

**Minoan Group Plc**  
**Report and Financial Statements**  
**Year ended 31 October 2013**

Company registration no: 3770602

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**Minoan Group Plc**  
**Report and Financial Statements**  
**Year ended 31 October 2013**

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# Minoan Group Plc

## Directors and Advisers

### Directors

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

### Company secretary

W C Cole FCA

### Registered office

5 Old Bailey  
London  
EC4M 7BA

### Head office

3<sup>rd</sup> Floor  
Sterling House  
20 Renfield Street  
Glasgow  
G2 5AP

### Administration office

3<sup>rd</sup> Floor  
AMP House  
Dingwall Road  
Croydon  
Surrey  
CR0 2LX

### Bankers

HSBC Bank plc, London  
Barclays Bank Plc, Glasgow

### Legal advisers

Pinsent Masons LLP, London

### Nominated adviser and broker

WH Ireland Limited, London

### Registrars

Neville Registrars Limited, Halesowen, West Midlands

### Independent auditor

Chantrey Vellacott DFK LLP  
Chartered Accountants and Statutory Auditor  
Russell Square House  
10-12 Russell Square  
London  
WC1B 5LF

# Minoan Group Plc

## Chairman's Statement

### Introduction

The year under review saw the successful completion of the consolidation of the Group's travel business under the Stewart Travel brand and very strong trading results. The Group's project in Greece (the "Project") was granted Fast Track status and a major new financing facility was completed.

The Group has made significant progress in its twin objectives of the creation of a widely based travel and leisure business, and the realisation of value from the Project, having put in place the management, financial and technical resources to support both significant further growth of the travel and leisure division, and the progress of the Project towards Presidential Decree and beyond.

Since the year end we have continued to move forward with the buy in of the 20% stake in the travel business sold earlier in the financial year, the completion and submission of the Strategic Environmental Assessment ("SEA") for the Project and the start of the Public Consultation process on the SEA. In addition, we have agreed to acquire the trade and assets of Martin Singer Travel Limited, a successful, long established, independent business in the Aberdeen area.

### Greece

The Project has already received the support of the local municipality in Sitia and the next step, assuming a successful Public Consultation, is the preparation and gazetting of the Presidential Decree setting out the development zones for the Project as approved under the Fast Track legislation.

Whilst the Group's team in Greece continues to work on matters concerning the granting of the Presidential Decree, the focus of their efforts is beginning to change and move towards the practical implementation of the Project.

The Group has completed major steps forward for the Project - Fast Track Approval, the preparation and submission of the SEA and its release for Public Consultation. With their completion, looking ahead, the primary objective for the directors is the crystallisation of shareholder value. It is intended to explore all possible avenues open to the Company including the progression of a number of ongoing discussions with potential joint venture partners and operators as well the instigation of discussions with other parties who have registered their interest in participating in the Project.

On a more general note, it has been announced that funds are being made available by the Greek National and Regional Governments to improve the road network in the region and also to allow the completion of the new passenger terminal at Sitia airport, both of which are expected to increase the tourism value of the local area.

### Travel and Leisure

The Group's travel and leisure division has had another successful year with total transaction value growing by 37% for the year ended 31 October 2013 to reach £51.2 million (2012: £37.4 million) and a profit before tax from the continuing business of £604,000 (2012: £413,000).

# Minoan Group Plc

## Chairman's Statement (continued)

### Travel and Leisure (continued)

Excluding the effect of acquisition and significant discontinued business streams, the gross profit of the division increased by 9%. This impressive growth reflects a mix of volume growth and the fruits of a conscious strategy to move away from traditional retail business towards higher margin business, thereby generating an overall increase in gross margin. In particular, the businesses of Cruise and Golf grew substantially ahead of the market.

Although the additional overhead base of acquired businesses has contributed to an increase in divisional overheads, underlying overheads remain broadly stable on a like for like basis. More generally, and in line with the underlying strategy, the infrastructure and overhead base of the business, together with the management team, remain at a level appropriate to support a far greater volume of business and acquisition targets continue to be actively pursued.

Assuming the successful completion of its most recent acquisition, which remains subject to due diligence, the Group's travel division will have acquired and successfully integrated eight travel agencies and businesses to date.

### Financial review

During the year, cash used in operating activities amounted to £2.2 million, funded by borrowings under the £5 million loan facility secured with Hillside International Holdings Limited ("Hillside"), other loans, plus the sale of a 20% interest in the T&L division, generating proceeds in the year of £2.5 million.

Since the year end, we have re-acquired the minority interest in the T&L division for a total consideration of £930,000, drawn further upon the Hillside facility, and directors and senior management have demonstrated their confidence in the Group by settling fees totalling £699,000 in equity and options.

### Board change

On 19 February 2014, the Company announced that Barry Bartman was retiring from the role of Group Finance Director with effect from the end of that month whilst remaining on the Board as a non-executive director. The Company has commenced the process of recruiting a new Group Finance Director.

Barry has made an enormous contribution since joining the Board and my colleagues and I are very pleased that he has agreed to remain as a non-executive director so that the Group may continue to benefit from his wide experience and, in particular, his knowledge of the Greek business climate and the Project.

On a personal note, I am delighted that Barry is to remain with the Group.

### Outlook

#### Greece

The progress made in the last few months has been gratifying and there is no doubt that there is now support for the Project at all levels within the Greek Government and communities local to the Project. I believe that the Board's long held belief both in the Project and in our team's ability to bring it to fruition is now closer than ever to being realised.

# Minoan Group Plc

## Chairman's Statement (continued)

### Outlook (continued)

#### Travel and Leisure

The trading performance of the division since the year end has continued to strengthen

In respect of the continuing business streams, total transaction value for the first five months of the current financial year increased by 10% and gross profit by 15%. The division's best performing areas are Corporate Travel and Cruise, both of which are registering annual sales growth rates of over 20%

The Board is delighted by Travel and Leisure's performance so far this financial year. It is clear that sales are rising and discounts falling, which is the virtuous circle we aimed to achieve.

Our confidence in the outlook for the current year is reinforced by the fact that the results for February are better than the industry trend with March reflecting even stronger growth.

The Travel and Leisure business continues to offer good opportunities for expansion and the Board will continue its buy-and-build strategy in seeking to acquire businesses that add value to our Stewart Travel brand. We are continuing discussions with a number of prospective acquisitions in the North of England and expect to be able to update the market in the coming weeks.

#### Conclusion

This has been our most successful year to date and my colleagues and I look forward to reporting to shareholders on further significant progress in all areas of the Group's business over the next twelve months.

*Christopher W Egleton*  
Chairman  
1 April 2014



# Minoan Group Plc

## Strategic Report

The directors present their Strategic Report and the audited consolidated financial statements for the year ended 31 October 2013

### Review of business

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

The directors are of the opinion that analysis using key performance indicators for the Project is not necessary for an understanding of the development, performance or position of that operation

The key performance indicators used in the travel businesses are total transaction value and gross profit. Total transaction value has increased to £51,164,000 from £37,379,000 and gross profit has increased to £5,196,000 from £3,733,000. This reflects the impact of a full year's trading for businesses acquired part way through the year ended 31 October 2012, new businesses acquired during the year ended 31 October 2013 and underlying growth.

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

### Principal risks and uncertainties

The Group's key risks currently remain centred round 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 to provide a return to shareholders in due course (see also note 1).

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

The risks relating to the travel businesses are primarily its reliance on supply from tour operators and airlines, and changes in general economic and other business conditions which may adversely affect demand for tourism products. There are no material risks related to currency.

The Board is confident that the value of the Group's asset in Crete, combined with the future prospect 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 referred to in note 1, certain costs in respect of the Project, which were reallocated to non-current assets in a prior year, have been transferred to inventories during the year. Although its long term commitment to the Project remains unchanged, the directors have re-assessed the treatment of this asset in the light of changes in the project financing market and their previously stated intention to develop the Project with joint venture partners and other interested parties. In order to provide flexibility in their future plans, and having taken relevant advice, it has been decided that the costs referred to above, currently shown in non-current assets, should be reallocated to current assets as at 31 October 2013. The directors envisage that any joint venture or partnership arrangements will preserve the nature of the Group's long term commitment to the Project.

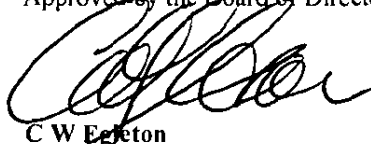
# Minoan Group Plc

## 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 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.

Approved by the Board of Directors and signed by order of the Board



C W Egleton  
Director  
1 April 2014

# Minoan Group Plc

## Directors' Report

The directors present their annual report for the year ended 31 October 2013

### 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 and in the operation of independent travel businesses, through which the Group provides a broad range of services including, inter alia, transportation, hotel and other accommodation and leisure services.

### Results and dividends

The financial statements are prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") and IFRIC interpretations and the Companies Act 2006.

The Group made a loss for the year, after taxation of £1,150,000 (31 October 2012: £1,371,000). The loss also includes a charge in respect of share-based payments (note 17) in the amount of £386,000 (31 October 2012: £290,000). This charge does not involve any cash payment.

No dividend is proposed for the year (31 October 2012: Nil).

A review of the Group's business appears in the Chairman's Statement on page 2 and the Strategic Report on page 5.

### 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 EU. 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 estimates that are reasonable and prudent,
- state the financial statements comply with IFRS as adopted by the EU, 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.

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.

# Minoan Group Plc

## Directors' Report (continued)

### Statement of directors' responsibilities (continued)

The directors are responsible for the maintenance and integrity of the Group web site, [www.minoangroup.com](http://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 EU,

- 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 of 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 at the end of the period 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 balance sheet date

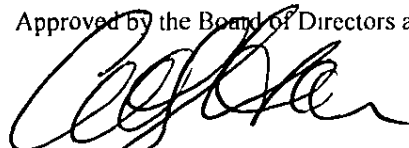
The directors draw attention to the events disclosed in note 20.

### 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 re-appoint Chantrey Vellacott DFK LLP as the auditor for the ensuing year will be proposed at the Annual General Meeting of the Company in accordance with section 489 of the Companies Act 2006.

Approved by the Board of Directors and signed by order of the Board



C W Egleton

Director

1 April 2014

## Minoan Group Plc

### Independent Auditor's Report to the members of Minoan Group Plc

We have audited the financial statements of Minoan Group Plc for the year ended 31 October 2013 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity, the consolidated and company balance sheets, the consolidated and company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

#### Respective responsibilities of directors and the auditor

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

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2013 and of the group's loss for the year then ended.

## Minoan Group Plc

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

#### Opinion on financial statements (continued)

- 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

#### Emphasis of matter - project in Crete and going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Chairman's Statement, the Strategic Report and in note 1 to the financial statements concerning the uncertainty regarding the Group's ability to secure detailed planning consents and project finance in order to bring its project in Crete to fruition and to continue as a going concern, which is dependent on the group's ability to continue to raise capital to finance its working capital requirements to move forward, whether with the Project or with the travel and leisure business

The financial statements do not include any adjustments that would result if the group was unsuccessful in this regard

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following where under the Companies Act 2006 we are required to report to you if, in our opinion

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

*Chantrey Vellacott DFK LLP*

Ian Staunton (Senior Statutory Auditor)

for and on behalf of CHANTREY VELLACOTT DFK LLP

Chartered Accountants and Statutory Auditor

LONDON

1 April 2014

## Minoan Group Plc

### Consolidated Statement of Comprehensive Income Year ended 31 October 2013

	2013 £'000	2012 £'000
<b>Total transaction value</b>	<b>51,164</b>	<b>37,379</b>
Revenue	9,217	9,453
Cost of sales	4,021	5,720
<b>Gross profit</b>	<b>5,196</b>	<b>3,733</b>
Operating expenses	(5,416)	(3,867)
Other operating expenses		
Corporate development costs	(457)	(866)
Charge in respect of share-based payments	(386)	(290)
<b>Operating loss</b>	<b>(1,063)</b>	<b>(1,290)</b>
Finance costs	(119)	(57)
<b>Loss before taxation</b>	<b>(1,182)</b>	<b>(1,347)</b>
Taxation credit/(charge)	32	(24)
<b>Loss after taxation</b>	<b>(1,150)</b>	<b>(1,371)</b>
<b>Profit for year attributable to non-controlling interest</b>	<b>22</b>	<b>-</b>
<b>Loss for year attributable to equity holders of the Company</b>	<b>(1,172)</b>	<b>(1,371)</b>
<b>Loss per share attributable to equity holders of the Company: Basic and diluted</b>	<b>(0.78)p</b>	<b>(1.14)p</b>

All of the activities of the Group are classed as continuing

The Group had no recognised gains and losses other than the results for the year set out above

The notes on pages 20 to 50 form part of these financial statements

# Minoan Group Plc

## Statements of Changes in Equity Year ended 31 October 2013

Consolidated

Year ended 31 October 2013

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 November 2012	14,541	28,349	9,349	(11,084)	-	41,155
(Loss)/ profit for the year	-	-	-	(1,172)	22	(1,150)
Net proceeds from share issues	152	432	-	-	-	584
Disposal of non-controlling interest	-	-	-	(127)	897	770
Share-based payments	-	-	-	386	-	386
<b>Balance at 31 October 2013</b>	<b>14,693</b>	<b>28,781</b>	<b>9,349</b>	<b>(11,997)</b>	<b>919</b>	<b>41,745</b>

Year ended 31 October 2012

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 November 2011	14,054	24,809	9,349	(10,388)	-	37,824
Loss for the year	-	-	-	(1,371)	-	(1,371)
Net proceeds from share issues	487	3,540	-	-	-	4,027
Share-based payments	-	-	-	290	-	290
Current year charges	-	-	-	385	-	385
Settlement of liabilities	-	-	-	-	-	-
<b>Balance at 31 October 2012</b>	<b>14,541</b>	<b>28,349</b>	<b>9,349</b>	<b>(11,084)</b>	<b>-</b>	<b>41,155</b>

# Minoan Group Plc

## Statements of Changes in Equity (continued) Year ended 31 October 2013

### Company

#### Year ended 31 October 2013

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2012	14,541	28,349	3,060	45,950
Loss for the year	-	-	(773)	(773)
Net proceeds from share issues	152	432	-	584
Share-based payments charge	-	-	386	386
Balance at 31 October 2013	14,693	28,781	2,673	46,147

#### Year ended 31 October 2012

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2011	14,054	24,809	3,123	41,986
Loss for the year	-	-	(738)	(738)
Net proceeds from share issues	487	3,540	-	4,027
Share-based payments	-	-	-	-
Current year charges	-	-	290	290
Settlement of liabilities	-	-	385	385
Balance at 31 October 2012	14,541	28,349	3,060	45,950

# Minoan Group Plc


## Consolidated Balance Sheet as at 31 October 2013

	Notes to the Financial Statements	2013 £'000	2012 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	7	8,678	8,229
Property, plant and equipment	8	719	20,706
<b>Total non-current assets</b>		<b>9,397</b>	<b>28,935</b>
<b>Current assets</b>			
Inventories	10	38,367	16,763
Receivables	11	896	1,063
Cash and cash equivalents		271	657
<b>Total current assets</b>		<b>39,534</b>	<b>18,483</b>
<b>Total assets</b>		<b>48,931</b>	<b>47,418</b>
<b>Equity</b>			
Share capital	14	14,693	14,541
Share premium account		28,781	28,349
Merger reserve account		9,349	9,349
Retained earnings		(11,997)	(11,084)
		<b>40,826</b>	<b>41,155</b>
Non-controlling interest		919	-
<b>Total equity</b>		<b>41,745</b>	<b>41,155</b>
<b>Liabilities</b>			
Non-current liabilities	12	1,159	-
Current liabilities	12	6,027	6,263
<b>Total liabilities</b>		<b>7,186</b>	<b>6,263</b>
<b>Total equity and liabilities</b>		<b>48,931</b>	<b>47,418</b>

The financial statements on pages 11 to 50 were approved and authorised for issue by the Board of Directors on 1 April 2014

Signed on behalf of the Board of Directors

C W Egleton  
Director



# Minoan Group Plc

## Company Balance Sheet as at 31 October 2013

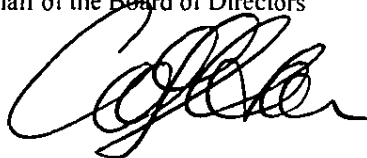
	Note to the Financial Statements	2013 £'000	2012 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	26,436	25,936
<b>Total non-current assets</b>		<b>26,436</b>	<b>25,936</b>
<b>Current assets</b>			
Receivables	11	23,416	22,722
Cash and cash equivalents		35	5
<b>Total current assets</b>		<b>23,451</b>	<b>22,727</b>
<b>Total assets</b>		<b>49,887</b>	<b>48,663</b>
<b>Equity</b>			
Share capital	14	14,693	14,541
Share premium account		28,781	28,349
Retained earnings		2,673	3,060
<b>Total equity</b>		<b>46,147</b>	<b>45,950</b>
<b>Liabilities</b>			
Non-current liabilities	12	1,100	-
Current liabilities	12	2,640	2,713
<b>Total liabilities</b>		<b>3,740</b>	<b>2,713</b>
<b>Total equity and liabilities</b>		<b>49,887</b>	<b>48,663</b>

Company registration number 3770602

The financial statements on pages 11 to 50 were approved and authorised for issue by the Board of Directors on 1 April 2014

Signed on behalf of the Board of Directors

C W Egleton  
Director



# Minoan Group Plc

## Consolidated Cash Flow Statement Year ended 31 October 2013

	Notes to the Consolidated Cash Flow Statement	2013 £'000	2012 £'000
<b>Cash flows from operating activities</b>			
Net cash outflow from continuing operations	1	(2,066)	(1,656)
Finance costs		(119)	(57)
<b>Net cash used in operating activities</b>		<b>(2,185)</b>	<b>(1,713)</b>
<b>Cash flows from investing activities</b>			
Acquisition of trade and assets of Stewart Travel Centre		-	(360)
Cash acquired with Stewart Travel Centre		-	286
Purchase of property, plant and equipment		(371)	(45)
Purchase of intangible assets		(315)	(233)
<b>Net cash used in investing activities</b>		<b>(686)</b>	<b>(352)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from the issue of ordinary shares		-	1,522
Loans received		1,760	691
Net proceeds from sale of shares in subsidiary company		770	-
Payments of hire purchase liabilities		(45)	-
<b>Net cash generated from financing activities</b>		<b>2,485</b>	<b>2,213</b>
<b>Net (decrease)/increase in cash</b>		<b>(386)</b>	<b>148</b>
Cash at beginning of year		657	509
<b>Cash at end of year</b>		<b>271</b>	<b>657</b>

# Minoan Group Plc

## Notes to the Consolidated Cash Flow Statement Year ended 31 October 2013

### 1 Cash flows from operating activities

	2013 £'000	2012 £'000
Loss before taxation	(1,182)	(1,347)
Finance costs	119	57
Depreciation	124	59
Amortisation	45	-
Loss/(gain) on disposal of property, plant and equipment	102	(4)
Exchange (gain)/loss relevant to property, plant and equipment	(11)	19
Increase in inventories	(1,291)	(1,111)
Share-based payments	386	675
Decrease/(increase) in receivables	175	(599)
Decrease in current liabilities	(278)	(1,294)
Non cash movement in non-current assets	20,313	200
Non cash movement in intangible assets	(179)	-
Non cash movement in investments	-	100
Non cash movement in inventories	(20,313)	-
Non cash movement in equity	(76)	1,589
<b>Net cash outflow from continuing operations</b>	<b>(2,066)</b>	<b>(1,656)</b>

# Minoan Group Plc

## Company Cash Flow Statement Year ended 31 October 2013

	Notes to the Company Cash Flow Statement	2013 £'000	2012 £'000
<b>Cash flows from operating activities</b>			
Net cash outflow from continuing operations	1	(1,611)	(493)
Finance costs		(119)	(57)
<b>Net cash used in operating activities</b>		<b>(1,730)</b>	<b>(550)</b>
<b>Cash flows from investing activities</b>			
Investment in subsidiary companies		-	(1,670)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(1,670)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from the issue of ordinary shares		-	1,522
Loans received		1,760	691
<b>Net cash generated from financing activities</b>		<b>1,760</b>	<b>2,213</b>
<b>Net increase/(decrease) in cash</b>		<b>30</b>	<b>(7)</b>
Cash at beginning of year		5	12
<b>Cash at end of year</b>		<b>35</b>	<b>5</b>

## Minoan Group Plc

### Notes to the Company Cash Flow Statement Year ended 31 October 2013

#### 1 Cash flows from operating activities

	2013 £'000	2012 £'000
Loss before taxation	(773)	(738)
Finance costs	119	57
Share-based payments	386	675
Increase in receivables	(694)	(3,167)
(Decrease)/increase in current liabilities	(73)	866
Non cash movement in investments	(500)	-
Non cash movement in equity	(76)	1,814
Net cash outflow from continuing operations	(1,611)	(493)

# Minoan Group Plc

## Notes to the Financial Statements Year ended 31 October 2013

### 1 Accounting policies

These consolidated financial statements are prepared in accordance with EU adopted International Financial Reporting Standards (“IFRS”) and the International Financial Reporting Interpretations Committee (“IFRIC”) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The International Accounting Standards Board and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements and which have not been adopted early.

Standard/Interpretation	Title	Effective date
IAS 19 (amendments)	Employee benefits	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosure of interest in other entities	1 January 2014
IFRS 13	Fair value measurement	1 January 2014
IAS 27	Separate financial statements	1 January 2014
IAS 28 (revised)	Investments in associates and joint ventures	1 January 2014

The Board has not yet established the effect of these standards on the Group.

#### Going concern

The financial statements have been prepared on the going concern basis.

The directors have considered the financial and commercial position of the Group in relation to its project in Crete (the “Project”) and also in respect of its travel and leisure (“T&L”) business. In particular, the directors have reviewed the matters referred to below.

Having received approval for the Project to qualify as a strategic investment and to be eligible for inclusion under the provisions of the Fast Track Law, the new process approved by the Greek Government allowing for quicker permitting time for Fast Track projects, the Company is currently awaiting the approval of the Strategic Environmental Assessment (“SEA”) in respect of the Project, which was submitted on 23 December 2013. The SEA became available for public consultation, which includes the relevant ministries, on 19 February 2014. All comments should be received by the end of March 2014.

Accordingly, the directors consider it relevant that having completed a financial joint venture agreement (see note 12) prior to Fast Track and any other consents, they will conclude further Project joint venture agreements in the near term. In addition, the directors are considering a number of other agreements which are likely to have a major beneficial impact on the Group’s resources.

In addition to specific Project related matters as noted above, and as has been the case in the past, the Group continues to raise capital in order to meet its existing working capital requirements and the directors consider that any necessary funds will be raised as required.

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 1 Accounting policies (continued)

#### Going concern (continued)

With the first acquisitions in the planned expansion of its T&L business having been completed, the Group is now generating profits and cash flow within this sector of its activities

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

#### Basis of accounting

The financial statements are prepared under the historical cost convention except for financial instruments which are stated at fair value

No statement of comprehensive income is presented by the Company as permitted by Section 408 of the Companies Act 2006. The Company's loss before taxation for the year ended 31 October 2013 was £773,000 (year ended 31 October 2012 £738,000)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries as at 31 October 2013 using uniform accounting policies. The Group's policy is to consolidate the income of subsidiaries acquired in the year from the date of acquisition to the Group's next accounting reference date. The financial statements of Loyalward Hellas S A, the Company's Greek subsidiary, are consolidated using the currency exchange rate ruling at the period end. 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 to the Group in exchange for control of the acquired. 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 property, plant and equipment and inventories below), and continuing to recognise goodwill, the directors are of the opinion that the Project will be brought to fruition and that the carrying value of property, plant and equipment, inventories and goodwill is reasonable,

# Minoan Group Plc

## Notes to the Financial Statements (continued)

### Year ended 31 October 2013

#### 1 Accounting policies (continued)

##### Goodwill

Goodwill arising on acquisitions represents the difference between the fair value of the net assets acquired and the consideration paid

Goodwill is tested annually for impairment. 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 non-current assets and inventories. The directors' opinion of the current value also takes into account the estimate dated 27 June 2011 of the development value of the Project site in the order of €100 million, which was included in the Company's AIM readmission document published on 30 September 2011 and which was reaffirmed in March 2012.

In addition, the directors are of the opinion that the projected value of the Travel and Leisure business, which is treated as one cash generating unit, is in excess of the value of the amount of goodwill attributable to it. This opinion is arrived at on the basis of the good names of the businesses acquired and the fact that the establishment of business clusters affords the Company the opportunity to realise certain economies of scale thus improving cash flow and profitability.

Goodwill arising from acquisitions has been recognised as an asset (see note 7).

##### Property, plant and equipment

In a prior year, certain costs in respect of the Project were reallocated to non-current assets. Although its long term commitment to the Project remains unchanged, the Group has re-assessed the treatment of this asset in the light of changes in the project financing market and its previously stated intention to develop the Project with joint venture partners and other interested parties. In order to provide flexibility in its future plans, and having taken relevant advice, the Group has decided that the costs in respect of the Project currently shown in non-current assets should be shown as a current asset as at 31 October 2013. As a result, these costs are now included in inventories. It is envisaged that any joint venture or partnership arrangements will preserve the nature of the Group's long term commitment to the Project.

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:

Freehold land	capital cost not depreciated
Leasehold improvements	over the term of the lease
Acquisition costs of land	3 years
Freehold property	50 years
Plant and equipment	3 to 5 years
Fixtures and fittings	3 years
Motor vehicles	3 to 5 years
IT projects	5 years

# Minoan Group Plc

## Notes to the Financial Statements (continued)

### Year ended 31 October 2013

#### 1 Accounting policies (continued)

##### Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The directors consider that the book values of non-current assets do not differ materially from the market values.

##### Research and development

Research expenditure is recognised as an expense when it is incurred. Development expenditure is recognised as an expense except that expenditure incurred on development projects (e.g. IT projects) is capitalised as an intangible asset to the extent that such expenditure is expected to generate future economic benefits. The expenditure is amortised over its useful economic life of five years.

##### Investments

Investments are stated at cost less any impairment deemed necessary. Any gains or losses on investments will be taken to the statement of changes in equity.

##### Inventories

Inventories represent 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 exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. Any translation differences arising are dealt with in the consolidated statement of comprehensive income.

##### Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term deposits 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.

##### Trade and other payables

Trade and other payables are recognised initially at fair value.

##### Leasing commitments

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the period of the lease.

##### Revenue

Depending upon the contractual arrangements with the customer the Group acts either as agent or principal. Where the Group acts as principal, revenue is stated at the contractual value of goods and services provided and is recognised typically when the customer pays the final balance due on the holiday purchased.

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

### 1 Accounting policies (continued)

#### Revenue (continued)

Where the Group acts as an agent between the service provider and the end customer, revenue is presented on a net basis as the difference between the sales to the customer and the cost of services purchased and not the total transaction value. When acting as an agent, revenue is recognised when it is notified by the principal as having been earned and due for payment.

#### Gross profit

Gross profit represents the aggregate amount earned on bookings where the Group acts as either agent or principal. In the case of the Group acting as principal, gross profit is the difference between the sales price to the customer (total transaction value) and the cost of services purchased.

#### Government grants

Government grants are recognised in the consolidated statement of comprehensive income when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

#### 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 Company has also granted options to purchase Ordinary Shares of 1p each. A charge has been made in the consolidated statement of comprehensive income in respect of the LTIP and options using the Black-Scholes and Monte Carlo fair value pricing models as appropriate at the grant date and charged over the vesting periods. This charge does not involve any cash payment. A corresponding entry is recognised in equity.

#### Pensions

Loyalward Limited operates a stakeholder pension scheme for its employees.

Stewart Travel Limited operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the consolidated statement of comprehensive income in the period to which they relate.

#### 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 balance sheet 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.

# Minoan Group Plc

## Notes to the Financial Statements (continued)

### Year ended 31 October 2013

#### 1 Accounting policies (continued)

##### Taxation (continued)

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. 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 balance sheet 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 £'000	Costs taken to the consolidated statement of comprehensive income £'000	Total £'000
<b>Year ended 31 October 2013</b>			
Fees	241	460	701
Sums charged by third parties for directors' services	362	60	422
Share-based payments (note 17)	-	378	378
	<b>603</b>	<b>898</b>	<b>1,501</b>
<b>Year ended 31 October 2012</b>			
Fees	-	717	717
Sums charged by third parties for directors' services	411	60	471
Salaries waived in lieu of grant of options - net of share based payment charge (see below)	-	(84)	(84)
Share-based payments (note 17)	-	248	248
	<b>411</b>	<b>941</b>	<b>1,352</b>

# Minoan Group Plc

## Notes to the Financial Statements (continued)

### Year ended 31 October 2013

#### 2 Information regarding directors and employees (continued)

##### Directors' and key management remuneration (continued)

During the year ended 31 October 2012 outstanding fees of £684,000 due to directors, or to the suppliers of directors' services, were settled by the issue of Ordinary Shares of 1p each in the Company issued at a price 14 pence per share. This amount includes £12,000 of the total directors' remuneration for the year ended 31 October 2012 shown above. The outstanding fees settled in shares include £400,000 in respect of the services of the chairman. These amounts are in addition to the charge in respect of share-based payments.

In addition, during the year ended 31 October 2012, certain current and former directors within the Group waived a total of £469,000 of outstanding fees due in exchange for the granting of options to purchase shares in the Company. The effect of this has been to reduce the remuneration appearing in the consolidated statement of comprehensive income for that year by £84,000 after adjusting for the share based payments charge in respect of these options.

The total directors' and key management remuneration shown above includes the following amounts in respect of the directors of the Company, adjusted for remuneration waived in exchange for the granting of options as referred to above.

	2013		2012	
	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)	311	151	295	189
D C Wilson	250	161	313	23
B D Bartman	60	16	60	15
G D Cook	25	6	25	-
T R C Hill	36	20	33	18
	<b>682</b>	<b>354</b>	<b>726</b>	<b>245</b>

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

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 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 the consolidated statement of comprehensive income £'000	Total £'000
<b>Year ended 31 October 2013</b>			
Salaries and fees	285	2,966	3,251
Social security cost	41	253	294
Pension cost	-	3	3
Share-based payments (note 17)	-	378	378
	<b>326</b>	<b>3,600</b>	<b>3,926</b>
<b>Year ended 31 October 2012</b>			
Salaries and fees	38	2,500	2,538
Salaries waived in lieu of grant of options - net of share-based payment charge	-	(84)	(84)
Social security cost	10	217	227
Pension cost	-	3	3
Share-based payments (note 17)	-	248	248
	<b>48</b>	<b>2,884</b>	<b>2,932</b>

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

	2013	2012
	No	No
<b>Monthly average number of persons employed</b>		
Sales and administration	166	169

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 3 Loss before taxation

The loss before taxation is stated after charging:

	2013 £'000	2012 £'000
Depreciation	124	59
Amortisation	45	-
Loss/(gain) on disposal of property, plant and equipment	102	(4)
Operating leases	69	32
Auditor's remuneration		
Audit fees	55	55
Tax services	5	5

Audit fees in respect of the Company were £15,000 (31 October 2012 £15,000) Tax services fees in respect of the Company were £2,000 (31 October 2012 £1,000)

### 4 Segmented 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 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,
- the Travel and Leisure division (UK), being the operation and management of the travel businesses, and
- the corporate development division (UK) as described above

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 4 Segmented information (continued)

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

	2013			Total £'000
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	
<b>Total transaction value</b>	-	51,164	-	51,164
Revenue		9,217		9,217
Cost of sales	-	4,021	-	4,021
<b>Gross profit</b>	-	5,196	-	5,196
Operating expenses	(569)	(4,592)	(457)	(5,618)
	(569)	604	(457)	(422)
Non-recurring expenses	-	(255)	-	(255)
Contribution to central costs, including management	150	(150)	-	-
Charge in respect of share-based payments	(386)	-	-	(386)
<b>Operating (loss)/profit</b>	(805)	199	(457)	(1,063)
Finance costs	(119)	-	-	(119)
<b>(Loss)/profit before taxation</b>	(924)	199	(457)	(1,182)
Taxation receipt	-	32	-	32
<b>(Loss)/profit after taxation</b>	(924)	231	(457)	(1,150)
<b>Operating expenses include:</b>				
Depreciation and amortisation	15	154	-	169
Operating leases - plant and equipment	-	69	-	69
<b>Assets/liabilities</b>				
Non-current assets	6,292	3,105	-	9,397
Current assets	38,627	907	-	39,534
<b>Total assets</b>	44,919	4,012	-	48,931
Non-current liabilities	1,100	59	-	1,159
Current liabilities	5,739	288	-	6,027
<b>Total liabilities</b>	6,839	347	-	7,186

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 4 Segmented information (continued)

	2012			Total £'000
	Luxury Resorts £'000	Travel and Leisure £'000	Corporate Development £'000	
<b>Total transaction value</b>	-	37,379	-	37,379
Revenue		9,453		9,453
Cost of sales	-	5,720	-	5,720
<b>Gross profit</b>	-	3,733	-	3,733
Operating expenses	(547)	(3,320)	(866)	(4,733)
	(547)	413	(866)	(1,000)
Charge in respect of share-based payments	(290)	-	-	(290)
<b>Operating (loss)/profit</b>	(837)	413	(866)	(1,290)
Finance costs	(57)	-	-	(57)
<b>(Loss)/profit before taxation</b>	(894)	413	(866)	(1,347)
Taxation expense	-	(24)	-	(24)
<b>(Loss)/profit after taxation</b>	(894)	389	(866)	(1,371)
<b>Operating expenses include:</b>				
Depreciation	6	53	-	59
Gain on disposal	-	(4)	-	(4)
Operating leases - plant and equipment	-	32	-	32
<b>Assets/liabilities</b>				
Non-current assets	26,602	2,333	-	28,935
Current assets	16,859	1,624	-	18,483
<b>Total assets</b>	43,461	3,957	-	47,418
<b>Current liabilities</b>	4,471	1,792	-	6,263

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 5 Taxation

#### Consolidated

##### (a) Analysis of taxation expense for the year

	2013 £'000	2012 £'000
UK corporation tax	(32)	24

##### (b) Factors affecting taxation receipt/expense for the year

	2013 £'000	2012 £'000
Loss before taxation	(1,182)	(1,347)
Tax on ordinary activities multiplied by the standard rate in the UK of 23.4% (2012 24.8%)	(277)	(334)
Effects of		
Expenses not deductible for tax purposes	96	52
Other timing differences	(12)	(69)
Capital gain in excess of profit on disposal	-	494
Adjustment to tax charge in respect of previous periods	(23)	-
Decrease/(increase) in tax losses	184	(119)
Taxation (credit)/charge for the year	(32)	24

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 dilutive potential ordinary shares. There are no dilutive instruments in issue, 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 2013 was 150,942,792 (31 October 2012 120,434,862).

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 7 Intangible assets

Consolidated	2013			2012		
	Goodwill £'000	IT Projects £'000	Total £'000	Goodwill £'000	IT Projects £'000	Total £'000
<b>Cost</b>						
At beginning of year	7,996	233	8,229	6,477	-	6,477
Additions	179	315	494	1,519	233	1,752
At end of year	8,175	548	8,723	7,996	233	8,229
<b>Accumulated amortisation</b>						
At beginning of year	-	-	-	-	-	-
Provided in year	-	45	45	-	-	-
At end of year	-	45	45	-	-	-
<b>Net book value</b>						
At beginning of year	7,996	233	8,229	6,477	-	6,477
At end of year	8,175	503	8,678	7,996	233	8,229

The directors have assessed the recoverable amount of the Project as being greater than the combined carrying value of the goodwill and inventories at 31 October 2013 (see also note 1 above)

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 8 Property, plant and equipment

Year ended 31 October 2013

Consolidated	The property, land Project and acquisition (see note)	Freehold property, land and acquisition costs	Furniture, fittings, plant and equipment	Motor vehicles	Leasehold improvements	Total
	£,000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 November 2012	20,313	185	800	28	-	21,326
Exchange adjustments	-	7	3	1	-	11
Transfer to inventories (see note 1)	(20,313)	-	-	-	-	(20,313)
Disposals	-	-	(157)	(13)	-	(170)
Additions	-	4	394	-	143	541
<b>At 31 October 2013</b>	<b>-</b>	<b>196</b>	<b>1,040</b>	<b>16</b>	<b>143</b>	<b>1,395</b>
<b>Accumulated depreciation</b>						
At 1 November 2012	-	46	548	26	-	620
Disposals	-	-	(58)	(10)	-	(68)
Provided in year	-	3	121	-	-	124
<b>At 31 October 2013</b>	<b>-</b>	<b>49</b>	<b>611</b>	<b>16</b>	<b>-</b>	<b>676</b>
<b>Net book value</b>						
<b>At 31 October 2013</b>	<b>-</b>	<b>147</b>	<b>429</b>	<b>-</b>	<b>143</b>	<b>719</b>

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 8 Property, plant and equipment (continued)

Year ended 31 October 2012

Consolidated	The Project	Freehold property, land and acquisition costs	Furniture, fittings, plant and equipment	Motor vehicles	Total
	£,000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 November 2011	20,313	402	194	22	20,931
Exchange adjustments	-	(14)	(4)	(1)	(19)
Acquired with Stewart Travel Centre	-	-	565	7	572
Disposals	-	(203)	-	-	(203)
Additions	-	-	45	-	45
At 31 October 2012	20,313	185	800	28	21,326
<b>Accumulated depreciation</b>					
At 1 November 2011	-	51	77	21	149
Acquired with Stewart Travel Centre	-	-	417	4	421
Disposals	-	(9)	-	-	(9)
Provided in year	-	4	54	1	59
At 31 October 2012	-	46	548	26	620
<b>Net book value</b>					
At 31 October 2012	20,313	139	252	2	20,706

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 9 Investments

#### Company

Year ended 31 October 2013

	Shares in subsidiaries £'000
<b>Cost</b>	
At 1 November 2012	25,936
Additions	500
At 31 October 2013	<u>26,436</u>

#### Impairment

At 31 October 2013	<u>-</u>
	<u>-</u>

Net book value at 31 October 2013 26,436

Year ended 31 October 2012

	Shares in subsidiaries £'000
<b>Cost</b>	
At 1 November 2011	24,266
Additions	1,670
At 31 October 2012	<u>25,936</u>

#### Impairment

At 31 October 2012	<u>-</u>
	<u>-</u>

Net book value at 31 October 2012 25,936

#### Interests in subsidiaries

Loyalward Limited (100%) - A company incorporated in England involved in resort design, creation, services and management

Loyalward Leisure Plc (100%) - A non-trading company incorporated in England

Loyalward Hellas S A (56.1% owned by Minoan Group Plc and 94.39% owned by Loyalward Limited) - A company incorporated in Greece engaged in corporate, resort and renewable energy business management in Greece

King World Travel Limited (100%) - A company incorporated in Scotland operating as a retail travel agent. During the year the trade and assets of King World Travel Limited were acquired by Stewart Travel Limited in exchange for shares in that company

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

### 9 Investments (continued)

#### Interests in subsidiaries (continued)

John Semple Travel Limited (100%) - A company incorporated in Scotland operating as a multi-faceted retail and online travel agent. During the year the trade and assets of John Semple Travel Limited were acquired by Stewart Travel Limited partly in exchange for shares in that company.

Stewart Travel Limited - A company incorporated in Scotland operating as a multi-faceted travel distributor.

As stated above, during the year Stewart Travel Limited acquired the trade and assets of King World Travel Limited and John Semple Travel Limited partly in exchange for shares. In addition, Minoan Group Plc entered into an agreement by which an investor subscribed for 20% of the enlarged issued share capital of Stewart Travel Limited for an initial subscription price of £770,000, which could increase up to £2 million depending on future performance. The excess of the value of net assets over the initial consideration has been charged against equity.

As a consequence the ownership of Stewart Travel Limited is as follows:

	2013	2012
	%	%
Minoan Group Plc	64.5	100.0
King World Travel Limited	6.4	-
John Semple Travel Limited	9.1	-
Non-controlling interest	20.0	-
	<u>100.0</u>	<u>100.0</u>

### 10 Inventories

#### Consolidated

Following the re-allocation of costs as referred to in note 1 above, inventories at 31 October 2013 amounted to £38,367,000 (31 October 2012: £16,763,000), 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.

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

### 11 Receivables

	2013	2012
Consolidated	£'000	£'000
Trade debtors (see below)	266	587
Other debtors and prepayments	559	419
Value added tax recoverable	71	57
	<u>896</u>	<u>1,063</u>

Trade debtors are receivable in 30 days. Of the above £36,000 (31 October 2012: £85,000) was outstanding for more than 30 days. No provision is considered necessary in respect of irrecoverable amounts.

	2013	2012
Company	£'000	£'000
Amounts owed by subsidiary companies (see below and note 16)	23,399	22,717
Value added tax recoverable	17	5
	<u>23,416</u>	<u>22,722</u>

Amounts owed by subsidiary companies are repayable on demand.

### 12 Liabilities

#### Non-current liabilities

	2013	2012
Consolidated	£'000	£'000
Loans repayable after one year (see below)	1,100	-
Hire purchase	59	-
	<u>1,159</u>	<u>-</u>

#### Non-current liabilities

	2013	2012
Company	£'000	£'000
Loans repayable after one year (see below)	<u>1,100</u>	<u>-</u>

£1,000,000 of this amount has been drawn down under the terms of a loan facility agreement with Hillside International Holdings Limited ("Hillside"). The loan is repayable on or before 16 October 2016 and is subject to interest at 8% per annum. Under the terms of the loan facility agreement Hillside has a fixed and floating charge on the Company's assets and a floating charge on the assets of Stewart Travel Limited, John Semple Travel Limited and King World Travel Limited.

The remaining loan of £100,000 is unsecured, repayable on or before 31 March 2015 and subject to interest at 10% per annum.



# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 12 Liabilities (continued)

#### Current liabilities

Consolidated	2013 £'000	2012 £'000
Trade and other payables	2,131	3,393
Deferred revenue (see below )	670	400
Taxation	-	24
Social security and other taxes	399	167
Loans (see notes 15 and 20)	225	243
Hire purchase	66	-
Accruals and deferred charges	2,536	2,036
	<u>6,027</u>	<u>6,263</u>

The deferred revenue arises from amounts received under the terms of a financial joint venture agreement between the Company and The Candia Investment Corporation ("Candia") by which Candia, together with third parties syndicated into its interest, will receive an initial 5% economic interest in the Project for a total consideration of £1 million. A further 5% economic interest in the Project for a total consideration of £1 million may also be acquired by Candia at such time as the parties to the agreement determine. Candia will also have the right to purchase an additional 25% economic interest in the Project, for a consideration of £12.5 million, during an agreed period after receipt of environmental approval for the Project.

In accordance with the terms of the joint venture agreement, Options to subscribe for up to 4 million Ordinary Shares at an exercise price of 8p per share were granted after the balance sheet date. The Options are exercisable until 30 September 2015 (see note 20).

#### Current liabilities

Company	2013 £'000	2012 £'000
Trade and other payables	582	369
Amounts owed to subsidiary companies (see below and note 16)	1,531	1,757
Loans (see note 15)	225	225
Accruals and deferred charges	302	362
	<u>2,640</u>	<u>2,713</u>

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

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

### 13 Deferred taxation

#### Consolidated

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

	Total potential asset		Amount recognised	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Tax effect of timing differences because of				
Accelerated capital allowances	(28)	(29)	-	-
Other short term timing differences	784	1,157	-	-
Losses	1,873	1,836	-	-
	<u>2,629</u>	<u>2,964</u>	<u>-</u>	<u>-</u>

The above potential deferred tax asset is based on a corporation tax rate of 20% (2012 23%)

#### Company

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

	Total potential asset		Amount recognised	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Tax effect of timing differences because of				
Other short term timing differences	615	619	-	-
Losses	243	-	-	-
	<u>858</u>	<u>619</u>	<u>-</u>	<u>-</u>

The above potential deferred tax asset is based on a corporation tax rate of 20% (2012 23%)

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 profits

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 14 Share capital

	2013 £'000	2012 £'000
<b>Called up, allotted and fully paid</b>		
31 October 2013 - 161,465,704 Ordinary Shares of 1p each	1,615	-
54,148,031 Deferred Shares of 24p each	12,996	-
31 October 2012 - 145,923,865 Ordinary Shares of 1p each	-	1,459
54,148,031 Deferred Shares of 24p each	-	12,996
	<b>14,611</b>	<b>14,455</b>
<b>Debt to be settled by the issue of shares (see note 15)</b>		
8,250,000 Ordinary Shares of 1p each (2012 8,623,593 Ordinary Shares of 1p each)	82	86
	<b>14,693</b>	<b>14,541</b>

The rights attaching to the Ordinary Shares and the Deferred Shares are set out in the Company's Articles of Association, which were approved at the Annual General Meeting held on 29 March 2010

The following share issues were made during the year under the terms of loan agreements 4,516,230 Ordinary Shares of 1p each at 10 pence per share, 1,687,775 Ordinary Shares of 1p each at 9.4 pence per share and 7,800,000 Ordinary Shares of 1p each at 8 pence per share. In addition, the following share issues were made during the year to settle liabilities 393,000 Ordinary Shares of 1p each at 10 pence per share, 177,392 Ordinary Shares of 1p each at 5.75 pence per share and 967,442 Ordinary Shares of 1p each at 5.375 pence per share (see also note 20)

### 15 Financial instruments and risk management

The Group's financial instruments comprise borrowings, cash and liquid resources and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

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.

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

### 15 Financial instruments and risk management (continued)

#### Liquidity risk

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.

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

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. No Group company holds cash in currencies other than their functional currency. The Sterling and Euro cash balances attract interest at floating rates.

#### 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. At 31 October 2013 the Group had non-current liabilities of £1,159,000 (31 October 2012 Nil).

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

	2013	2012
	£'000	£'000
Loans to be settled by the issue of shares	660	791
Loans repayable in less than one year	225	243
Loans repayable after one year	1,100	-
Hire purchase	59	-

The loans, which are to be settled by the issue of shares at 8 pence per share, have been classified as equity in accordance with IAS 32 (note 14).

During the year a total of £841,000 of loans was settled by the issue of shares at prices between 8 pence per share and 10 pence per share (31 October 2012 £977,000 at prices between 8 pence per share and 12.5 pence per share) (note 14). Also during the year ended 31 October 2012, loans forming part of the consideration for the acquisition of John Semple Travel Limited were settled by the transfer of listed investments in the amount of £100,000 and properties in the amount of £200,000.

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

### 15 Financial instruments and risk management (continued)

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 2013 and at 31 October 2012.

### 16 Related party transactions

The following are related parties and provided services to the Group

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

Transactions undertaken with these related parties in relation to directors' services, all of which were effected on an arm's length basis, are shown below

	Services of the above persons supplied in year ended		Payable as at	
	31 10 13 £'000	31 10 12 £'000	31 10.13 £'000	31 10 12 £'000
Simmons International Limited	311	295	262	100
Bizwatch Limited	53	60	86	43
I H M Industry & Hotel Management Limited	(2)	56	79	81
B D Bartman & Co	60	60	119	63

There have been no purchases or sales with 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 10.13 £'000	(Receivable)/Payable as at 31 10 12 £'000
Loyalward Limited	(23,399)	(22,662)
Stewart Travel Limited	1,494	(55)
King World Travel Limited	-	1,425
John Semple Travel Limited	-	295
Loyalward Leisure Plc	37	37

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 17 Long term incentive plan, share options and warrants

#### Share-based payments charge

	<u>£'000</u>
<b>Year ended 31 October 2013</b>	
Share-based payments - directors	354
Share-based payments - other	32
	<u>386</u>
<b>Year ended 31 October 2012</b>	
Share-based payments - directors (see note)	245
Share-based payments - other	45
	<u>290</u>

**Note:**

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.

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

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

#### Share-based payments charge (continued)

The performance conditions are as follows

Performance condition A (fulfilled during year ended 31 October 2012)      The achievement of any one of the following

- (i) An investment by an investor or group of investors acting in concert in (a) 15% or more of the enlarged issued ordinary share capital of Minoan Group Plc or (b) 25% or more of the issued ordinary share capital of Loyalward Limited or (c) 25% or more of Loyalward Limited's current project in Crete, or
- (ii) The acquisition, for a consideration exceeding £250,000, of a business in the tourism and leisure sector which is both profitable and has a positive cash flow, or
- (iii) The formation or acquisition of a business in the renewable energy sector which has a positive trading cash flow, or
- (iv) The receipt by Loyalward Limited of unappealable approval from the Greek Government for its current project in Crete, in existing or amended form

Performance condition B

The Group achieves a 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

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

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

#### Share-based payments charge (continued)

The following awards have been granted with an expiry date of 26 April 2017

	Performance condition A	Performance condition B	Performance condition C
	Maximum number of Ordinary Shares exercisable at 15 pence	Maximum number of Ordinary Shares exercisable at 15 pence	Maximum number of Ordinary Shares exercisable at 15 pence
C W Egleton	1,400,000	1,400,000	1,400,000
D C Wilson	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
	<b>2,800,000</b>	<b>2,800,000</b>	<b>2,800,000</b>

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

The inputs into the option pricing model are as follows:

	LTIP	Options
Grant date	1 March 2011	2 April 2013
Share price at grant date	15.88p	6.38p
Exercise price	15p	1p to 8p
Vesting periods	In accordance with performance conditions	Immediately
Expected volatility	21.3% to 51.74%	47.44%
Option life	6.2 years	3.75 years
Expected life	3 years	n/a
Risk free rate	1.85% to 5.18%	0.45%
Expected dividends expressed as dividend yield	nil	nil
Fair value of options	6.08p to 76.7p	2.42p to 5.54p

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

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

#### Share-based payments charge (continued)

Expected volatility for the LTIP is determined by calculating the historic volatility of the Group's share price over the previous 2 years. Expected volatility for the options is determined by calculating the historic volatility of the Group's share price over the previous one and a half years. The expected life of the LTIP is the average expected period to exercise. The risk free rate is the yield on zero coupon UK government bonds of a term consistent with the assumed option life.

#### Directors' interests in share options

	31 October 2013			31 October 2012		
	Exercise price	Ordinary Shares	Expiry date	Exercise price	Ordinary Shares	Expiry date
<b>Options</b>						
B D Bartman***	7p	200,000	31/12/16	15p	200,000	31/12/12
B D Bartman (see note 2 below)	1p	1,000,000	31/12/15	1p	1,000,000	31/12/15
W C Cole (director Loyalward Limited)***	7p	500,000	31/12/16	15p	500,000	31/12/12
W C Cole (director Loyalward Limited)***	7p	100,000	31/12/16	16p	100,000	31/12/12
W C Cole (director Loyalward Limited) (see note 2 below)	1p	1,000,000	31/12/15	1p	1,000,000	31/12/15
G D Cook***	7p	250,000	31/12/16	15p	250,000	31/12/12
G D Cook (see note 2 below)	1p	384,615	31/12/15	1p	384,615	31/12/15
Simmons International Limited (see note 4 below)***	7p	500,000	31/12/16	15p	500,000	31/12/12
Simmons International Limited (see note 4 below)***	7p	400,000	31/12/16	15p	400,000	31/12/12
T R C Hill***	7p	300,000	31/12/16	15p	300,000	31/12/12
D C Wilson	-	-	-	15p	200,000	31/12/12
D C Wilson (see note 2 below)	1p	1,000,000	31/12/15	1p	1,000,000	31/12/15
D C Wilson (see note 2 below)	1p	2,500,000	31/12/16	-	-	-
		<b>8,134,615</b>			<b>5,834,615</b>	

\*\*\* These options were granted during the year to replace options expiring on 31 December 2012

# Minoan Group Plc

## Notes to the Financial Statements (continued)

Year ended 31 October 2013

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

#### Share options (continued)

##### Other share options

The following additional options to purchase ordinary shares in the Company have been granted (see also note 20)

	Ordinary Shares		Expiry date
	31 10 13	31 10 12	
Exercisable at 60 pence per share	3,318,000	3,318,000	See note 1
Exercisable at 15 pence per share	-	915,000	31/12/12
Exercisable at 15 pence per share	200,000	200,000	09/03/14
Exercisable at 5.5 pence per share	201,550	201,550	16/02/15
Exercisable at 15 pence per share (see note 3)	1,000,000	1,000,000	30/06/15
Exercisable at 8 pence per share	741,875	741,875	17/08/15
Exercisable at 1 pence per share (see note 2)	223,077	223,077	31/12/15
Exercisable at 7 pence per share	325,000	-	31/12/16
	<u>6,009,502</u>	<u>6,599,502</u>	

#### Notes:

- 1 The expiry date of these options is 90 days after certain valid building licences and permits have been granted
- 2 Granted in exchange for the waiver of fees etc by current directors and a former director
- 3 Granted as part of the consideration for the acquisition of the assets and business of Stewart Travel Centre
- 4 Simmons International Limited, is a company in which C W Egleton is a minority shareholder and which provides Mr Egleton's services to the Group
- 5 During the year

#### Warrants

The following warrants to subscribe for ordinary shares in the Company have been issued

	Ordinary Shares		Expiry date
	31.10.13	31 10 12	
Exercisable at 15 pence per share	-	975,002	31/12/12
Exercisable at 8p per share (see note)	10,000,000	-	17/10/17

#### Note:

Issued in accordance with the terms of the loan facility agreement with Hillside International Holdings Limited (see also note 20)

# Minoan Group Plc

## Notes to the Financial Statements (continued)

### Year ended 31 October 2013

#### 18 Contingent liabilities and commitments

The directors have identified contingent liabilities and commitments totalling £3,902,000 as at 31 October 2013 (31 October 2012 £3,902,000) comprising the following

Upon contract activation £3,902,000 will become due to the Foundation to meet the balance of the initial consideration payable in respect of the development site

Other than stated in notes 19 and 20, the Company has no other capital or operating commitments

#### 19 Operating lease commitments

The Group has the following total lease commitments in respect of non-cancellable operating leases

##### Year ended 31 October 2013

	Leases expiring in			Total £'000
	Up to 1 year £'000	2 to 5 years £'000	Over 5 years £'000	
Leasehold property	-	298	905	1,203
Equipment	-	30	-	30
Motor vehicles	1	15	-	16
	<u>1</u>	<u>343</u>	<u>905</u>	<u>1,249</u>

##### Year ended 31 October 2012

	Leases expiring in			Total £'000
	Up to 1 year £'000	2 to 5 years £'000	Over 5 years £'000	
Leasehold property	-	154	1,247	1,401
Equipment	-	53	-	53
Motor vehicles	-	26	-	26
	<u>-</u>	<u>233</u>	<u>1,247</u>	<u>1,480</u>

#### 20 Events after the balance sheet date

- 1 On 27 November 2013, and in accordance with the terms of the loan facility agreement with Hillside International Holdings Limited, the Company issued 5,000,000 warrants to subscribe for Ordinary Shares of 1p each in the Company at 8 pence per share. The expiry date for these warrants is 27 November 2017.
- 2 On 18 December 2013, the Company announced that it had issued a total of 3,809,000 new Ordinary Shares of 1p each ("Ordinary Shares") at 10 pence per share to settle outstanding directors' fees of £236,000 and amounts due to third party service providers and consultants. Included in the above were 1,935,000 Ordinary Shares issued to Simmons International Limited.

# Minoan Group Plc

## Notes to the Financial Statements (continued) Year ended 31 October 2013

### 20 Events after the balance sheet date (continued)

On the same day, the Company also announced that it had granted the following options in lieu of outstanding directors' fees in the amount of £463,000

	Exercise price	Ordinary Shares	Exercisable between
B D Bartman	1p	850,000	18 Dec 2013 and 31 Dec 2016
G D Cook	1p	377,778	18 Dec 2013 and 31 Dec 2016
T R C Hill	1p	1,233,333	18 Dec 2013 and 31 Dec 2016
D C Wilson	1p	850,000	18 Dec 2013 and 31 Dec 2016
W C Cole (director of Loyalward Limited)	1p	1,711,111	18 Dec 2013 and 31 Dec 2016
B Cassidy (director of John Semple Travel Limited)	1p	122,222	18 Dec 2013 and 31 Dec 2016

Finally, on the same day, the Company also announced that it had granted options in order to satisfy certain existing commitments to third party consultants as follows

Ordinary Shares	Exercise price	Exercisable between
2,500,000	8p	18 Dec 2013 and 31 Dec 2016
250,000	10p	18 Dec 2013 and 31 Dec 2016

- 3 On 23 December 2013, the Company announced the issue of 750,000 new Ordinary Shares of 1p each ("Ordinary Shares") The Ordinary Shares were issued fully paid up at 7.5 pence per share in order to settle £56,250 of the loan note issued in respect of the acquisition of Stewart Travel Centre
- 4 On 5 February 2014, in accordance with the terms of the loan facility agreement with Hillside International Holdings Limited, the Company issued 10,000,000 warrants to subscribe for Ordinary Shares of 1p each in the Company at 8 pence per share The expiry date for these warrants is 5 February 2018
- 5 On 11 February 2014, in accordance with the terms of the financial joint venture agreement with The Candia Investment Corporation dated 20 June 2012, the Company granted options to purchase up to 4 million Ordinary Shares of 1p each in the Company at 8 pence per share The expiry date for these options is 30 September 2015
- 6 On 12 February 2014, the Company announced that it had bought in the 20% non-controlling interest in its travel and leisure business for a consideration of £930,000

On the same day, the Company announced that The Candia Investment Corporation, and third parties syndicated into its interest, now have a 5% economic interest in the project in Crete for a consideration of £1 million

## **Minoan Group Plc**

### **Notes to the Financial Statements (continued) Year ended 31 October 2013**

#### **20 Events after the balance sheet date (continued)**

- 7 On 17 March 2014, the Company announced that it had agreed to acquire the trade and assets of Martin Singer Travel Limited for an initial cash consideration of £250,000 and a deferred cash consideration based on the first year's profitability post acquisition, subject to a maximum of £500,000

Subject to confirmatory due diligence, the acquisition, which is expected to be earnings enhancing, is to be completed by 31 May 2014