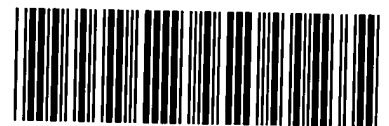


WIN YOUR DREAM CAR

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## Annual Report & Accounts 2018

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COMPANIES HOUSE

**Group Strategic Report,  
Report of the Directors and  
Financial Statements  
For The Year Ended 30 April 2018  
for  
BEST OF THE BEST PLC**

**BEST OF THE BEST PLC**  
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**For The Year Ended 30 April 2018**

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**BEST OF THE BEST PLC**  
**Company Information**  
**For The Year Ended 30 April 2018**

<b>DIRECTORS:</b>	W S Hindmarch R C E Garton M W Hindmarch D S P Firth
<b>SECRETARY:</b>	Prism Cosec Limited
<b>REGISTERED OFFICE:</b>	Unit 2 Plato Place 72/74 St Dionis Road London SW6 4TU
<b>REGISTERED NUMBER:</b>	03755182
<b>AUDITOR:</b>	Wilkins Kennedy LLP Statutory Auditor Bridge House London Bridge London SE1 9QR
<b>BANKERS:</b>	Barclays Bank Plc 93 Baker Street London W1A 4SD
<b>NOMINATED ADVISORS:</b>	finnCap 60 New Broad Street London EC2M 1JJ
<b>SOLICITORS:</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT

**BEST OF THE BEST PLC**  
**Group Strategic Report**  
**For The Year Ended 30 April 2018**

The Directors present their strategic report of the Company and the Group for the year ended 30 April 2018.

**Key Highlights**

- Total revenue of £12.95 million with like-for-like revenue up 13.30% to £12.25 million (2017: £10.81 million).
- Profit before tax increased by 5.8% to £1.60 million (2017: £1.51 million).
- Online revenue of £10.87 million with like-for-like online revenue up 23.0% to £10.28 million (2017: £8.36 million) representing 83.9% of like-for-like revenue.
- Net assets of £1.55 million, underpinned by cash balances of £2.32 million (following a 6.5p special dividend paid on 30 June 2017, a 1.4p ordinary dividend paid on 22 September 2017 and a 7.5p special dividend paid on 23 February 2018).
- Special Dividend of 4.5p per ordinary share paid to shareholders on 20 July 2018, in addition to the proposed 1.5p ordinary dividend to be paid on 21 September 2018.
- Significant price restructuring of the Dream Car competitions has aided revenue growth and assisted customer acquisition and retention.
- New launched lower priced “Lifestyle Competition” for prizes such as watches, motorbikes and other luxury gadgets and holidays is gaining traction.

**CHIEF EXECUTIVE’S STATEMENT**

I am pleased to report continued progress with a solid set of results showing both increasing revenues and profit before tax slightly ahead of management’s expectations. A new price structure introduced during the year has repositioned the business to make online customer acquisition more efficient and effective. I am pleased to report that this strategy has been successful with player numbers increasing across multiple competitions.

We have also recently launched a new competition (the “Lifestyle Competition”) to run alongside our main “Dream Car” competition. Tickets start at just 15 pence and prizes include motorbikes, watches, luxury gadgets, technology, holidays and other items. This has widened both the appeal of our competitions and the addressable market, attracting encouraging feedback and participation.

**Results**

Total revenue for the twelve months ended 30 April 2018 was £12.95 million and like-for-like revenue increased 13.30% to £12.25 million (2017: £10.81 million). Like-for-like revenue figures are stated to adjust for, and are net of, the different indirect taxes (VAT/RGD) applicable both during the financial year under review and in prior years.

Online revenues were £10.87 million and like-for-like online revenues increased by 22.96% to £10.28 million (2017: £8.36 million). Profit before tax rose by 5.83% to £1.60 million (2017: £1.51 million).

The Company has taken the strategic decision to exit all permanent physical retail sites, having demonstrated that it can acquire customers more efficiently through other channels and different forms of marketing, principally online and through social media but also through press and other media. During the period, 83.90% of revenues were generated online and, over the coming months, sales will migrate almost exclusively online as a phased exit from the remaining physical locations takes place. The Company is

**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2018**

currently trading from just three remaining physical sites, two at Gatwick airport and one at Birmingham airport.

£1.81 million of cash flow was generated from operations during the year. Net assets at 30 April 2018 stood at £1.55 million (2017: £1.87 million) underpinned by cash of £2.32 million, our cars on display at physical locations which are held at a net realisable value of £0.13 million, and our 967 year leasehold head office properties carried at £0.95 million.

#### **Dividends**

As previously announced, a 1.4p ordinary dividend was paid to shareholders on 22 September 2017, as well as a 6.5p special dividend paid on 30 June 2017 and a 7.5p special dividend paid on 23 February 2018. The Board is recommending a final dividend of 1.5p per share (2017: 1.4p) for the full year ending 30 April 2018, subject to shareholder approval at the Annual General Meeting on 6 September 2018. The final dividend will be paid on 21 September 2018 to shareholders on the register on 7 September 2018.

As the Company continues to be profitable, cash generative and benefits from a robust balance sheet, the Board is also pleased to declare the return of approximately £0.45 million to shareholders by way of a special dividend (the “Special Dividend”) of 4.5p per ordinary share. Following the payment of the Special Dividend, the Company will retain working capital cash balances in excess of £1.8 million, which the Directors consider to be sufficient working capital to fund its activities over the next 12 month period. The Special Dividend was paid on 20 July 2018 to shareholders on the register at the close of business on 6 July 2018.

#### **Physical Locations**

Since inception, the Company has used physical locations such as airports and shopping centres to acquire new players, service existing players and encourage customers to play online. However, all our costs, and in particular rent and staff expenditure in these retail locations, have continued to increase significantly year-on-year, resulting in reduced efficiency when compared to other available customer acquisition channels. With continued trials, the Company has shown that it can now execute its marketing plan more effectively through other media.

As a result, the Company has over the last few years gradually been reducing the number of physical locations and is in the process of finalising this strategy, with the expectation that in the near future the business will be almost entirely online. Further details around the timing of this shift will be provided in due course, but we are currently trading from only three physical sites. We will, however, continue to undertake targeted physical marketing at motoring related events such as the Goodwood Festival of Speed.

#### **Car Competition Pricing**

During the course of the year the business has made significant changes to its pricing model to aid with the acquisition of new players, to assist with the retention of existing customers and to make the product more suitable for repeating online customers as opposed to the “traditional” airport customer.

As a result, prices have been reduced by almost 70% over the past 12 months. This has made the core Dream Car Competition more appealing and broader based, as luxury cars can now be won for as little as 90 pence per ticket. The changes have been well received by new and existing customers and, as a consequence, revenues overall have increased. Our cost of sales and prizes have risen as a result of more expensive cars being played for and won, but the net effect on business profitability has been positive.

**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2018**

**New “Lifestyle Competition”**

During the course of the year, the new Lifestyle Competition was launched and this has recently been enhanced to offer a choice of over 50 luxury watches and 90 motorbikes, as well as cash and other technology, gadgets, holidays and luxury prizes. Tickets start from 15 pence and the competition has proven to be a positive extension to the online offering, with growing revenues week-on-week. This new competition, with such a large range of potential prizes at low price points, both opens up a new audience to target online and gives us interesting content with which to retain existing customers.

**Business Model and Strategy**

The Company continues to evolve away from being an operator of retail based car competitions, to a pure online operator. The scope and breadth of our competitions and other products will be further developed to target the much larger addressable market online, both in the UK and internationally, using all available marketing channels.

We continue to invest confidently in our marketing to attract new customers as well as retain existing ones. Our efforts have resulted in like-for-like online sales growth of 22.96% year-on-year. This has been achieved through a wide range of online and digital marketing channels, as well as investment in new TV creative and content that has been performing well and has delivered growth in player acquisition. This has been combined with ongoing investment in radio, print and public relations.

Social media activity continues to deliver some of our best online marketing results, with our Facebook page now attracting over 215,000 followers and BOTB’s YouTube channel, which now has over 23,000 subscribers. Instagram followers have now exceeded 50,000 and we now work with an increasing range of social media influencers and vloggers to improve the visibility of the BOTB brand and products.

All our online marketing investment is carefully tracked and constantly fine-tuned to ensure we are optimising the returns. As confidence in the returns on investment improves, we anticipate increasing our marketing budget by approximately 40% in the next financial year, across the full range of previously tested channels.

**VAT Claim**

As previously announced, BOTB noted the VAT decision given by the Supreme Court in favour of Sportech PLC on 8 December 2016, where the Supreme Court refused Her Majesty’s Revenue and Customs (“HMRC”) permission to appeal the Court of Appeal’s decision regarding the VAT repayment claim on Sportech’s “Spot the Ball” game. This resulted in a successful VAT reclaim by Sportech.

BOTB had submitted a protective claim in 2013 to recover overpaid VAT. Following the Supreme Court decision in December 2016, and after taking further specialist legal and tax advice, BOTB has submitted a top-up claim which, combined with the original claim, totalled £4.5 million (exclusive of professional fees, expenses and tax) to HMRC to recover overpaid VAT covering an eight year period on its own “Spot the Ball” game, as announced on 13 December 2017. As previously announced, post period end, on 23 May 2018, HMRC paid BOTB the £4.5 million claim in full. However, the Board still needs to determine the net positive contribution to the Company as, in addition to the points made below, certain professional fees, expenses and unquantified taxes remain outstanding and will be deducted from this figure.

HMRC has informed BOTB that it considers the Company liable to pay retrospective Remote Gaming Duty (“RGD”) for a period of four years. The Company has sought legal and tax advice on this issue and, in line with that advice, the Company is contesting HMRC’s claim. RGD is the duty regime that the Company registered for in December 2017. Whilst the question of retrospective RGD remains unresolved with HMRC, the Company is unable to announce the full extent of the net positive contribution to the Company. The

**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2018**

Board will inform shareholders regarding material developments and any resolution of this outstanding issue at the relevant time.

**Outlook**

BOTB has delivered increased revenues and profits slightly ahead of management's expectations and remains strongly cash generative. We believe the business is well positioned for the new financial year, which has started encouragingly, and I look forward to updating shareholders on further progress in due course.

**KEY PERFORMANCE INDICATORS**

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

1. Sales, both online and at retail sites, compared to the prior year.
2. Marketing efficiency, calculated using the twelve months Life Time 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 Group'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 have 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 and Group now operates substantially 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 and Group.

The Company and Group 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 also to ensure that data, including customers' data, is protected.



**BEST OF THE BEST PLC**  
**Group Strategic Report (continued)**  
**For The Year Ended 30 April 2018**

***Management and key personnel***

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

***Regulatory change***

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

**ON BEHALF OF THE BOARD**



.....  
W S Hindmarch  
Director  
3 August 2018

**BEST OF THE BEST PLC**  
**Corporate Governance Report**  
**For The Year Ended 30 April 2018**

**CHAIRMAN'S STATEMENT**

Dear Shareholder,

As Chairman, my role includes upholding the highest levels of corporate governance throughout the Company, particularly at Board level. It therefore gives me great pleasure to introduce our Governance Statement.

**The Principles of Corporate Governance**

As a Board we recognise the importance of high standards of corporate governance and its importance and support to our strategic goals and long-term success. The Company is listed on AIM and is therefore required from September 2018 to provide details of a recognised corporate governance code that the Board of Director has decided to apply. We have therefore, during the year, reviewed our corporate governance framework in response to these changes. In previous years the Company has set out how it applies the principles of the UK Corporate Governance Code 2016 to the extent that they are relevant to a Company of our size.

In light of the forthcoming changes to the AIM rules and given that full compliance with the Main market code would be both unwieldy and costly, the Board has adopted the Quoted Companies Alliance Governance Code ("QCA Code") as we consider this more applicable for small and midsize companies. The Company is committed to applying the QCA Code in a way which best serves our stakeholders, given the size and nature of the Group. We explain further below how we adhere to the ten principles of the QCA Code, in three key areas.

**Delivering Growth**

The Board has collective responsibility for setting the strategic aims and objectives of the Group. These aims are articulated in the Chief Executive Officer's statement in the Annual Report and on our website. In the course of implementing these strategic aims, the Board takes into account the expectations of the Company's shareholder base and also its wider stakeholder and social responsibilities.

The Board also has responsibility for the Group's internal control and risk management systems and structures. Our risk management process is embedded into the business and starts at Board level but is delivered throughout the Group.

**Risk Management**

The Board has overall responsibility for the effective management of all risks to which the Company is exposed. Details of the Board's approach to risk management are set out on page 5.

**Maintaining a Dynamic Management Framework**

As Chairman, I consider both the operation of the Board as a whole and the performance of individual Directors regularly. Due to the recent adoption of the QCA Code, we have not carried out a formal Board performance evaluation this year. We therefore have not yet complied with the principle 7 of the QCA Code, which requires the Company to carry out a full Board performance evaluation. We will do this during the forthcoming year.

In January 2018 we welcomed David Firth to the Board as an independent Non-Executive Director. David was appointed following the resignation of Colin Hargrave due to ill health. With David's financial background and broad PLC experience, the Board felt he was able to bring a valuable and significant contribution to the Group. David has taken on the role of Audit Committee Chairman and is a member of the Remuneration Committee. During 2017 whilst Colin was unable to fulfil his role, David Clifford was

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2018**

appointed as an interim independent advisor to cover these positions in a non-board capacity. I would like to take this opportunity to thank both Colin and David Clifford for their contribution to the Company and I look forward to continuing to work with David Firth going forward. David will be put forward for election by shareholders at the Annual General Meeting. As with this recent appointment, future Board appointments will continue to consider diversity, including gender, alongside commercial and experience-based suitability criteria, to compliment the current balance of skills on the Board.

**Building Trust**

Responsibility for the overall leadership of the Group and setting the Group's values and standards sits with the Board. BOTB is a customer facing and customer focussed organisation, seeking to deliver an excellent experience to everyone we serve. Our business is based heavily on trust and customer feedback is actively sought using independent third parties, including Feefo and Trustpilot, as well as through social media forums such as Facebook, Twitter, YouTube and Instagram. We strive to maintain the highest standards of probity, integrity and transparency in the operation of our competitions, in our financial affairs and whilst interacting with customers, staff, shareholders and other stakeholders. In line with our strategy, the Directors and senior management seek to provide an entrepreneurial culture for our employees, whilst encouraging the strongly ethical expansion of our competition offerings to new customers, both in the UK and internationally.

Senior management supports our team to learn continuously and offer opportunities for training, in order to grow both together and as individuals. Together, we seek to improve ourselves, our processes and our business to deliver long-term shareholder value and a growing and contented customer base. We strive to support each other and to be good stewards of our assets, of our relationships with customers, staff, suppliers and ultimately of our Company's reputation.

During the year, BOTB has undertaken a number of investor relations activities to support our shareholders. These include various investor roadshows in combination with the publishing of our biannual financial results. Investors are also actively encouraged to attend our AGM and our Board sees this as an important event in the annual calendar to meet with and talk to shareholders and other stakeholders.

Throughout the year, the Board has continued to review governance and the Group's corporate governance framework. We reviewed our governance against the new QCA Code in July 2018 and will do so annually as required by AIM Rule 26.

Michael Hindmarch  
Non-Executive Chairman  
3 August 2018

**BOARD STRUCTURE AND OPERATION**

The Board consists of four Directors – Michael Hindmarch the Non-executive Chairman, David Firth, an independent Non-executive Director, William Hindmarch the Chief Executive of the Group and Rupert Garton, an Executive Director. Both William Hindmarch and Rupert Garton are heavily involved in the day to day running of the Group. 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 which includes approvals of major expenditure and investments and key policies. Board meetings are held on a regular basis and effectively no decision of any consequence is made other than by the Board. The Directors also have ongoing contact on a variety of issues between formal meetings. All Directors participate in the key areas of decision making, including the appointment of new directors. A schedule of regular matters to be addressed by the Board and its Board Committees is agreed on an annual basis. The agenda for the board meetings is prepared by the Company Secretary in consultation with the Chief Executive of the Board.

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2018**

The Board is responsible to shareholders for the proper management of the Group. A Statement of Directors' Responsibilities in respect of the financial statements is set out on page 16. 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 of the Directors have full and timely access to all relevant information. The Board is supported in its work by Board Committees, which are responsible for a variety of tasks delegated by the Board.

All Directors have access to the Company Secretary. The role of Company Secretary is fulfilled by Prism Cosec Limited ('Prism') a company secretarial and corporate governance practice. Prism provides full company secretarial support to the Board. The Prism representatives that assist the Company are qualified Chartered Secretaries and therefore suitably experienced to provide the necessary governance related support to the Board.

The Board has sought external advice from Onside Law Limited to ensure compliance with the General Data Protection Regulations and CMS Cameron McKenna Nabarro Olswang LLP to assist with the Company's transition from VAT to Remote Gaming Duty.

All of the 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. The Directors who served during the year, and a brief biography of each, is set out below.

***William Hindmarch, age 44 – 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 and has been Chief Executive for 17 years.

***Rupert Garton, age 43 – Commercial Director***

Rupert graduated from the University of Durham in 1997 and joined JP Morgan as a graduate trainee. Later, he spent seven years in Dresdner Kleinwort Wasserstein's equity capital markets and corporate finance divisions working in London, Milan and Johannesburg. In 2003, he then completed an MBA at the Oxford University Said Business School, before joining a specialist retailer as Commercial Director. He joined the Group in January 2006.

***Michael Hindmarch D.L., age 78 – Non-Executive Director***

Michael qualified as a Polymer Technologist at the National College of Rubber and Plastics Technology, London. He founded Plantpak (Plastics) Limited, a horticultural plastics company, in 1970. In 1985, he reversed Plantpak into Falcon Industries Plc, a listed conglomerate, becoming Chairman and Chief Executive Officer. 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.

***David Firth, age 57 – Non-Executive Director***

David is a Fellow of the Institute of Chartered Accountants in England and Wales and is a highly experienced PLC board member. He has acted as Finance Director and Company Secretary of a number of AIM listed companies, including Penna Consulting PLC and Parity PLC. With over 25 years of experience on PLC boards, he has a broad base of knowledge, including the raising of finance, corporate governance, investor relations and acquisitions and disposals. He also has strong operations experience, gained in building, running and restructuring people businesses.

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2018**

**Training and Development**

Directors are encouraged to attend training and continuing professional development courses as required. The Company Secretary provides updates at each Board meeting on governance and regulatory matters. An induction programme is also provided to any Directors joining the Board during the year. In 2017, David Firth received a full pack from the Company Secretary which included topics such as the operation of the Board, Directors' responsibilities, Market Abuse Regulations policy and Share Dealing Code, AIM Rules and governance documents and other key company documents.

**Time Commitment**

The time commitment expected of the Non-Executive Directors is set out in their letters of appointment. The nature of the role makes it difficult to place a specific time commitment however, a minimum of two days per month is what the Company anticipates as reasonable for the proper performance of duties. Directors are expected to attend all Board and Committee meetings.

The Board has established an Audit Committee and Remuneration Committee, each of which have written terms of reference. Given the size of the Board there is no separate Nominations Committee, and all of the Board participates in the appointment of new Directors.

**AUDIT COMMITTEE REPORT**

The Audit Committee comprises of the Non-Executive Directors – David Firth and Michael Hindmarch. The Chairman, David Firth, has extensive financial experience and is a Chartered Accountant.

The Audit Committee meets as often as it deems necessary but, in any case, at least twice a year. These meetings are scheduled at appropriate intervals in the reporting and audit cycle.

Although only members of the Committee have the right to attend meetings, standing invitations are extended to the Executive Directors who attend meetings as a matter of practice. The external auditors also usually attend and have the opportunity to meet with the Committee without the executive management present.

**Duties**

The main duties of the Audit Committee are set out in its Terms of Reference and include the following:

- To monitor the integrity of the financial statements of the Company, including its annual and half-year reports;
- To review and challenge where necessary the consistency of and any changes to accounting policies, the methods used to account for significant or unusual transactions and whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor, and all material information presented with the financial statements;
- To keep under review the effectiveness of the Company's internal control and risk management systems and to review and approve the statements to be included in the Annual Report concerning internal controls and risk management;
- To regularly review the need for an internal audit function;
- To consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, reappointment and removal of the Company's external auditor;

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2018**

- To oversee the relationship with the external auditor including approval of their remuneration, approval of their terms of engagement, annual assessment of their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- To meet regularly with the external auditor and at least once a year, without management present to discuss any issues arising from the audit;
- To review and approve the Audit Plan and review the findings of the audit.

The principal areas of focus for the Committee during the year included the following items:

- Review of internal controls;
- Review of the external auditors' report and significant issues from the audit report;
- Review of the Annual Report and financial statements;
- Approval of the management representation letter;
- Review of the independence of the auditors, review of auditors' fees and engagement letter.

**Role of the external auditors**

The Audit Committee monitors the relationship with the external auditors, Wilkins Kennedy LLP, to ensure that the auditors' independence and objectivity are maintained. The Committee assesses the independence of the external auditors and the effectiveness of the external audit process before making recommendations to the Board in respect of their appointment or reappointment. In assessing independence and objectivity, the Committee considers the level and nature of services provided by the external auditors as well as the confirmation from the external auditors that they have remained independent within the meaning of the APB Ethical Standards of Auditors.

The Committee's assessment of the external auditors' independence took into account the non-audit services provided during the year. The Committee concluded that the nature and extent of the non-audit fees did not compromise the independence of the auditors.

Having reviewed the auditors' independence and performance, the Audit Committee is recommending that Wilkins Kennedy LLP be reappointed as the Company's auditors at the next Annual General Meeting.

**Internal audit**

The need for an internal audit function is assessed and it is considered that in light of the control environments within the business there is no current requirement for a separate internal audit function.

**Audit process**

The external auditors prepare an Audit Plan for their review of the full year financial statements. The Audit Plan sets out the scope of the audit, areas to be targeted and audit timetable. Following their review, the auditors present their findings to the Audit Committee for discussion. No major areas of concern were highlighted by the auditors during the year.

David Firth  
Chairman of the Audit Committee  
3 August 2018

**BEST OF THE BEST PLC**  
**Corporate Governance Report (continued)**  
**For The Year Ended 30 April 2018**

**REMUNERATION COMMITTEE**

The Remuneration Committee, comprising of Michael Hindmarch (Chairman of the Committee) and David Firth, is responsible for making recommendations to the Board on the Group's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the Executive Directors. The Board itself determines the remuneration of the Non-Executive Directors. The Report of the Remuneration Committee is set out on page 13.

**BOARD MEETING ATTENDANCE**

Directors' attendance at Board meetings is show below:

	<i>Number of Board meetings attended</i>
William Hindmarch	6/6
Rupert Garton	6/6
Michael Hindmarch	5/6
Colin Hargrave*	0/6
David Firth**	3/6

*\*Colin Hargrave was unable to attend meetings due to ill health and resigned from the Board in December 2017.*

*\*\*David Firth was appointed as a Director on 1 January 2018 and has attended all Board meetings since that date.*

*Further ad hoc Board meetings were held during the year.*

**INTERNAL FINANCIAL CONTROL**

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group'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 are 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 weaknesses in internal financial control have resulted in any material losses, or contingencies which would require disclosure, as recommended by the guidance for directors on reporting on internal financial control.

**RELATIONS WITH SHAREHOLDERS**

The Chief Executive is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. Following the announcement of the interim and full year results, the investor road shows are carried out and, 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 6 September 2018. Notice of the Annual General Meeting is set out at the back of this document.

**BEST OF THE BEST PLC**  
**Report of the Remuneration Committee**  
**For The Year Ended 30 April 2018**

This report does not constitute a Directors' Remuneration Report in accordance with the Directors' Remuneration Regulations 2007, which do not apply to the Company as it is not fully listed. This Report sets out the Company's policy on Directors' remuneration, including emoluments, benefits and other share-based awards made to each Director.

**REMUNERATION COMMITTEE**

The members of the Committee are Michael Hindmarch (Chairman of the Committee) and David Firth.

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

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

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

**REMUNERATION POLICY**

Certain Directors may 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 30 April 2018, no Directors held options in the Company (2017: Nil).

**PENSION ARRANGEMENTS**

During the year, the Company provided £20,000 (2017: £28,000) in respect of the Executive Director pension payments. At the year end, £Nil (2017: £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.

**DIRECTORS' REMUNERATION**

	<i>Benefits in kind</i>	<i>Salary</i>	<i>Bonus</i>	<i>Pension</i>	<i>Fees paid to third parties</i>	<i>30 April 2018 Total</i>	<i>30 April 2017 Total</i>
<i>Director</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Rupert Garton	8,590	140,000	70,000	10,000	–	228,590	224,356
William Hindmarch	6,268	140,000	70,000	10,000	–	226,268	222,732
Michael Hindmarch	–	–	–	–	12,000	12,000	12,000
Colin Hargrave	1,276	13,500	–	–	–	14,776	19,223
David Firth	–	6,000	–	–	–	6,000	–



**BEST OF THE BEST PLC**  
**Report of the Remuneration Committee (continued)**  
**For The Year Ended 30 April 2018**

**APPROVAL**

The report was approved by the Board of Directors and authorised for issue on 3 August 2018 and signed on its behalf by:



.....  
M W Hindmarch  
3 August 2018

**BEST OF THE BEST PLC**  
**Report of the Directors**  
**For The Year Ended 30 April 2018**

The Directors of Best of the Best PLC present their report for the year ended 30 April 2018. Particulars of important events affecting the Company and its subsidiary and likely future developments may be found in the Strategic Report on pages 2 to 6.

## **DIRECTORS**

The Directors during the year and summaries of their experience are set out on page 9. The Directors who held office during the year and their beneficial interest in the share capital of the Company at 30 April 2018 were as follows:

	<i>30 April 2018*</i>	<i>30 April 2017*</i>
William Hindmarch	5,086,851	5,086,851
Rupert Garton	1,502,124	1,502,124
Michael Hindmarch	899,722	874,722
Colin Hargrave – resigned 31 December 2017	n/a	136,519
David Firth – appointed 1 January 2018	5,000	–

\*or date of appointment if later

## **DIVIDENDS**

Details of dividends paid during the year and declared as at the date of this report are set out in the Strategic Report on page 3.

## **SHARE CAPITAL**

Details of the Company's share capital are set out in Note 18. The Company's share capital consists of one class of ordinary share, which does not carry rights to fixed income. As at 30 April 2018, there were 10,098,580 ordinary shares of 5p each in issue. Ordinary shareholders are entitled to receive notice and to attend and speak at general meetings. Each shareholder present in person or by proxy (or by duly authorised corporate representatives) has, on a show of hands, one vote. On a poll, each shareholder present in person or by proxy has one vote for each share held.

Other than the general provisions of the Articles (and prevailing legislation) there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares.

The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

56,000 (2017: Nil) Ordinary shares of £0.05 per share were re-purchased by the Company during the year and subsequently cancelled. The amount paid per share was between £2.20 and £2.55.

## **AUTHORITY TO PURCHASE OWN SHARES**

At the 2017 Annual General Meeting, the Company was authorised by shareholders to purchase up to 1,012,458 of its own shares, representing approximately 10 per cent. of the total issued share capital. This authority will expire at the forthcoming Annual General Meeting and a resolution to renew the authority for a further year will be sought.

## **SUBSTANTIAL SHAREHOLDERS**

As at 12 July 2018, the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights (other than the Directors' interests, already disclosed).

**BEST OF THE BEST PLC**  
**Report of the Directors (continued)**  
**For The Year Ended 30 April 2018**

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
Stancroft Trust Limited	782,647	7.75
Octopus Investment Management	313,999	3.11

**POLITICAL CONTRIBUTIONS**

The Company has made no political contributions during the year (2017: £Nil).

**CHARITABLE DONATIONS**

Charitable donations during the year amounted to £3,699 (2017: £3,506).

**EVENTS SINCE THE END OF THE YEAR**

The Company received £4.5 million from HMRC on 23 May 2018 (before the deduction of any professional fees, expenses and tax) in respect of a retrospective VAT claim. Further details of this claim, and an associated retrospective Remote Gaming Duty claim received from HMRC, are set out on page 4 of the Strategic Report under the heading “VAT Claim” and in Note 4 to the attached financial statements.

**DISCLOSURE IN THE STRATEGIC REPORT**

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Group Strategic Report which would otherwise be required to be contained in the Report of the Directors:

- Outlook
- Risk management, including financial risk management and non-financial risk management.

**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 (“IFRS”). 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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

**BEST OF THE BEST PLC**  
**Report of the Directors (continued)**  
**For The Year Ended 30 April 2018**

Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

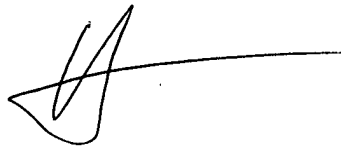
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

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 auditor is 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 auditor is aware of that information.

**AUDITOR**

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

**ON BEHALF OF THE BOARD**



.....  
W S Hindmarch  
Director  
3 August 2018

**BEST OF THE BEST PLC**  
**Report of the Independent Auditor**  
**For The Year Ended 30 April 2018**

**Opinion**

We have audited the financial statements of Best of the Best PLC (the ‘Company’) and its subsidiaries (the ‘Group’) for the year ended 30 April 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Company’s affairs as at 30 April 2018 and of the Group’s profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group’s or the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**BEST OF THE BEST PLC**  
**Report of the Independent Auditor (continued)**  
**For The Year Ended 30 April 2018**

*Matter*

*How we addressed the matter in our audit*

**The revenue cycle includes fraudulent transactions**

Under ISA 240, there is a presumed risk that revenue may be misstated due to improper revenue recognition.

We verified the Company's revenue recognition policy for reasonableness and substantively tested a sample of entries to the sales accounts to ensure the policy is being applied correctly.

We performed revenue cut-off procedures to ensure that revenue is recognised in the correct accounting period.

Based on these substantive procedures, we concluded that the Company's revenue recognition policy has been applied correctly in all material respects.

**Provision for onerous lease costs**

The Directors have identified that a number of airport site leases are onerous and the financial statements include a provision for the lease costs and associated exit costs for these sites.

We reviewed management's calculations to ensure that only lease costs and associated exit costs are included in the provision.

We inspected correspondence and other documentation with the lessors to understand if the assumptions used in management's calculations appear reasonable.

Based on the work performed, we concluded that the onerous lease provision appears reasonable.

**Uncertain tax position on "Spot-the-Ball" competition**

The Directors have been notified that the Company has historically paid the wrong form of indirect tax on its 'spot the ball' competitions. The Directors are in the process of agreeing the position with HM Revenue and Customs ('HMRC') and have disclosed the presence of a contingency.

We inspected correspondence received from HMRC to understand the latest position relating to the claims.

We assessed whether the current status of the claims is fairly accounted for and disclosed in the financial statements.

Based on the work performed, we concluded that the current status of the claims is fairly accounted for and disclosed.

**Our application of materiality**

We define materiality for the financial statements as a whole as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work. Materiality was determined as follows:

*Measure*

*Group*

Financial statements as a whole

£87,500 (2017: £84,000), which was calculated by reference to the Group's turnover, result before tax, gross and net assets.

Performance materiality used to drive the extent of our testing

50% of financial statement materiality

Specific materiality

We determined a lower level of materiality for certain specific areas, such as Directors' remuneration and related party transactions.

**BEST OF THE BEST PLC**  
**Report of the Independent Auditor (continued)**  
**For The Year Ended 30 April 2018**

<i>Measure</i>	<i>Group</i>
Communication of misstatements to the Audit Committee	We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £4,375 (2017: £4,200).

The Company's materiality threshold was calculated by reference to the Company's turnover, result before tax and gross and net assets and was higher than was calculated for the Group and so the Company's materiality has been capped at the Group materiality. Performance and specific materiality for the Company are therefore the same as for the Group as is the amount above which misstatements will be communicated to the Audit Committee.

**An overview of the scope of our audit**

We tailored the scope of our audit to ensure that we obtained sufficient appropriate audit evidence to be able to give an opinion on the financial statements as a whole, taking in to account the Group structure as well as its accounting processes and controls.

All audit work required for the purpose of forming an opinion on the Company's and the Group's financial statements was undertaken by the Group engagement team. The Company had one wholly owned subsidiary company throughout the year and liquidated a second subsidiary company during the year. Neither subsidiary company is considered to be significant to the Group results or financial position and a limited review was therefore undertaken by the Group engagement team for the purpose of the audit of the group financial statements.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**BEST OF THE BEST PLC**  
**Report of the Independent Auditor (continued)**  
**For The Year Ended 30 April 2018**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our Report**

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the



**BEST OF THE BEST PLC**  
**Report of the Independent Auditor (continued)**  
**For The Year Ended 30 April 2018**

Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Wilkins Kennedy LLP Wilkins Kennedy LLP*

Ian Jefferson (Senior Statutory Auditor)  
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor  
Bridge House  
London Bridge  
London SE1 9QR

3 August 2018

**BEST OF THE BEST PLC**  
**Consolidated Statement of Comprehensive Income**  
**For The Year Ended 30 April 2018**

	<i>Notes</i>	<i>2018</i> £	<i>2017</i> £
<b>CONTINUING OPERATIONS</b>			
Revenue		12,947,716	10,811,989
Cost of sales		(5,504,906)	(3,864,696)
<b>GROSS PROFIT</b>		<u>7,442,810</u>	<u>6,947,293</u>
Administrative expenses		(5,843,662)	(5,435,703)
<b>OPERATING PROFIT</b>		<u>1,599,148</u>	<u>1,511,590</u>
Finance income	7	947	1,056
<b>PROFIT BEFORE INCOME TAX</b>	8	<u>1,600,095</u>	<u>1,512,646</u>
Income tax	9	(253,077)	(117,915)
<b>PROFIT FOR THE YEAR</b>		<u>1,347,018</u>	<u>1,394,731</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		1,578	24,849
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>1,578</u>	<u>24,849</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,348,596</u>	<u>1,419,580</u>
Profit attributable to:			
Owners of the parent		<u>1,347,018</u>	<u>1,394,731</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>1,348,596</u>	<u>1,419,580</u>
Earnings per share expressed in pence per share			
Basic	11	13.32	13.78
Diluted	11	<u>13.29</u>	<u>13.74</u>

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Consolidated Statement of Financial Position**  
**As at 30 April 2018**

	<i>Notes</i>	<i>2018</i> £	<i>2017</i> £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	13	127,316	178,133
Property, plant and equipment	14	1,144,830	1,356,988
Investments	15	–	70,000
Deferred tax	20	40,445	36,964
		<u>1,312,591</u>	<u>1,642,085</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	150,123	245,186
Cash and cash equivalents	17	2,322,073	2,106,156
		<u>2,472,196</u>	<u>2,351,342</u>
<b>TOTAL ASSETS</b>		<u>3,784,787</u>	<u>3,993,427</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	504,926	506,226
Share premium		199,324	179,074
Capital redemption reserve		200,451	197,651
Foreign exchange reserve		26,427	24,849
Retained earnings		614,838	962,108
<b>TOTAL EQUITY</b>		<u>1,545,966</u>	<u>1,869,908</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	1,929,039	1,718,128
Tax payable		103,232	275,575
Provision	21	206,550	129,816
<b>TOTAL LIABILITIES</b>		<u>2,238,821</u>	<u>2,123,519</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,784,787</u>	<u>3,993,427</u>

The financial statements were approved by the Board of Directors on 3 August 2018 and were signed on its behalf by:



.....  
W S Hindmarch  
Director

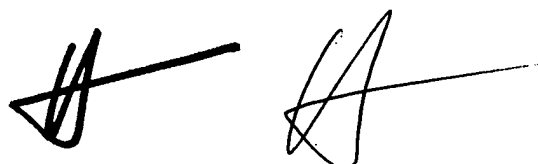
The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Company Statement of Financial Position**  
**As at 30 April 2018**

	<i>Notes</i>	<i>2018</i> £	<i>2017</i> £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	13	127,316	178,133
Property, plant and equipment	14	1,144,830	1,356,988
Investments	15	–	70,085
Deferred tax	20	40,445	36,964
		<u>1,312,591</u>	<u>1,642,170</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	149,733	184,056
Cash and cash equivalents	17	2,315,988	2,076,908
		<u>2,465,721</u>	<u>2,260,964</u>
<b>TOTAL ASSETS</b>		<u>3,778,312</u>	<u>3,903,134</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	504,926	506,226
Share premium		199,324	179,074
Capital redemption reserve		200,451	197,651
Retained earnings		635,682	841,335
<b>TOTAL EQUITY</b>		<u>1,540,383</u>	<u>1,724,286</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	1,927,439	1,769,811
Tax payable		103,940	279,221
Provision	21	206,550	129,816
<b>TOTAL LIABILITIES</b>		<u>2,237,929</u>	<u>2,178,848</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,778,312</u>	<u>3,903,134</u>

The profit attributable to shareholders dealt with in the financial statements of the Company was £1,488,635 (2017: £1,390,619).

The financial statements were approved by the Board of Directors on 3 August 2018 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 30 April 2018**

	<i>Called up share capital</i> £	<i>Share premium</i> £	<i>Capital redemption reserve</i> £
<b>Balance at 1 May 2016</b>	<u>505,726</u>	<u>175,774</u>	<u>197,651</u>
Issue of share capital	500	3,300	–
Dividends paid	–	–	–
<b>Transactions with owners</b>	<u>500</u>	<u>3,300</u>	<u>–</u>
Profit for the year	–	–	–
Other comprehensive income			
Exchange differences arising on translating foreign operations	–	–	–
<b>Total comprehensive income</b>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Balance at 30 April 2017</b>	<u>506,226</u>	<u>179,074</u>	<u>197,651</u>
Issue of share capital	1,500	20,250	–
Dividends paid	–	–	–
Effect of share buy back	(2,800)	–	2,800
<b>Transactions with owners</b>	<u>(1,300)</u>	<u>20,250</u>	<u>2,800</u>
Profit for the year	–	–	–
Other comprehensive income			
Exchange differences arising on translating foreign operations	–	–	–
<b>Total comprehensive income</b>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Balance at 30 April 2018</b>	<u>504,926</u>	<u>199,324</u>	<u>200,451</u>

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Consolidated Statement of Changes in Equity (continued)**  
**For The Year Ended 30 April 2018**

	<i>Foreign exchange reserve</i> £	<i>Retained earnings</i> £	<i>Total</i> £
<b>Balance at 1 May 2016</b>	—	711,455	1,590,606
Issue of share capital	—	—	3,800
Dividends paid	—	(1,144,078)	(1,144,078)
<b>Transactions with owners</b>	—	(1,144,078)	(1,140,278)
Profit for the year	—	1,394,731	1,394,731
Other comprehensive income			
Exchange differences arising on translating foreign operations	24,849	—	24,849
<b>Total comprehensive income</b>	24,849	1,394,731	1,419,580
<b>Balance at 30 April 2017</b>	24,849	962,108	1,869,908
Issue of share capital	—	—	21,750
Dividends paid	—	(1,557,535)	(1,557,535)
Effect of share buy back	—	(136,753)	(136,753)
<b>Transactions with owners</b>	—	(1,694,288)	(1,672,538)
Profit for the year	—	1,347,018	1,347,018
Other comprehensive income			
Exchange differences arising on translating foreign operations	1,578	—	1,578
<b>Total comprehensive income</b>	1,578	1,347,018	1,348,596
<b>Balance at 30 April 2018</b>	26,427	614,838	1,545,966

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Company Statement of Changes in Equity**  
**For The Year Ended 30 April 2018**

	<i>Called up share capital £</i>	<i>Share premium £</i>	<i>Capital redemption reserve £</i>
<b>Balance at 1 May 2016</b>	505,726	175,774	197,651
Issue of share capital	500	3,300	–
Dividends paid	–	–	–
<b>Transactions with owners</b>	500	3,300	–
Profit for the year	–	–	–
<b>Total comprehensive income</b>	–	–	–
<b>Balance at 30 April 2017</b>	506,226	179,074	197,651
Issue of share capital	1,500	20,250	–
Dividends paid	–	–	–
Effect of share buy back	(2,800)	–	2,800
<b>Transactions with owners</b>	(1,300)	20,250	2,800
Profit for the year	–	–	–
<b>Total comprehensive income</b>	–	–	–
<b>Balance at 30 April 2018</b>	504,926	199,324	200,451

	<i>Retained earnings £</i>	<i>Total £</i>
<b>Balance at 1 May 2016</b>	594,794	1,473,945
Issue of share capital	–	3,800
Dividends paid	(1,144,078)	(1,144,078)
<b>Transactions with owners</b>	(1,144,078)	(1,140,278)
Profit for the year	1,390,619	1,390,619
<b>Total comprehensive income</b>	1,390,619	1,390,619
<b>Balance at 30 April 2017</b>	841,335	1,724,286
Issue of share capital	–	21,750
Dividends paid	(1,557,535)	(1,557,535)
Effect of share buy back	(136,753)	(136,753)
<b>Transactions with owners</b>	(1,694,288)	(1,672,538)
Profit for the year	1,488,635	1,488,635
<b>Total comprehensive income</b>	1,488,635	1,488,635
<b>Balance at 30 April 2018</b>	635,682	1,540,383

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended 30 April 2018**

	<i>Notes</i>	<i>2018</i> £	<i>2017</i> £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	29	2,236,879	2,177,993
Tax paid		(428,901)	(45,464)
<b>Net cash from operating activities</b>		<u>1,807,978</u>	<u>2,132,529</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of intangible assets		(38,250)	–
Purchases of property, plant and equipment		(14,137)	(132,113)
Sales of property, plant and equipment		131,917	43,333
Interest received		947	1,056
<b>Net cash from investing activities</b>		<u>80,477</u>	<u>(87,724)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue		21,750	3,800
Cost of share buy back		(136,753)	–
Equity dividends paid		(1,557,535)	(1,144,078)
<b>Net cash from financing activities</b>		<u>(1,672,538)</u>	<u>(1,140,278)</u>
Increase in cash and cash equivalents		<u>215,917</u>	<u>904,527</u>
Cash and cash equivalents at beginning of year		<u>2,106,156</u>	<u>1,201,629</u>
Cash and cash equivalents at end of year	17	<u>2,322,073</u>	<u>2,106,156</u>

The notes form part of these financial statements



**BEST OF THE BEST PLC**  
**Company Statement of Cash Flows**  
**For The Year Ended 30 April 2018**

	<i>Notes</i>	<i>2018</i> £	<i>2017</i> £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	29	2,262,980	2,183,205
Tax paid		(431,839)	(45,996)
<b>Net cash from operating activities</b>		<u>1,831,141</u>	<u>2,137,209</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of intangible assets		(38,250)	–
Purchases of property, plant and equipment		(14,137)	(132,113)
Sales of property, plant and equipment		131,917	43,333
Interest received		947	1,056
<b>Net cash from investing activities</b>		<u>80,477</u>	<u>(87,724)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue		21,750	3,800
Cost of share buy back		(136,753)	–
Equity dividends paid		(1,557,535)	(1,144,078)
<b>Net cash from financing activities</b>		<u>(1,672,538)</u>	<u>(1,140,278)</u>
Increase in cash and cash equivalents		<u>239,080</u>	<u>909,207</u>
Cash and cash equivalents at beginning of year		<u>2,076,908</u>	<u>1,167,701</u>
Cash and cash equivalents at end of year	17	<u>2,315,988</u>	<u>2,076,908</u>

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements**  
**For The Year Ended 30 April 2018**

**1. GENERAL INFORMATION**

The principal activity of the Company and the Group is to operate weekly competitions to win luxury cars online and also through retail sites within airports and at shopping centres.

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 adopted by the European Union and in accordance with those parts 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 Pound.

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**

The Company and Group applied for the first time certain Standards and Amendments which are effective for annual periods commencing on or after 1 May 2017. The Company and Group have not early adopted any other Standards, Interpretations or Amendments that have been issued but are not yet effective.

**IAS 7 Statement of Cash Flows**

The Amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity’s financing activities.

**IFRS 12 Disclosure of Interests in Other Entities**

The Amendments result from the Annual Improvements 2014-2016 Cycle, which clarifies the scope of the Standard.

At the date of authorisation of these financial statements, certain new Standards, Amendments and Interpretations to existing Standards have been published but are not yet effective and have not been adopted early by the Company and Group.

Management anticipates that all of the pronouncements will be adopted in the accounting periods for the first period beginning after the effective date of the pronouncement. Information on new Standards, Amendments and Interpretations that are expected to be relevant to the financial statements is provided below. Certain other new Standards, Amendments and Interpretations have been issued but are not expected to be relevant to the financial statements.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**2.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)**

**IAS 12 Income Taxes**

The Amendments result from the Annual Improvements 2015-2017 cycle and address the income tax consequences of dividends. The Amendments are effective for accounting periods commencing on or after 1 January 2019, subject to adoption by the European Union.

**IFRS 2 Share Based Payment**

The Amendments to IFRS 2 clarify the classification and measurement of share-based payment transactions. The Amendments are effective for accounting periods commencing on or after 1 January 2018.

**IFRS 9 Financial Instruments**

Amendments to IFRS 9 address the classification and measurement of financial assets and will replace IAS 39. The Amendments are effective for accounting periods commencing on or after 1 January 2018.

**IFRS 15 Revenue from Contracts with Customers**

The Standard sets out at what point and how revenue is recognised and also requires enhanced disclosures. Revenue contracts should be recognised in accordance with a single principles based five-step plan. The Standard is effective for accounting periods beginning on or after 1 January 2018.

**IFRS 16 Leases**

The Standard specifies how an entity recognises, measures, presents and discloses leases. The Standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset is low value. The Standard is effective for accounting periods commencing on or after 1 January 2019.

**IFRIC 22 Foreign Currency Transactions and Advance Consideration**

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation is effective for accounting periods commencing on or after 1 January 2018.

**IFRIC 23 Uncertainty over Income Tax Treatments**

IFRIC 23 is to be applied in determining the taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates. It is to be applied where there is uncertainty over the income tax treatment under IAS 12. The Interpretation is effective for accounting periods commencing on or after 1 January 2019, subject to adoption by the European Union.

The Directors do not expect that the adoption of the Standards and Amendments listed above will have a material impact on the financial statements of the Company and Group in future periods, although the detailed impact has not yet been quantified.

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

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**2.3 REVENUE RECOGNITION**

Revenue represents the value of tickets sold in respect of weekly competitions, 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.

**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.

**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.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**2.7 FOREIGN CURRENCIES (CONTINUED)**

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 Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**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.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 are recorded at cost less any provision for permanent diminution in value.

**2.16 LEASES**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company and Group is classified as a finance lease. The Company and Group have not entered into any finance leases during any financial year included in these financial statements.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**2.16 LEASES (CONTINUED)**

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight line basis over the lease term.

**2.17 PROVISIONS**

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.

**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.

*Loans and receivables*

Loans and 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 become 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;



**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**2.19 EQUITY (CONTINUED)**

- 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.

**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 outcomes 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.

***Uncertain tax treatment on "Spot the Ball" game***

Following the VAT decision given by the Supreme Court in favour of Sportech PLC on 8 December 2016, and after taking further specialist legal and tax advice, the Company submitted a top-up claim to HMRC to recover VAT paid on its own "Spot the ball" game.

As a result, the Company received a retrospective VAT refund in May 2018 of approximately £4.5m. Furthermore, as a result of the case, HMRC issued VAT Notice 701/29 confirming acceptance of the judgement and stating its assessment that, as a game of chance, "Spot the Ball" games are subject to Remote Gaming Duty (RGD) instead. The company has received a retrospective claim for RGD which the directors consider is not due and for which the financial consequences, if any, cannot at present be reliably estimated. The Directors have assessed that the two events are so closely related that they would not be able to recognise the financial consequences separately. As the overall consequences of these events cannot currently be reliably measured, it has been judged appropriate not to recognise any amounts in respect of these events in these financial statements.

***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.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**5. SEGMENTAL REPORTING**

Sales from UK activities totalled £10,386,359 (2017: £8,852,252) whilst sales from non-UK activities totalled £2,561,357 (2017: £1,959,737).

**6. EMPLOYEES AND DIRECTORS**

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Wages and salaries	2,420,722	2,355,051	2,308,814	2,193,450
Social security costs	265,978	273,925	254,367	256,890
Other pension costs	64,520	12,493	64,520	12,493
	<u>2,751,220</u>	<u>2,641,469</u>	<u>2,627,701</u>	<u>2,462,833</u>

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

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Sales	37	44	32	38
Administration	18	17	18	17
Management	2	2	2	2
	<u>57</u>	<u>63</u>	<u>52</u>	<u>57</u>

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Directors' remuneration	<u>487,634</u>	<u>478,311</u>

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

	<i>2018</i>	<i>2017</i>
	<i>Number</i>	<i>Number</i>
Money purchase schemes	<u>2</u>	<u>2</u>

Details of individual director's remuneration are set out in the Report of the Remuneration Committee on page 13.

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>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Emoluments	<u>228,590</u>	<u>224,356</u>

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**7. FINANCE INCOME**

	2018	2017
	£	£
Finance income:		
Deposit account interest	947	1,056

**8. PROFIT BEFORE INCOME TAX**

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

	2018	2017
	£	£
Depreciation and impairment of property, plant and equipment	126,036	228,894
Amortisation of intangible assets	89,067	89,067
Profit on disposal of property, plant and equipment	(31,658)	(451)
Operating lease expense – buildings	676,234	744,939
Operating lease expense – other	10,629	5,084
Foreign exchange losses/(gains)	6,813	(18,632)
Auditor's remuneration		
– Audit fees	34,025	33,900
– Taxation services	6,750	14,102
– Other	13,000	5,250

**9. INCOME TAX**

**Analysis of tax expense**

	2018	2017
	£	£
Current tax:		
Current year charge	256,558	219,682
Overprovision in prior year	–	(105,880)
Total current tax	256,558	113,802
Deferred tax		
Origination and reversal of temporary timing differences	(3,481)	4,113
Total deferred tax	(3,481)	4,113
Total tax charge for the year	253,077	117,915

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**9. INCOME TAX (CONTINUED)**

**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:

	2018 £	2017 £
Profit on ordinary activities before income tax	1,600,095	1,512,646
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	304,018	302,529
Effects of:		
Depreciation in excess of capital allowances	7,632	4,499
Other timing differences	(3,247)	4,113
Non-deductible expenses	12,574	19,210
Research and development enhanced deduction	(67,900)	(106,556)
Prior year adjustment and interest	–	(105,880)
Tax expense	253,077	117,915

**Future tax developments**

A reduction in the UK corporation tax rate from 19% to 17%, effective from 1 April 2020, was substantively enacted on 15 September 2016. This will reduce the company's future tax charge accordingly.

The Finance (No.2) Act 2017 was substantively enacted on 16 November 2017. This includes a restriction on the utilisation of brought forward losses and corporate interest in certain circumstances, effective from 1 April 2017.

**10. PROFIT OF THE PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements. The Company's profit for the financial year was £1,488,635 (2017: £1,390,619).

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**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>2018</i>	<i>2017</i>
Profit for the year and basic and diluted earnings attributable to the owners of the parent	£1,347,018	£1,394,731
Weighted average number of ordinary shares	10,112,997	10,121,247
Basic earnings per share	13.32p	13.78p
Adjusted weighted average number of ordinary shares	10,137,887	10,151,247
Diluted earnings per share	13.29p	13.74p

**12. DIVIDENDS**

During the year, the Company paid a final dividend of 1.4 pence per share on 22 September 2017, as recommended in the financial statements to 30 April 2017, and a Special Dividend of 6.5 pence per share was paid on 30 June 2017 to shareholders on the register at the close of business on 16 June 2017. A further Special Dividend of 7.5 pence per share was paid on 23 February 2018 to shareholders on the register at the close of business on 9 February 2018.

The Board is recommending a final dividend of 1.5 pence per share for the full year ending 30 April 2018, subject to shareholder approval at the Annual General Meeting on 6 September 2018. The final dividend will be paid on 21 September 2018 to shareholders on the register on 7 September 2018. In addition, a Special Dividend of 4.5 pence per share for the full year ending 30 April 2018 was paid on 20 July 2018 to shareholders on the register at the close of business on 6 July 2018.

**13. INTANGIBLE ASSETS – GROUP AND COMPANY**

	<i>Development costs</i> <i>£</i>
<b>COST</b>	
At 1 May 2017	267,200
Additions	38,250
At 30 April 2018	305,450
<b>AMORTISATION</b>	
At 1 May 2017	89,067
Charge for year	89,067
At 30 April 2018	178,134
<b>NET BOOK VALUE</b>	
<b>2018</b>	127,316
<b>2017</b>	178,133

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**14. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY**

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Display equipment £</i>	<i>Fixtures and fittings £</i>
<b>COST</b>				
At 1 May 2017	954,034	25,950	713,060	170,219
Additions	–	–	–	–
Disposals	–	–	(239,469)	–
<b>At 30 April 2018</b>	<u>954,034</u>	<u>25,950</u>	<u>473,591</u>	<u>170,219</u>
<b>DEPRECIATION AND IMPAIRMENT</b>				
At 1 May 2017	3,500	1,040	414,855	139,177
Charge for the year	3,498	1,038	67,325	21,540
Eliminated on disposals	–	–	(139,210)	–
<b>At 30 April 2018</b>	<u>6,998</u>	<u>2,078</u>	<u>342,970</u>	<u>160,717</u>
<b>NET BOOK VALUE 2018</b>	<u>947,036</u>	<u>23,872</u>	<u>130,621</u>	<u>9,502</u>
2017	<u>950,534</u>	<u>24,910</u>	<u>298,205</u>	<u>31,042</u>
		<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Total £</i>
<b>COST</b>				
At 1 May 2017		58,275	101,000	2,022,538
Additions		–	14,137	14,137
Disposals		–	–	(239,469)
<b>At 30 April 2018</b>		<u>58,275</u>	<u>115,137</u>	<u>1,797,206</u>
<b>DEPRECIATION AND IMPAIRMENT</b>				
At 1 May 2017		27,341	79,637	665,550
Charge for the year		7,737	24,898	126,036
Eliminated on disposals		–	–	(139,210)
<b>At 30 April 2018</b>		<u>35,078</u>	<u>104,535</u>	<u>652,376</u>
<b>NET BOOK VALUE 2018</b>		<u>23,197</u>	<u>10,602</u>	<u>1,144,830</u>
2017		<u>30,934</u>	<u>21,363</u>	<u>1,356,988</u>

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

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

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Display equipment £</i>	<i>Fixtures and fittings £</i>
<b>COST</b>				
At 1 May 2016	954,034	25,950	680,549	170,219
Additions	–	–	90,833	–
Disposals	–	–	(58,322)	–
<b>At 30 April 2017</b>	<b>954,034</b>	<b>25,950</b>	<b>713,060</b>	<b>170,219</b>
<b>DEPRECIATION AND IMPAIRMENT</b>				
At 1 May 2016	–	–	365,014	42,047
Charge for the year	3,500	1,040	74,401	97,130
Eliminated on disposals	–	–	(24,560)	–
<b>At 30 April 2017</b>	<b>3,500</b>	<b>1,040</b>	<b>414,855</b>	<b>139,177</b>
<b>NET BOOK VALUE 2017</b>	<b>950,534</b>	<b>24,910</b>	<b>298,205</b>	<b>31,042</b>
2016	954,034	25,950	315,535	128,172
		<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Total £</i>
<b>COST</b>				
At 1 May 2016		72,775	93,120	1,996,647
Additions		33,400	7,880	132,113
Disposals		(47,900)	–	(106,222)
<b>At 30 April 2017</b>		<b>58,275</b>	<b>101,000</b>	<b>2,022,538</b>
<b>DEPRECIATION AND IMPAIRMENT</b>				
At 1 May 2016		55,809	37,126	499,996
Charge for the year		10,312	42,511	228,894
Eliminated on disposals		(38,780)	–	(63,340)
<b>At 30 April 2017</b>		<b>27,341</b>	<b>79,637</b>	<b>665,550</b>
<b>NET BOOK VALUE 2017</b>		<b>30,934</b>	<b>21,363</b>	<b>1,356,988</b>
2016		16,966	55,994	1,496,651

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**15. INVESTMENTS**

**Group**

	<i>Unlisted investments £</i>
<b>COST</b>	
At 1 May 2017 and 30 April 2018	70,000
<b>IMPAIRMENT</b>	
At 1 May 2017	—
Additions	70,000
At 30 April 2018	70,000
<b>NET BOOK VALUE 2018</b>	—
2017	70,000

Unlisted investments relate to the cost of acquiring options in another company. The investment was impaired in full during the year under review.

**Company**

	<i>Shares in group undertakings £</i>	<i>Unlisted investments £</i>	<i>Total £</i>
<b>COST</b>			
At 1 May 2017	12,585	70,000	82,585
Disposals	(12,500)	—	(12,500)
At 30 April 2018	85	70,000	70,085
<b>IMPAIRMENT</b>			
At 1 May 2017	12,500	—	12,500
Additions	85	70,000	70,085
Disposals	(12,500)	—	(12,500)
<b>At 30 April 2018</b>	85	70,000	70,085
<b>NET BOOK VALUE 2018</b>	—	—	—
2017	85	70,000	70,085

Shares in Group undertakings comprise of the following subsidiary companies:

<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

The winding up of Best of the Best Aps was finalised during the year under review and the cost of the investment in that company has now been written off in full.

The company started the process of winding up BOTB Ireland Limited during the year under review. As such, the cost of investment in that subsidiary company has been impaired in full.



**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**16. TRADE AND OTHER RECEIVABLES – GROUP AND COMPANY**

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade receivables	10,961	13,396	10,961	9,294
Other receivables	56,290	117,732	56,290	66,995
Prepayments and accrued income	82,872	114,058	82,482	107,767
	<u>150,123</u>	<u>245,186</u>	<u>149,733</u>	<u>184,056</u>

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

**17. CASH AND CASH EQUIVALENTS – GROUP AND COMPANY**

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash in hand	3,783	1,390	3,783	1,390
Bank accounts	2,318,290	2,104,766	2,312,205	2,075,518
	<u>2,322,073</u>	<u>2,106,156</u>	<u>2,315,988</u>	<u>2,076,908</u>

**18. CALLED UP SHARE CAPITAL – COMPANY**

*Allotted, issued and fully paid*

	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>Number</i>	<i>Number</i>	<i>£</i>	<i>£</i>
<i>Ordinary shares of 5 pence each</i>				
At the start of the year	10,124,580	10,114,580	506,226	505,726
Shares allotted during the year	30,000	10,000	1,500	500
Purchased for cancellation in the year	(56,000)	–	(2,800)	–
At the end of the year	<u>10,098,580</u>	<u>10,124,580</u>	<u>504,926</u>	<u>506,226</u>

30,000 Ordinary shares of £0.05 per share were allotted as fully paid during the year at a premium of £0.675 per share.

56,000 Ordinary shares of £0.05 per share were re-purchased by the company and subsequently cancelled. An amount equal to the nominal value of the Ordinary shares has been transferred to the capital redemption reserve. The amount paid per share was between £2.20 and £2.55. The difference between the amount paid and the nominal value of the shares re-purchased has been deducted from the retained earnings reserve.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**19. TRADE AND OTHER PAYABLES – GROUP AND COMPANY**

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	388,063	317,707	387,396	311,001
Amounts owed to group undertakings	–	–	–	71,716
Social security and other taxes	463,946	136,028	463,946	131,638
Other creditors	1,076,798	1,258,977	1,075,865	1,250,040
Pension creditor	232	5,416	232	5,416
	<u>1,929,039</u>	<u>1,718,128</u>	<u>1,927,439</u>	<u>1,769,811</u>

**20. DEFERRED TAX – GROUP AND COMPANY**

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
Asset at 1 May	36,964	41,077	36,964	41,077
Movement in the year	3,481	(4,113)	3,481	(4,113)
Asset at 30 April	<u>40,445</u>	<u>36,964</u>	<u>40,445</u>	<u>36,964</u>

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

**21. PROVISIONS – GROUP AND COMPANY**

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£	£	£	£
At 1 May	129,816	–	129,816	–
Utilised during the year	(129,816)	–	(129,816)	–
Additions	206,550	129,816	206,550	129,816
Asset at 30 April	<u>206,550</u>	<u>129,816</u>	<u>206,550</u>	<u>129,816</u>

The Directors have assessed that a number of retail site leases are onerous and a provision has been recognised in respect of future rental payments on these loss-making sites. Payments in respect of all loss making sites are expected to cease within the next twelve months.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**22. 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 2017</i>	<i>Granted</i>	<i>Exercised</i>	<i>Forfeited</i>	<i>Outstanding at 30 April 2018</i>	<i>Expiry date</i>	<i>Exercise price</i>
19-03-2015	30,000	–	(30,000)	–	–	18-03-2025	£0.725
19-12-2017	–	45,000	–	–	45,000	19-12-2027	£2.25

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>2018 Number</i>	<i>2018 WAEP</i>	<i>2017 Number</i>	<i>2017 WAEP</i>
Outstanding at the beginning of year	30,000	72.50	70,000	67.571
Granted during the year	45,000	225.00	–	–
Exercised during the year	(30,000)	72.50	(10,000)	38.000
Lapsed during the year	–	–	(30,000)	72.500
Outstanding at the end of the year	45,000	225.00	30,000	72.500
Exercisable at the end of the year	–	–	–	–

The weighted average remaining contractual life of share options outstanding as at 30 April 2018 was 9 years and 8 month (2017: 8 years and 1 month).

No amount has been recognised in these financial statements in respect of share option charges as the amount would be insignificant (2017: £Nil).

**23. LEASE COMMITMENTS – GROUP AND COMPANY**

Future minimum rentals payable under operating leases at 30 April 2018 were as follows:

	<i>Buildings</i>		<i>Other</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Due within one year	223,050	281,250	6,762	10,167
Due between one and two years	368,000	–	–	4,236
	591,050	281,250	6,762	14,403

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**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.

*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.

	2018	2017
	£	£
Financial assets classified as loans and receivables – carrying amounts:		
Trade receivables	10,961	13,396
Other receivables	56,290	117,732
Cash and cash equivalents	2,322,073	2,106,156
	<u>2,389,324</u>	<u>2,237,284</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:

	2018		2017	
	£	£	£	£
	<i>Up to</i>	<i>After</i>	<i>Up to</i>	<i>After</i>
	<i>1 year</i>	<i>1 year</i>	<i>1 year</i>	<i>1 year</i>
Financial liabilities measured at amortised cost – carrying amounts:				
Trade and other payables	1,929,039	–	1,718,128	–
	<u>1,929,039</u>	<u>–</u>	<u>1,718,128</u>	<u>–</u>

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 30 April 2018**

**25. RELATED PARTY DISCLOSURES**

M W Hindmarch is considered to be a related party as he is a Non-Executive Director of the Company. During the year ended 30 April 2018, payments were made to him totaling £12,000 (2017: £12,000) in respect of consultancy services provided. The total amount due to M W Hindmarch at 30 April 2018 was £1,000 (2017: £1,000).

**26. EVENTS AFTER THE REPORTING PERIOD**

The Company received £4.5 million from HMRC on 23 May 2018 (before the deduction of any professional fees, expenses and tax) in respect of a retrospective VAT claim. Further details of this claim, and an associated retrospective Remote Gaming Duty claim received from HMRC, are set out in Note 4.

**27. CONTINGENCIES**

As set out in Note 4, the Company has received a retrospective claim for Remote Gaming Duty from HMRC, which is being contested. The financial impact of the claim cannot be reliably estimated at this stage and no liability is included in these financial statements.

**28. ULTIMATE CONTROLLING PARTY**

The Company is under the ultimate control of W S Hindmarch, the Chief Executive Director of the Company, by virtue of his controlling shareholding at the statement of financial position date.

**29. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	<i>Group</i>		<i>Company</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Profit before income tax	1,600,095	1,512,646	1,741,712	1,508,536
Depreciation charges	126,036	228,894	126,036	228,894
Amortisation charges	89,067	89,067	89,067	89,067
Profit on disposal of property, plant and equipment	(31,658)	(451)	(31,658)	(451)
Investment impairment charge	70,000	–	70,085	12,500
Exchange differences	1,578	24,849	–	–
Finance income	(947)	(1,056)	(947)	(1,056)
	<u>1,854,171</u>	<u>1,853,949</u>	<u>1,994,295</u>	<u>1,837,490</u>
Increase/(decrease) in trade and other receivables	95,063	(75,768)	34,323	(68,098)
Increase in trade and other payables	210,911	269,996	157,628	283,997
Increase in provision	76,734	129,816	76,734	129,816
<b>Cash generated from operations</b>	<u>2,236,879</u>	<u>2,177,993</u>	<u>2,262,980</u>	<u>2,183,205</u>

**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 2 Plato Place, 72/74 St. Dionis Road, London, SW6 4TU on Thursday 6 September 2018 at 12.00 noon (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 30 April 2018.
2. To declare a final dividend of 1.5 pence per ordinary share for the year ended 30 April 2018.
3. To elect David Firth as a Director of the Company.
4. To re-appoint the auditors, Wilkins Kennedy LLP, as auditors of the Company until the conclusion of the next Annual General Meeting.
5. To authorise the Audit Committee to set the auditors’ remuneration.

**SPECIAL BUSINESS**

To consider and, if thought fit, pass the following resolutions of which resolution 6 will be proposed as an ordinary resolution and resolutions 7 and 8 will be proposed as special resolutions:

**6. 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 £168,309.67 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.

**7. SPECIAL RESOLUTION**

THAT, subject to the passing of resolution 6, the Directors be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 6 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

**BEST OF THE BEST PLC**  
**Notice of Annual General Meeting (continued)**

- (b) the allotment of equity securities for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount of £25,246.45 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.

**8. 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 5 pence each in the Company provided that:

- (a) the maximum number of ordinary shares which may be purchased is 1,009,858 representing 10 per cent. of the Company's issued ordinary share capital as at 3 August 2018;
- (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 or 15 months after the passing of this resolution (whichever is the earlier); 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  
3 August 2018

*REGISTERED OFFICE:*  
2 Plato Place  
72-74 St. Dionis Road  
London SW6 4TU

**BEST OF THE BEST PLC**  
**Notice of Annual General Meeting (continued)**

**Notes:**

- (a) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies, who need not be members of the Company, to attend, speak and vote instead of him/her. 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 4 September 2018 (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 may be). 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) Each of the resolutions to be put to the Meeting will be voted on by poll and not show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. Members and Proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the Meeting. The results of the poll will be published on the Company's website and notified to the UK Listing Authority once the votes have been counted and verified.
- (d) 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 2 Plato Place, 72/74 St. Dionis Road, London, SW6 4TU at least 15 minutes prior to the commencement of, and during the continuance of, the Annual General Meeting.
- (e) 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.
- (f) 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.
- (g) Explanatory notes in relation to the resolutions to be proposed at the Meeting are set out on the following page.
- (h) A Nominated person may under an agreement between him/her and the member who nominated him/her, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and speak and vote at the Annual General Meeting. Nominated Persons are advised to contact the member who nominated them for further information on this and the procedure for appointing any such proxy.
- (i) If a Nominated Person does not have a right to be appointed, or to have someone else appointed, as a proxy for the Annual General meeting, or does not wish to exercise such a right, he/she may still have the right under an agreement between himself/herself and the member who nominated him/her to give instructions to the member as to the exercise of voting rights at the Annual General Meeting. Such Nominated Persons are advised to contact the members who nominated them for further information on this.
- (j) To facilitate entry to the meeting, shareholders are requested to bring with them suitable evidence of their identity. Persons who are not shareholders of the Company (or their appointed proxy) will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company. For security reasons, all hand luggage may be subject to examination prior to entry to the Annual General Meeting. Cameras, tape recorders, laptop computers and similar equipment may not be taken into the Annual General Meeting. We ask all those present at the Annual General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.



## **BEST OF THE BEST PLC**

### **Notice of Annual General Meeting – 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 30 April 2018.

#### **RESOLUTION 2: DECLARATION OF DIVIDEND**

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

#### **RESOLUTION 3: APPOINTMENT OF DAVID FIRTH**

As Mr Firth was appointed since the last Annual General Meeting, he must seek election by shareholders. Biographical details can be found on page 9.

#### **RESOLUTION 4: 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 LLP.

#### **RESOLUTION 5: AUTHORITY TO SET THE AUDITORS' REMUNERATION**

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

#### **RESOLUTION 6: 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 3,366,193 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 7 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 7: 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 £25,246.45, 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

## **BEST OF THE BEST PLC**

### **Notice of Annual General Meeting – Explanatory Notes to the Resolutions (continued)**

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 8: 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 1 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 7 September 2017 and would be limited to 1,009,858 ordinary shares, representing approximately 10 per cent. of the issued share capital at 3 August 2018. The Directors intend to seek renewal of this power at each Annual General Meeting. As of 3 August 2018 there were options outstanding over 45,000, representing 0.45 per cent. of the Company’s issued share capital. If the authority given by this resolution was to be fully used, this would represent 0.41 per cent. of the Company’s issued share capital.

