MINOAN GROUP PLC

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain

1 May 2024

Minoan Group Plc
("Minoan", the "Group" or the "Company")
Results Announcement

Minoan Group Plc announces its results for the year ended 31 October 2023

Project highlights

- Project moving ahead on the base of the existing Contract.
- Commercial relationships enhanced.
- Major Hotel Group signed collaboration agreement for one or more hotels.

Financial highlights

- Major reduction in loss before taxation to £529,000 (2021/22: £1,065,000) due to reduced loan interest charges and a reduction in the fair value of warrants.
- Operating costs slightly decreased to £536,000 (2021/22: £541,000).
- Net assets decreased to £42,190,000 (2021/22: £42,689,000).

Christopher Egleton, Chairman of Minoan, said:

"I am pleased that the Company's discussions and negotiations with the Foundation continue to move forward and that the Greek Ministry of National Economy and Finance is assisting the process. In the meantime, following the signing of a collaboration agreement with a major International Luxury Hotel Group, the Company continues to progress the commercial aspects of the Project and I look forward to being able to report further progress on this as well as significant management changes which will, I believe, enable shareholders to have a clear view of the future."

Minoan Group Plc's Report and Financial Statements for the year ended 31 October 2023 can be viewed on the Company's website with effect from 1 May 2024.

For further information visit www.minoangroup.com or contact:

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Chairman's Statement

Introduction
I have pleasure in presenting the financial statements for the year ended 31 October 2023 together with my report for the year and, particularly, the period since the year end.

During 2023 the Company indicated that it would be moving ahead with its Itanos Gaia Project at Cavo Sidero in Crete (the "Project") on the basis of the existing contract and associated documentation. As a result of this approach and past legislative changes, the contract ("Contract") between the Company and the Public Welfare Ecclesiastical Foundation Panagia Akrotiriani (the "Foundation") will be updated to accord with the current legal framework. The Company and the Foundation are progressing the detailed negotiations via an institutional process conducted through the Ministry of National Economy and Finance, the supervising authority for all Foundations in Greece.

The finalisation of the updated Contract will significantly enhance our ability to accelerate numerous financial and commercial arrangements already in progress as well as to enter into new arrangements. To this end, especially since the year end and as the 'updating' negotiations have moved forward, the Company has continued to deepen its commercial relationships especially within Greece. This has involved discussions with major banks, finance houses, financial advisory groups, as well as sales agents and contractors. In partnership with a lead banking partner, the Company intends to apply for the various packages of assistance available for developments of the nature of the Project. The final result, we believe, will deliver an outstanding financial package to partners as we move toward delivery of the Itanos Gaia Project.

While the updated Contract is being completed dialogue continues at an increased pace with the Foundation concerning the strategic objective to allow Epifania (equivalent to a 99 year ground lease) as the underlying title of the Project. The Company has continued to grow its financial and commercial relationships whilst making further progress in appointing its external Greek advisory team. Demonstrating this and the attractiveness of the Project, the Company signed a collaboration agreement with a major international luxury hotel group in respect of one or more of the hotels on the site.

Although most shareholders are almost certainly aware of the key points of the Project it is worth reminding those that are not entirely familiar with them of the unique nature of both the site and the Project itself. The site is one of the largest private estates in the Eastern Mediterranean on the Cavo Sidero peninsula. The development site covers an area of over 20 square kilometres and has over 20 kilometres of coastline with numerous secluded coves and bays in an area of outstanding natural beauty with spectacular views. The site is endowed naturally with a history spanning the Minoan, Hellenistic, Venetian and Byzantine periods, Cavo Sidero is famed as the birthplace of Europa and where the Greek gods would go to celebrate their victories and for rest and relaxation.

The equivalent of outline planning consent for the development was granted through a Presidential Decree. The permitted build space, 30 minutes from Sitia International airport, consists of 108,000 square metres with up to five distinctive locations for hotels and resorts.

The Project is supported by the Municipality of Sitia, 28 unions and trade associations in addition to the Church and the Foundation and will contribute a significant number of jobs and economic benefits to the local area.

At home, the Company has reduced and extended its only secured debt until the end of 2024 and continues in its exercise to reduce balance sheet liabilities by converting some of its old debt to equity or, in some cases, to convertible debt.

Financial Review
Operating costs for the year were in line with the previous year at £536,000 compared to £541,000 for the year to 31 October 2022. The loss before taxation for the year was £529,000 compared to £1,065,000 recorded for the year to 31 October 2022 due to reduced loan interest charges and a reduction in the fair value of warrants.

Chairman's Statement (continued)

The Company's net assets at 31 October 2023 decreased to £42,190,000 from £42,689,000. Capitalised project costs, being costs associated with acquiring and developing the site in Crete, planning and other design costs, increased by £607,000 to £47,995,000.

As announced in August last year, the Company's only secured debt (the "Loan") with DAGG LLP ("DAGG") was extended and reduced. At 31 October 2023, the Loan stood at £1,509,113. After the balance sheet date an amount of £707,231 was redeemed by the issue to the members of DAGG of 70,723,100 new ordinary shares in Minoan ("Ordinary Shares") at 1p per Ordinary Share, a premium to the mid-market price of the Company's shares. The Loan and the 35,000,000 warrants were extended until 31 December 2024 for a fee of £175,000.

As previously advised, we are endeavouring to reduce the balance sheet liabilities. This has taken a little longer than we had hoped but is progressing well and we expect to be reporting to shareholders before the end of June 2024.

Board and Management

In March of this year Professor George Mergos stepped down as a Director of Minoan and Chairman of Loyalward Limited, the Group's wholly owned subsidiary. Professor Mergos joined the Board in February 2022 and played an important role pushing forward the contract discussions with the Foundation.

As previously advised, the Company has appointed a new external Greek advisory team and additional legal support to complete the negotiations with the Foundation in preparation for the next stage in the development of the Project. As shareholders will be aware, the Company has yet to appoint a replacement Chairperson for Loyalward Limited nor, as yet, made the board changes expected to be made within Minoan. It is clear that the skill set required of the management team will change significantly as we move towards construction and development and in the management of high end complex resorts.

The Board therefore believes that it would be appropriate to delay these appointments and other board changes until the Company has a better view as to the skill sets required. Nevertheless, we are already preparing a structure for the implementation of these changes, part of which will depend on the result of discussions already underway with construction and other partners and the role being undertaken by each.

Outlook

I am pleased that the Company's discussions and negotiations with the Foundation continue to move forward and that the Greek Ministry of National Economy and Finance is assisting the process. In the meantime, following the signing of a collaboration agreement with a major International Luxury Hotel Group, the Company continues to progress the commercial aspects of the Project and I look forward to being able to report further progress on this as well as significant management changes which will, I believe, enable shareholders to have a clear view of the future.

Christopher W Egleton
Chairman
30 April 2024

Consolidated Statement of Comprehensive Income
Year ended 31 October 2023

	2023 £'000	2022 £'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
	-	-
Operating expenses	(536)	(541)
Other operating expenses:		
Corporate development costs	-	-
Operating loss	(536)	(541)
Finance costs	7	(524)
Loss before taxation	(529)	(1,065)
Taxation	-	-
Loss after taxation	(529)	(1,065)
Other Comprehensive income for the year	-	-
Total Comprehensive income for the year	(529)	(1,065)
Loss for year attributable to equity holders of the Company	(529)	(1,065)
Loss per share attributable to equity holders of the Company: Basic and diluted	(0.07)p	(0.16)p

Consolidated Statement of Changes in Equity
Year ended 31 October 2023

Year ended 31 October 2023

	Share capital £'000	**Share premium £'000**	**Merger reserve £'000**	**Warrant Reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 November 2022	**20,321**	**36,583**	**9,349**	**2,619**	**(26,183)**	**42,689**
Loss for the year	**-**	**-**	**-**	**-**	**(529)**	**(529)**
Issue of ordinary shares at par	**188**	**-**	**-**	**-**	**-**	**188**
Decrease in Warrant Reserve	**-**	**-**	**-**	**(158)**	**-**	**(158)**
Balance at 31 October 2023	**20,509**	**36,583**	**9,349**	**2,461**	**(26,712)**	**42,190**

Year ended 31 October 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2021	19,021	36,583	9,349	2,571	(25,118)	42,406
Loss for the year	-	-	-	-	(1,065)	(1,065)
Issue of ordinary shares at par	1,300	-	-	-	-	1,300
Increase in Warrant Reserve	-	-	-	48	-	48
Balance at 31 October 2022	20,321	36,583	9,349	2,619	(26,183)	42,689

Consolidated Statement of Financial Position as at 31 October 2023

	2023 £'000	2022 £'000
Assets		
Non-current assets		
Intangible assets	**3,583**	3,583
Property, plant and equipment	**157**	157
Total non-current assets	**3,740**	3,740
Current assets		
Inventories	**47,995**	47,388
Receivables	**117**	167
Cash and cash equivalents	**17**	130
Total current assets	**48,129**	47,685
Total assets	**51,869**	51,425
Equity		
Share capital	**20,509**	20,321
Share premium account	**36,583**	36,583
Merger reserve account	**9,349**	9,349
Warrant reserve	**2,461**	2,619
Retained earnings	**(26,712)**	(26,183)
Total equity	**42,190**	42,689
Liabilities		
Current liabilities	**9,679**	8,736
Total equity and liabilities	**51,869**	51,425

Consolidated Cash Flow Statement
Year ended 31 October 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Loss before taxation	**(529)**	(1,065)
Finance costs	**(7)**	524
Increase in inventories	**(606)**	(630)
Decrease / (increase) in receivables	**50**	(5)
Increase in current liabilities	**591**	370
Net cash (outflow) from operations	**(501)**	(806)
Finance costs	**(151)**	(476)
Net cash used in operating activities	**(652)**	(1,282)
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	**188**	1,300
Loans received	**351**	92
Net cash generated from financing activities	**539**	1,392
Net (decrease) / increase in cash	**(113)**	110
Cash at beginning of year	**130**	20
Cash at end of year	**17**	130

Notes to the Financial Statements
Year ended 31 October 2023

1 General information

The financial information set out in this announcement does not constitute statutory financial statements for the year ended 31 October 2023 or 31 October 2022. The report of the auditors on the statutory financial statements for the year ended 31 October 2023 and 31 October 2022 was not qualified.

The report of the auditors on the statutory financial statements for each of the years ended 31 October 2023 and 31 October 2022 did not contain statements under section 498(2) or (3) of the Companies Act 2006. The statutory financial statements for the year ended 31 October 2022 have been delivered to the Registrar of Companies. The financial statements for the year ended 31 October 2023 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The Company is a public limited company incorporated in England and Wales. 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 plus the provision of general management services.

2 Accounting policies

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 United Kingdom at 31 October 2023:

Standard		Details of amendment	Effective date
IAS 1	Presentation of Financial statements	IFRS 18 Presentation and Disclosure in Financial Statements issued, which will supersede IAS 1 as of 1 January 2027	1 January 2027
IAS7	Presentation of Financial statements	Amended by IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS16	Leases	Amended by Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
IFRS18	Presentation and Disclosure in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements issued	1 January 2027

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

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

Notes to the Financial Statements (continued)
Year ended 31 October 2023

2 Accounting policies (continued)

Going concern (continued)
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 2023 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.

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.

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.

Notes to the Financial Statements (continued)
Year ended 31 October 2023

2 Accounting policies (continued)

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 the exchange rate between the Sterling and the foreign currency at the date of the cash flow.

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

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

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

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.

Notes to the Financial Statements (continued)
Year ended 31 October 2023

2 Accounting policies (continued)

Share-based payments (continued)
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. 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.

3 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 2023			
Fees	**95**	**90**	**185**
Sums charged by third parties for directors' and key management services	**-**	**95**	**95**
	95	**185**	**280**
Year ended 31 October 2022			
Fees	65	90	155
Sums charged by third parties for directors' and key management services	-	85	85
	65	175	240

Notes to the Financial Statements (continued)
Year ended 31 October 2023

3 Information regarding directors and employees (continued)

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.

	2023 **Fees/Sums charged by third parties**	2022 Fees/Sums charged by third parties
	£'000	£'000
C W Egleton (Chairman)	**60**	40
B D Bartman (Retired 15/2/22)	**-**	10
G D Cook	**35**	35
T R C Hill	**35**	35
G Mergos	**60**	30
	190	150

	2023	2022
	No.	No.
Group monthly average number of persons employed		
Directors	**8**	9
Management, administration and sales	**-**	-

4 Loss before taxation

The loss before taxation is stated after charging:

	2023 **£'000**	2022 £'000
Depreciation	**-**	-
Auditor's remuneration	**40**	22