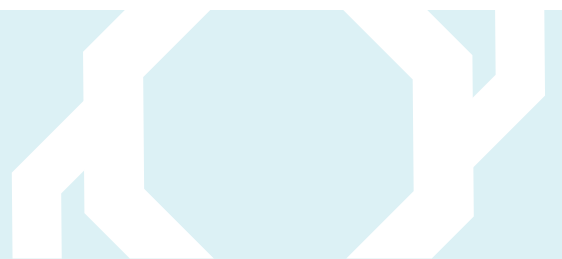




Legendary Investments PLC

Annual Report & Accounts
Year Ended 31 March 2017



Legendary Investments PLC

Annual Report & Accounts for the year ended 31 March 2017

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Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Company Information

Company address and Registered Office	Legendary Investments PLC Jubilee House Townsend Lane London NW9 8TZ
Directors	Zafarullah Karim – Executive Chairman Thomas Werner Reuner – Executive Director
Secretary	Secretarial Services (UK) Limited
Registered number	3920241 (England and Wales)
Nominated adviser	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Brokers	Beaufort Securities Ltd 63 St Mary Axe London EC3A 8AA
Independent auditor	Crowe Clark Whitehill LLP Chartered Accountants St Bride's House 10 Salisbury Square London EC4Y 8EH
Solicitors	Druces LLP Salisbury House London Wall London EC2M 5PS
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

Legendary Investments PLC

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Executive Chairman's Statement

The year under review has been one in which progress has been made with key investments. Virtual Stock was cited by Lord Carter in his government review as "exemplary", after which the strategically important Shelford Group of NHS Trusts agreed to utilise The Edge software, followed shortly after that by the NHS Shared Business Services ("NHS SBS"). This development put Virtual Stock into a nationally if not globally recognised position in the health sector, and the landmark contract with John Lewis Partnership did likewise for Virtual Stock in the retail sector. It has been an outstanding year for this Legendary investee. Good progress was also made at Manas Resources, with the results from both the sampling programme and the geophysical studies proving positive. The next stage is test drilling and all options for this are being considered.

Potentially the most significant development occurred post year end with the acquisition for a nominal sum of a 12% stake in IBS Corporation. For some time, Legendary has been exploring options to enable it to widen its reach and provide it with access to additional resources to be able to make follow on investments in current investee companies and additional investments in new companies, in short "increase its fire power". The stake in IBS and the cooperation it should enable between Legendary and IBS should provide a platform to be able to do this, thereby taking Legendary to the next level.

Operating loss was £281,000, (2016: profit of £2,132,000), and net loss was £281,000 (2016: net profit £2,118,000). As at the year end, Legendary's investments (fixed asset investments and current asset investments) were £4,293,000 (2016: £4,275,000). Overall, net and total assets for the year were £4,729,000 (2016: £4,073,000) an increase of 16%, and £4,867,000 (2016: £4,354,000), an increase of 12%.

Virtual Stock Holdings Limited

Virtual Stock utilises agile, open source technology to allow information to flow between fragmented systems in a unique way, without disruption to any existing IT landscape. Data is seamlessly collated, enriched, mapped and validated, allowing only trusted, reliable information to be deployed. Virtual Stock's solutions are a rapid, flexible and scalable alternative to traditional costly and time-consuming systems integrations. The "integration" market is worth c.US\$300-500 billion per year.

Virtual Stock's flagship product, The Edge, aims to transform global enterprise supply chains and marketplaces. The Edge delivers best-in-class eProcurement functionality, including an Amazon-style B2B marketplace, full procure-to-pay (P2P), product information management (PIM), catalogue management, order management, inventory management, e-invoicing, track and trace, and analytics. The Edge has been successful in delivering supply chain optimisation for leading retailers, the NHS, and, ultimately, their customers.

In the year under review, Virtual Stock built substantially on the success of the previous year. Following the contract wins in July 2015 with Guy's and St Thomas's Trust, Virtual Stock's goal was to win several further NHS contracts by the end of calendar 2016. The reality of what happened, exceeded that goal.

In February 2016, before the year under review, Virtual Stock was cited as exemplary of best practice in employing digital technology to deliver significant cost reductions with Guy's and St Thomas Trust in the landmark Lord Carter report, "Operational productivity and performance in English NHS acute hospitals: Unwarranted variations".

After much diligence, in the year under review, in October 2016, Virtual Stock's The Edge was adopted as the common catalogue management solution by the Shelford Group to deploy Virtual Stock's cloud-based module catalogue management solution, part of The Edge, providing a solution to what Lord Carter described as one of the major issues affecting the NHS. Virtual Stock, through The Edge platform, aims to support significant savings over the next five years through supply chain optimisation and procurement process efficiencies.

Legendary Investments PLC

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Executive Chairman's Statement

The trusts that make up the Shelford Group are of strategic significance to NHS care, the life sciences industries and the wider UK economy. They comprise the 10 leading NHS multi-specialty academic healthcare organisations, employ over 100,000 people and have turnover of over £10 billion, making up over 13% of acute trusts' turnover across England. The Shelford Group was formed in 2011 to share best practice in key service areas across its membership and to engage with Government, Parliament and industry to represent large tertiary centres and the wider NHS.

The "win" took longer than expected, but was ultimately more substantial than expected. The Shelford Group is the first group of trusts to collaborate in the adoption of a single catalogue management solution. Discussions are underway with several other trusts.

This success was followed by the announcement on 2 November 2016 that Virtual Stock's The Edge was to be utilised by NHS SBS, a joint venture between the NHS and Sopra Steria Group S.A., a European leader in digital transformation. The Edge enables hospitals to purchase a full range of products through a single eCommerce platform, in a way that users experience in everyday online shopping. The Shelford Group has signed up to use the technology, and the NHS SBS partnership is expanding the potential for savings to many more trusts.

NHS SBS has already saved the NHS hundreds of millions of pounds since it was set up in 2005. By utilising Virtual Stock technology, it aims to help the health service work towards achieving the £500 million to £1 billion of procurement savings called for in Lord Carter's 2016 productivity review. In essence, Virtual Stock technology is providing an "Amazon" like marketplace for the NHS by partnering with NHS SBS.

Virtual Stock also continued to build its presence in the retail sector. In March 2017, it was announced that Virtual Stock had been appointed by the John Lewis Partnership, including 48 John Lewis shops across the UK, johnlewis.com and 349 Waitrose shops, to implement its Supply Chain Management System, The Edge.

Virtual Stock is now established as a provider of digital solutions to the UK's leading retailers. Its retail clients include Tesco, Maplin, Sainsbury's Argos, Dixons Carphone and Office Depot. Selected for its ability to implement agile, scalable technologies, Virtual Stock continues to provide its retail partners with the tools to optimise supply chain operations, while delivering significant cost savings.

At the year end Legendary's Holding of Virtual Stock continues to be accounted for at a value consistent with the prior year of £4.0m. This continues to be supported by subsequent transactions in shares for Virtual Stock (see note 16 for more details regarding the fair value assessment). In July 2017, Notion Capital, a leading European B2B SaaS Venture Capital firm, invested £4.5m in Virtual Stock at a valuation of for Virtual Stock of £66m.

Subsequent to this investment and also in July 2017, Legendary increased its stake in Virtual Stock from 6.8% (subsequent to the dilution due to Notion's investment) to 7.2% increasing the carrying value of its investment in Virtual Stock to £4.3m which compares to an estimated value of £4.7m based upon the £66m valuation of Virtual Stock.

Manas Resources LLC

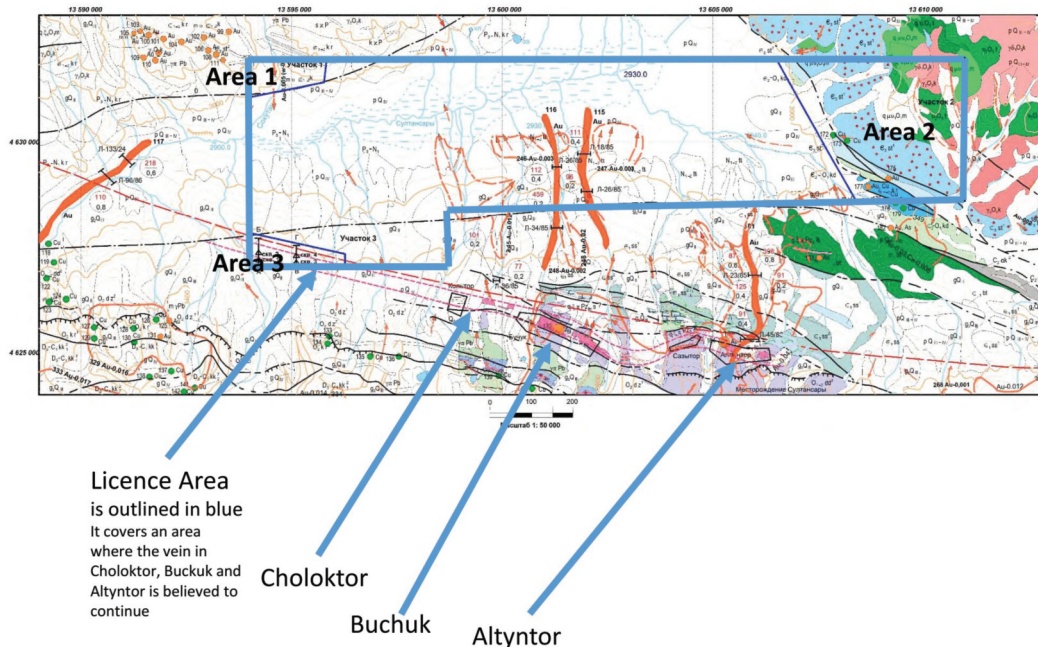
Manas Resources is the holder of a licence to explore for gold in Sultan Sary, Narynskaya Oblast, Kyrgyzstan. The licence area is located in the gold-rich Tien-Shan region of Kyrgyzstan covering approximately 66 sq km.

Legendary Investments PLC

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Executive Chairman's Statement

A map of the licence area is below:



In April 2016, Legendary announced preliminary results from the 2015 sampling programme carried out by Manas. These results delineated some focussed areas for follow-up work. Highlights of the results included the existence of several bedrock samples up to 4 g/t Au within a 1 sq km soil anomaly in Area 2 and a boulder sample grade of 36 g/t along the structural corridor in Area 3. In Area 1, only two of the bedrock samples returned gold values significantly above background concentrations (0.5 g/t and 0.4 g/t). Of the 3 areas, Area 1, Area 2 and Area 3, Area 3 was the most prospective, followed by Area 2.

In August 2016, Manas had initiated a geophysical work programme to define better and delineate known and potential gold mineralisation in licence area. The geophysics programme consisted of Ground Magnetics, Induced Polarisation (“IP”) profiles and Gamma Spectrometry, and focussed on the high priority areas, Areas 3 and Area 2.

Area 3, considered to be the most prospective area, covers approximately 1.2 sq km in the southwestern corner of the licence area. The pole-dipole IP surveys conducted in Area 3, which is almost entirely covered by Quaternary sediments, identified strong chargeability and/or resistivity anomalies over a strike length of some 1.4 km extending from the edge of the survey area. Modelling of the results suggests that the tops of the targets are 50 – 100 metres from surface.

These anomalies correspond with the postulated WNW extension of the gold-rich structural corridor that hosts the known deposits (outside the licence area) of Choloktor (3km), Buchuk (5km) and Altyntor (9km). Altyntor is currently being mined by a Chinese company, and about 5 tonnes of gold has historically been mined from Buchuk. Under the Russian/Soviet classification scheme Buchuk contains a C1 resource of 20 tonnes of gold, and Altyntor contains a C1 and C2 resource of 7 tonnes of gold.

With the focus on Area 3, the geophysics carried out in Area 2 were more exploratory in nature (200m vs 100m line spacing respectively). The results received from Area 2 were sufficiently positive to warrant follow-up work, though the focus is on the most promising area, Area 3.

On the basis on the above results it was decided at the end of 2016 to test drill the promising targets in Area 3, and from early 2017, Manas began exploring various options, including raising capital, to do

Legendary Investments PLC

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Executive Chairman's Statement

this. These discussions continue. The aim is to have concluded discussions and made progress with drilling before the end of 2017.

As at the year end, Legendary holds a 5.5% stake in Manas Resources, with an option over an additional 4.45% stake, which are held on its balance sheet at £100,000. In addition, working capital has been provided to Manas of £259,000 which is included as a non-current receivable.

Amedeo Resources PLC

Amedeo: Amedeo's strategy is to invest in the energy and resource infrastructure sectors. To date Amedeo has made 3 investments: in a new offshore vessel construction joint venture, Jiangsu Yangzijiang Offshore Engineering Co. Ltd ("YZJ Offshore"); in a ferrous metal and ferrous ore trader, MGR Resources Pte Ltd ("MGR"); and in a copper mine, Ganjine Kani Company ("GKC").

During the year under review, YZJ Offshore completed its first order, a Le Tourneau Super 116E Class design self-elevating mobile offshore jack up drilling rig ("Explorer 1"), pending final delivery checks. The rig has yet to be delivered as the purchaser of Explorer 1 is in the process of securing financing and employment for the rig. In the meantime, YZJ has continued to seek further orders, and with Explorer 1 completed to a high standard, is utilising it as a showpiece. The rig market has been soft and no new orders have been secured. Signs of improvement, however, are evident as YZJ Offshore has had credible enquiries including interest in Explorer 1. In the meantime, YZJ offshore has been utilising its facilities to provide berthing capacity and build modules for LNG vessels.

Iron ore prices remained depressed during 2016. As such, MGR cut back activities to a bare minimum. Due to the low level of activity, in February 2016, MGR paid back to Amedeo a loan of £1,200,000. Near the end of the year, however, MGR saw an uplift in activities with iron ore prices rising. As a result, in January 2017, Amedeo made available to MGR a loan facility of US\$800,000 to expand activities.

Also in January 2017, Amedeo acquired a 2.5% stake in GKC for US\$500,000, a copper mining company. GKC is a producing miner which has, to date extracted around 1m tonnes of ore. GKC has three mines. MGR intends to work with GKC to supply copper to East Asia.

Despite the ongoing difficult environment, Amedeo continues to pursue its long-term strategy of building a vertically integrated investment business in the resource and energy and related infrastructure sectors, while on an operational level, cash resources are used conservatively.

As at the year end, Legendary's stake in Amedeo was valued at £43,000.

Bosques Energeticos EBE S.A. de C.V

Bosques is an innovation based second generation biodiesel company which has scored many "firsts". It was the first company to germinate pongamia seeds in Mexico and Central America; it was the first to root successfully pongamia scions in Mexico and the region; and it was the first to have pongamia flowering within 2½ years of planting compared with the normal time of 5 to 6 years; and then in less than 2 years in Mexico and the region, and possibly worldwide. It has developed advanced generation jatropha which commences yielding seeds in as early as 6 months compared to up to 2 years for normal jatropha. In addition, its generation 4 jatropha exhibits high yields. Generation 4 jatropha is also non-toxic as a result of which its cake can and is being used for animal feed (higher value) as well as fertilizer.

Bosques currently has 18 ha under cultivation, with 2,000 pongamia trees and 6,000 jatropha plants. Having proven its techniques on its test plantation, Bosques continues to explore ways in which to commercialise its innovations in Mexico and further afield, including potentially in East and South East Asia and in Africa. In addition to exploiting the biodiesel properties, Bosques is also looking to exploit the soil improving and reforestation properties of pongamia.

Legendary Investments PLC

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Executive Chairman's Statement

Legendary has a substantial minority stake of 40% in Bosques that it holds on its balance sheet at £83,000.

Medgold Corporation

Medgold is a Serbia-focused TSX-V listed exploration company targeting gold-silver projects in the relatively under-explored Oligo-Miocene Belt of southern Serbia. Run by a highly experienced management team with a successful track record of building value in resource companies, Medgold is aiming to become a leading European gold company.

Legendary invested in Medgold at its inception, before it was listed. Medgold has now been listed for several years, and as at the balance sheet date, Legendary's stake was valued at £39,000. Medgold is considered a non-core investment.

Oracle Coalfields PLC

Oracle is a coal developer whose primary asset is the Thar Coalfield Block VI licence area located in the Sindh Province, Pakistan. The stake in Oracle was acquired with the proceeds of the disposal of Legendary's stake Regency Mines PLC. Legendary did not consider the stake in Oracle as core and in May 2016 divested the stake.

Sula Iron and Gold PLC

Sula was one of Legendary's earlier investments. Legendary initially invested in a pre-IPO funding round, shortly after which Sula was admitted to trading on AIM, and Legendary invested again at the IPO. Sula has not performed as expected, and in May 2016, the stake was divested.

IBS Corporation Limited

Post year end, in August 2017, Legendary announced that it had negotiated a 12% stake in IBS for nominal value. IBS is a newly established entity in New Zealand for the purposes of providing financial services, initially in New Zealand and then expanding into Asia Pacific, South East Asia and the Middle East.

IBS intends to build a banking services platform with the ability to provide a range of financial services including investment banking, asset management, debt funding and insurance services aimed at corporate and high net worth clients. The availability of such services to New Zealand SMEs is less well developed than in international markets, and IBS initially intends to target opportunities in this area, providing debt funding and taking equity stakes in New Zealand SMEs with strong managements and business models with the potential for internationalisation. Target sectors include fintech, property and agriculture and fisheries. These services are intended to be extended into other markets over time.

IBS is in the process of obtaining the necessary authorities from the New Zealand regulators to be able to conduct these services. It expects to receive the authorities in the next few months, however, there is no assurance that they will be obtained. In the meantime, IBS is establishing an experienced core team to spearhead the business, some of whom have already been identified. In addition, IBS has already commenced discussions with a number of potential clients and institutions regarding funding solutions and financing lines.

Legendary view the investment in IBS as strategic move which could catapult Legendary to the next level. As a proactive investor, Legendary has invested in and nurtured a number of companies, with the successful ones generating substantial returns.

For some time, Legendary has been exploring various strategic opportunities in order to scale up its operations, make larger investments, including follow on investments into its successful investee companies, and provide additional services to its investee companies. IBS is a "challenger" financial

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Executive Chairman's Statement

services platform, which will initially focus on an underserved sector in New Zealand and which has ambitions to expand further into the most dynamic regions in the world.

Once authorities to operate and funding lines are obtained, IBS expects to grow its business and accrete value rapidly. Importantly, the activities of IBS are complementary to the activities of Legendary thereby providing further opportunities for value generation for both Legendary and IBS. The cooperation should give Legendary additional sources of funds for current and future projects, and give IBS access to new investment opportunities via Legendary's channels thereby providing further opportunities for value generation.

Financial Review

During the year, Legendary made a net gain on fair value of investments of £45,000 (2016: net gain of £2,391,000). This was due primarily due to gains on Medgold and Amedeo (2016: gain on Virtual Stock). As discussed above, Sula and Oracle were disposed of during the year end, leaving Amedeo and Medgold as the Company's only listed investments.

Administrative expenses were £326,000 (2016: £259,000). The increase resulted primarily from an increase in Directors' fees to £82,000 (2016: £16,000) and the rental of office space at a cost of £34,000 (2016: nil). Travel expenditure also increased to £33,000 (2016: £24,000) and there was a one-off increase associated with IT work to £6,000 (2016: £1,000). Offsetting items included a smaller foreign exchange loss due to the holding of a portion of cash balances in US\$ and a reduced audit fee.

Overall, operating loss for the year was £281,000 (2016: profit of £2,132,000).

Finance charges and tax were £nil (2016: nil), and consequently net loss for the year was £281,000 (2016: profit of £2,132,000).

As at the year end, Legendary's investments (fixed asset investments and current asset investments) were £4,293,000 (2016: £4,275,000).

Trade and other debtors due within one year were £136,000 (2016: £47,000) and £259,000 due in greater than one year. The principal reasons for this rise are that expenditures were incurred on various projects including Manas and certain strategic initiatives. Should these projects succeed then the expenses incurred by Legendary in relation to them are expected to be recovered.

Cash amounted £176,000 (2016: £30,000) (including £2,000 (2016: £nil) in the client account of the Company's accountants and £4,000 (2016: nil) held in company brokers account).

As at the year end, non-current liabilities were £nil (2016: £30,000). These liabilities relate to a facility taken out in 2010. The facility bears no interest and has no fixed repayment terms, however, repayment may be requested from 5 August 2017. As at 31 March 2017 £30,000 was recognised within current liabilities.

Current liabilities were £138,000 (2016: £251,000). The fall was due primarily to the Company repaying a loan of US\$250,000 to Alcazar 1 Pte Limited.

Post the year end, in April 2017, Legendary entered into a new facility agreement with Alcazar 1 Pte Limited for up to US\$400,000. The facility bears an interest rate of 10% and has a term of one year. At the end of June 2017, US\$250,000 of the facility was drawn down.

As at 1 September 2017, Legendary had cash and listed investments of £236,000.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Executive Chairman's Statement

May Fund Raise

In May 2016, Legendary raised £1 million (before expenses), by way of an oversubscribed placing of 333,333,333 ordinary shares of 0.10 pence nominal value each at a price of 0.3 pence per new ordinary share. The shares were placed with a range of institutional and private investors.

Loans

In August 2016, Legendary repaid the US\$250,000 loan and interest that was due to Alcazar 1 Pte Ltd. The loan was taken out in May 2015 and bore interest of 10 per cent. At the time the loan was taken out, Alcazar held an 11.1% stake in Legendary so was treated as a related party under Rule 13 of the AIM Rules for Companies. Subsequent to the successful placing of shares by Legendary in May 2016, Alcazar's holding in Legendary was diluted down to 9.7%. Therefore, it is no longer a related party under AIM Rule 13.

Post the year end, in April 2017, Legendary entered into a new facility agreement with Alcazar 1 Pte Limited for up to US\$400,000. The facility bears an interest rate of 10% and has a term of one year. At the end of June 2017, US\$250,000 of the facility was drawn down.

Exercise of Warrants

During the year under review, warrants were exercised over 12,500,000 ordinary shares of nominal value 0.1p each. Subsequent to the year end, further warrants were exercised over a total of 237,272,727 ordinary shares. Consequently, as at the balance sheet date and the date of these accounts the total number of ordinary shares in issue was 2,807,364,166 and 3,044,636,893, respectively. The total proceeds of the exercises were £237,732.

Miscellaneous

During the year under review, in April 2016, Legendary reverted from having two brokers to having Beaufort Securities Limited as its sole broker. In addition, it changed its registered office to 2nd Floor, Jubilee House, Townsend Lane, London NW9 8TZ.

Outlook

The year under review has been one of progress. In particular, Virtual Stock continues its upwards trajectory and initial results from Manas have been positive. Importantly, the stake in IBS and the cooperation that it will entail present a strategic move with the potential to deliver significant value to Legendary.

The Board looks to the future with confidence.

Zafar Karim
Executive Chairman
1 September 2017

Registered Office:
Jubilee House
Townsend Lane
London
NW9 8TZ

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2017.

Principal Activities and Review of the Business

Legendary is a proactive investment company that focuses on making investments in and assisting companies that exhibit the potential to generate returns of many multiples through capital appreciation.

Legendary's investment policy is set out below.

Legendary makes investments in sectors including technology, energy and natural resources, specifically in businesses with the potential for high capital appreciation. In certain cases, investments may be made in the anticipation of receiving dividends.

Investments are structured primarily using equity, although debt or derivatives may be used where appropriate. In cases in which leverage is used, it is expected to be limited to 100 percent of the gross asset value of Legendary at the time of investment. Dependent on the nature and size of the investments, Legendary may take a passive or active role in the investments. Typically, investments will be held for between 2 and 7 years, but may be held for other periods as appropriate.

Legendary intends to deliver shareholder returns principally through capital appreciation rather than income distribution via dividends.

Given the nature of Legendary's business activities, Key Performance Indicators are Legendary's net and total assets. As at the year end, these were £4,729,000 (2016: £4,073,000) an increase of 16%, and £4,867,000 (2016: £4,354,000), an increase of 12%.

The key business highlights of the year were the highlights regarding the investments as discussed in the executive Chairman's statement on page 3 to page 9.

Other highlights included:

- In May 2016, Legendary raised £1 million (before expenses), by way of an oversubscribed placing of 333,333,333 ordinary shares of 0.10 pence nominal value each at a price of 0.3 pence per new ordinary share. The shares were placed with a range of institutional and private investors. Following admission of the new ordinary shares, Legendary's enlarged issued share capital comprised 2,807,364,166 ordinary shares.
- In August 2016, Legendary repaid the US\$250,000 loan and interest that was due to Alcazar 1 Pte Ltd. In April 2017, Legendary entered into a new facility agreement with Alcazar 1 Pte Limited for up to US\$400,000. The facility bears an interest rate of 10% and has a term of one year. At the end of June 2017, US\$250,000 of the facility was drawn down.

A review of the business during the year is given in the Executive Chairman's Statement on pages 3 to 9.

Legendary looks forward to continuing to assist the existing investee companies in their development and reviewing and making further investments.

Risk Factors

The principal risks and uncertainties facing the Company are those associated with its investments as described below.

While Legendary proactively assists its investee companies to achieve their goals, Legendary does not exercise control over the investee companies, although it does have varying degrees of influence over

Legendary Investments PLC

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Strategic Report

the companies as a result of, at one end, having board seats, and at the other end, having access to the managements of the investee companies. There can be no certainty that the investee companies will achieve their goals, nor indeed that Legendary may be able to influence the achievement of such goals.

Typically, Legendary invests in unlisted companies, although it may maintain its investments in the companies subsequent to them becoming listed. While the investee companies are unlisted, there can be no certainty that Legendary will be able to realise its investments. In the case of listed investments, while it can be easier to realise such investments, realisation is dependent on sufficient liquidity being available. There can be no certainty that sufficient liquidity would be available when Legendary wishes to make such realisations.

In certain cases, Legendary may make/has made investments in countries which may be considered “emerging” or “frontier” markets. Such countries are relatively high risk investment locations. Kyrgyzstan is one such country. There can be no certainty that licences, assets or businesses in such countries may not be subject to political or other interference, which may or may not result in a total loss of investment in such countries.

As discussed above, Legendary’s strategy is to build shareholder value making and assisting investments. While Legendary has already made investments, in order to make new investments, Legendary may need to sell existing investments or to raise funding in the equity and debt markets. There can be no certainty that Legendary would be able to sell existing investments to raise funds nor may it be able to raise funds in equity and debt markets when required.

The Directors are responsible for the Group’s system of internal financial control. Although no system of internal financial control can provide absolute assurance, the Company’s systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control. Risk management related to financial instruments is set out in note 16 to the financial statements.

To mitigate against the above risks, Legendary, where appropriate and where it can, proactively assists and influences management of the investee companies to help them achieve their goals by partaking in board meetings and communication directly with the investee company management. Legendary also perform their own due diligence procedures and where appropriate engages 3rd party consultants to conduct due diligence.

In addition to the general risks sets out above, there are business specific risks associated with each of the investments. 94% of the investment holding is in Virtual Stock.

Virtual Stock operates in the fast moving world of SaaS. It supplies SaaS solutions in the field of logistics, inventory and data management. While Virtual Stock’s technology may currently be considered cutting edge, and has been adopted by landmark customers through multiyear contracts, there can be no certainty that Virtual Stock will win further customers, nor that its current contracts will be renewed. In addition, there can be no certainty that its technology will not be superseded by a superior technology.

Manas Resources is a gold exploration company with a licence in and operating in a frontier market, Kyrgyzstan. As such, Manas Resources is subject to frontier and exploration risk and appreciation in its value is subject to it realising value from its assets. In addition, it is subject to market risk. As such, there can be no certainty any value will be realised.

Legendary Investments PLC

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Strategic Report

Bosques is developing elite plants in the biodiesel arena. Bosques has had success in being the first to develop elite strains of jatropha and pongamia with certain qualities and it plans to take its innovations and current plantations of 18 ha to several hundred ha. There is, however, no certainty that it will be able to secure suitable land to expand its plantations. Should it do so, there is no certainty that it will be able to cultivate successfully its plants on the larger plantations. While many organisations around the world are involved in development of biodiesel from a variety of plants including jatropha and pongamia, the market for the jatropha and pongamia feedcrop is undeveloped. There can be no certainty that should Bosques successfully cultivate jatropha and pongamia, there will be a ready market for its feed crop.

Amedeo has three investments: in an offshore vessel construction joint venture, Jiangsu YZJ Offshore; in a ferrous metal and ferrous ore trader, MGR; and in a copper mine, GKC. The performance of YZJ Offshore is dependent on continuing demand for the types of vessels YZJ Offshore constructs. YZJ Offshore's ability to construct such vessels is dependent on its ability to obtain credit to fund the builds. YZJ Offshore also has the risk that following the completion of vessels, the purchaser is not able to make the payment (typically 90% of the total price of the vessel) to take delivery. In such cases, YZJ Offshore takes possession of the vessels, and then has to find a buyer or lessee for the vessels. Its ability to resell or lease the vessels is dependent on the nature of the vessels and the demand for the vessels at the time of completion, which may be very different from when the order to build the vessels was placed. YZJ Offshore is a new offshore yard and as such, its ability to attract new orders is dependent on the success of its first few builds.

MGR amalgamates disparate supplies of ferrous and related ores and metals, and then sells them into East Asia and China, primarily on a spot or short term contract basis. As such, its performance depends on its ability to source such supplies and then find buyers for them. MGR is exposed to demurrage risk on the ores and metals it purchases and transports. In addition, there is the risk that purchasers fail to perform on their obligations, in which case MGR has to find other purchasers for its ferrous and related ores and metals. MGR relies on trade credit arrangements to fund purchases of ferrous and related ores and metals. There is the risk that such credit arrangements may not always be available.

GKC mines copper ore, and as such its fortunes are dependent on the price of copper ore, the extent of its ore reserves and its ability to extract and sell those reserves. In addition, with only a 2.5% stake, Amedeo has no control over GKC.

Medgold is a gold exploration licence and project development company with a particular focus on Serbia. As such, Medgold is subject to exploration risk and appreciation in its value is subject to it realising value from its assets. As such, there can be no certainty any value may be realised.

IBS Corporation is a newly established challenger bank which is yet to receive authorities to operate. In addition, it is yet to hire staff and establish funding lines. There can be no certainty that it will achieve any of these objectives.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Strategic Report

Outlook

The year under review has been one of progress. In particular Virtual Stock continues its upwards trajectory and initial results from Manas have been positive. Importantly, the stake in IBS and the cooperation that it will entail present a strategic move with the potential to take Legendary to the next level.

The Board looks to the future with confidence.

By order of the Board

Zafar Karim
Executive Chairman
1 September 2017

Registered Office:
Jubilee House
Townsend Lane
London
NW9 8TZ

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2017.

Principal Activities and Review of Business

The principal activity of the Company is that of an investment company. A review of the business is given in the Executive Chairman's Statement on pages 3 to 9.

Future Developments

The Executive Chairman's Statement, on pages 3 to 9 gives details of the coming year and outlook for the future.

Risk and Uncertainties

The principal risks and uncertainties facing the Company during the year are those relating to the underlying performance of its investments. Other risks and uncertainties are as set out in note 16 to the financial statements.

Given the nature of Legendary's business activities, Key Performance Indicators are Legendary's net and total assets. As at the year end, these were £4,729,000 (2016: £4,073,000) and £4,867,000 (2016: £4,354,000 respectively).

Results and Dividends

The results for the year are set out in the profit and loss account. For the year ended 31 March 2017, the Company made a net loss of £281,000 (2016: net profit: £2,118,000). The Directors are precluded from the payment of a dividend as a result of the accumulated losses of the Company. A commentary on the reported results is provided in the accompanying Executive Chairman's Statement on pages 3 to 9.

Going Concern

The Company's business activities, together with the financial position of the Company and the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Statement on pages 3 to 9.

Legendary had administrative costs for the year ended 31 March 2017 of £326,000. Of this amount £146,000 are related to the fixed costs of running Legendary and maintaining its listing.

The directors take steps to keep the running costs of Legendary low. This is evidenced by the costs themselves in comparison to other listed companies (Legendary is listed on the AIM market of the LSE).

The fixed costs of Legendary for the next 12 months are expected to be in the region of £150,000. Other than these, and the current payables of £138,000, Legendary expects no other fixed outlays.

Legendary is an investment company and in order to advance its business it needs to make investments and have funds available to do so. Funds can come from three sources, realising existing investments, equity fund raising or debt fund raising. It is Legendary's policy to maintain sufficient liquid resources to cover its working capital needs when it makes new investments.

As at 1 September 2017, Legendary had £177,000 of cash and £59,000 of listed investments. The listed investments may be realised for cash at short notice. Together, this gave Legendary, liquid resources of £236,000. In addition, Legendary has a facility of which an additional US\$150,000 (c. £117,000) may be

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Directors' Report

drawn down. The facility is repayable at the end of April 2018 in its entirety (US\$400,000 + 10% interest), and may be settled in Legendary shares, at Legendary's option.

On the basis of the above, the Directors believe that sufficient funds will be available to support the going concern status of the Company over the next 12 months following the approval of these financial statements. Consequently, the Directors believe that it is appropriate to prepare the Company's financial statements on a going concern basis. This assumes that the Company is to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

Directors

The following were directors of the Company during the financial year under review and up to the date of the signing of these financial statements:

Zafarullah Karim

Zafarullah (Zafar) Karim, 48, brings over two decades of investment banking and financial experience, including turning around and building companies, restructurings, financial strategy and investment and risk management to the Company.

Zafar serves as a Board member for several companies and has acted as a consultant to various businesses and entrepreneurs in relation to their financial and investment strategies. From 1994 to 2002, Zafar worked in investment banking at NM Rothschild. He started his career in 1990 with the investment banking division of Salomon Brothers.

Zafar has an M.A. in economics from the University of Cambridge.

Thomas Werner Reuner

Thomas (Tom) Werner Reuner, 52, is an experienced strategy consultant. His deep understanding of the dynamics of the IT and telecommunications sectors comes from senior positions with IDC in Germany and with Gartner, NelsonHall and KPMG Consulting in the United Kingdom. Tom's expertise lies in investment research, evaluating and formulating business and IT strategy and analysing technology adoption.

Tom has a PhD from the University of Göttingen in Germany.

Substantial Shareholders

As at close 16 August 2017, substantial shareholders of the Company comprised the following:

	Ordinary shares
	%
Hargreaves Lansdown (Nominees) Limited	13.1
Alcazar 1 Pte Ltd	9.0
Investor Nominees Limited	8.4
Trustees in the bankruptcy of Eatisham Ahmed	7.4
Ronald Bruce Rowan	7.4
TD Direct Investing Nominees (Europe) Limited	7.4
HSDL Nominees Limited	7.0
Beaufort Nominees Limited	6.7
Barclayshare Nominees	5.8
HSBC Client Holdings Nominee (UK) Limited	4.2
JIM Nominees Limited	3.2

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Directors' Report

Subsequent Events

IBS Corporation Limited

Post the year end, in August 2017, Legendary is announced that it has negotiated a 12% stake in IBS for nominal value. IBS is a newly established entity in New Zealand for the purposes of providing financial services, initially in New Zealand and then expanding into Asia Pacific, South East Asia and the Middle East.

Exercise of warrants

Subsequent to the year end, warrants were exercised over a total of 237,372,727 ordinary shares. As at the balance sheet date the total outstanding ordinary shares were 2,807,364,166, and subsequent to the warrant exercises, at the date of these accounts, there were 3,044,636,893. The total proceeds of the exercises was £237,732.

Facility of US\$400,000

Post the year end, in April 2017, Legendary entered into a new facility agreement with Alcazar 1 Pte Limited for up to US\$400,000. The facility bears an interest rate of 10% and has a term of one year. At the end of June 2017, US\$250,000 of the facility was drawn down.

Financial Risk Management Policies

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in Note 16 to the financial statements.

Statement as to Disclosure of Information to the Auditor

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, Crowe Clark Whitehill LLP, has indicated its willingness to continue in office.

By order of the Board:

Zafar Karim
Executive Chairman
1 September 2017

Registered Office:
Jubilee House
Townsend Lane
London
NW9 8TZ

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Remuneration Report

This Remuneration Report sets out the remuneration of the directors and details of their options.

£82,000 was charged to the profit and loss account in respect of directors' remuneration during the year (2016: £16,200).

	Fees	
	2017	2016
	£	£
Thomas Reuner	11,833	3,100
Zafar Karim	70,167	13,100
	<u>82,000</u>	<u>16,200</u>

The service contracts of the Directors are terminable on six months' notice by the Company. The service contracts provide for cash remuneration for each of the Directors. In addition, Directors receive additional remuneration on the profitable realisation on investments. Directors also receive, on a discretionary basis, out of the money (at the time of grant) options to align their interests with those of the shareholders.

The Company has unapproved and approved share option schemes in which the Directors participate. Details of Directors' outstanding share options are shown below:

	31 March 2017		31 March 2016	
	Average Exercise Price	Number	Average Exercise Price	Number
	per share		per share	
Zafar Karim	0.20p	316,000,000	0.20p	316,000,000
Thomas Reuner	0.21p	102,000,000	0.21p	102,000,000

Zafar Karim
Executive Chairman
1 September 2017

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Corporate Governance

As an AIM listed company, Legendary Investments PLC it is not required to comply with the UK Corporate Governance Code. However, the Board has regard to best corporate governance practice as set out in the Quoted Companies Alliance Corporate Governance Code for Small and Medium Sized Companies where appropriate, given the size of the Company. This includes evaluating directors' performance, the management of the Company, and ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

There is no separate Audit, Remuneration or Nomination Committee as the Board considers that, given its current size, all members of the Board should participate in those roles and responsibilities normally reserved for such committees. Therefore, the full Board of Directors provides a forum for reporting by the Company's external auditors.

Model Code for Dealing

The Company has adopted a model code for dealings in shares by directors and senior employees, which is appropriate for an AIM company. The Directors comply with Rule 21 of the AIM Rules relating to directors' dealings and the EU Market Abuse Regulation and make all reasonable steps to ensure compliance.

Board and Directors

The Board comprises an Executive Chairman and an Executive Director. The Directors work together throughout the year. The Board meets formally, as required but at least four times a year. At each scheduled meeting of the Board, the Directors report on the Company's operations. All Directors are subject to re-election by shareholders at the first opportunity after their appointment. All Directors are required to retire by rotation and up to one third of the Board is required to seek re-election each year. Recommendations on new appointments to the Board are made by individual directors and are discussed at Board meetings.

Auditor

The Board undertakes an assessment of the auditor's independence each year that includes:

- A review of non-audit services provided to the Company and related fees;
- Discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- Obtaining written confirmation from the auditor that, in their professional judgment, they are independent.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 3 to the financial statements.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Corporate Governance

Accountability and Financial Reporting

The Board aims to present a balanced and understandable view of the Company's financial position and prospects. The Board is responsible for ensuring that the Company maintains a system of internal financial controls, including suitable monitoring procedures. The objectives of the systems are to safeguard Company assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system can only provide reasonable, but not absolute, assurance against material misstatement or loss. Internal financial control monitoring procedures undertaken by the Board include the review of financial reports, the monitoring of performance and the prior approval of all significant expenditure.

Zafar Karim
Executive Chairman
1 September 2017

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Legendary Investments PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Independent Auditor's Report to the Members of Legendary Investments PLC

We have audited the financial statements of Legendary Investments PLC for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

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

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Independent Auditor's Report to the Members of Legendary Investments PLC

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

John Glasby (Senior Statutory Auditor)

For and on behalf of

CROWE CLARK WHITEHILL LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Dated: 1 September 2017

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Statement of Comprehensive Income for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Net gain/(loss) on fair value investments		45	2,391
Administrative expenses		(326)	(259)
		<hr/>	<hr/>
Operating (loss)/profit		(281)	2,132
		<hr/>	<hr/>
(Loss)/ profit on ordinary activities before interest		(281)	2,132
Interest payable		–	(14)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(281)	2,118
Tax on profit on ordinary activities	5	–	–
		<hr/>	<hr/>
(Loss)/ profit for the financial year		(281)	2,118
		<hr/>	<hr/>
Other comprehensive income, net of income tax:			
Other comprehensive income, net of tax		–	–
Total comprehensive (loss)/income for the year		(281)	2,118
		<hr/>	<hr/>
(Loss)/earnings per share – basic (pence)	6	(0.01)p	0.09p
– diluted (pence)	6	(0.01)p	0.08p

All activities derive from continuing operations.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Statement of Financial Position for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Non-current assets			
Property, plant and equipment	7	3	2
Other receivables	10	259	–
Investments held at fair value through profit and loss	8	4,211	4,211
		<hr/>	<hr/>
Total non-current assets		4,473	4,213
		<hr/>	<hr/>
Current assets			
Trade and other receivables	10	136	47
Investments held at fair value through profit and loss	9	82	64
Cash at bank and in hand		176	30
		<hr/>	<hr/>
Total current assets		394	141
		<hr/>	<hr/>
Total assets		4,867	4,354
		<hr/>	<hr/>
Equity and liabilities			
Share capital	13	2,807	2,462
Share premium	14	8,937	8,345
Share warrant and option reserve		293	293
Profit and loss account – deficit		(7,308)	(7,027)
		<hr/>	<hr/>
Equity attributable to equity holders		4,729	4,073
		<hr/>	<hr/>
Non-current liabilities	12	–	30
		<hr/>	<hr/>
Current liabilities	11	138	251
		<hr/>	<hr/>
Total equity and liabilities		4,867	4,354
		<hr/>	<hr/>

The financial statements on pages 23 to 44 were approved by the Board of Directors and authorised for issue on 1 September 2017 and are signed on its behalf by:

Zafar Karim
Executive Chairman

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Statement of Changes in Equity for the year ended 31 March 2017

	Attributable to owners of the company				Total equity £'000
	Share capital £'000	Share premium £'000	Share warrant and option reserve £'000	Profit and loss account deficit £'000	
Balance at 1 April 2015	2,462	8,345	244	(9,145)	1,906
Profit for the year	–	–	–	2,118	2,118
Total other comprehensive loss	–	–	–	–	–
Total comprehensive income	–	–	–	2,118	2,118
Share based payments	–	–	49	–	49
Balance at 31 March 2016	2,462	8,345	293	(7,027)	4,073
(Loss) for the year	–	–	–	(281)	(281)
Total other comprehensive loss	–	–	–	–	–
Total comprehensive loss	–	–	–	(281)	(281)
Issue of Shares (net of issue costs)	345	592	–	–	937
Balance at 31 March 2017	2,807	8,937	293	(7,308)	4,729

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Statement of Cash Flows for the year ended 31 March 2017

	2017	2016
	£'000	£'000
Cash flows from operating activities		
Profit/(loss) before taxation	(281)	2,118
Adjustments for:		
Share option/warrant charge	–	49
Depreciation	1	2
Change in fair value of investments	(18)	(2,390)
	<hr/>	<hr/>
	(298)	(221)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(336)	(45)
Increase/(decrease) in trade and other payables	46	12
	<hr/>	<hr/>
	(290)	(33)
Net cash outflow from operating activities	<hr/>	<hr/>
	(588)	(254)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2)	–
Purchase of investments	–	(100)
	<hr/>	<hr/>
Net cash outflow from investing activities	(2)	(100)
Cash flows from financing activities		
Proceeds from issues of new ordinary shares	1,000	–
Expenses paid in connection with issue of shares	(75)	–
(Repayment)/ Increase in long term loan	(189)	189
	<hr/>	<hr/>
Net cash inflow from financing activities	736	189
Net (decrease)/increase in cash and cash equivalents	<hr/>	<hr/>
	146	(165)
Cash and cash equivalents at 1 April	30	195
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	176	30
	<hr/>	<hr/>

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

Accounting Policies

Corporate information

Legendary Investments PLC (the “Company”) is a company incorporated and domiciled in the UK (registered number 0392024). The address of the registered office is Jubilee House, Townsend Lane, London, NW9 8TZ. The Company’s principal activity is that of an investment company.

Basis of preparation

The company prepares its financial statements in accordance with applicable International Financial Reporting Standards as adopted by the European Union (“IFRS”), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments.

The financial statements are presented in thousands of pounds sterling (“£’000”) except when otherwise indicated.

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

New standards, amendments and interpretations

At the date of authorisation of this financial information, the directors have reviewed the Standards in issue by the International Accounting Standards Board (“IASB”) and IFRIC, which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial reporting of the Company.

Impairment of asset values

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Investments and financial instruments

Investments, financial assets and financial liabilities are recognised on the Company’s statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Fixed asset investments include investments in investee companies where the time horizon for realisation of the investment is considered to be longer than one year. Investments in investee companies where the time horizon for realisation of the investment is considered to be less than one year are classified as current assets.

All investments have been designated as fair value through profit or loss, and are initially measured at cost that is the best estimate of fair value. Thereafter, the investments are measured at subsequent balance sheet dates at fair value. A financial asset is designated in this category if it is acquired to be managed and its performance is evaluated on a fair value basis with a view to selling after a period of time. Listed investments and investments traded on AIM or overseas stock exchanges are stated at

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

current price at the balance sheet date provided the market is active. Unlisted investments are stated at directors' valuation with reference to the International Private Equity and Venture Capital Valuation Guidelines ("IPEVG") and in accordance with IAS39 "Financial Instruments: Recognition and Measurement":

Investments which have been made within the last twelve months or where the investee company is in the early stage of development will usually be valued at the price of recent investment except where the company's performance against plan is significantly different from expectations on which the investment was made in which case a different valuation methodology will be adopted.

For investments with a shareholding greater than 20% but less than 50% of the equity share capital, IAS 28 states that venture capital companies have the option of recording investments on the balance sheet according to the equity method or at fair value in accordance with IFRS 9 "Financial Instruments" (or IAS 39 "Financial Instruments: Recognition and Measurement"). Management makes use of this option and assesses the associates at fair value through profit or loss. In the current and prior year, the conditions for exercising this option were fulfilled for Bosques Energeticos EBE S.A. de C.V; the value of which is included at fair value through profit or loss.

Any realised and unrealised gains or losses on investments are taken to the profit and loss account.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets classification

Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty, default or significant delay in payment, disappearance of active market for that financial asset, or bankruptcy or financial reorganisation of borrowers) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities and equity

Debt and equity instruments issued by a group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of equity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Debt, such as borrowings and trade and other payables are measure at amortised cost using the effective interest method.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Trade payables

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

Loans

Loans are initially recognised at fair value and subsequently at amortised cost.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term. Freehold land is not depreciated.

The estimated useful lives are as follows:

Computer equipment – 4 years

The useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided for using the liability method on temporary timing differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised in full for all temporary differences. Deferred income tax assets are recognised for all deductible temporary differences carried forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused losses can be utilised. The carrying amount of deferred income tax assets is assessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that future taxable profits will allow the deferred income tax asset to be recovered. Consideration is given to both capital and trading losses, and to the extent that the company is able to realise a deferred tax asset and settle any taxation liabilities simultaneously, these amounts are offset.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Board of Directors which has been identified as the chief operating decision maker (“CODM”). The Board of Directors consists of the Executive Directors. Please refer to note 2 for segmental information.

Going concern

The Company’s business activities, together with the financial position of the Company and the factors likely to affect its future development, performance and position are set out in the Executive Chairman’s Statement on pages 3 to 9.

Legendary had administrative costs for the year ended 31 March 2017 of £326,000. Of this amount £146,000 are related to the fixed costs of running Legendary and maintaining its listing.

The directors take steps to keep the running costs of Legendary low. This is evidenced by the costs themselves in comparison to other listed companies (Legendary is listed on the AIM market of the LSE).

The fixed costs of Legendary for the next 12 months are expected to be in the region of £150,000. Other than these, and the current payables of £138,000, Legendary expects no other fixed outlays.

Legendary is an investment company and in order to advance its business it needs to make investments and have funds available to do so. Funds can come from three sources, realising existing investments, equity fund raising or debt fund raising. It is Legendary’s policy to maintain sufficient liquid resources to cover its working capital needs when it makes new investments.

As at 1 September 2017, Legendary had £177,000 of cash and £59,000 of listed investments. The listed investments may be realised for cash at short notice. Together, this gave Legendary, liquid resources of £236,000. In addition, Legendary has a facility of which an additional US\$150,000 (c. £117,000) may be drawn down. The facility is repayable at the end of April 2018 in its entirety (US\$400,000 + 10% interest), and may be settled in Legendary shares, at Legendary’s option.

On the basis of the above, the Directors believe that sufficient funds will be available to support the going concern status of the Company over the next 12 months following the approval of these financial statements. Consequently, the Directors believe that it is appropriate to prepare the Company’s financial statements on a going concern basis. This assumes that the Company is to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

Share based payments

The Company issues equity-settled share based payments to certain employees in the form of options and warrants. A fair value for the equity-settled share awards is measured at the date of the grant. The fair value is measured using the Black Scholes method of valuation, which is considered to be the most appropriate valuation technique. The valuation takes into account factors such as non-transferability, exercise restrictions and behavioural considerations.

An expense is recognised to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will actually vest. The estimate of vesting is reviewed annually, with any impact on the cumulative charge being recognised immediately. Amounts to be settled in shares are presented within equity, representing the expected time-apportioned fair value of the awards that are expected to vest.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

1 Critical accounting judgements and estimates

The preparation of the Company's financial statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements:

Valuation of investments:

The Company's financial instruments are measured at fair value in the statement of financial position and it is usually possible to determine their fair values within a reasonable range of estimates. For actively traded financial instruments, quoted market prices are readily available. For other financial instruments, such as unlisted securities, valuation techniques are used to estimate fair value. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. See note 16 for further details.

Share based payments:

In order to calculate the charge for share-based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 15.

2 Segmental analysis

The Company only has one class of business and only operates within the United Kingdom.

3 Profit on ordinary activities before tax

	2017	2016
	£'000	£'000
Profit on ordinary activities before tax for the year is stated after charging:		
Depreciation of tangible fixed assets	1	2
Auditor's remuneration – statutory audit	18	17
– Other services	–	1
– Corporate finance services	26	–
	<hr/>	<hr/>

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

4 Directors

	2017 Number	2016 Number
Number of employees		
The average monthly number of employees including directors, during the year was:	2	2
	£'000	£'000
Directors' emoluments		
Directors' fees	82	16
Share based payment cost	–	–

5 Tax on (loss)/profit on ordinary activities

	2017 £'000	2016 £'000
Analysis of charge/(credit) in the year:		
Current tax	–	–
Deferred tax	–	–
	–	–
(Loss)/profit on ordinary activities before tax	(281)	2,118
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 20% (2016: 20%)	(56)	424
Expenses not deductible for tax purposes	48	29
Tax losses unutilised/(utilised)	8	(453)
Current tax charge for year	–	–

As at 31 March 2017 the Company had capital losses of approximately £4.6 million (2016: £4.6million) available to carry forward against future capital gains, and trading losses of approximately £3.5 million (2016: £3.5 million), which includes £0.07 million (2016: £0.03 million) in respect of tax deductions on share options and warrants. A deferred tax asset of £0.7 million (2016: £0.7 million) is not recognised in respect of these trading losses due to the uncertainty as to the utilisation of the losses in the foreseeable future.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

6 Earnings per ordinary share

	2017	2016
	£'000	£'000
(Loss)/profit for the financial year	(281)	2,118
Average number of ordinary shares in issue (basic) ('000)	2,773,337	2,461,532
Basic (loss)/earnings per share (pence)	(0.01)p	0.09p
Diluted (loss)/earnings per share (pence)	(0.01)p	0.08p

The average number of undiluted shares in issue during the year is the same as the average number of ordinary shares in issue on the basis that the inclusion of potentially dilutive shares would be anti-dilutive (2016: 2,461,531,830).

7 Property, plant and equipment

	Office Equipment £'000
Cost	
At 1 April 2015	9
Additions	–
At 31 March 2016	9
At 1 April 2016	9
Additions	2
At 31 March 2017	11
Depreciation	
At 1 April 2015	5
Charge for the year	2
At 31 March 2016	7
At 1 April 2016	7
Charge for the year	1
At 31 March 2017	8
Net book value	
At 31 March 2017	3
At 31 March 2016	2
At 1 April 2015	4

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

8 Investments

	Unlisted Investments £'000
Valuation	
At 1 April 2015	1,673
Exercise of options	100
Unrealised gain on revaluation	2,438
	<hr/>
At 31 March 2016	4,211
At 1 April 2016	4,211
Exercise of options	–
Unrealised gain on revaluation	–
	<hr/>
At 31 March 2017	<u>4,211</u>

Investment

	Carrying value 31 March 2016 £'000	Exercise of options £'000	Unrealised gain on revaluation £'000	Carrying value 31 March 2017 £'000	Fair value hierarchy
Bosques Energeticos S.A de C.V	83	–	–	83	Level 3
Virtual Stock Holdings Limited	4,028	–	–	4,028	Level 3
Manas Resources LLC	100	–	–	100	Level 3
	<hr/>	<hr/>	<hr/>	<hr/>	
Total	<u>4,211</u>	<u>–</u>	<u>–</u>	<u>4,211</u>	

Further information in relation to the fair value hierarchy is provided in note 1 and 16 to the financial statements.

The Company holds more than 20% of the equity (and no other share or loan capital) of the following undertakings:

Other Participating Interest:	Class of holding	Proportion directly held	Nature of Business
Bosques Energeticos EBE S.A. de C.V.	Ordinary	40%	Development and cultivation of renewable energy crops

Bosques Energeticos EBE S.A. de C.V., in which the Company has more than 20% interest, is an associated undertaking. The investment is recognised on the balance sheet at fair value in accordance with IAS 39 Financial Instruments: "Recognition and Measurement".

All investments are measured at fair value through profit and loss as detailed in the accounting policy.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

9 Current asset investments

	Listed Investments £'000
Valuation	
At 1 April 2015	112
Loss on revaluation	(48)
At 31 March 2016 and 1 April 2016	64
Disposal	(27)
Gain on revaluation	45
	<hr/>
At 31 March 2017	82
	<hr/>
Being:	
AIM listed	43
TSX listed	39
	<hr/>
	82
	<hr/>

Included in listed investments are the following companies:

Investment

	Carrying value 31 March 2016 £'000	Disposal £'000	Unrealised gain/(loss) on revaluation/ Disposal £'000	Carrying value 31 March 2017 £'000	Fair value hierarchy
Medgold Resources Corp	13	–	26	39	Level 1
Sula Iron and Gold PLC	4	(3)	(1)	–	Level 1
Amedeo Resources PLC	22	–	21	43	Level 1
Oracle Coalfields PLC	25	(24)	(1)	–	Level 1
	<hr/>	<hr/>	<hr/>	<hr/>	
Total	64	(27)	45	82	
	<hr/>	<hr/>	<hr/>	<hr/>	

Further information in relation to the fair value hierarchy is provided in notes 1 and 16 to the financial statements.

10 Trade and other receivables

	2017 £'000	2016 £'000
Prepayments	6	2
Other debtors	130	45
	<hr/>	<hr/>
	136	47
	<hr/>	<hr/>

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

10 Trade and other receivables (continued)

Included within other debtors is an amount of £117,000 (2016: £nil) due from a third party. These sums were expended in the pursuit of strategic initiatives.

Non-current receivables

	2017	2016
	£'000	£'000
Other debtors	259	–
	<hr/>	<hr/>
	259	–
	<hr/>	<hr/>

Included within other debtors due after more than one year is £259,000 (2016: £42,000, included within other debtors due within one year) being expenditure incurred and monies provided to Manas (see note 8) in relation to its activities. This balance is expected to be recovered on the positive outcome of the project.

11 Current liabilities

	2017	2016
	£'000	£'000
Trade creditors	90	38
Accruals	18	20
Short term loan	–	189
Loan (see note 12)	30	–
Other creditors	–	4
	<hr/>	<hr/>
	138	251
	<hr/>	<hr/>

Trade creditors, other creditors and accruals represent the Company's financial liabilities measured at amortised cost. Due to their short term nature, carrying value approximates to fair value.

12 Non-current liabilities

	2017	2016
	£'000	£'000
Loan	–	30
	<hr/>	<hr/>

£30,000 was raised in August 2010 by way of a loan facility. The facility bears no interest. Repayment can be requested from 5 August 2017. Therefore, the facility has been classified as current at 31 March 2017. The Directors consider the fair value of this loan approximates the carrying value.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

13 Called up share capital

	2017	2016
	£'000	£'000
Authorised		
3,000,000,000 ordinary shares of £0.001 each	3,000	3,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
2,807,364,166 (2016: 2,461,530,833) ordinary shares of £0.001 each	2,807	2,462
	<hr/>	<hr/>

On 5 May 2016 the company issued 333,333,333 ordinary £0.001 shares for £0.003 each.

On 14 September 2016 the company issued 12,500,000 shares as a result of the exercise of warrants for a £0.001.

14 Share premium

	2017	2016
	£'000	£'000
At start of the year	8,345	8,345
Premium on Ordinary Shares Issued of 0.001 each	667	–
Expenses paid in connection with the share issue	(75)	–
	<hr/>	<hr/>
At end of the year	8,937	8,345
	<hr/>	<hr/>

15 Share based payment

Share Options

The Company has unapproved and approved share option schemes in which the directors participate.

Under the Company's approved share option plan, the Company grants options and shares to certain directors and employees of the Company. If the options remain unexercised for a period of 10 years from the date of grant, the options lapse. The options are exercisable immediately on grant.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

15 Share based payment (continued)

Details of Directors' outstanding share options as at the year ended are shown below.

	31 March 2017		31 March 2016	
	Exercise price per share	Number	Exercise price per share	Number
Zafar Karim	0.2p	316,000,000	0.2p	316,000,000
Thomas Reuner	0.35p	5,000,000	0.35p	5,000,000
Thomas Reuner	0.2p	97,000,000	0.2p	97,000,000
		418,000,000		418,000,000

Movements in ordinary share options outstanding

	31 March 2017		31 March 2016	
	Number	Weighted average exercise price pence	Number	Weighted average exercise price Pence
At start of the year	450,000,000	0.20p	450,000,000	0.20p
Granted during the year	–	–	–	–
At end of the year	450,000,000	0.20p	450,000,000	0.20p

All options were exercisable at the end of the year.

Last date when exercisable	Exercise price	Granted No.	Lapsed No.	Outstanding at Exercised 31 March 2017
12 February 2021	0.20p	80,000,000	–	– 80,000,000
20 May 2021	0.35p	5,000,000	–	– 5,000,000
6 February 2022	0.20p	35,000,000	–	– 35,000,000
21 January 2023	0.20p	50,000,000	–	– 50,000,000
9 June 2023	0.20p	80,000,000	–	– 80,000,000
23 December 2023	0.20p	100,000,000	–	– 100,000,000
3 August 2024	0.20p	100,000,000	–	– 100,000,000
		450,000,000		450,000,000

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

15 Share based payment (continued)

Fair value

The fair value of the options granted in the prior year was estimated at the date of grant using a Black-Scholes option pricing model that uses assumptions noted in the table below. No performance conditions were included in the fair value calculations and the options vested immediately.

Expected life of options (years)	5
Exercise price	0.20p
Share price at grant date	0.10p
Risk free rate	1.94%
Expected share price volatility	49.1%
Expected dividend yield	0.00%
Estimate of % of options vesting	100%
Assumed staff attrition	0%
Fair value of options	0.0253p

The Company uses historical data to estimate option exercise and employee termination within the valuation model. Expected volatilities are based on implied volatilities as determined by simple average of a sample of listed companies base in similar sectors. The risk free rate for the period within the contractual life of the option is based on the UK gilt yield curve at the time of the grant.

Warrants

Other than the employee share options set out above, warrants have been granted to third parties in return for providing loan finance or providing public relations services. The exercise prices and dates are shown in the table below.

Last date when exercisable	Exercise price	Granted No.	Lapsed No.	Exercised	Outstanding at 31 March 2017
5 August 2017 (1)	0.10p	250,000,000	–	–	250,000,000
21 May 2017 (2)	0.12p	2,272,727	–	–	2,272,727
14 November 2018 (3)	0.10p	45,000,000	–	(12,500,000)	32,500,000
		<u>297,272,727</u>	<u>–</u>	<u>(12,500,000)</u>	<u>284,772,727</u>

(1) In 2015, 250,000,000 of the warrants had their life extended by 2 years to 4 August 2017 in exchange for not asking for repayment of the attached loan facility of £30,000 made on 5 August 2010 until 5 August 2017. The loans bear no interest and has no fixed repayment terms. Repayment can be requested from 5 August 2017. Subsequent to the year end, 235,000,000 of these warrants were exercised for total proceeds of £235,000. The remainder lapsed after 4 August 2017.

(2) Subsequent to the year end these warrants were exercised for total proceeds of £2,273.

(3) On 15 November 2015, 45,000,000 performance related warrants to purchase one ordinary share each were issued with the performance period from 15 November to 14 November 2018. The performance warrants are subject to absolute share price target between 0.15p – 1.00p.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

15 Share based payment (continued)

Movements in warrants outstanding

	31 March 2017		31 March 2016	
	Number	Weighted average exercise price Pence	Number	Weighted average exercise price pence
At start of the year	297,272,727	0.11p	317,272,727	0.12p
Granted during the year	–	–	45,000,000	0.15-1p
Lapsed during the year	–	–	(65,000,000)	0.17p
Exercised during the year	(12,500,000)	–	–	–
At end of the year	<u>284,772,727</u>	0.11p	<u>297,272,727</u>	0.11p

The fair value of the warrants is estimated at the date of grant using a stochastic option pricing model that uses assumptions noted in the table below. Performance conditions were included in the fair value calculations.

Expected life of warrants (years)	3 years
Exercise price	0.10p
Share price at grant date	0.10p
Risk free rate	0.87%
Expected share price volatility	70.58%
Expected dividend yield	0.00%
Fair value of warrants	£18,000

Other Information

The market price of the Company's ordinary shares ranged from a high of 0.040p to a low of 0.015p during the year. No charge has been made to the profit or loss account for the year ended 31 March 2017.

16 Financial instruments

Loans and receivables

Loans and receivables include cash at bank and in hand and other debtors. Financial liabilities at amortised cost include trade creditors, accruals and loans.

Borrowing facilities

During the year Company had a facility US\$400,000 from Alcazar 1 Pte Ltd. US\$250,000 of the facility was drawn down. The facility had an interest rate of 10% and was repayable at the end of June 2018, the facility was repaid in cash on 11 August 2016.

Capital Management

The Company is financed primarily with equity capital with debt utilised from time to time, which is then utilised to meet operating expenses and make investments. Investments are financed primarily from equity capital, though debt may be utilised where it is felt that it is prudent to do so.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

16 Financial instruments (continued)

Interest rate risk

The Company does not have exposure to interest rate. The Company had a loan at a fixed interest rate of 10% paid (see above).

Currency risk

The Company makes investments in both UK and foreign companies. In addition, the companies in which the Company invests may or may not have exposure to foreign currency exposure. In this regard the Company has foreign currency exposure. Currency exposure is one the factors considered when making investments, and as such it is implicitly managed at the point of investment.

Liquidity risk

The Company makes investments in unlisted and listed entities. Consequently, the Company is exposed to the liquidity risk to the extent that it may not be able to find buyers for its unlisted investments and liquidity in its listed investments may be low. Therefore, there can be no certainty that the Company would be able to exit its investments. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2017

	Less than 3 months £'000	Between 3 months and 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	90	–	–	–	–
Borrowings	–	30	–	–	–
Accruals and deferred income	18	–	–	–	–

2016

	Less than 3 months £'000	Between 3 months and 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	42	–	–	–	–
Borrowings	–	189	30	–	–
Accruals and deferred income	20	–	–	–	–

Market risk

The Company monitors the value of its investments on a regular basis, and takes action to decrease or dispose of investments when it deems appropriate.

Credit risk

The bank account of the Company and of the client account held by PSB Accountants Limited is held with well-established financial institutions of high quality credit standing.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

16 Financial instruments (continued)

Fair value hierarchy

	Level 1 'Quoted prices' £'000	Level 2 'Observable prices' £'000	Level 3 'Unobservable prices' £'000	Total £'000
Year ended 31 March 2017				
Investments held at fair value	82	–	4,211	4,293
Year ended 31 March 2016				
Investments held at fair value	64	4,028	183	4,275

Financial assets and liabilities measured at fair value are disclosed using a fair value hierarchy that reflects the significance of the inputs used making the fair value measurements, as follows –

- Level 1 – Unadjusted quoted prices in active markets for identical asset or liabilities ('quoted prices'),
- Level 2 – Inputs (other than quoted prices in active markets for identical assets or liabilities) that are directly or indirectly observable for the asset or liability ('observable inputs'), or
- Level 3 – Inputs that are not based on observable market data ('unobservable inputs')

The unlisted investments were valued using the 'price of recent investment' method, in accordance with the company's accounting policy and IPEVG guidelines, as the investee companies are in their early stage of development. These were considered level 3 valuations as judgement was required to assess whether adjustments to the values were required. The Directors reviewed the indicators to assess whether the fair value had changed and concluded that no material adjustment was required. They have no information that would suggest that the investments are impaired and will continue to monitor the activity in the investee companies.

With regards to the investment in Virtual Stock, the Directors had regard to the recent share transaction post year end in July 2017, where Notion Capital invested £4.5m. If this share price had been used at the year end, the fair value of the investment would have been £392,000 higher.

17 Subsequent events

IBS Corporation Limited

Post the year end, in August 2017, Legendary is announced that it has negotiated a 12% stake in IBS for nominal value. IBS is a newly established entity in New Zealand for the purposes of providing financial services, initially in New Zealand and then expanding into Asia Pacific, South East Asia and the Middle East.

Exercise of warrants

Subsequent to the year end, further warrants were exercised over a total of 237,272,727 ordinary shares. As at the balance sheet date the total outstanding ordinary shares were 2,807,364,166, and subsequent to the warrant exercises, at the date of these accounts, there were 3,044,636,893. The total proceeds of the exercises was £237,732.

Legendary Investments PLC

Annual Report for the year ended 31 March 2017

Notes to the Financial Statements

17 Subsequent events (continued)

Facility of US\$400,000

Post the year end, in April 2017, Legendary entered into a new facility agreement with Alcazar 1 Pte Limited for up to US\$400,000. The facility bears an interest rate of 10% and has a term of one year. At the end of June 2017, US\$250,000 of the facility was drawn down.

18 Related party transactions

Director's transactions are detailed on note 4 of the notes to the financial statements.

No other related party transactions were undertaken during the year other than those disclosed above.

Legendary Investments PLC
(the “Company” or “Legendary”)

NOTICE OF ANNUAL GENERAL MEETING

This year’s annual general meeting (“AGM”) will be held at 2:30 p.m. on 29 September 2017 at the offices of Druces LLP, Salisbury House, London Wall, London EC2M 5PS. You will be asked to consider and pass the resolutions below. Resolution five will be proposed as a special resolution. All other resolutions will be proposed as ordinary resolutions.

Ordinary resolutions

1. To receive and adopt the report and accounts of the Company for the period ended 31 March 2017.
2. To re-appoint Crowe Clark Whitehill LLP of St Bride’s House, 10 Salisbury Square, London, EC4Y 8EH as auditors to hold office until the conclusion of the next annual general meeting of the Company at which accounts are laid and to authorise the directors to fix the remuneration of the auditors.
3. To re-elect Thomas Reuner as a director whose office terminates at the AGM and who becomes eligible for re-election pursuant to Article 24 of the Articles of Association.
4. That the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal amount of £3,044,636.90, such authority to apply in substitution for all previous authorities and to expire on the date which is the earlier of the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

Special resolution

5. That, subject to the passing of resolution 4 above, the directors be and are hereby empowered to allot equity securities (as defined in Section 560(1) of the Act) wholly for cash pursuant to the authority given by resolution 4 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(2) of the Act up to an aggregate nominal amount of £3,044,636.90 as if Section 561(1) of the Act did not apply to any such allotment, such authority to expire on the date which is the earlier of the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting, but in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require equity securities to be allotted after the authority ends.

For the purposes of this resolution:

- (a) references to an allotment of equity securities shall include a sale of treasury shares; and
- (b) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

BY ORDER OF THE BOARD

Signed:

Zafar Karim
Executive Chairman
For and on behalf of Legendary Investments PLC

Dated: 1 September 2017

Registered Office: Jubilee House, Townsend Lane, London NW9 8TZ

NOTES:

1. Shareholders entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and speak on their behalf. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. To appoint more than one proxy you may photocopy the Proxy Form which accompanies this notice. Investors who hold their shares through a nominee may wish to attend the meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. Shareholders are invited to complete and return the Proxy Form. Completion of the Proxy Form will not prevent a Shareholder from attending and voting at the meeting if subsequently he/she finds they are able to do so. To be valid, completed Proxy Forms must be sent to the Company Secretary, Legendary Investments PLC, c/o Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, by not later than 2:30 p.m. on 27 September 2017 (being 48 hours prior to the time fixed for the meeting, excluding weekends and bank holidays).
2. In the case of joint holders the signature of one holder on the form of proxy will be accepted by the vote of the senior who tenders a vote whether in person or by proxy to the exclusion of the votes of any joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holdings.
3. Representatives of Shareholders which are corporations attending the meeting should produce evidence of their appointment by an instrument executed in accordance with section 44 of the Companies Act 2006 or signed on behalf of the corporation by a duly authorised officer or agent and in accordance with article 19 of the Company's articles of association.
4. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in respect of the same shares.
5. The Company specifies that only those holders of Ordinary Shares registered in the register of members of the Company at 2:30 p.m. on 27 September 2017 shall be entitled to attend and vote at the AGM in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after 2:30 p.m. on 27 September 2017 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

LEGENDARY INVESTMENTS PLC
(the “Company”)
FORM OF PROXY

I/We
 (BLOCK CAPITALS)

of
 being a member/members of the above-named Company hereby appoint the Chairman of the Meeting
 or

.....
 (see note 2) as my/our proxy to attend, speak and vote in my/our name(s) and on my/our behalf at the
 Annual General Meeting of the Company to be held on Friday 29 September 2017 at 2.30 p.m. at the
 office of Druces LLP, Salisbury House, London Wall, London EC2M 5PS and at any adjournment thereof.

Please indicate by marking an “X” in the appropriate box (if any) how you wish your votes to be cast. In
 the absence of instructions the proxy will vote as he or she thinks fit on each resolution. NB A ‘vote
 withheld’ is not a vote in law and will not be counted in the calculation of the proportion of votes ‘for’
 and ‘against’ a resolution.

Resolutions	For	Against	Vote Withheld
1. To receive and adopt the report and accounts of the Company for the period ended 31 March 2017.			
2. To re-appoint Crowe Clark Whitehill LLP as Auditors of the Company and to authorise the Directors to agree their remuneration.			
3. To re-elect Thomas Reuner as a Director			
4. To authorise the Directors to allot relevant securities of the Company pursuant to section 551 of the Companies Act 2006 (the “Act”).			
5. To disapply the pre-emption provisions of section 561(1) of the Act.			

Number of shares(see note 3)

This proxy appointment is one of multiple proxy appointments (see note 4)

Signature Dated2017

Notes:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote on a poll at a general meeting of the Company.
2. If you wish to appoint another person as proxy you should delete the words “the Chairman of the Meeting” and insert the name of the proxy of your choice in the space provided. Any alterations should be initialled. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
3. If the proxy is being appointed for less than your full voting entitlement, please indicate above your signature the number of shares in relation to which that person is authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement or, if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish to appoint more than one proxy you should either contact the Company’s registrars, Share Registrars Limited, by telephone on 01252 821390 or by post at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR to obtain another form of proxy, or photocopy this form. If you appoint multiple proxies, please indicate above your signature the number of shares in relation to which the person named on this form is authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Where multiple proxies are appointed, failure to specify the number of shares to which this proxy appointment relates or specifying a number which exceeds the number held by the member when totalled with the number specified on other proxy appointments by the same member, will render all the appointments invalid.
5. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting in person, should they so wish. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.



6. Where the appointor is a corporation this form must be executed in accordance with section 44 of the Companies Act 2006 or signed on behalf of the corporation by a duly authorised officer or agent and in accordance with article 19 of the Company's articles of association. There is no need for a member being a corporation to appoint a proxy where the corporation is to be present by its duly authorised representative.
7. To be valid, this form of proxy (and any authority under which it is executed or a notarially certified copy of such authority) must be delivered to the Company's registrars, Share Registrars Limited not less than 48 hours, excluding days which are not working days, before the time of the meeting. The completed form may be sent by post using the reply paid envelope, by fax to 01252 719232 or scanned and sent by e-mail to proxies@shareregistrars.uk.com.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy only the appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the register of members (the first-named being the most senior).
9. To have the right to attend and vote a person must have his/her name entered on the register of members of the Company by no later than 2.30 p.m. on 27 September 2017. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
10. The proxy will vote or abstain from voting as he or she thinks fit on any other business, which may properly come before the meeting.

