



**Annual Report
& Accounts 2014**



**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
For The Year Ended 30 April 2014**

for

BEST OF THE BEST PLC

BEST OF THE BEST PLC
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For The Year Ended 30 April 2014

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BEST OF THE BEST PLC
Company Information
For The Year Ended 30 April 2014

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

SECRETARY: Prism Cosec Limited

REGISTERED OFFICE: Unit 2 Plato Place
72/74 St. Dionis Rd
London
SW6 4TU

REGISTERED NUMBER: 03755182

AUDITORS: Wilkins Kennedy LLP
Chartered Accountants
& Statutory Auditor
Bridge House
London Bridge
London
SE1 9QR

BANKERS: Barclays Bank Plc
93 Baker Street
London
W1A 4SD

BEST OF THE BEST PLC
Group Strategic Report
For The Year Ended 30 April 2014

The Directors present their strategic report of the Group for the year ended 30 April 2014.

Key Points

- Revenue increased by 8.5 per cent. to £7.0 million (2013: £6.45 million)
- Profit before tax increased to £0.45 million (2013: £0.12 million)
- Net Assets of £2.87 million, underpinned by cash balance of £2.24 million (2013: £1.95 million)
- Online revenues increased by 13.9 per cent, representing 45.1 per cent. of total revenue
- Revenues at physical locations increased by 3.1 per cent
- Continued focus and investment towards online player acquisition
- Recommended dividend of 1.1 pence (2013: 1.0 pence)

William Hindmarch, Chief Executive, said:

“It has been a good year for the business and I am pleased to report that we have continued the trend of delivering increased revenues and profits whilst improving both customer experience and engagement.

The online business has continued to drive the growth in revenues and now accounts for 45.1 per cent. of total revenue. We will be looking to invest further in online marketing over the coming year to increase player acquisition. This will be combined with further technical enhancements to the website to improve conversion, retention and the overall customer experience.

Our physical sites have continued to perform well and remain an important part of our sales and player acquisition strategy. We will be investing in these sites to further enhance their visual impact and attraction to both new and existing players.

The Group generated strong cash flows in the period and our balance sheet remains healthy with cash balances of £2.24 million at the end of the period.

We are optimistic about the future prospects of the Group over the next financial year, and I look forward to updating shareholders on further progress in due course.”

BEST OF THE BEST PLC
Group Strategic Report
For The Year Ended 30 April 2014

Chief Executive's Statement

It has been a good year for the business and I am pleased to report that we have continued the trend of delivering increased revenues and profits whilst improving both customer experience and engagement.

The online business has continued to drive the growth in revenues and now accounts for 45.1 per cent. of Group revenue. Our website (www.botb.com) has continued to attract higher levels of traffic as a result of both increased marketing investment and greater press coverage. We will be looking to invest further in online marketing over the coming year with a view to increasing player acquisition and to drive further revenue growth. This will be combined with further technical enhancements to the website to improve conversion, retention and the overall customer experience.

Our physical sites have continued to perform well and are an important part of our sales and player acquisition strategy. We will be investing in these sites to further enhance their visual impact and attraction to both new and existing players.

The Group generated strong cash flows in the period and our balance sheet remains healthy with cash balances of £2.24 million at the end of the period. We are optimistic about the future prospects of the Group over the next financial year and beyond, and I look forward to updating shareholders on further progress in due course.

Results

Revenues for the twelve months ended 30 April 2014 increased by 8.5 per cent. to £7.0 million (2013: £6.45 million). The Group recorded a profit before tax for the period of £0.45 million (2013: £0.12 million).

The Group generated £0.97 million of operating cash flow and reports a net increase in cash of £0.30 million for the period, with cash balances at £2.24 million. Our Net Assets stand at £2.87 million which principally comprise cash, our stock of cars on display which are held at a net realisable value of £0.53 million, and our 970 year leasehold head office property valued at £0.95 million.

As previously reported, following a recent VAT decision at the First-tier Tribunal concerning a group with similar activities in our sector, the Group has submitted a protective claim to recover overpaid VAT amounting to £2.20 million (gross of professional fees and expenses). At present this VAT litigation has not been concluded and therefore, it is not certain that the Group will receive any repayment from HM Revenue & Customs. We will update shareholders as this matter progresses.

During the period the Group purchased the adjacent office to its current headquarters for £400,000 and has combined the space of both offices. This has permitted the Group to accommodate a larger team, and will allow for further expansion as the business grows.

Dividend

The Board is recommending a final dividend of 1.1 pence per share (2013: 1.0 pence) for the full year ending 30 April 2014 subject to shareholder approval at the Annual General Meeting on 18 September 2014. The final dividend will be paid on 17 October 2014 to shareholders on the register on 19 September 2014.

BEST OF THE BEST PLC
Group Strategic Report (continued)
For The Year Ended 30 April 2014

Business at physical locations

The Group is currently trading from 9 airport sites and 2 shopping centre sites. Our airport locations are located at Gatwick North, Gatwick South, London City, Birmingham, Manchester Terminals 1 and 2, Edinburgh, Copenhagen and Dublin's Terminal 2. Our shopping centre sites are both in London at the Westfield centres in Shepherd's Bush and Stratford.

Our physical locations have traded solidly throughout the year with revenues up by 3.1 per cent. We are investing further in the audiovisual capabilities of the sites to enhance their appeal for both new and existing customers, as well as the airport operators. The first of these new units will be installed soon at our Gatwick North Terminal site. This will allow us to more effectively display our powerful winners' videos and aims to increase registrations and conversion at our physical sites.

Online Business

Online sales accounted for 45.1 per cent. of total revenue in the period and increased by 13.9 per cent. compared to the same period last year. There is a continued focus on digital marketing activities, with a growing online marketing team and greater budget allocated to this area. Over the coming year we will be aiming to materially increase the quantity of new players acquired online, using a wide variety of digital marketing channels.

The 'Win any Car' concept and the shortening of the competition cycle to two weeks have continued to underpin the increase in online sales. The 'Win any Car' concept allows customers to choose from over 190 cars from nearly fifty automotive brands including a range of supercars, luxury SUV's, track cars and classic cars, with tickets priced from £3 to £22. The increased choice of both product and price points is driving a broader and more engaged player base.

Our "Free Competitions" whilst rewarding existing loyal players, have also proved to be a successful route to acquiring new online players. These competitions for exclusive, aspirational driving experiences encourage people to register and experience the site for the first time for free. A proportion are then converting to paying customers and this success has encouraged us to offer bigger and better prizes and invest more promoting them online.

We have reported previously how we had started filming the competition winners as we surprise them with the cars they have won, and we have continued with this marketing initiative, filming in many locations across the UK as well as overseas. The resulting content is particularly compelling and has really helped to bring the concept alive to our website visitors and has assisted with customer acquisition and conversion. It has also afforded us many more press and PR opportunities leading to increased coverage in both online and traditional publications as well as national press.

Social media activity through Facebook, YouTube, Twitter etc. is becoming increasingly important both for interacting with our existing customers and to acquire new ones. We have increased the staffing dedicated to social media channels and we will be raising our investment in social media marketing during the year.

The initiative to contact targeted segments of our customer base using an in-house outbound calling team continues to perform well. The team personally contacts specific customer segments (e.g. to convert one-time airport players to online players and to retain lapsing players) to improve online sales and drive performance from the database. We will be expanding the team so we can contact more customers by telephone and to support online messaging.

It is crucial to maintain the technical and experiential development of our website to offer the best possible user interface both for existing customers and to acquire new players. The website continues to improve with numerous incremental changes and there is a strong pipeline of enhancements in development. We are also increasing development resources to expand the team and speed up the delivery of projects.

BEST OF THE BEST PLC
Group Strategic Report (continued)
For The Year Ended 30 April 2014

Outlook

Best of the Best has increased its profits, is cash generative and is supported by a robust balance sheet, with increased cash balances of £2.24 million. I am pleased with the performance of the business over the period and believe we have a good foundation to continue to invest and to grow both revenues and profits.

Our focus will be on the acquisition of new players online, as well as improving the audio visual and experiential nature of our physical sites to attract new customers through physical channels.

We are optimistic about the prospects for the Group for the next financial year and beyond, and I look forward to updating shareholders on further progress in due course.

Key Performance Indicator

The Group's key performance indicator is revenue which as discussed in the Chief Executive's statement has increased from £6.45 million in 2013 to £7.0 million in 2014. Due to the nature of the business, the Board maintains that comparative sales revenue figures are an appropriate indication of the Group's performance.

Risks and Uncertainties

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.

Non-Financial Risk Management

The Directors regularly review the non-financial risks which the Group is exposed to and the following have been identified as key risk factors:

Renewal of Site Contracts

The Group continues to explore opening further sites and to diversify between operators. Efforts are made to diversify revenue streams by increasing online sales and acquiring customers through non-airport channels.

Geo-political Risk

The Group's operations within airport terminals which is largely dependent on passenger footfall, exposes the Group to both the political and geological risks affecting the aviation and travel industries. To mitigate the Group's exposure to these risks the Group seeks to diversify its airport sites beyond the United Kingdom, to grow its online business and to develop non-airport trading sites.

BEST OF THE BEST PLC
Group Strategic Report (continued)
For The Year Ended 30 April 2014

Risks and Uncertainties (continued)

Management and Key Personnel

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

Information Technology

The Group relies heavily on its IT systems and software for its day to day operation. The Group has in place contracts with third party suppliers to ensure the levels of service delivered are adequate and that its data and customers' data is protected.

ON BEHALF OF THE BOARD:



.....
W S Hindmarch
Director
10 June 2014

BEST OF THE BEST PLC
Corporate Governance Report
For The Year Ended 30 April 2014

PRINCIPLES OF CORPORATE GOVERNANCE

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

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

BOARD STRUCTURE & OPERATION

The Chief Executive of the Group is William Hindmarch. He is heavily involved in the day to day running of the Group. In total the Board comprises a Chief Executive, one further Executive Director and two Non-Executive Directors, Colin Hargrave and Michael Hindmarch. Colin Hargrave is an independent Non-Executive Director. It is considered that this gives the necessary mix of industry specific and broad business experience necessary for the effective governance of the Group.

There are certain matters specifically reserved to the Board for its decision. Board meetings are held on a regular basis and effectively no decision of any consequence is made other than by the Board. Directors also have ongoing contact on a variety of issues between formal meetings. All Directors participate in the key areas of decision making, including the appointment of new Directors. A schedule of regular matters to be addressed by the Board and its Committees is agreed on an annual basis.

The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities in respect of the accounts is set out on page 15. 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. The Board is supported in its work by Board Committees which are responsible for a variety of tasks delegated by the Board.

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

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

William Hindmarch, Age 40 – 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 12 years.

Rupert Garton, Age 39 – 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 Said Business School, before joining a specialist retailer as Commercial Director. He joined the Group in January 2006.

BEST OF THE BEST PLC
Corporate Governance Report (continued)
For The Year Ended 30 April 2014

BOARD STRUCTURE & OPERATION (CONTINUED)

Michael Hindmarch, Age 74 – Non-Executive Chairman

Michael qualified as a Polymer Technologist at the National College of Rubber and Plastics Technology, London. He founded Plantpak (Plastics) Ltd, a horticultural plastics company in 1970. In 1985 he reversed Plantpak into Falcon Industries Plc, a listed conglomerate, becoming Chairman and CEO. Since 1990 he has acted as an independent business consultant to a number of companies. Michael served as High Sheriff of Essex 2010/2011 and is a Deputy Lieutenant of the County.

Colin Hargrave, Aged 61 – 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.

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

AUDIT COMMITTEE

The audit committee comprises of Colin Hargrave (Chairman of the committee) and Michael Hindmarch.

Meetings are also generally attended by the Group'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.

BEST OF THE BEST PLC
Corporate Governance Report (continued)
For The Year Ended 30 April 2014

REMUNERATION COMMITTEE

The remuneration committee comprising of Michael Hindmarch (Chairman of the committee) and Colin Hargrave is responsible for making recommendations to the Board on the Group's framework of Executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the Executive Directors. The Board itself determines the remuneration of the Non-Executive Directors. The report on Directors' remuneration is set out on pages 11 and 12.

NOMINATION COMMITTEE

There is no separate nomination committee at the moment due to the size of the Board. All Directors participate in the appointment of new Directors.

BOARD AND COMMITTEE MEETING ATTENDANCE

Directors' attendance at Board and Committee meetings is shown below.

	<i>Board</i>	<i>Audit Committee</i>	<i>Remuneration Committee</i>
William Hindmarch	6/6	–	–
Rupert Garton	6/6	–	–
Michael Hindmarch	6/6	2/2	2/2
Colin Hargrave	6/6	2/2	2/2

INTERNAL FINANCIAL CONTROL

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

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

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

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

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

BEST OF THE BEST PLC
Corporate Governance Report (continued)
For The Year Ended 30 April 2014

RELATIONS WITH SHAREHOLDERS

The Chief Executive is the Group'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 18 September 2014. Notice of the Annual General Meeting is set out in the back of this document.

GOING CONCERN

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

BEST OF THE BEST PLC
Directors' Remuneration Report
For The Year Ended 30 April 2014

REMUNERATION COMMITTEE

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

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

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

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

REMUNERATION POLICY

SHARE OPTIONS

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

As at 30 April 2014, two of the Directors, Rupert Garton and Colin Hargrave, held options. Details and conditions of these options can be found on page 13.

PENSION ARRANGEMENTS

During the year, the Group provided £48,000 (2013: £46,000) in respect of Executive Director pension payments. At the year end, £nil (2013: £nil) was outstanding and owing to the scheme.

DIRECTORS' CONTRACTS

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

NON-EXECUTIVE DIRECTORS

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

Non-Executive Directors are engaged on renewable fixed term contracts not exceeding one year.

BEST OF THE BEST PLC
Directors' Remuneration Report (continued)
For The Year Ended 30 April 2014

DIRECTORS' EMOLUMENTS

	<i>Benefits in Kind</i>	<i>Salary</i>	<i>Bonus</i>	<i>Pension</i>	<i>Fees paid to third parties</i>	<i>30 April 2014 Total</i>	<i>30 April 2013 Total</i>
	£	£	£	£	£	£	£
Rupert Garton	20,941	112,209	60,000	24,000	–	217,150	173,492
William Hindmarch	4,405	115,242	60,000	24,000	–	203,647	167,796
Michael Hindmarch	–	–	–	–	12,000	12,000	12,000
Colin Hargrave	1,613	18,000	–	–	–	19,613	21,008

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Group granted to or held by the Directors. There were 10,000 share options granted to the Directors during the year which were outstanding as at 30 April 2014, together with 944,528 granted in previous years. Share options have been granted on both an approved and unapproved basis.

APPROVAL

The report was approved by the Board of Directors and authorised for issue on 10 June 2014 and signed on its behalf by:



.....
M W Hindmarch
Chairman

BEST OF THE BEST PLC
Report of the Directors
For The Year Ended 30 April 2014

The Directors present their report with the financial statements of the Company and the Group for the year ended 30 April 2014.

DIRECTORS

The Directors during the year and summaries of their experience are set out on pages 7 and 8.

The number of Ordinary Shares of the Company in which the Directors holding office on 30 April 2014 were beneficially interested in were as follows:

	<i>30 April 2014</i>	<i>30 April 2013</i>
Ordinary 5p shares		
W S Hindmarch	5,016,851	5,016,851
R C E Garton	647,596	647,596
M W Hindmarch	944,722	944,722
C Hargrave	36,773	36,773

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

	<i>Outstanding at beginning of year</i>	<i>Granted</i>	<i>Forfeited</i>	<i>Exercised in year</i>	<i>Outstanding at end of year</i>	<i>Exercise price £</i>	<i>Date first exercisable</i>	<i>Date of expiry</i>
R C E Garton	500,000	–	–	–	500,000	0.225	26/04/15	25/04/22
R C E Garton	154,528	–	–	–	154,528	0.210	21/09/15	20/09/22
R C E Garton	200,000	–	–	–	200,000	0.210	21/09/15	20/09/22
C Hargrave	90,000	–	–	–	90,000	0.225	26/04/15	25/04/22
C Hargrave	–	10,000	–	–	10,000	0.380	05/08/16	04/08/23

At the 30 April 2014 the market price of the Group's shares was £0.7150 (2013: £0.218). The maximum share price during the year was £0.9850 (2013: £0.218) and the minimum price was £0.218 (2013: £0.19).

There were 10,000 share options granted to the Directors during the year which were outstanding as at 30 April 2014, together with 944,528 granted in previous years. Share options have been granted on both an approved and unapproved basis.

DIVIDENDS

During the year, the Group paid a dividend equating to 1.0 pence per share as recommended in the accounts to 30 April 2013.

The Board is recommending a final dividend of 1.1 pence per share (2013: 1.0 pence) for the full year ending 30 April 2014 subject to shareholder approval at the Annual General Meeting on 18 September 2014. A final dividend is covered 3.5 times by earnings per share and will be paid on 17 October 2014 to shareholders on the register on 19 September 2014.

The total distribution of dividends for the year ended 30 April 2014 will be £100,090.

BEST OF THE BEST PLC
Report of the Directors (continued)
For The Year Ended 30 April 2014

SHARE BUY-BACK

At the 2013 annual general meeting, the Group was authorised by shareholders to purchase up to 937,210 of its own shares, representing approximately 10 per cent. of the total issued share capital. During the period, 273,048 shares of 5 pence each, representing 2.91 per cent. of the ordinary share capital in issue on 30 April 2013, were purchased and cancelled by the Company. These shares were bought back at an average price of £0.529 per share. The board will seek to renew this authority at the 2014 annual general meeting.

SUBSTANTIAL SHAREHOLDERS

As at 10 June 2014 the Directors were aware of the following interest of 3 per cent. or more in the issued ordinary share capital of the Group (other than Directors interests already disclosed) and had not been notified, pursuant to the provisions of the Companies Act 2006, of any further such interests.

<i>Name</i>	<i>Shareholding</i>	<i>Percentage</i>
Stancroft Trust Limited	782,647	8.60%
Rock Nominees Limited	572,195	6.29%
Octopus Investments Nominees	354,347	3.89%

CHARITABLE CONTRIBUTIONS

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

<i>Donee</i>	<i>Contribution</i>
	<i>£</i>
Marie Curie	250.00
Air Ambulance	250.00
Beyond Autism	250.00
British redcross	500.00
Oxfam	500.00
Great Ormond Street Childrens Hospital	500.00

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.

BEST OF THE BEST PLC
Report of the Directors (continued)
For The Year Ended 30 April 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
W S Hindmarch
Director
10 June 2014

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

We have audited the financial statements of Best of the Best Plc for the year ended 30 April 2014 on pages 18 to 39. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 15, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Corporate Governance Report, the Directors' Remuneration Report the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 30 April 2014 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



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

10 June 2014

BEST OF THE BEST PLC
Consolidated Statement of Profit or Loss
For The Year Ended 30 April 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
CONTINUING OPERATIONS			
Revenue	2	7,000,374	6,450,310
Cost of sales		(2,393,134)	(2,572,268)
GROSS PROFIT		<u>4,607,240</u>	<u>3,878,042</u>
Administrative expenses		(4,162,681)	(3,759,445)
OPERATING PROFIT		<u>444,559</u>	<u>118,597</u>
Finance income	4	1,947	1,791
PROFIT BEFORE INCOME TAX	5	<u>446,506</u>	<u>120,388</u>
Income tax	6	(92,267)	(43,690)
PROFIT FOR THE YEAR		<u>354,239</u>	<u>76,698</u>
Profit attributable to:			
Owners of the Parent		<u>354,239</u>	<u>76,698</u>
Earnings per share expressed in pence per share:			
Basic	9	3.84	0.82
Diluted		<u>3.84</u>	<u>0.82</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 April 2014

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
PROFIT FOR THE YEAR	354,239	76,698
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Treasury Share repurchase	(161,372)	–
Income tax relating to item of other comprehensive income	–	–
OTHER COMPREHENSIVE INCOME	<u>–</u>	<u>–</u>
FOR THE YEAR, NET OF INCOME TAX	(161,372)	–
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>192,867</u>	<u>76,698</u>
Total comprehensive income attributable to:		
Owners of the Parent	<u>192,867</u>	<u>76,698</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Financial Position
30 April 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,048,739	736,510
Investments	11	–	–
Deferred tax	18	103,892	94,097
		<u>1,152,631</u>	<u>830,607</u>
CURRENT ASSETS			
Inventories	12	526,445	502,481
Trade and other receivables	13	361,504	282,993
Tax receivable		1,763	–
Cash and cash equivalents	14	2,244,227	1,947,002
		<u>3,133,939</u>	<u>2,732,476</u>
TOTAL ASSETS		<u>4,286,570</u>	<u>3,563,083</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	454,950	468,602
Share premium	16	1,782,622	1,782,622
Capital redemption reserve	16	196,601	182,949
Other reserves	16	147,810	147,810
Treasury shares	16	(161,372)	–
Retained earnings	16	443,050	182,532
TOTAL EQUITY		<u>2,863,661</u>	<u>2,764,515</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	1,287,493	864,787
Tax payable		135,416	(66,219)
		<u>1,422,909</u>	<u>798,568</u>
TOTAL LIABILITIES		<u>1,422,909</u>	<u>798,568</u>
TOTAL EQUITY AND LIABILITIES		<u>4,286,570</u>	<u>3,563,083</u>

The financial statements were approved by the Board of Directors on 10 June 2014 and were signed on its behalf by:



.....
W S Hindmarch
Director

The notes form part of these financial statements

BEST OF THE BEST PLC
Company Statement of Financial Position
30 April 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,048,739	736,510
Investments	11	12,585	12,585
Deferred tax	18	103,892	94,097
		<u>1,165,216</u>	<u>843,192</u>
CURRENT ASSETS			
Inventories	12	526,445	502,481
Trade and other receivables	13	296,679	205,518
Cash and cash equivalents	14	2,120,219	1,821,242
		<u>2,943,343</u>	<u>2,529,241</u>
TOTAL ASSETS		<u>4,108,559</u>	<u>3,372,433</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	454,950	468,602
Share premium	16	1,782,622	1,782,622
Capital redemption reserve	16	196,601	182,949
Other reserves	16	147,810	147,810
Treasury shares	16	(161,372)	–
Retained earnings	16	45,284	(67,727)
TOTAL EQUITY		<u>2,465,895</u>	<u>2,514,256</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	1,565,067	955,305
Tax payable		77,597	(97,128)
		<u>1,642,664</u>	<u>858,177</u>
TOTAL LIABILITIES		<u>1,642,664</u>	<u>858,177</u>
TOTAL EQUITY AND LIABILITIES		<u>4,108,559</u>	<u>3,372,433</u>

The financial statements were approved by the Board of Directors on 10 June 2014 and were signed on its behalf by:



.....
W S Hindmarch
Director

The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Changes in Equity
For The Year Ended 30 April 2014

	<i>Called up share capital £</i>	<i>Retained earnings £</i>	<i>Share premium £</i>
Balance at 1 May 2012	468,602	180,811	1,782,622
Changes in equity			
Dividends	–	(74,977)	–
Total comprehensive income	–	76,698	–
Balance at 30 April 2013	<u>468,602</u>	<u>182,532</u>	<u>1,782,622</u>
Changes in equity			
Treasury shares	(13,652)	–	–
Dividends	–	(93,721)	–
Total comprehensive income	–	354,239	–
Balance at 30 April 2014	<u>454,950</u>	<u>443,050</u>	<u>1,782,622</u>

	<i>Capital redemption reserve £</i>	<i>Other reserves £</i>	<i>Treasury shares £</i>	<i>Total equity £</i>
Balance at 1 May 2012	182,949	147,810	–	2,762,794
Changes in equity				
Dividends	–	–	–	(74,977)
Total comprehensive income	–	–	–	76,698
Balance at 30 April 2013	<u>182,949</u>	<u>147,810</u>	<u>–</u>	<u>2,764,515</u>
Changes in equity				
Treasury shares	13,652	–	–	–
Dividends	–	–	–	(93,721)
Total comprehensive income	–	–	(161,372)	192,867
Balance at 30 April 2014	<u>196,601</u>	<u>147,810</u>	<u>(161,372)</u>	<u>2,863,661</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Company Statement of Changes in Equity
For The Year Ended 30 April 2014

	<i>Called up share capital £</i>	<i>Retained earnings £</i>	<i>Share premium £</i>
Balance at 1 May 2012	468,602	17,061	1,782,622
Changes in equity			
Dividends	–	(74,977)	–
Total comprehensive income	–	(9,811)	–
Balance at 30 April 2013	<u>468,602</u>	<u>(67,727)</u>	<u>1,782,622</u>
Changes in equity			
Treasury shares	(13,652)	–	–
Dividends	–	(93,721)	–
Total comprehensive income	–	206,732	–
Balance at 30 April 2014	<u>454,950</u>	<u>45,284</u>	<u>1,782,622</u>

	<i>Capital redemption reserve £</i>	<i>Other reserves £</i>	<i>Treasury shares £</i>	<i>Total equity £</i>
Balance at 1 May 2012	182,949	147,810	–	2,599,044
Changes in equity				
Dividends	–	–	–	(74,977)
Total comprehensive income	–	–	–	(9,811)
Balance at 30 April 2013	<u>182,949</u>	<u>147,810</u>	<u>–</u>	<u>2,514,256</u>
Changes in equity				
Treasury shares	13,652	–	–	–
Dividends	–	–	–	(93,721)
Total comprehensive income	–	–	(161,372)	45,360
Balance at 30 April 2014	<u>196,601</u>	<u>147,810</u>	<u>(161,372)</u>	<u>2,465,895</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Consolidated Statement of Cash Flows
For The Year Ended 30 April 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
Cash flows from operating activities			
Cash generated from operations	1	968,539	978,460
Tax paid		97,810	(16,327)
Net cash from operating activities		<u>1,066,349</u>	<u>962,133</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(542,440)	(57,508)
Sale of tangible fixed assets		26,462	11,985
Interest received		1,947	1,791
Net cash from investing activities		<u>(514,031)</u>	<u>(43,732)</u>
Cash flows from financing activities			
Treasury shares purchase		(161,372)	–
Equity dividends paid		(93,721)	(74,977)
Net cash from financing activities		<u>(255,093)</u>	<u>(74,977)</u>
Increase in cash and cash equivalents		<u>297,225</u>	<u>843,424</u>
Cash and cash equivalents at beginning of year	2	<u>1,947,002</u>	<u>1,103,578</u>
Cash and cash equivalents at end of year	2	<u>2,244,227</u>	<u>1,947,002</u>

The notes form part of these financial statements

BEST OF THE BEST PLC
Notes to the Consolidated Statement of Cash Flows
For The Year Ended 30 April 2014

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

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Profit before income tax	446,506	120,388
Depreciation charges	189,396	259,113
Loss on disposal of fixed assets	14,353	–
Finance income	(1,947)	(1,791)
	648,308	377,710
(Increase)/decrease in inventories	(23,964)	430,166
(Increase)/decrease in trade and other receivables	(78,511)	10,697
Increase in trade and other payables	422,706	159,887
Cash generated from operations	968,539	978,460

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 April 2014

	<i>30 April 2014</i>	<i>1 May 2013</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	2,244,227	1,947,002

Year ended 30 April 2013

	<i>30 April 2013</i>	<i>1 May 2012</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	1,947,002	1,103,578

The notes form part of these financial statements

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements
For The Year Ended 30 April 2014

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

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

Revenue recognition

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

Property, plant and equipment

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

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

Financial instruments

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

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

Trade receivables

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

Financial liability and equity

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

Trade payables

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

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

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 statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Employee benefit costs

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

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

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

1. ACCOUNTING POLICIES (CONTINUED)

Share based payment

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

Pension contributions

The 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

	<i>2014</i>	<i>2013</i>
	£	£
Wages and salaries	2,882,126	2,641,351
Social security costs	32,977	34,383
	<u>2,915,103</u>	<u>2,675,734</u>

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

	<i>2014</i>	<i>2013</i>
Sales	41	43
Administration	17	14
Management	2	2
	<u>60</u>	<u>59</u>

	<i>2014</i>	<i>2013</i>
	£	£
Directors' remuneration	<u>452,410</u>	<u>374,296</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

3. EMPLOYEES AND DIRECTORS (CONTINUED)

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

	<i>2014</i>	<i>2013</i>
	£	£
Money purchase schemes	2	2

Information regarding the highest paid Director is as follows:

	<i>2014</i>	<i>2013</i>
	£	£
	217,150	173,492

4. NET FINANCE INCOME

	<i>2014</i>	<i>2013</i>
	£	£
Finance income:		
Deposit account interest	1,947	1,791

5. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	<i>2014</i>	<i>2013</i>
	£	£
Cost of inventories recognised as expense	2,393,134	2,572,268
Depreciation – owned assets	189,396	259,113
Loss on disposal of fixed assets	14,353	–
Auditors’ remuneration	24,000	24,000
Auditors’ remuneration for non audit work	12,000	12,000
Foreign exchange differences	13,876	3,181

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

	<i>Year ended</i>	<i>Year ended</i>
	<i>30 April 2014</i>	<i>30 April 2013</i>
	£	£
Audit services		
– Statutory audit	24,000	24,000
– Other services relating to such legislation	12,000	12,000
– Tax services – compliance services	–	–
– Other Services	–	–

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

6. INCOME TAX

Analysis of tax expense

	2014 £	2013 £
Current tax:		
Tax	102,062	29,086
Deferred tax	(9,795)	14,604
Total tax expense in consolidated income statement	<u>92,267</u>	<u>43,690</u>

Factors affecting the tax expense

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

	2014 £	2013 £
Profit on ordinary activities before income tax	<u>446,506</u>	<u>120,388</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 – 20%)	89,301	24,078
Effects of:		
Expenses not deductible for tax purposes	–	51,822
Capital allowances in excess of depreciation	6,924	(43,109)
Loss/ (Profit) on disposal of assets	2,871	–
Tax on overseas Group profit for the year	2,966	(3,705)
Deferred taxation	(9,795)	14,604
Tax expense	<u>92,267</u>	<u>43,690</u>

Tax effects relating to effects of other comprehensive income

	2014		
	<i>Gross</i> £	<i>Tax</i> £	<i>Net</i> £
Treasury Share repurchase	(161,372)	–	(161,372)
	<u>(161,372)</u>	<u>–</u>	<u>(161,372)</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £206,732 (2013 – £(9,811) loss).

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

8. DIVIDENDS

During the year, the Company paid a dividend equating to 1.0 pence per share as recommended in the accounts to 30 April 2013.

The Board is recommending a final dividend of 1.1 pence per share (2013: 1.0 pence) for the full year ending 30 April 2014 subject to shareholder approval at the Annual General Meeting on 18 September 2014. A final dividend is covered 3.5 times by earnings per share and will be paid on 17 October 2014 to shareholders on the register on 19 September 2014.

The total distribution of dividends for the year ended 30 April 2014 will be £100,090.

9. 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>2014</i> <i>Weighted</i> <i>average</i> <i>number</i> <i>of</i> <i>shares</i>	<i>Per-share</i> <i>amount</i> <i>pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	354,239	9,217,961	3.84
Effect of dilutive securities	—	—	—
	<hr/>	<hr/>	<hr/>
Diluted EPS			
Adjusted earnings	354,239	9,217,961	3.84
	<hr/>	<hr/>	<hr/>
		<i>2013</i> <i>Weighted</i> <i>average</i> <i>number</i> <i>of</i> <i>shares</i>	<i>Per-share</i> <i>amount</i> <i>pence</i>
Basic EPS			
Earnings attributable to ordinary shareholders	76,698	9,372,100	0.82
Effect of dilutive securities	—	—	—
	<hr/>	<hr/>	<hr/>
Diluted EPS			
Adjusted earnings	76,698	9,372,100	0.82
	<hr/>	<hr/>	<hr/>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

9. EARNINGS PER SHARE (CONTINUED)

During the year 273,048 shares were returned to the Group and cancelled. Once cancelled they were removed from the earnings per share calculation.

The total number of options and warrants granted at 30 April 2014 of 1,046,528 would generate £231,326 in cash if exercised. At 30 April 2014, 1,046,528 were priced above the mid-market closing price of 56.8p per share, however the earliest these options can be vested is 2015.

10. PROPERTY, PLANT AND EQUIPMENT

Group

	<i>Long leasehold</i>	<i>Improvements to property</i>	<i>Fixtures and fittings</i>
	£	£	£
COST			
At 1 May 2013	437,800	25,950	602,753
Additions	513,108	–	16,614
Disposals	–	–	(196,103)
At 30 April 2014	<u>950,908</u>	<u>25,950</u>	<u>423,264</u>
DEPRECIATION			
At 1 May 2013	–	–	413,875
Charge for year	–	–	136,908
Eliminated on disposal	–	–	(160,982)
At 30 April 2014	<u>–</u>	<u>–</u>	<u>389,801</u>
NET BOOK VALUE			
At 30 April 2014	<u>950,908</u>	<u>25,950</u>	<u>33,463</u>
At 30 April 2013	<u>437,800</u>	<u>25,950</u>	<u>188,878</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

	<i>Motor vehicles</i> £	<i>Computer equipment</i> £	<i>Totals</i> £
COST			
At 1 May 2013	70,203	490,506	1,627,212
Additions	2,572	10,146	542,440
Disposals	–	(331,244)	(527,347)
At 30 April 2014	<u>72,775</u>	<u>169,408</u>	<u>1,642,305</u>
DEPRECIATION			
At 1 May 2013	32,468	444,359	890,702
Charge for year	10,145	42,343	189,396
Eliminated on disposal	–	(325,550)	(486,532)
At 30 April 2014	<u>42,613</u>	<u>161,152</u>	<u>593,566</u>
NET BOOK VALUE			
At 30 April 2014	<u>30,162</u>	<u>8,256</u>	<u>1,048,739</u>
At 30 April 2013	<u>37,735</u>	<u>46,147</u>	<u>736,510</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.

Company

	<i>Long leasehold</i> £	<i>Improvements to property</i> £	<i>Fixtures and fittings</i> £
COST			
At 1 May 2013	437,800	25,950	602,753
Additions	513,108	–	16,614
Disposals	–	–	(196,103)
At 30 April 2014	<u>950,908</u>	<u>25,950</u>	<u>423,264</u>
DEPRECIATION			
At 1 May 2013	–	–	413,875
Charge for year	–	–	136,908
Eliminated on disposal	–	–	(160,982)
At 30 April 2014	<u>–</u>	<u>–</u>	<u>389,801</u>
NET BOOK VALUE			
At 30 April 2014	<u>950,908</u>	<u>25,950</u>	<u>33,463</u>
At 30 April 2013	<u>437,800</u>	<u>25,950</u>	<u>188,878</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	<i>Motor vehicles</i> £	<i>Computer equipment</i> £	<i>Totals</i> £
COST			
At 1 May 2013	70,203	490,506	1,627,212
Additions	2,572	10,146	542,440
Disposals	–	(331,244)	(527,347)
At 30 April 2014	<u>72,775</u>	<u>169,408</u>	<u>1,642,305</u>
DEPRECIATION			
At 1 May 2013	32,468	444,359	890,702
Charge for year	10,145	42,343	189,396
Eliminated on disposal	–	(325,550)	(486,532)
At 30 April 2014	<u>42,613</u>	<u>161,152</u>	<u>593,566</u>
NET BOOK VALUE			
At 30 April 2014	<u>30,162</u>	<u>8,256</u>	<u>1,048,739</u>
At 30 April 2013	<u>37,735</u>	<u>46,147</u>	<u>736,510</u>

11. INVESTMENTS

Company

	<i>Shares in Group undertakings</i> £
COST	
At 1 May 2013 and 30 April 2014	<u>12,585</u>
NET BOOK VALUE	
At 30 April 2014	<u>12,585</u>
At 30 April 2013	<u>12,585</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

11. INVESTMENTS (CONTINUED)

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

Subsidiaries

Best of the Best ApS

Country of incorporation: Denmark

Nature of business: Competition operator

Class of shares:

Ordinary *holding*
100.00%

	<i>2014</i>	<i>2013</i>
	£	£
Aggregate capital and reserves	198,402	100,965
Profit for the year	97,437	16,313

BOTB Ireland Limited

Country of incorporation: Republic of Ireland

Nature of business: Competition operator

Class of shares:

Ordinary *holding*
100.00%

	<i>2014</i>	<i>2013</i>
	£	£
Aggregate capital and reserves	211,947	161,878
Profit for the year	50,069	70,194

12. INVENTORIES

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	£	£	£	£
Finished goods	526,445	502,481	526,445	502,481

13. TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	£	£	£	£
Current:				
Other debtors	361,504	282,993	296,679	205,518

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

14. CASH AND CASH EQUIVALENTS

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	£	£	£	£
Cash in hand	2,493	750	2,493	750
Bank accounts	2,241,734	1,946,252	2,117,726	1,820,492
	<u>2,244,227</u>	<u>1,947,002</u>	<u>2,120,219</u>	<u>1,821,242</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

<i>Number:</i>	<i>Class:</i>	<i>Nominal</i>	<i>2014</i>	<i>2013</i>
		<i>value:</i>	£	£
9,099,052	Ordinary	£0.05	<u>454,950</u>	<u>468,602</u>

Capital Redemption:

<i>Number:</i>	<i>Class:</i>	<i>Nominal</i>	<i>2013</i>	<i>2012</i>
		<i>value:</i>	£	£
3,932,028	Ordinary	£0.05	<u>196,601</u>	<u>182,949</u>

During the year 273,048 shares were returned to the Group and cancelled. Once cancelled they were removed from the earnings per share calculation.

16. RESERVES

Group

	<i>Retained</i>	<i>Share</i>	<i>Capital</i>	<i>Other</i>	<i>Treasury</i>	<i>Totals</i>
	<i>earnings</i>	<i>premium</i>	<i>redemption</i>	<i>reserves</i>	<i>shares</i>	<i>Totals</i>
	£	£	£	£	£	£
At 1 May 2013	182,532	1,782,622	182,949	147,810	–	2,295,913
Profit for the year	354,239					354,239
Dividends	(93,721)					(93,721)
Treasury share purchase	–	–	13,652	–	(161,372)	(147,720)
At 30 April 2014	<u>443,050</u>	<u>1,782,622</u>	<u>196,601</u>	<u>147,810</u>	<u>(161,372)</u>	<u>2,408,711</u>

Company

	<i>Retained</i>	<i>Share</i>	<i>Capital</i>	<i>Other</i>	<i>Treasury</i>	<i>Totals</i>
	<i>earnings</i>	<i>premium</i>	<i>redemption</i>	<i>reserves</i>	<i>shares</i>	<i>Totals</i>
	£	£	£	£	£	£
At 1 May 2013	(67,727)	1,782,622	182,949	147,810	–	2,045,654
Profit for the year	206,732					206,732
Dividends	(93,721)					(93,721)
Treasury share purchase	–	–	13,652	–	(161,372)	(147,720)
At 30 April 2014	<u>45,284</u>	<u>1,782,622</u>	<u>196,601</u>	<u>147,810</u>	<u>(161,372)</u>	<u>2,010,945</u>

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

17. TRADE AND OTHER PAYABLES

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Current:				
Trade creditors	222,177	126,780	207,183	119,865
Amounts owed to Group undertakings	–	–	380,041	163,800
Social security and other taxes	134,755	248,171	86,800	200,201
Other creditors	930,561	489,836	891,043	471,439
	<u>1,287,493</u>	<u>864,787</u>	<u>1,565,067</u>	<u>955,305</u>

18. DEFERRED TAX

Group

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Balance at 1 May	(94,097)	(108,701)
Movement in the year	(9,795)	14,604
Balance at 30 April	<u>(103,892)</u>	<u>(94,097)</u>

Company

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Balance at 1 May	(94,097)	(108,701)
Movement in the year	(9,795)	14,604
Balance at 30 April	<u>(103,892)</u>	<u>(94,097)</u>

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

M W Hindmarch is a Non-Executive Director of Best of the Best Plc. During the year ended 30 April 2014 payments were made in respect of consultancy services received during the year from M W Hindmarch. These payments totalled £12,000 for the year (2013: £12,000) and the balance owed at the end of the year was £NIL (2013: £1,000).

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

20. ULTIMATE CONTROLLING PARTY

The Company is under the ultimate control of Mr W S Hindmarch, the Chief Executive Director of the Company, by virtue of his 55.14 per cent. share ownership at the balance sheet date.

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	<i>2014</i>	<i>2013</i>
	£	£
Profit for the financial year	354,239	76,698
Dividends	(93,721)	(74,977)
	<u>260,518</u>	<u>1,721</u>
Treasury share purchase	(161,372)	–
Net addition to shareholders' funds	99,146	1,721
Opening shareholders' funds	2,764,515	2,762,794
Closing shareholders' funds	<u>2,863,661</u>	<u>2,764,515</u>

Company

	<i>2014</i>	<i>2013</i>
	£	£
Profit/(loss) for the financial year	206,732	(9,811)
Dividends	(93,721)	(74,977)
	<u>113,011</u>	<u>(84,788)</u>
Treasury share purchase	(161,372)	–
Net reduction of shareholders' funds	(48,361)	(84,788)
Opening shareholders' funds	2,514,256	2,599,044
Closing shareholders' funds	<u>2,465,895</u>	<u>2,514,256</u>

22. SHARE BASED PAYMENTS

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

<i>Grant Date</i>	<i>Outstanding at 1 May 2013</i>	<i>Granted during the period</i>	<i>Exercised during the period</i>	<i>Forfeited during the period</i>	<i>Outstanding at 30 April 2014</i>	<i>Expiry Date</i>	<i>Weighted Ave. exercise price</i>
07-08-2006	79,365	–	–	79,365	–	–	–
07-08-2006	79,365	–	–	79,365	–	–	–
26-04-2012	500,000	–	–	–	500,000	25-04-2022	£0.225
26-04-2012	10,000	–	–	–	10,000	25-04-2022	£0.225
26-04-2012	25,000	–	–	–	25,000	25-04-2022	£0.225
26-04-2012	10,000	–	–	–	10,000	25-04-2022	£0.225
26-04-2012	2,000	–	–	–	2,000	25-04-2022	£0.225
26-04-2012	90,000	–	–	–	90,000	25-04-2022	£0.225
26-04-2012	20,000	–	–	–	20,000	25-04-2022	£0.225
21-09-2012	154,528	–	–	–	154,528	20-09-2022	£0.210
21-09-2012	200,000	–	–	–	200,000	20-09-2022	£0.210
21-09-2012	7,500	–	–	7,500	–	–	–
21-09-2012	10,000	–	–	–	10,000	20-09-2022	£0.210
21-09-2012	5,000	–	–	–	5,000	20-09-2022	£0.210
21-09-2012	10,000	–	–	–	10,000	20-09-2022	£0.210
21-09-2012	5,000	–	–	5,000	–	–	–
05-08-2013	–	10,000	–	–	10,000	04-08-2023	£0.380

BEST OF THE BEST PLC
Notes to the Consolidated Financial Statements (continued)
For The Year Ended 30 April 2014

22. SHARE BASED PAYMENTS (CONTINUED)

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 ten 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 30 April 2014 a total of 1,046,528 subscription rights had been issued to Directors and employees and remained outstanding. Members of the Executive Board hold share options as disclosed in the Directors' and Remuneration reports.

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

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

BEST OF THE BEST PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Best of the Best PLC (the “Company”) will be held at the offices of Charles Stanley Securities, 25 Luke Street, London EC2A 4AR on Thursday 18 September 2014 at 1.30 p.m. (the “Meeting”) for the following purposes:

ORDINARY BUSINESS

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

1. To receive the Company’s financial statements together with the reports thereon of the Directors and auditors for the year ended 30 April 2014.
2. To declare a final dividend of 1.1 pence per ordinary share for the year ended 30 April 2014.
3. To re-appoint the auditors, Wilkins Kennedy, as auditors of the Company until the conclusion of the next Annual General Meeting.
4. To authorise the Directors to set the auditors’ remuneration.

SPECIAL BUSINESS

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

5. ORDINARY RESOLUTION

THAT (in substitution for all subsisting authorities) the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the “Act”) to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company (“Rights”) up to an aggregate nominal amount of £151,650.87 for the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earliest) but the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of that offer or agreement as if the authority conferred by this resolution had not expired.

6. SPECIAL RESOLUTION

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

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

- (b) the allotment of equity securities for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount of £22,747.63 for the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months after the passing of this resolution (whichever is the earliest) but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

7. **SPECIAL RESOLUTION**

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

- (a) the maximum number of ordinary shares which may be purchased is 909,905 representing 10 per cent. of the Company's issued ordinary share capital as at 31 July 2014;
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 5 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations of an ordinary share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased;
- (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (unless previously renewed, varied or revoked by the Company in general meeting); and
- (e) the Company may, before such expiry, enter into one or more contracts to purchase ordinary shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By Order of the Board

PRISM COSEC LIMITED
COMPANY SECRETARY
31 July 2014

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

Notes:

- (a) A member entitled to attend and vote is entitled to appoint one or more proxies, who need not be members of the Company, to attend, speak and vote instead of him. To be valid, a Form of Proxy must be received, together with any power of attorney or other authority under which it is executed (or a duly certified copy of such power or authority), by the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 48 hours before the time fixed for the meeting. The completion and return of a Form of Proxy will not preclude a member from attending and voting at the Meeting in person.
- (b) Pursuant to regulation 41 of the Uncertificated Regulations 2001, the Company specifies that only those shareholders registered on the register of members of the Company as at 6.00 p.m. on 16 September 2014 (being not more than 48 hours prior to the time fixed for the Meeting) shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time or if the meeting is adjourned 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (c) Each of the resolutions to be put to the meeting will be voted on by poll and not show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. It is also in line with recommendations made by the Shareholder Voting Working Group and Paul Myners in 2004. Members and Proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the UK Listing Authority once the votes have been counted and verified.
- (d) Copies of all letters of appointment between the Company and its Non-Executive Directors are available for inspection at the registered office of the Company during normal business hours, and will be available for inspection at 25 Luke Street, London EC2A 4AR at least 15 minutes prior to the commencement of, and during the continuance of, the Annual General Meeting.
- (e) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend and speak and vote at the meeting. A member may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares. If you appoint more than one proxy, then on each Form of Proxy you must specify the number of shares for which each proxy is appointed.
- (f) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (g) Explanatory notes in relation to the resolutions to be proposed at the Meeting are set out below.

BEST OF THE BEST PLC

EXPLANATORY NOTES TO THE RESOLUTIONS

RESOLUTION 1: REPORTS AND ACCOUNTS

The Directors are required to present to the meeting the audited accounts and the reports of the Directors and the auditors for the financial year ended 30 April 2014.

RESOLUTION 2: DECLARATION OF DIVIDEND

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

RESOLUTION 3: RE-APPOINTMENT OF AUDITORS

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

RESOLUTION 4: AUTHORITY TO SET THE AUDITORS' REMUNERATION

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

RESOLUTION 5: AUTHORITY TO ALLOT SHARES

Section 549 of the Companies Act 2006 provides, in relation to all companies, that the Directors may not allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company unless authorised to do so by the Company in general meeting or by its Articles of Association. Accordingly, this resolution seeks renewal, for a further period expiring at the earlier of the close of the next annual general meeting of the Company and fifteen months after the passing of the resolution, of the authority previously granted to the Directors at the last annual general meeting of the Company. This authority will relate to a total of 3,033,017 ordinary shares of 5 pence each, representing approximately one third of the Company's issued share capital as at the date of this Notice. While this resolution empowers the Directors to allot shares they are required to effect any such allotment on a pre-emptive basis save to the extent that they are otherwise authorised. Resolution 6 below contains a limited power to allot on a non pre-emptive basis. The Directors have no present intention of allotting, or agreeing to allot, any shares otherwise than in connection with employee share schemes, to the extent permitted by such schemes.

RESOLUTION 6: DIS-APPLICATION OF PRE-EMPTION RIGHTS

If the Directors wish to allot any shares of the Company for cash in accordance with the authority granted at this year's annual general meeting these must generally be offered first to shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the interests of the Company for the Directors to be able to allot some shares for cash without having to offer them first to existing shareholders. In line with normal practice, this resolution, which will be proposed as a special resolution, seeks approval to renew the current authority to exclude the statutory pre-emption rights for issues of shares having a maximum aggregate nominal value of up to £22,747.63, representing 5 per cent. of the Company's issued share capital as at the date of this Notice. In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, the resolution also permits the Directors to make appropriate exclusions or arrangements to deal with such difficulties. This authority would be effective until the earlier of the conclusion of the next annual general meeting of the Company and fifteen months after the passing of the resolution. The Directors believe that obtaining this authority is in the best interests of shareholders as a whole and recommend that shareholders vote in favour of this resolution.

RESOLUTION 7: PURCHASE OF OWN SHARES

The Directors believe that it is in the interests of the Company and its members to continue to have the flexibility to purchase its own shares and this resolution seeks authority from members to do so. The Directors intend only to exercise this authority where, after considering market conditions prevailing at the time, they believe that the effect of such exercise would be to increase the earnings per share and be in the best interests of shareholders generally. The effect of such purchases would either be to cancel the number of shares in issue or the Directors may elect to hold them in treasury pursuant to the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the “Treasury Share Regulations”), which came into force on 1 December 2003. The Treasury Share Regulations enable certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by a company in accordance with the Companies Act 2006. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under a company’s employee share scheme. Once held in treasury, a company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the company’s assets may be made to the Company in respect of the treasury shares. This resolution renews the authority given at the Annual General Meeting held on 19 September 2013 and would be limited to 909,905 ordinary shares, representing approximately 10 per cent. of the issued share capital at 31 July 2014. The Directors intend to seek renewal of this power at each Annual General Meeting. As of 31 July 2014 there were options outstanding over 1,046,528 shares, representing 11.5 per cent. of the Company’s issued share capital. If the authority given by this resolution was to be fully used, this would represent 12.78 per cent. of the Company’s issued share capital.

