Minoan Group Plc

Report and Financial Statements

Year ended 31 October 2020

Company registration no: 03770602

Minoan Group Plc (Registered number: 03770602)

Report and Financial Statements
Year ended 31 October 2020

Contents

Minoan Group Plc (Registered number: 03770602)

Directors and Advisers

Directors
C W Egleton (Chairman)
B D Bartman BSc (Econ), FCA
G D Cook MA, ACA
T R C Hill B.Arch

Company secretary
W C Cole

Registered office
30 Crown Place
London
EC2A 4ES

Administration office
3rd Floor
AMP House
Dingwall Road
Croydon
Surrey
CR0 2LX

Bankers
HSBC Bank plc, London

Legal advisers
Pinsent Masons LLP, London

Nominated adviser and broker
WH Ireland Limited, London

Broker
Pello Capital Limited, London

Registrars
Neville Registrars Limited, Halesowen, West Midlands

Independent auditor
Anstey Bond LLP
Statutory Auditors &
Chartered Accountants
1-2 Charterhouse Mews
London
EC1M 6BB

Minoan Group Plc (Registered number: 03770602)

Chairman’s Statement

Introduction

The period under review, the year ended 31 October 2020, was dominated by the effects of the Covid pandemic. Nevertheless I am pleased to report that, as forecast, the loss for the year was substantially reduced.

During the year, the Group continued to progress the Crete project (the “Project”) and refinanced its only secured indebtedness, whilst successfully reducing its overall cost base in Greece and the UK. Notwithstanding the pandemic, we have made steady progress and are well placed to progress the Project as we move into the post-pandemic environment, embracing the vacation environments most applicable to the post-pandemic world.

Financial Review

The reduction in the loss before taxation to £876,000 from £2,077,000 was largely due to the cancellation of warrants, which led to a credit rather than a charge for share based payments. This credit will not be repeated in the current year but neither will some of the other finance costs and, therefore, I expect that the costs going forward will remain at much lower levels than has been the case in recent years.

Operating costs rose to £864,000 from £799,000 wholly as a result of increases in legal and professional fees.

I am also pleased to report that discussions with our debt provider regarding a rearrangement of the existing terms have commenced and a standstill has been agreed for a period of thirteen months pending the outcome of those discussions.

The Project and Greece

Covid-19 has undoubtedly led to delays in the timetable we set ourselves in my Chairman's Statement last year. It has, however, been fortuitous in other ways. The true potential of the Project is being highlighted by the very changes in the market that have been driven by Covid-19, with the advantages of space, privacy and luxury already proving to be highly valued.

In order to ensure that the Company’s business plan is robust we appointed Deloitte in Athens to conduct a review. This review, which involved all the key hotel financial and commercial assumptions as well as the legal and planning background alongside current and predicted conditions in the tourism market and the experience and expertise of the Group’s team, is largely complete. I am pleased to be able to confirm that both Deloitte and we are satisfied that the current plan is both robust and practical in the current market.

As I reported last year, at the top end of the market the early indications of the effects of the Covid pandemic seemed to revolve around providing the space for enhanced social distancing. It now appears to have started to increase the attractiveness of “villas, partly because this style of accommodation and holiday allows guests a range of choices between complete privacy (isolation) whilst retaining the ability to be part of a wider hotel community.

The size, location, and topography of the Site allow for variations in design and therefore future product and mean that the Project is ideally suited to provide the flexibility necessary to meet changing market demands.

Chairman's Statement (continued)

The Project and Greece (continued)

All of these factors have an impact on overall value, and shareholders will be pleased to know that, following discussions with its valuers, the Company is of the view that the value of the Project has not been impaired by the effects of the pandemic.

Further, as shareholders are aware from the updates already provided, discussions with The Public Welfare Ecclesiastical Foundation Panagia Akrotiriani regarding desirable adjustments to its contract and long lease are in progress.

Once these have been agreed we will accelerate commercial discussions with new and existing parties and bring them to conclusion.

Outlook

Whilst the pandemic has undoubtedly slowed progress over the last year, it has presented us with the opportunity to work on refining the master contract and highlighted the continuing value of the Project as the sector adapts to the changing needs of a post pandemic world. This puts us in a very strong position as we move towards commercialisation.

We have launched a new website in recent months, which I hope highlights to both shareholders and potential partners the scale of the opportunity in front of us. This can be found at www.minoangroup.com and we encourage investors to visit it.

I am pleased to be able to say that I believe that I will be able to update shareholders on progress on all the major issues more frequently over the coming weeks and months

Christopher W Egleton

Chairman
29 April 2021

Minoan Group Plc (Registered number: 03770602)

Strategic Report

The directors present their Strategic Report and the audited consolidated financial statements for the year ended 31 October 2020.

Review of business
A review of the Group's business is given in the Chairman's Statement on page 2.

Total equity as at 31 October 2020 was £41,942,000 (2019: £42,257,000).

Since a major part of the Company's expenditure is in Euros the outcome of the may have an effect on future foreign expenditure (see also note 1).

Although not having used key performance indicators for the Project in the past, the Board is of the opinion that the granting of un-appealable outline planning consent may be regarded as an indicator in understanding the development, performance or position of that operation.

Principal risks and uncertainties
The Group's key risks currently remain centred around the Project. The Group has an ongoing requirement to raise capital to finance its working capital. As has been the case for the past several years, the Group is in continual discussions with a variety of individuals and commercial parties regarding the provision of funding to enable the Group's current and future obligations and requirements to be met. These discussions are at varying stages of development and the Board is confident that all necessary funding will be forthcoming within a timescale which will enable the Group to move forward and provide a return to shareholders.

As the Project now moves towards its implementation stage, the normal risks associated with a development of its size and nature will apply. These include, inter alia, detailed planning consents, availability of project finance, construction costs and market demand.

Going concern
The Board is confident that the value of the Group's asset in Crete, combined with its capital raising ability and the future prospects for development in other areas of activity, justifies the conclusion that it is appropriate to prepare the financial statements on the going concern basis (as described further in note 1).

The directors envisage that any joint venture or partnership arrangements will preserve the nature of the Group's long term commitment to the Project.

Corporate Governance
As an Alternative Investment Market ("AIM") company Minoan Group Plc is not required to comply with the UK Corporate Governance Code, which applies only to premium listed UK companies and adherence to which requires commitment of significant resources and cost. However, the Board of Minoan Group Plc has chosen to commit to the adoption of the Quoted Companies Alliance Corporate Governance Code.

Strategic Report (continued)

Corporate social responsibility

The Group has demonstrated its social responsibilities through its iterative approach to the evolution of the Project, which has involved a transparent process and extensive consultation with stakeholders. The Project design embraces the principles of the five capitals of sustainable development (i.e. natural, human, social, manufactured and financial) to ensure that all related matters have been taken into account. Thus the more usual concerns related to the protection of the environment, flora, fauna, hydrogeology and the ecology generally have drawn in considerations of wider issues including social, cultural, human and economic matters as well as those related to the extensive use of renewable energy and many other items contributing to a healthy carbon footprint. The Project is strictly focused on the long term restoration and preservation of the environment as a whole and puts in place a sustainable management plan, involving local representatives and experts, to ensure a robust, pro-active management system is implemented aimed at protecting the area for future generations.

In conducting its business the Group ensured that it was compliant with all appropriate regulations, including those applicable to the protection of clients' funds.

Approved by the Board of Directors and signed on behalf of the Board.

C W Egleton
Director
29 April 2021

Minoan Group Plc (Registered number: 03770602)

Directors' Report

The directors present their annual report for the year ended 31 October 2020.

Directors
The directors shown below have held office during the whole of the period from 1 November 2019 to the date of this report:

C W Egleton (Chairman)
B D Bartman BSc (Econ), FCA
G D Cook MA, ACA
T R C Hill B.Arch

Principal activities
The Company is a public limited company incorporated in England and Wales and quoted on AIM. The Company's principal activity in the year under review was that of a holding and management company of a Group involved in the design, creation, development and management of environmentally friendly luxury hotels and resorts.

Results and dividends
The financial statements are prepared in accordance with European Union adopted International Financial Reporting Standards ("IFRS") and the Companies Act 2006.

The Group made a loss for the year, after taxation, of £876,000 (31 October 2019: £2,077,000). The loss includes a reduction in non-cash finance cost in respect of warrants issued in the amount of £567,000 (31 October 2019: Cost £264,000) (see note 17). This reduction in charges does not involve any cash receipt. (31 October 2019 - cash payment)

The Group's loss per share was 0.20p (2019: 0.61p).

No dividend is proposed for the year (31 October 2019: Nil).

The Group's financial instruments and risk management are discussed in note 15.

Statement of directors' responsibilities
The directors are responsible for preparing and reporting the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Parent Company financial statements in accordance with IFRS as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit or loss of the Group for that period.

In preparing the 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 the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Directors' Report (continued)

Statement of directors' responsibilities (continued)
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the Group website, www.minoangroup.com. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each director as at the date of this report has confirmed that, to the best of his knowledge, the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union,

- give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- include in the Chairman's Statement, the Strategic Report and Directors' Report a fair review of the development, performance and position or the Group, together with a description of the principal risks and uncertainties it faces.

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 year.

The directors in office throughout the period and at the end thereof, as referred to on page 1, remain in office as at the date of signing of the Directors' Report.

Insurance
The Company had in place during the year, and remaining in place at the date of this report, Directors and Officers Liability Insurance covering the directors of all group companies.

Events after the statement of financial position date
The directors draw attention to the events disclosed in note 21.

Auditor and disclosure of information to the auditor
Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Group's auditor in connection with preparing their report) of which the Group's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

A resolution to appoint Anstey Bond LLP as the auditor for the ensuing year will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board by:

C W Egleton
Director
29 April 2021

Minoan Group Plc (Registered number: 03770602)

Independent Auditor’s Report to the members of Minoan Group Plc

Our opinion
We have audited the financial statements of Minoan Group PLC ("the Group") for the year ended 31 October 2020 which comprise; the consolidated statement of profit or loss and other comprehensive income, the consolidated and parent company’s statement of financial position, the consolidated and parent company’s statement of changes in equity, the consolidated and company’s statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- The financial statements give a true and fair view of the state of the group’s and the parent company’s affairs as at 31 October 2020 and of the group’s loss for the year then ended;
- The group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006;
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Material uncertainty relating to going concern
We draw attention to the disclosures made in the Strategic Report and in note 1 to the financial statements concerning the uncertainty regarding the group’s need to secure project finance in order to bring its Crete project to fruition and to continue as a going concern. As stated in these disclosures, these events and conditions indicate that a material uncertainty exists that may cast doubt on the company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter
We draw attention to note 21 of the financial statements, which describes the material uncertainties surrounding the going concern for the group, due to the impact of post balance sheet events. Our opinion is not modified in respect of this matter.

Independent Auditor's Report to the members of Minoan Group Plc (continued)

Overview of our audit approach

Key audit matters	➢ Capitalisation and valuation of inventories, being the Crete project costs. ➢ Going concern ➢ Impacts of the Covid-19 pandemic in relation to going concern
Materiality	➢ Materiality is £350,000 which is based on the benchmark of > 1% net assets

An overview of the scope of our audit

The group consists of the parent company and its subsidiaries. It largely operates through two trading subsidiary undertakings which were considered to be significant components for the purposes of the group financial statements. The financial statements consolidate these entities together with other non-trading subsidiary undertakings. As part of designing our group audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In establishing our overall approach to the group audit, we determined the type of work that needed to be performed in respect of each subsidiary or entity. This consisted of us carrying out a full audit of all significant components of the group.

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 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.

We have designed our audit approach to identify possible fraud in relation to the associated fraud risk of the group. We consider the most likely areas where fraud might arise to be within the valuation of the project costs and in relation to incorrect revenue recognition. Our approach to these areas has been addressed within the Key audit matters section.

Key audit matters

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

Independent Auditor’s Report to the members of Minoan Group Plc (continued)

Risk 1: *Capitalisation and valuation of Crete Project costs*

The group inventories, held in respect of the Crete project, represent the most significant asset on the statement of financial position totalling £46.4 million as at 31 October 2020 (2019: £45.8 million). There is a risk that inappropriate expenditure may be capitalised that is not in accordance with IAS 2. Furthermore, given that the Presidential Decree has been issued granting planning consent and that the Directors appear to be actively marketing the property, any lack of buyer interest in the property would be an indication of impairment. Therefore, there is a significant risk over the valuation of these inventories.

In this area, our audit procedures included:

- Testing a sample of capitalised costs in the year to ensure accuracy and appropriateness for capitalisation as project costs under IAS 2;
- Reviewing correspondence and other third party documentation in relation to the project to confirm that the expected value of the project is in excess of the costs to date;
- Reviewing and assessing the marketing activities for the site post grant of the Presidential Decree;

From the work performed, we did not identify any transactions which indicated that capitalised costs were incorrectly stated.

Risk 2 – *Going concern of the Group*

Several risks were identified surrounding the company’s ability to continue as a going concern. Attention has been drawn to these matters in notes 1 and 21 of the financial statements.

In this area, our audit procedures included:

- We obtained and reviewed the post year end cash-flow forecasts, bank statements, and statutory documentation;
- We assessed the level of equity financing received during the six months after the balance sheet date, and whether this was sufficient to ensure the group’s liquidity;
- We reviewed the Group’s refinancing of debt taking place post year end;
- We completed stress and scenario testing on the forecasts provided, to ascertain whether the group would have sufficient reserves if equity financing could not be obtained;
- We obtained the Board of Directors’ assessment of the groups’ going concern;
- We reviewed the disclosures included within these statements and confirmed that they were in line with regulatory reporting standards.

From the work performed, we did not identify any instances from which to conclude that the disclosure or accounting treatment was incorrectly stated.

Independent Auditor's Report to the members of Minoan Group Plc (continued)

Our application of materiality
We set certain thresholds for materiality. These help us to establish transactions and misstatements that are significant to the financial statements as a whole, to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually on balances and on the financial statements as a whole.

We determined the materiality for the group financial statements to be £350,000, calculated with reference to a benchmark of the Crete project costs included within the gross assets, the overall materiality calculation was the >1% of net assets. This is the threshold above which missing or incorrect information in the financial statements is considered to have an impact on the decision making of users. We determined the materiality for the company as a whole to be £175,000 , calculated with reference to a benchmark of total company expenses.

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

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Independent Auditor's Report to the members of Minoan Group Plc (continued)

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement, set out on pages 6 and 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Colin Ellis FCCA CF (Senior Statutory Auditor)

For and on behalf of **ANSTEY BOND LLP,**

Statutory Auditors & Chartered Accountants

1-2 Charterhouse Mews

London

EC1M 6BB

Date 29 April 2021

Minoan Group Plc (Registered number: 03770602)

Consolidated Statement of Profit and Loss and Other Comprehensive Income
Year ended 31 October 2020

	Notes to the Financial Statements	**2020** **£'000**	2019 £'000
Revenue		**-**	-
Cost of sales		**-**	-
Gross profit		**-**	-
Operating expenses		**(864)**	(799)
Other operating expenses:			
Corporate development costs		**-**	-
Charge in respect of share-based payments	17	**-**	-
Operating loss		**(864)**	(799)
Finance costs	17	**(12)**	(1,278)
Loss before taxation	4	**(876)**	(2,077)
Taxation	5	**-**	-
Loss after taxation		**(876)**	(2,077)
Other Comprehensive Income for the year		**-**	-
Total Comprehensive Income for the year		**(876)**	(2,077)
Loss for year attributable to equity holders of the Company		**(876)**	(2,077)
Loss per share attributable to equity holders of the Company: Basic and diluted	6	**(0.20)p**	(0.61)p

The notes on pages 22 to 49 form part of these financial statements.

Minoan Group Plc (Registered number: 03770602)

Consolidated Statement of Changes in Equity
Year ended 31 October 2020

Year ended 31 October 2020

	Share capital £'000	**Share premium £'000**	**Merger reserve £'000**	**Warrant Reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 November 2019	**17,188**	**36,119**	**9,349**	**3,094**	**(23,493)**	**42,257**
Loss for the year	**-**	**-**	**-**	**-**	**(876)**	**(876)**
Issue of ordinary shares at a premium	**771**	**357**	**-**	**-**	**-**	**1,128**
Share based payments	**-**	**-**	**-**	**-**	**-**	**-**
Reduction in Warrant Reserve (see note 17)	**-**	**-**	**-**	**(567)**	**-**	**(567)**
Balance at 31 October 2020	**17,959**	**36,476**	**9,349**	**2,527**	**(24,369)**	**41,942**

Year ended 31 October 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2018	15,460	34,373	9,349	2,830	(21,416)	40,596
Loss for the year	-	-	-	-	(2,077)	(2,077)
Issue of ordinary shares at a premium	1,728	1,746	-	-	-	3,474
Share based payments	-	-	-	-	-	-
Extension of warrant expiry date (see note 17)	-	-	-	264	-	264
Balance at 31 October 2019	17,188	36,119	9,349	3,094	(23,493)	42,257

Minoan Group Plc (Registered number: 03770602)

Company Statement of Changes in Equity
Year ended 31 October 2020

Year ended 31 October 2020

	Share capital £'000	**Share premium £'000**	**Warrant Reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 November 2019	**17,188**	**36,119**	**3,094**	**(4,981)**	**51,420**
Loss for the year	**-**	**-**	**-**	**(728)**	**(1,770)**
Issue of ordinary shares at a premium	**771**	**357**	**-**	**-**	**1,128**
Share-based payments	**-**	**-**	**-**	**-**	**-**
Reduction in Warrant Reserve (see note 17)	**-**	**-**	**(567)**	**-**	**(567)**
Balance at 31 October 2020	**17,959**	**36,476**	**2,527**	**(5,709)**	**51,253**

Year ended 31 October 2019

	Share capital £'000	Share premium £'000	Warrant Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2018	15,460	34,373	2,830	(3,233)	49,430
Loss for the year	-	-	-	(1,748)	(1,748)
Issue of ordinary shares at a premium	1,728	1,746	-	-	3,474
Share-based payments	-	-	-	-	-
Extension of warrant expiry date (see note 17)	-	-	264	-	264
Balance at 31 October 2019	17,188	36,119	3,094	(4,981)	51,420

Minoan Group Plc (Registered number: 03770602)

Consolidated Statement of Financial Position as at 31 October 2020

	Notes to the Financial Statements	2020 £'000	2019 £'000
Assets			
Non-current assets			
Intangible assets	7	**3,583**	3,583
Property, plant and equipment	8	**157**	157
Total non-current assets		**3,740**	3,740
Current assets			
Inventories	10	**46,431**	45,848
Receivables	11	**225**	211
Cash and cash equivalents		**6**	24
Total current assets		**46,662**	46,083
Total assets		**50,402**	49,823
Equity			
Share capital	14	**17,959**	17,188
Share premium account		**36,476**	36,119
Merger reserve account		**9,349**	9,349
Warrant reserve		**2,527**	3,094
Retained earnings		**(24,369)**	(23,493)
Total equity		**41,942**	42,257
Liabilities			
Current liabilities	12	**8,460**	7,566
Total equity and liabilities		**50,402**	49,823

The financial statements on pages 13 to 49 were approved by the Board of Directors and authorised for issue on 29 April 2021.

Signed on behalf of the Board of Directors

C W Egleton
Director

Minoan Group Plc (Registered number: 03770602)

Company Statement of Financial Position as at 31 October 2020

	Note to the Financial Statements	**2020 £'000**	2019 £'000
Assets			
Non-current assets			
Investments	9	**21,736**	21,736
Total non-current assets		**21,736**	21,736
Current assets			
Receivables	11	**32,686**	32,475
Cash and cash equivalents		**1**	1
Total current assets		**32,687**	32,476
Total assets		**54,423**	54,212
Equity			
Share capital	14	**17,959**	17,188
Share premium account		**36,476**	36,119
Warrant reserve		**2,527**	3,094
Retained earnings		**(5,709)**	(4,981)
Total equity		**51,253**	51,420
Liabilities			
Current liabilities	12	**3,170**	2,792
Total equity and liabilities		**54,423**	54,212

Company registration number: 3770602

As permitted by Section 408 of the Companies act 2006, the income statement is not presented as part of these financial statements, The Company's loss for the year ended 31 October 2020 was £728,000 (2019: £1,748,000).

The financial statements on pages 13 to 49 were approved by the Board of Directors and authorised for issue on 29 April 2021.

Signed on behalf of the Board of Directors

C W Egleton
Director

Minoan Group Plc (Registered number: 03770602)

Consolidated Cash Flow Statement
Year ended 31 October 2020

	Note to the Consolidated Cash Flow Statement	**2020** **£'000**	2019 £'000
Cash flows from operating activities			
Net cash (outflow) from continuing operations	1	**(567)**	(1,909)
Finance costs for continuing operations		**(12)**	(1,278)
Net cash generated from/(used) in operating activities		**(579)**	(3,187)
Cash flows from (investing) / divesting activities in discontinued operations			
Purchase of property, plant and equipment		**-**	-
Net cash used in investing activities in discontinued operations		**-**	-
Cash flows from financing activities in continuing operations			
Net proceeds from the issue of ordinary shares		**1,128**	3,738
Loans (repaid) / received		**(567)**	(547)
Net cash generated from financing activities in continuing operations		**561**	3,191
Net (decrease)/increase in cash		**(18)**	4
Cash transferred to non-current assets held for sale		**-**	-
		(18)	4
Cash at beginning of year		**24**	20
Cash at end of year		**6**	24

Minoan Group Plc (Registered number: 03770602)

Note to the Consolidated Cash Flow Statement
Year ended 31 October 2020

1 Cash flows from operating activities in continuing operations

	2020	2019
	£'000	£'000
Loss before taxation	**(876)**	(2,077)
Finance costs	**12**	1,278
Depreciation	**-**	-
Exchange gain relevant to property, plant and equipment		4
Increase in inventories	**(583)**	(467)
Decrease/(Increase) in receivables	**(14)**	4
Increase in current liabilities	**894**	(651)
Net cash (outflow) from continuing operations	**(567)**	(1,909)

Minoan Group Plc (Registered number: 03770602)

Company Cash Flow Statement
Year ended 31 October 2020

	Note to the Company Cash Flow Statement	**2020** **£'000**	2019 £'000
Cash flows from operating activities			
Net cash inflow/(outflow) from continuing operations	1	**(550)**	(1,912)
Finance costs		**(11)**	(1,278)
Net cash used in operating activities		**(561)**	(3,190)
Cash flows from divesting activities			
Proceeds from disposal of discontinued business		**-**	-
Net cash generated in divesting activities		**-**	-
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares		**1,128**	3,738
Loans (repaid) / received		**(567)**	(548)
Net cash generated from financing activities		**561**	3,190
Net (decrease)/increase in cash		**-**	-
Cash at beginning of year		**1**	1
Cash at end of year		**1**	1

Minoan Group Plc (Registered number: 03770602)

Note to the Company Cash Flow Statement
Year ended 31 October 2020

1 Cash flows from operating activities

	2020	2019
	£'000	£'000
Loss before taxation	**(728)**	(1,748)
Finance costs	**11**	1,278
Exchange gain relevant to property, plant and equipment	**-**	4
Decrease / (Increase) in receivables	**(211)**	(1,541)
(Decrease) / Increase in current liabilities	**378**	95
Net cash inflow/(outflow) from continuing operations	**(550)**	(1,912)

Notes to the Financial Statements
Year ended 31 October 2020

1 Accounting policies

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations (collectively IFRS), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, as adopted by the European Union. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest thousand, unless stated otherwise.

Basis of preparation
The financial statements are prepared under the historical cost convention except for where financial instruments are stated at fair value.

Adoption of new and revised Standards
The International Accounting Standards Board and IFRIC have issued the following new and revised standards and interpretations with an effective date after the date of these financial statements, which have been endorsed and issued by the European Union at 31 October 2020:

Standard	Details of amendment	Effective date
IFRS 3 Business Combinations	Amendments updating a reference to the Conceptual Framework	1 January 2022
IAS 1 Presentation of Financial Statements IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Amendments regarding the definition of material	1 January 2020
IAS 1 Presentation of Financial Statements	Amendments regarding the classification of liabilities	1 January 2023
	Amendments regarding the disclosure of accounting policies	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Amendments regarding the definition of accounting estimates	1 January 2023
IAS 16 Property, Plant and Equipment	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022

Going concern
The directors have considered the financial and commercial position of the Group in relation to its project in Crete (the "Project"). In particular, the directors have reviewed the matters referred to below.

Following the unanimous approval of a Plenum of the Greek Council of State, the highest court in Greece, the Presidential Decree granting land use approval for the Project was issued on 11 March 2016 and was published in the Government Gazette. The planning rules for the Project are now enshrined in law. The appeals lodged against the Presidential Decree have been rejected by the Greek Supreme Court.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

1 Accounting policies (continued)

Going concern (continued)

Accordingly, the directors consider that they will conclude further Project joint venture agreements in the near term.

In addition to specific Project related matters as noted above, and as has been the case in the past, the Group continues to need to raise capital in order to meet its existing finance and working capital requirements. While the directors consider that any necessary funds will be raised as required, the ability of the Company to raise these funds is, by its nature, uncertain.

Having taken these matters into account, the directors consider that the going concern basis of preparation of the financial statements is appropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries as at 31 October 2020 using uniform accounting policies. The Group's policy is to consolidate the result of subsidiaries acquired in the year from the date of acquisition to the Group's next accounting reference date. Intra-group balances are eliminated on consolidation.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values of the assets given, liabilities incurred and equity instruments issued by the Group in exchange for control of the acquired business. Acquisition related costs are recognised in the consolidated statement of comprehensive income as incurred.

Critical accounting estimates and judgements

The preparation of the financial statements in accordance with generally accepted financial accounting principles requires the directors to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying value of assets and liabilities within the next financial year are discussed below:

- in capitalising the costs directly attributable to the Project (see inventories below), and continuing to recognise goodwill relating to the Project, the directors are of the opinion that the Project will be brought to fruition and that the carrying value of inventories and goodwill is recoverable; and
- as set out above, the directors have exercised judgement in concluding that the company and group is a going concern.

Goodwill

Goodwill arising on acquisitions represents the difference between the fair value of the net assets acquired and the consideration paid and is recognised as an asset (see note 7).

Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Notes to the Financial Statements (continued)
Year ended 31 October 2019

1 Accounting policies (continued)

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided in order to write off the cost of each asset, less its estimated residual value, over its estimated useful life on a straight line basis as follows:

Plant and equipment:	3 to 5 years
Fixtures and fittings:	3 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Investments
Investments in subsidiaries are stated at cost less any impairment deemed necessary.

Inventories
Inventories represent the actual costs of goods and services directly attributable to the acquisition and development of the Project and are stated at the lower of cost and net realisable value.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

1 Accounting policies (continued)

Foreign currency
A foreign currency transaction is recorded, on initial recognition in Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Sterling, by applying to the foreign currency amount to the exchange rate between the Sterling and the foreign currency at the date of the cash flow.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and short-term deposits, with a maturity of less than three months, held with banks.

Trade and other receivables
Trade and other receivables are recognised initially at fair value and shown less any provision for amounts considered irrecoverable. They are subsequently measured at an amortised cost using the effective interest rate method, less irrecoverable provision for receivables.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

1 Accounting policies (continued)

Loans
Loan borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised as a borrowing cost over the period of the borrowings using the effective interest method.

Share-based payments
The Group has a Long Term Incentive Plan ("LTIP") in which any director or employee selected by the remuneration committee may participate. Awards under the LTIP have been granted on the basis that certain performance conditions will be met. The LTIP expired on 31 December 2019.

The Company has also granted options and warrants to purchase Ordinary Shares. The fair values of the LTIP awards, options and warrants are calculated using the Black-Scholes and Binomial option pricing models as appropriate at the grant date. The fair value of LTIP awards and options are charged to profit or loss over their vesting periods, with a corresponding entry recognised in equity. This charge does not involve any cash payment by the Group.

Where warrants are issued in conjunction with a loan instrument, the fair value of the warrants forms part of the total finance cost associated with that instrument and is released to profit or loss through finance costs over the term of that instrument using the effective interest method.

Taxation
Current taxes, where applicable, 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 statement of financial position date and taking into account deferred taxation. Deferred tax is computed using the liability method. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using enacted rates and laws that will be in effect when the differences are expected to reverse. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will arise against which the temporary differences will be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities arising in the same tax jurisdiction are offset.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

2 Accounting policies (continued)

Taxation (continued)
The Group is entitled to a tax deduction for amounts treated as compensation on exercise of certain employee share options. As explained under "Share-based payments" above, a compensation expense is recorded in the Group's statement of comprehensive income over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases a deferred tax asset is recorded. The deferred tax asset arising is calculated by comparing the estimated amount of tax deduction to be obtained in the future (based on the Company's share price at the statement of financial position date) with the cumulative amount of the compensation expense recorded in the statement of comprehensive income. If the amount of estimated future tax deduction exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity against retained earnings.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

2 Information regarding directors and employees

Directors' and key management remuneration

	Costs taken to inventories	Costs taken to profit or loss	Total
	£'000	£'000	£'000
Year ended 31 October 2020			
Fees	**35**	**144**	**179**
Sums charged by third parties for directors' and key management services	**134**	**70**	**204**
Share-based payments (note 17)	**-**	**-**	**-**
	169	**214**	**383**
Year ended 31 October 2019			
Fees	(85)	274	189
Sums charged by third parties for directors' and key management services	111	70	181
Share-based payments (note 17)	-	-	-
	26	344	370

The total directors' and key management remuneration shown above includes the following amounts in respect of the directors of the Company.

	2020		2019	
	Fees/Sums charged by third parties	**Share-based payments**	Fees/Sums charged by third parties	Share-based payments
	£'000	**£'000**	£'000	£'000
C W Egleton (Chairman)	**134**	**-**	162	-
B D Bartman	**35**	**-**	35	-
G D Cook	**35**	**-**	35	-
T R C Hill	**35**	**-**	48	-
	239	**-**	280	-

Directors' interests in the Company's LTIP and share options are shown in note 17.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

2 Information regarding directors and employees (continued)

Staff costs during the period (including directors and key management)

	Costs taken to inventories £'000	Costs taken to profit or loss £'000	Total £'000
Year ended 31 October 2020			
Salaries and fees	**35**	**145**	**180**
Social security cost	**6**	**13**	**19**
Share-based payments (note 17)	**-**	**-**	
	41	**158**	**199**
Year ended 31 October 2019			
Salaries and fees	-	250	250
Social security cost	-	30	30
Share-based payments (note 17)	-	-	-
	-	280	280

Note: Staff costs exclude sums charged by third parties for directors' services.

	2020 No.	2019 No.
Group monthly average number of persons employed		
Directors	**7**	7
Management, administration and sales	**-**	2

Notes to the Financial Statements (continued)
Year ended 31 October 2020

3. Segmental information

The Group strategy and growth objectives necessitate the building of an associated infrastructure. The Group considers it appropriate to identify separately the corporate development division together with costs related to acquisitions. Accordingly, the Group is organised into two divisions (2019: three divisions), both by business segment and geographical location:

- the luxury resorts division, currently being the development of a luxury resort in Crete, which includes the central administration costs of the Group and which is a continuing operation;
- the corporate development division (UK) as described above, which is a continuing operation.

The information presented below is consistent with how information is presented to the Board, with the Group's accounting policies and with the geographical location of the relevant divisions.

		2020	
	Luxury Resorts £'000	**Corporate Development £'000**	**Total £'000**
Operating expenses	**(864)**	**-**	**(864)**
	(864)	**-**	**(864)**
Charge in respect of share-based payments	**-**	**-**	**-**
Charge related to assets held for sale	**-**	**-**	**-**
Operating (loss)/profit	**(864)**	**-**	**(864)**
Finance costs	**(12)**	**-**	**(12)**
(Loss)/profit before taxation	**(876)**	**-**	**(876)**
Taxation	**-**	**-**	**-**
(Loss)/profit after taxation	**(876)**	**-**	**(876)**
Operating expenses include:			
Depreciation and amortisation	**-**	**-**	**-**
Assets/liabilities			
Goodwill	**3,583**	**-**	**3,583**
Other non-current assets	**157**	**-**	**157**
Current assets	**46,662**	**-**	**46,662**
Total assets	**50,402**	**-**	**50,402**
Total and current liabilities	**8,460**	**-**	**8,460**

Notes to the Financial Statements (continued)
Year ended 31 October 2020

3 Segmental information (continued)

	2019		
	Luxury Resorts £'000	Corporate Development £'000	Total £'000
Operating expenses	(799)	-	(799)
	(799)	-	(799)
Charge in respect of share-based payments	-	-	-
Charge related to assets held for sale	-	-	-
Operating (loss)/profit	(799)	-	(799)
Finance costs	(1,278)	-	(1,278)
(Loss)/profit before taxation	(2,077)	-	(2,077)
Taxation	-	-	-
(Loss)/profit after taxation	(2,077)	-	(2,077)
Operating expenses include:			
Depreciation and amortisation	-	-	-
Assets/liabilities			
Goodwill	3,583	-	3,583
Other non-current assets	157	-	157
Current assets	46,083	-	46,083
Total assets	49,823	-	49,823
Total and current liabilities	7,566	-	7,566

Notes to the Financial Statements (continued)
Year ended 31 October 2020

4 Loss before taxation

The loss before taxation is stated after charging:

	2020	2019
	£'000	£'000
Depreciation	**-**	-
Auditor's remuneration	**20**	21

5 Taxation

Consolidated

(a) Analysis of taxation for the year

	2020	2019
	£'000	£'000
UK corporation tax	**-**	-

(b) Factors affecting taxation for the year

	2020	2019
	£'000	£'000
Loss before taxation	**(876)**	(2,077)
Tax on ordinary activities multiplied by the UK corporation tax rate of 19% (2019: 19%)	**(166)**	(395)
Effects of:		
Expenses not deductible for tax purposes	**-**	-
Other timing differences	**-**	-
Increase in tax losses	**166**	395
Taxation (credit)/charge for the year	**-**	-

Taxation losses carried forward appear in note 13.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

6 Loss per share

Earnings per share are calculated by dividing the earnings attributable to the equity holders of a company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share are calculated by adjusting basic earnings per share to assume the conversion of all potential dilutive ordinary shares. As the Group is loss making, there are no dilutive instruments in issue, and therefore the basic loss per share and diluted loss per share are the same. The weighted average number of shares used in calculating basic and diluted loss per share for the year ended 31 October 2020 was 444,380,229 (31 October 2019: 338,627,016).

	Earnings	**2020 Weighted average number of shares**	**Per-share amount (pence)**
Basic EPS			
Earnings attributable to ordinary shareholders	**(876,119)**	**444,380,229**	**(0.20)**
Effect of dilutive securities	**-**	**-**	**-**
Diluted EPS			
Adjusted earnings	**(876,119)**	**444,380,229**	**(0.20)**
	(876,119)	**444,380,229**	**(0.20)**

	Earnings	2019 Weighted average number of shares	Per-share amount (pence)
Basic EPS			
Earnings attributable to ordinary shareholders	(2,076,902)	338,627,016	(0.61)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(2,076,902)	338,627,016	(0.61)
	(2,076,902)	338,627,016	(0.61)

Notes to the Financial Statements (continued)
Year ended 31 October 2020

7 Intangible assets

Consolidated	2020		2019	
	Goodwill	**Total**	Goodwill	Total
	£'000	**£'000**	£'000	£'000
Cost				
At beginning of year	**3,583**	**3,583**	3,583	3,583
Additions	**-**	**-**	-	-
Transfer to held for sale asset	**-**	**-**	-	-
At end of year	**3,583**	**3,583**	3,583	3,583
Accumulated amortisation				
At beginning of year	**-**	**-**	**-**	**-**
Provided in year	**-**	**-**	**-**	**-**
Transfer to held for sale asset	**-**	**-**	**-**	**-**
At end of year	**-**	**-**	**-**	**-**
Net book value				
At beginning of year	**3,583**	**3,583**	3,583	3,583
At end of year	**3,583**	**3,583**	3,583	3,583

The Project is assessed using fair value less costs to sell. The directors have assessed the recoverable amount of the Project as being greater than the combined carrying value of the goodwill and inventories of £50,014,000 at 31 October 2020 (31 October 2019: £49,431,000) on the basis of valuations previously carried out and the positive progress made in the period since (see also note 10).

Notes to the Financial Statements (continued)
Year ended 31 October 2020

8 Property, plant and equipment

Year ended 31 October 2020

Consolidated	Freehold land	Furniture, fittings, plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 November 2019	203	92	295
Exchange adjustments		-	
Additions	-	-	-
Disposals	-	-	-
At 31 October 2020	203	92	295
Accumulated depreciation			
At 1 November 2019	53	85	138
Exchange Adjustments	-		
Provided in year	-		
At 31 October 2020	53	85	138
Net book value			
At 31 October 2020	150	7	157

Notes to the Financial Statements (continued)
Year ended 31 October 2020

8 Property, plant and equipment (continued)

Year ended 31 October 2019

Consolidated	Freehold land	Furniture, fittings, plant and equipment	Total
	£’000	£’000	£’000
Cost			
At 1 November 2018	202	92	294
Exchange adjustments	1	-	1
Additions	-	-	-
Disposals	-	-	-
At 31 October 2019	203	92	295
Accumulated depreciation			
At 1 November 2018	53	80	133
Exchange Adjustments	-	4	4
Provided in year	-	1	1
At 31 October 2019	53	85	138
Net book value			
At 31 October 2019	150	7	157

Notes to the Financial Statements (continued)
Year ended 31 October 2020

9 Investments

Company

Year ended 31 October 2020

	Shares in subsidiaries £'000
Cost	
At 1 November 2019	**21,736**
Disposals	**-**
At 31 October 2020	**21,736**
Impairment	
At 31 October 2020	**-**
	-
Net book value at 31 October 2020	**21,736**

Year ended 31 October 2019

	Shares in subsidiaries £'000
Cost	
At 1 November 2018	21,736
Disposals	-
At 31 October 2019	21,736
Impairment	
At 31 October 2019	-
	-
Net book value at 31 October 2019	21,736

Notes to the Financial Statements (continued)
Year ended 31 October 2020

9 Investments (continued)

Interests in subsidiaries

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 October 2020
Loyalward Limited	United Kingdom	100%
Loyalward Leisure PLC	United Kingdom	100%
Loyalward Hellas S.A.	Greece	100%

10 Inventories

Consolidated
Inventories at 31 October 2020 amounted to £46,431,000 (31 October 2019: £45,848,000), comprising costs associated with acquiring and developing the site in Crete, planning and other design costs.

The development site of the Project is to be leased from the Public Welfare Ecclesiastical Foundation Panagia Akrotiriani ("the Foundation") for an initial 40 year period following contract activation which will follow the relevant authorities approving the land planning and land uses for the Project. The Group has an option over a further 40 years. An amount of £3.9 million is payable to the Foundation on contract activation, plus ongoing royalties earned on revenue generated by the development (see also note 18).

In particular, the directors have considered the current value of the Group's overall interest in the Project and its progress and are of the opinion that the Project site has longer term value in excess of the carrying value of inventories.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

11 Receivables

Consolidated	2020 £'000	2019 £'000
Other receivables and prepayments	**124**	124
Value added tax recoverable	**101**	87
	225	211

No provision is considered necessary in respect of irrecoverable amounts.

Company	2020 £'000	2019 £'000
Amounts owed by subsidiary companies (see note 16)	**32,618**	29,929
Other receivables and prepayments	**50**	2,538
Value added tax recoverable	**18**	8
	32,686	32,475

Amounts owed by subsidiary companies are repayable on demand, but are not expected to be received until the realisation of the project.

12 Liabilities

Current liabilities

Consolidated	2020 £'000	2019 £'000
Trade and other payables	**2,930**	965
Other creditor (see below)	**1,000**	1,000
Social security and other taxes	**31**	45
Loans (see note 15)	**2,083**	1,838
Accruals and deferred charges	**2,416**	3,718
	8,460	7,566

The other creditor arises from amounts received under the terms of financial joint venture agreements between the Company and certain third parties by which these third parties will receive an initial 5% economic interest in the Project for a total consideration of £1 million.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

12 Liabilities (continued)

Current liabilities

Company	**2020 £'000**	2019 £'000
Trade and other payables	**399**	481
Amounts owed to subsidiary companies (see note 16)	**38**	38
Loans (see note 15)	**2,036**	1,837
Accruals and deferred charges	**697**	436
	3,170	2,792

Amounts owed to subsidiary companies are interest free and repayable on demand.

13 Deferred taxation

Consolidated
No deferred taxation asset has been recognised in the financial statements due to the uncertainty of its recoverability. The total potential asset is as follows:

	Total potential asset		**Amount recognised**	
	2020 £'000	2019 £'000	**2020 £'000**	2019 £'000
Tax effect of timing differences because of:				
Other short term timing differences	**(-)**	(189)	**-**	-
Losses	**3,618**	3,624	**-**	-
	3,618	3,453	**-**	-

The above potential deferred tax asset is based on a corporation tax rate of 19% (2019: 19%).

Notes to the Financial Statements (continued)
Year ended 31 October 2020

13 Deferred taxation (continued)

Company
No deferred taxation asset has been recognised in the financial statements. The total potential asset is as follows:

	Total potential asset		Amount recognised	
	2020 £'000	2019 £'000	**2020 £'000**	2019 £'000
Tax effect of timing differences because of:				
Other short term timing differences	**(-)**	(92)	**-**	-
Losses	**1,550**	1,505	**-**	-
	1,550	1,413	**-**	-

The above potential deferred tax asset is based on a corporation tax rate of 19% (2019: 19%).

Following due consideration of the availability of tax losses in relation to future anticipated taxable profits, and in accordance with IAS 12, the deferred tax asset has not been recognised. The deferred tax asset not recognised will be recoverable should there be appropriate future taxable profit.

14 Share capital

	2020 £'000	2019 £'000
Called up, allotted and fully paid		
31 October 2020 - 496,315,908 Ordinary Shares of 1p each	**4,963**	-
54,148,031 Deferred Shares of 24p each	**12,996**	-
626,427 Zero Coupon Redeemable Preference Shares of 0.0001p each	**-**	
31 October 2019 - 419,280,447 Ordinary Shares of 1p each		4,192
54,148,031 Deferred Shares of 24p each	**-**	12,996
	17,959	17,188

Holders of Ordinary Shares have the right to vote and the right to receive dividends. Holders of Deferred Shares have no right to vote and no right to receive dividends.

During the year 7,272,728 Ordinary Shares of 1p each were subscribed for at 2.75 pence per share and 23,181,820 Ordinary Shares of 1p each were subscribed for at 1.1p per share .

In addition, and to settle certain existing liabilities, the following numbers of Ordinary Shares of 1p each were issued: 11,240,058 at 2.75 pence per share, 35,340,855 at 1.1p per share. Finally, 626,427 Zero Coupon Preference Shares of 0.00001p each were issued at £1 per share as part of the reorganisation of the Company's funding arrangements.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

15 Financial instruments and risk management

The Group's financial instruments comprise borrowings, cash and various items such as trade receivables and trade payables that arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. There have been no substantive changes in the group exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure from previous periods.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and the financial charges and principal repayments on its debt instruments. It is the risks that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group maintains sufficient funds in local currency for operational liquidity. The Board considers liquidity risk at Board meetings through the monitoring of cash levels and detailed cash forecasts. Funding to date has been obtained principally through the issue of equity shares as required, either for cash or in settlement of liabilities. The Group has also issued loan agreements which may be settled by the issue of shares. See note 1 for further information relating to current liquidity and funding risk.

All financial liabilities are non-derivative and fall due within one year (see note 12).

In order to complete the development of the Project, the Group will require substantial additional financing. It is the directors' current intention to develop the Project in such a way as to minimise or eliminate the need for further equity financing. It is intended that this will be achieved through utilising joint venture arrangements and debt project finance.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

15 Financial instruments and risk management (continued)

Foreign currency risk
Foreign currency risks arise when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency, cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group has one overseas trading subsidiary, Loyalward Hellas S.A., which operates in Greece and whose revenues and expenses are denominated almost exclusively in Euros. The Group finances Loyalward Hellas S.A. via Euro transfers from Loyalward Limited as required. The amount transferred ensures that the Euro balance held by Loyalward Hellas S.A. at each period end is not material. All UK companies hold cash in UK pounds Sterling only. The Sterling and Euro cash balances attract interest at floating rates.

Of the Group's current assets, excluding the project costs capitalised, less than 1% is held in Euros, the remainder being held in Sterling. Of the Group's current liabilities, less than 2% is held in Euros, with the remainder held in Sterling.

Short-term receivables and payables
Short-term receivables and payables have been excluded from the following disclosures.

Interest rate risk
The Group finances its operations through a mixture of equity and borrowings. The Group has historically borrowed in Sterling only.

The Group's liabilities, which are all denominated in sterling, are as follows:

	2020	2019
	£'000	£'000
Loans repayable in less than one year	**2,083**	1,838

The Board has determined that realistic fluctuations in interest rates will not have a significant impact on financial liabilities.

The Group has no derivatives or financial instruments other than those disclosed above. There is no material difference between the book value and the fair value of the Group's financial assets and liabilities at 31 October 2020 and at 31 October 2019.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

16 Related party transactions

During the year the Group companies entered into the following transactions with related parties who are not members of the Group:

	Services of the below persons supplied in year ended		Payable as at	
	31.10.20	31.10.19	**31.10.20**	31.10.19
	£'000	£'000	**£'000**	£'000
Simmons International Limited	**134**	162	**109**	47
Bizwatch Limited	**-**	8	**11**	11
I.H.M. Industry & Hotel Management Limited	**-**	-	**70**	70
B D Bartman & Co	**35**	35	**54**	29
Keith Day & Partners Ltd	**35**	35	**95**	60

The nature of the related parties is as follows:

- Simmons International Limited, a company in which C W Egleton is a minority shareholder.
- Bizwatch Limited, a company in which J C Watts, a director of Loyalward Limited, owns 50% of the issued share capital and M A Fitch, a director of Loyalward Hellas S.A. owns 50% of the issued share capital.
- I.H.M. Industry & Hotel Management Limited, a company in which C Valassakis, a director of Loyalward Limited, is a controlling shareholder.
- B D Bartman & Co, a firm in which B D Bartman is a partner.
- Keith Day & Partners Ltd, a company in which N J Day, a director of Loyalward Limited, is a director and shareholder.

There have been no purchases or sales between companies within the Group. The Company's balances outstanding with other Group companies arising from financing transactions are shown below.

	Receivable/(Payable) as at 31.10.20	Receivable/(Payable) as at 31.10.19
	£'000	£'000
Loyalward Limited	**32,618**	29,929
Loyalward Leisure Plc	**(38)**	(38)

Notes to the Financial Statements (continued)
Year ended 31 October 2020

17 Long term incentive plan, share options and warrants

Long term incentive plan
Under the terms of the Long Term Incentive Plan ("LTIP") any director or employee selected by the remuneration committee may participate. Awards under the LTIP have been granted on the basis that certain performance conditions will be met.

The performance conditions are as follows:

Performance condition A	Fulfilled during year ended 31 October 2012.
Performance condition B	The Group achieves a certain level of consolidated profit at EBITDA level (ignoring any charge in respect of share-based payments) for a six month accounting period.
Performance condition C	The price of an ordinary share of Minoan Group Plc remains at an average price of 50 pence or above for ten consecutive trading days on AIM or a recognised stock exchange.

	Performance condition A	Performance condition B	Performance condition C
	Maximum number of Ordinary Shares exercisable at 9 pence	Maximum number of Ordinary Shares exercisable at 9 pence	Maximum number of Ordinary Shares exercisable at 9 pence
C W Egleton	1,400,000	1,400,000	1,400,000
D C Wilson (left 9 October 2018)	1,000,000	1,000,000	1,000,000
B D Bartman	130,000	130,000	130,000
T R C Hill	150,000	150,000	150,000
W C Cole (director Loyalward Limited)	120,000	120,000	120,000
	2,800,000	2,800,000	2,800,000

The charge made for the value of the LTIP and options has been calculated using the Black-Scholes and Binomial option pricing models as appropriate. As stated previously, the charge does not involve any cash payment.

The Long Term Incentive Plan expired on 31 December 2019.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

17 Long term incentive plan, share options and warrants (continued)

Directors' interests in share options

	31 October 2020			31 October 2019		
	Exercise price	**Ordinary Shares**	**Expiry date**	Exercise price	Ordinary Shares	Expiry date
Options						
B D Bartman (see note 2 below)	1p	**1,000,000**	31/12/20	1p	1,000,000	31/12/19
B D Bartman (see note 2 below)	1p	**850,000**	31/12/20	1p	850,000	31/12/19
W C Cole (director Loyalward Limited) (see note 2 below)	1p	**1,000,000**	31/12/20	1p	1,000,000	31/12/19
W C Cole (director Loyalward Limited) (see note 2 below)	1p	**1,711,111**	31/12/20	1p	1,711,111	31/12/19
G D Cook (see note 2 below)	1p	**384,615**	31/12/20	1p	384,615	31/12/19
G D Cook (see note 2 below)	1p	**377,778**	31/12/20	1p	377,778	31/12/19
T R C Hill (see note 2 below)	1p	**1,233,333**	31/12/20	1p	1,233,333	31/12/19
		6,556,837			6,566,837	

During the year the expiry date of the above was extended to 31 December 2020 (See also Note 20 for events after the statement of financial position date).

Other share options

The following additional options to purchase ordinary shares in the Company have been granted:

	Ordinary Shares		
	31.10.20	31.10.19	Expiry date
Exercisable at 60 pence per share	**3,318,000**	3,318,000	See note 1
Exercisable at 1 pence per share (see note 2 below)	**4,695,299**	4,695,299	See note 2
Exercisable at 8 pence per share	-	2,500,000	5/06/20
Exercisable at 8 pence per share	-	1,000,000	9/01/20
	8,013,299	11,513,299	

The weighted average exercise price of the other share options outstanding at the beginning of the period is 20 pence and outstanding at the end of the period is 25 pence.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

17 Long term incentive plan, share options and warrants (continued)

Notes re share options:

1. These options were granted between 24 June 2005 and 31 December 2013. The expiry dates of these options are 90 days after certain valid building licences and permits have been granted. These building licences and permits have not yet been granted.

2. Options granted in exchange for the waiver of fees etc. by current directors and former directors. During the year, the expiry date was extended to 31 December 2020.

See Note 20 for events after the statement of financial position date.

Warrants

During the year warrants to subscribe for 3,147,174 ordinary shares at 2.75p per share were issued in the name of Silja Investments Limited as part of a previously announced loan facility agreement. Subsequently, and in accordance with the reorganisation of funding arrangement as announced, 87,276,998 warrants in the name of Silja Investments Limited exercisable at various prices were cancelled.

The following warrants were issued during the year: 3,677,828 warrants exercisable at 2.75p per share to settle certain liabilities, 35,000,000 warrants exercisable at 1.4p per share as part of the re-organisation of funding arrangements as referred to above and 6,818,182 warrants exercisable at 1.4p per share as part of the placing and subscription as announced.

These modifications etc. resulted in decrease of £567,000 in the fair value of the warrants. This has been spread, along with the existing fair value, across the life of the loan on an amortised cost basis. The modification was valued using Black-Scholes method.

	Ordinary Shares		
	31.10.20	31.10.219	Expiry date
Exercisable at 1.4 pence per share	**41,818,182**	-	31/05/22
Exercisable at 2.5 pence per share	-	7,438,520	9/10/23
Exercisable at 2.75 pence per share	-	2,522,182	9/10/23
Exercisable at 2.75 pence per share	**3,677,828**	17,633,132	12/10/23
Exercisable at 3.0 pence per share	-	3,626,667	12/10/23
Exercisable at 3.5 pence per share	-	50,000,000	9/10/23
Exercisable at 3.5 pence per share	-	1,765,733	9/10/23
Exercisable at 6.0 pence per share	**458,333**	458,333	26/04/21
Exercisable at 9.0 pence per share	-	1,143,590	12/10/23
	45,594,343	84,588,157	

See also Note 20 for events after the statement of financial position date.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

17 Long term incentive plan, share options and warrants (continued)

Finance costs

	£,000
Year ended 31 October 2020	
Fair value of warrants issued	**(567)**
Loan interest	**29**
Other interest/fees	**550**
	12
Year ended 31 October 2019	
Fair value of warrants issued	264
Loan interest	874
Other interest	140
	1,278

18 Contingent liabilities and commitments

Other than as stated in note 10, the Group has contingent liabilities in respect of directors' bonuses and options. The directors' bonus scheme, which was approved by the Remuneration Committee of the board on 6 November 2019, grants the directors a variable performance award which is based on the monetised value of the Project.

The present directors of the Minoan Group Plc have the right to purchase a total of 8 Villas between them under the Villa Participation Scheme. The right allows them to purchase the properties at cost plus 10% upon commencement of construction.

19 Operating lease commitments

The Group has no future minimum lease commitments in respect of non-cancellable operating leases.

20 Shareholder Loyalty Scheme

The land on which the Group's Project in Crete will be constructed is held on a long lease and, as a result, any properties offered to purchasers will be on an equivalent title. Since inception, as part of the Group's financing arrangements and as a potential reward for loyalty for staff and others, notably through the Shareholder Loyalty Scheme which was placed under review in 2011, the Group offered discounts to potential purchasers of properties in the Project. The properties range from apartments with fractional/shared ownership and apartments and villas, which may or may not be part of a "serviced offering". The potential sums involved are not material in the context of the Project as a whole.

Notes to the Financial Statements (continued)
Year ended 31 October 2020

21 Events after the reporting date

The expiry dates of options to subscribe for a total of 11,252,136 ordinary shares at 1p per share were extended to 31 December 2021.

On 22 December 2020 a total of 16,136,364 ordinary shares of 1p each were issued at 1.1p per share. Of these 12,500,000 shares were issued as part of a placing and 3,636,364 shares were issued to settle liabilities

On 22 March 2021 a total of 23,363,636 ordinary shares of 1p each were issued at 1.1p per share. Of these 17,000,000 shares were issued as part of a placing and 6,363,636 shares were issued to settle liabilities.

On 31 March 2021 the Company subscribed £10,000,000 for 2,000,000 ordinary shares of 25p each at £5.00 per share in its subsidiary company Loyalward Limited, utilising part of the sums owed to it by that company.

Post balance sheet, the Covid-19 pandemic has continued to have an impact on the Group's operations. This may affect the timeline for the completion of the Cretan Project but the Project is, in any event, a long term development. As the pandemic abates, the Board of Directors is confident that the Group can continue on its path to the monetisation of its investment in Crete.