Minoan Group Plc

Report and Financial Statements

Year ended 31 October 2021

Company registration no: 03770602

Minoan Group Plc (Registered number: 03770602)

Report and Financial Statements
Year ended 31 October 2021

Contents

Minoan Group Plc (Registered number: 03770602)

Directors and Advisers

Directors
C W Egleton (Chairman)
G D Cook MA, ACA
T R C Hill B.Arch
G Mergos

Company secretary
W C Cole

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Pinsent Masons LLP, London

Nominated adviser and broker
WH Ireland Limited, London

Registrars
Neville Registrars Limited, Halesowen, West Midlands

Independent auditor
Anstey Bond LLP
Statutory Auditors &
Chartered Accountants
1-2 Charterhouse Mews
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Minoan Group Plc (Registered number: 03770602)

Statement of the Chairman of Loyalward Limited, the Project Owner

I was very pleased to accept the invitation to join the Boards of both Minoan Group Plc ("Minoan") and Loyalward Limited ("Loyalward"). Further, I was delighted to take on the role of Chairman of Loyalward at this time of major progress and as it approaches the culmination of the long and sometimes difficult journey to the start of the development of what, undoubtedly, will be one of the best luxury projects in the Mediterranean.

The past few months have, amongst other things, enabled me to oversee the completion of the new business plans as we move forward with the Foundation regarding adjustments to the existing Contract and associated legal documentation. I am looking forward to the next period as the one which will enable me and my team to complete the steps necessary to see the Project's partners contracted and start to see real progress on site.

Masterplan

As shareholders will be aware, the main planning legislation for the Project is the Presidential Decree ("PD") which was issued in 2016 and became unappealable in the following year.

The PD sets out detailed guidelines which govern the Project and include, inter alia, its size (108,000 square metres of built space) and the environmental terms and conditions to be followed at all times. More detail is given on Minoan's website at www.minoangroup.com.

After taking into account recent trends in the tourism and hospitality market including, most recently, the effects of the pandemic, our architects, land planners, designers and engineers have produced a revised Masterplan for what I believe will become the best resort in Greece and the Eastern Mediterranean.

The key points of the design are that all buildings will be low rise and consist largely of independent units with this combination leading to a level of privacy not usually available in such resorts. Allied to the planned level of luxury, with an emphasis on wellbeing as well as wellness and the multitude of activities which will be available, Itanos Gaia at Cavo Sidero will create new standards for modern tourism as well as appeal to new types of demand now becoming evident, particularly in relation to the working from home trend. It will be a unique place for all visitors, whether for a few days, weeks, months, or even years.

As we move forward it is my intention to ensure that the Company's website reflects as much of our thinking as possible, both in terms of the Project design and the commercial arrangements being discussed and completed.

The Business Plans

With the revised Masterplan now complete, we and Deloitte have re-examined all the key assumptions and numbers included in the Business Plans for the Project.

I refer to Plans rather than Plan in order to make it clear that we have examined the Project and the flexibility which the architects have incorporated into the design to allow for changes in the composition of the hotel and tourist residence elements. The purpose of these exercises has been to ensure that we can adjust to market forces as we move forward in the post pandemic and 'working from home' world.

In December 2021 the Company submitted the new Masterplan and detailed designs to the Foundation. This was followed in March 2022 by the presentation of proposals for adjustments to the Contract for the lease of the Cavo Sidero site together with a full presentation of the Business Plans prepared by Deloitte.

The proposals included one which was based on an acceptance by Loyalward of a set of principles and documentation set out by the Foundation as being their preferred basis of cooperation.

All of the models chosen produce good returns even though we have used a conservative approach and a Gross Operating Profit which is below the industry standard, particularly in the early years. The following should be taken in context as a guide only and will depend on the final choice of hotel partners and the normal risks associated with long term forecasts. In order to give some idea of the scale of the Project, the current business plans forecast, once the resort becomes fully operational, a stabilised turnover for hotel and villa rental rooms in excess of €100m.

Statement of the Chairman of Loyalward Limited, the Project Owner (continued)

My team and I are very satisfied with the progress made and the potential returns of the Project. We are now engaged in the process of discussing the next stages of the Project with the Foundation.

George Mergos
Chairman, Loyalward Limited
28 April 2022

Chairman's Statement

Introduction

For the year ended 31 October 2021, against the backdrop of the ongoing global pandemic, the Group continued to progress significantly its Crete project (the "Project") whilst reducing its overall cost base. Since the year end, the progress on the Project has accelerated and includes, inter alia, senior executive management changes, completion of a new Project Masterplan, revised Business Plans, constructive negotiations with our Foundation partners and a welcome return of site visits with potential commercial partners.

The Board recognises the need to demonstrate unequivocal progress in terms of the Project's development in the immediate future. We fully acknowledge that such progress has been slower than expected and we are grateful to shareholders and stakeholders for their patience. The Board now believes that this patience will be rewarded; with a new Chairman of our wholly owned subsidiary now in place, our business plans updated to reflect the current market potential, a resilient investment environment, encapsulated in the new Development law and with Covid restrictions receding, Minoan is now exceptionally well placed to finally progress the Project towards activation.

Financial Review

The loss before taxation for the year of £749,000 was improved compared to the £876,000 recorded for the year to 31 October 2020 despite a large credit last year relating to the non-cash fair value adjustment for warrants.

Operating costs fell by over 69% to £511,000 from £864,000 as a result of reductions in UK salary costs and in legal and professional fees. The Company's net assets at 31 October 2021 increased to £42,406,000 from £41,942,000.

The Company is continuing discussions with its major lender and reports that both parties are working towards a mutually acceptable solution to help to ensure the Company has sufficient working capital for the next year. The Board fully expects, subject to detailed agreement, that the repayment date of the borrowing will be further extended.

The Project and Greece

During the year, new studies for the detailed environmental assessment of the Project and the Project Site were commissioned which, in part, enabled the preparation of the Masterplan for the new and more luxurious development as envisaged when the Project was successful in being granted its coveted 'Strategic Investment' status. The Company worked extensively with Deloitte in Greece, with both the financial advisory and specialist hospitality divisions, on the financial modelling and business case to inform its discussions with the Public Welfare Ecclesiastical Foundation Panagia Akrotiriani (the "Foundation") concerning the Contract and the lease agreement as well as with different types of commercial partners for the Project.

Further details of the new Masterplan, the accompanying Business Plans and the Project generally are set out in the statement by George Mergos as Chairman of the Project Company, Loyalward Limited.

Boards and Management

In February this year the Board was pleased to welcome George Mergos to the boards of both Minoan Group Plc and Loyalward Limited, the Group's wholly owned subsidiary and owner of the Project. In March we announced that George had also been appointed Chairman of Loyalward Limited. With his extensive management experience at the highest levels in the public and the private sector within Greece in both complex projects and finance, George is ideally qualified to lead the Project as it moves towards its development stage.

Chairman's Statement (continued)

Although my thanks to Barry Bartman were set out in the announcement at the time, I would like to repeat them here. Barry, who retired as a director in February, has been a stalwart of the Company for many years providing invaluable advice and support to the Group during what have sometimes been difficult times as we have overcome numerous obstacles including, most recently, the delays caused by the Covid pandemic.

The skills, competence and balance of the Boards and the management teams are regularly under review to ensure they serve the companies appropriately. As we move to the next phase of the Project, I expect to be announcing further changes to ensure that the right balance is achieved both within Minoan and Loyalward.

Outlook

The Group continues to discuss and work with the Foundation to bring the Contract and the lease of the site more into line with modern practice and the new Project. As this work progresses, the Company will pursue and then complete discussions with hotel and other commercial partners.

George Mergos and I are looking forward to updating shareholders on what we believe will be substantive progress over the coming weeks and months.

Christopher W Egleton
Chairman
28 April 2022

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 2021.

Review of business
A review of the Group's business is given in the Statements on page 2 to 5.

Total equity as at 31 October 2021 was £42,406,000 (2020: £41,942,000).

The Key Performance Indicator for the Group is the Monetisation of the Project and this is where the vast majority of management's time is focused. Monetisation means the extraction of value from the Project for the benefit of shareholders and other stakeholders.

Principal risks and uncertainties
The Group's key risks remain centred on 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
The Board supports the principles of good governance. The Group is committed to high standards of corporate governance and has adopted procedures from the Quoted Companies Alliance Corporate Governance Code to institute good governance insofar as they are practical and appropriate for a business of the size of Minoan Group Plc. The Board has a Remuneration and Audit Committee, in each case comprising a majority of Non-executive directors and chaired by a Non-executive director.

Board effectiveness
The Group supports the concept of an effective Board leading and providing effective governance over the Group. The Board is responsible for approving Group policy and strategy. It meets regularly and has a schedule of matters specifically reserved to it for decision. Management supplies the Board with appropriate and timely information and the directors are free to seek any further information that they consider necessary. All directors have access to advice from independent professionals at the Group's expense.

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 ensures that it is compliant with all appropriate regulations.

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

C W Egleton
Director
28 April 2022

Directors' Report

The directors present their annual report for the year ended 31 October 2021.

Directors
The directors shown below, unless otherwise stated, have held office during the whole of the period from 1 November 2020 to the date of this report:

C W Egleton (Chairman)	
B D Bartman BSc (Econ), FCA	Retired 15 February 2022
G D Cook MA, ACA	
T R C Hill B.Arch	
G Mergos	Appointed 15 February 2022

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 £749,000 (31 October 2020: £876,000). The loss includes a non-cash finance cost in respect of warrants issued in the amount of £44,000 (31 October 2020: Reduction £567,000) (see note 17).

The Group's loss per share was 0.14p (31 October 2020: 0.20p).

No dividend is proposed for the year (31 October 2020: 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.

Insurance
The Group has maintained Directors and Officers Liability Insurance on behalf of the directors of all group companies indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

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
28 April 2022

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 2021 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 2021 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.

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
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 £46.8 million as at 31 October 2021 (2020: £46.4 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 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 28 April 2022

Minoan Group Plc (Registered number: 03770602)

Consolidated Statement of Comprehensive Income
Year ended 31 October 2021

	Note	2021	2020
		£'000	£'000
Revenue		**-**	-
Cost of sales		**-**	-
Gross profit		**-**	-
		-	-
Operating expenses		**(511)**	(864)
Other operating expenses:			
Corporate development costs		**-**	-
Operating loss		**(511)**	(864)
Finance costs	17	**(238)**	(12)
Loss before taxation	4	**(749)**	(876)
Taxation	5	**-**	-
Loss after taxation		**(749)**	(876)
Other Comprehensive income for the year		**-**	-
Total Comprehensive income for the year		**(749)**	(876)
Loss for year attributable to equity holders of the Company		**(749)**	(876)
Loss per share attributable to equity holders of the Company: Basic and diluted	6	**(0.14)p**	(0.20)p

All of the activities of the Group are classed as continuing.

The notes on pages 22 to 39 form part of these financial statements.

Minoan Group Plc (Registered number: 03770602)

Consolidated Statement of Changes in Equity
Year ended 31 October 2021

Year ended 31 October 2021

	Share capital £'000	**Share premium £'000**	**Merger reserve £'000**	**Warrant Reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 November 2020	**17,959**	**36,476**	**9,349**	**2,527**	**(24,369)**	**41,942**
Loss for the year	**-**	**-**	**-**	**-**	**(749)**	**(749)**
Issue of ordinary shares at a premium	**1,062**	**107**	**-**	**-**	**-**	**1,169**
Increase in Warrant Reserve (note 17)	**-**	**-**	**-**	**44**	**-**	**44**
Balance at 31 October 2021	**19,021**	**36,583**	**9,349**	**2,571**	**(25,118)**	**42,406**

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
Reduction in Warrant Reserve (note 17)	-	-	-	(567)	-	(567)
Balance at 31 October 2020	17,959	36,476	9,349	2,527	(24,369)	41,942

Minoan Group Plc (Registered number: 03770602)

Company Statement of Changes in Equity
Year ended 31 October 2021

Year ended 31 October 2021

	Share capital £'000	**Share premium £'000**	**Warrant Reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 November 2020	**17,959**	**36,476**	**2,527**	**(5,709)**	**51,253**
Loss for the year	**-**	**-**	**-**	**(551)**	**(551)**
Issue of ordinary shares at a premium	**1,062**	**107**	**-**	**-**	**1,169**
Increase in Warrant Reserve (note 17)	**-**	**-**	**44**	**-**	**44**
Balance at 31 October 2021	**19,021**	**36,583**	**2,571**	**(6,260)**	**51,915**

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)	(728)
Issue of ordinary shares at a premium	771	357	-	-	1,128
Reduction in Warrant Reserve (note 17)	-	-	(567)	-	(567)
Balance at 31 October 2020	17,959	36,476	2,527	(5,709)	51,253

Minoan Group Plc (Registered number: 03770602)

Consolidated Statement of Financial Position as at 31 October 2021

	Note	**2021** **£'000**	2020 £'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	**46,758**	46,431
Receivables	11	**162**	225
Cash and cash equivalents		**20**	6
Total current assets		**46,940**	46,662
Total assets		**50,680**	50,402
Equity			
Share capital	14	**19,021**	17,959
Share premium account		**36,583**	36,476
Merger reserve account		**9,349**	9,349
Warrant reserve		**2,571**	2,527
Retained earnings		**(25,118)**	(24,369)
Total equity		**42,406**	41,942
Liabilities			
Current liabilities	12	**8,274**	8,460
Total equity and liabilities		**50,680**	50,402

The financial statements on pages 15 to 39 were approved by the Board of Directors and authorised for issue on 28 April 2022

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 2021

	Note	**2021 £'000**	2020 £'000
Assets			
Non-current assets			
Investments	9	**31,736**	21,736
Total non-current assets		**31,736**	21,736
Current assets			
Receivables	11	**23,326**	32,686
Cash and cash equivalents		**2**	1
Total current assets		**23,328**	32,687
Total assets		**55,064**	54,423
Equity			
Share capital	14	**19,021**	17,959
Share premium account		**36,583**	36,476
Warrant reserve		**2,571**	2,527
Retained earnings		**(6,260)**	(5,709)
Total equity		**51,915**	51,253
Liabilities			
Current liabilities	12	**3,149**	3,170
Total equity and liabilities		**55,064**	54,423

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 2021 was £551,000 (2020: £728,000).

The financial statements on pages 15 to 39 were approved by the Board of Directors and authorised for issue on 28 April 2022

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 2021

	2021 **£'000**	2020 £'000
Cash flows from operating activities		
Loss before taxation	**(749)**	(876)
Finance costs	**238**	12
Depreciation	**-**	-
Increase in inventories	**(327)**	(583)
Decrease / (Increase) in receivables	**63**	(14)
(Decrease) / Increase in current liabilities	**(514)**	894
Net cash (outflow) from operations	**(1,289)**	(567)
Finance costs	**(194)**	(12)
Net cash used in operating activities	**(1,483)**	(579)
Cash flows from investing activities		
Purchase of property, plant and equipment	**-**	-
Net cash used in investing activities	**-**	-
Cash flows from financing activities		
Net proceeds from the issue of ordinary shares	**1,169**	1,128
Loans received / (repaid)	**328**	(567)
Net cash generated from financing activities	**1,497**	561
Net increase / (decrease) in cash	**14**	(18)
	14	(18)
Cash at beginning of year	**6**	24
Cash at end of year	**20**	6

Company Cash Flow Statement
Year ended 31 October 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Loss before taxation	**(551)**	(728)
Finance costs	**238**	11
Depreciation	**-**	-
Increase in receivables	**(640)**	(211)
Increase in current liabilities	**8**	378
Net cash outflow from continuing operations	**(945)**	(550)
Finance costs	**(194)**	(11)
Net cash used in operating activities	**(1,139)**	(561)
Cash flows from investing activities		
Purchase of property, plant and equipment	**-**	-
Net cash used in investing activities	**-**	-
Cash flows from financing activities		
Net proceeds from the issue of ordinary shares	**1,169**	1,128
Loans repaid	**(29)**	(567)
Net cash generated from financing activities	**1,140**	561
Net increase in cash	**1**	-
Cash at beginning of year	**1**	1
Cash at end of year	**2**	1

Notes to the Financial Statements
Year ended 31 October 2021

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 2021:

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	Amendments regarding the classification of liabilities	1 January 2023
IAS 1	Presentation of Financial statements	IASB defers effective date of *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* to 1 January 2022	1 January 2023
IAS 12	Income Taxes	Amended by Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	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.

Notes to the Financial Statements (continued)
Year ended 31 October 2021

1 Accounting policies (continued)

Going concern (continued)

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. 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 2021 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 2021

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.

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.

Notes to the Financial Statements (continued)
Year ended 31 October 2021

1 Accounting policies (continued)

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.

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 Company has granted options and warrants to purchase Ordinary Shares. The fair values of the options and warrants are calculated using the Black-Scholes and Binomial option pricing models as appropriate at the grant date. The fair value of the options is charged to profit or loss 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.

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.

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

1 Accounting policies (continued)

Taxation (continued)
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.

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 2021			
Fees	**35**	**155**	**190**
Sums charged by third parties for directors' and key management services	**2**	**70**	**72**
Share-based payments (note 17)	**-**	**-**	**-**
	37	**225**	**262**
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

The total directors' and key management remuneration shown above includes the following amounts in respect of the directors of the Company. No director has a service agreement with a notice period that exceeds twelve months.

	2021		2020	
	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)	**40**	**-**	134	**-**
B D Bartman	**35**	**-**	35	**-**
G D Cook	**35**	**-**	35	**-**
T R C Hill	**35**	**-**	35	**-**
	145	**-**	239	**-**

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

Notes to the Financial Statements (continued)
Year ended 31 October 2021

2 Information regarding directors and employees (continued)

Highest paid director
The Companies Act 2006 requires certain disclosures about the remuneration of the highest paid director taking into account emoluments, gains on exercise of share options and amounts receivable under long-term incentive schemes. On this basis, the highest paid director in the year was C W Egleton and details of his remuneration are disclosed above.

The Group's policy on directors' remuneration is to:
1. attract and retain high quality executives by paying competitive remuneration packages relevant to each director's role, experience and the external market. The packages include contributions to private medical insurance; and
2. give incentives to directors to maximise shareholder value through a long-term reward approach, mainly through the award of share options, which are not exercisable immediately, against key performance indicators.

The Remuneration Committee has only needed to meet once during the year to confirm director pay and conditions. The Committee will reconsider remuneration for directors over the coming months.

	2021	2020
	No.	No.
Group monthly average number of persons employed		
Directors	**7**	7
Management, administration and sales	**-**	-

3 Segmental information

Since the sale of the travel agency business in 2019, the Group's activities have been focussed solely on the luxury resorts division, being the development of a luxury resort in Crete, which includes the central administration costs of the Group. As the Luxury Resorts segment accounts for more than 90% of the Group's activities, no segmental information is appropriate.

4 Loss before taxation

The loss before taxation is stated after charging:

	2021	2020
	£'000	£'000
Depreciation	**-**	-
Auditor's remuneration	**17**	20
Foreign exchange variances	**-**	-

Notes to the Financial Statements (continued)
Year ended 31 October 2021

5 Taxation

Consolidated

(a) Analysis of taxation for the year

	2021 £'000	2020 £'000
UK corporation tax	**-**	-

(b) Factors affecting taxation for the year

	2021 £'000	2020 £'000
Loss before taxation	**(749)**	(876)
Tax on ordinary activities multiplied by the UK corporation tax rate of 19% (2020: 19%)	**(142)**	(166)
Effects of:		
Expenses not deductible for tax purposes	**-**	-
Other timing differences	**-**	-
Increase in tax losses	**142**	166
Taxation charge for the year	**-**	-

Taxation losses carried forward appear in note 13.

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 2021 was 550,510,460 (31 October 2020: 444,380,229).

	Earnings 2021	**2021 Weighted average number of shares**	**Per-share amount (pence)**
Basic EPS			
Earnings attributable to ordinary shareholders	**(748,475)**	**550,510,460**	**(0.14)**
Effect of dilutive securities	**-**	**-**	**-**
Diluted EPS			
Adjusted earnings	**(748,475)**	**550,510,460**	**(0.14)**
	(748,475)	**550,510,460**	**(0.14)**

Notes to the Financial Statements (continued)
Year ended 31 October 2021

6 Loss per share (continued)

	Earnings 2020	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)

7 Intangible assets

Consolidated	**2021**		2020	
	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 £50,341,000 at 31 October 2021 (31 October 2020: £50,014,000) 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 2021

8 Property, plant and equipment

Year ended 31 October 2021

Consolidated	**Freehold land**	**Furniture, fittings, plant & equipment**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 November 2020	**203**	**92**	**295**
Additions	**-**	**-**	**-**
Disposals	**-**	**-**	**-**
At 31 October 2021	**203**	**92**	**295**
Accumulated depreciation			
At 1 November 2020	**53**	**85**	**138**
Provided in year	**-**	**-**	**-**
At 31 October 2021	**53**	**85**	**138**
Net book value			
At 31 October 2021	**150**	**7**	**157**

Year ended 31 October 2020

Consolidated	Freehold land	Furniture, fittings, plant & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 November 2019	203	92	295
Additions	-	-	-
Disposals	-	-	-
At 31 October 2020	203	92	295
Accumulated depreciation			
At 1 November 2019	53	85	138
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 2021

9 Investments

Company

Year ended 31 October 2021

	Shares in subsidiaries £'000
Cost	
At 1 November 2020	**21,736**
Additions	**10,000**
At 31 October 2021	**31,736**
Impairment	
At 31 October 2021	**-**
	-
Net book value at 31 October 2021	**31,736**

Year ended 31 October 2020

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

Interests in subsidiaries

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 October 2021
Loyalward Limited	United Kingdom	100%
Loyalward Leisure PLC	United Kingdom	100%
Loyalward Hellas S.A.	Greece	100%

Notes to the Financial Statements (continued)
Year ended 31 October 2021

10 Inventories

Consolidated
Inventories at 31 October 2021 amounted to £46,758,000 (31 October 2020: £46,431,000), 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.

11 Receivables

Consolidated	**2021 £'000**	2020 £'000
Other receivables and prepayments	**74**	124
Value added tax recoverable	**88**	101
	162	225

No provision is considered necessary in respect of irrecoverable amounts.

Company	**2021 £'000**	2020 £'000
Amounts owed by subsidiary companies (see note 16)	**23,319**	32,618
Other receivables and prepayments	**-**	50
Value added tax recoverable	**7**	18
	23,326	32,686

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	**2021 £'000**	2020 £'000
Trade and other payables	**3,148**	2,930
Other creditor (see below)	**1,000**	1,000
Social security and other taxes	**31**	31
Loans (see note 15)	**2,411**	2,083
Accruals and deferred charges	**1,684**	2,416
	8,274	8,460

Notes to the Financial Statements (continued)
Year ended 31 October 2021

12 Liabilities (continued)

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.

Current liabilities

Company	**2021 £'000**	2020 £'000
Trade and other payables	**395**	399
Amounts owed to subsidiary companies (see note 16)	**38**	38
Loans (see note 15)	**2,007**	2,036
Accruals and deferred charges	**709**	697
	3,149	3,170

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**	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Tax effect of timing differences because of:				
Other short term timing differences	**-**	-	**-**	-
Losses	**4,577**	3,618	**-**	-
	4,577	3,618	**-**	-

The above potential deferred tax asset is based on a corporation tax rate of 23% (2020: 19%).

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

	Total potential asset		**Amount recognised**	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Tax effect of timing differences because of:				
Other short term timing differences	**-**	-	**-**	-
Losses	**2,027**	1,550	**-**	-
	2,027	1,550	**-**	-

The above potential deferred tax asset is based on a corporation tax rate of 23% (2020: 19%).

Notes to the Financial Statements (continued)
Year ended 31 October 2021

13 Deferred taxation (continued)

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

	2021	2020
	£'000	£'000
Called up, allotted and fully paid		
602,517,005 Ordinary Shares of 1p each (2020: 496,315,908)	**6,025**	4,963
54,148,031 Deferred Shares of 24p each	**12,996**	12,996
626,427 Zero Coupon Redeemable Preference Shares of 0.0001p each	**-**	-
	19,021	17,959

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.

On 29 December 2021 a total of 15,000,000 ordinary shares of 1p each were issued at 1p per share in respect of a fee payable on the extension of a loan to the Company.

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 risk 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).

Notes to the Financial Statements (continued)
Year ended 31 October 2021

15 Financial instruments and risk management (continued)

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.

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:

	2021	2020
	£'000	£'000
Loans repayable in less than one year	**2,411**	2,083

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

Included in Loans repayable in less one year for both the Group and the Company is an amount of £1,136,000 with DAGG LLP (the "Loan") which is due for repayment on 30 April 2022. The Company is continuing discussions with the lender and reports that both parties are working towards a mutually acceptable solution to help to ensure the Company has sufficient working capital for the next year. The Loan is secured with a floating charge on the assets of the Company.

Notes to the Financial Statements (continued)
Year ended 31 October 2021

16 Related party transactions

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 2021 and at 31 October 2020.

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 31 October		Payable as at 31 October	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Simmons International Limited	**40**	134	**97**	109
Bizwatch Limited	**-**	-	**11**	11
I.H.M. Industry & Hotel Management Limited	**-**	-	**70**	70
B D Bartman & Co	**35**	35	**89**	54
Keith Day & Partners Ltd	**35**	35	**130**	95

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 October	**2021**	2020
	£'000	£'000
Loyalward Limited	**23,320**	32,618
Loyalward Leisure Plc	**(38)**	(38)

Notes to the Financial Statements (continued)
Year ended 31 October 2021

17 Share options and warrants

Directors' interests in share options

Options granted in exchange for the waiver of fees etc by current directors and former directors:

	31 October 2021			31 October 2020		
	Exercise price	**Ordinary Shares**	**Expiry date**	Exercise price	Ordinary Shares	Expiry date
B D Bartman	**1p**	**1,000,000**	**31/12/22**	1p	1,000,000	31/12/19
B D Bartman	**1p**	**850,000**	**31/12/22**		850,000	31/12/19
W C Cole (director Loyalward Limited)	**1p**	**1,000,000**	**31/12/22**	1p	1,000,000	31/12/19
W C Cole (director Loyalward Limited)	**1p**	**1,711,111**	**31/12/22**	1p	1,711,111	31/12/19
G D Cook	**1p**	**384,615**	**31/12/22**	1p	384,615	31/12/19
G D Cook	**1p**	**377,778**	**31/12/22**	1p	377,778	31/12/19
T R C Hill	**1p**	**1,233,333**	**31/12/22**	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 2022. See also Note 21 for Events after the reporting date.

Other share options

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

	Ordinary Shares At 31 October		
	2021	2020	Expiry date
Exercisable at 60 pence per share	**3,318,000**	3,318,000	See note 1
Exercisable at 1 pence per share	**4,695,299**	4,695,299	See note 2
	8,013,299	8,013,299	

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

Notes re share options:

1. The 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 2021.

See also Note 21 for Events after the reporting date.

Notes to the Financial Statements (continued)
Year ended 31 October 2021

17 Share options and warrants (continued)

Warrants

During the year the fair value of the warrants increased by £44,000. 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 At 31 October		
	2021	2020	Expiry date
Exercisable at 1.4 pence per share	**41,818,182**	41,818,182	31/05/22
Exercisable at 1.4 pence per share	**3,181,818**	-	31/12/22
Exercisable at 2.75 pence per share	**3,677,828**	3,677,828	12/10/23
Exercisable at 6.0 pence per share	**-**	458,333	26/04/21
	48,677,828	45,954,343	

Finance costs

At 31 October	**2021 £'000**	2020 £'000
Fair value of warrants issued	**44**	(567)
Loan interest	**129**	29
Other interest / fees	**65**	550
	238	12

18 Contingent liabilities and commitments

In addition to that 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 in 2016 and 2019, grants the directors a variable performance award which is based on the monetised value of the Project of up to 10% over and above a minimum value of £15,000,000.

The present directors of the Minoan Group Plc have the right to purchase a total of eight 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.

Notes to the Financial Statements (continued)
Year ended 31 October 2021

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.

21 Events after the reporting date

On 30 December 2021, 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 2022.