority will relate to a total of 3,124,033 ordinary shares of 5 pence each, representing approximately one third of the Company's issued share capital as at the date of this Notice. While this resolution empowers the Directors to allot shares they are required to effect any such allotment on a pre-emptive basis save to the extent that they are otherwise authorised. Resolution 6 below contains a limited power to allot on a non pre-emptive basis. The Directors have no present intention of allotting, or agreeing to allot, any shares otherwise than in connection with employee share schemes, to the extent permitted by such schemes.

RESOLUTION 6: DIS-APPLICATION OF PRE-EMPTION RIGHTS

If the Directors wish to allot any shares of the Company for cash in accordance with the authority granted at this year's annual general meeting these must generally be offered first to shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the interests of the Company for the Directors to be able to allot some shares for cash without having to offer them first to existing shareholders. In line with normal practice, this resolution, which will be proposed as a special resolution, seeks approval to renew the current authority to exclude the statutory pre-emption rights for issues of shares having a maximum aggregate nominal value of up to £23,430.25, representing 5 per cent of the Company's issued share capital as at the date of this Notice. In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, the resolution also permits the Directors to make appropriate exclusions or arrangements to deal with such difficulties. This authority would be effective until the earlier of the conclusion of the next annual general meeting of the Company and fifteen months after the passing of the resolution. The Directors believe that obtaining this authority is in the best interests of shareholders as a whole and recommend that shareholders vote in favour of this resolution.

RESOLUTION 7: PURCHASE OF OWN SHARES

The Directors believe that it is in the interests of the Company and its members to continue to have the flexibility to purchase its own shares and this resolution seeks authority from members to do so. The Directors intend only to exercise this authority where, after considering market conditions prevailing at the time, they believe that the effect of such exercise would be to increase the earnings per share and be in the best interests of shareholders generally. The effect of such purchases would either be to cancel the number of shares in issue or the Directors may elect to hold them in treasury pursuant to the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the 'Treasury Share Regulations'), which came into force on 1st December 2003. The Treasury Share Regulations enable certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by a company in accordance with the Companies Act 2006. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under a company's employee share scheme. Once held in treasury, a company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the company's assets may be made to the company in respect of the treasury shares. This resolution renews the authority given at the Annual General Meeting held on 15th September 2011 and the General Meeting held on 21st November 2011 and would be limited to 937,210 ordinary shares, representing approximately 10 per cent of the issued share capital at 26th July 2012. The Directors intend to seek renewal of this power at each Annual General Meeting. As of 26th July 2012 there were options outstanding over 815,730 shares, representing 8.7 per cent of the Company's issued share capital. If the authority given by this resolution was to be fully used, this would represent 9.67 per cent of the Company's issued share capital.