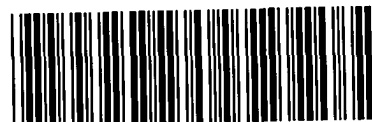


# **BEST OF THE BEST PLC**

(Registered number 03755182)

**Unaudited Interim Financial Statements  
for the nine month period ended 31 January 2019**

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**BEST OF THE BEST PLC**  
**Statement of Comprehensive Income**  
**For the nine month period ended 31 January 2019**

	Notes	1 May 2018 – 31 January 2019 £
<b>CONTINUING OPERATIONS</b>		
Revenue		10,823,188
Cost of sales		<u>(4,796,292)</u>
<b>GROSS PROFIT</b>		6,026,896
Administrative expenses		<u>(4,256,730)</u>
<b>OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS</b>		1,770,166
Exceptional income	2	4,494,697
Exceptional expense	2	<u>(1,994,142)</u>
<b>OPERATING PROFIT</b>		4,270,721
Finance income		<u>14,911</u>
<b>PROFIT BEFORE INCOME TAX</b>		4,285,632
Income tax		<u>(794,803)</u>
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>3,490,829</u></u>

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Statement of Financial Position**  
**As at 31 January 2019**

	Notes	31 January 2019 £
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	3	101,016
Property, plant and equipment	4	1,135,704
Deferred tax	9	19,975
		<u>1,256,695</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	5	150,241
Cash and cash equivalents	6	5,715,841
		<u>5,866,082</u>
<b>TOTAL ASSETS</b>		<u>7,122,777</u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	7	504,926
Share premium		199,324
Capital redemption reserve		200,451
Retained earnings		3,520,597
<b>TOTAL EQUITY</b>		<u>4,425,298</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	8	2,090,260
Tax payable		551,719
Provisions	10	55,500
<b>TOTAL LIABILITIES</b>		<u>2,697,479</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,122,777</u>

The financial statements were approved by the Board of Directors on 14th February 2019, and were signed on its behalf by:



.....  
W S Hindmarch  
Director

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Statement of Changes in Equity**  
**For the nine month period ended 31 January 2019**

	Called up share capital £	Share premium £	Capital redemption reserve £
Balance at 1 May 2018	504,926	199,324	200,451
Dividends paid	-	-	-
Transactions with owners	-	-	-
Profit for the period	-	-	-
<b>Total comprehensive income</b>	-	-	-
<b>Balance at 31 January 2019</b>	504,926	199,324	200,451

	Retained earnings £	Total £
Balance at 1 May 2018	635,683	1,540,384
Dividends paid	(605,915)	(605,915)
Transactions with owners	(605,915)	(605,915)
Profit for the period	3,490,829	3,490,829
<b>Total comprehensive income</b>	3,490,829	3,490,829
<b>Balance at 31 January 2019</b>	3,520,597	4,425,298

The notes form part of these financial statements

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements**  
**For the nine month period ended 31 January 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of accounting**

These interim financial statements of Best of the Best Plc for the nine months ended 31 January 2019 comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. These interim financial statements have been prepared in accordance with section 836 of the Companies Act 2006 for the purpose of a proposed distribution. The interim financial statements have been prepared under the historical cost convention and with regard to the requirements of International Financial Reporting Standards as adopted by the European Union ("IFRS"). They do not include all of the information required for full financial statements and should be read in conjunction with the financial statements (prepared under IFRS) of the Group for the year ended 30 April 2018.

These interim financial statements are not audited and present information about the Company only and not its subsidiaries.

**1.2 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.

**1.3 Cost of sales**

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

**1.4 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 intends to complete the intangible asset and use or sell it;
- The Company has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among 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.

**1.5 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.

**1.6 Share based payment**

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

**1.7 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.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For the nine month period ended 31 January 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.8 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 period. 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 affect 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.

**1.9 Impairment**

The carrying amounts of the Company'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 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.

**1.10 Current versus non-current classification**

The Company presents 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 classifies 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 nine month period ended 31 January 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.11 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 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 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.

**1.12 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.

**1.13 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 is classified as a finance lease. The Company has not entered into any finance leases during this interim period.

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.

**1.14 Provisions**

Provisions are recognised when the Company 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.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For the nine month period ended 31 January 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1.15 Financial instruments**

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company'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 will not be able to collect all amounts due to it 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 manages 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 becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the statement of comprehensive income.

**1.16 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; and
- Retained earnings represent accumulated profits and losses from incorporation and any credit arising under share based payments.

**2. EXCEPTIONAL INCOME AND EXPENSE**

On 19 May 2018 the Company received a retrospective VAT refund from H M Revenue and Customs (HMRC) on its "Spot the Ball" game of approximately £4.5 million for the period from 1 March 2009 to 30 June 2017. Accordingly, this sum has been recognised as exceptional income in the period. On 20 December 2018 the Company settled an agreed assessment issued by HMRC for Remote Gaming Duty making a payment of approximately £1.7 million. Accordingly, this sum has been recognised as an exceptional cost in the period, together with associated legal and professional costs of approximately £0.3 million incurred in connection with these claims.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For the nine month period ended 31 January 2019**

**3. INTANGIBLE ASSETS**

	<i>Development costs</i> £
<b>COST</b>	
At 1 May 2018	305,450
Additions	40,500
At 31 January 2019	<u>345,950</u>
<b>AMORTISATION</b>	
At 1 May 2018	178,134
Charge for year	66,800
At 31 January 2019	<u>244,934</u>
<b>NET BOOK VALUE</b>	
31 January 2019	<u>101,016</u>
1 May 2018	<u>127,316</u>

**4. PROPERTY, PLANT AND EQUIPMENT**

	<i>Long leasehold</i> £	<i>Improvements to property</i> £	<i>Display equipment</i> £	<i>Fixtures and fittings</i> £
<b>COST</b>				
At 1 May 2018	954,034	25,950	473,591	170,219
Additions	-	-	-	2,111
Disposals	-	-	(372,022)	-
At 31 January 2019	<u>954,034</u>	<u>25,950</u>	<u>101,569</u>	<u>172,330</u>
<b>DEPRECIATION AND IMPAIRMENT</b>				
At 1 May 2018	6,998	2,078	342,970	160,717
Charge for the year	2,641	783	895	7,815
Eliminated on disposals	-	-	(268,933)	-
At 31 January 2019	<u>9,639</u>	<u>2,861</u>	<u>74,932</u>	<u>168,532</u>
<b>NET BOOK VALUE</b>				
31 January 2019	<u>944,395</u>	<u>23,089</u>	<u>26,637</u>	<u>3,798</u>
1 May 2018	<u>947,036</u>	<u>23,872</u>	<u>130,621</u>	<u>9,502</u>
	<i>Motor vehicles</i> £	<i>Computer equipment</i> £	<i>Total</i> £	
<b>COST</b>				
At 1 May 2018	58,275	115,137	1,797,206	
Additions	112,583	10,717	125,411	
Disposals	(15,486)	-	(387,508)	
At January 2019	<u>155,372</u>	<u>125,854</u>	<u>1,535,109</u>	
<b>DEPRECIATION AND IMPAIRMENT</b>				
At 1 May 2018	35,078	104,535	652,376	
Charge for the year	9,000	8,220	29,354	
Eliminated on disposals	(13,392)	-	(282,325)	
At 31 January 2019	<u>30,686</u>	<u>112,755</u>	<u>399,405</u>	
<b>NET BOOK VALUE</b>				
31 January 2019	<u>124,686</u>	<u>13,099</u>	<u>1,135,704</u>	
1 May 2018	<u>23,197</u>	<u>10,602</u>	<u>1,144,830</u>	

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For the nine month period ended 31 January 2019**

**5. TRADE AND OTHER RECEIVABLES**

	<i>31 January 2019 £</i>
Trade receivables	3,927
Other receivables	48,090
Prepayments and accrued income	98,224
	<u>150,241</u>

**6. CASH AND CASH EQUIVALENTS**

	<i>31 January 2019 £</i>
Cash in hand	3,875
Bank accounts	5,711,966
	<u>5,715,841</u>

**7. CALLED UP SHARE CAPITAL**

*Allotted, issued and fully paid*

<i>Number</i>	<i>Class</i>	<i>Nominal Value</i>	<i>31 January 2019 £</i>
10,098,580	Ordinary	£0.05	<u>504,926</u>

**8. TRADE AND OTHER PAYABLES**

	<i>31 January 2019 £</i>
Trade creditors	510,949
Amounts owed to group undertakings	5,448
Social security and other taxes	347,797
Accruals and deferred income	1,222,520
Pension creditor	3,546
	<u>2,090,260</u>

**9. DEFERRED TAX**

	<i>31 January 2019 £</i>
At 1 May 2018	40,445
Movement during the period	(20,470)
At 31 January 2019	<u>19,975</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.

**BEST OF THE BEST PLC**  
**Notes to the Financial Statements (continued)**  
**For the nine month period ended 31 January 2019**

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**10. PROVISIONS**

	<i>31 January</i> <i>2019</i> <i>£</i>
At 1 May 2018	206,550
Utilised during the period	<u>(151,050)</u>
At 31 January 2019	<u><u>55,500</u></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.