



## Annual Report & Accounts 2008

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**Report of the Directors and  
Financial Statements  
For The Year Ended 30th April 2008  
for  
BEST OF THE BEST PLC**

**BEST OF THE BEST PLC**  
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**For The Year Ended 30th April 2008**

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## **BEST OF THE BEST PLC**

### **Company Information For The Year Ended 30th April 2008**

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

**BEST OF THE BEST PLC**  
**Results for the Year Ended 30th April 2008**

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

**Financial Highlights**

- Turnover up 23.9 per cent to £7.3m (2007 £5.9m)
- Profit Before Tax up 20.6 per cent to 0.86m (2007 £0.71m)
- Strong balance sheet with £1.7m of cash and net assets of £3.8m
- Board recommending payment of maiden final dividend of 1p per share
- First international site operational
- One new contract signed since period end
- 7 year group airport contract signed with BAA
- In discussions with international airport sites
- Database at approximately 300,000 and growing at approximately 7,000 new players per month
- Non-Executive Director appointed to focus on international expansion
- Current trading is in line with expectations

William Hindmarch, Chief Executive said

‘I am pleased to report strong full year results showing both revenue and pre-tax profit growth in excess of 20 per cent, despite the unforeseen closure of our site at Heathrow Terminal 3 and the disrupted opening of Terminal 5. We have opened five new sites during the period including our first international site in Copenhagen. We have entered into new long term agreements with BAA and other airport operators for our existing sites and we are in discussions with operators of international airports which the Directors believe will secure several further overseas sites.

Our online presence continues to grow representing approximately 23 per cent of total sales during the year and our database of registered players has reached approximately 300,000. The development of the online business through organic growth has been encouraging but we will be focusing on further investment and developing the contribution from our internet business in the coming months.’

**BEST OF THE BEST PLC**  
**Chief Executive's Statement**  
**For the Year Ended 30th April 2008**

**Chief Executive's Statement**

I am pleased to announce our results for the year ended 30th April 2008. It has been another successful year for the Group, which floated on AIM in August 2006. Both revenue and pre-tax profits increased by more than 20 per cent compared to the prior year. We have also opened five new sites during the period, including our first international site in Copenhagen. We have entered into new long term agreements with BAA and other airport operators for our existing sites and we are in discussions about securing new sites with operators of international airports in Europe.

Our online presence continues to grow and our database of registered players has reached approximately 300,000. The development of the online business through organic growth has been encouraging.

We have appointed Colin Hargrave as a Non-executive Director, bringing us extensive business development and international airport retailing expertise. He will be focusing on business development, particularly in overseas locations. We have also made a number of other operational appointments, which will further underpin progress in the year ahead.

**Results**

During the year ended 30th April 2008 turnover increased by 23.9 per cent to £7.3m (2007 £5.9m) with profit before tax increasing by 20.6 per cent to £0.86m (2007 £0.71m). Reported earnings per share has decreased from 4.99p to 4.69p per share as a result of the change in the weighted average number of issued ordinary shares used in the calculation in 2008 (the flotation of the Company occurred part way through the prior year). On a pro forma basis assuming the Group had been floated for the full year to 30th April 2007, earnings per share would have increased by 7 per cent to 4.69p (2007 4.39p).

The cash position of the Group remains solid at £1.71m, and we have increased the inventory by £0.45m over the year to accommodate new competition prizes on display. Net Assets have increased to £3.8m (2007 £3.1m).

**Dividend**

The Board is recommending a maiden final dividend payment of 1 pence per share for the full year ended 30th April 2008 subject to shareholder approval at the AGM on 18th September 2008. The final dividend is covered 4.7 times by earnings per share and will be paid on 6th October 2008 to shareholders on the register on 19th September 2008.

**New Site Contracts**

In the financial year we opened four new UK airport sites, at Birmingham East Midlands, Heathrow Terminal 2 and Heathrow Terminal 5 as well as our first overseas airport site in Copenhagen.

In November 2007, part way through our financial year, we were unable to renew the contract at our site in Heathrow's Terminal 3 due to the reconfiguration of retail space and the expansion of security facilities. This had a significant impact on our revenue during the financial year, however diversification and new sites now compensate for the lost revenue.

Since the year end we have signed a further contract with Bristol airport which is expected to open in August 2008. We are also in discussions with operators of international airports which the Directors believe will secure several further overseas sites in the current financial year and beyond.

In addition, during the year we signed a 7 year pan-airport contract with BAA covering seven of our existing airport sites (previously 3 year contracts) which underpins the stability of our operations, strengthens our relationship with the airport operator and will allow us to plan and invest with greater security.

**BEST OF THE BEST PLC**  
**Chief Executive's Statement**  
**For the Year Ended 30th April 2008**

**Business**

Our new flagship site in Terminal 5 has recently traded well despite the delay in the transfer of flights to the new terminal. Initial trading of our first site overseas at Copenhagen has been satisfactory from a temporary site but we look forward to the completion of building works in the terminal where we will install a permanent site and realise its full potential.

Our refitted stands at Gatwick North and South terminals, and most recently at Stansted post financial year end, have continued to improve revenues at these sites. Our new flagship stand at Terminal 5 was well received by BAA and has drawn creditable attention from other UK and International airport operators. The new financial year will continue to see the refitting of several of our stands across the UK, as well as a permanent stand in Copenhagen to replace the temporary structure.

We have also made a number of other operational appointments particularly in Human Resources which will enable us to further focus on recruitment, training and retention which are key to building and maintaining a productive sales force and which will underpin our progress in the year ahead.

**Online Business**

Our lower priced tickets have significantly improved the rate of growth of our database which now stands at circa 300,000 registered players. Online revenue has grown strongly with the introduction of new games, and a range of conversion, retention and loyalty initiatives. Our Instant Win games have broadened our product range and have performed in line with expectations. Our software and systems development programme will be a particular focus in the year ahead, in order to increase the breadth and quality of our online offering, as well as our online marketing capabilities.

**Strategy**

With five new site openings during the period and further new site openings anticipated in the new financial year, we continue to execute our strategy of growing our physical sites in airports and other locations, both in the UK and overseas. We are also exploring alternative models for operating overseas sites that may include increased participation from local partners. The resulting growth in our database will allow us to broaden our product range and increase the frequency of our competitions. The returns from our higher margin online sales will also permit us to invest further in product development and online customer acquisition as well as the physical growth of our sites in airports and other suitable locations.

**Outlook**

The Board remains positive of the trading prospects for the Group in the new financial year. Overall our airport sites continue to perform well, and trading since the year end has been in line with management expectations. Group sales in both May and June were ahead of the same months in 2007 despite the tougher retail conditions being experienced in the wider market.

We are currently in discussions to develop physical sites both in the UK and overseas, within a number of new locations and we are reviewing new game formats and online partnerships. Furthermore we continue to monitor developments and review opportunities in our skill gaming sector. With our robust balance sheet and strong cash position we are well placed to take advantage of any opportunities to increase the number of airports in which we operate or to broaden and diversify our business within our sector.

We look forward to updating shareholders with further progress in due course.

William Hindmarch  
Chief Executive  
16th July 2008

**BEST OF THE BEST PLC**  
**Report of the Directors**  
**For The Year Ended 30th April 2008**

The Directors present their report with the financial statements of the Company and the Group for the year ended 30th April 2008

**PRINCIPAL ACTIVITY**

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

**REVIEW OF BUSINESS**

The results for the year and financial position of the Company and the Group are as shown in the financial statements set out on pages 17 to 35

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

There was a profit for the period after taxation of £0.60m (2007: £0.56m)

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

**DIVIDENDS**

The Board is recommending a maiden final dividend payment of 1 pence per share for the full year ended 30th April 2008 subject to shareholder approval at the AGM on 18th September 2008. The final dividend is covered 4.7 times by earnings per share and will be paid on 6th October 2008 to shareholders on the register on 19th September 2008.

**DIRECTORS**

The Directors shown below have held office during the whole of the period from 1st May 2007 to the date of this report

W S Hindmarch  
R C E Garton  
M W Hindmarch  
N A Ziebland  
W A Henbrey

Other changes in Directors holding office are as follows

C Hargrave was appointed as a Director after 30th April 2008 but prior to the date of this report

The beneficial interests of the Directors holding office on 30th April 2008 in the issued share capital of the Company were as follows

	30th April 2008	1st May 2006 or date of appointment if later
<b>Ordinary 5p shares</b>		
W S Hindmarch	5,950,000	5,950,000
R C E Garton	384,421	384,421
M W Hindmarch	745,421	745,421
N A Ziebland	—	—
W A Henbrey	—	—



**BEST OF THE BEST PLC**  
**Report of the Directors**  
**For The Year Ended 30th April 2008**

**DIRECTORS (CONTINUED)**

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

	<i>Outstanding at beginning of year</i>	<i>Granted</i>	<i>Forfeited</i>	<i>Outstanding at end of year</i>	<i>Exercise price £</i>	<i>Date first exercisable</i>	<i>Date of expiry</i>
R C E Garton	127 182	–	–	127 182	£0 05	1-8-2007	7-8-2016
R C E Garton	–	63 492	–	63 492	£0 05	19-7-2007	18-7-2017
R C E Garton	–	400 000	–	400 000	£0 595	20-9-2007	19-9-2017
N A Ziebland	79,365	–	–	79 365	£0 63	8-8-2009	7-8-2016
W A Henbrey	79,365	–	–	79,365	£0 63	8-8-2009	7-8-2016

Note 23 provides full details of share options granted

At the 30th April 2008 the market price of the Company's shares was £0 54 (2007 £0 66) The maximum share price during the year was £0 71 (2007 £0 69) and the minimum price was £0 36 (2007 £0 44)

**GROUP'S POLICY ON PAYMENT OF CREDITORS**

The Group payment policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the term agreed with the supplier at the time of the supply or otherwise 30 days from the receipt of the relevant invoice Trade creditor days based on creditors at 30th April 2008 were 16 days (2007 18 days)

**FINANCIAL RISK MANAGEMENT**

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

***Credit Risk***

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

***Liquidity Risk***

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

***Interest rate cash flow risk***

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

**BEST OF THE BEST PLC**  
**Report of the Directors**  
**For The Year Ended 30th April 2008**

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

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

<i>Donee</i>	<i>Contribution £</i>
Cancer Research	12,000
Children in need	2,000
Helen Rollason heal cancer charity	2,000
Royal Marsden Cancer Research	2 000
Winchester & Ctrl Hampshire Intestinal Cancer	4 000
Cavitron Fund	2,000

**SHARE CAPITAL**

No shares have been issued during or subsequent to the year ended 30th April 2008

**SUBSTANTIAL SHAREHOLDERS**

As at 16th July 2008 the Directors were aware of the following interest of 3 per cent or more in the issued ordinary share capital of the Company (other than Director's interests already disclosed) and had not been notified of any further such interests

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
BAA Enterprises Limited	1,750,000	13.6%
Stancroft Trust Limited	932,000	7.3%
Octopus Asset Management Nominees Limited	603,000	4.7%

**EVENTS SINCE THE END OF THE YEAR**

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and 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 estimates that are reasonable and prudent
- state that the financial statements comply with IFRS,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

**BEST OF THE BEST PLC**  
**Report of the Directors**  
**For The Year Ended 30th April 2008**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

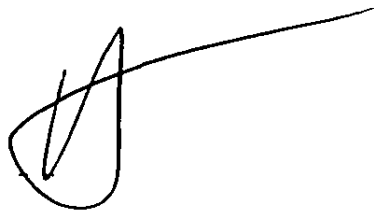
**AUDITORS**

The auditors Wilkins Kennedy, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting

**ON BEHALF OF THE BOARD**



W S Hindmarch  
Chief Executive  
Date 16th July 2008



**BEST OF THE BEST PLC**  
**ANNUAL REPORT AND ACCOUNTS 2008**

**CORPORATE GOVERNANCE REPORT**

**PRINCIPLES OF CORPORATE GOVERNANCE**

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

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

**BOARD STRUCTURE**

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

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

The Board is responsible to shareholders for the proper management of the Company. A statement of Directors' responsibilities in respect of the accounts is set out on page 7. The non-executive Directors have a particular responsibility to ensure that the strategies proposed by the executive Directors are fully considered.

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

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

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

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

***William Hindmarch, Age 34 – Chief Executive***

William graduated from the University of Durham in 1996 and joined Kleinwort Benson as a graduate trainee. He founded the business in 1999. He has been the Chief Executive for 8 years.

***Rupert Garton, Age 33 – Commercial Director***

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

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

**BEST OF THE BEST PLC**  
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**CORPORATE GOVERNANCE REPORT (CONTINUED)**

**BOARD STRUCTURE (CONTINUED)**

***Michael Hindmarch, Age 68 – Non-executive Chairman***

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

***Nick Ziebland, Age 55 – Non-executive Director***

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

***Bill Henbrey, Age 62 – Non-executive Director***

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

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

***Colin Hargrave, Age 55 – Non-executive Director***

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

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

Mr Hargrave joined the Board on 7th May 2008.

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

**BEST OF THE BEST PLC**  
**ANNUAL REPORT AND ACCOUNTS 2008**

**CORPORATE GOVERNANCE REPORT (CONTINUED)**

**AUDIT COMMITTEE**

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

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

The remit of the committee is to review

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

The audit committee meets at least twice a year

**REMUNERATION COMMITTEE**

The remuneration committee comprising of Michael Hindmarch (Chairman of the committee) and William Henbrey is responsible for making recommendations to the Board on the Company's framework of executive remuneration and its cost. The committee determines the contract terms, remuneration and other benefits for each of the executive Directors. The Board itself determines the remuneration of the non-executive Directors. The report on Directors' remuneration is set out on pages 13 to 14.

**NOMINATION COMMITTEE**

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

**INTERNAL FINANCIAL CONTROL**

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

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

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

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

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

**BEST OF THE BEST PLC**  
**ANNUAL REPORT AND ACCOUNTS 2008**

**CORPORATE GOVERNANCE REPORT (CONTINUED)**

**RELATIONS WITH SHAREHOLDERS**

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

This year's Annual General Meeting will be held on 18th September 2008. Notice of the Annual General Meeting is set out in the back of this document.

**GOING CONCERN**

The Directors confirm that they are satisfied that the Company and Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**BEST OF THE BEST PLC**  
**ANNUAL REPORT AND ACCOUNTS 2008**  
**DIRECTORS' REMUNERATION REPORT**

**REMUNERATION COMMITTEE**

The Company has a remuneration committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee during 2008 were William Henbrey and Michael Hindmarch (Chairman of the Committee).

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

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

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

**REMUNERATION POLICY SHARE OPTIONS**

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

As at 30th April 2008 three of the Directors, Rupert Garton, William Henbrey and Nicholas Ziebland, held options. Conditions of these options are detailed on page 6.

**PENSION ARRANGEMENTS**

There are no pension arrangements in the Company.

**DIRECTORS' CONTRACTS**

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

**NON-EXECUTIVE DIRECTORS**

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

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

**DIRECTORS' EMOLUMENTS**

	<i>Benefits in kind</i>	<i>Salary</i>	<i>Bonus</i>	<i>Fees paid to third parties</i>	<i>2008 Total</i>
	£	£	£	£	£
Rupert Garton	1,158	80,000	40,000	–	121,158
William Henbrey	–	–	–	12,000	12,000
William Hindmarch	24,556	80,000	–	–	104,556
Michael Hindmarch	–	–	–	12,000	12,000
Nicholas Ziebland	–	–	–	1,000	1,000



**BEST OF THE BEST PLC**  
**ANNUAL REPORT AND ACCOUNTS 2008**

**DIRECTORS' REMUNERATION REPORT (CONTINUED)**

**DIRECTORS' EMOLUMENTS (CONTINUED)**

As at the 30th April 2008 Mr R Garton was due a performance bonus of £40,000 as agreed by the Board of Directors, this bonus is as yet to be paid. Mr Garton has since indicated to the board that he wishes for £20,000 of the bonus to be paid in the form of share options. The board agreed in principle on the 23rd May 2008 that Mr Garton may take his bonus in this way but only after the end of the close period.

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

	<i>Date of grant</i>	<i>Options over ordinary shares of 5p</i>	<i>Exercise price</i>	<i>Option exercise period</i>
Rupert Garton	19/07/2007	63,492	0.05	19/7/07 to 18/7/17
Rupert Garton	20/09/2007	400,000	0.595	20/9/10 to 19/9/17

Of the share options granted to Rupert Garton on 19th July 2007, 29,230 share options were granted under the EMI approved share option scheme and a further 34,262 share options were unapproved.

The share options granted to Rupert Garton on 20th September 2007 were granted on an unapproved basis.

Options granted under the unapproved share option scheme are not subject to performance criteria. The market price of the ordinary shares at 30th April 2008 was £0.54 and the range during the year was £0.36 to £0.71 (average £0.57).

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

**APPROVAL**

The report was approved by the Board of Directors and authorised for issue on 16th July 2008 and signed on its behalf by



M W Hindmarch  
Chairman

16th July 2008

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

We have audited the financial statements of Best of the Best Plc for the year ended 30th April 2008 on pages seventeen to thirty five. These financial statements have been prepared under the accounting policies set out therein.

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

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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

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

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

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

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

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

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

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

**OPINION**

In our opinion

- the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted for use in the European Union of the state of affairs of the Company and the Group as at 30th April 2008 and of the profit of the Group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the Report of the Directors is consistent with the financial statements



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

Date 16th July 2008

**BEST OF THE BEST PLC**  
**Consolidated Income Statement**  
**For The Year Ended 30th April 2008**

	<i>Notes</i>	<i>2008</i> £	<i>2007</i> £
<b>CONTINUING OPERATIONS</b>			
Revenue	2	7 259,770	5,861 353
Cost of sales		<u>(2 841,631)</u>	<u>(2,375,649)</u>
<b>GROSS PROFIT</b>		4,418,139	3 485,704
Administrative expenses		<u>(3,655,403)</u>	<u>(2,815 693)</u>
<b>OPERATING PROFIT</b>		762 736	670,011
Finance costs	4	–	(11,798)
Finance income	4	93,251	51 970
<b>PROFIT BEFORE TAX</b>	5	<u>855,987</u>	<u>710,183</u>
Tax	6	<u>(259 490)</u>	<u>(151,474)</u>
<b>PROFIT FOR THE YEAR</b>		<u>596 497</u>	<u>558 709</u>
Attributable to			
Equity holders of the parent		<u>596 497</u>	<u>558,709</u>
Earnings per share expressed in pence per share	8		
Basic		4 69	4 99
Diluted		<u>4 61</u>	<u>4 93</u>

**BEST OF THE BEST PLC**  
**Consolidated Statement of Recognised Income and Expense**  
**For The Year Ended 30th April 2008**

	<i>2008</i>	<i>2007</i>
	<i>£</i>	<i>£</i>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>596 497</u>	<u>558 709</u>
<b>TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR</b>	<u>596 497</u>	<u>558,709</u>
Attributable to		
Equity holders of the parent	<u>596,497</u>	<u>558 709</u>

# BEST OF THE BEST PLC

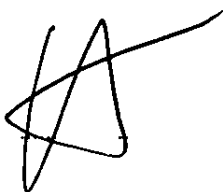
## Consolidated Balance Sheet as at 30th April 2008

	<i>Notes</i>	<i>2008</i> £	<i>2007</i> £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,072,150	563 001
Deferred tax	16	16,377	19,851
		<u>1,088,527</u>	<u>582,852</u>
<b>CURRENT ASSETS</b>			
Inventories	11	1,987,568	1,534 663
Trade and other receivables	12	136,941	50,298
Cash and cash equivalents	13	1,705,879	1 768 391
		<u>3,830,388</u>	<u>3,353 352</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	872,732	667 134
Tax payable		260,000	158 663
		<u>1 132 732</u>	<u>825,797</u>
<b>NET CURRENT ASSETS</b>		<u>2,697,656</u>	<u>2,527 555</u>
<b>NET ASSETS</b>		<u>3 786 183</u>	<u>3,110 407</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	17	635,913	635 913
Share premium	18	1,782,622	1 782 622
Other reserves	18	106 411	27,132
Retained earnings	18	1,261 237	664,740
Total equity		<u>3,786,183</u>	<u>3 110 407</u>
<b>TOTAL EQUITY</b>		<u>3 786 183</u>	<u>3,110 407</u>

The financial statements were approved by the Board of Directors on 16th July 2008 and were signed on its behalf by



W S Hindmarch  
Chief Executive



# BEST OF THE BEST PLC

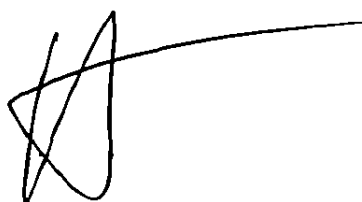
## Company Balance Sheet as at 30th April 2008

	<i>Notes</i>	<i>2008</i> £	<i>2007</i> £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,072,150	563,001
Investments	10	12,500	–
Deferred tax	16	16,377	19,851
		<u>1,101,027</u>	<u>582,852</u>
<b>CURRENT ASSETS</b>			
Inventories	11	1,987,568	1,534,663
Trade and other receivables	12	146,259	50,298
Cash and cash equivalents	13	1,648,161	1,768,391
		<u>3,781,988</u>	<u>3,353,352</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	843,164	667,134
Tax payable		260,000	158,663
		<u>1,103,164</u>	<u>825,797</u>
<b>NET CURRENT ASSETS</b>		<u>2,678,824</u>	<u>2,527,555</u>
<b>NET ASSETS</b>		<u>3,779,851</u>	<u>3,110,407</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	17	635,913	635,913
Share premium	18	1,782,622	1,782,622
Other reserves	18	106,411	27,132
Retained earnings	18	1,254,905	664,740
Total shareholders' equity		<u>3,779,851</u>	<u>3,110,407</u>
<b>TOTAL EQUITY</b>		<u>3,779,851</u>	<u>3,110,407</u>

The financial statements were approved by the Board of Directors on 16th July 2008 and were signed on its behalf by



W S Hindmarch  
Chief Executive



# BEST OF THE BEST PLC

## Consolidated Cash Flow Statement For The Year Ended 30th April 2008

	<i>Notes</i>	<i>2008</i> £	<i>2007</i> £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	560,741	496 930
Interest paid		–	(11 798)
Tax paid		(154 679)	(110,000)
Net cash from operating activities		<u>406,062</u>	<u>375,132</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(561 825)	(278 794)
Sale of tangible fixed assets		–	18,627
Interest received		93,251	51,970
Net cash from investing activities		<u>(468,574)</u>	<u>(208,197)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		–	(192,935)
Share issue		–	1,981 035
Net cash from financing activities		<u>–</u>	<u>1 788 100</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<u>(62,512)</u>	<u>1,955,035</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,768,391</u>	<u>(186 644)</u>
<b>Cash and cash equivalents at end of year</b>	2	<u>1 705 879</u>	<u>1,768,391</u>



## BEST OF THE BEST PLC

### Notes to the Consolidated Cash Flow Statement For The Year Ended 30th April 2008

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

	2008 £	2007 £
Profit before tax	855,987	710,183
Depreciation charges	187,058	145,697
Loss/(Profit) on disposal of fixed assets	2,065	(4,266)
Employee share based payment	79,279	27,132
Finance costs	–	11,798
Finance income	(93,251)	(51,970)
	<u>1,031,138</u>	<u>838,574</u>
Increase in inventories	(452,905)	(374,075)
Increase in trade and other receivables	(86,643)	(3,700)
Increase in trade and other payables	69,151	36,131
Cash generated from operations	<u>560,741</u>	<u>496,930</u>

#### 2. CASH AND CASH EQUIVALENTS

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

##### Year ended 30th April 2008

	30th April 2008 £	1st May 2007 £
Cash and cash equivalents	<u>1,705,879</u>	<u>1,768,391</u>

##### Year ended 30th April 2007

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

# **BEST OF THE BEST PLC**

## **Notes to the Financial Statements For The Year Ended 30th April 2008**

### **1. ACCOUNTING POLICIES**

#### ***Basis of preparation***

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

#### ***Basis of consolidation***

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

#### ***Revenue recognition***

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

#### ***Property, plant and equipment***

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

Long leasehold	– not provided
Improvements to property	– Depreciated over the period of the lease
Fixtures and fittings	– 50% on cost
	33% on cost and
	20% on cost
Motor vehicles	– 25% on reducing balance
Computer equipment	– at varying rates on cost

#### ***Financial instruments***

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

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

#### ***Trade receivables***

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

#### ***Financial liability and equity***

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

#### ***Trade payables***

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

# **BEST OF THE BEST PLC**

## **Notes to the Financial Statements – continued For The Year Ended 30th April 2008**

### **1. ACCOUNTING POLICIES (CONTINUED)**

#### ***Equity instruments***

Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs

#### ***Inventories***

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

#### ***Taxation***

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date

The tax currently payable is based on the taxable profit for the year. Taxable profit/(loss) differs from the net profit/(loss) reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit

The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to equity in which case deferred tax is also dealt with in equity

#### ***Foreign currencies***

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

#### ***Share based payment***

The Group has applied the requirements of IFRS 2 to share option schemes allowing certain employees within the Group to acquire shares of the Company. For all grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest except where forfeiture is only due to market-based conditions not achieving the threshold for vesting. The expense is recognised over the expected life of the option

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 1 ACCOUNTING POLICIES (CONTINUED)

#### *Pension contributions*

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

#### *Accruals and deferred income*

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

### 2 SEGMENTAL REPORTING

The Directors consider that the primary reporting format is by business segment and that there is only one such segment being that of competition operators. This disclosure has already been provided in these financial statements.

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

### 3. EMPLOYEES AND DIRECTORS

	2008	2007
	£	£
Wages and salaries	2,684,962	1,934,637
Social security costs	24,262	19,190
	<u>2,709,224</u>	<u>1,953,827</u>

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

	2008	2007
Sales	64	66
Administration	12	9
Management	2	2
	<u>78</u>	<u>77</u>

	2008	2007
	£	£
Directors' emoluments	<u>226,714</u>	<u>185,386</u>

Information regarding the highest paid director for the year ended 30th April 2008 is as follows:

	2008
	£
Emoluments etc	<u>121,158</u>

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 4. NET FINANCE INCOME

	2008 £	2007 £
Finance income		
Deposit account interest	93,251	51 970
Finance costs		
Bank interest	–	10,650
Bank loan interest	–	1 148
	–	11,798
Net finance income	93 251	40,172

### 5. PROFIT BEFORE TAX

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

	2008 £	2007 £
Cost of inventories recognised as expense	2,841,631	2,375 649
Depreciation – owned assets	187,058	145 697
Loss/(Profit) on disposal of fixed assets	2 065	(4,266)
Auditors' remuneration	13 500	13,500
Auditors' remuneration for non audit work	26,250	28 250
Operating leases – Land and buildings	1 151 560	1,047 173

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

	Year ended 30th April 2008 £	Year ended 30th April 2007 £
Audit services		
– Statutory audit	13 500	13,500
– other services relating to such legislation	26 250	26 250
Tax services– compliance services	–	2,000
Other Services	–	–

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 6. TAX

#### *Analysis of the tax charge*

	2008 £	2007 £
Current tax		
Tax	260,000	160 000
Overprovision in prior year	(3,984)	–
Underprovision in prior year	–	3,279
Total current tax	256,016	163 279
Deferred tax	3,474	(11 805)
Total tax charge in income statement	259 490	151 474

#### *Factors affecting the tax charge*

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

	2008 £	2007 £
Profit on ordinary activities before tax	855 987	710 183
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 – 30%)	256 796	213,055
Effects of		
Expenses not deductible for tax purposes	1 333	2,985
Capital allowances in excess of depreciation (2007 Depn in excess of CA's)	(1,744)	11,673
Marginal relief	–	(24,518)
Income accounting adjustment	–	(45,900)
Loss/(Profit) on disposal of assets	619	(1 280)
Overprovision in the accounts	4,413	4 000
(Over)/Underprovision in prior year	(3 984)	3,264
Corporation tax rate change to 28% from 1st April 2008	(1 417)	–
Total tax	256,016	163 279

### 7. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Parent Company is not presented as part of these financial statements. The Parent Company's profit for the financial year was £590,165 (2007 – £558 709).

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 8. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Reconciliations are set out below

	<i>Earnings £</i>	<i>2008 Weighted average number of shares</i>	<i>Per-share amount pence</i>
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	596,497	12,718,254	4.69
<b>Effect of dilutive securities</b>			
Options	–	216,756	–
<b>Diluted EPS</b>			
Adjusted earnings	596,497	12,935,010	4.61
	<i>Earnings £</i>	<i>2007 Weighted average number of shares</i>	<i>Per-share amount pence</i>
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	558,709	11,196,262	4.99
<b>Effect of dilutive securities</b>			
Options	–	138,838	–
<b>Diluted EPS</b>			
Adjusted earnings	558,709	11,335,100	4.93

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 9. PROPERTY, PLANT AND EQUIPMENT

#### Group

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Fixtures and fittings £</i>
<b>COST</b>			
At 1st May 2007	301,354	17,045	512,451
Additions	136,447	1,261	444,270
Disposals	–	–	(251,718)
At 30th April 2008	<u>437,801</u>	<u>18,306</u>	<u>705,003</u>
<b>DEPRECIATION</b>			
At 1st May 2007	–	–	360,410
Charge for year	–	–	113,278
Eliminated on disposal	–	–	(249,653)
At 30th April 2008	<u>–</u>	<u>–</u>	<u>224,035</u>
<b>NET BOOK VALUE</b>			
At 30th April 2008	<u>437,801</u>	<u>18,306</u>	<u>480,968</u>
At 30th April 2007	<u>301,354</u>	<u>17,045</u>	<u>152,041</u>
	<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Totals £</i>
<b>COST</b>			
At 1st May 2007	35,000	253,348	1,119,198
Additions	45,452	70,843	698,273
Disposals	–	(156,747)	(408,465)
At 30th April 2008	<u>80,452</u>	<u>167,444</u>	<u>1,409,006</u>
<b>DEPRECIATION</b>			
At 1st May 2007	822	194,966	556,198
Charge for year	5,469	68,311	187,058
Eliminated on disposal	–	(156,747)	(406,400)
At 30th April 2008	<u>6,291</u>	<u>106,530</u>	<u>336,856</u>
<b>NET BOOK VALUE</b>			
At 30th April 2008	<u>74,161</u>	<u>60,914</u>	<u>1,072,150</u>
At 30th April 2007	<u>34,178</u>	<u>58,382</u>	<u>563,000</u>

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



# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Company

	<i>Long leasehold £</i>	<i>Improvements to property £</i>	<i>Fixtures and fittings £</i>
<b>COST</b>			
At 1st May 2007	301,354	17,045	512,451
Additions	136,447	1,261	444,270
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<b>NET BOOK VALUE</b>			
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	<i>Motor vehicles £</i>	<i>Computer equipment £</i>	<i>Totals £</i>
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<b>NET BOOK VALUE</b>			
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At 30th April 2007	<u>34,178</u>	<u>58,382</u>	<u>563,000</u>

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# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 10. INVESTMENTS

#### Company

*Shares in Group  
Undertakings  
£*

#### COST

Additions

12,500

At 30th April 2008

12,500

#### NET BOOK VALUE

At 30th April 2008

12,500

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

#### Subsidiary

#### Best of the Best ApS

Country of incorporation Denmark

Nature of business Competition Operator

<i>Class of shares</i>	<i>% holding</i>
Ordinary	100.00
	2008
	£
Aggregate capital and reserves	18,833
Profit for the year	6,333

### 11. INVENTORIES

	<i>Group</i>		<i>Company</i>	
	2008	2007	2008	2007
	£	£	£	£
Finished goods	1,987,568	1,534,663	1,987,568	1,534,663

### 12. TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	2008	2007	2008	2007
	£	£	£	£
Current				
Trade debtors	15,376	7,455	15,376	7,455
Amounts owed by Group undertakings	–	–	51,753	–
Other debtors	121,565	42,843	79,130	42,843
	136,941	50,298	146,259	50,298

# BEST OF THE BEST PLC

Notes to the Financial Statements – continued  
For The Year Ended 30th April 2008

## 13. CASH AND CASH EQUIVALENTS

	<i>Group</i>		<i>Company</i>	
	2008	2007	2008	2007
	£	£	£	£
Cash in hand	39	372	39	372
Bank accounts	1 705 840	1,768,019	1 648 122	1,768,019
	<u>1,705,879</u>	<u>1 768,391</u>	<u>1,648,161</u>	<u>1,768 391</u>

## 14. TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	2008	2007	2008	2007
	£	£	£	£
Current				
Trade creditors	139 485	113,061	139 485	113,061
Social security and other taxes	251,409	225,433	234,825	225 433
Other creditors	481,838	328 640	468,854	328 640
	<u>872 732</u>	<u>667,134</u>	<u>843,164</u>	<u>667,134</u>

## 15. LEASING AGREEMENTS

### Group

	<i>Non-cancellable operating leases</i>	
	2008	2007
	£	£
Within one year	<u>745 233</u>	<u>514,277</u>

### Company

	2008	2007
	£	£
Within one year	<u>645,233</u>	<u>514 277</u>

## 16. DEFERRED TAX

### Group and Company

	2008	2007
	£	£
Balance at 1st May	(19 851)	(8,046)
Movement in the year	<u>3 474</u>	<u>(11,805)</u>
Balance at 30th April	<u>(16,377)</u>	<u>(19 851)</u>

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 17. CALLED UP SHARE CAPITAL

#### *Authorised*

<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	<i>2008</i> £	<i>2007</i> £
30 000 000	Ordinary shares	5p	<u>1 500,000</u>	<u>1 500,000</u>

#### *Allotted issued and fully paid*

<i>Number</i>	<i>Class</i>	<i>Nominal value</i>	<i>2008</i> £	<i>2007</i> £
12,718,254	Ordinary shares	5p	<u>635 913</u>	<u>635,913</u>

No shares have been issued during or subsequent to the year ended 30th April 2008

### 18. RESERVES

#### **Group**

	<i>Retained earnings</i> £	<i>Share premium</i> £	<i>Other reserves</i> £	<i>Totals</i> £
At 1st May 2007	664 740	1,782,622	27 132	2,474,494
Profit for the year	596,497			596,497
Employee share schemes	–	–	79,279	79 279
At 30th April 2008	<u>1,261,237</u>	<u>1 782 622</u>	<u>106,411</u>	<u>3 150 270</u>

#### **Company**

	<i>Retained earnings</i> £	<i>Share premium</i> £	<i>Other reserves</i> £	<i>Totals</i> £
At 1st May 2007	664,740	1 782 622	27,132	2 474 494
Profit for the year	590,165			590,165
Employee share schemes	–	–	79 279	79,279
At 30th April 2008	<u>1,254,905</u>	<u>1,782,622</u>	<u>106 411</u>	<u>3 143,938</u>

### 19. TRANSACTIONS WITH DIRECTORS

M W Hindmarch is a non-executive Director of Best of the Best Plc. During the year ended 30th April 2008 payments were made in respect of consultancy services received during the year from M W Hindmarch. These payments totalled £12 000 for the year (2007 £12,000) and the balance owed at the end of the year was £Nil.

Also during the year the Group made payments in respect of consultancy services to W Henbrey a non-executive Director. These payments totalled £8 000 for the year (2007 £7 000) and the balance owed at the end of the year was £4 000 (2007 £2 000).

Various executive and non-executive Directors have been granted share options, details for which can be found in the Director's and Remuneration reports.

# BEST OF THE BEST PLC

## Notes to the Financial Statements – continued For The Year Ended 30th April 2008

### 20. RELATED PARTY DISCLOSURES

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

During the period the Group undertook transactions with BAA plc, a company connected by virtue of its shareholding. These transactions were made up of rental charges totalling £1,026,568 (2007: £835,382) and other charges totalling £60,465 (2007: £14,967). As at 30 April 2008, the amount owed to BAA plc was £2,118 (2007: £3,124).

### 21. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report other than already disclosed in the financial statements.

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

#### Group

	2008	2007
	£	£
Profit for the financial year	596,497	558,709
Issue of shares (net of expenses)	–	1,981,035
Employee share schemes adjustment	79,279	27,132
<b>Net addition to shareholders' funds</b>	<b>675,776</b>	<b>2,566,876</b>
Opening shareholders' funds	3,110,407	543,531
<b>Closing shareholders' funds</b>	<b>3,786,183</b>	<b>3,110,407</b>

#### Company

	2008	2007
	£	£
Profit for the financial year	590,165	558,709
Issue of shares (net of expenses)	–	1,981,035
Employee share schemes adjustment	79,279	27,132
<b>Net addition to shareholders' funds</b>	<b>669,444</b>	<b>2,566,876</b>
Opening shareholders' funds	3,110,407	543,531
<b>Closing shareholders' funds</b>	<b>3,779,851</b>	<b>3,110,407</b>

## BEST OF THE BEST PLC

### Notes to the Financial Statements – continued For The Year Ended 30th April 2008

#### 23. SHARE BASED PAYMENTS

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

<i>Grant Date</i>	<i>Outstanding at 1st May 2007</i>	<i>Granted during the period</i>	<i>Exercised during the period</i>	<i>Forfeited during the period</i>	<i>Outstanding at 30th April 2008</i>	<i>Expiry Date</i>	<i>Weighted Ave exercise price</i>
8-8-2006	127 182	–	–	–	127 182	7-8-2016	£0 05
8-8-2006	10,000	–	–	–	10 000	7-8-2016	£0 63
8-8-2006	10,000	–	–	–	10 000	7-8-2016	£0 63
8-8-2006	10 000	–	–	–	10 000	7-8-2016	£0 63
8-8-2006	10 000	–	–	(10 000)	–	7-8-2016	£0 63
8-8-2006	5,000	–	–	–	5 000	7-8-2016	£0 63
8-8-2006	79,365	–	–	–	79 365	7-8-2016	£0 63
8-8-2006	79,365	–	–	–	79 365	7-8-2016	£0 63
24-10-2006	15 000	–	–	–	15,000	23-10-2016	£0 62
24-10-2006	15,000	–	–	(15,000)	–	23-10-2016	£0 63
30-4-2007	46,619	–	–	–	46 619	29-4-2017	£0 05
1-6-2007	–	50 000	–	(50 000)	–	31-5-2017	£0 66
19-7-2007	–	63 492	–	–	63 492	18-7-2017	£0 05
20-9-2007	–	400,000	–	–	400,000	19-9-2017	£0 595
20-11-2007	–	10,000	–	–	10 000	19-11-2017	£0 545

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

As at 30th April 2008 a total of 856,023 subscription rights had been issued to Directors and employees and remained outstanding. Members of the executive board hold share options as disclosed in the Directors' report and Directors' remuneration report.

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

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

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

	<i>Year ended</i>
	<i>30th April 2008</i>
	<i>£</i>
Employee benefits	<u>106 411</u>

# **BEST OF THE BEST PLC**

## **NOTICE OF MEETING**

Notice is hereby given that the second Annual General Meeting of Best of the Best plc (the 'Company') will be held at the offices of Charles Stanley & Co Ltd 25 Luke Street London EC2A 4AR on Thursday 18th September 2008 at 1 30 pm (the 'Meeting') for the following purposes

### **Ordinary Business**

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

- 1 To receive the Company's financial statements together with the reports thereon of the Directors and auditors for the year ended 30th April 2008
- 2 To declare a final dividend for the year ended 30th April 2008
- 3 To approve the Directors' remuneration report (as set out on pages 13 to 14 of the Annual Report)
- 4 To re-elect William Hindmarch as a Director of the Company
- 5 To re-elect Nick Ziebland as a Director of the Company
- 6 To elect Colin Hargrave as a Director of the Company
- 7 To re-appoint the auditors, Wilkins Kennedy, as auditors of the Company until the conclusion of the next Annual General Meeting
- 8 To authorise the Directors to set the auditors' remuneration

### **Special Business**

To consider and if thought fit pass the following resolutions of which resolution 9 will be proposed as an ordinary resolution and resolutions 10 to 12 will be proposed as special resolutions

- 9 That the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the 'Act') to exercise all the powers of the Company to allot relevant securities (as defined by the subsection (2) of the said section 80) up to an aggregate nominal amount of £211,970 provided that this authority shall revoke all previous existing authorities granted under section 80 of the Act and shall expire on the conclusion of the Annual General Meeting to be held in 2009 or in 15 months after the passing of the Resolution (whichever is the earliest) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired
- 10 That, pursuant to section 95 of the Act the Directors be and are hereby empowered to allot equity securities (as defined by section 94 of the Act) for cash pursuant to the authority conferred by Resolution 9 above as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to
  - (a) The allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of ordinary shares in the capital of the Company and other persons entitled to participate therein for cash in proportion (as nearly as may be) to the holdings of ordinary shares of such holders (or as appropriate to the numbers of ordinary shares which other persons are for these purposes deemed to hold), subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of fractional entitlements or otherwise and

- (b) The allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal amount equal to £31,795

and shall (unless previously revoked, varied or renewed) expire on the conclusion of the Annual General Meeting to be held in 2009 or 15 months after the passing of the Resolution (whichever is earlier)

- 11 That the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in section 163(3) of the Companies Act 1985) of ordinary shares of 5p each in the issued capital of the Company (' Ordinary Shares ') subject to the following conditions
  - (a) The maximum number of Ordinary Shares of 5p each which may be purchased is 1 271,825 (representing approximately 10 per cent of the issued Ordinary Share capital)
  - (b) The maximum price at which an Ordinary Share may be purchased is an amount equal to 105 per cent of the average of the middle market quotations for such shares as derived from the daily Official List of the London Stock Exchange for the five business days immediately preceding the date of purchase and the minimum price is 5p per Ordinary Share, and
  - (c) The authority conferred by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2009 provided that any contract for the purchase of Ordinary Shares permitted by this Resolution which has been concluded before the expiry of this authority may be executed wholly or partly after the authority expires
- 12 THAT the Articles of Association of the Company, contained in the document produced to the meeting and signed by the Chairman for the purposes of identification be approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of, the existing Articles of Association with effect from 1st October 2008 or such later date as section 175 of the Companies Act 2006 shall be brought into force

By order of the Board

**PRISM COSEC LIMITED**  
COMPANY SECRETARY  
15th August 2008

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



## Notes

- (a) A member entitled to attend and vote is entitled to appoint one or more proxies who need not be members of the Company, to attend and vote instead of him. A proxy need not be a member. A Form of Proxy is enclosed. To be valid, a Form of Proxy must be received together with any power of attorney or other authority under which it is executed (or a duly certified copy of such power or authority) by the Company's registrar, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH not later than 48 hours before the time fixed for the meeting. 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 6pm on 16 September 2008 shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time or if the meeting is adjourned 48 hours before the time fixed for the adjourned meeting (as the case maybe). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (c) Copies of all letters of appointment between the Company and its Non-executive Directors and the proposed amended Articles of Association are available for inspection at the registered office of the Company during normal business hours, and will be available for inspection at 25 Luke Street, London EC2A 4AR at least 15 minutes prior to the commencement of, and during the continuance of, the Annual General Meeting.
- (d) The proxy rights set out above do not apply to persons nominated by a shareholder to receive information rights pursuant to section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 that have been sent this notice of meeting are hereby informed that in accordance with Section 149(2) of the Companies Act 2006 they may have the right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such a right or do not wish to exercise it they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
- (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 Proxy Form you must specify the number of shares for which each proxy is appointed.
- (f) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions, and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

 best of the best plc