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If you have sold or otherwise transferred all of your Existing Ordinary Shares, you should immediately forward this document together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, you should immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected.

Applications will be made for the Enlarged Share Capital to be admitted to trading on the AIM market of London Stock Exchange plc ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than that associated with larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List and it is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Ordinary Shares are not dealt on any other recognised investment exchange and no other such applications have been made. It is expected that First Admission to AIM will become effective and that dealings in the Ordinary Shares will commence on Tuesday, 18 October 2011 and that Second Admission will become effective by Tuesday, 25 October 2011.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public within the meaning of section 85 of FSMA and is not a prospectus for the purposes of the Prospectus Rules made under section 73A of FSMA. Accordingly this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the Financial Services Authority (the "FSA") pursuant to section 85 of FSMA and a copy has not been delivered to the FSA under regulation 3.2 of the Prospectus Rules.

The Company and the Directors, whose names are set out on page 4 of this document, accept individual and collective responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The whole of the text of this document should be read. You should be aware that an investment in the Company involves a high degree of risk. Prospective investors should carefully read the section entitled "Risk Factors" in Part II of this document. All statements regarding the Company and its subsidiaries should be viewed in the light of these risk factors.

MINOAN GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3770602)

Proposed Acquisition of John Semple Travel Limited
Fundraising to raise £1,665,000 including a proposed placing to raise
£290,000 by the issue of 2,900,000 new Ordinary Shares at
10 pence per share
Admission to trading on AIM
and
Notice of General Meeting

Nominated Adviser and joint broker

Seymour Pierce Limited

Joint broker

**Rivington Street Corporate
Finance Limited**

Ordinary Share Capital immediately following Second Admission*

	Issued and fully paid	
	<i>Amount</i>	<i>Number</i>
Ordinary Shares of 1p each	£1,020,426	102,042,639

**assuming that the number of Consideration Shares is calculated based on the minimum price of 11p per share.*

The Enlarged Share Capital will not be registered under the United States Securities Act of 1933, as amended, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of the Republic of South Africa, Australia, Canada, Japan or the Republic of Ireland. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, the Republic of South

Africa, Australia, Canada, Japan or the Republic of Ireland or to any person located in the United States. This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law. In particular, this document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any persons with addresses in the United States of America, the Republic of South Africa, Australia, Canada, Japan or the Republic of Ireland. No action has been taken by the Company, Seymour Pierce Limited or Rivington Street Corporate Finance Limited that would permit an offer of any of the Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Seymour Pierce Limited is authorised and regulated in the United Kingdom by the FSA and is acting as Nominated Adviser for the purposes of the AIM Rules exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to any other person for providing the protections afforded to customers of Seymour Pierce Limited, or for advising any other person on the contents of this document or any matter referred to herein. The responsibilities of Seymour Pierce Limited, as Nominated Adviser, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or Shareholder or to any other subsequent purchaser of any of the Ordinary Shares and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by Seymour Pierce Limited as to, and no liability whatsoever is accepted by Seymour Pierce Limited in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Rivington Street Corporate Finance Limited is authorised and regulated in the United Kingdom by the FSA and is acting for the Company and no one else in connection with the matters described herein and will not be responsible to any other person for providing the protections afforded to customers of Rivington Street Corporate Finance Limited or for advising any other person on the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by Rivington Street Corporate Finance Limited as to, and no liability whatsoever is accepted by Rivington Street Corporate Finance Limited in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN from the date of this document and for a period of at least one month from Admission.

Notice of a General Meeting of the Company to be held at 11.30 a.m. at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN on Monday, 17 October 2011 is set out in Part X of the document. A Form of Proxy for holders of Ordinary Shares for use at the General Meeting accompanies this document and, to be valid, must be completed and returned to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but in any event to be received not later than 11.30 a.m. on Saturday, 15 October 2011 or 48 hours before any adjourned meeting. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting in person.

Forward Looking Statements

Certain statements in this document are "Forward Looking statements". These Forward Looking statements are not based on historical facts but rather on management's expectations regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such Forward Looking statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward Looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the Forward Looking statements including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond control of the Company. Although the Forward Looking statements contained in this document are based upon what management believes to be reasonable assumptions the Company cannot assure investors that actual results will be consistent with these Forward Looking statements.

Prospective investors should read the whole text of this document. An investment in the Company involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document. Your attention is drawn to Part II of this document which sets out certain risk factors relating to any investment in the Company. All statements regarding the Company's business, financial position and prospects should be viewed in the light of the risk factors set out in Part II of this document.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Christopher William Egleton FCA (<i>Executive Chairman</i>) Duncan Campbell Wilson (<i>Managing Director</i>) Barry David Bartman FCA (<i>Finance Director</i>) Grahame David Cook ACA (<i>Non-Executive Director</i>) Timothy Roland Collingwood Hill B.Arch., RIBA (<i>Non-Executive Director</i>)
Registered Office	30 Aylesbury Street London EC1R 0ER
Administration Office	3rd Floor, AMP House Dingwall Road Croydon Surrey CRO 2LX
Company Secretary	William Charles Cole FCA
Nominated Adviser and Joint Broker	Seymour Pierce Limited 20 Old Bailey London EC4M 7EN
Joint Broker	Rivington Street Corporate Finance Limited 3rd Floor, 3 London Wall Buildings London Wall London EC2M 5SY
Solicitors to the Company	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Legal Counsel to the Group in Greece	Dryllerakis & Associates 25 Voukourestiou Street 106 71 Athens Greece Bahas, Gramatidis & Partners 26 Filellinon Street 105 58 Athens Greece
Solicitors to the Admission	Bird & Bird LLP 15 Fetter Lane London EC4A 1JP
Reporting Accountants	Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF
Independent Surveyors	CB Richard Ellis – Axios 4 Sekeri Street 106 74 Athens Greece
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Website	www.minoangroup.com

DEFINITIONS

The following definitions shall have the following meanings in this document unless the context requires otherwise:

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of JST pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 9 September 2011 made between (1) Paul Alexander Semple, John Joseph Andrew Semple, Marie Louise Connolly and Angela Catherine Morrison and (2) the Company relating to the acquisition of the entire issued share capital of JST, a summary of which is set out in paragraph 12.5 of Part IX of this document
“Act”	the Companies Act 2006
“Admission”	admission of the First Enlarged Share Capital to trading on AIM pursuant to the AIM Rules and such admission becoming effective in accordance with the AIM Rules
“Admission Agreement”	the agreement dated 30 September 2011 between (1) the Company, (2) the Directors and (3) Seymour Pierce, a summary of which is set out in paragraph 12.2 of Part IX of this document
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	together the AIM Rules for Companies, the AIM Rules for Nominated Advisers and the AIM Disciplinary Procedures and Appeals Handbook
“AIM Rules for Companies”	the rules and guidance notes for AIM quoted companies issued by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules for nominated advisers issued by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Board” or “Directors”	the directors of the Company
“CBRE”	CB Richard Ellis – Axies
“certificated” or “in certificated form”	a share or other security, title to which is recorded in the relevant register as being held in certificated form (that is, not in CREST)
“Combined Code”	the UK Corporate Governance Code published in June 2010 by the Financial Reporting Council
“Company” or “Minoan”	Minoan Group Plc, a company registered in England and Wales with registered number 3770602
“Consideration Shares”	the new Ordinary Shares to be issued pursuant to the Acquisition Agreement which will be a minimum of 3,750,000 Ordinary Shares and a maximum of 5,454,545 Ordinary Shares
“Contract”	the contract between Loyalward Limited and the Foundation in respect of the Site, a summary of which is set out in paragraph 12.1 of Part IX of this document
“CREST”	the computerised settlement system and procedures to facilitate the transfer of title of shares in uncertificated form, operated by Euroclear UK & Ireland Limited, a company incorporated in England and Wales

“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended
“Crete Project” or “Project”	the development of the Site pursuant to the Group’s plans
“Enlarged Group”	the Group as enlarged immediately following the Acquisition
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following Second Admission being the First Enlarged Share Capital and the Consideration Shares
“EU”	European Union
“Existing Ordinary Shares”	the 93,688,094 Ordinary Shares in issue as of the date of this document
“Fast Track law”	a new law introduced by the Greek Government to speed up the permissions process for major projects in Greece
“First Enlarged Share Capital”	the Ordinary Shares issued immediately following Admission being the Existing Ordinary Shares and the Placing Shares
“Form of Proxy”	the form of proxy for use by holders of the Existing Ordinary Shares in connection with the General Meeting
“Foundation”	the Public Welfare Ecclesiastical Foundation Panagia Akrotiriani which has its seat at the Holy Monastery of Toplou, Crete
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Fundraising”	the Placing and the proceeds of the Loans
“General Meeting”	the general meeting of the Company, notice of which is set out in the Notice of General Meeting, convened for 11.30 a.m. on 17 October 2011 to consider and if thought fit, approve the Resolutions or any adjournment thereof
“GSA agreement”	General Sales Agency agreement
“Group”	the Company and its subsidiaries
“JST”	John Semple Travel Limited
“KWT”	King World Travel Limited, a subsidiary of the Company
“Loans”	the loans to be provided pursuant to the Loan Agreements which are £1,375,000, in aggregate
“Loan Agreements”	those agreements summarised in paragraph 12.7 of Part IX of this document
“London Stock Exchange”	London Stock Exchange plc
“Loyalward”	Loyalward Limited, a subsidiary of the Company
“LTIP”	the Group’s 2007 Long Term Incentive Plan, a summary of which is set out in paragraph 10 of Part IX of this document
“Minoan’s Travel and Leisure Business”	together, the operations of JST, KWT and the Group’s current interest in STC
“New Ordinary Shares”	the Consideration Shares and the Placing Shares
“Notice of General Meeting”	the notice of General Meeting set out in Part X of this document

“Official List”	the Official List of the UKLA
“Options”	options to subscribe for Ordinary Shares as described in paragraph 6 of Part IX of this document
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Placees”	those persons who have agreed to subscribe for Placing Shares
“Placing”	the conditional placing of the Placing Shares
“Placing Letter”	the engagement letter dated 1 July 2009 between (1) the Company and (2) Rivington Street, as supplemented by a letter dated 30 September 2011, summaries of which are set out at paragraph 12.6 of Part IX of this document
“Placing Price”	10 pence per Placing Share
“Placing Shares”	the 2,900,000 new Ordinary Shares to be issued to Placees pursuant to the Placing Letter and the Admission Agreement
“Prospectus Rules”	the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No 809/2004 and published by the FSA pursuant to section 73A of FSMA
“Registrar”	Neville Registrars Limited
“Resolutions”	the resolutions which are set out in the Notice of General Meeting
“Resort”	the luxury holiday resort proposed to be developed on the Site in accordance with the Group’s plans
“Rivington Street”	Rivington Street Corporate Finance Limited, a joint broker to the Company who is authorised and regulated in the United Kingdom by the FSA
“Second Admission”	admission of the Consideration Shares to trading on AIM pursuant to the AIM Rules and such admission becoming effective in accordance with the AIM Rules
“Seymour Pierce”	Seymour Pierce Limited, the Company’s nominated adviser and joint broker who is authorised and regulated in the United Kingdom by the FSA
“Shareholders”	holders of Ordinary Shares
“Site”	the approximately 25 square kilometre peninsular site in north eastern Crete
“STC”	Stewart Travel Centre
“sustainable development”	development that meets the needs of the present without compromising the ability of future generations to meet their own needs
“UKLA” or “UK Listing Authority”	United Kingdom Listing Authority, being the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	a share or other security, title to which is recorded in the relevant register as being held in uncertificated form, in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Warrants”	warrants to subscribe for Ordinary Shares as described in paragraph 5 of Part IX of this document

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 September 2011
Latest time and date for receipt of Forms of Proxy	11.30 a.m. on 15 October 2011
General Meeting	11.30 a.m. on 17 October 2011
Admission of First Enlarged Share Capital and commencement of dealings on AIM	18 October 2011
CREST accounts to be credited in respect of the Placing Shares	by 18 October 2011
Second Admission in respect of the Consideration Shares	by 25 October 2011
Dispatch of definitive certificates expected by	1 November 2011

ADMISSION STATISTICS

Number of Existing Ordinary Shares in issue prior to Admission	93,688,094
Number of Consideration Shares to be issued**	5,454,545
Number of Placing Shares to be issued	2,900,000
Gross proceeds of the Placing	£290,000
Estimated expenses of Admission	£400,000
New Ordinary Shares as a percentage of Enlarged Share Capital	8.19
Market capitalisation of the Company at the Placing Price immediately following the Acquisition**	£10,204,264
Number of Options and Warrants outstanding immediately following Admission*	7,858,002
Maximum number of Ordinary Shares that may be issued under the LTIP*	8,400,000
Number of Ordinary Shares in issue on a fully diluted basis**	130,900,641
AIM symbol	MIN
International Security Identification Number ("ISIN")	GB0008497975

* Further details of the Warrants, Options and the LTIP are set out in paragraphs 5, 6 and 10 of Part IX of this document.

** This assumes that the number of Consideration Shares will be calculated based on a price of 11p per share and be the maximum number that may be issued.

PART I

INFORMATION ON THE GROUP

Section A – Outline of the Group’s business and strategy

1. Introduction

The Directors are committed to creating a diversified group in the travel and leisure sector and are currently focused on acquiring distribution-led businesses in the UK. The Group’s strategy is to acquire smaller regional players in the sector with positive working capital and strong net margins on commission earned.

In line with this strategy the Group has already acquired KWT and an interest in STC and it now wishes to acquire John Semple Travel Limited, a multi-faceted and online travel agent based in Scotland (the “Acquisition”).

The Acquisition will constitute a reverse takeover under the AIM Rules and is therefore conditional, *inter alia*, upon the approval of Shareholders at a general meeting. A reverse takeover also involves the cancellation of the Existing Ordinary Shares from trading on AIM and a new application for the First Enlarged Share Capital to be admitted to trading on AIM. A separate application will be made for the Consideration Shares to be admitted to AIM.

In Greece, the Group also continues to concentrate on the Crete Project: the assembly, design and supervision of the construction of and, ultimately, management of the Resort, on a 25 square km site in north eastern Crete.

Following the approval of the environmental terms for the Project in February 2007, an appeal was lodged in April 2007. The decision of the Greek Council of State was finally announced in December 2010. During the intervening period, the Group continued to work towards the Project’s fruition, including the holding of an architectural competition and discussions with, *inter alia*, hotel groups, financiers and potential joint venture partners. In November 2009, the Group announced it had agreed terms to acquire licences for two solar energy projects in Greece. Following the restructuring of local government in Greece in late 2010 and the changes to renewable energy legislation, the Board decided to take no further action until the profitability and cash generating properties of the business was clarified.

Also in November 2009, the Company announced its intention of entering the travel and leisure sector and the appointment of Duncan Wilson, a travel professional with many years’ experience in the sector, as Managing Director. Since then an experienced team has been assembled and a number of transactions have been completed, as set out in this document.

The Directors believe that the creation of a substantial travel business will add value for Shareholders as well as creating a valuable, cash positive stand alone business. As such, the Acquisition will advance the Group’s plans to build a significant and diversified travel and leisure business.

The Company is seeking to raise £1,665,000 through the issue of 2,900,000 new Ordinary Shares at 10 pence per share to raise £290,000 by way of the Placing and the completion of the Loans of £1,375,000 in order to fund the cash consideration in relation to the Acquisition and to contribute to the costs of Admission.

Accordingly, a general meeting of Shareholders is being convened at which resolutions will be proposed, *inter alia*, to approve and implement the Acquisition. The Resolutions are set out in full in the Notice of the General Meeting contained in Part X of this document. The Board unanimously considers that the Resolutions are in the best interests of the Company and its Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions. The Directors, who together control approximately 1.97 per cent. of the Existing Ordinary Shares, intend to vote in favour of the Resolutions.

This document, which comprises an admission document for the purposes of the AIM Rules, sets out information on the Group and its businesses and strategy, the background to and reasons for the Acquisition and the Placing, and asks Shareholders to vote in favour of the Resolutions which will be proposed at a General Meeting to be held at 11.30 a.m. on Monday, 17 October 2011 at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN.

2. The Travel and Leisure Business

Although the Board remains confident that the Project will be approved in due course, and the new Fast Track law is extremely encouraging, the Directors decided some time ago that expansion in the travel and leisure sector was the appropriate route to create additional value for Shareholders. To this end, Duncan Wilson, who has many years of experience in this sector, was appointed Managing Director of the Group in November 2009. On 23 December 2010, Shareholders approved the expansion of the Group's strategy within the travel and leisure sector and since then an experienced team has been assembled and a number of transactions have been completed:

- In March 2011, KWT, a retail travel agent based in Scotland, was acquired.
- In April 2011, an agreement was signed with Cruise 118 pursuant to which KWT became the Scottish franchisee for the Cruise 118 brand. Cruise 118 is a significant player in the online and call centre cruise market.
- In May 2011, a GSA agreement was signed with Sunwing Airlines of Canada.
- Also in May 2011, a minority interest in STC (19.9 per cent.) was acquired and a management agreement signed pursuant to which the Group will receive up to 90 per cent. of STC's net profits. STC is a multi-faceted travel agent based in Scotland.

The Company now wishes to acquire John Semple Travel Limited, a multi-faceted and online travel agent based in Scotland.

Further details on the Travel and Leisure Business, the Acquisition and the strategy for this part of the Group's business, are set out in Section B of this Part I.

3. The Crete Project

The Project is the assembly, design and supervision of the construction of, and ultimately, the management of the Resort, on a 25 square km site in north eastern Crete. The Site is owned by the Foundation, a charitable foundation established by the Holy Monastery of Toplou and the Holy Metropolis of Sitia and Ierapetra. The Site has been provided to Loyalward under the terms of the Contract entered into following an international tender.

On 3 December 2010, the Greek Council of State published its decision annulling the Greek Government's approval of the Project. At around the same time, the Greek Government announced it was introducing a new law to speed up the permissions process for major projects in Greece (the "Fast Track law").

The Company has designed a new Project. The masterplan for the new Project takes into account the decision of the Greek Council of State and recent changes in various relevant laws. It is for the creation of a significantly smaller development than previously proposed but one of higher quality which remains environmentally friendly and sustainable.

In July 2011, a file presenting the Project was submitted to Invest in Greece ("IIG"), the government agency handling Fast Track investment applications. Discussions with IIG are ongoing.

Meanwhile, the local municipality continues to develop the infrastructure of Sitia as a tourist destination. The new road to the expanded Sitia airport and the new cruise ship quay are almost complete. In addition, two European airlines have announced weekly flight plans to Sitia for 2012.

The Company has obtained a letter of opinion in relation to the new Project from CB Richard Ellis – Axies ("CBRE"). CBRE's opinion letter, which is set out at Part VIII of this document states the estimated development value of the Site is likely to be in the order of €100 million.

Further details on the Project and the strategy for this part of the Group's business, are set out in Section C of this Part I and further details on the Group and the Placing are set out in Section D of this Part I.

Section B – The Travel and Leisure Business

1. The Market Opportunity

The UK travel and leisure market is dominated at a primary level by the TUI Group and the Thomas Cook Group. Together, these entities have more than 2,000 retail outlets nationwide and operate in what the Directors consider to be an outmoded fashion with relatively high infrastructure costs and heavy investment in assets. The Directors believe that neither of these groups now has an opportunity to be a low cost provider of services.

At a secondary level, a number of sizeable online distributors operate as tour operators or retail distributors. This segment of the market requires significant investment in marketing to acquire customers at a relatively high cost per customer and the Directors consider to be crowded.

The Directors acknowledge that the travel and leisure sector is at a cyclical low but believe this creates the opportunity for establishing quickly and at low cost a significant business in the sector.

2. Strategy

The Group intends to continue to acquire distribution-led travel and leisure businesses in regional clusters throughout the UK. The strategy behind this cluster approach is that each cluster can provide a critical mass of regional customers. The cost base required to service these customers can then benefit from centralisation of non-customer facing functions. Simplistically, each of the businesses acquired will in themselves be profitable and with the benefit of consolidation become more so.

In this regard, the Directors intend, over the next six to eighteen months, to evaluate a wide spectrum of travel distribution opportunities and, in general, will look to invest in customer based rather than risk based businesses and seek to build regional clusters. Following the Acquisition, the first cluster in Scotland will have been substantially completed. The second is being targeted in the North West of England and the third is anticipated to be in the Midlands. As each cluster ensures regional critical mass affording local economies of scale in non-customer facing cost lines, the profitability of the whole is anticipated to be greater than the parts. In addition to growth by acquisition, the Group proposes to enter into further strategic partnerships and build on the existing online presence. The Board believes such partnerships can be secured due to the management team's contacts in the sector gained over many years.

The acquired customer bases will, the Directors believe, be key to growing this part of the Group's business. The Directors believe the independent regional businesses tend not to fully exploit the customer database either by way of marketing or by linking to other markets within the travel and leisure sphere. Consequently many low risk products and services can be cross marketed with a regional travel distribution business at low cost.

The Directors believe that quickly growing an online travel distribution business can most easily be exploited by moving an acquired off-line customer base online thereby, again at low cost, providing critical mass to the online distributor which otherwise will have to attract and acquire customers at a cost of around £30 per customer through intensive marketing.

The Directors believe the historical precedent of quickly growing a travel distribution business to challenge the market leaders supports the cluster growth strategy. In the 1980's Owners Abroad developed rapidly to grow into First Choice Holidays plc. The 1990's saw the growth of Airtours plc (which became MyTravel plc before merging with Thomas Cook). In 1993 Airtours plc turnover was £616 million which had increased to over £4.4 billion by the end of the decade. The travel and leisure market has offered the opportunity for smaller businesses with the right skills and financial backing to take advantage of weaknesses of the dominant businesses and grow significantly.

The Directors intend to increase margins by better exploitation of customer databases, by geographic expansion of activities, by eliminating duplicated costs, by taking existing off-line customers online, by merging back offices into a single office located in Scotland, by cross fertilisation of products and services and ultimately by acquisition.

3. The Group's existing business

Since Shareholder approval in December 2010, the Group has quickly moved forward with its plans and the first cluster of Scottish based travel distribution businesses will be largely complete following completion of the acquisition of JST.

The Group's travel and leisure division currently consists of the following businesses:

- KWT is a retail travel agent with 6 outlets in west and central Scotland. The Company announced on 10 March 2011 that KWT had a normalised net profit in excess of £100,000 before benefiting from new ownership. The Company acquired the entire issued share capital of KWT for a total consideration of £410,000. Historical financial information on KWT is set out in Part V of this document.
- STC is a multi-faceted travel distributor with 3 retail outlets, a cruise call centre, an affinity travel call centre and a business travel operation. The Group acquired 19.9 per cent. of this business in May 2011 and under a management agreement is entitled to up to 90 per cent. of the net profits generated. In its partnership accounts for the year ended 30 April 2011, STC reported net profit of £107,000. After adjusting for non-recurring items the normalised profit was £200,000. This level of profit is prior to any benefit arising as a result of the Group's acquisition of its interest which was acquired for £278,100.
- A GSA for Sunwing Airlines. The Group, through KWT trading as Canada Travel Services, acts as the sole UK distributor of flight tickets on the Sunwing flying programme between Canada and the UK.
- Scottish Franchise for Cruise 118. Cruise 118 is an online and call centre distributor of cruise holidays. Their business model is focused on service rather than price and is one which it is anticipated will enhance profit margins on existing business at both STC and JST and will enable the Group to grow the cruise business generally.

4. The Acquisition

The Company now wishes to acquire JST, a multi-faceted and online travel agent based in Scotland.

JST has one retail outlet, a cruise call centre, a golf and ski call centre and an online operation. For the year ended 31 March 2011, JST reported profits before tax of £237,000 on a total transaction value of £17.5 million and sales of £1.3 million. Adjusted for exceptional costs, the Directors believe the normalised profit, prior to any benefits under new ownership, to be £324,000. Pursuant to the Acquisition Agreement the entire issued share capital of JST will be acquired for a consideration of £2,000,000 of which £1.4 million is payable in cash and the balance being satisfied by the issue of the Consideration Shares. The Consideration Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission save that they will not be entitled to receive dividends or other distributions declared by reference to any period prior to 31 March 2011. The price at which the Consideration Shares are deemed to be issued is to be calculated as set out in paragraph 12.5 of Part IX of this document but the minimum number of Consideration Shares to be issued is 3,750,000 and the maximum number is 5,454,545. Historical financial information on JST is set out in Part VI of this document.

Further details of the Acquisition are set out in paragraph 12.5 of Part IX of this document.

The acquisitions of KWT and the interest in STC have brought a customer base that the Directors believe can be exploited by introducing the GSA and the Cruise 118 businesses and taking them online to strengthen the existing online business. The Directors believe that the Acquisition will further enhance the Group's ability to cross sell.

The Acquisition will constitute a reverse takeover under the AIM Rules and is therefore conditional, *inter alia*, upon the approval of Shareholders at a general meeting. A reverse takeover also involves the cancellation of the Existing Ordinary Shares from trading on AIM and a new application for the First Enlarged Share Capital to be admitted to trading on AIM. A separate application will be made for the Consideration Shares to be admitted to AIM.

Section C – The Crete Project

1. The Market Opportunity

Crete is the largest of the Greek islands with a length of approximately 260 km, its width ranging from 10 km to 56 km. The majority of the population lives in the central part of the island where the largest city, Heraklion, is located. The island has a well-developed infrastructure with good air and sea communications to mainland Greece and beyond. The climate is mild, with the winter temperature averaging 12 degrees Celsius rising to an average of 30 degrees Celsius in the summer with more than 300 days of sunshine each year. Crete is renowned for its rugged coastline, unspoilt sandy beaches, gorges and varied countryside. This natural beauty is complemented by many sites of significant cultural interest and areas of great historical and archaeological importance including the Minoan palaces at Knossos and Zakros.

In 2010, Crete was the most popular of the Greek islands for foreign tourism. Currently, there are only a few hotels which cater for the type of tourists which the Directors expect to visit the Resort.

2. The Project

The Resort will be constructed on a peninsula site in the north east of Crete. The Project involves the creation of a number of very high quality hotels, catering to a new market for Greek tourism in an area which is rich culturally, scenically and historically.

2.1 The Site and surrounding area

The land for the Resort to which the Group has rights under the Contract, further details of which are contained in paragraph 12.1 of Part IX of this document, is located in north eastern Crete on a peninsular site of approximately 25 square km (or 10 square miles). The Site is an area of largely undeveloped land with good transport and communications. The peninsula is already a recognised tourist destination because it contains the Holy Monastery of Toplou, the archaeological site at Itanos and the only natural palm forest in Europe at Vai.

Sitia Airport, which is approximately 25 minutes from the Site by car, has been extended and upgraded to handle the current generation of short haul aircraft used in Europe. A new terminal building is being constructed to cater for the larger planes which will bring tourists to the area. During the construction period for this new main building, the airport will operate from new temporary buildings, which have already been constructed, so that international visitors are dealt with efficiently. Two European airlines have already announced weekly flight plans to Sitia Airport for 2012.

2.2 Resort Features

The Resort will offer a range of facilities designed to meet the requirements of different market segments. Key attributes will include:

- a model of sustainable development to meet the growing market demand for such a destination;
- an extremely low density, luxury resort set in a large environmentally regenerated and managed area;
- a small number of extremely high quality hotels built to the highest specifications;
- a wide range of leisure and sports facilities;
- good international accessibility; and
- cultural facilities designed to involve and engage visitors in the life of the region.

When complete, the Resort will provide an extensive range of amenities for guests and the local community.

2.3 Environmental Protection

The Project was conceived and designed to be environmentally sensitive. Since then, however, the continuing increase in environmental standards required both by legislation and by the market has resulted in the original concept being substantially revised and enhanced. Minoan has always regarded the protection of the environment as paramount. The Group's plan for sustainable development includes a build footprint of significantly less than 1 per cent. of the area of the Site and is intended to reinforce and underpin the key

elements of environmental and cultural heritage which are regarded by the Company as being essential for the long term commercial prospects of the Resort.

2.4 The Approvals Process

The approvals process in Greece has been simplified considerably by the introduction of the Fast Track law, which allows Invest in Greece, the government agency handling Fast Track Investment applications, to expedite permissions on behalf of investors. The Fast Track law has been created specifically to deal with investments considered to be 'strategic' for Greece by the Greek Government. The Directors believe that the Project as described meets the relevant criteria.

In addition, various new laws and regulations have and are being implemented by the Greek Government to try to ensure that foreign investors are not faced with the previous byzantine process, which led to interminable delays in receiving consents.

The Group's plans have evolved to reflect the substantial market changes that have taken place in recent years as well as to take account of the terms and conditions specified in the various new laws and regulations as well as the Greek Council of State decision in December 2010.

Extreme care has been taken by the Company and its advisers to ensure that the Project has as low an impact as possible on the environment and is consistent with a sustainable development. Given this fact, plus the stated desire of the Greek Government to encourage foreign investment, the Board is confident that the Project will be eligible for the Fast Track process.

3. Strategy

The Board anticipates that in due course, revenues will be generated at the Resort from the following sources:

- the Group's interests in the individual hotels and other facilities;
- the Group's interests in any joint ventures which may be formed to develop such assets;
- the provision of resort management services; and
- the operation of franchises and concessions in the Resort.

The Group is continually reviewing the funding requirements necessary to allow it to achieve its immediate and future goals in relation to the Project and its implementation. It is currently anticipated that nearly all of the finance for the Project will be raised in the form of project finance and/or from joint venture partners.

The strategy is to implement the Project by phasing the construction programme such that the Group's financial risk profile is kept within prudent limits whilst at the same time allowing the completion of the Project.

It is the intention of the Board to implement the Project alongside third parties, where appropriate, in order to minimise exposure and risk. This is likely to involve the utilisation of joint venture vehicles. Such third parties will be chosen for their competence, financial strength, general experience and local acceptability.

You should read the whole of this document and your attention is drawn to the risk factors set out in Part II of this document.

Section D – Other information on the Group

1. Financial Information

Financial information on the Group for the period 1 April 2007 to 31 March 2011 is set out in Parts III and IV of this document.

2. CBRE's Letter of Opinion

CBRE has issued an opinion which, based on extracts from the Group's business plan and full consent, states that the value of the Group's interest in the Site is likely to be in the order of €100 million. The report is set out in Part VIII of this document.

3. Shareholder Loyalty Scheme

The shareholder loyalty scheme (the "Scheme"), was established in December 2003 and amended in November 2007, with the intention of recognising the support of Shareholders holding at least 5,000 shares in Minoan for a period of twelve months or more.

The Directors are considering whether the Scheme may be adapted to reflect the revised development and if so, how.

4. Directors and Management

The Group's policy is to retain a small central management team which will be augmented as necessary as the Project is implemented and the travel and leisure business expands. The current team is as follows:

Board of Directors and Company Secretary

Christopher Egleton, Executive Chairman, aged 65

After qualifying as a chartered accountant and a subsequent career in the City of London in merchant banking, Mr Egleton spent a period of 6 years with The British Land Company PLC. He then became Chief Executive and founder shareholder of Beckenham Group Plc, a small industrial group which was floated on the Third Market in 1987 and subsequently moved to the Unlisted Securities Market in 1989. He relinquished his major executive role in relation to that group in 1991 and retired from the group in 1993. From the late 1980's he was the major shareholder in Pentex Group plc, a UK oil exploration and production company. He realised the bulk of his investment in Pentex Group plc between 1994 and 1995, immediately prior to its flotation, and since that date has concentrated on a number of private business interests but principally that of the Group, which he joined in 1995.

Duncan Wilson, Managing Director, aged 53

Mr Wilson is a travel professional with over 25 years experience and an in-depth knowledge of the travel and leisure industry. He was previously a main board director of My Travel plc, formerly known as Airtours, a £3 billion turnover company, prior to which he was CEO of Direct Holidays PLC. During his five year tenure at Direct Holidays the profits tripled and it was then sold to Airtours for over £80 million. In 1991 he was part of a group which acquired leading independent resort estate agents, Beach Villas, which was sold to Thomas Cook in 1997. He joined the Board in 2006 and was appointed Managing Director with effect from 17 November 2009.

Barry Bartman, Finance Director, aged 70

Mr Bartman is a specialist in corporate finance and business strategy. After qualifying as a chartered accountant in 1965, he worked primarily in corporate finance at Coopers & Lybrand, N M Rothschild & Sons and The British Land Company PLC. He has worked as a consultant for many years with a number of major banks and institutions as well as many private and listed industrial companies. He has held various executive and non-executive directorships/chairmanships, including finance director and non-executive director of Signature Restaurants PLC, where he was involved in the refinancing and growth of the business via acquisition. As senior non-executive director, he negotiated the management buy-out of Signature

Restaurants led by its chairman, Luke Johnson. He acted as a consultant to the Group from May 2005 until he joined the Board in 2006.

Grahame Cook, Non-Executive Director, aged 53

Mr Cook, a chartered accountant, has held a number of senior executive positions. These include most recently his role as Chief Executive at WestLB Panmure, until 2003, where he was responsible for all global functions and the expansion and development of WestLB Panmure's business. Prior to this he spent three years at UBS as a managing director where he was on the Global Investment Banking Management Committee. He was also a director of Barclays de Zoete Wedd. He was a founding member of the London Stock Exchange techMARK Advisory Council and currently holds various other non-executive positions. He is chairman of Sinclair Pharma plc, Antisoma plc and MDY plc and a non-executive director of C5 Capital Limited, a private equity fund. He joined the Board in 2006.

Timothy Hill, Non-Executive Director, aged 62

Mr Hill is a former director of the Project Management Division of WT Partnership (which provides services to the Group), one of the largest consultancies in construction in the world. He is a registered architect with more than 30 years international experience in Europe, Africa and Asia and has worked either as an architect and/or project manager on a variety of commercial, industrial and governmental projects, specialising in hotel and leisure developments. Relevant projects include the Pine Cliffs golf resort in Portugal, the Pemberton resort in St Thomas in the British Virgin Islands, St James beach hotels in Barbados and the Sandyport Marina Development in Nassau, Bahamas. He joined the Group in 1993.

William Cole, Group Company Secretary and Executive Director of Loyalward Limited, aged 65

A chartered accountant, Mr Cole was a member of the London Stock Exchange and a director of a number of private companies. He has been with the Group since 1993 and was a member of the team who negotiated the Contract with the Foundation.

5. Fundraising

The Company proposes to raise approximately £290,000 (before expenses) through the issue of the Placing Shares. The Placing Price represents a discount of approximately 17.53 per cent. to the closing mid-market price of 12.125 pence per Ordinary Share on 12 September 2011, being the date upon which trading in the Company's Ordinary Shares was suspended on AIM and the latest practicable date prior to the publication of this document.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

The Placing will dilute the interests of existing Shareholders by 3.00 per cent. at Admission. Those interests will be further diluted by the issue of the Consideration Shares. If the maximum number of Consideration Shares is issued then the aggregate dilution for existing Shareholders would be 8.19 per cent. on Second Admission.

The Company is also raising a further £1,375,000 by way of loans pursuant to the Loan Agreements. The terms of the Loan Agreements are summarised in paragraph 12.7 of Part IX of this document.

The Fundraising will raise £1,665,000 (before expenses). It is expected that the proceeds will be deployed as to £1,400,000 to satisfy the cash consideration payable pursuant to the Acquisition Agreement, and the balance to contribute towards the costs of Admission.

6. Working Capital

In the opinion of the Directors, having made due and careful enquiry, taking into account the funds available to it following Admission, the Enlarged Group will have sufficient working capital for at least the next 12 months from the date of Admission.

7. Dividend Policy

If and when sufficient distributable reserves are available and commercial considerations allow, the Directors intend to pursue a progressive dividend policy.

8. Admission to AIM and Dealings in Ordinary Shares

Subject to the Acquisition being approved, application will be made to the London Stock Exchange for the First Enlarged Share Capital to be admitted to trading on AIM with Admission expected to take place on or about 18 October 2011. A separate application will be made for the Consideration Shares to be admitted to AIM with Second Admission expected to take place by 25 October 2011. No application has been or will be made for the Warrants to be admitted to trading on AIM.

9. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Ordinary Shares are admitted to CREST. Accordingly, settlement of transactions in all Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates may do so.

10. Corporate Governance

The Company now, and the Directors intend that the Company will in future comply with the main provisions of the Combined Code in so far as they are practicable for a company of its size.

An audit committee, comprising the non-executive Directors, has already been established by the Company. The audit committee is chaired by Grahame Cook and meets at least three times each year. The audit committee is responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported on and for meeting with the Group's auditors and reviewing their reports on the accounts and the Group's internal controls.

The Company has in addition established a remuneration committee, comprising the non-executive Directors. The remuneration committee is chaired by Grahame Cook. The remuneration committee is responsible for reviewing the performance of the executive Directors, setting their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme or the LTIP and, in particular, the application of performance standards which may apply to any such grant.

The Board intends regularly to review key business as well as financial risks facing the Group in the operation of its business.

The Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Company's applicable employees (if any). The Company has adopted and will operate a share dealing code for Directors and applicable employees (if any) in accordance with the AIM Rules.

11. Long Term Incentive Plan

The Company has established the Minoan Group 2007 Long Term Incentive Plan in order to allow officers and employees of the Group to share in the success of the Group and promote motivation and retention. The remuneration committee supervises, and may amend where required, the operation of the LTIP in respect of the participants. The current terms of the LTIP are summarised at paragraph 10 of Part IX of this document.

The Company may issue up to 15 per cent. of its issued Ordinary Shares, from time to time, within a ten year period to satisfy awards to participants in the LTIP and any other share plan operated by the Company under which Ordinary Shares are issued to officers or employees. There are currently up to 8,400,000 Ordinary Shares that may be issued under the LTIP.

12. Warrants and Options

The Company has outstanding as at the date of this document:

- 975,002 Warrants as more fully described in paragraph 5 of Part IX of this document; and
- 6,883,000 Options outstanding as more fully described in paragraph 6 of Part IX of this document.

13. Taxation

Information regarding taxation is set out in paragraph 11 of Part IX of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

14. Risk factors

Shareholders should consider carefully the risk factors set out in Part II of this document in addition to the other information presented.

15. Further information

Your attention is drawn to the additional information set out in Parts II to IX of this document.

16. General Meeting

The Acquisition is conditional, *inter alia*, upon the passing of the Resolutions to be proposed at the General Meeting to be held at 11.30 a.m. on 17 October 2011 at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN notice of which is set out in Part X of this document. Shareholders will be asked to consider and, if thought fit, approve the following resolutions:

1. an ordinary resolution that, in addition to the authority conferred by the resolution of the Company passed on 23 December 2010, the Directors be authorised to exercise all of the powers to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £383,546 for a period expiring on the earlier of 15 months from the date of the resolution and the Company's annual general meeting in 2012. This power will enable the Company to implement the Placing and the Acquisition and, in conjunction with the unutilised element of the authority granted on 23 December 2010, enable the Company to issue up to £3,000,000 in nominal amount of preference shares of £1 each and up to £330,000 in nominal amount of Ordinary Shares. Pursuant to the Loan Agreements, the Company is obliged to issue 12,600,000 new Ordinary Shares and may be required to issue a further 1,312,500 Ordinary Shares. Save as set out in this document, the Company has no current intention of exercising the unutilised authority but may wish to do so so as to make acquisitions in future or to take advantage of opportunities as they arise, for example, to raise funds from new investors;
2. a special resolution to dis-apply the statutory pre-emption rights in connection with the issue of equity securities for cash. The Board recommends that Shareholders vote in favour of this resolution in order to give the Board the freedom to implement the acquisition programme envisaged as part of the Travel and Leisure Business strategy or to take advantage of opportunities that arise. This power is additional to that granted by special resolution on 23 December 2010 which is unutilised as to:
 - the allotment of up to an aggregate of £3,000,000 in nominal value of preference shares of £1 each;
 - equity securities of up to a maximum aggregate amount of £30,000; and
 - the allotment of equity securities in connection with any offer by way of rights or open offer subject to certain exceptions as set out in the resolution passed on 23 December 2010; and
3. an ordinary resolution to approve the Acquisition Agreement.

The attention of Shareholders is also drawn to the voting intentions of the Directors set out in paragraph 18 below.

If the Acquisition is not approved by the Shareholders at the General Meeting, the Acquisition will not be completed.

17. Action to be taken by Shareholders

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return your Form of Proxy to Neville Registrars Limited at 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but, in any event, so as to arrive no later than 11.30 a.m. on 15 October 2011.

The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you wish to do so. Shareholders should, however, contact Neville Registrars in advance to confirm what identity documents they should bring with them.

18. Recommendation

The Directors are of the opinion that the Acquisition as described in paragraph 4 of Section B of this Part I is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings of 1,841,223 Ordinary Shares, representing approximately 1.97 per cent. of the Existing Ordinary Shares.

PART II

RISK FACTORS

An investment in Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in Ordinary Shares. The Board considers the following risk factors to be the most significant for potential investors in the Company, but the risks described below do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority.

If any of the following risks actually occur, the business, financial condition, capital resources, results or future operations of the Enlarged Group could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Enlarged Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group.

An investment in Ordinary Shares described in this document is speculative. Potential investors are accordingly advised before making any investment decision to consult a person duly authorised for the purposes of FSMA who specialises in advising on investments of this kind if you are taking advice in the United Kingdom or consult another appropriately authorised financial adviser if you are taking advice in a territory outside the United Kingdom. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

RISKS RELATING TO THE TRAVEL AND LEISURE SECTOR AND MINOAN'S TRAVEL AND LEISURE BUSINESS

General economic and other business conditions

Changing economic cycles may affect demand for tourism products. Such cycles may be influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence and consumer spending, labour or social unrest and political uncertainty.

Spending on travel and tourism is discretionary and price sensitive. An increase in interest rates, direct or indirect taxes, or the costs of living could lead to lower disposable income. Customers may reduce or stop their spending on travel or opt for lower-cost offers, in particular during periods of economic slowdown. Future economic downturns in any of Minoan's Travel and Leisure Businesses source markets could have a material adverse impact on the financial performance of the Enlarged Group.

In addition, the introduction of travel taxes in any jurisdiction in which Minoan's Travel and Leisure Businesses operate may affect both customers' spending on travel and the Enlarged Group's margin and could therefore have a material adverse impact on the financial performance of the Enlarged Group.

Further significant increases in the world oil price may lead to a general increase in the cost of foreign holidays and potentially a reduction in demand. This may have an adverse impact on the results of the travel and leisure division.

Large business failure

Consumer protection is an important facet of the travel and leisure market. A large business failure in the sector may give rise to a general consumer move away from the travel and leisure market or from a particular aspect of the market, which would have an adverse impact on Minoan's Travel and Leisure Business.

Foreign exchange risk

Foreign exchange movements which serve to make holidays more expensive for the UK consumer may have an adverse impact on demand for holidays and therefore the trading results of Minoan's Travel and Leisure Business.

The Group bears a risk of unfavourable changes in currency exchanges despite its foreign exchange contracts

The customers of Minoan's Travel and Leisure Business pay in sterling. However, the Group pays certain travel operators in Canadian dollars and Turkish lira. Consequently, the Group bears the risk of disadvantageous changes in exchange rates. For example, if sterling depreciates against the Turkish lira, then payments by the Enlarged Group in Turkish lira will increase costs in sterling for the Group. On the other hand, if sterling appreciates against the Turkish lira, then payments by the Enlarged Group in Turkish lira will decrease costs in sterling for the Group. The same principles apply to payments in Canadian dollars. The Enlarged Group's policy is to hedge this foreign exchange risk by using forward contracts. However, these may not adequately protect the Group's operating results from the effects of exchange rate fluctuations. In addition, the Group's foreign exchange transactions may reduce any benefit that it might otherwise receive as a result of favourable movements in sterling/Canadian dollar and sterling/Turkish lira exchange rates.

Reliance on supply from tour operators and airlines

As a distributor in the travel and leisure market, the division is dependent to some extent on the availability of supply of goods from the large tour operators and from the low cost and scheduled airlines. In the event that any of these parties were to adopt a strategy which significantly reduced the availability of supply to the independent travel distributor it may have an adverse impact on the results of the travel and leisure division.

If any third party services or facilities on which Minoan's Travel and Leisure Business relies conducting its business are restricted, temporarily halted (for example, as a result of technical problems or strikes), cease permanently or are not available on commercially acceptable terms, this could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group, including through a deterioration in customers' confidence in the ability of Minoan's Travel and Leisure Business to offer its services in a reliable manner. These adverse effects could also occur as a result of the loss or expiration of any of Minoan's Travel and Leisure Business contracts with third party service or facility providers and the inability to negotiate replacement contracts with other service providers at comparable rates or to enter into such contracts in any new markets Minoan's Travel and Leisure Business wishes to access. In addition, the efficiency, timeliness and quality of contract performance by third party providers will be largely beyond the direct control of Minoan's Travel and Leisure Business.

Political instability, accidents, terrorism or the threat of terrorism, natural disasters or outbreaks of diseases or epidemics

Unexpected geo-political problems in destination countries for the UK travel and leisure market may have an adverse impact on the propensity to travel or impact the choice of destination and therefore may have an adverse impact on the results of Minoan's Travel and Leisure Business.

Following a travel accident or terrorist incident involving airlines and/or popular tourist destinations, demand in the travel and leisure market may decrease. Should such an event occur, it would have an adverse impact on the results of Minoan's Travel and Leisure Business until consumer confidence resumed.

Unforeseen climatic events, such as an ash cloud, natural disasters such as an earthquake or tsunami or an outbreak of a disease or epidemic would have an adverse temporary impact on the travel and leisure market and therefore on the ability of Minoan's Travel and Leisure Business to operate efficiently.

Retention of key management

The success of Minoan may depend to a large extent on the retention of certain Directors, in particular, Christopher Egleton and Duncan Wilson, as well as other key personnel, the loss of whose services could have a material adverse effect on the business, not only on Minoan's Travel and Leisure Business but also on the Crete project.

JST's integration into the Group may not be successful

JST has been run as a private business with four large shareholders, all of whom have been closely involved in the business. JST's integration into the Group will involve changes in the way in which JST is run. The Directors expect these shareholders to continue to be closely involved in the JST business. There can, however, be no assurance that the Group will be able to manage operations of JST as well as the shareholders were able to do so as a private business.

IT systems

Minoan's Travel and Leisure Business depends on IT systems, especially in their management activities and in the provision of central administration. The reservation systems and administrative operations rely on the continuous functioning of their IT systems as the division will engage in direct selling of holidays and travel services to its customers over the internet. The internet is growing in importance, not only as a distribution channel but also as basic technology for the automation of business processes between business partners. Any disruption to the divisions IT systems could significantly hamper or prevent operations, reduce revenues, increase costs or otherwise adversely affect the operation of the Enlarged Group's business.

Minoan's Travel and Leisure Business may be vulnerable to rapid changes in technology standards. Technology changes rapidly, especially in the consumer-oriented tourism business, and the Enlarged Group's business may suffer if it is unable to keep up with the latest IT developments.

In addition, the Enlarged Group may be required to incur expenditure on IT in order to keep up with the technological developments of its competitors.

Competitors

The Enlarged Group will face competition from a range of tour operators and travel agents, some of which are large and well-established. It will also face competition from internet-based distributors and low fare airlines. Competitive pressures could affect the ability of the Enlarged Group to secure bookings at satisfactory levels and acceptable margins.

Expansion through acquisitions entails certain risks

Part of the Enlarged Group's strategy may involve expanding its business through acquisitions of other businesses or establishing new businesses. Acquisitions will require the integration of new operations into the Enlarged Group's business. The Enlarged Group's ability to realise the expected benefits from future acquisitions will depend, in large part, upon its ability to integrate new operations with existing operations in a timely and effective manner and to manage an increasingly large business. It will also depend upon the Enlarged Group's ability to recruit additional management as it cannot be assured that management of acquired businesses will continue to work for the Enlarged Group or that any of its recruiting efforts will succeed.

In addition, the Enlarged Group's acquisition strategy will involve numerous risks, including the potential inability to identify appropriate acquisition opportunities, possible failures of acquisitions to be profitable or to generate anticipated cash flows, the entry into markets and geographic areas where the Enlarged Group has limited or no experience, diversion of management's time and resources from core operations and potential difficulties in integrating operations and systems with those of acquired companies. Also, possible antitrust review by UK, European or other antitrust authorities could result in such authorities seeking to impede the Enlarged Group's acquisition of new businesses.

RISKS ASSOCIATED WITH THE CRETE PROJECT

The Board has been advised that the Project in its revised form should now be acceptable to the Greek State. In the event that this is not the case, the Group would need to amend its development plan further and this could lead to further costs and delays in the Project.

In order to complete the development of the Project, the Enlarged 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 finance on normal commercial terms. There can be no guarantee that these sources

of finance will be available. Any additional equity financing required may be dilutive to Shareholders and debt or other project financing, if available, may involve restrictions on the Group's financing and operating activities. If the Enlarged Group is unable to obtain additional financing as needed, it may be required to substantially reduce the scope of its operations.

Under the terms of the Contract, if ten years after activation of the Contract, £250 million (subject to adjustment for 1994 prices) has not been invested in the Project, the Foundation has the right to terminate the Contract without having to pay compensation. In case of doubt, the Contract is to be interpreted in favour of the Foundation. This represents a risk to the Company.

Certain permissions remain to be applied for in respect of the development of the Project. The Directors are confident that, when applied for, these permissions will be forthcoming although the timing and any conditions attaching thereto are uncertain. Once these remaining permissions have been granted and the Contract activated, a number of liabilities will crystallise. There can be no guarantee that the outstanding permissions will be obtained.

As with most projects of this nature and size there are issues which arise from time to time and will need to be resolved prior to the commencement of, and during, the Project and these could have a material adverse impact on the Enlarged Group.

The Enlarged Group's business model contains a number of assumptions made by the Directors. These include assumptions in relation to forecast demand, cost structures, contracting with appropriate joint venture partners and levels of revenue generated by the Project and the obtaining of further financing in order to implement the Project. Such assumptions are subject to changes in circumstances that the Directors may not have foreseen. Further, the Enlarged Group's operating results may fluctuate due to slower than anticipated take up of elements of the Project or construction or operator delays.

The Project carries with it inherent risks, particularly during the construction phase, of unforeseen adverse conditions as well as the risk of weather interruptions. The materialisation of such risks could adversely affect the commercial opening of the resort and/or the Enlarged Group's operating results.

The Group has taken every precaution to avoid archaeological sites on the Site including Classical, Byzantine and Minoan. However, there is no guarantee that further archaeological sites may not be discovered during the construction process and that work in that area may be significantly delayed or terminated.

The Enlarged Group will rely on third party suppliers including contractors in the completion of the Project and therefore will not always have complete control. Failure or delay on the part of such third parties could result in additional costs to the Enlarged Group which could be substantial.

Legal actions in Greece are a factor of general business life and are often commenced as a "first recourse" rather than as a last resort. Such actions can take many years to progress through the court system and any such actions might adversely impact on the Enlarged Group notwithstanding the merits or lack of merits of the underlying claim. Your attention is drawn to paragraph 8.2 of Part IX of this document. If the Petition referred to in paragraph 8.2 of Part IX of this document were successful in full or in part then that would have a material adverse impact on the Group which may not be able to meet any such liability.

Crete is in a zone which experiences occasional seismic activity. The last event of any note occurred in 1967 when no serious damage was experienced. In any event, building regulations in Crete require all buildings to be constructed to withstand anticipated seismic activity. The quality of the buildings to be constructed at the Project will exceed these standards.

GENERAL ECONOMIC, POLITICAL AND ENVIRONMENTAL RISKS

Political and economic risks

The financial position of the Enlarged Group may be adversely affected by general economic conditions, conditions within Greece or other countries or by factors affecting the leisure or property industries. Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Enlarged Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the

interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Enlarged Group's results.

Recent sovereign debt issues in Greece and other countries have caused political and social unrest that could further adversely affect the Enlarged Group's prospectus, results or operations.

GENERAL RISKS

Investment risks

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment or for other investors who have been professionally advised with regard to this investment and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Group, and others of which are extraneous. These factors could include large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes, general economic and political conditions and interest and inflation rate variations.

Liquidity and possible price volatility of the Ordinary Shares

The trading price of the Ordinary Shares may be subject to significant volatility in response to, among other factors:

- investor perceptions of the Enlarged Group and the Enlarged Group's business plans;
- variations in the Enlarged Group's operating results;
- the ability of the Enlarged Group to raise debt and/or equity financing and the cost, terms and conditions of any such fund raisings;
- changes in senior management personnel; and
- general economic and other factors.

An active trading market for the Ordinary Shares may not develop and the trading price for Ordinary Shares may fluctuate significantly. In addition, there can be no assurance that an active trading market for the Ordinary Shares will develop, or, if it does develop, that it will be sustained following Admission, or that the market price of the Ordinary Shares will not decline below the Placing Price.

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price of Ordinary Shares, regardless of the Group's performance.

The value of the Ordinary Shares may therefore fluctuate and not reflect their underlying asset value.

Dividends

The Company has not declared any dividend and level of dividends, if any, to be paid on the Ordinary Shares in future cannot be guaranteed and may fluctuate. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors, and will depend upon, among others, the Enlarged Group's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles.

Securities traded on AIM

The Ordinary Shares will be quoted on AIM rather than the Official List. The AIM Rules are, in general terms, less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment quoted on the Official List. Admission of the Ordinary Shares to trading on AIM should not be taken as implying that there will be a liquid market in the Ordinary Shares. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List. Shares held on AIM are perceived to involve higher risk. AIM has been in existence since 1995 and is a market designed for small and growing companies but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed.

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets.

The price at which investors may dispose of their Ordinary Shares in the Company may be influenced by a number of factors, some of which may be outside the Group's control. On any disposal, investors may realise less than the original amount invested.

Difficulties and implications of raising additional capital

Whilst the Directors are satisfied that the working capital available to the Enlarged Group will, from Admission, be sufficient for its present requirements, the Enlarged Group may need to raise additional funds in the future to finance the Project or for new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company, other than on a pro-rata basis to the then existing Shareholders, the percentage ownership of the Shareholders at that time may be reduced, Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights in priority to the Ordinary Shares.

The price of the Ordinary Shares may be volatile

Following the Placing, the price of the Ordinary Shares could fluctuate significantly. The price of shares sold in an offering is frequently subject to relatively higher volatility for a period of time following the offering.

The market price of the Ordinary Shares may, in addition to being affected by the Enlarged Group's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Enlarged Group's control, including changes in securities analysts' recommendations or estimates of earnings or financial performance of the Enlarged Group, its competitors or the industry, or the failure to meet expectations of securities analysts; fluctuations in stock market prices and volumes; general market volatility; changes in laws, rules, regulations and taxes, applicable to the Enlarged Group, its operations and the operations in which the Enlarged Group has interests; loss of key personnel and involvement in litigation.

Taxation

The tax rules and their interpretation relating to an investment in the Company may change during the life of the Company. The levels of, and relief from, taxation may change. Any tax reliefs referred to in this document are those currently available and their application depends on the individual circumstances of investors.

Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the assets held by the Company or the Enlarged Group, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax return of Shareholders. Statements in this document concerning the taxation of the Company, the Enlarged Group and/or its investors are based upon current law and practice which are subject to change.

A summary of the taxation implications in the United Kingdom of investing in the Company is set out in paragraph 11 of Part IX of this document.

An investor should consult his or her own tax adviser about the tax consequences of an investment in the Ordinary Shares.

Future raising of additional funds

The Enlarged Group's capital requirement will depend on numerous factors, including its ability to identify acquisition opportunities and to expand its penetration of the markets in which it operates. The Enlarged Group cannot predict accurately the timing and amount of its capital requirements due to their discretionary nature. Market conditions may prevent additional funds from being raised which could restrict the development of the Enlarged Group.

Although the Directors have confidence in the Enlarged Group's future revenue earning potential there can be no certainty that the Enlarged Group will achieve or sustain significant revenues, profitability or positive cash flow from its activities. This could impair the Enlarged Group's ability to sustain operations or secure any required funding.

Laws and regulations

The Enlarged Group's plans and operations are subject to a variety of national, provincial, state, foreign and local laws and regulations including environmental laws. Because such laws and regulations are outside the Company's control, the Company cannot predict the impact of changes in such laws or regulations in the future. The adoption of new or different laws and regulations could adversely affect the Enlarged Group's plans or operations.

PART III

Section A: Accountants' Report on the Group

The Directors
Minoan Group Plc
30 Aylesbury Street
London
EC1R 0ER

The Directors
Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

30 September 2011

Dear Sirs

Minoan Group Plc (“Minoan” or the “Company”) and its subsidiaries (the “Group”)

Introduction

We report on the consolidated financial information set out in Section B of this Part III. This financial information has been prepared for inclusion in the admission document issued by Minoan and dated 30 September 2011 (the “Admission Document”) relating to the proposed Acquisition of John Semple Travel Limited, the proposed Fundraising and the admission of the Company’s Enlarged Share Capital to trading on AIM and on the basis of the accounting policies set out in note 1 to the financial information. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company’s circumstances consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out in Section B of this Part III gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at the dates stated and of its consolidated comprehensive expense, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and applicable financial reporting framework as set out in note 1 to the financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Chantrey Vellacott DFK LLP

Chartered Accountants

PART III

Section B: Historical Financial Information on the Group

Consolidated Income Statements

	<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
Revenue	–	–	–
Cost of sales	–	–	–
Gross profit	–	–	–
Operating expenses	(1,422)	(582)	(726)
Charge in respect of share based payments	17 (1,176)	(339)	(535)
Operating loss	3 (2,598)	(921)	(1,261)
Finance income	4 104	1	–
Loss before taxation	(2,494)	(920)	(1,261)
Taxation expense	5 –	–	–
Loss for year attributable to equity holders of the Company	<u>(2,494)</u>	<u>(920)</u>	<u>(1,261)</u>
Loss per share attributable to equity holders of the Company	6 <u>(5.00)p</u>	<u>(1.68)p</u>	<u>(1.77)p</u>
Loss per share attributable to equity holders of the Company (excluding the charge in respect of share based payments)	6 <u>(2.64)p</u>	<u>(1.06)p</u>	<u>(1.02)p</u>

Consolidated Statements of Changes in Equity

	<i>Share capital £'000</i>	<i>Share premium £'000</i>	<i>Merger reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
Balance at 1 April 2007	11,938	17,795	9,349	(6,497)	32,585
Loss for the period	–	–	–	(2,494)	(2,494)
Net proceeds from shares issued	1,641	1,386	–	–	3,027
Share based payments	–	–	–	1,176	1,176
Balance at 30 September 2008	13,579	19,181	9,349	(7,815)	34,294
Loss for the year	–	–	–	(920)	(920)
Net proceeds from shares issued	56	875	–	–	931
Share based payments	–	–	–	339	339
Balance at 30 September 2009	13,635	20,056	9,349	(8,396)	34,644
Loss for the year	–	–	–	(1,261)	(1,261)
Net proceeds from shares issued	133	1,697	–	–	1,830
Share based payments	–	–	–	535	535
Balance at 30 September 2010	<u>13,768</u>	<u>21,753</u>	<u>9,349</u>	<u>(9,122)</u>	<u>35,748</u>

Consolidated Balance Sheets

	Note	30.09.08 £'000	30.09.09 £'000	30.09.10 £'000
Assets				
Non-current assets				
Intangible assets	7	3,573	3,573	3,573
Property, plant and equipment	8	176	183	172
Total non-current assets		<u>3,749</u>	<u>3,756</u>	<u>3,745</u>
Current assets				
Inventories	10	31,974	33,834	34,724
Receivables	11	64	37	38
Cash and cash equivalents		575	138	71
Total current assets		<u>32,613</u>	<u>34,009</u>	<u>34,833</u>
Total assets		<u><u>36,362</u></u>	<u><u>37,765</u></u>	<u><u>38,578</u></u>
Equity				
Share capital	14	13,579	13,635	13,768
Share premium account		19,181	20,056	21,753
Merger reserve account		9,349	9,349	9,349
Retained earnings		(7,815)	(8,396)	(9,122)
Total equity		<u>34,294</u>	<u>34,644</u>	<u>35,748</u>
Liabilities				
Current liabilities	12	2,068	3,121	2,830
Total liabilities		<u>2,068</u>	<u>3,121</u>	<u>2,830</u>
Total equity and liabilities		<u><u>36,362</u></u>	<u><u>37,765</u></u>	<u><u>38,578</u></u>

Consolidated Cash Flow Statements

		<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
Cash flows from operating activities				
Net cash used in continuing operations	A	(4,460)	(1,112)	(1,334)
Net cash used in operating activities		<u>(4,460)</u>	<u>(1,112)</u>	<u>(1,334)</u>
Cash flows from investing activities				
Purchase of property, plant and equipment – net		(26)	(1)	(4)
Net cash used in investing activities		<u>(26)</u>	<u>(1)</u>	<u>(4)</u>
Cash flows from financing activities				
Interest received		104	1	–
Net proceeds from the issue of ordinary shares		1,146	675	1,271
Net cash generated from financing activities		<u>1,250</u>	<u>676</u>	<u>1,271</u>
Net decrease in cash		<u>(3,236)</u>	<u>(437)</u>	<u>(67)</u>
Cash at beginning of period		3,811	575	138
Cash at end of period	B	<u><u>575</u></u>	<u><u>138</u></u>	<u><u>71</u></u>

Notes to the Consolidated Cash Flow Statements

A Cash flows from operating activities

	<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
Operating loss	(2,598)	(921)	(1,261)
Depreciation	30	16	15
Exchange gain relevant to property, plant and equipment	(28)	(22)	(1)
Increase in inventories	(4,167)	(1,860)	(891)
Share based payments	1,176	339	535
Decrease/(increase) in receivables	256	27	(2)
(Decrease)/increase in current liabilities	(1,009)	1,052	(291)
Non-cash movement in current liabilities	1,880	257	562
Net cash outflow from continuing operations	<u>(4,460)</u>	<u>(1,112)</u>	<u>(1,334)</u>

B Reconciliation of net cash flow to net funds

	<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
Decrease in cash in period	(3,236)	(437)	(67)
Cash at beginning of period	3,811	575	138
Cash at end of period	<u>575</u>	<u>138</u>	<u>71</u>

Notes to the Financial Information

1. Accounting policies

This consolidated financial information is prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") and IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

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

Basis of accounting

The financial information is prepared under the historical cost convention.

Basis of consolidation

The consolidated financial information incorporates the financial information of the Company and all its subsidiaries. The financial information of Loyalward Hellas S.A., the Company's Greek subsidiary, are consolidated using the currency exchange rate ruling at the period end.

Any exchange differences on consolidation are taken to equity.

Critical accounting estimates and judgements

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

- in capitalising the costs directly attributable to the Crete Project (see Inventories below), and continuing to recognise goodwill, the directors of the Company are of the opinion that the Crete Project will be brought to fruition and that the carrying value of inventories and goodwill is reasonable;
- in calculating the charge in respect of share based payments (see below) at each grant date and balance sheet date the directors of the Company are required to consider the vesting conditions of the awards made under the Company's Long Term Incentive Plan.

Inventories

Inventories represent, in the main, costs of goods and services directly attributable to the Crete Project and is stated at the lower of cost and net realisable value.

The Crete Project was the only activity of the Group during the period covered by the financial information and the Group has not therefore earned or recognised any revenue up to 30 September 2010.

Goodwill

IFRS require that goodwill be tested annually for impairment and not amortised. The directors of the Company have considered the current value of the land and the progress of the Crete Project and are of the opinion that the project site has longer term value in excess of the value of both goodwill and inventories.

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 income statement.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, as follows:

Freehold land:	capital cost not depreciated
Acquisition costs of land:	3 years
Plant and equipment:	5 years
Motor vehicles:	5 years

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 of the Company consider that the book values of non-current assets do not differ materially from the market values.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

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.

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 respect of the LTIP and options using the Black-Scholes and Monte Carlo pricing models as appropriate and charged over the vesting periods. This charge, shown as a charge in respect of share based payments in the consolidated income statement, does not involve any cash payment.

Pensions

The Group does not operate any pension schemes on behalf of its employees.

Taxation

The taxation expense is based on the loss for the period and takes 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 under each jurisdiction’s tax rules. As explained under “Share based payments” above, a compensation expense is recorded in the Group’s income statement 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 income statement. 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

	<i>Costs taken to inventories £'000</i>	<i>Costs taken to the income statement £'000</i>	<i>Total £'000</i>
18 months ended 30 September 2008			
Fees	68	233	301
Compensation for loss of office	100	–	100
Sums charged by third parties for directors' services	771	90	861
Amounts provided re annuities due to directors	129	–	129
Share based payments (note 17)	–	1,176	1,176
	<u>1,068</u>	<u>1,499</u>	<u>2,567</u>
Year ended 30 September 2009			
Fees	–	148	148
Sums charged by third parties for directors' services	523	60	583
Share based payments (note 17)	–	339	339
	<u>523</u>	<u>547</u>	<u>1,070</u>
Year ended 30 September 2010			
Fees	–	284	284
Sums charged by third parties for directors' services	432	60	492
Share based payments (note 17)	–	483	483
	<u>432</u>	<u>827</u>	<u>1,259</u>

Of the total directors' and key management remuneration shown above, the following amounts have been settled in shares: 18 months ended 30 September 2008: £129,000; year ended 30 September 2009: £Nil, year ended 30 September 2010: £102,000. These amounts include the following in respect of the services of the chairman: 18 months ended 30 September 2008: £102,000; year ended 30 September 2009: £nil; year ended 30 September 2010: £101,000. These amounts are in addition to the charge in respect of share based payments.

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

	<i>18 months ended 30 September 2008</i>		<i>Year ended 30 September 2009</i>		<i>Year ended 30 September 2010</i>	
	<i>Fees/Sums charged by third parties and annuities £'000</i>	<i>Share based payments £'000</i>	<i>Fees/Sums charged by third parties £'000</i>	<i>Share based payments £'000</i>	<i>Fees/Sums charged by third parties £'000</i>	<i>Share based payments £'000</i>
C W Egleton (Chairman)	511	748	309	263	297	318
D C Wilson	37	–	31	–	141	12
B D Bartman	90	85	60	25	60	37
G D Cook	37	–	25	–	25	15
T R C Hill	198	106	68	31	39	49
G T Brown	75	150	36	–	63	–
C W Young	37	–	12	–	–	–
	<u>985</u>	<u>1,089</u>	<u>541</u>	<u>319</u>	<u>625</u>	<u>431</u>

The Directors consider only themselves to be key management.

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

Staff costs (including directors)

	Costs taken to inventories £'000	Costs taken to the income statement £'000	Total £'000
18 months ended 30 September 2008			
Wages and salaries	149	232	381
Compensation for loss of office	100	–	100
Social security cost	27	27	54
Share based payments (note 17)	–	1,176	1,176
	<u>276</u>	<u>1,435</u>	<u>1,711</u>
Year ended 30 September 2009			
Wages and salaries	56	148	204
Social security cost	16	18	34
Share based payments (note 17)	–	339	339
	<u>72</u>	<u>505</u>	<u>577</u>
Year ended 30 September 2010			
Wages and salaries	40	284	324
Social security cost	11	35	46
Share based payments (note 17)	–	483	483
	<u>51</u>	<u>802</u>	<u>853</u>

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

	18 months ended 30.09.08 No.	Year ended 30.09.09 No.	Year ended 30.09.10 No.
Average number of persons employed			
Administration	<u>12</u>	<u>13</u>	<u>11</u>

3. Operating loss

The operating loss is stated after charging:

	18 months ended 30.09.08 £'000	Year ended 30.09.09 £'000	Year ended 30.09.10 £'000
Fees in respect of the Company's admission to AIM	441	–	–
Auditor's remuneration:			
Audit fees – PricewaterhouseCoopers	57	27	–
– Chantrey Vellacott DFK LLP	–	20	20
Tax services – PricewaterhouseCoopers	25	(5)	–
– Chantrey Vellacott DFK LLP	–	2	2

Included in the Company's admission to AIM is £202,000 paid to PricewaterhouseCoopers in respect of non-audit fees.

4. Finance income

	<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
Bank interest receivable	<u>104</u>	<u>1</u>	<u>–</u>

5. Taxation expense

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

	<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
UK Corporation Tax at 28% (2009: 28%, 2008: 29.33%)	<u>–</u>	<u>–</u>	<u>–</u>

(b) *Factors affecting taxation expense for the year*

	<i>18 months ended 30.09.08 £'000</i>	<i>Year ended 30.09.09 £'000</i>	<i>Year ended 30.09.10 £'000</i>
Loss before tax	<u>(2,494)</u>	<u>(920)</u>	<u>(1,261)</u>
Tax on ordinary activities multiplied by the standard rate in the UK of 28% (2009: 28%, 2008: 29.33%)	(731)	(258)	(353)
Effect of expenses not deductible for tax purposes	8	97	152
Effect of movement on deferred tax not recognised	<u>723</u>	<u>161</u>	<u>201</u>
Taxation expense for the year	<u>–</u>	<u>–</u>	<u>–</u>

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 the Company by the weighted average number of Ordinary Shares in issue during the period. Diluted earnings per share are calculated by adjusting basic earnings per share to assume the conversion of all dilutive potential Ordinary Shares. In the case of losses however, these shares are anti dilutive and as such they are ignored in calculating diluted loss per share. Therefore the basic loss per share and diluted loss per share are the same. The weighted average numbers of shares used in calculating basic and diluted loss per share for the accounting periods were as follows: 18 months ended 30 September 2008: 49,825,571, year ended 30 September 2009: 54,858,945, year ended 30 September 2010: 71,458,212.

7. Intangible assets

	<i>Goodwill</i> £'000
At 30 September 2008	3,573
At 30 September 2009	3,573
At 30 September 2010	3,573

On 15 September 1999 the holding company, Loyalward Group Plc, was created. Loyalward Group Plc (now Minoan Group Plc) acquired the share capital of Loyalward Limited in a share for share exchange. Acquisition accounting was used to account for this transaction, which gave rise to goodwill of £5,295,000. In accordance with IFRS, with effect from 31 March 2006 goodwill has not been amortised.

The consideration for the acquisition was the issue of 5,342,000 ordinary shares of Loyalward Group Plc at a price of £2 per share. The investment in Loyalward Limited was included in the balance sheet of Minoan at the nominal value of the shares issued of £1,336,000. The difference between the price at which the shares were issued and the nominal value was transferred to a merger reserve account. The directors have assessed the recoverable amount of the Project as being greater than the combined carrying value of the goodwill and inventories at 30 September 2008, 2009 and 2010 respectively.

8. Property, plant and equipment

	<i>Freehold land and acquisition costs</i> £'000	<i>Plant and equipment</i> £'000	<i>Motor vehicle</i> £'000	<i>Total</i> £'000
Cost				
At 1 April 2007	146	28	13	187
Exchange adjustments	24	2	2	28
Additions	–	26	–	26
At 30 September 2008	170	56	15	241
Exchange adjustments	19	2	1	22
Additions	–	1	–	1
At 30 September 2009	189	59	16	264
Exchange adjustments	(2)	3	–	1
Additions	7	–	–	7
Disposals	–	(4)	–	(4)
At 30 September 2010	194	58	16	268
Accumulated depreciation				
At 1 April 2007	10	25	–	35
Provided in period	13	12	5	30
At 30 September 2008	23	37	5	65
Provided in year	8	5	3	16
At 30 September 2009	31	42	8	81
Provided in year	8	3	4	15
At 30 September 2010	39	45	12	96
Net book value				
At 30 September 2008	147	19	10	176
At 30 September 2009	158	17	8	183
At 30 September 2010	155	13	4	172

9. Investments

Interests in subsidiaries

Loyalward Limited (100 per cent.) – A company incorporated in England involved in resort design, creation, services and management.

Loyalward Leisure Plc (100 per cent.) – A non-trading company incorporated in England.

Loyalward Hellas S.A. (8.2 per cent. owned by Minoan and 91.8 per cent. owned by Loyalward Limited) – A company incorporated in Greece engaged in corporate, resort and renewable energy business management in Greece.

10. Inventories

Inventory costs, the main elements of which were costs associated with securing the development site in Crete and planning and other design costs, were capitalised as follows, 30 September 2008: £31,974,000, 30 September 2009: £33,834,000, 30 September 2010: £34,724,000.

The development site is to be leased from the Public Welfare Ecclesiastical Foundation Panagia Akrotiriani (“the Foundation”) for an initial 40 year period following contract activation. 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.

11. Receivables

	30.09.08 £'000	30.09.09 £'000	30.09.10 £'000
Other debtors and prepayments	20	9	2
Value added tax recoverable	44	28	36
	<u>64</u>	<u>37</u>	<u>38</u>

12. Current liabilities

	30.09.08 £'000	30.09.09 £'000	30.09.10 £'000
Trade and other payables	644	829	1,015
Social security and other taxes	32	10	11
Accruals and deferred charges	1,392	2,282	1,804
	<u>2,068</u>	<u>3,121</u>	<u>2,830</u>

During the periods fees of certain Group suppliers were settled by the issue of ordinary shares. These shares were issued at the market price at the time of issue.

13. Deferred taxation

No deferred taxation asset has been recognised in the financial information for any of the periods. The total potential asset is as follows:

	<i>Total potential asset</i>		
	<i>30.09.08</i>	<i>30.09.09</i>	<i>30.09.10</i>
	£	£	£
Tax effect of timing differences because of:			
Accelerated capital allowances	2	1	1
Short term timing differences	329	424	574
Losses	1,739	1,900	1,997
	<u>2,070</u>	<u>2,325</u>	<u>2,572</u>

The above deferred tax asset is based on a corporation tax rate of 28 per cent. (2009: 28 per cent., 2008: 28 per cent.).

14. Share capital

	<i>30.09.08</i>	<i>30.09.09</i>	<i>30.09.10</i>
	£'000	£'000	£'000
Called up, allotted and fully paid			
30 September 2008 – 54,148,031 Ordinary Shares of 25p each	13,537	–	–
30 September 2009 – 63,758,531 Ordinary Shares of 1p each	–	637	–
54,148,031 Deferred Shares of 24p each	–	12,996	–
30 September 2010 – 75,227,447 Ordinary Shares of 1p each	–	–	752
54,148,031 Deferred Shares of 24p each	–	–	12,996
	<u>13,537</u>	<u>13,633</u>	<u>13,748</u>
Debt to be settled by the issue of shares (see note 15)			
2008: 166,667 Ordinary Shares of 25p each,			
2009: 200,000 Ordinary Shares of 1p each,			
2010: 2,011,905 Ordinary Shares of 1p each	42	2	20
	<u>13,579</u>	<u>13,635</u>	<u>13,768</u>

At the Company's Annual General Meeting, held on the 27 March 2009, the authorised share capital was sub-divided into 450,447,256 Ordinary Shares of 1 pence each and 54,148,031 Deferred Shares of 24 pence each. The issued share capital at that time, 54,148,031 Ordinary Shares of 25 pence each, was sub-divided into 54,148,031 Ordinary Shares of 1 pence each and 54,148,031 Deferred Shares of 24 pence each.

The abolishment of the concept of authorised share capital, as set out in the Companies Act 2006, became effective on 1 October 2009. The Company amended its Articles of Association to reflect this by special resolution at the Annual General Meeting, held on 29 March 2010.

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.

Share issues – Ordinary Shares

<i>Date of issue</i>	<i>Number of shares</i>	<i>Reason for issue</i>	<i>Price per share</i>
Shares in issue at 1 April 2007	45,750,613		
25 April 2007	2,000,000	Issued to satisfy liabilities	50p
25 April 2007	51,238	Issued to satisfy liabilities	94.5p
4 May 2007	1,521,441	Issued in respect of payments due under certain directors' service contracts	100p
21 May 2007	8,750	Issued re exercise of warrants	75p
16 July 2008	3,868,653	Issued re placing	30p
16 July 2008	947,336	Issued to satisfy liabilities	30p
Shares in issue at 30 September 2008	54,148,031		
2 September 2009	6,742,500	Issued re placing	10p
2 September 2009	2,868,000	Issued to satisfy liabilities	10p
At 30 September 2009	63,758,531		
2 December 2009	3,674,005	Issued re placing	15p
2 December 2009	1,506,334	Issued to satisfy liabilities	15p
2 December 2009	395,000	Issued to satisfy liabilities	10p
19 February 2010	3,333,334	Issued re placing	15p
19 February 2010	467,585	Issued to satisfy liabilities	15p
17 May 2010	1,375,000	Issued re placing	16p
17 May 2010	717,658	Issued to satisfy liabilities	16p
Shares in issue at 30 September 2010	<u>75,227,447</u>		

Share issues – Deferred Shares

No Deferred Shares have been issued since the sub-division of the Company's share capital on 27 March 2009.

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 periods 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 directors of the Company review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group finances its operations through a mixture of equity and borrowings. The Group has historically borrowed in Sterling only. At 30 September 2008, 2009 and 2010 the Group had no non-current liabilities.

Liquidity risk

The Group maintains sufficient funds in local currency for operational liquidity. The directors of the Company consider 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 convertible loans.

In order to complete the development of its Project in Crete, the Group will require substantial additional financing. It is the 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 profile

The Group's liabilities, which are all denominated in sterling, are interest free and due in less than one year, are as follows:

	30.09.08 £'000	30.09.09 £'000	30.09.10 £'000
Convertible loans	<u>50</u>	<u>20</u>	<u>211</u>

Loans to be settled by the issue of shares have been classified as equity in accordance with IAS 32 (note 14).

During period ended 30 September 2008, £1,000,000 of convertible loans, outstanding at 1 April 2007, was settled by the issue of 2,000,000 ordinary shares at 50 pence per share (note 14). During the year ended 30 September 2009, £50,000 of convertible loans was settled by the issue of shares at 10 pence per share (note 14). During the year ended 30 September 2010, £20,000 of convertible loans was settled by the issue of shares at 10 pence per share and £5,000 of convertible loans was settled by the issue of shares at 15 pence per share (note 14).

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 1 April 2007, 30 September 2008, 30 September 2009 and 30 September 2010.

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 per cent. of the issued share capital and M A Fitch, a director of Loyalward Hellas S.A. from 12 December 2007, owns 50 per cent. of the issued share capital.

I.H.M. Industry & Hotel Management Ltd, 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, all of which were done on an arm's length basis, are shown below.

	<i>Simmons International Limited</i> £'000	<i>Supplier of services</i>		
		<i>Bizwatch Limited</i> £'000	<i>I.H.M. Industry & Hotel Management Limited</i> £'000	<i>B D Bartman & Co</i> £'000
18 months ended 30 September 2008				
Services supplied in period	409	86	22	90
Payable as at 30 September 2008	149	36	14	49
Year ended 30 September 2009				
Services supplied in year	309	92	18	60
Payable as at 30 September 2009	348	16	32	94
Year ended 30 September 2010				
Services supplied in year	297	53	18	60
Payable as at 30 September 2010	364	46	45	115

17. Long term incentive plan, share options and warrants

Share based payments charge

	<i>Income statement</i>		
	<i>18 months ended 30.09.08</i> £'000	<i>Year ended 30.09.09</i> £'000	<i>Year ended 30.09.10</i> £'000
Share based payments – directors	1,176	339	483
Share based payments – other	–	–	52
	<u>1,176</u>	<u>339</u>	<u>535</u>

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

The performance conditions are as follows:

Performance condition A	The receipt by Loyalward Limited of the first building licence for all or part of the first village.
Performance condition B	Sales revenues of €30,000,000 having been received in cash by Loyalward Limited in respect of fully completed residential units.
Performance condition C	The price of an ordinary share having remained at an average of 250 pence or above for 10 consecutive trading days on AIM or a recognised stock exchange.

The following awards have been granted as at 30 September 2010 with an expiry date of 26 April 2017:

	<i>Performance condition A Maximum number of Ordinary Shares exercisable at 25 pence</i>	<i>Performance condition B Maximum number of Ordinary Shares exercisable at 25 pence</i>	<i>Performance condition C Maximum number of Ordinary Shares exercisable at 25 pence</i>
C W Egleton	1,000,000	1,000,000	1,000,000
B D Bartman	120,000	120,000	–
T R C Hill	150,000	150,000	–
W C Cole (director Loyalward Limited)	200,000	–	–
	<u>1,470,000</u>	<u>1,270,000</u>	<u>1,000,000</u>

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.

The inputs into the option pricing model are as follows:

	<i>LTIP</i>	<i>Options</i>
Grant date	26 April 2007	13 November 2009 to 24 May 2010
Share price at grant date	95p	14.75p to 16.5p
Exercise price	25p	15p
Vesting periods	In accordance with performance conditions	Immediately
Expected volatility	21.3%	45.61%
Option life	1.5 to 4.25 years	2.6 to 3.13 years
Expected life	6 years	n/a
Risk free rate	4.98% to 5.18%	1.26% to 2.04%
Expected dividends expressed as dividend yield	nil	nil
Possibility of employment ceasing prior to vesting	0%	n/a
Fair value of options	43.6p to 76.7p	43.4p to 61.0p

Expected volatility for the LTIP is determined by calculating the historic volatility of the Group's share price over the previous two years. Expected volatility for the options is determined by calculating the historic volatility of the Group's share price over the previous 18 months. 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.

At a General Meeting of the Company, held on 23 December 2010, the shareholders gave approval to amend the number of shares available to be awarded under the LTIP to a maximum of 8,400,000 Ordinary Shares of 1p each.

Share options

The movements in the number of share options over the periods were as follows:

	<i>Number of Ordinary Shares</i>		
	<i>30.09.08</i>	<i>30.09.09</i>	<i>30.09.10</i>
Directors			
At beginning of period	1,211,969	948,889	–
Granted	–	–	2,350,000
Expired	(263,080)	(948,889)	–
At end of period	<u>948,889</u>	<u>–</u>	<u>2,350,000</u>
Other			
At beginning of period	3,618,000	3,618,000	3,318,000
Granted	–	–	915,000
Expired	–	(300,000)	–
At end of period	<u>3,618,000</u>	<u>3,318,000</u>	<u>4,233,000</u>

The following options were outstanding as at 30 September 2010:

	<i>Exercise price</i>	<i>Number of Ordinary Shares</i>	<i>Expiry date</i>
Directors			
B D Bartman	15p	200,000	31/12/12
W C Cole (director Loyalward Limited)	15p	500,000	31/12/12
G D Cook	15p	250,000	31/12/12
C W Egleton	15p	500,000	31/12/12
C W Egleton	15p	400,000	31/12/12
T R C Hill	15p	300,000	31/12/12
D C Wilson	15p	200,000	31/12/12
		<u>2,350,000</u>	
Other			
Various	60p	3,318,000	See note
Various	15p	915,000	31/12/12
		<u>4,233,000</u>	

Note:

The expiry date of these options is 90 days after certain valid building licences and permits have been granted.

Warrants

The movements in the number of warrants over the periods were as follows:

	<i>Number of Ordinary Shares</i>		
	<i>30.09.08</i>	<i>30.09.09</i>	<i>30.09.10</i>
Directors			
At beginning of period	94,830	–	–
Granted	–	–	–
Expired	(94,830)	–	–
	<hr/>	<hr/>	<hr/>
At end of period	–	–	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Other			
At beginning of period	2,222,421	479,835	–
Granted	–	–	–
Exercised	(8,750)	–	–
Expired	(1,733,836)	(479,835)	–
	<hr/>	<hr/>	<hr/>
At end of period	479,835	–	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18. Contingent liabilities and commitments

The directors of the Company have identified contingent liabilities and commitments as follows: 30 September 2008: £4,681,000, 30 September 2009: £4,776,000, 30 September 2010: £3,902,000. The contingent liability as at 30 September 2010 comprises the following:

Upon activation of the Contract with the Foundation, when certain planning and other requirements have been achieved, £3,902,000 will become due to meet the balance of the initial consideration payable in respect of the development site.

The Company has no other capital or operating commitments.

19. Events after the balance sheet date

Preference shares

At a General Meeting of the Company, held on 23 December 2010, the directors were authorised to create a new class of shares, being Convertible Redeemable Preference Shares of £1 each, having such rights as the directors of the Company may determine, including as to the terms and conditions and manner of redemption and conversion.

PART IV

UNAUDITED INTERIM FINANCIAL INFORMATION ON THE GROUP

Unaudited Consolidated Income Statement

6 months ended 31 March 2011

	6 months ended 31 March 2010 £'000	Year ended 30 September 2010 £'000	6 months ended 31 March 2011 £'000
Revenue	–	–	610
Cost of sales	–	–	534
Gross profit	–	–	76
Operating expenses	(289)	(726)	(412)
Charge in respect of share based payments	(273)	(535)	(162)
	(562)	(1,261)	(574)
Operating loss	(562)	(1,261)	(498)
Finance income	–	–	–
Loss before taxation	(562)	(1,261)	(498)
Taxation	–	–	–
Loss for period attributable to equity holders of the Company	(562)	(1,261)	(498)
Basic and diluted loss per share attributable to equity holders of the Company	(0.83)p	(1.77)p	(0.65)p
Basic and diluted loss per share attributable to equity holders of the Company (excluding the charge in respect of share based payments)	(0.43)p	(1.02)p	(0.44)p

All of the above arises from continuing activities.

Unaudited Consolidated Statement of Changes in Equity

6 months ended 31 March 2010

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2009	13,635	20,056	9,349	(8,396)	34,644
Loss for the period	–	–	–	(562)	(562)
Net proceeds from shares issued	92	1,211	–	–	1,302
Share based payments	–	–	–	273	273
Balance at 31 March 2010	<u>13,727</u>	<u>21,266</u>	<u>9,349</u>	<u>(8,685)</u>	<u>35,657</u>

Year ended 30 September 2010

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2009	13,635	20,056	9,349	(8,396)	34,644
Loss for the year	–	–	–	(1,261)	(1,261)
Net proceeds from shares issued	133	1,697	–	–	1,830
Share based payments	–	–	–	535	535
Balance at 30 September 2010	<u>13,768</u>	<u>21,753</u>	<u>9,349</u>	<u>(9,122)</u>	<u>35,748</u>

6 months ended 31 March 2011

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2010	13,768	21,753	9,349	(9,122)	35,748
Loss for the period	–	–	–	(498)	(498)
Net proceeds from shares issued	103	1,183	–	–	1,286
Share based payments	–	–	–	162	162
Balance at 31 March 2011	<u>13,871</u>	<u>22,936</u>	<u>9,349</u>	<u>(9,458)</u>	<u>36,698</u>

Unaudited Consolidated Balance Sheet

as at 31 March 2011

	31 March 2010 £'000	30 September 2010 £'000	31 March 2011 £'000
Assets			
Non-current assets			
Intangible assets	3,573	3,573	4,313
Property, plant and equipment	181	172	177
Total non-current assets	<u>3,754</u>	<u>3,745</u>	<u>4,490</u>
Current assets			
Inventories	34,408	34,724	35,202
Receivables	42	38	246
Cash and cash equivalents	271	71	1,094
Total current assets	<u>34,721</u>	<u>34,833</u>	<u>36,542</u>
Total assets	<u><u>38,475</u></u>	<u><u>38,578</u></u>	<u><u>41,032</u></u>
Equity			
Share capital	13,727	13,768	13,871
Share premium account	21,266	21,753	22,936
Merger reserve account	9,349	9,349	9,349
Retained earnings	(8,685)	(9,122)	(9,458)
Total equity	<u>35,657</u>	<u>35,748</u>	<u>36,698</u>
Liabilities			
Current liabilities	2,818	2,830	4,334
Total liabilities	<u>2,818</u>	<u>2,830</u>	<u>4,334</u>
Total equity and liabilities	<u><u>38,475</u></u>	<u><u>38,578</u></u>	<u><u>41,032</u></u>

Unaudited Consolidated Cash Flow Statement

6 months ended 31 March 2011

	6 months ended 31 March 2010 £'000	Year ended 30 September 2010 £'000	6 months ended 31 March 2011 £'000
Cash flows from operating activities			
Net cash generated from/(used in) continuing operations	(849)	(1,334)	753
Net cash generated from/(used in) operating activities	<u>(849)</u>	<u>(1,334)</u>	<u>753</u>
Cash flows from investing activities			
Acquisition of subsidiary	–	–	(429)
Purchase of property, plant and equipment – net	(3)	(4)	(10)
Net cash used in investing activities	<u>(3)</u>	<u>(4)</u>	<u>(439)</u>
Cash flows from financing activities			
Interest received	–	–	–
Net proceeds from the issue of ordinary shares	985	1,271	709
Net cash generated from financing activities	<u>985</u>	<u>1,271</u>	<u>709</u>
Net increase/(decrease) cash	<u>133</u>	<u>(67)</u>	<u>1,023</u>
Cash at beginning of period	138	138	71
Cash at end of period	<u><u>271</u></u>	<u><u>71</u></u>	<u><u>1,094</u></u>

Note to the Unaudited Consolidated Cash Flow Statement

6 months ended 31 March 2011

Cash flows from operating activities

	<i>6 months ended 31 March 2010 £'000</i>	<i>Year ended 30 September 2010 £'000</i>	<i>6 months ended 31 March 2011 £'000</i>
Operating loss	(562)	(1,261)	(498)
Depreciation	2	15	7
Exchange loss/(gain) relevant to property, plant and equipment	4	(1)	–
Increase in inventories	(575)	(891)	(477)
Share based payments	273	535	162
Increase in receivables	(5)	(2)	(207)
Increase/(decrease) in current liabilities	(304)	(291)	1,501
Non cash movement in intangible assets	–	–	(311)
Non cash movement in current liabilities	318	562	576
	<hr/>	<hr/>	<hr/>
Net cash generated from/(used in) continuing operations	(849)	(1,334)	753
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Unaudited Interim Financial Information

6 months ended 31 March 2011

1. General information

The Company is a public limited company incorporated in England and Wales and quoted on AIM. The Company's principal activity in the period 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 resorts. During the period the Group also commenced the implementation of its policy to expand further in the travel and leisure sector with the acquisition of KWT on 10 March 2011. The Group's intention is to provide a broad range of services including, *inter alia*, transportation, accommodation and leisure services.

2. Basis of preparation

The interim financial information is unaudited and do not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006. A copy of the audited Report and Financial Statements for the year ended 30 September 2010 has been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain statements under Section 498 of the Companies Act 2006. The Report and Financial Statements for the year ended 30 September 2010 were approved by the Board on 21 February 2011.

The interim financial information for the 6 months ended 31 March 2011 comprise an Unaudited Consolidated Income Statement, Unaudited Consolidated Statement of Changes in Equity, Unaudited Consolidated Balance Sheet and Unaudited Consolidated Cash Flow statement plus relevant notes.

The interim financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the EU and the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted in the preparation of the interim financial information is set out below. These policies have been consistently applied to all the periods represented, unless otherwise stated.

Going concern

The interim financial information has 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 the expansion of its T&L business, the implementation of which has now commenced (see above). In particular, the directors have reviewed the matters referred to below.

In December 2010 the Greek Council of State reached a decision relating to the Project. This decision was enlightening as to the form of tourism development that may be created in this area.

A new permitting process has been approved by the Greek Government regarding strategic investments planned in the country, known as the Fast Track law. The purpose of this law is to expedite the planning process for projects which the government considers to be environmentally appropriate and which will, *inter alia*, strengthen the Greek economy, create employment and introduce novel technologies.

The Company is in the process of submitting a file based on its new masterplan to Invest in Greece, the government agency appointed to handle applications under the Fast Track process. The masterplan is for the creation of a smaller, higher quality, fully sustainable development and the directors are being advised that it should now be acceptable to the Greek State.

As has been the case in the past, the Group continues to raise capital in order to meet its existing working capital requirements (see note 6) and the directors consider that any necessary funds will be raised as required.

With the first acquisitions in the planned expansion of its T&L business the Group is now in a position to generate 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 interim financial information is appropriate.

The interim financial information did not include any adjustment that would be required if the Company were unable to continue as a going concern.

3. Goodwill

The increase in goodwill has arisen from the acquisition of KWT.

IFRS require that goodwill be tested annually for impairment and not amortised. In the Group's case, the requirement to amortise goodwill ceased with effect from 31 March 2006. The directors have considered the current value of the land and the progress of the Project and are of the opinion that the project site has longer term value in excess of the value of both the amount of goodwill attributable to it and inventories.

In addition, the directors are of the opinion that the projected value of the KWT business is in excess of the value of the amount of goodwill attributable to it.

4. 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 respect of the LTIP and options using the Black-Scholes and Monte Carlo pricing models as appropriate and charged over the vesting periods. This charge, shown as a charge in respect of share based payments in the consolidated income statement, does not involve any cash payment.

5. Loss per share attributable to equity holders of the Company

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 period. Diluted earnings per share are calculated by adjusting basic earnings per share to assume the conversion of all dilutive potential ordinary shares. In the case of losses however, these shares are anti-dilutive and as such they are ignored in calculating diluted loss per share. 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 6 months ended 31 March 2011 was 76,104,773 (6 months ended 31 March 2010: 68,208,678; year ended 30 September 2010: 71,458,212).

6. Events after the balance sheet date

On 8 April 2011 the Company issued 2,012,424 new ordinary shares of 1p each at 15 pence per share in order to satisfy certain existing commitments.

On 11 May 2011 the Company placed 2,698,413 new ordinary shares of 1p each at 15.75 pence per share to fund the implementation of its growth strategy in the T&L sector and to provide ongoing working capital.

On 18 May 2011 the Company issued 333,333 new ordinary shares of 1p each at 15 pence per share in respect of the exercise of Warrants 2011.

On 31 May 2011 the Company issued 1,780,410 new ordinary shares of 1p each at 15.62 pence per share in settlement of the consideration for the acquisition of a 19.9 per cent. interest in Stewart Travel Centre. Simultaneously, the Company signed a management agreement for the future operation of Stewart.

PART V

Section A: Accountants' Report on King World Travel Limited

The Directors
Minoan Group Plc
30 Aylesbury Street
London
EC1R 0ER

The Directors
Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

30 September 2011

Dear Sirs

King World Travel Limited ("KWT")

Introduction

We report on the financial information set out in Section B of this Part V. This financial information has been prepared for inclusion in the admission document issued by Minoan Group Plc ("the Company") and dated 30 September 2011 (the "Admission Document") relating to the proposed Acquisition of John Semple Travel Limited, the proposed Fundraising and the admission of the Company's Enlarged Share Capital to trading on AIM and on the basis of the accounting policies set out in note 1 to the financial information. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The directors of KWT are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to KWT's circumstances consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out in Section B of this Part V gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of KWT as at the dates stated and of its consolidated comprehensive income, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and applicable financial reporting framework as set out in note 1 to the financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Chantrey Vellacott DFK LLP

Chartered Accountants

PART V

Section B: Historical Financial Information on King World Travel Limited

Statements of Comprehensive Income

		<i>Year ended 31 October</i>		
	<i>Notes</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Continuing operations				
Gross revenues		10,928	10,166	9,811
Payments to providers		(9,643)	(9,073)	(8,619)
		<hr/>	<hr/>	<hr/>
Sales – commission		1,285	1,093	1,192
Administrative expenses		(1,236)	(1,179)	(1,158)
		<hr/>	<hr/>	<hr/>
Operating profit/(loss)		49	(86)	34
Finance income	3	21	1	–
		<hr/>	<hr/>	<hr/>
Profit/(loss) before taxation	4	70	(85)	34
Taxation	5	(8)	–	–
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the year		<u>62</u>	<u>(85)</u>	<u>34</u>

Balance Sheets

		As at 31 October		
	Notes	2008 £'000	2009 £'000	2010 £'000
Assets				
Non-current assets				
Property, plant and equipment	7	48	40	49
Investments	8	–	–	–
Total non-current assets		<u>48</u>	<u>40</u>	<u>49</u>
Current assets				
Consumable inventories	9	3	4	2
Trade and other receivables	10	491	232	279
Cash and cash equivalents	11	250	427	360
Total current assets		<u>744</u>	<u>663</u>	<u>641</u>
Total assets		<u><u>792</u></u>	<u><u>703</u></u>	<u><u>690</u></u>
Equity				
Shareholders' equity				
Called up share capital	12	40	40	40
Retained earnings		88	3	37
Total equity		<u>128</u>	<u>43</u>	<u>77</u>
Liabilities				
Current liabilities				
Trade and other payables	13	661	660	613
Tax payable		3	–	–
Total liabilities		<u>664</u>	<u>660</u>	<u>613</u>
Total equity and liabilities		<u><u>792</u></u>	<u><u>703</u></u>	<u><u>690</u></u>

Statements of Changes in Equity

	<i>Called up share capital £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
Balance at 1 November 2007	40	27	67
Dividends	–	(1)	(1)
Total comprehensive income	–	62	62
Balance at 31 October 2008	<u>40</u>	<u>88</u>	<u>128</u>
Total comprehensive loss	–	(85)	(85)
Balance at 31 October 2009	<u>40</u>	<u>3</u>	<u>43</u>
Total comprehensive income	–	34	34
Balance at 31 October 2010	<u><u>40</u></u>	<u><u>37</u></u>	<u><u>77</u></u>

Cash Flow Statements

	<i>Year ended 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash flows from operating activities			
Cash (used in)/generated from operations	(209)	202	(32)
Tax paid	(5)	(3)	–
	<u>(214)</u>	<u>199</u>	<u>(32)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	(29)	(22)	(37)
Sale of property, plant and equipment	–	–	–
Interest received	21	1	–
	<u>(8)</u>	<u>(21)</u>	<u>(37)</u>
Cash flows from financing activities			
Amount introduced by directors	–	–	2
Amount withdrawn by directors	(1)	(1)	–
Equity dividends paid	(1)	–	–
	<u>(2)</u>	<u>(1)</u>	<u>2</u>
(Decrease)/increase in cash and cash equivalents	<u>(224)</u>	<u>177</u>	<u>(67)</u>
Cash and cash equivalents at beginning of period	474	250	427
Cash and cash equivalents at end of period	<u>250</u>	<u>427</u>	<u>360</u>
Reconciliation of profit before taxation to cash generated from operations			
Profit/(loss) before taxation	70	(85)	34
Depreciation	31	30	28
Loss on disposal of property, plant and equipment	2	–	–
Finance income	(21)	(1)	–
	<u>82</u>	<u>(56)</u>	<u>62</u>
Decrease/(increase) in inventories	–	(1)	2
(Increase)/decrease in trade and other receivables	(246)	260	(48)
Decrease in trade and other payables	(45)	(1)	(48)
Cash (used in)/generated from operations	<u>(209)</u>	<u>202</u>	<u>(32)</u>

Notes to the Financial Information

1. Accounting policies

Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU) (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention.

Sales – commission

Sales represents commission and other earnings attributable to the company for the provision of services and is recognised on receipt of final balance due.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	–	33% on cost
Plant and equipment	–	33% on cost
Fixtures and fittings	–	33% on cost
Motor vehicles	–	33% on cost

Investments

Investments are stated at cost less any impairment deemed necessary.

Inventories

Inventories are valued at lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Hire purchase and leasing commitments

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

Pensions

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

2. Employees and directors

	<i>Year ended 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	644	605	622
Social security costs	56	52	54
Other pension costs	2	2	2
	<u>702</u>	<u>659</u>	<u>678</u>
The average monthly number of employees during the period was as follows:			
Directors	2	2	2
Sales consultants	43	40	40
	<u>45</u>	<u>42</u>	<u>42</u>
Directors' emoluments	<u>62</u>	<u>70</u>	<u>74</u>
Directors' pension contributions to money purchase schemes	<u>2</u>	<u>2</u>	<u>2</u>
The number of directors to whom retirement benefits were accruing was as follows:			
Money purchase schemes	<u>1</u>	<u>1</u>	<u>1</u>

The directors consider only themselves to be key management.

3. Finance income

	<i>Year ended 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Interest received	<u>21</u>	<u>1</u>	<u>–</u>

4. Profit/(loss) before taxation

	<i>Year ended 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
The profit/(loss) before taxation is stated after charging:			
Payments to providers	9,643	9,072	8,619
Hire of plant and machinery	2	3	13
Depreciation	31	30	28
Loss on disposal of property, plant and equipment	2	–	–
Auditor's remuneration	<u>7</u>	<u>8</u>	<u>8</u>

5. Taxation

(a) Analysis of the tax charge

	Year ended 31 October		
	2008 £'000	2009 £'000	2010 £'000
Corporation tax	8	–	–
Deferred tax	–	–	–
Total tax charge in income statement	<u>8</u>	<u>–</u>	<u>–</u>

(b) Factors affecting taxation expense for the year

	Year ended 31 October		
	2008 £'000	2009 £'000	2010 £'000
Profit/(loss) before tax	70	(85)	34
Profit/(loss) before tax multiplied by the small company rate in the UK of 21% (2010: 21%, 2009: 20.6%)	15	(18)	7
Effect of expenses not deductible for tax purposes	7	7	7
Effect of movement on deferred tax not recognised	(5)	11	(11)
Effect of tax losses utilised	(9)	–	(3)
Taxation expense in the period	<u>8</u>	<u>–</u>	<u>–</u>
Taxation losses carried forward	105	183	170

6. Dividends

	Year ended 31 October		
	2008 £'000	2009 £'000	2010 £'000
12% Preference shares of £1 each Preference dividend	<u>1</u>	<u>–</u>	<u>–</u>

7. Property, plant and equipment

	<i>As at 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Motor vehicles</i>			
Cost at beginning of the period	20	14	6
Additions	6	–	–
Disposals	(12)	(8)	–
Cost at end of the period	<u>14</u>	<u>6</u>	<u>6</u>
Depreciation at beginning of the period	19	9	3
Charge for the period	2	2	2
Eliminated on disposal	(12)	(8)	–
Depreciation at end of the period	<u>9</u>	<u>3</u>	<u>5</u>
Net book value at beginning of the period	<u>1</u>	<u>5</u>	<u>3</u>
Net book value at end of the period	<u>5</u>	<u>3</u>	<u>1</u>
<i>Fixtures and fittings</i>			
Cost at beginning and end of the period	<u>37</u>	<u>37</u>	<u>37</u>
Depreciation at beginning and end of the period	<u>37</u>	<u>37</u>	<u>37</u>
Net book value at beginning and end of the period	<u>–</u>	<u>–</u>	<u>–</u>
<i>Plant and equipment</i>			
Cost at beginning of the period	199	214	217
Additions	21	22	37
Disposals	(6)	(19)	(40)
Cost at end of the period	<u>214</u>	<u>217</u>	<u>214</u>
Depreciation at beginning of the period	159	179	183
Charge for the period	24	23	24
Eliminated on disposal	(4)	(19)	(40)
Depreciation at end of the period	<u>179</u>	<u>183</u>	<u>167</u>
Net book value at beginning of the period	<u>40</u>	<u>35</u>	<u>34</u>
Net book value at end of the period	<u>35</u>	<u>34</u>	<u>47</u>

	<i>As at 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Leasehold improvements</i>			
Cost at beginning of the period	83	85	48
Additions	2	–	–
Disposals	–	(37)	–
Cost at end of the period	<u>85</u>	<u>48</u>	<u>48</u>
Depreciation at beginning of the period	72	77	45
Charge for the period	5	5	2
Eliminated on disposal	–	(37)	–
Depreciation at end of the period	<u>77</u>	<u>45</u>	<u>47</u>
Net book value at beginning of the period	<u>11</u>	<u>8</u>	<u>3</u>
Net book value at end of the period	<u>8</u>	<u>3</u>	<u>1</u>
<i>Total</i>			
Cost at beginning of the period	339	350	308
Additions	29	22	37
Disposals	(18)	(64)	(40)
Cost at end of the period	<u>350</u>	<u>308</u>	<u>305</u>
Depreciation at beginning of the period	287	302	268
Charge for the period	31	30	28
Eliminated on disposal	(16)	(64)	(40)
Depreciation at end of the period	<u>302</u>	<u>268</u>	<u>256</u>
Net book value at beginning of the period	<u>52</u>	<u>48</u>	<u>40</u>
Net book value at end of the period	<u>48</u>	<u>40</u>	<u>49</u>

8. Investments

	<i>As at 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Unlisted investments	<u>–</u>	<u>–</u>	<u>–</u>

9. Inventories

	<i>As at 31 October</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Consumables	<u>3</u>	<u>4</u>	<u>2</u>

10. Trade and other receivables

	As at 31 October		
	2008 £'000	2009 £'000	2010 £'000
Trade receivables	385	123	175
Other receivables	105	107	104
Directors' current accounts	1	2	–
	<u>491</u>	<u>232</u>	<u>279</u>

11. Cash and cash equivalents

	As at 31 October		
	2008 £'000	2009 £'000	2010 £'000
Bank accounts	<u>250</u>	<u>427</u>	<u>360</u>

12. Called up share capital

<i>Authorised – ordinary shares of £1 nominal value</i>	<i>Number</i>	<i>£'000</i>
At 1 November 2007	42,000	42
At 31 October 2008	42,000	42
At 31 October 2009	42,000	42
At 31 October 2010	42,000	42
<i>Authorised – 12% preference shares of £1 nominal value</i>	<i>Number</i>	<i>£'000</i>
At 1 November 2007	8,000	8
At 31 October 2008	8,000	8
At 31 October 2009	8,000	8
At 31 October 2010	8,000	8
<i>Allotted, issued and fully paid – ordinary shares of £1 nominal value</i>	<i>Number</i>	<i>£'000</i>
At 1 November 2007	32,000	32
At 31 October 2008	32,000	32
At 31 October 2009	32,000	32
At 31 October 2010	32,000	32
<i>Allotted, issued and fully paid – 12% preference shares of £1 nominal value</i>	<i>Number</i>	<i>£'000</i>
At 1 November 2007	8,000	8
At 31 October 2008	8,000	8
At 31 October 2009	8,000	8
At 31 October 2010	8,000	8

13. Trade and other payables

	As at 31 October		
	2008	2009	2010
	£'000	£'000	£'000
Trade payables	512	548	481
Social security and other taxes	18	11	15
Accruals	104	82	77
VAT	27	19	40
	<u>661</u>	<u>660</u>	<u>613</u>

14. Related party disclosures

	As at 31 October		
	2008	2009	2010
	£'000	£'000	£'000
The following loan to a director subsisted during the period:			
Balance outstanding at start of the year	–	1	1
Balance outstanding at end of the year	1	2	–
Maximum balance outstanding during the year	<u>149</u>	<u>10</u>	<u>2</u>

Interest is charged at the official rate.

15. Financial instruments and risk management

The company's financial instruments comprise, 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 company's operations.

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

The main risks arising from the company's financial instruments are liquidity risk and foreign currency risk. The directors of the company review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company maintains sufficient funds in Sterling for operational liquidity. The directors of the company consider the liquidity risk at board meetings throughout the monitoring of cash levels.

Foreign currency risk

A limited number of suppliers require to be paid in foreign currency. The company will on limited occasions fix forward rates for known foreign currency obligations.

The company has no derivatives or financial instruments. There is no material difference between the book value and the fair value of the company's financial assets and liabilities at 1 November 2007, 31 October 2008, 31 October 2009 and 31 October 2010.

PART VI

Section A: Accountants' Report on John Semple Travel Limited

IBS/BC/MI0568/asm

The Directors
Minoan Group Plc
30 Aylesbury Street
London
EC1R 0ER

The Directors
Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

30 September 2011

Dear Sirs

John Semple Travel Limited ("JST")

Introduction

We report on the financial information set out in Section B of this Part VI. This financial information has been prepared for inclusion in the admission document issued by Minoan Group Plc ("the Company") and dated 30 September 2011 (the "Admission Document") relating to the proposed Acquisition of John Semple Travel Limited, the proposed Fundraising and the admission of the Company's Enlarged Share Capital to trading on AIM and on the basis of the accounting policies set out in note 1 to the financial information. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The directors of JST are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to JST's circumstances consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out in Section B of this Part VI gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of JST as at the dates stated and of its consolidated comprehensive income, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and applicable financial reporting framework as set out in note 1 to the financial information.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Chantrey Vellacott DFK LLP

Chartered Accountants

PART VI

Section B: Historical Financial Information on John Semple Travel Limited

Statements of Comprehensive Income

	Notes	<i>Period ended 31 March</i>		
		2009	2010	2011
		<i>14 months</i>	<i>12 months</i>	<i>12 months</i>
		£'000	£'000	£'000
Continuing operations				
Gross revenues		14,020	14,916	17,492
Payments to providers		(12,928)	(13,731)	(16,199)
		<hr/>	<hr/>	<hr/>
Sales – commission		1,092	1,185	1,293
Other operating income		189	209	186
Administrative expenses		(1,069)	(1,193)	(1,241)
		<hr/>	<hr/>	<hr/>
Operating profit		212	201	238
Finance costs	3	–	(1)	(1)
Finance income	3	6	–	–
		<hr/>	<hr/>	<hr/>
Profit before taxation	4	218	200	237
Taxation	5	(54)	(43)	(51)
		<hr/>	<hr/>	<hr/>
Profit for the period		164	157	186
Unrealised investment gains/(losses)		(7)	–	6
		<hr/>	<hr/>	<hr/>
Total comprehensive income for the period		<u>157</u>	<u>157</u>	<u>192</u>

Balance Sheets

		<i>As at 31 March</i>		
	<i>Notes</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Assets				
Non-current assets				
Goodwill	7	350	350	350
Property, plant and equipment	8	36	243	236
Investments	9	1	–	106
Total non-current assets		<u>387</u>	<u>593</u>	<u>692</u>
Current assets				
Trade and other receivables	10	82	83	111
Cash and cash equivalents	11	1,355	1,329	1,416
Total current assets		<u>1,437</u>	<u>1,412</u>	<u>1,527</u>
Total assets		<u><u>1,824</u></u>	<u><u>2,005</u></u>	<u><u>2,219</u></u>
Equity				
Shareholders' equity				
Called up share capital	12	100	165	165
Retained earnings		37	194	250
Total equity		<u>137</u>	<u>359</u>	<u>415</u>
Liabilities				
Non-current liabilities				
Financial liabilities – interest bearing loans and borrowings	14	280	16	11
Deferred tax	16	8	8	8
Total non-current liabilities		<u>288</u>	<u>24</u>	<u>19</u>
Current liabilities				
Trade and other payables	13	1,333	1,574	1,727
Financial liabilities – interest bearing loans and borrowings	14	20	6	6
Tax payable		46	42	52
Total current liabilities		<u>1,399</u>	<u>1,621</u>	<u>1,785</u>
Total liabilities		<u>1,687</u>	<u>1,645</u>	<u>1,804</u>
Total equity and liabilities		<u><u>1,824</u></u>	<u><u>2,005</u></u>	<u><u>2,219</u></u>

Statements of Changes in Equity

	<i>Called up share capital £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
As at 29 January 2008	–	–	–
Issue of share capital	100	–	100
Dividends	–	(120)	(120)
Total comprehensive income	–	157	157
As at 31 March 2009	100	37	137
Issue of share capital	65	–	65
Total comprehensive income	–	157	157
As at 31 March 2010	165	194	359
Dividends	–	(136)	(136)
Total comprehensive income	–	192	192
As at 31 March 2011	165	250	415

Cash Flow Statements

	<i>Period ended 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>14 months</i>	<i>12 months</i>	<i>12 months</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash flows from operating activities			
Cash generated from operations	1,467	449	357
Interest paid	–	(1)	(1)
Tax paid	–	(46)	(42)
	<hr/>	<hr/>	<hr/>
Net cash generated from operating activities	1,467	402	314
Cash flows from investing activities			
Purchase of goodwill	(350)	–	–
Purchase of property, plant and equipment	(42)	(214)	(4)
Purchase of fixed asset investments	(8)	–	(100)
Interest received	6	–	–
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(394)	(214)	(104)
Cash flows from financing activities			
New loans in year	300	28	–
Loan repayments in the year	–	(305)	(6)
Amount introduced by directors	45	200	19
Amount withdrawn by directors	(43)	(202)	–
Share issue	100	65	–
Equity dividends paid	(120)	–	(136)
	<hr/>	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	282	(214)	(123)
Increase/(decrease) in cash and cash equivalents	1,355	(26)	87
Cash and cash equivalents at beginning of period	–	1,355	1,329
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of the period	1,355	1,329	1,416
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of profit before income tax to cash generated from operations			
Profit before taxation	218	200	237
Depreciation	6	7	11
Finance costs	–	1	–
Finance income	(6)	–	–
	<hr/>	<hr/>	<hr/>
	218	208	248
Increase in trade and other receivables	(82)	(1)	(28)
Increase in trade and other payables	1,331	242	137
	<hr/>	<hr/>	<hr/>
Cash generated from operations	1,467	449	357
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Historical Financial Information

1. Accounting policies

Basis of preparation

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

Sales – commission

Sales represents commission and other earnings attributable to the company for the provision of services and is recognised on receipt of final balance due.

Goodwill

Goodwill is capitalised and tested annually for impairment.

Property, plant and equipment

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

Freehold property	–	2% on cost
Fittings and equipment	–	15% on reducing balance

Investments

Listed investments are stated at market value. These investments are not held for trading and are therefore shown as available for sale financial assets.

Taxation

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Hire purchase and leasing commitments

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

Pensions

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

2. Employees and directors

	<i>Period ended 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>14 months</i>	<i>12 months</i>	<i>12 months</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Wages and salaries	492	558	575
Other pension costs	1	1	1
	<u>493</u>	<u>559</u>	<u>576</u>
The average monthly number of employees during the period was as follows:			
Directors	4	4	4
Sales consultants	25	30	30
	<u>29</u>	<u>34</u>	<u>34</u>
Directors' emoluments	<u>22</u>	<u>23</u>	<u>23</u>

The directors consider only themselves to be key management.

3. Net finance costs/(income)

	<i>Period ended 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>14 months</i>	<i>12 months</i>	<i>12 months</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Finance income:			
Net interest received	6	–	–
	<u>6</u>	<u>–</u>	<u>–</u>
Finance costs:			
Bank overdraft interest	–	–	–
Bank loan interest	–	(1)	(1)
	<u>–</u>	<u>(1)</u>	<u>(1)</u>

4. Profit before taxation

	<i>Period ended 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>14 months</i>	<i>12 months</i>	<i>12 months</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
The profit before taxation is stated after charging:			
Payments to providers	12,928	13,731	16,199
Other operating leases	13	15	15
Depreciation	6	7	11
Auditor's remuneration	7	9	9
	<u>12,954</u>	<u>13,762</u>	<u>16,244</u>

5. Taxation

(a) Analysis of the tax charge

	Period ended 31 March		
	2009	2010	2011
	14 months £'000	12 months £'000	12 months £'000
Current tax:			
Corporation tax	46	43	51
Deferred tax	8	–	–
Total tax charge in income statement	<u>54</u>	<u>43</u>	<u>51</u>

(b) Factors affecting taxation expense for the year

	Period ended 31 March		
	2009	2010	2011
	14 months £'000	12 months £'000	12 months £'000
Profit before tax	218	200	237
Profit before tax multiplied by the small company rate in the UK of 21% (2010: 21%, 2009: 21%)	46	42	50
Effect of expenses not deductible for tax purposes	4	2	3
Effect of movement on deferred tax not recognised	(4)	(2)	(1)
Effect of movement on deferred tax recognised	8	1	(1)
Taxation expense in the period	<u>54</u>	<u>43</u>	<u>51</u>

6. Dividends

	Period ended 31 March		
	2009	2010	2011
	14 months £'000	12 months £'000	12 months £'000
Ordinary shares of £1 each Dividend	<u>120</u>	<u>–</u>	<u>136</u>

7. Goodwill

	As at 31 March		
	2009	2010	2011
	£'000	£'000	£'000
Cost at beginning of the period	–	350	350
Additions	350	–	–
Cost at end of the period	<u>350</u>	<u>350</u>	<u>350</u>

8. Property, plant and equipment

	<i>As at 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Fittings and equipment</i>			
Cost at beginning of the period	–	42	52
Additions	42	10	4
Cost at end of the period	42	52	56
Depreciation at beginning of the period	–	6	13
Charge for the period	6	7	6
Depreciation at end of the period	6	13	19
Net book value at beginning of the period	–	36	39
Net book value at end of the period	36	39	37
<i>Freehold property</i>			
Cost at beginning of the period	–	–	204
Additions	–	204	–
Cost at end of the period	–	204	204
Depreciation at beginning of the period	–	–	–
Charge for the period	–	–	5
Depreciation at end of the period	–	–	5
Net book value at beginning of the period	–	–	204
Net book value at end of the period	–	204	199
<i>Total</i>			
Cost at beginning of the period	–	42	256
Additions	42	214	4
Cost at end of the period	42	256	260
Depreciation at beginning of the period	–	6	13
Charge for the period	6	7	11
Depreciation at end of the period	6	13	24
Net book value at beginning of the period	–	36	243
Net book value at end of the period	36	243	236

9. Investments

	<i>As at 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Listed investments	1	–	106

10. Trade and other receivables

	<i>As at 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade receivables	37	50	44
Prepayments	45	33	67
	<u>82</u>	<u>83</u>	<u>111</u>

11. Cash and cash equivalents

	<i>As at 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash in hand	–	–	–
Bank accounts	1,355	1,329	1,416
	<u>1,355</u>	<u>1,329</u>	<u>1,416</u>

12. Called up share capital

<i>Authorised – ordinary shares of £1 nominal value</i>	<i>Number</i>	<i>£'000</i>
At 29 January 2008	1,000,000	1,000
At 31 March 2009	1,000,000	1,000
At 31 March 2010	1,000,000	1,000
At 31 March 2011	1,000,000	1,000
<i>Allotted, issued and fully paid – ordinary shares of £1 nominal value</i>	<i>Number</i>	<i>£'000</i>
At 29 January 2008	–	–
Issued in the period	100,000	100
At 31 March 2009	100,000	100
At 31 March 2010	165,000	165
At 31 March 2011	165,000	165

13. Trade and other payables

	<i>As at 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade payables	1,151	1,381	1,527
Social security and other taxes	9	8	11
Other payables	104	119	112
Accrued charges	67	66	57
Directors' current accounts	2	–	20
	<u>1,333</u>	<u>1,574</u>	<u>1,727</u>

14. Financial liabilities – borrowings

	<i>As at 31 March</i>			
	<i>2009</i> £'000	<i>2010</i> £'000	<i>2011</i> £'000	<i>2011</i> £'000
Bank loans	<u>20</u>	<u>6</u>	<u>6</u>	<u>6</u>
Non-current: Bank loans	<u>280</u>	<u>16</u>	<u>11</u>	<u>11</u>
Terms and debt repayment schedule:				
	<i>1 year or less £'000</i>	<i>1-2 years £'000</i>	<i>2-5 years £'000</i>	<i>More than 5 years £'000</i>
Bank loans at 31 March 2009 – £300,000	20	20	60	200
Bank loans at 31 March 2010 – £22,453	6	12	4	–
Bank loans at 31 March 2011 – £16,911	6	6	5	–

Interest is charged at a fixed rate of 2 per cent.

15. Financial instruments and risk management

The company'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 company's operations.

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

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors of the company review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The company finances its operations principally through internally generated cash together with limited borrowings taken in Sterling from time to time.

Liquidity risk

The company maintains sufficient funds in Sterling for operational liquidity. The directors of the company consider the liquidity risk at board meetings throughout the monitoring of cash levels.

Foreign currency risk

A limited number of suppliers require to be paid in foreign currency. The company will on limited occasions fix forward rates for known foreign currency obligations.

The company 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 company's financial assets and liabilities at 1 April 2008, 31 March 2009, 31 March 2010 and 31 March 2011.

16. Deferred tax

	<i>As at 31 March</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Accelerated capital allowances:			
As at beginning of the period	–	8	8
Charge for the period	8	–	–
	<hr/>	<hr/>	<hr/>
As at the end of the period	8	8	8
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17. Related party transactions

During the period, the company paid rent to Messrs John and Paul Semple in respect of offices occupied by the company (2011: £11,000, 2010: £11,000, 2009: £11,000).

During the period ended 31 March 2009, goodwill of £350,000 was acquired from John Semple Travel partnership at market value. The 4 directors of the company were partners in the business.

The directors of the company provided personal guarantees in respect of the bank loan owed by the company. The total amount of the guarantees was (2009: £85,000, 2010: £nil).

On 31 March 2010 the company purchased freehold property at 139 Kirkintilloch Road, Bishopbriggs from the directors at a price of £200,000 which was based on an independent valuation.

PART VII

Section A: ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION ON THE ENLARGED GROUP

The Directors
Minoan Group Plc
30 Aylesbury Street
London
EC1R 0ER

The Directors
Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

30 September 2011

Dear Sirs

Minoan Group Plc (“Minoan” or the “Company”) and its subsidiaries (the “Group”)

We report on the unaudited pro forma statement of net assets set out in Section B of this Part VII, which has been prepared for inclusion in the admission document issued by Minoan and dated 30 September 2011 (the “Admission Document”) relating to the proposed acquisition of John Semple Travel Limited, the proposed Fundraising and the admission of the Company’s Enlarged Share Capital to trading on AIM. The statement has been prepared for illustrative purposes only on the basis set out therein to provide information about how the proposed acquisition and placing might have affected the financial position of on the Group as at 31 March 2011.

Responsibilities

It is responsibility of the directors of Company to prepare the pro forma statement of net assets.

It is our responsibility to form an opinion, as to the proper compilation of the pro forma statement of net assets and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma statements of net assets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for of Investment Reporting Standards issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma statement of net assets with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma statement of net assets has been properly compiled on the basis stated and that such basis consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) The pro forma statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Chantrey Vellacott DFK LLP

Chartered Accountants

PART VII

Section B: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The unaudited pro forma statement of net assets of the Enlarged Group has been prepared on the basis set out below to illustrate how the proposed acquisition of John Semple Travel Limited and the proposed Fundraising might have affected the consolidated balance sheet of the Group as at 31 March 2011 had the proposed acquisition and Fundraising taken place at that date. The pro forma statement of net assets has been prepared for illustrative purposes only and because of its nature, does not reflect the actual financial position of the Enlarged Group.

	<i>The Group As at 31 March 2011</i>	<i>JST As at 31 March 2011</i>	<i>Adjustment</i>	<i>Pro forma</i>
Assets				
Non-current assets				
Goodwill	4,313	350	–	4,663
Property, plant and equipment	177	236	–	413
Investments	–	106	–	106
Total non-current assets	<u>4,490</u>	<u>692</u>	<u>–</u>	<u>5,182</u>
Current assets				
Inventories	35,202	–	–	35,202
Trade and other receivables	246	111	–	357
Cash and cash equivalents	1,094	1,416	1,265	3,775
Total current assets	<u>36,542</u>	<u>1,527</u>	<u>1,265</u>	<u>39,334</u>
Current liabilities				
Trade and other payables	4,331	1,728	–	6,059
Financial liabilities	–	6	–	6
Tax payable	–	52	–	52
Total current liabilities	<u>4,331</u>	<u>1,786</u>	<u>–</u>	<u>6,117</u>
Net current assets	<u>32,211</u>	<u>(259)</u>	<u>1,265</u>	<u>33,217</u>
Non-current liabilities				
Financial liabilities	–	11	184	195
Deferred tax	–	8	–	8
Total non-current liabilities	<u>–</u>	<u>19</u>	<u>184</u>	<u>203</u>
Net assets	<u><u>36,701</u></u>	<u><u>414</u></u>	<u><u>1,081</u></u>	<u><u>38,196</u></u>

Notes

1. The net assets of the Group have been extracted without adjustment from the unaudited interim financial information on the Group set out in Part IV.
2. The net assets of JST have been extracted without adjustment from the historical financial information JST set out in Part VI.
3. Adjustment has been made to reflect the net proceeds of the Fundraising amounting to £1,265,000 and also the £184,000 liability arising on those Loans that are repayable in either cash or shares at the choice of the lender.
4. No account has been of the trading performance or other transactions of the Group or JST since 31 March 2011.

PART VIII

LETTER OF OPINION FROM CB RICHARD ELLIS – AXIES



CB-Richard Ellis – Axies
4, Sekeri Street
106 74 Athens
Greece

Switchboard +30 210 3606181
Fax +30 210 3641146

nick.chatzitsolis@cbre.com

Our Ref:MG/mp/AO-2011/6873

The Directors
Loyalward Limited
Third Floor
AMP House
Dingwall Road
Croydon
Surrey CR0 2LX

27 June 2011

Dear Sirs,

RE: Letter of opinion

We thank you for your instruction to provide you with a letter of opinion regarding the potential development value of a major estate in Crete. It is thought however that reference to the outlook of the Greek economy and the situation of tourism in Greece during the current period is appropriate.

Greek economy and tourism

Recession in Greece hit public consumption significantly and investment more intensely. This situation is further intensified by the new taxation laws, the significant decrease of consumption, the dense problems in terms of finance-raising and the uncertain future of the economy and has led to an investment decrease of more than 18 per cent. in 2010. Taking into consideration the fact that investment has also decreased significantly during 2009, it is evident that the productive capability of the economy, i.e. the potential development rate, has been restricted significantly.

The recession had also significant impact to employment and unemployment rates. More specifically, employment decreased by 2.5 per cent. during 2010 while unemployment was above 12.5 per cent. For Q1 unemployment rate increased to 15.9 per cent.

Income has also decreased significantly and this has affected consumption. However, prices have only slightly started to fall in the last months and therefore inflation has started slowly to decrease and now stands at 3.3 per cent.

The Greek government launched its economic policy program, with the financial backing of the European Union and the International Monetary Fund. However there has not been significant progress in the crucial sector of fiscal adjustment and major reforms still need to be designed and implemented to build a critical mass necessary to secure fiscal sustainability and economic recovery.

The European Commission, the European Central Bank and the International Monetary Fund have noted that Greece's economic program remains on track. They have also indicated their continuing support for the Government in meeting its objectives of fiscal consolidation and restoring growth and competitiveness, as reflected in the Memorandum on the program.

Regarding the Greek tourism sector's performance for Q1 2011, international arrivals by air showed a decrease for the two main cities of Greece, Athens and Thessaloniki of -8.3 per cent. and -4.9 per cent. respectively. This is mainly due to March arrivals, where the drop was the biggest: -17.5 per cent. and -11.0 per cent. respectively, possibly as a result of the continuing flight of MICE activity from both cities due to the negative image of the country in 2010.

In terms of RevPAR the developments for Athens and Thessaloniki were also negative with a drop of 4.3 per cent. for Athens and 11.1 per cent. for Thessaloniki. The resort hotels, however, started the year very positively with a growth of 23.7 per cent. in RevPAR for Q1. Of course, many seasonal resort hotels remain closed but, according to the 2011 Q2 Barometer of GBR Consulting, resort hoteliers expect a strong improvement in performance this year. The Athenian hoteliers are also very positive in their outlook for occupancy, but expect a decrease in ARR. Their colleagues in Thessaloniki are less optimistic: they expect a slight increase in occupancy overall, but a steep decrease in their prices. Crete hoteliers were the most optimistic of all in terms of their outlook for occupancy and ARR.

These results are confirmed by a survey by The Travel Agents Association of Crete showing winter bookings for this summer increasing by 2 – 4 per cent. from Western Europe and 3 – 10 per cent. from Eastern Europe. The unrest in North African countries has contributed to this result according to the Association. Note though should be taken that 50 per cent. of all bookings are expected to take place during the summer period. Finally, the Southern European hotel market is recovering showing RevPAR increases of 8.2 per cent. in 2011 Q1. Cairo hotels, due to the unrest in the country, saw their RevPAR decline by 50 per cent.

According to the Hellenic Statistical Authority (ELSTAT), Greece received 0.6 per cent. more arrivals by non residents in 2010 than in 2009. It is interesting though that Europe, responsible for 88.5 per cent. of all arrivals in 2010, showed a decline of 2.4 per cent. compared to 2009, with arrivals from EU members showing a decline of 6.3 per cent. The largest drop was shown by the UK (-14.7 per cent.), Germany (-13.8 per cent.), France (-9.8 per cent.) and Italy (-9.8 per cent.). The biggest increase was shown by Poland (+97.6 per cent.), Russia (+63.5 per cent.) and Cyprus (+32.2 per cent.). Asia showed an increase of 5.8 per cent. and America 4.6 per cent. Overall, the main source markets of 2010 remained Germany (13.6 per cent.) followed by the UK (12 per cent.), France (5.8 per cent.) and Italy (5.6 per cent.).

Provisional estimates by the Bank of Greece for tourism receipts by non-residents were positive for the first two months of 2011 showing an increase of 6.1 per cent.. Nevertheless, at €290 million, they remain 7.2 per cent. below the 2009 figures.

Crete project

Regarding the property under assessment and following information provided by Loyalward Ltd Limited, the proposed development relates to high quality hotels that will be developed upon a major parcel of land with a total area of approximately 25 million m².

Based on the information detailed by Loyalward Ltd, a development scenario of 90,000 m² has been proposed.

Based on market research and following consideration of this scenario, in our view the estimated development value of the land plot is likely to be in the order of €100 million. The value could naturally reach higher levels in case the land plot is more densely developed.

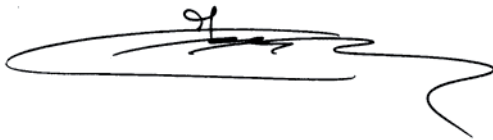
Our assessment of the development value is based on construction costs for five and six star hotels in Greece, but the cost has been properly adjusted at a lower level, in order to reflect the economies of scale deriving from such a large scale development. Regarding the Gross Operating Profit percentage, our assumptions were based on information provided by Loyalward Ltd Limited that includes the ground lease percentage paid to the landlord.

From that percentage we have deducted FF+E costs as well as the property and tax insurance costs and have thus arrived to the Net Operating Income percentage. We then applied this figure to the annual revenue, also provided by Loyalward Ltd Limited, in order to end up to the total income arising as a result of the project's operation. The land value in the development scenario is the result of the deduction of the total construction cost from the total revenues. It should be noted here that the construction cost includes professional fees, marketing costs and finance costs of the development.

It is stressed that the above value is indicative and is based on initial evidence provided by the client. We have not been provided with a detailed business plan and therefore the value provided reflects our opinion of value assuming that the above development density can be realized on the basis of the development permit granted. A further condition would be the quality of the development which will certainly be well above average i.e. all hotels will be of luxurious construction.

For and on behalf of AXIES S.A.

Yours sincerely,



Nicholas Chatzitsolis, MSc, FRICS, CRE®
Managing Director



Matina Goga, MSc, MRICS
Quality Control Manager and Project Coordinator

PART IX
ADDITIONAL INFORMATION

1. Incorporation

- 1.1 The Company was incorporated in England and Wales on 14 May 1999 under the Companies Act 1985 (as amended) with registration number 3770602 as a public company limited by shares with the name Targetshare Public Limited Company. On 19 August 1999 the name of the Company was changed to Loyalward Group Plc. On 14 June 2005 the name of the Company was changed to Minoan Group Plc.
- 1.2 The Company was issued with a certificate pursuant to section 117 of the Companies Act 1985 (as amended) entitling it to do business and exercise any borrowing powers on 27 September 1999.
- 1.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.4 The business of the Company and its principal activity is to act as a holding company.
- 1.5 The Company's registered office is at 30 Aylesbury Street, London EC1R 0ER.
- 1.6 The Company's principal place of business is at 3rd Floor, AMP House, Dingwall Road, Croydon, Surrey CR0 2LX.
- 1.7 The liability of the members of the Company is limited.
- 1.8 At the date of this document the Company has five wholly owned subsidiaries:
 - (a) Loyalward Limited (incorporated in England and Wales on 17 January 1991, registered number 2574791);
 - (b) Loyalward Leisure Plc (incorporated in England and Wales on 15 February 2000, registered number 3929213);
 - (c) Loyalward Hellas S. A. (incorporated in Greece on 21 April 2000);
 - (d) King World Travel Limited (incorporated in Scotland on 10 December 1985, registered number SC096341); and
 - (e) Minoan Leisure Limited incorporated in Scotland on 27 May 2011, registered number SC400502).
- 1.9 The accounting reference date of the Company has recently been extended to 31 October in each year. Each of the UK subsidiaries also now has an accounting reference date of 31 October in each year. The Company's audited financial results for the 13 month period to 31 October 2011 will be announced by 31 March 2012 and the unaudited interim financial results for the six months ended 30 April 2012 will be announced by 31 July 2012.
- 1.10 The ISIN number of the Company is GB0008497975.
- 1.11 The telephone number of the Company is +44 (0) 20 8253 4305.

2. Share Capital

- 2.1 The Company was incorporated with an authorised share capital of £100,000 divided into 100,000 ordinary shares of £1 each, of which two ordinary shares of £1 each were issued to the subscribers to the memorandum of association. The concept of authorised share capital has since been abolished.

- 2.2 The issued share capital of the Company at the date of this document, and following Admission and Second Admission is:

	Number of Ordinary Shares of 1p each		Number of Deferred Shares of 24p each	
	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>
Current	£936,881	93,688,094	£12,995,527	54,148,031
From Admission	£965,881	96,588,094	£12,995,527	54,148,031
From Second Admission*	£1,020,426	102,042,639	£12,995,527	54,148,031

*Assuming that the number of Consideration Shares is calculated on the basis of a price of 11p per share.

All of the Existing Ordinary Shares are credited as fully paid. The deferred shares of 24 pence each carry no voting rights.

- 2.3 Details of changes in the share capital of the Company in the period from 5 March 2007, until 29 September 2011 (being the latest practicable date prior to the date of this document) are set out below:

2.3.1 immediately prior to 5 March 2007 the Company had an issued share capital of 45,653,023 ordinary shares of 25 pence each. On 5 March 2007, 97,590 ordinary shares of 25 pence each were issued at 90p per share in satisfaction of certain liabilities of the Group.

Accordingly as at 31 March 2007 the issued share capital of the Company was 45,750,613 ordinary shares of 25 pence each. Since that date;

2.3.2 on 25 April 2007, 2,000,000 ordinary shares of 25 pence each were issued at 50p per share in satisfaction of certain liabilities of the Group and 51,238 ordinary shares of 25 pence each were issued at 50p per share in satisfaction of certain liabilities of the Group;

2.3.3 on 4 May 2007, 1,521,441 ordinary shares of 25 pence each were issued at 100p per share in accordance with the terms of the contracts for the services of certain directors;

2.3.4 on 21 May 2007, 8,750 ordinary shares of 25 pence each were issued for cash at 75p per share following the exercise of certain warrants; and

2.3.5 on 16 July 2008, 947,336 ordinary shares of 25 pence each were issued at 30p per share in satisfaction of certain liabilities of the Group and 3,868,653 ordinary shares of 25p each were issued for cash at 30p per share pursuant to a placing.

As at 30 September 2008 the issued share capital of the Company was 54,148,031 ordinary shares of 25p each. At the Company's Annual General Meeting, held on 27 March 2009, the issued share capital at that time was subdivided into 54,148,031 Ordinary Shares of 1 pence each and 54,148,031 deferred shares of 24 pence each. Since that date no deferred shares have been issued and;

2.3.6 on 2 September 2009, 2,868,000 Ordinary Shares were issued at 10p per share in satisfaction of certain liabilities of the Group and 6,742,500 Ordinary Shares were issued for cash at 10p per share pursuant to a placing.

Accordingly as at 30 September 2009 the issued share capital of the Company was 63,758,531 Ordinary Shares and 54,148,031 deferred shares of 24 pence each. Since that date;

2.3.7 on 2 December 2009, 395,000 Ordinary Shares were issued at 10p per share in satisfaction of certain liabilities of the Group, 1,506,334 Ordinary Shares were issued at 15p per share in satisfaction of certain liabilities of the Group, and 3,674,005 Ordinary Shares were issued for cash at 15p per share pursuant to a placing;

2.3.8 on 19 February 2010, 467,585 Ordinary Shares were issued at 15p per share in satisfaction of certain liabilities of the Group and 3,333,334 Ordinary Shares were issued for cash at 15p per share pursuant to a placing; and

2.3.9 on 17 May 2010, 717,658 Ordinary Shares were issued at 16p per share in satisfaction of certain liabilities of the Group and 1,375,000 Ordinary Shares were issued for cash at 16p per share pursuant to a placing.

Accordingly as at 30 September 2010 the issued share capital of the Company was 75,227,447 Ordinary Shares and 54,148,031 deferred shares of 24 pence each . Since that date:

- 2.3.10 on 10 March 2011, 1,728,573 Ordinary Shares were issued at 10.5p per share in satisfaction of certain liabilities of the Group, 808,252 Ordinary Shares were issued at 15p per share in satisfaction of certain liabilities of the Group, 333,334 Ordinary Shares were issued at 15p per share in settlement of part of the consideration of the acquisition of King World Travel Limited by the Company and 4,733,335 Ordinary Shares were issued for cash at 15p per share pursuant to a placing;
- 2.3.11 on 7 April 2011, 2,012,424 Ordinary Shares were issued at 15p per share in satisfaction of certain liabilities of the Group;
- 2.3.12 on 11 May 2011, 2,698,413 Ordinary Shares were issued for cash at 15.75p per share pursuant to a placing;
- 2.3.13 on 18 May 2011, 333,333 Ordinary Shares were issued for cash at 15p per share following the exercise of certain warrants;
- 2.3.14 on 31 May 2011, 1,780,410 Ordinary Shares were issued at 15.62p per share in settlement of the consideration for the acquisition of a 19.9 per cent. interest in STC by the Group;
- 2.3.15 on 1 August 2011 4,032,573 Ordinary Shares were issued at 15p per share in satisfaction of certain liabilities of the Group.

Accordingly, as at the date of this document, the issued share capital of the Company is 93,688,094 Ordinary Shares and 54,148,031 deferred shares of 24 pence each.

- 2.4 On 23 December 2010, by a special resolution passed by the shareholders of the Company in general meeting:

- 2.4.1 in addition to the Ordinary Shares and the deferred shares of 24 pence each in the capital of the Company, the Directors were authorised to create a new class of share, being convertible redeemable preference shares of £1 each (the "Preference Shares") in the share capital of the Company having such rights and being subject to such restrictions as the Directors may determine (including as to the terms, conditions and manner of redemption and conversion) save that:
 - (a) the Preference Shares shall entitle the holders thereof in priority to any dividend or return of capital on any other class of share to a fixed cumulative preferential dividend out of distributable profits of the Company then available to be distributed by way of dividend on the capital for the time being paid up thereon at the rate of not more than 12 per cent. per annum (as determined by the Directors at the time of creating the Preference Shares) such dividend to be payable out of such distributable profits by equal half-yearly instalments on 30 June and 31 December in each year in respect of the half year periods ending on those respective dates;
 - (b) the Preference Shares shall entitle the holders thereof on a winding up or a reduction of capital or a return of capital in priority to any return of capital on any other class of share to repayment of the capital paid up or credited as paid up thereon together with a sum equal to any arrears or accruals of the fixed cumulative preferential dividend thereon calculated down to the date of repayment whether or not such dividend shall have been declared or earned;
 - (c) the Preference Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company unless (i) at the date of the notice convening the meeting, the dividend on the Preference Shares is more than three months in arrears and for this purpose the dividend shall be deemed to be payable on 30 June and 31 December in each year only out of distributable profits and shall not be in arrears if there are insufficient or no such distributable profits at the relevant time provided always that any such profits that are distributable shall be distributed in part payment of such dividend, or (ii) at the date of the notice convening the meeting any payment in respect of the redemption of the Preference Shares is in arrears or (iii) the business of the meeting includes the consideration of a resolution for the winding up

of the Company or a reduction in capital or any resolution modifying or abrogating any of the class rights or privileges attached to the Preference Shares;

- (d) no further shares ranking as to dividend or repayment of capital in priority to the Preference Shares shall be created or issued except with the consent or sanction of a resolution of holders of the Preference Shares passed by a majority consisting of not less than 75 per cent. of the holders of the Preference Shares and duly appointed proxies voting on the resolution;
- (e) subject to the Company being able to comply with the provisions of the Act and all other applicable legislation, the Company shall redeem the Preference Shares on the earlier of:
 - (i) one or more anniversaries of the allotment of such Preference Shares (as determined by the Directors prior to the first allotment of any Preference Shares); or
 - (ii) the date on which a Controlling Interest is obtained by any person or persons. For these purposes a "Controlling Interest" shall mean an interest in shares in the Company conferring in the aggregate more than 29.9 per cent. or more of the total voting rights conferred by all the issued shares in the Company (ignoring for these purposes voting rights attached to the Preference Shares)

at a price equal to the price paid up or credited as paid up on such share together with a sum equal to any arrears, deficiency or accrual of the dividends on such shares down to (but excluding) the date of redemption; and

- (f) any conversion rights of the Preference Shares will be determined by the Directors at the time of creating the Preference Shares;

As at the date of this document, no Preference Shares have been issued;

2.4.2 the Directors were generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into shares in the Company, provided that this authority is limited to:

- (a) the allotment of Preference Shares up to an aggregate of £3,000,000 in nominal amount; and
- (b) the allotment of Ordinary Shares up to an aggregate nominal value of £400,000,

subject to such exclusions or other arrangements as the Board considers expedient in relation to fractional entitlements, legal, regulatory or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory, or any other matter, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) on 22 December 2015 and shall replace all current such authorities but the Company may, before such expiry, make an offer or agreement which would or might require Preference Shares or Ordinary Shares ("Relevant Securities") to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of that offer or agreement as if the authority conferred by this Resolution had not expired; and

2.4.3 the Directors were generally empowered pursuant to section 570 of the Act to allot Relevant Securities for cash pursuant to the authority set out above as if section 561 of the Act did not apply to the allotment provided that this power is limited to:

- (a) the allotment of Preference Shares up to an aggregate of £3,000,000 in nominal amount; and
- (b) the allotment of equity securities up to a maximum aggregate nominal amount of £353,400; and
- (c) the allotment of equity securities up to a maximum aggregate nominal amount of £46,600 in respect of the Company's Long Term Incentive Plan for directors and employees; and
- (d) otherwise than pursuant to paragraphs (a), (b) and (c) above, the allotment of equity securities in connection with any offer by way of rights or open offer of relevant equity

securities where the equity securities respectively attributed to the interests of all holders of relevant equity securities are proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or on account of either legal or practical problems arising in connection with the laws or requirements of any regulatory or other authority in any jurisdiction,

and this authority will expire on 22 December 2015, but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of that offer or agreement as if the power conferred by this Resolution had not expired. This authority shall be in substitution for any existing such authority.

2.5 Save disclosed in this document:

- (a) the Company has not issued any convertible securities, exchangeable securities or securities with warrants;
- (b) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and no undertakings to increase the capital of the Company; and
- (c) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

2.6 Section 561 of the Act provides that a company may not allot any equity securities (as defined in section 560 of the Act being ordinary shares and rights to subscribe for, or to convert securities into, ordinary shares in the company) for cash to any person unless it has made an offer to each shareholder who holds ordinary shares in the Company to allot to that Shareholder on the same or more favourable terms a proportion of those securities which is as nearly as practicable equal to the proportion in nominal value held by him of the ordinary share capital of the company and the period during which any such offer may be accepted has expired or the company has received notice of the acceptance or refusal of every offer so made, The Act does provide, however, that where directors of a company are authorised to allot equity securities they may be given power by the articles of association of the company or by special resolution to allot such securities as if section 561 of the Act did not apply.

2.7 The Takeover Panel is an independent body, whose main functions are to issue and administer the City Code on Takeovers and Mergers (the "City Code") and to supervise and regulate takeovers and other matters to which the City Code applies in accordance with the general principles and rules set out in the City Code. The City Code applies to the Company.

There is not in existence any current takeover bid in relation to the Company. Were there to be a takeover offer for the Company (as defined in section 974 of the Act), compulsory purchase provisions in the Act would be triggered, subject to, amongst other things, the offeror achieving certain thresholds in terms of acquired shares and subject to serving certain notices within prescribed time limits, which would give the offeror the right to buy out minority shareholders (in accordance with section 979 of the Act). The Act also contains provisions allowing, in certain circumstances, for a right for a minority shareholder to be bought out by an offeror. Other than as provided by the Act and the City Code, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.

3. Articles of Association and Rights

3.1 The Articles were adopted on 29 March 2010.

Shares

As at the date the Articles were adopted, there were two different types of shares in the Company:

- Ordinary Shares; and
- deferred shares of 24 pence each.

By a special resolution passed on 23 December 2010, the Directors were authorised to create the Preference Shares as referred to in paragraph 2.4 above. No Preference Shares have been created or issued.

Rights attaching to Ordinary Shares

Income

The profits of the Company which may be distributed in respect of any financial year or other period shall be distributed *pari passu* among the holders of the Ordinary Shares according to the nominal amounts (excluding any premium) paid up on the Ordinary Shares held by them respectively.

Capital

On a distribution of assets on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of Ordinary Shares according to the nominal amounts (excluding any premium) paid up on the Ordinary Shares held by them respectively.

Voting

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Articles and or any resolution authorising the creation of such shares, on a show of hands every member who is present in person shall have one vote and, on a poll, every member who is present in person or by proxy shall have one vote for every share held by him.

Rights attaching to deferred shares

The rights attached to the deferred shares of 24 pence each (the "Deferred Shares") are as follows:

Income

The holder of a Deferred Share has no entitlement to receive any dividend or other distribution.

Capital

On a return of assets on a winding, a Deferred Share will only entitle the holder to the amounts paid up on such share after the repayment of the amounts paid up on each Ordinary Share has exceeded £100,000.

Voting

The holder of a Deferred Share has not entitlement to receive notice of, attend, speak at or vote at general meetings of the Company.

Variation of rights

The creation and issue of further shares which rank equally or in priority to the Deferred Shares or the passing of a resolution to cancel the Deferred Shares or to effect a reduction in capital shall not constitute a modification or abrogation of the rights attaching to the Deferred Shares.

Right to transfer or purchase

The Board has the right at any time to appoint a person to execute on behalf of each holder of a Deferred Share an transfer or agreement to transfer of all or some of the Deferred Shares without payment to the holder and the right to purchase all or some of such shares (subject to the provisions of the Act) for a price of 1 pence for all the Deferred Shares purchased without the sanction of the holder.

Articles

The Articles contain, *inter alia*, the following provisions:

Variation of class rights

Subject to the Companies Acts the CREST Regulations and all other statutes, orders, regulations and other subordinate legislation made thereunder (the "Companies Acts") and their terms of their issue, all or any of the rights and restrictions attached to any class of shares for the time being issued

may from time to time be altered, added to or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares.

The provisions of the Articles relating to general meetings apply to every separate general meeting of the holders of a class of shares but the quorum is two holders in person or by proxy representing not less than one-third in nominal value of the issued shares of the class and if at any adjourned meeting such a quorum is not present, one holder of shares of the class present in person or by proxy shall constitute a quorum. At a separate meeting of a class, a holder of shares of the class present in person or by proxy may demand a poll and shall on a poll be entitled to one vote for every share of the class held by him.

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of such shares or by the rights attaching to such shares, be deemed not to be altered by the creation or issue of further shares ranking *pari passu* therewith or by a purchase by the Company of its own shares.

Alteration of Capital

Subject to compliance with the Act, if as a result of any consolidation and/or division Members would become entitled to fractions of a share, the Board may for the purpose of dealing with the fractions, issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, or, if permitted, for the retention of such net proceeds for the benefit of the Company, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Transfers of Shares

The shares are in registered form and any member may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other manner which the Board may approve. Notwithstanding any other provision of the Articles but subject to the Companies Acts, a member is entitled to transfer his shares and other securities by means of a relevant system as referred to in the CREST Regulations including CREST. Any provision of the Articles in relation to the shares which is inconsistent with the holding of shares in uncertificated form shall, to that extent, not apply.

Any written instrument of transfer of a share shall be signed by or on behalf of the transferor (and, in the case of a share which is not fully paid by or on behalf of the transferee) and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register in respect thereof. All instruments of transfer may be retained by the Company.

The Directors may refuse to register the transfer of a share which is not fully paid, providing that any such refusal will not prevent dealings in the shares from taking place on an open and proper basis. If the Board declines to register a transfer it shall, as soon as practicable and in any event within 2 months after the date on which the transfer was lodged with the Company, send to the transferee notice of refusal together with its reasons for the refusal.

The Directors may refuse to register any transfer in favour of a person known to be a minor, bankrupt or person who is mentally disordered or a patient for the purpose of any statute relating to mental health.

The Directors may decline to register any transfer unless any written instrument of transfer, duly stamped, is lodged with the Company, accompanied by the relevant certificate and such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, the instrument is in respect of only one class of share and, in the case of a transfer to joint holders, the number of joint holders does not exceed four.

There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change of control of the Company.

Conversion into stock

The Company may from time to time by ordinary resolution convert any fully paid shares into stock and may convert any stock into fully paid up shares of any denomination. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit.

Disclosure of Interests

Notwithstanding anything in these Articles to the contrary, if a Member holding any shares or any other person appearing to be interested in any shares has been served a disclosure notice pursuant to section 793 of the Act and the Company has not received (in accordance with the terms of such disclosure notice) the information required therein within 14 days after the service of such disclosure notice, then the Board may give the registered holder of such shares a notice (a "Restriction Notice") stating or to the effect that, the shares in respect of which the default has occurred (the "Default Shares") that the member is not entitled in respect of the Default Shares from the service of such restriction notice, to attend or vote (either in person or by proxy) at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class or upon any poll or to exercise any other right conferred by membership in relation to general meetings or meetings of the holders of any class of shares.

Where the Default Shares represent at least 0.25 per cent. or more (in nominal value) of the shares of a class in issue concerned then the restriction notice may additionally direct that any dividend payable in respect of such shares shall be retained (in whole or in part) until such time as the Restriction Notice is cancelled or ceases to have effect for any reason without any liability to pay interest thereon when such money is finally paid and/or that no transfer of the Default Shares or of shares which include or might include Default Shares shall be effective unless, *inter alia*, the member is not himself in default as regards the supply of information required.

Number of Directors

Unless and until otherwise determined by ordinary resolution of the Company, the Directors shall not be less than two in number and there shall not be any maximum number of Directors.

Restrictions on Voting by Directors

Save as otherwise provided by the Articles, a Director shall not vote (or be counted in the quorum) at any meeting of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or such a person at the request of or for the benefit of, the Company or any subsidiary undertaking;
- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any subsidiary undertaking for which the Director or a person connected with him has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning his participation in any offer of shares, or debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of him or a person connected with him being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any subsidiary undertaking for subscription, purchase or exchange;
- (d) the resolution relates in any way to any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Part 22 of the Act) representing one per cent. or more of any class of the equity share capital of such company or of the voting rights available to Members of such company (excluding any shares in the company held as treasury shares and any voting rights attaching thereto);

- (e) the resolution relates in any way to an arrangement in whole or in part for the benefit of the employees of the Company or any subsidiary undertakings which does not award him as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; or
- (f) the resolution relates in any way to the purchase or maintenance for the Directors of insurance against any liability which by virtue of any rule of law would otherwise attach to all or any of them in respect of any negligence, default, breach of duty or breach of trust in relation to the Company or any subsidiary undertaking.

Remuneration of Directors

The remuneration (whether by way of salary, commission, participation in profits or otherwise) of any executive Director shall be such as the Directors may determine, and either in addition to or in lieu of his remuneration as Director.

Each of the Directors may be paid a fee for his services as a Director at such rate as the Directors may from time to time determine provided that the aggregate of all such fees so paid to Directors (excluding amounts payable under any other Article) shall not exceed £100,000 per annum or such larger amount as the Company may by ordinary resolution of the Company determine, except that any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only be entitled to a sum in proportion to the time during such period for which he has held office as a Director.

Each Director may be paid all reasonable travelling, hotel and other expenses properly and reasonably incurred by him in attending and returning from meetings of the Directors or any committee of the Directors or meetings of shareholders or debenture holders of the Company or otherwise in connection with the business of the Company or the discharge of his duties as a Director. Any Director who, by request, goes to reside abroad for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director shall be entitled to be paid such extra remuneration (whether by way of salary, commission, participation in profit or otherwise) and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

General meetings

The Company shall hold general meetings and annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint.

The Board may, whenever and wherever it thinks fit, convene annual general meetings and general meetings and, on the requisition of members pursuant to the provisions of the Companies Acts, shall forthwith convene a general meeting, in accordance with the requirements of the Companies Acts. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or member may call the meeting.

An annual general meeting shall be called not less than 21 clear days' notice in writing and a general meeting (other than an annual general meeting) shall be called by not less than 14 clear days' notice in writing.

Shorter notice than that specified above may be deemed to have been given in the case of an annual general meeting by all the members entitled to attend and vote at the meeting; and in the case of any other meeting, by a majority number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

Save as otherwise provided by the Articles, at least two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. The chairman (if any) of the Board or in his absence his deputy shall preside as chairman at every general meeting of the Company.

At any general meeting, the chairman may adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he or the Directors decide if it

appears to him that, *inter alia*, an adjournment is necessary for the business of the meeting to be properly conducted.

At any general meeting a resolution put to the vote of members of the meeting shall be decided on a show of hands unless a poll is duly demanded before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll.

Every Shareholder entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him and that a proxy need not be a Shareholder. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting. Every notice of meeting shall state with reasonable prominence a statement that a Shareholder entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him and that a proxy need not be a Shareholder.

Appointments to office

The Directors may from time to time appoint one or more of their body to hold any other employment or executive office and upon such terms as they may determine and may revoke or terminate any of such appointments. Any such revocation or termination shall be without prejudice to any claim for damages such Director may have against the Company or the Company has against the Director for breach of any service contract between him and the Company.

Retirement of Directors

No Director shall vacate or be required to vacate his office as a Director on obtaining the age of 70 or any other age, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed as a Director shall be capable of being appointed or reappointed notwithstanding that he has attained the age of 70 or any other age and no special notice need be given of any resolution for the appointment or reappointment as a Director of a person who shall have attained the age of 70 or any other age.

Borrowing Powers

Subject to the Companies Acts, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present or future) and uncalled capital or any part thereof and to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or a third party.

Pensions, gratuities etc.

The Directors may, subject to the provisions of the Companies Act, exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director, provided that no pension, annuity or other allowance or benefit (except such as may be provided for by the Articles) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director without the approval of an ordinary resolution of the Company.

Dividends

Subject to the Act, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provides, all dividends shall be declared and paid according to the amounts paid up on the shares, (but no amount paid up on a share in advance of calls be treated for this purpose as paid up on such share), and shall be apportioned and paid pro rata to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.

Subject to the provisions of the Act, the Directors may pay such interim dividends as they think fit.

Unclaimed dividends

Any dividend unclaimed for a period of 12 years after it became due for payment shall be forfeited and shall revert to the Company.

Untraced shareholders

When the registered address of a member appears to be incorrect or out of date such member may, if the Board so resolves, be treated as if he had no registered address and thereafter the Company is not obliged to send cheques, warrants, notices or accounts to that member. No such resolution shall be proposed unless cheques or warrants sent to the registered address of such member have been returned by the Post Office or left uncashed on at least two consecutive occasions or, following one such occasion, reasonable enquiries have failed to establish any new address of such member.

If for a period of 12 years at least three dividends have become payable and not been cashed and no communication has been received from the member (or any person entitled to the member's shares by transmission), the Company may sell such shares at the best obtainable price if, after giving notice in a leading newspaper and a newspaper circulating in the region of the member's registered address, it has not had any communication from the member (or anyone entitled to his shares by transmission) within three months.

Indemnity

A director, alternate director, secretary or other officer (other than the auditors) of the Company may be indemnified to the fullest extent permitted by law (except where void under the Act) out of the assets of the Company against all costs, claims, charges, expenses, losses, damages and liabilities incurred by him in relation to the actual or purported execution of his duties.

Without prejudice to any other provisions in the Articles, the Board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who are or were directors, officers and employees of any Group company including insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution of their duties.

The Directors may also, subject to provisions of the Act, provide funds to any Director or other officer (excluding the auditors) to avoid incurring expenditure of the nature described in section 205 of the Act.

4. Directors

- 4.1 A consultancy agreement was entered into on 16 August 2005 between (1) the Company, (2) Simmons International Limited ("Simmons") and (3) Loyalward pursuant to which the services of Mr Egleton are provided to the Group by Simmons on a consultancy basis for three days per week (including travel time) for forty six weeks a year. The agreement commenced on 1 April 2005 and (subject to provisions relating to earlier termination in certain limited circumstances such as Simmons's breach) continued for an initial period of twelve months and may be terminated on twelve months' notice. Mr Egleton is to act in the capacity of chairman of the Company and executive director of both the Company and Loyalward. A basic monthly consultancy fee of €17,500 (plus VAT if applicable) is payable by Loyalward Limited. In the event that the consultant is required to spend more than three days per week on the Group's affairs additional fees of €1,600 (plus VAT if applicable) per day are also payable but subject to a maximum aggregate payment (inclusive of the base monthly payment) of €30,000 (plus VAT if applicable) per month. Loyalward is also obliged to reimburse all expenses reasonably incurred. The Company acts as a guarantor of Loyalward's obligations under this agreement. Simmons also agreed to enter into certain restrictive covenants which cover the six months following termination.

By a separate letter of the same date Mr Egleton agreed that during his appointment under the consultancy agreement with Simmons he would, before becoming involved with any other commercial leisure project in Eastern Crete which is not presented to him in his capacity as a director of any company within the Group, first offer that opportunity to the Company. If the Company wishes to undertake it the Company may do so subject to paying Mr Egleton such finders' fee as may be agreed which in the absence of agreement to the contrary would be equal to 2.5 per cent. of the relevant

land value once all appropriate permissions had been obtained for the proposed development and would not be payable until receipt of those permissions. If the Company had no objection to Mr Egleton's involvement with the project in question the Company would be entitled to acquire, at cost, a stake in that project which in the absence of agreement would not exceed 15 per cent. of Mr Egleton's capital interest in that project at the time it first becomes commercially viable.

- 4.2 By a service agreement dated 25 January 2010 Duncan Wilson was appointed as Managing Director of the Company. Mr Wilson is paid a basic salary of £150,000 per annum which is payable by the Company. The Company is obliged to reimburse all expenses reasonably incurred in performing the director's duties. The agreement took effect from 1 November 2009 and is terminable upon three month's notice, save in certain limited circumstances, including material breach and failure to be re-elected by the Company in general meeting, when it is terminable immediately.

By a separate side letter dated 25 January 2010 Mr Wilson's basic salary was increased to £250,000 per annum with effect from 1 January 2011. In the same letter, it was agreed that in relation to any larger acquisition in the travel and leisure sector, Mr Wilson, and or his management team, would be entitled to a 10 per cent. to 15 per cent. equity interest in the Group's interest in the business. The details of such interest will be discussed on a case by case basis. No such larger acquisition has been effected to date.

- 4.3 A consultancy agreement was entered into on 30 May 2006 between (1) the Company (2) B D Bartman & Co ("B&C") and (3) Loyalward pursuant to which B&C provides Mr Bartman's services to the Group for two and one-half days per week for 46 weeks per annum. As amended by a letter dated 23 April 2007 the agreement provides that B&C will be paid a monthly base fee of £5,000 (plus VAT if applicable) which is payable by Loyalward. To the extent that Mr Bartman is required to spend more than two and one-half days per week in providing the services then B&C is entitled to £525 per day subject to a maximum aggregate amount payable in any month of £10,000 (plus VAT if applicable). B&C is also entitled to a bonus of an amount up to the annual fee subject to the achievement of annual targets which will be set by the remuneration committee within 30 days of the commencement of each financial year. Loyalward is obliged to reimburse all expenses reasonably incurred. The agreement commenced on 29 March 2006. B&C was required to provide the services of Mr Bartman for a minimum period of two years from 1 April 2007. The agreement is now terminable by the Company on three months prior written notice and by B&C on the same notice. In certain limited circumstances, such as breach, the agreement is terminable immediately. Under the agreement Mr Bartman shall serve as an executive Director and shall hold such other offices in the Group as may be agreed between B&C and the Company.

- 4.4 By a letter of appointment dated 10 January 2006 Grahame Cook was appointed as a non-executive Director. Mr Cook's annual commitment to the Company is in the region of 12 days, plus such other time as is reasonably required to properly conduct the affairs of any committee to which he is appointed, although not exceeding 15 days in aggregate in a year. As amended by a letter dated 23 April 2007 the appointment provides that Mr Cook is paid a fee of £25,000 (plus VAT if applicable) which is payable by the Company. The Company is obliged to reimburse all expenses reasonably incurred in performing the director's duties. The agreement commenced on 20 January 2006 and is terminable upon one month's notice, save in certain circumstances as set out in the Articles, including material breach and failure to be re-elected by the Company in general meeting, when it is terminable immediately.

- 4.6 By a letter of appointment dated 26 April 2010 Timothy Hill was appointed as a non-executive Director. Mr Hill's annual commitment to the Company is in the region of 12 days, plus such other time as is reasonably required to properly conduct the affairs of any committee to which he is appointed, although not exceeding 15 days in aggregate in a year. Mr Hill is paid a fee of £25,000 (plus VAT if applicable) which is payable by the Company. The Company is obliged to reimburse all expenses reasonably incurred in performing the director's duties. The agreement took effect from 17 November 2009 and is terminable upon one month's notice, save in certain circumstances as set out in the Articles, including material breach and failure to be re-elected by the Company in general meeting, when it is terminable immediately.

- 4.7 The Group having been recommended to design a new Project by its advisers and following the unanimous approval of its travel and leisure strategy by Shareholders at the general meeting held on

23 December 2010, the relevant parties have each agreed that, notwithstanding the arrangements summarised in paragraphs 4.1 to 4.6 above, with effect from 1 January 2011, thirty per cent. of the salary or fees otherwise payable shall be deferred and not paid until such time as the Travel and Leisure division of the Group achieves an annualised net profit before taxation of £500,000.

- 4.8 Save as disclosed in paragraphs 4.1 to 4.7 above, there are no service contracts, existing or proposed, between any Director and the Company or any member of the Group.
- 4.9 The aggregate amount paid to the Directors (including salaries, fees and benefits in kind) by the Group in respect of the year ended 30 September 2010 was £625,460. It is estimated that the aggregate amount payable to the Directors (including salaries, fees, and benefits in kind) by the Group in respect of the thirteen month financial period ending 31 October 2011 under the arrangements in force at the date of this document will not exceed £750,000. The above figures do not include the reimbursement of expenses incurred in the ordinary course of business.
- 4.10 In addition to their directorships of the Company, the Directors currently hold or have held the following directorships during the five years preceding the date of this document:

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
C W Egleton	King World Travel Limited Loyalward Hellas S.A. Loyalward Leisure Plc Loyalward Limited MP Seaways S S Limited The Sutherland Group Limited	Doric Resources Sutherland Energy Limited
D C Wilson	King World Travel limited Loyalward Hellas S.A. Loyalward Limited PIMCO 2853 Limited	
B D Bartman	Minoan Leisure Limited	Immogenics Limited Signature Restaurants Plc Psychosynthesis and Education Trust
G D Cook	Actinopharma Limited Antisoma plc Antisoma Development Limited Antisoma Research Limited Antisoma Ventures Limited Biocure Limited C5 Capital Limited Davall Gears Limited Kinnerton Street Freehold Limited Mdy Healthcare plc Medisys America Limited Medisys Safety Products Limited Morphogenesis Inc Pirtsemit Limited Roundponit Inc Sinclair IS Pharma plc	Australian Vineyards Direct Limited Fulcrum Pharma Limited Trigen Holdings Limited Trigen Limited

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
T R C Hill	Construction Contracts Management Loyalward Hellas S.A. Loyalward Leisure Plc Loyalward Limited WT Partnership – Group WT Partnership – Health and Safety Consultants WT Partnership – Project Management WT Partnership – Wakeman Trower and Partners Limited	

- 4.11 Save as set out in this paragraph 4, none of the Directors has any business interests or activities outside the Company which are significant with respect to the Company.
- 4.12 Save as disclosed in paragraphs 4.1 to 4.6, 6.1, 7.1 and 10, no Director of the Company (nor so far as he is aware any person connected with him as defined in the Act nor any person holding more than 3 per cent. of the issued share capital of the Company) has or has had any interest in any transaction with the Company.
- 4.13 No loans are outstanding from the Group to any Director nor has any guarantee been provided by the Group for the benefit of any Director.
- 4.14 C W Egleton has been involved in a number of turnaround situations. In 1977 he was appointed as a non-executive director of A.R.D. Polishing and Plating Limited which, later that year, went into receivership.
- 4.15 B D Bartman has been involved in a number of turnaround situations. In 1977 he was appointed as a non-executive director of A.R.D. Polishing and Plating Limited which, later that year, went into receivership. In addition, he was a director of Gianthold Limited and its subsidiaries The Northampton Engineering Company Limited and Perfos Limited, which went into receivership in 1983.

In addition, B D Bartman is a partner of B D Bartman & Co.

- 4.16 Save as disclosed in paragraphs 4.14 and 4.15 above, none of the Directors has:
- 4.16.1 any unspent convictions in relation to indictable offences;
 - 4.16.2 had any bankruptcy order made against him or entered into any voluntary arrangements with his creditors or suffered the appointment of a receiver over any of his assets;
 - 4.16.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or been subject to any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or had an administrator or an administrative or other receiver appointed within the 12 months after he ceased to be a director of that company;
 - 4.16.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 4.16.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 4.16.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - 4.16.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

5. Warrants

5.1 The Company has issued Warrants pursuant to a warrant deed dated 10 March 2011. The Warrants are exercisable at 15 pence per share (the "Subscription Price") and expire on 31 December 2012. The exercise of all the Warrants currently in issue would result in 975,002 Ordinary Shares being issued and a cash subscription of £146,250 being received. Save for the foregoing, the principal terms of the Warrants are as follows (the defined terms in this paragraph are (save as provided in this paragraph) as defined in the warrant deed constituting the Warrants):

- 5.1.1 each Warrant gives the right to subscribe in cash at the Subscription Price at any time from the date of issue of the relevant Warrant and ending on the earlier (the "Final Subscription Date") of (i) 31 December 2012 and (ii) the date on which the Warrants lapse in accordance with their terms;
- 5.1.2 If at any time or times before the Final Subscription Date:
- (a) the Company undertakes an Issue or Reorganisation (being a capitalisation issue (other than a scrip dividend), rights issue, consolidation, sub-division, conversion or reduction of share capital or a reconstruction, amalgamation, merger, takeover or liquidation of the Company), adjustments have to be made to the conditions governing the Warrants (including the number, nominal value or class of the shares subject to the Warrants or the Subscription Price) as the Company's auditors determine and state to be fair and reasonable in all the circumstances;
 - (b) notwithstanding the above but subject to certain other provisions of each warrant deed, if a Takeover Offer (being an offer pursuant to which 50 per cent. or more of the votes which may ordinarily be cast at a general meeting of the Company become held by the offeror or persons acting in concert with the offeror) is made at any time or times while the Warrants remain exercisable, the Company must give notice of the Takeover Offer to the warrantholders at the same time as notice of the Takeover Offer is given to the Shareholders (or as soon as practicable afterwards) together with the same information about the Takeover Offer as is provided to the Shareholders. The Company must use its reasonable endeavours to procure that an appropriate offer is extended to the warrantholders as if all outstanding subscription rights had been exercised immediately before the record date for that Takeover Offer on the terms then applicable. However, if the Company is not able to procure such offer is made to the warrantholders then adjustments must be made as in the paragraph above and any such adjustment shall become effective as at the date of or, as the case may be, the record date for the Takeover Offer;
- 5.1.3 unless there is an extraordinary resolution of the relevant warrantholders or consent is given in writing by the relevant warrantholders entitled to not less than 75 per cent. of the Ordinary Shares the subject of the relevant Warrants, the Company must, whilst any relevant Warrant remains outstanding:
- (a) not make any distribution of capital profits or capital reserves (including out of any share premium account and any capital redemption reserve) except by means of a capitalisation issue in the form of fully paid Ordinary Shares following which adjustments shall be made as summarised above;
 - (b) not modify the rights attaching to the Ordinary Shares or create or issue any new class of equity share capital which carries rights as regards voting, dividend or return of capital more favourable than those attaching to the Ordinary Shares;
 - (c) not reduce its share capital or any uncalled or unpaid liability in respect of any share capital except in certain specified circumstances;
 - (d) procure that no issued capital or other securities shall be converted into any (other) class of share capital;
 - (e) if the Company makes an offer or invitation to the holders of Ordinary Shares for the purchase by the Company of any of its shares, the Company shall simultaneously give notice thereof to the warrantholders and the warrantholders shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise their subscription rights so as to take effect as if they had exercised their rights immediately prior to the record date of such offer or invitation;

- (f) not make any issue or grant any rights, options or warrants to subscribe for Ordinary Shares or issue any securities convertible into or exchangeable for Ordinary Shares if the effect would be that on the exercise of the subscription rights under the Warrants the Company would be required to issue Ordinary Shares at a discount;
- (g) procure that there shall be no compromise or arrangement (within the meaning of section 425 of the Companies Act 1985 or any statutory re-enactment thereof or otherwise) affecting the Ordinary Shares unless the Warranholders shall be treated as a separate class of members of the Company and shall be party to such compromise or arrangement.

5.1.4 all or any rights attaching to the Warrants may only be altered or abrogated with the sanction of an extraordinary resolution of the relevant warrantholders;

5.1.5 if before the Final Subscription Date an order is made or an effective resolution of the Company passed for the winding up of the Company (except on terms sanctioned by an extraordinary meeting of the Shareholders in which case the Company shall use its reasonable efforts to procure that the warrantholder is granted a substitute warrant of equivalent value) each warrantholder shall be treated as if immediately before the order or resolution the Subscription Rights had been exercised in full and accordingly each warrantholder shall rank *pari passu* with the holders of Ordinary Shares and shall be entitled to receive such sum (less the aggregate Subscription Price) he or she would otherwise have received out of the assets available in the liquidation.

5.2 No application has been or is intended to be made for any of the Warrants to be admitted to any recognised investment exchange.

6. Options

6.1 In addition to the LTIPs granted as set out in paragraph 10 below, the following options to subscribe for Ordinary Shares have been granted to the Directors:

<i>Name</i>	<i>Number</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
C W Egleton	500,000	15p	31 December 2012
C W Egleton	400,000	15p	31 December 2012
D C Wilson	200,000	15p	31 December 2012
B D Bartman	200,000	15p	31 December 2012
G D Cook	250,000	15p	31 December 2012
T R C Hill	300,000	15p	31 December 2012

6.2 In addition to the above, the following options to subscribe for Ordinary Shares have been granted:

<i>Name</i>	<i>Number</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
W C Cole (Director of Loyalward Limited)	500,000	15p	31 December 2012
W C Cole (Director of Loyalward Limited)	100,000	16p	31 December 2012
B & Co (Crete) Limited	2,200,000	60p	See 6.4 below
N Taylor	1,118,000	60p	See 6.5 below
A D T M Marshall (former Director)	100,000	15p	31 December 2012
C W Young (former Director)	200,000	15p	31 December 2012
Kee Consulting LLC (see 6.3 below)	250,000	15p	31 December 2012
JM Finn Capital Markets Limited	40,000	15p	31 December 2012
Hind Property Company Limited	250,000	15p	31 December 2012
Hind Property Company Limited	75,000	15p	31 December 2012
Ramsay World Travel Limited	200,000	15p	9 March 2014

6.3 Kee Consulting LLC provided the services of G T Brown, a former director.

- 6.4 In connection with the arrangements entered into between Loyalward and Singer & Friedlander Limited in the past, an option was granted to B & Co (Crete) Limited, a company controlled by Mr Godfrey Bradman, to subscribe for up to 2,200,000 Ordinary Shares at an exercise price of 60 pence each. The expiry date of this option is ninety days after a valid building licence and permit (“oikodmiki adeia”) has been granted for the first phase of 2,600 beds or more (i.e. the commencement and execution of building and construction works to either the Golf and Conference Centre and/or the Grandes Bay Hotel).
- 6.5 In connection with consultancy services rendered by him in relation to Loyalward’s EIS application, an option has been granted to Mr Nicholas Taylor under which he can subscribe for up to 1,118,000 Ordinary Shares at an exercise price of 60 pence each. The expiry date of this option is ninety days after a valid building licence and permit (“oikodmiki adeia”) has been granted for the first phase of 2,600 beds or more (i.e. the commencement and execution of building and construction works to either the Golf and Conference Centre and/or the Grandes Bay hotel).

7. Directors’ and Other Interests

- 7.1 At the date of this document, the interests of the Directors as required to be disclosed by the AIM Rules are as set out below and in paragraph 10:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares under Option or Warrant</i>
C W Egleton*	217,260	0.23%	900,000
B D Bartman	210,834	0.23%	200,000
G D Cook**	1,087,730	1.16%	250,000
T R C Hill	3,970	0.01%	300,000
D C Wilson	321,429	0.34%	200,000

* C W Egleton is also a minority shareholder in Simmons International Limited which has an interest in 2,157,420 Ordinary Shares as at 29 September 2011 being the last practicable date before the issue of this document. These shares have not been included in the above table as C W Egleton is not the beneficial shareholder of these shares.

** In addition Grahame Cook is entitled to receive up to 562,500 Ordinary Shares in accordance with the terms of the Loan Agreement entered into by him, further details of which are set out in paragraph 12.7 of this Part IX.

- 7.2 The Directors are aware of the following interests (in addition to those set out above) which represent 3 per cent. or more of the issued share capital of the Company as at the date of this document:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>
T1ps Investment Management (IOM) Limited	9,534,187	10.18%
P D Raby	5,348,747	5.71%

- 7.3 As at the date of this document, the Directors do not believe that, save as disclosed above, any person, directly or indirectly, jointly or severally, is interested in, directly or indirectly, 3 per cent. or more of the issued capital of the Company.
- 7.4 The Shareholders listed above do not have different voting rights.
- 7.5 The Company is not aware of any person or entity who directly or indirectly, jointly or severally, will or could exercise control over the Company immediately following Admission or any arrangements, the operation of which, may at a subsequent date result in a change of control of the Company.
- 7.6 Save as set out in paragraphs 6.1, 7.1 and 10, following Admission no Director or any person connected with such a Director (within the meaning of section 1122 of the Corporation Tax Act 2010 as if it had not been repealed) is expected to have any interest in the share capital of the Company.

- 7.7 Save as disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 7.8 Save as disclosed in this document, there are no loans or guarantees provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors which are now outstanding.

8. Litigation

- 8.1 Other than as set out at paragraph 8.2 and 8.3 below, no member of the Group is involved in any legal or arbitration proceedings which may have or have had during the twelve months preceding the date of this document a significant effect on the Group's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Group.
- 8.2 In 2003 Leonidas Anemoyiannis ("LA") and another (who later withdrew from the action) filed an action against Loyalward and the Company before the Court of First Instance of Lasithi – Greece. LA claimed positive damages of €841,358.99, lost profit of €140,064,111.55 and moral damages of €1,000,000, i.e. a total amount €141,905,470.55 as compensation for a participation in Minoan allegedly promised for real estate agency services allegedly supplied in relation to the Project. The action was heard on 28 April 2004. The Court rejected completely the lawsuit on its merits. LA filed an appeal and that appeal was rejected. The heirs of LA filed a Petition of Annulment against Loyalward and the Company before the Supreme Court (Areios Pagos). The hearing of the Petition has been set for 26 November 2011. The Company's Greek lawyers have reviewed the Petition and in their view the judgment of the Court of Appeal is adequately substantiated and correct and should be ratified by the Supreme Court. They consider that there are substantial legal arguments against the Petition and that, even if the Court accepted the arguments on the legal defaults, the judgment of the Court of Appeal should still stand on the merits.
- 8.3 The Holy Monastery of Toplou and the Holy Metropolis of Sitia and Ierapetra (the "Monastery") has been involved in a dispute in relation to the land upon which the Site is situated. The Monastery has been the owner for centuries and that ownership was recognized when in 1926, sixty per cent. of the Monastery's property in the province of Sitia was expropriated by the Greek State and again subsequently when more land was expropriated. In 1984 the Greek State for the first time challenged the ownership of the Monastery claiming that all the Monastery land belonged to the State. After long and protracted litigation, the Monastery won the case. The decision (Decision 330/1999 of the Court of Appeals of Crete) in favour of the Monastery is final and unassailable. In 2008 the then chief prosecutor of the Greek Supreme Court conducted a preliminary investigation at the end of which he ordered the Prosecutor of Crete to conduct a judicial investigation in order to establish whether the Monastery had obtained a favourable decision on the property case through use of fraudulent means. A criminal action was ordered against the Abbott of the Monastery and technical experts involved in the ownership case. Although the decision could be subject to appeal, all defendants were found innocent by a unanimous decision of the court.

9. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, existing facilities available to the Enlarged Group will be sufficient for its present working capital requirements, being at least twelve months from the date of Admission.

10. Long Term Incentive Plan

The terms of the LTIP are as set out below:

Eligible Employees

Any director or employee of the Group selected by the Company's remuneration committee (the "Committee") can participate in the LTIP.

Grant of Awards

Awards may be granted to employees at the discretion of the Committee. Awards may be granted at any time save that after Admission, awards will normally be granted to each participant within a 42 day period following the date of publication of the interim or annual results of the Company. No awards will be granted during a close period.

Awards will either be conditional grants of Ordinary Shares or nil-cost options.

Exercise Price

Unless the Committee determines otherwise, the price per share at which Ordinary Shares may be acquired under nil-cost options on the exercise of awards will be the nominal value of an Ordinary Share.

Conditions Attaching to Awards

The Committee may impose performance conditions which have to be satisfied before awards may be exercised. The Committee proposes to impose a performance condition on the first grant of awards requiring that those awards will not be capable of being exercised until certain performance conditions are met.

The performance conditions are described in the table below:

Performance

Requirement

Type

Target

- | | |
|----------|--|
| A | The achievement of any one of the following: <ul style="list-style-type: none">(i) An investment by an investor or group of investors acting in concert in (a) 15 per cent. or more of the enlarged issued ordinary share capital of the Company or (b) 25 per cent. or more of the issued ordinary share capital of Loyalward or (c) 25 per cent. or more of the Project; 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 of unappealable approval from the Greek Government for the Project. |
| B | The Group achieves a consolidated profit at the EBITDA level (ignoring any charge in respect of share based payments) for a six month accounting period. |
| C | The price of an Ordinary Share remains at an average of 50 pence or above for ten consecutive trading days on AIM or a recognised stock exchange. |

The Performance Requirements can be retested by the Committee at any time until 26 April 2015.

Awards

The current number of Ordinary Shares over which awards have been made and the performance conditions that have to be met are shown in the table below in respect of participating directors:

<i>Performance Condition</i>	<i>C W Egleton</i>	<i>D C Wilson</i>	<i>B D Bartman</i>	<i>T R C Hill</i>
A	1,400,000	1,000,000	130,000	150,000
B	1,400,000	1,000,000	130,000	150,000
C	1,400,000	1,000,000	130,000	150,000
Total	<u>4,200,000</u>	<u>3,000,000</u>	<u>390,000</u>	<u>450,000</u>

Limits

The Company may issue up to 15 per cent. of its issued Ordinary Shares within a ten year period to satisfy awards to participants in the LTIP and any other share plan operated by the Company under which Ordinary Shares are issued.

The Committee will monitor the issue of Ordinary Shares during the ten year period.

The new issue limits above will also apply to treasury shares if they are used by the Company for the purposes of the LTIP.

Allotment and Transfer of Ordinary Shares

Ordinary Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the Ordinary Shares are acquired but will otherwise rank *pari passu* with existing Ordinary Shares.

Application will be made for the admission of the new Ordinary Shares to be traded on AIM following the exercise of an award.

Cessation of Employment

If a participant ceases to hold office or employment with the Company, all awards will normally lapse. However, the Committee will have the discretion to permit individuals to retain their awards on leaving.

Takeover, Reconstruction, Winding-up and Demerger

Release or exercise of awards within a specified period is permitted in the event of a takeover of the Company, on a reconstruction of the Company, in the event of a voluntary winding-up, or (at the discretion of the Committee) on a demerger. On a demerger, an award may only be exercised to the extent permitted by the Committee.

In the circumstances of a takeover, a reconstruction, or a voluntary winding-up or demerger, an award may normally only be exercised to the extent that any relevant performance conditions have been fulfilled.

Adjustment of Awards

On a variation of the capital of the Company, the number of Ordinary Shares subject to an award may be adjusted in such manner as the Committee determines and the auditors or other professional advisors of the Company confirm to be fair and reasonable.

Amendments

Amendments to the LTIP rules may be made at the discretion of the Committee. However, no amendment can be made which would materially affect the subsisting rights of participants granted prior to the date of amendment without the prior consent of the majority of participants, except for minor amendments to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the group.

The Committee may add to, vary or amend the rules of the LTIP by way of a separate schedule in order that the LTIP may operate to take account of local legislative and regulatory treatment for participants or the relevant group company outside the UK provided that the parameters of these arrangements will provide no greater benefits than the rules of the LTIP as summarised above.

General

Ordinary Shares acquired, awards and any other rights granted pursuant to the LTIP are non-pensionable.

11. Taxation

The comments set out below are based on existing law and current HM Revenue & Customs practice. They are intended as a general guide only and apply only to Shareholders who are resident in the United Kingdom for tax purposes (except to the extent that specific reference is made to Shareholders resident outside the United Kingdom), who hold the shares as investments and who are the absolute beneficial owners of those shares. Any person who is in any doubt as to their taxation position or who is subject to taxation in any jurisdiction other than the United Kingdom, should consult their own professional advisers immediately.

11.1 Taxation of Dividends

No taxation will be withheld from dividends paid by the Company. Dividends carry a tax credit equal to one ninth of the dividend.

United Kingdom resident individuals

Individual shareholders, who are resident in the United Kingdom for tax purposes, will generally be subject to income tax on the aggregate amount of the dividend and associated tax credit (the “gross dividend”). For example, on a cash dividend of £90 an individual would be treated as having received dividend income of £100 and as having paid income tax of £10 (the “associated tax credit”). The gross dividend will be regarded as the top slice of the shareholder’s income.

Individual shareholders who (after taking account of the gross dividend) are liable to income tax at the basic rate, pay tax on dividends at the dividend ordinary rate of 10 per cent. Such individuals will have no further tax to pay, as the tax liability will be fully extinguished by the associated tax credit. Individual shareholders who are not liable to income tax are not able to recover the tax credit.

Individual shareholders who (after taking account of the gross dividend) are subject to income tax at the higher rate (currently 40 per cent.) will be liable to tax at the dividend upper rate of 32.5 per cent. on the gross dividend. For example, a higher rate tax payer receiving a dividend of £90 would for income tax purposes be treated as receiving dividend income of £100 (the aggregate of the £90 dividend received and the associated tax credit of £10). The tax liability would be £32.50. However, the associated tax credit of £10 would be set against the tax liability, leaving the individual with net tax to pay of £22.50.

Individual shareholders who (after taking account of the gross dividend) are subject to income tax at the additional rate (currently 50 per cent.) will be liable to income tax at the dividend additional rate of 42.5 per cent. on the gross dividend. For example, a 50 per cent. tax payer receiving a dividend of £90 would for income purposes be treated as receiving dividend income of £100 (the aggregate of the £90 dividend received and the associated tax credit of £10). The tax liability would be £42.50. However the associated tax credit of £10 would be set against the tax liability, leaving the individual with net tax to pay of £32.50.

United Kingdom resident trustees

Trustees of discretionary trusts liable to account for income tax on the income of the trust will be treated as having received gross income equal to the aggregate amount of the dividend and associated tax credit. Trustees will pay tax on dividends received at the rate of 42.5 per cent. As with the additional rate individual shareholders, the 10 per cent. tax credit will be set against the tax liability leaving further tax to pay of 32.5 per cent. of the gross dividend.

United Kingdom resident companies

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on dividends unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether other conditions are met will depend upon the circumstances of the particular shareholder, although it is expected that the dividends paid by the company would normally be exempt.

United Kingdom resident gross funds/charities

There is no entitlement, for either a gross fund or charity, to a tax credit and consequently no claim to recover the tax credit will be possible.

Non-United Kingdom residents

Generally, non-United Kingdom residents will not be subject to any United Kingdom taxation in respect of United Kingdom dividend income nor will they be able to recover the associated tax credit, although this will depend upon the existence of and the terms of any double taxation convention between the United Kingdom and the country in which such shareholder is resident.

Non-United Kingdom resident shareholders may be subject to tax on United Kingdom dividend income under any law to which that person is subject outside the United Kingdom. Non-United Kingdom resident shareholders should consult their own tax advisers with regard to their liability to taxation in respect of the cash dividend.

11.2 **Taxation of Capital Gains**

A subsequent disposal of Shares may result in a liability to United Kingdom taxation of chargeable gains, depending upon individual circumstances.

11.3 **Stamp Duty and Stamp Duty Reserve Tax**

No liability to stamp duty or stamp duty reserve tax should arise on the allotment of Shares.

Shares held outside the CREST system

The conveyance or transfer on sale of Shares will usually be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration. Stamp duty is charged in multiples of £5. An exemption from stamp duty is available on an instrument transferring shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

An obligation to account for stamp duty reserve tax ("SDRT") at the rate of 0.5 per cent. of the amount or value of the consideration will also arise if an unconditional agreement to transfer Shares is not completed by a duly stamped instrument of transfer before the "accountable date" for SDRT purposes. The accountable date is the seventh day of the month following the month in which the agreement for the transfer is made. Payment of the stamp duty will cancel the liability to account for SDRT.

It is the purchaser who is in general liable to account for stamp duty or SDRT.

Shares held within the CREST system

The transfer of Shares in uncertificated form in the CREST system will generally attract a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration. The SDRT will generally be collected by CREST.

The above statements are intended as a general guide to the current position. Certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

12. **Material Contracts**

The following contracts referred to in this paragraph 12, not being contracts entered into in the ordinary course of business, have either (i) been entered into by the Group within the two years immediately preceding the date of this document and are, or may be, material or (ii) contain a provision under which the Company has, and/or companies within the Group have, an obligation or entitlement which is or may be material to the Group as at the date immediately preceding the date of this document.

12.1 **The Contract**

The Contract, which is governed by Greek law and dated 14 July 1998, relates to the right to use the Site for tourist development and exploitation as set out in the Contract. The initial term of the

concession is 40 years (the “Initial Term”) but Loyalward has the unilateral right to extend that term for a further 40 years (the “Second Term”) on exactly the same terms and conditions by giving notice to the Foundation. However, if the annual consideration payable to the Foundation at the 39th year is less than £3.5 million (the Directors believe that the Foundation’s share of revenue will exceed this figure) then the parties will renegotiate the annual consideration payable to the Foundation during the Second Term. If they cannot agree that revised annual consideration the matter is to be referred to arbitration. Loyalward’s right to give notice of its wish to take the Second Term has to be exercised within the ten months before the expiry of the Initial Term or within one month after the annual consideration has been established by renegotiation or by a final arbitral award.

Notwithstanding the limit on Loyalward’s interest, under the Contract, lessees or assignees of leases of villas and apartments are entitled to enjoy the rights thereby granted for the equivalent of the Foundation’s tenure regardless of whether the Contract is terminated or expires. This is subject only to the Foundation receiving from Loyalward ten per cent. of the net profit received on the grant of the original villa or apartment lease and provided there are no additional financial burdens to the Foundation.

The Contract is conditional upon:

- (i) the Greek Court’s final determination that the Foundation is the sole owner of the Site. This condition has been met; and
- (ii) the relevant authorities approving the land planning and land uses for the Project.

The consideration for the Contract is made up of three elements, being:

- (i) the Initial Consideration, £5 million;
- (ii) the Annual Considerations, consisting of ten per cent. of the gross revenue of the Site irrespective of where that revenue is generated. It includes the gross revenue from hotels, restaurants, sports facilities, conference halls, use of villas and apartments, use of other land, sea shores, stores, etc. Gross revenue does not include Loyalward’s income received in connection with the development, construction, maintenance, administration and management (other than operation). Loyalward has agreed that minimum payments will be made in each year. These minimum annual payments increase from £330,000 payable in the third year following activation of the Contract to £3.3 million over a period of 10 years. Failure to pay the relevant minimum level of annual consideration for two consecutive years would give the Foundation the right to terminate the Contract without compensation; and
- (iii) Special Considerations. From activation of the Contract, Loyalward is obliged to pay ten per cent. of its net profit earned from the assignment of leases of or rights to use villas and apartments. The Contract provides for other considerations as well that are linked to a specific event occurring and are not periodic payments, such as a listing of Loyalward’s shares on a stock exchange or a sale of more than 50 per cent. of its share capital to a new strategic investor.

For the good performance of the Project, Loyalward is required to issue letters of guarantee in favour of the Foundation upon signing contracts for the construction of the Project equivalent to 5 per cent. of the contract value of the corresponding work. Further, in relation to the operation of the Project, Loyalward will assign to the Foundation 5 per cent. of whatever guarantees it receives from the operational managers of parts of the Project.

Loyalward is bound to carry out the work proposed by it to the Foundation as per its offer and the Contract and to develop the Site into a centre of high standard tourism taking into account the fact that the Site is adjacent to the Holy Monastery of Toplou, the natural beauty of the area, the need for compatibility with local architecture, the need to use local traditional materials and the obligation to contribute to the enhancement of the flora and fauna of the area. The Contract provides guidelines as to the hotels and the facilities to be developed on the Site, as well as any accompanying technical infrastructure and a number of studies to be carried out by Loyalward.

Loyalward has agreed to indemnify the Foundation, its board of directors and employees against any claim made against them in performing their duties in relation to the operation or performance of the Project other than any claim arising from the wilful default, bad faith or negligence of such persons.

If Loyalward or a subsidiary of Loyalward proposes to sell shares representing more than one half of its share capital to a new strategic investor then the prior consent of the Foundation must be obtained. The Foundation will only withhold consent if such a sale would bring it into a direct or indirect relationship with undesirable or disreputable persons which might embarrass the Foundation and the Greek Orthodox Church e.g. persons who promote practices condemned by the Orthodox Church. No assignment of the Contract is allowed by any of the parties to any third party. Any disputes related to the Contract will be referred to arbitration in accordance with Greek law. If after ten years from activation of the Contract, Loyalward has not invested at least £250 million (in 1994 prices) in the Site, the Foundation has the right to terminate the Contract without having to pay compensation. In case of doubt, the Contract is to be interpreted in favour of the Foundation. On termination of the Contract Loyalward is obliged to give up possession of the Site in good condition.

12.2 **Admission Agreement**

The Admission Agreement contains the following principal terms:

- 12.2.1 the obligations of Seymour Pierce Limited are conditional on, *inter alia*, Admission occurring on or about 18 October 2011 or such later date (being not later than 1 November 2011) as Seymour Pierce Limited and the Company may agree;
- 12.2.2 the Company agreed to pay Seymour Pierce Limited a corporate finance fee in connection with Admission of £120,000 (together with VAT if applicable) of which £15,000 has been paid and the balance is payable following Admission. If the Proposals do not complete for reasons connected with the Company or the Directors the balance of this fee is not payable but a corporate advisory fee of £80,000 (together with VAT, if applicable) becomes payable;
- 12.2.3 the Company agreed to pay all the costs and expenses of and incidental to the Admission (together with value added tax on such costs and expenses);
- 12.2.4 the Company and each of the Directors have given certain warranties, representations and undertakings to Seymour Pierce Limited in relation, *inter alia*, to the accuracy of the information contained in this document, the financial position of the Group and as to other matters in relation to the Group and its business. In addition Seymour Pierce Limited has the benefit of certain indemnities from the Company. The liability of the Directors under the Admission Agreement is limited; and
- 12.2.5 Seymour Pierce Limited may terminate the Admission Agreement at any time prior to Admission in certain circumstances including a breach of any of the warranties, representations, undertakings or indemnities contained in the Admission Agreement.

12.3 **KWT Agreements**

By an agreement dated 9 March 2011 between (1) Thomas Lawrence King ("Mr King") and (2) the Company, Mr King agreed to sell the whole of the legal and beneficial interest in the issued share capital of King World Travel Limited held by him for a cash consideration of £360,800 which was paid on completion. Mr King gave certain warranties and indemnities to the Company as are usual in a transaction of this nature, and indemnity in relation to tax and certain undertakings to protect the goodwill of King World Travel Limited.

By an agreement dated 10 March 2011 between (1) Ramsay World Travel Limited ("Ramsay") and (2) the Company, the Company agreed to acquire the whole of the legal and beneficial interest in the issued share capital of King World Travel Limited held by Ramsay for a consideration of £50,000 which was satisfied by the allotment and issue of 333,334 Ordinary Shares credited as fully paid. Ramsay gave certain warranties to the Company and undertook not to dispose of the Ordinary Shares acquired for one year.

By an agreement also dated 10 March 2011 the Company granted Ramsay World Travel Limited an option to acquire up to 200,000 Ordinary Shares at a price of 15 pence per share which option is exercisable by 10 March 2014 or earlier in certain limited circumstances.

12.4 **STC Agreements**

By an agreement dated 27 May 2011 between (1) William Stewart and Jemima Stewart (together the "Sellers"), (2) Minoan Leisure Limited and (3) Stewart Travel Centre Ltd ("STCL") sold 19.9 per cent.

interest in the partnership between the Sellers and STCL carried on under the name 'Stewart Travel Centre' for a consideration of £280,000. STCL consented to the sale and purchase of the partnership interest. The Sellers gave certain representations, warranties and undertakings to Minoan Leisure Limited and also indemnified Minoan Leisure Limited against any losses that it may suffer. The Sellers liability under the representations, warranties and undertakings ceases on 31 December 2011.

On the same day the Sellers, STCL and Minoan Leisure Limited entered into a deed of co-partnership to record the terms of the partnership between them (the "Partnership"). The Partnership shall subsist until 31 May 2012 and continue thereafter until terminated by mutual agreement.

Also on 27 May 2011 Loyalward entered into an agreement with the Partnership under which the Partnership engaged Loyalward to provide certain consultancy services to the Partnership. These services are such general management services as are agreed from time to time and may include assistance with sales and marketing and sales policy, website formation, accounting systems and associated information technology, cost structure, organizational structure and staffing levels and quality. The agreement is terminable by either party on 30 days' notice and may be terminated earlier in certain limited circumstances. Under this agreement Loyalward is to make the services of certain individuals including Duncan Wilson (or such other persons as are agreed) available for no more than 10 days a month. The Partnership is obliged to pay Loyalward £5,000 a month or, if the agreement has not been terminated by 30 April 2012 a sum equal to 90 per cent. of the profits of the Partnership for the period from 1 May 2011 to 30 April 2012.

12.5 **Acquisition Agreement**

By an agreement dated 9 September 2011 between (1) Paul Semple, John Semple, Marie Connolly and Angela Morrison (the "JSTL Sellers") and (2) the Company, the Company agreed to acquire the entire issued share capital of John Semple Travel Limited ("JSTL") and the entire issued share capital of CruiseKings Limited for a consideration of £2,000,000 to be satisfied by the payment of £1,400,000 in cash and the allotment and issue of such number of Ordinary Shares as at the average mid-market closing price of an Ordinary Share over the five dealing days prior to the date of completion as specified by the Company's brokers has an aggregate value of nearest to but not exceeding £600,000 but subject to a minimum price of 11p per share and a maximum price of 16p per share. The maximum number of Consideration Shares that may be issued is 5,454,545 (based on a price of 11p per share) and the minimum number is 3,750,000 (based on a price of 16p per share). In addition the Company agreed that it would pay to the JSTL Sellers a sum equal to the net proceeds (if any) of a particular VAT claim that JSTL has made.

The JSTL Sellers agreed that they would not, without the prior consent of the Company, transfer or otherwise dispose of the Consideration Shares or create any encumbrance over or in relation to them within twelve months of Completion and thereafter agreed to an orderly market arrangement.

The JSTL Sellers gave the Company representations, warranties and undertakings relating to the business and finances of JSTL and an indemnity in relation to tax. The Company is able to terminate the agreement before completion if it considers that any of the representations, warranties or undertakings it has received would be breached if repeated prior to completion or it would have a claim under the tax indemnity referred to above or if any event occurs which affects or is likely to affect materially and adversely the financial position or business prospects of JSTL.

The JSTL Sellers also entered into certain undertakings as to their future activities for a period of two years from Completion in favour of the Company.

12.6 **Placing Letter**

Pursuant to an engagement letter dated 1 July 2009 the Company and Rivington Street agreed, *inter alia*, that Rivington Street would act as joint broker to the Company for an annual retainer of £6,000 plus VAT payable quarterly in advance. The Company agreed to pay Rivington Street commission at the rate of five per cent. of the gross amount of any funds raised by Rivington Street and one per cent. of funds raised by any third party and to reimburse all reasonable costs and expenses.

By a supplemental letter dated 30 September 2011 Rivington Street agreed to subscribe for or procure subscribers for 2,500,000 new Ordinary Shares at the Placing Price on or by 18 October

2011 conditional only on the Resolutions being duly passed and it further agreed that its entitlement to commission in respect of the Placing would be five per cent. of the monies raised by Rivington Street and would be satisfied by the issue of new Ordinary Shares at the Placing Price.

12.7 **Loan Agreements**

By a letter agreement dated 27 September 2011 between (1) Mr Ismail Ghandour (“Mr Ghandour”) and (2) the Company Mr Ghandour agreed to loan the Company £700,000.00 by 18 October 2011 subject to the Placing, Acquisition and Admission completing on or before 24 October 2011. The loan is repayable together with an additional sum of £35,000 (being five per cent. of the loan) and a premium of £183,750 on or before 31 October 2013 and is to be settled by the Company issuing Mr Ghandour with new Ordinary Shares credited as fully paid at 12.5 pence per share. The loan is interest free save where the Company does not repay by the due date in which event default interest at 2 per cent. above the base rate of The Royal Bank of Scotland Plc from time to time is payable. The Ordinary Shares to be issued pursuant to this letter agreement will rank *pari passu* with the existing Ordinary Shares save in respect of any dividend or distribution declared, made or paid by reference to a date prior to that on which such Ordinary Shares are allotted. The letter agreement also contains standard undertakings from Mr Ghandour in the Company’s favour.

By a letter agreement dated 27 September 2011 between (1) Mr David Raby (“Mr Raby”) and (2) the Company, Mr Raby agreed to loan the Company a minimum of £350,000 and up to £450,000.00 by 18 October 2011 subject to the Placing, Acquisition and Admission completing on or before 24 October 2011 (or such later date as the parties may agree). The amount of the loan is dependent on the amount being raised for the Company by Rivington Street and will be the maximum amount of £450,000. The loan is repayable together with an additional sum of £22,500 and a premium of £118,125 (in each case on the basis that the loan is the maximum amount of £450,000) on or before 31 October 2013 and is to be settled by the Company issuing Mr Raby with new Ordinary Shares credited as fully paid at 12.5 pence per share. The loan is interest free save where the Company does not repay by the due date in which event default interest at 2 per cent. above the base rate of The Royal Bank of Scotland Plc from time to time is payable. The Ordinary Shares to be issued pursuant to this letter agreement will rank *pari passu* with the existing Ordinary Shares save in respect of any dividend or distribution declared, made or paid by reference to a date prior to that on which such Ordinary Shares are allotted. The letter agreement also contains standard undertakings from Mr Raby in the Company’s favour.

By a letter agreement dated 21 September 2011 between (1) Mr Grahame Cook (“Mr Cook”), a director of the Company and (2) the Company Mr Cook agreed to loan the Company £75,000.00 by 31 October 2011 subject to the Placing, Acquisition and Admission completing on or before 24 October 2011. The loan is repayable together with an additional sum of £3,750 (being five per cent. of the loan) as follows:

- (a) if the conditions of the loan are not satisfied or waived by 24 October 2011, on 24 October 2011 on or before 31 October 2011;
- (b) subject to (a) above, on or before 28 February 2013; or
- (c) at Mr Cook’s election, as to all or part of the sum due, on or before 31 August 2012 by the Company issuing Mr Cook with new Ordinary Shares credited as fully paid at 14 pence per share. Interest at 10 per cent. per annum is payable on the loan quarterly in arrears or, if earlier, on repayment. The letter agreement also contains standard undertakings from Mr Cook in the Company’s favour.

By a letter agreement dated 21 September 2011 between (1) AB Group (Croydon) Limited (“AB Group”) and (2) the Company AB Group loaned the Company £100,000.00. The loan is repayable together with an additional £5,000 (being five per cent. of the loan) on or before 28 February 2013 or, at AB Group’s election made on or before 31 August 2012 in respect of all or part of the loan, by the Company issuing to AB Group new Ordinary Shares credited as fully paid at 14 pence per share. Interest at 10 per cent. per annum is payable on the loan quarterly in arrears. The letter agreement also contains standard undertakings from AB Group in the Company’s favour.

By a letter agreement dated 21 September 2011 between (1) Mr M E Denneny (“Mr Denneny”) and (2) the Company Mr Denneny agreed to loan the Company £50,000.00 by 23 September 2011.

The loan is repayable together with an additional £2,500 (being five per cent. of the loan) and a premium of £13,125 on or before 31 October 2013 and is to be settled by the Company issuing Mr Denny new Ordinary Shares credited as fully paid at 12.5 pence per share. The loan is interest free save where the Company does not repay by the due date in which event default interest at 2 per cent. above the base rate of The Royal Bank of Scotland Plc from time to time is payable. The Ordinary Shares to be issued pursuant to this letter agreement will rank *pari passu* with the existing Ordinary Shares save in respect of any dividend or distribution declared, made or paid by reference to a date prior to that on which such Ordinary Shares are allotted. The letter agreement also contains standard undertakings from Mr Denny in the Company's favour.

13. Related Party Transactions

- 13.1 Simmons International Limited is the company which provides C W Egleton's services as set out in paragraph 4.1 of Part IX of this document. The arrangements referred to there are the only subsisting arrangements between Simmons International Limited and the Group. C W Egleton is a minority shareholder in Simmons International Limited which has an interest in 2,157,420 Ordinary Shares as at 29 September 2011, being the last practicable date before the issue of this document.
- 13.2 In the past WT Partnership, which has a subsidiary of which T R C Hill is a director, has provided the services of T R C Hill for up to two days a week. This arrangement has been terminated. It is Group's current intention that WT Partnership will have an ongoing role in the project management and quantity surveying of the Project. It has been agreed that in the event of the Project proceeding without WT Partnership being involved, for example due to a sale of the Project or the Company, then WT Partnership shall be compensated by way of a payment of £250,000, which may be satisfied by the issue of shares at market value at the Company's option.
- 13.3 B D Bartman is a partner in the firm of B D Bartman & Co and it is that firm which provides the services of B D Bartman as set out in paragraph 4.3 of Part IX of this document. There are no other subsisting arrangements between B D Bartman & Co and the Group.
- 13.4 The Group pays W C Cole, who ceased to be a director of the Company on 26 April 2007 but is the Company Secretary and a director of Loyalward Limited, the sum of £12,000 per annum for the use of part of his property and facilities for Group purposes.
- 13.5 Bizwatch Limited ("Bizwatch") is a company in which Jeremy Watts (a director of Loyalward Limited) and Michael Fitch (a director of Loyalward Hellas S.A.) each own 50 per cent. of the issued share capital. Bizwatch is the company which provides the services of Jeremy Watts to Loyalward Limited and Michael Fitch to Loyalward Hellas S.A. There are no other subsisting arrangements between Bizwatch and the Group.
- 13.6 I.H.M. Industry and Hotel Management Services Ltd ("IHM") is a company of which Constantin Valassakis (a director of Loyalward Limited) is a shareholder. IHM provides the services of Constantin Valassakis to Loyalward Limited. There are no other subsisting arrangements between IHM and the Group.
- 13.7 Save as disclosed in this paragraph 13 of Part IX of this document the Company is not party to any related party transactions.

14. Intellectual Property

The Directors are not aware of any intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business. It is the Company's intention to ensure that the Group has sufficient rights in respect of all requisite intellectual rights such that the Group has and will have all necessary rights required for the development of the Site.

15. General

- 15.1 The total expenses of or incidental to the Admission which are payable by the Company are estimated to amount to approximately £400,000 (exclusive of VAT).
- 15.2 Save as disclosed in this document, there are no other significant investments in progress nor are there intended to be any.

- 15.3 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Group's recent activities.
- 15.4 Save as disclosed in this document, there have been no other significant recent trends, uncertainties, charges, commitments or events that are reasonably likely to have a material adverse effect on the Group's prospects and concerning the development of the Group's business.
- 15.5 Save as disclosed in this document the Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Group's business.
- 15.6 CBRE has given and not withdrawn its written consent to the issue of this document with the inclusion of its name, in such forms and contexts in which it appears and have authorised the inclusion of its letter in Part VIII of this document and the inclusion of its name in the form and context in which they appear.
- 15.7 Seymour Pierce Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of its name in such form and context in which it appears.
- 15.8 Rivington Street Corporate Finance Limited has given and not withdrawn its written consent to the inclusion of its name, in such forms and contexts in which it appears.
- 15.9 Chantrey Vellacott DFK LLP has given and has not withdrawn its written consent to the inclusion in this document of its reports as set out in Parts III to VI of this document in the form and context in which they appear and has authorised the content of its reports.
- 15.10 The Company's auditors Chantrey Vellacott DFK LLP were appointed as auditors to the Company in 2009 and are a member firm of the Institute of Chartered Accountants in England and Wales.
- 15.11 As at the date of this document the Group has 58 employees.
- 15.12 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 15.13 The Company has not made any payments to any person in the capacity of promoter.
- 15.14 Save as disclosed in this document, no person directly or indirectly (other than the Group's professional advisers and trade suppliers) has in the last twelve months received or is contractually entitled to receive, directly or indirectly, on or after Admission, any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into any contractual arrangements to receive the same from the Company at the date of Admission.
- 15.15 Save as disclosed in this document and as far as the Directors are aware there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 15.16 No Director or any member of his family has a related financial product referenced to the Ordinary Shares.

16. Third Party Information

The Company confirms that the information in this document which has been sourced from third parties has been accurately reproduced and that as far as it is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

17. Availability of this Document

Copies of this document are freely available to the public during normal business hours on any weekday (except Saturdays and bank holidays) at the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN from the date of this document and for a period of at least one month from the date of Admission.

30 September 2011

PART X

Minoan Group Plc

(a company incorporated in England and Wales and registered with number 3770602)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Minoan Group Plc (the “**Company**”) will be held at 11.30 a.m. on 17 October 2011 at the offices of Seymour Pierce Limited, 20 Old Bailey, London, EC4M 7EN for the purpose of considering, and if thought fit, passing Resolutions 1 and 3, which shall be proposed as ordinary resolutions and Resolution 2, which will be proposed as a special resolution:

Ordinary Resolution

1. **THAT**, in addition to the authority conferred by the resolution of the Company passed on 23 December 2010, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”), up to an aggregate nominal amount of £383,546 for a period expiring on the earlier of 15 months from the date of this Resolution and the Company’s annual general meeting to be held in 2012, save that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offer or agreement as if the authority conferred by this Resolution had not expired.

Special Resolution

2. **THAT**, subject to and conditional upon the passing of Resolution 1, in addition to the power granted pursuant to section 571 of the Act on 23 December 2010, the Directors be and are hereby empowered pursuant to section 571 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 as if section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in the Company up to an aggregate nominal amount of £29,000 in connection with the Placing (as such term is defined in the AIM admission document of the Company dated 30 September 2011 (the “**Admission Document**”));
 - (b) the allotment of equity securities in the Company up to an aggregate nominal value of £54,545.45 in connection with the Acquisition (as defined in the Admission Document); and
 - (c) otherwise than pursuant to paragraphs (a) and (b) above, the allotment of equity securities up to an aggregate nominal value of £300,000 (representing approximately 29.4 per cent. of the issued share capital of the Company as enlarged by the Placing and the Acquisition (assuming that the maximum number of Consideration Shares (as defined in the Admission Document) fall to be issued)

and this power shall expire on the earlier of 15 months from the date of this Resolution and the Company’s annual general meeting to be held in 2012, save that the Company may before the expiry of this authority make an offer or agreement which would or might require equity securities in the Company to be allotted after such expiry and the Directors may allot equity securities in the Company in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Ordinary Resolution

3. **THAT**, subject to and conditional upon the passing of Resolutions 1 and 2, the acquisition by the Company of the entire issued share capital of John Semple Travel Limited in accordance with the terms of the Acquisition Agreement (as defined and described in the Admission Document) as laid before the meeting and initialled by the Chairman for the purposes of identification only, be and is hereby approved for the purposes of Rule 14 of the AIM Rules for Companies and that the Directors be and are hereby authorised to complete such agreement, subject to such modifications as the Directors may deem appropriate, and to execute, sign and do all such other documents, deeds, acts and things as may be necessary or desirable to complete the aforesaid transaction.

Notes to Members

1. A member entitled to attend, speak and vote at the meeting is also entitled to appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
2. If you wish to appoint a proxy other than the Chairman of the meeting, write the full name and address of your proxy in the box provided. The change should be initialled.
3. In the absence of instructions, the person you have appointed as your proxy may vote or abstain from voting as he/she thinks fit on the Resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the Resolutions) which may properly come before the meeting.
4. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a notarially certified or authorised copy of such power or authority) and lodged at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible, but in any event so as to be received by the Company's registrars not later than 11.30 a.m. on 15 October 2011.
5. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.
6. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 11.30 a.m. on 15 October 2011 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, close of business on such date being not more than two days prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.
7. Resolutions 1 and 3 are proposed as ordinary resolutions. This means that for each of Resolutions 1 and 3 to be passed, more than half of the votes cast must be in favour of that Resolution. Resolution 2 is proposed as a special resolution. This means that for Resolution 2 to be passed, at least three-quarters of the votes cast must be in favour of that Resolution.

