



**LEGENDARY**  
INVESTMENTS PLC

**Annual Report and Accounts**

**Year ended 31 March 2015**





# Legendary Investments Plc

## Annual Report & Accounts for the year ended 31 March 2015

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# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Company Information

<b>Company address and Registered Office</b>	Legendary Investments Plc 6th Floor 25 Farringdon Street London EC4A 4AB
<b>Directors</b>	Zafarullah Karim – Executive Chairman Thomas Werner Reuner – Executive Director
<b>Secretary</b>	Secretarial Services (UK) Limited
<b>Registered number</b>	3920241 (England and Wales)
<b>Independent Auditor</b>	Baker Tilly UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB
<b>Solicitors</b>	Druces LLP Salisbury House London Wall London EC2M 5PS
<b>Nominated adviser</b>	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
<b>Joint brokers</b>	Beaufort Securities Ltd 131 Finsbury Pavement London EC2A 1NT  Peterhouse Corporate Finance Limited New Liverpool House 15 Eldon Street EC2M 7LD
<b>Registrars</b>	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Executive Chairman's Statement**

The year under review has been one in which steady progress, with the assistance of Legendary Investments Plc ("Legendary"), has been made at a number of investee companies, including Virtualstock, Bosques and Amedeo. Following the growth fund raise for Virtualstock in April 2014, Virtualstock has been pursuing several large clients including in sectors outside of retail, with positive results manifesting themselves post the year end. Bosques has continued to innovate and now has 18 ha under cultivation and pongamia saplings from fertile seeds from its own pongamia. Amedeo is on track to complete its first rig by the end of this calendar year. While the mining sector continues to be depressed, Sula, Medgold and Oracle continue to pursue their strategies, and discussions regarding Manas continue.

Review of potential investments continued throughout the year, and although one particularly promising opportunity, lying at the nexus of the energy and big data sectors, was pursued, no new investments were made.

### **Virtualstock Holdings Limited**

Virtualstock is a disruptive software company, with a game changing approach that challenges the costly and time-consuming process of traditional systems integration. Utilising agile, open source technology, Virtualstock has developed a unique way for information to flow between any set of fragmented systems, without disruption to any existing IT landscape. Data is seamlessly collated, enriched, mapped and validated, allowing only trusted, reliable information to be deployed. Virtualstock's solutions are a rapid, flexible and scalable alternative to traditional systems integrations. The "integration" market is worth c.US\$300-500 billion per year.

In the year under review, Virtualstock built on the landmark progress it made last year, including with Tesco, Office Depot and Kiddicare.com Limited. In April 2014, Virtualstock raised £525,000 of growth funding through an oversubscribed issue of Virtualstock equity. The fundraising placed a post money value on Virtualstock of £25.4 million, which was substantially higher than the valuation of £2.1 million at which Legendary invested in Virtualstock in October 2012. While the fund raising closed in early April 2014, a few days after Legendary's 2014 year end, in line with FRS 26 and the IPEVG, the value of £25.4 million for Virtualstock was used as a reference for the valuation of the Legendary equity and derivative stakes held at the 31 March 2014 balance sheet date, giving the equity and derivative stake a valuation of £1,098,000 and generating for Legendary a substantial (unrealised) profit of £1,045,000. As part of the fund raise, Legendary negotiated further warrants and options over shares of Virtualstock. Warrants were exercised in June 2014 raising Legendary's equity holding in Virtualstock.

As at the year end balance sheet date, 31 March 2015, post the exercise of warrants, Legendary's equity stake in Virtualstock was held on its balance at £1,489,000. Post the year end, Legendary increased its stake in Virtualstock to 7.0%. Accordingly, as at the date of these accounts, Legendary's stake in Virtual stock is valued at £1,790,000.

With growth funding raised, Virtualstock, busied itself servicing existing clients and winning new ones. In May 2014, Virtualstock was accepted on the UK Government's G-Cloud 5 Framework programme which provides central government departments, executive agencies and non-departmental public bodies with an innovative, and efficient way to access and purchase government-approved IT products and services. These efforts yielded results post the year end by way of a first contract with the NHS.

In July 2015, post Legendary's balance sheet date, Virtualstock contracted with a leading NHS Teaching Hospital Trust to deliver cost saving efficiencies within the Trust's supply chain. This first step and entry into the NHS, underlines Virtualstock's cross sector capability. It again demonstrates the ability of Virtualstock solutions to connect any set of fragmented systems, without disruption to any existing IT landscape.

Also in July 2015, Virtualstock announced that it had entered into a contract to supply Virtualstock Edge solutions to Maplin Electronics Limited. Virtualstock first started to work with Maplin mid-2014 piloting Virtualstock Edge with Maplin to implement Virtualstock Drop Ship Solutions to expand Maplin's drop ship supplier base while streamlining order management processes. Virtualstock Drop Ship Solutions have enabled Maplin Electronics to quickly add new suppliers and product ranges to their online offer, as well as providing the functionality to expand existing manufacturer relationships. Maplin Electronics is the UK's leading electronics specialist with its website offering more than 30,000 products and it having 200 stores in the UK and Ireland.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Executive Chairman's Statement

Finally, also in July 2015, Virtualstock, entered into a contract to supply the Virtualstock Edge Order Management System and Drop Ship Solutions to Argos Limited. Argos is the UK's leading digital retailer, offering more than 33,000 products through [www.argos.co.uk](http://www.argos.co.uk), its growing mobile channels, stores, over the telephone and uniquely, through Argos TV. Argos is part of Home Retail Group plc, the UK's leading home and general merchandise retailer.

Virtualstock is continuing to service existing clients which include Tesco, Kiddicare, Viking (stationery), Office Depot, Maplin, Argos and a leading NHS Trust. Its pipeline continues to grow and it has high gross margins, typical of companies in the SaaS space.

Virtualstock is in the key space of aggregating and processing data from a variety of sources. Its SaaS solutions are applicable to a wide range of sectors of which retail is only one. Virtualstock is on its way to becoming an industry standard inventory, supply and logistics value chain and data management utility. Critically, its solutions have the ability to connect with otherwise fragmented legacy systems without heavy integrations. With the NHS contract, it has already made its first inroads into a sector outside of the retail sector.

Legendary has proactively supported and assisted Virtualstock to reach this stage during which substantial milestones have been achieved by and substantial value has been added to Virtualstock. Legendary looks forward to continuing to work with Virtualstock to achieve its potential which could well be that of a "unicorn" IT company. Legendary expects further progress in the near to medium term with an attendant crystallisation and realisation of value.

### Bosques Energeticos Ebe S.A. de C.V.

Bosques continues its grounding breaking and steady progress. Since its establishment in late 2009 and the investment by Legendary, in late 2010, its innovation based modus operandi has scored many "firsts" in Mexico, the region and, potentially, worldwide.

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 two and a half years of planting compared with the normal time of five to six years; and then in less than 2 years in Mexico and the region, and possibly worldwide. It has developed advanced generation four jatropa which commences yielding seeds in as early as six months compared to up to two years for normal jatropa. In addition, its generation four jatropa exhibits multiple branching leading to high yields. Generation four jatropa 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 was also ahead of others in developing its inter and mixed multi-crop strategy.

In the year under review, Bosques has continued to develop and innovate. In July 2014, Bosques secured an additional 7 ha of land in the State of Morelos outside of its main test plantation in Puebla where it planted generation four jatropa which are producing up to 4,000 kg of seed per ha.

In March 2015, Bosques's pongamia yielded their first seeds pods. Both Bosque's first generation (4 years old) and second generation (3 years old) pongamia produced seed pods. Typically, pongamia trees take five years to produce pods. Certain of the pods were particularly large being in the region of 7cm long. See: <https://www.dropbox.com/s/d61s2kz843dcf3g/G1P%20pods.jpg?dl=0>

The trees producing the best pods were selected to act as the mother trees for an orchard of high yielding third generation pongamia.

Post the year end, in April 2015, Bosques reported that the seeds produced by Bosques pongamia have germinated and are producing saplings. See: <https://www.dropbox.com/s/8v3xhnysq1moloz/IMG-20150422-WA0006.jpg?dl=0>

This was yet another landmark first for Bosques in Mexico and the region. Importantly, it demonstrates that Bosques has the ability to scale organically its pongamia. These developments continue to underline how Bosques continues to pioneer the cultivation and development of pongamia and jatropa in Mexico and the region.

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Executive Chairman's Statement**

Bosques currently has 18 ha under cultivation, 11 ha in Puebla and another 7 ha in Morelos, with 16,000 pongamia trees of which 300 are generation two and 400 are generation three, and 28,000 jatropha plants of which 14,000 are generation four.

Having proven its techniques on its initial 11 ha test plantation and now successful growing generation four jatropha on an additional 7 ha in Morelos, Bosques is continuing discussions on several fronts, including obtaining larger tracks of land on which to plant its cutting edge pongamia and jatropha.

Bosques success has been externally recognised. In December 2014, the leading biofuels journal, "Biofuels Digest" recognised Bosque's progress and success. See <http://www.biofuelsdigest.com/bdigest/2014/12/16/a-new-three-legged-platform-for-the-advanced-bioeconomy-the-castor-jatropha-pongamia-strategy/>

When Bosques was established in 2009, and Legendary first became involved with it in 2010, the biodiesel sector was developing but out of favour due to a number of unsuccessful attempts, primarily with jatropha, to commercialise the sector. The majority of biodiesel was then and is today produced from food crops (primarily palm and soy). As well as being food (and fuelling the "food versus fuel" controversy) these crops are intensive i.e. their cultivation used significant resources. The search from the mid-2000s has been for crops which are not food, do not compete, directly or indirectly, with food, and are not resource intensive.

Bosques with its generation four jatropha and advanced pongamia is at the cutting edge of this search. At the outset Bosques set about taking the lessons from the unsuccessful attempts, the prime lessons being the need for research, development and innovation, the use of sustainable models and the need to invest in land and farm workers. Bosques has patiently developed and innovated its crops to put it at forefront of the sector.

There is increasing pressure worldwide to utilise renewable energy, including biodiesel for both environment and energy security reasons. Over 30 countries around the world have biofuel mandates including in Europe and the U.S. In the EU for instance all forecourt fuel (diesel and petrol) is by law a blend of conventional fuel and biofuel. The "B" number indicates the percentage of biodiesel in the pump diesel, e.g. B20 indicates 20% biodiesel. A number of airlines have and are using blends of bio-jet fuel. In 2012, Aero Mexico flew a commercial flight from Mexico City to Madrid using a blend which contained 30% jatropha derived biofuel. Moreover, a number of militaries, including the US military are using biofuels. The US Navy has been testing biofuel in its fleet and has found that it burns more cleanly than conventional fuel and is therefore better for its engines.

Growth in use of biodiesel over the last several years has been dramatic. From 2000 to 2011, use of conventional oil use grew by 13% from 78 million barrels per day to 88m barrels per day. In the same period, use of biodiesel grew by over 2,500% from 15,000 barrels per day to 404,000 barrels per day. Currently biodiesel represents approximately 1% of total diesel consumption. Growth is expected to continue.

Legendary has a substantial minority stake of 40% in Bosques which it holds on its balance sheet at £83,000, the amount it initially invested. Value crystallisation might be expected in the medium term.

### **Amedeo Resources Plc**

Amedeo's strategy is to invest in the energy and resource infrastructure sectors. To date Amedeo has made two investments: one in a new offshore vessel construction joint venture, Jiangsu Yangzijiang Offshore Engineering Co. Ltd ("YZJ Offshore") with multi-billion dollar Singaporean listed shipbuilder, Yangzijiang Shipbuilding (Holdings) Ltd; and the other in a ferrous metal and ferrous ore trader, MGR Resources Pte Ltd.

Construction of YZJ Offshore's New Yard commenced in mid-2012 and now the New Yard is fully operational. The New Yard won its first order, for a Le Tourneau Super 116E Class design self-elevating mobile offshore jack up rig ("Explorer 1") in December 2012. Progress continues on the build of Explorer 1 which is nearing completion and is scheduled to be completed in the second half of calendar 2015. The quality of the build is impressive and the build is to schedule. This is key in building the New Yard's reputation as a quality and reliable yard.

# **Legendary Investments Plc**

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### **Executive Chairman's Statement**

The oil price has fallen substantially from January 2014 to now. This has led to a postponement of capital expenditure in the oil and gas sector. Many rigs are underemployed and there is a current oversupply. This is not expected to continue in the medium term. More than half the world's rig fleet is over 25 years old and will require replacing in the medium term.

Further, demand for rigs is expected to be for more advanced and localised rigs. The New Yard is able to meet this demand. It is also able to construct a variety of other vessels. While completing Explorer 1 and waiting for further orders, the New Yard is building blocks for container ships. The New Yard is in continuous discussions with respect to obtaining further vessel orders.

With respect to MGR, the price of iron ore has fallen substantially from January 2014 to now. This has eroded margins in the iron ore brokering business. MGR has nonetheless remained marginally profitable and has made interest payments to Amedeo. With no immediate recovery in the price of iron ore expected, MGR is exploring opportunities in broking other commodities.

While, due to a low oil price and falling commodity prices, progress at Amedeo has been slower than expected, as well as seeking new orders for the New Yard and MGR exploring opportunities in broking a range of commodities, Amedeo also continues exploring additional investments in the resource and resource infrastructure sectors.

As at the balance sheet date Legendary's stake in Amedeo was valued at £64,000.

### **Other Investments**

#### **Manas Minerals LLC**

In 2012, Legendary invested £100,000 into Kyrgyzstan based Manas. Manas owns the Padsha Ata Licence to mine for coal in the Asksy region of Jalal-Abad. Soviet surveys suggest that the region contains 182 million tonnes of coal reserves. Since the investment, various reports have been produced on the Manas coal formation which indicate that it is more intense and thicker than suggested by the Soviet era studies. Various discussions are ongoing with respect to realising the investment which is held at £100,000 on the balance sheet.

#### **Sula Iron and Gold PLC**

In July 2012, Legendary invested £50,000 in a convertible loan note in a pre-IPO funding round for Sula. In October 2012, Sula was admitted to trading on AIM, and Legendary invested another £50,000 for further shares. Sula is a multi-commodity exploration company focused on Sierra Leone and sub-Saharan Africa.

Sula continues to progress its strategy. In December 2014, Sula declared its maiden JORC Compliant Mineral Resource Estimate for its Ferensola licence on its iron ore comprising a total resource of 514.5 million tonnes at 31.8% Fe. In addition, further exploration targets were identified which could increase this by a further 200 million tonnes. In February 2015, leading industry consultants, SRK ES, increased their technical valuation of Sula's Ferensola licence from \$31.7m in January 2014 to \$56.0m, with a maximum potential value of \$210.0 million. In addition, 5 trenches in the gold exploration programme have been completed and high levels of Coltan have been identified. Sula's next phase of exploration is anticipated to be JORC Compliant MRE on its gold targets. Legendary continues to hold its stake in Sula which as at the balance sheet date was valued at £22,000.

#### **Medgold Resources Corp.**

Medgold is a TSX-V listed gold exploration licence and project development company with a particular focus on Italy, Spain and Portugal. In July 2011, Legendary invested £50,000 in Medgold Resources Limited, which listed in December 2012 on the TSX-V in Canada thereby becoming Medgold Resources Corp. Medgold aims to become a leading Europe-focussed gold explorer and developer focussing primarily on Portugal. Medgold has two principal assets: Lagares, a joint venture with Centerra Gold Inc.; and Boticas, a wholly owned 106 sq km licence. Legendary continues to hold Medgold. Should Medgold achieve its targets, its value may rise substantially. As at the balance sheet date, the market value of Legendary's shares in Medgold was £16,000.



# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Executive Chairman's Statement

#### Oracle Coalfields PLC

Oracle is a coal developer whose primary asset is the Thar Coalfield Block VI licence area located in the Sindh Province, south-eastern Pakistan, a 1.4 billion tonnes resource with 529 million tonnes JORC mineral resource and 113 million tonnes JORC proven reserves within the mining area of the licence. Oracle is in the process of developing the resource in collaboration with partners, including a Chinese consortium. Should it succeed in this, its value should rise substantially.

The stake in Oracle was acquired with the proceeds of the disposal of Legendary's stake Regency Mines PLC. Regency is a nickel, cobalt, gold, flake graphite and base metals exploration and development company. Legendary had invested £50,000 in Regency in 2012. Regency has not performed as expected, as a result of this, Legendary made a decision to exit Regency. This process was completed in June 2014, and the proceeds were invested into Oracle. As at the balance sheet date, the market value of Legendary's shares in Oracle was £10,000.

#### Financial Review

During the year, Legendary made a net loss on investments of £235,000 (2014 gain: £1,119,000). This was due to the losses on the listed investments: Amedeo, Sula, and Oracle and Medgold. While the losses were disappointing, as discussed above, Legendary continues to hold these investments, and believes that should they fulfil their potential, gains might be substantial and asymmetric. The unlisted investments continue to be held at last year's levels.

Administrative costs were £231,000 (2014: £214,000). The Company has a policy of keeping administrative costs as low as practicable, aligning directors' interests with shareholders' interests and keeping cash remuneration for directors at low levels unless profitable realisations of investments are made. Each Director received £1,200, a total of £2,400 (2014: £2,400) of cash remuneration. 100,000,000 (2014: 180,000,000) out of the money options with an exercise price of 0.2 pence and ten year life were granted to the Directors. The share based payments accounted for £25,000 (2014: £48,000) of the £231,000 (2014: £214,000) of administrative costs, leaving cash administrative costs of £206,000 (2014: £166,000).

Cash administrative costs of £206,000 (2014: £166,000) increased due to activity at Legendary, both in assisting its investee companies and in assessing further investments. In particular, an investment in a company at the nexus of energy and big data reached documentation stage, but the deal did not close. In addition, professional fees rose as additional advisers were taken on board and there were increases in existing adviser fees.

The operating loss was £466,000 (2014 profit: £905,000). There were £4,000 of finance charges (2014: £4,000) due to a loan of US\$250,000 which was repaid in August 2014 (see note 22). The loss before taxation for the year was £470,000 (2014 profit: £901,000).

As at the year end, Legendary's investments (fixed asset investments and current asset investments) were recorded at £1,785,000 (2014: £1,628,000). While, as noted above, the value of the listed investments fell, the cause of the rise was the exercise of various options over shares in Virtualstock for £392,000.

Debtors due within one year were £2,000 (2014: 39,000). This fall was due to a loan made to Virtualstock being converted to equity by way of exercise of an option.

Cash amounted £196,000 (2014: £63,000) (including £1,000 (2014: £nil) in the client account of the Company's accountants).

As at the year end, creditors falling due within one year fell to £50,000 (2014: £199,000). This was primarily due to Legendary paying back a short term loan of US\$250,000 (as noted above).

Overall, net and total assets for the year were £1,906,000 (2014: £1,503,000) an increase of 27%, and £1,986,000 (2014: £1,732,000), an increase of 15%, respectively.

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Executive Chairman's Statement**

In May 2014, Legendary raised £900,000 (before expenses), by way of a placing of 818,181,817 ordinary shares of 0.10 pence nominal value each at a price of 0.11 pence per new ordinary share. The shares were placed with a range of institutional and private investors. Zafar Karim subscribed for 22,727,273 new ordinary Shares for £25,000 at the placing price. Zafar Karim's resultant interest in the Company was 55,727,273 ordinary shares, representing 2.3% of the Company's share capital as enlarged by the placing. Following admission of the new ordinary shares, the Company's enlarged issued share capital was 2,461,530,833 ordinary shares.

As at 11 August 2015, Legendary had cash and listed investments of £189,000.

### **Miscellaneous**

In March 2015, Peterhouse Corporate Finance Limited was appointed as joint broker.

On 18 May 2015, post the balance sheet date, the Company entered into a loan facility agreement with Alcazar 1 Pte for US\$250,000 for working capital purposes, having repaid a similar loan in August 2014. The loan bears an interest rate of 10% and is repayable in May 2016. Should the Company fail to repay the loan then the debt will be converted to equity in the Company at the prevailing market price at that date. Following the placing in May 2014, Alcazar 1 Pte is interested in 11.1% of Legendary so the loan falls to be treated as a related party transaction under AIM Rule 13. The directors consider, having consulted with the Company's nominated adviser, the terms of the August 2014 loan repayment and the new loan to be fair and reasonable insofar as the Company's shareholders are concerned.

### **Outlook**

The year under review has been one in which steady progress has been made at the key investee companies. Bosques continues its ground breaking work, cultivating its generation four jatropa at two locations and its second generation pongamia seeds producing fertile seeds to produce third generation pongamia. Amedeo is on track to deliver a completed rig by the end of this calendar year. In the case of Virtualstock, progress has manifested itself post the year end.

These results vindicate Legendary's proactive investment strategy. Further investments were considered, and one in particular which lay at the nexus of the energy and big data sectors was pursued to an advanced stage. No investments were, however, made.

The Board looks forward to continuing to add value to its investee companies, crystallising and realising value in existing investments, and making further investments as appropriate.

**Zafar Karim**  
**Executive Chairman**  
**18 August 2015**

Registered Office:  
6th Floor  
25 Farringdon Street  
London  
EC4A 4AB

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2015.

#### Principal Activities and Review of the Business

Legendary is a proactive investment company that focuses on making investments in and assisting companies which exhibit the potential to generate returns of many multiples through capital appreciation. Typically, Legendary invests in small companies that are in sectors exhibiting long term growth. Examples of such sectors include technology, energy and natural resources. The companies must also have the potential and catalysts for value appreciation, crystallisation and realisation

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. The focus is primarily on high growth economies and companies. The intention is to build prudently yet rapidly the capital base of the Company with a view to expanding its investing base.

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% 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 one and three 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 £1,906,000 (2014: £1,503,000) and £1,986,000 (2014: £1,732,000), respectively.

The key business highlights of the year were the progress made at the investee companies:

- Virtualstock: In April 2014, Virtualstock raised £525,000 of growth funding at a valuation of £25.4 million. Existing clients continued to be served while new clients were pursued. Post the year end, Virtualstock added Maplin, Argos and a leading National Health Trust to its lists of clients.
- Bosques: In July 2014, Bosques added 7 ha of land in Morelos to its existing 11 ha in Puebla and cultivated the land in Morelos with generation four jatropa. In March 2015, Bosques reported that its first and second generation pongamia were producing seed pods. Post the year end in April 2015, Bosques reported that the seeds produced by its pongamia trees were fertile and had germinated into third generation pongamia.
- Amedeo: Amedeo continued the build of the Le Tourneau Super 116E Class design self-elevating mobile offshore jack up rig. The rig is due to be completed by the end of calendar 2015. Its New Marine Vessel Yard became fully operational. As well as building the rig, the New Marine Vessel Yard, also started constructing blocks for container ships. Despite the decline in the iron ore price, MGR remained marginally profitable.
- Progress was also made at the remaining investments:
  - Manas: Various discussions in terms realising the investment continue.
  - Sula: In December 2014, Sula declared its maiden JORC Compliant Mineral Resource Estimate for its Ferensola licence on its iron ore comprising a total resource of 514.5 million tonnes at 31.8% Fe. In February 2015, leading industry consultants, SRK ES, put a technical valuation on Sula's Ferensola licence of \$56.0m, with a maximum potential value of \$210.0 million. In addition, 5

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Strategic Report

trenches in the gold exploration programme have been completed and high levels of Coltan have been identified.

- Medgold: Medgold has two principal assets, Lagares, a joint venture with Centerra Gold Inc. and Boticas, a wholly owned 106 sq km licence, which it continues to develop.
- Oracle: Oracle's primary asset is the Thar Coalfield Block VI licence area located in the Sindh Province, south-eastern Pakistan, a 1.4 billion tonnes resource with 529 million tonnes JORC mineral resource and 113 million tonnes JORC proven reserves within the mining area of the licence. Oracle is in the process of developing the resource in collaboration with partners, including a Chinese consortium.

In addition, Legendary raised £900,000 (before expenses) by placing equity with institutional and other shareholders. Following the equity issuance, Legendary had 2,461,530,833 ordinary shares in issue.

A review of the business during the year is given in the Executive Chairman's Statement on pages 3 to 8.

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 during a year 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 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 subject to political risk. Such countries include Sierra Leone and Kyrgyzstan. There can be no certainty that licences, assets or businesses may not be subject to political 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 against material misstatement or loss, the Company's system is 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 20 to the financial statements.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Strategic Report

In addition to the general risks sets out above, there are business specific risks associated with each of the investments.

Virtualstock operates in the fast moving world of SaaS. It supplies SaaS solutions in the field of logistics, inventory and data management. While Virtualstock's technology may currently be considered cutting edge, and has been adopted by landmark customers through multiyear contracts, there can be no certainty that Virtualstock 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.

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 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 successfully cultivate 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 two investments, one in the offshore oil and gas marine vessel construction sector ("YZJ Offshore") and the other in ferrous and other metals trading sector ("MGR"). 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.

Manas owns the Padsha Ata Licence to mine for coal in the Asksy region of Jalal-Abad. Various studies suggest that the region contains at least 182 million tonnes of coal reserves of which 116 million is of coking coal quality. Legendary's investment is by way of a convertible loan note. In order for Legendary to realise its investment, Legendary would have to sell its convertible loan note, or Manas would need to be sold. While several discussions have and are being held, there can be no certainty that they will lead to Legendary realising its investment

Sula is an iron and gold exploration company focused on Sierra Leone and sub-Saharan Africa. As such Sula is subject to exploration risk. Sula has implemented a dual exploration programme, targeting both iron ore and gold resources. The results of the current drilling programme are encouraging. There can, however, be no certainty that Sula will be able to realise value from its assets.

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

Oracle is a coal developer whose primary asset is the Thar Coalfield Block VI licence area located in the Sindh Province, south-eastern Pakistan, a 1.4 billion tonnes resource with 529 million tonnes JORC mineral resource and 113 million tonnes JORC proven reserves within the mining area of the licence. Oracle is in the process of developing the resource in collaboration with partners, including the Chinese. Appreciation of Oracle's value is

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Strategic Report**

dependent on succeeding in the development of its resource. There can, however, be no certainty that it will succeed in doing this.

#### **Outlook**

The year under review has been one in which steady progress has been made at the key investee companies. Further investments were considered. No investments, were however made. The Board looks forward to continuing to add value to its investee companies, crystallising and realising value in existing investments, and making further investments as appropriate.

A review of the business during the year is given in the Executive Chairman's Statement on pages 3 to 8.

By order of the Board

**Zafar Karim**  
**Executive Chairman**  
**18 August 2015**

Registered Office:  
6th Floor  
25 Farringdon Street  
London  
EC4A 4AB

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Directors' Report**

The Directors present their report and the financial statements for the year ended 31 March 2015.

#### **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 8.

#### **Future Developments**

The Executive Chairman's Statement, on pages 3 to 8 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 20 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 £1,906,000 (2014: £1,503,000) and £1,986,000 (2014: £1,732,000), respectively.

#### **Results and Dividends**

The results for the year are set out in the profit and loss account. For the year ended 31 March 2015, the Company made a net loss of £470,000 (2014 profit: £901,000). 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 8.

#### **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 8.

Legendary had administrative costs, excluding non-cash items, for the year ended 31 March 2015 of £206,000 (2014: £166,000). These administrative costs of £206,000 included £73,000 relating to travel expenses, legal and investment related expenses and directors remuneration. The remaining balance of £133,000 (2014: £127,000) 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, the directors' remuneration policy and the costs in comparison to other listed companies (Legendary is listed on the AIM market of the LSE).

As at 11 August 2015, Legendary had £189,000 of cash and £121,000 of listed investments. The listed investments may be realised for cash at short notice. Together, this gave Legendary, liquid resources of £310,000. Within the next 12 months, a loan of US\$250,000 with interest at 10% per annum has to be repaid. The loan is from the largest shareholder and may be settled in shares of the company

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.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Directors' Report

#### 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, 46, 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, 50, 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 31 July 2015, substantial shareholders of the Company comprised the following:

	<b>Ordinary shares</b>
	%
Alcazar 1 Pte Ltd	11.1
Ronald Bruce Rowan	9.1
Trustees in the Bankruptcy of Eaitisham Ahmed	9.1
Barclayshare Nominees Limited	7.4
Investor Nominees Limited	7.1
HSBC Client Holdings Nominee (UK) Limited	4.6
HDSL Nominees Limited	4.0
TD Direct Investing Nominees (Europe) Limited	3.8
Beaufort Nominees Limited	3.6

#### Post Balance Sheet Events

In April 2015, Legendary increased its stake in Virtualstock to 7.0%

In May 2015, Legendary obtained a loan of US\$250,000 from Alcazar 1 Pte Limited, which holds 272,727,273 shares (11.1% stake) in Legendary. The loan has an interest rate of 10% per annum and is repayable in May 2016. The loan is secured on shares in Legendary valued at the market price of the shares at the time when the loan becomes repayable.

The loan from Alcazar 1 Pte Limited has been treated under related party provisions by virtue of Alcazar 1 Pte Limited's 11.1% stake in Legendary shares.



# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Directors' Report**

#### **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, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the Board

**Zafar Karim**  
**Executive Chairman**  
**18 August 2015**

Registered Office:  
6th Floor  
25 Farringdon Street  
London EC4A 4AB

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Remuneration Report

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

£27,700 was charged to the profit and loss account in respect of directors' remuneration during the year (2014: £50,700).

	Fees	
	2015	2014
	£	£
Thomas Reuner	1,200	1,200
Zafar Karim	1,200	1,200
Share based payment charges (note 3)	25,300	48,300
	27,700	50,700

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 of £1,200 per annum. In addition, Directors receive additional remuneration on the profitable realisation on investments. Directors also receive 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 2015		31 March 2014	
	Average Exercise Price per share	Number	Average Exercise Price per share	Number
Zafar Karim	0.20p	316,000,000	0.20p	241,000,000
Thomas Reuner	0.21p	102,000,000	0.20p	77,000,000

The market price of the Company's ordinary shares ranged from a high of 0.15p to a low of 0.08p during the year.

**Zafar Karim**  
**Executive Chairman**  
**18 August 2015**

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Corporate Governance**

As an AIM traded company, Legendary Investments Plc it is not required to comply with the UK Corporate Governance Code. However, the Board is committed to complying with 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 take 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 which 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 2 to the financial statements.

### **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**  
**18 August 2015**

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 UK 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Independent Auditor's Report to the Members of Legendary Investments Plc**

We have audited the financial statements on pages 21 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 more fully explained in the Directors' Responsibilities Statement set out on page 18 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 (APB'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](http://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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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.

**Legendary Investments Plc**  
**Annual Report for the year ended 31 March 2015**

**Independent Auditor's Report to the Members of Legendary Investments Plc**

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

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.

**PAUL WATTS (Senior Statutory Auditor)**  
**For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor**  
**Chartered Accountants**  
**25 Farringdon Street**  
**London**  
**EC4A 4AB**

**Dated: 18 August 2015**

**Legendary Investments Plc**  
**Annual Report for the year ended 31 March 2015**

**Profit and Loss Account**  
**for the year ended 31 March 2015**

	<b>Notes</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Net (loss)/gain on investments		(235)	1,119
Administrative expenses		(231)	(214)
		<hr/>	<hr/>
Operating (loss)/profit		(466)	905
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before interest		(466)	905
Interest payable		(4)	(4)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	2	(470)	901
Tax on (loss)/profit on ordinary activities	4	–	–
		<hr/>	<hr/>
(Loss)/profit for the financial year	15	(470)	901
		<hr/>	<hr/>
(Loss)/earnings per share			
– basic (pence)	5	(0.02)p	0.05p
– diluted (pence)	5	(0.02)p	0.04p

A separate statement of recognised gains and losses has not been prepared as the Company has no recognised gains or losses in the current or prior period other than the gains noted above.

All activities derive from continuing operations.

**Legendary Investments Plc**  
**Annual Report for the year ended 31 March 2015 (Registered No: 3920241)**

**Balance Sheet**  
**As at 31 March 2015**

	Notes	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>			
Tangible Assets	6	4	2
Investments	7	1,673	1,281
		<u>1,677</u>	<u>1,283</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	9	2	39
Investments	8	112	347
Cash at bank and in hand		195	63
		<u>309</u>	<u>449</u>
CREDITORS: amounts falling due within one year	10	(50)	(199)
<b>NET CURRENT ASSETS</b>		<u>259</u>	<u>250</u>
CREDITORS: Amounts falling due after more than one year	11	(30)	(30)
<b>NET ASSETS</b>		<u>1,906</u>	<u>1,503</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2,462	1,643
Share premium account	13	8,345	8,316
Share warrant and option reserve		244	219
Profit and loss account – deficit	15	(9,145)	(8,675)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16	<u>1,906</u>	<u>1,503</u>

The financial statements on pages 21 to 37 were approved by the Board of Directors and authorised for issue on 18 August 2015 and are signed on its behalf by:

**Zafar Karim**  
**Executive Chairman**



**Legendary Investments Plc**  
**Annual Report for the year ended 31 March 2015**

**Cash Flow Statement**  
**for the year ended 31 March 2015**

	Notes	2015 £'000	2014 £'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	(320)	(190)
<hr/>			
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Fixed Asset investments during the year		(396)	–
<hr/>			
Net cash outflow from capital expenditure and financial investment		(396)	–
<hr/>			
FINANCING			
Increase in debt		–	152
Issue of new ordinary shares		900	–
Expenses paid in connection with share issue		(52)	–
<hr/>			
Net cash inflow from financing		848	152
<hr/>			
INCREASE /(DECREASE) IN CASH IN THE YEAR		132	(38)
<hr/>			
		2015 £'000	2014 £'000
<hr/>			
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(decrease) in cash in the year		132	(38)
Non-cash movement from investing activities		(235)	74
Net decrease/(increase) in debt		152	(152)
<hr/>			
		49	(116)
<hr/>			
Net funds at start of year	19	228	344
<hr/>			
Net funds at end of year	19	277	228
<hr/>			

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### Accounting Policies

##### *Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, modified by the revaluation of investments.

##### *Impairment of asset values*

Tangible fixed assets are 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 balance sheet 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 which 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 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 FRS26 "Financial Instruments: 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.

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

##### *Financial instruments*

##### *Debtors*

Debtors are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment.

##### *Cash at bank and in hand*

Cash at bank and in hand includes short-term deposits with maturities of less than three months.

##### *Trade creditors*

Trade creditors 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.

##### *Equity instruments*

Issued equity instruments are recorded at fair value on initial recognition net of transaction costs.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### *Tangible fixed assets*

All tangible fixed assets are recorded at cost less accumulated depreciation and impairment losses. Depreciation is computed to write off the cost of an asset, less its estimated residual value, over the useful economic life the asset as follows:

Computer Equipment – 25% straight line

#### *Deferred taxation*

Deferred tax is recognised in respect of timing differences between the Company's taxable profits and its results as stated in the financial statements that have originated but not reversed at the balance sheet date.

Deferred tax assets are only recognised where there is an expectation that they will result in a reduction in corporation tax payments in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### *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 and loss account.

#### *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 8.

For the year under review, the Company had administrative costs, excluding non-cash items, of £206,000, and in the previous year, the Company had administrative costs, excluding non-cash items, of £166,000. The Board takes steps to ensure that administrative costs (which comprise virtually the entire cash costs of the Company) are kept as low as practically possible.

As at 11 August 2015, the Company had £189,000 of cash and £121,000 of listed investments. The listed investments may be realised for cash at short notice. Together, this gives Legendary, liquid resources of £310,000. Within the next 12 months, a loan of US\$250,000 with interest at 10% per annum has to be repaid. The loan is from the largest shareholder and may be settled in shares of the company.

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.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

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.

#### *Exceptional items policy*

Material items which derive from events or transactions that fall within the ordinary activities of the reporting entity have been disclosed as exceptional where individually or, if of a similar type, in aggregate, their size or incidence requires separate disclosure if the financial statements are to give a true and fair view.

### 1 Segmental analysis

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

### 2 (Loss)/Profit on ordinary activities before tax

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax for the year is stated after charging:		
Depreciation of tangible fixed assets	2	2
Auditor's remuneration – statutory audit	23	26
– Other services	1	1
	<u>          </u>	<u>          </u>

### 3 Directors

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
<b>Number of employees</b>		
The average monthly number of employees including directors, during the year was:	2	2
	<u>          </u>	<u>          </u>
	<b>£'000</b>	<b>£'000</b>
<b>Directors' emoluments</b>		
Directors' fees	2	2
Share based payment cost	25	48
	<u>          </u>	<u>          </u>

**Legendary Investments Plc**  
**Annual Report for the year ended 31 March 2015**

**Notes to the Financial Statements**

**4 Tax on (loss)/profit on ordinary activities**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Analysis of charge/(credit) in the year:		
Current tax	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>
	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit on ordinary activities before tax	(470)	901
	<u>–</u>	<u>–</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK 21% (2014: 23%)	(99)	207
Expenses not deductible for tax purposes	32	40
Tax losses unutilised/(utilised)	67	(247)
	<u>–</u>	<u>–</u>
Current tax charge for year	<u>–</u>	<u>–</u>

As at 31 March 2015 the Company had losses of approximately £5.7m (2014: £5.2m) available to carry forward against future income. A deferred tax asset of £1.1m (2014: £1.2m) is not recognised in respect of these losses due to the uncertainty as to the utilisation of the losses in the foreseeable future.

Future tax charges will be dependent on the split of profits for tax purposes as between revenue and capital items, and the utilisation of losses incurred to date.

**5 (Loss)/Earnings per ordinary share**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
(Loss) /Profit for the financial year	(470)	901
	<u>–</u>	<u>–</u>
Average number of ordinary shares in issue (basic) ('000)	2,322,441	1,643,349
	<u>–</u>	<u>–</u>
Basic (loss)/earnings per share (pence)	(0.02)p	0.05p
Diluted (loss)/earnings per share (pence)	(0.02)p	0.04p
	<u>–</u>	<u>–</u>

The average number of undiluted shares in issue during the year was 2,322,440,752. The fully diluted number of shares in issue during the year was 3,087,440,752

**Legendary Investments Plc**  
Annual Report for the year ended 31 March 2015

**Notes to the Financial Statements**

**6 Tangible fixed asset**

	<b>Office Equipment £'000</b>
<b>Cost</b>	
At 1 April 2014	5
Additions	4
	<hr/>
At 31 March 2015	9
	<hr/>
<b>Depreciation</b>	
At 1 April 2014	3
Charge for the year	2
	<hr/>
At 31 March 2015	5
	<hr/>
<b>Net book value</b>	
At 31 March 2015	4
	<hr/>
At 31 March 2014	<u>2</u>

**7 Fixed asset investments**

	<b>Unlisted Investments £'000</b>
<b>Valuation</b>	
At 1 April 2014	1,281
Exercise of options	392
	<hr/>
At 31 March 2015	<u>1,673</u>

During the year, options with various exercise prices over 225,683 shares in Virtualstock Holdings Limited were exercised for £392,000.

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 not treated as an associated undertaking.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### 7 Fixed asset investments (continued)

All investments in investee companies are regarded as simple investments for the purposes of FRS9 as all investments made are with the aim of realising capital gain on the investment, which may take less than or more than one year, and the Company does not have on-going participating interests or significant influence in the investments.

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

#### 8 Current Asset Investments

	<b>Listed Investments £'000</b>
<b>Valuation</b>	
At 1 April 2014	347
Loss on revaluation	(235)
	<hr/>
At 31 March 2015	<u>112</u>
 Being:	
AIM listed	96
TSX listed	16
	<hr/>
	<u>112</u>

#### 9 Debtors: amounts due within one year

	<b>2015 £'000</b>	<b>2014 £'000</b>
Prepayments	1	1
Other debtors	1	38
	<hr/>	<hr/>
	<u>2</u>	<u>39</u>

Other debtors include £1,000 (2014: £nil) of cash balances held in the client account of the Company's accountant.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### 10 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	15	21
Accruals	26	26
Short term loan	–	152
Other creditors	9	–
	<u>50</u>	<u>199</u>

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.

Accruals include a balance of £9,000 (2014: £nil) related to travel and other expenses that the Directors incurred in relation to ordinary activities of the Company. These amounts remain outstanding as at the balance sheet date.

Accruals also includes amounts owed to Directors £2,400 (2014: £2,400) which were outstanding at the balance sheet date.

#### 11 Creditors: amount falling due after more than a year

	2015 £'000	2014 £'000
Loan	<u>30</u>	<u>30</u>

£30,000 was raised in August 2010 by way of a loan facility. The facility bears no interest and has no fixed date for repayment. The loan is not expected to be paid in the foreseeable future and therefore has been classified as due in more than one year as the Directors believe this most appropriately reflects the period over which the loan will be repaid.

#### 12 Called up share capital

	2015 £'000	2014 £'000
<b>Authorised</b>		
3,000,000,000 ordinary shares of £0.001 each	<u>3,000</u>	<u>3,000</u>
<b>Allotted, issued and fully paid</b>		
2,461,530,833 (2014: 1,643,349,016) ordinary shares of £0.001 each	<u>2,462</u>	<u>1,643</u>

In May 2014, Legendary raised £900,000 (before expenses), by way of a placing of 818,181,817 ordinary shares of 0.10 pence nominal value each at a price of 0.11 pence per new ordinary share. The shares were placed with a range of institutional and private investors. Zafar Karim subscribed for 22,727,273 new ordinary Shares for £25,000 at the placing price. Zafar Karim's resultant interest in the Company was 55,727,273 ordinary shares, representing 2.3% of the Company's share capital as enlarged by the placing. Following admission of the new ordinary shares, the Company's enlarged issued share capital was 2,461,530,833 ordinary shares.



**Legendary Investments Plc**  
Annual Report for the year ended 31 March 2015

**Notes to the Financial Statements**

**13 Share premium**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At start of the year	8,316	8,316
Premium on Ordinary Shares Issued of 0.001 each	82	–
Expenses paid in connection with the share issue	(53)	–
	<hr/>	<hr/>
At end of the year	<u>8,345</u>	<u>8,316</u>

**14 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.

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

	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>Exercise price</b>		<b>Exercise price</b>	
	<b>per share</b>	<b>Number</b>	<b>per share</b>	<b>Number</b>
Zafar Karim	0.20p	316,000,000	0.20p	241,000,000
Thomas Reuner	0.35p	5,000,000	0.35p	5,000,000
Thomas Reuner	0.20p	97,000,000	0.20p	72,000,000
		<hr/>		<hr/>
		<u>418,000,000</u>		<u>318,000,000</u>

Movements in ordinary share options outstanding

	<b>31 March 2015</b>		<b>31 March 2014</b>	
	<b>Number</b>	<b>Weighted average exercise price</b>	<b>Number</b>	<b>Weighted average exercise price</b>
		<b>pence</b>		<b>Pence</b>
At start of the year	350,000,000	0.20p	170,000,000	0.20p
Granted during the year	100,000,000	0.20p	180,000,000	0.20p
	<hr/>		<hr/>	
At end of the year	<u>450,000,000</u>	0.20p	<u>350,000,000</u>	0.20p

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### 14 Share based payment (continued)

All options were exercisable at the end of the year.

Last date when exercisable	Exercise price	Granted No.	Lapsed No.	Exercised	Outstanding at 31 March 2015
1 January 2021	0.20p	80,000,000	–	–	80,000,000
15 May 2021	0.35p	5,000,000	–	–	5,000,000
5 January 2022	0.20p	35,000,000	–	–	35,000,000
2 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
		<u>450,000,000</u>			<u>450,000,000</u>

#### Fair value

The fair value of the options is 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.

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.

The share based payment charged for the year was £25,000 (2014: £48,000). This is included in administrative expenses within the profit and loss account.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### 14 Share based payment (continued)

##### Warrants

Other than the employee share options set out above, warrants have been granted with exercise prices and dates shown in the table below.

Last date when exercisable	Exercise price	Granted No.	Lapsed No.	Exercised	Outstanding at 31 March 2015
5 August 2015 (1)	0.10p	260,000,000	–	–	260,000,000
6 August 2015	0.20p	10,000,000	–	–	10,000,000
24 November 2015	0.15p	25,000,000	–	–	25,000,000
29 November 2015	0.20p	20,000,000	–	–	20,000,000
17 January 2015	0.15p	37,500,000	37,500,000	–	–
21 May 2017	0.12p	2,272,727	–	–	2,272,727
		<u>354,772,727</u>			<u>317,272,727</u>

- (1) Post the year end, 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 long term loans of £30,000 made on 5 August 2010. The loans bear no interest and have no repayment terms.

Movements in warrants outstanding

	31 March 2015		31 March 2014	
	Number	Weighted average exercise price Pence	Number	Weighted average exercise price pence
At start of the year	352,500,000	0.12p	607,500,000	0.13p
Granted during the year	2,272,727	0.12p	–	–
Lapsed during the year	(37,500,000)	0.15p	(255,000,000)	0.16p
At end of the year	<u>317,272,727</u>	0.11p	<u>352,500,000</u>	0.12p

The fair value of warrants granted in the year was £1,000 (2014: £nil).

The fair value of the warrants is 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.

Expected life of warrants (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

##### Other Information

The market price of the Company's ordinary shares ranged from a high of 0.15p to a low of 0.08p during the year.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### 15 Profit and loss account

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At the start of the year	(8,675)	(9,576)
(Loss)/profit for the financial year	(470)	901
	<hr/>	<hr/>
At the end of the year	<u>(9,145)</u>	<u>(8,675)</u>

#### 16 Reconciliation of movements in shareholders' funds

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Opening shareholders' funds	1,503	554
(Loss)/gain for the financial year	(470)	901
Share issue	900	–
Expenses in connection with share issue	(52)	–
Share warrant and option charge	25	48
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,906</u>	<u>1,503</u>

#### 17 Reconciliation of operating loss to net cash outflow from operating activities

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Operating (loss)/profit	(470)	901
Share option/warrant charge	25	48
Depreciation	2	2
(Decrease) in creditors	(149)	(18)
Decrease/(increase) in debtors	37	(4)
Loss on investment	235	–
Net gain on fixed investments	–	(1,045)
Net gain on current investments	–	(74)
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(320)</u>	<u>(190)</u>

#### 18 Analysis of net funds

	<b>At</b>		<b>At</b>
	<b>31 March</b>	<b>Non-cash</b>	<b>31 March</b>
	<b>2014</b>	<b>Movements</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
		<b>Cash flows</b>	
		<b>£'000</b>	
Cash at bank and in hand	63	–	132
Current asset investments	347	(235)	–
Loan due after one year	(30)	–	–
Loan due within one year	(152)	–	152
	<hr/>	<hr/>	<hr/>
	<u>228</u>	<u>(235)</u>	<u>284</u>
	<hr/>	<hr/>	<hr/>
	<u>228</u>	<u>(235)</u>	<u>277</u>

Fixed asset investments have been excluded in both periods to reflect more properly that these are not liquid resources.

# Legendary Investments Plc

## Annual Report for the year ended 31 March 2015

### Notes to the Financial Statements

#### 19 Reconciliation of net cash flow to movement in net funds

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Increase/(Decrease) in cash in the year	132	(38)
Non-cash movement from investing activities	(235)	74
Net decrease/increase in debt	152	(152)
	<hr/>	<hr/>
	49	(116)
	<hr/>	<hr/>
Net funds at start of year	228	344
	<hr/>	<hr/>
Net funds at end of year	<u>277</u>	<u>228</u>

#### 20 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

At the year end the Company had no overdraft or other borrowing facilities (2014: £nil).

##### Capital Management

The Company is financed primarily with equity capital, 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.

##### 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 in two half yearly instalments. The interest rate is fixed for the term of the loan. The loan was repaid in August 2014.

Post the balance sheet date, in May 2015, the Company took out a loan at a fixed interest rate of 10% paid in two half yearly instalments. The interest rate is fixed for the term of the loan.

The Company held £196,000 of cash as at the year end date, of which £1,000 was held in a client account with the company accountants.

##### 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.

In addition, the Company has a loan denominated in US\$ and is therefore exposed to the risk of £Sterling depreciating against the US\$.

## Notes to the Financial Statements

### 20 Financial instruments (continued)

#### 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.

#### 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.

#### Fair value hierarchy

Fair values have been measured at the end of the reporting period as follows –

	Level 1 'Quoted prices' £'000	Level 2 'Observable prices' £'000	Level 3 'Unobservable prices' £'000	Total £'000
Year ended 31 March 2015				
Financial assets				
At fair value through profit and loss	112	1,489	184	1,785

All fixed asset investments are classified as Level 2 or Level 3. The movement on Level 2 and Level 3 assets are disclosed in note 7.

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 Level 2 and Level 3 investments have been valued at the price of recent investment, net asset value or discounted cash flow based on post period end redemptions in line with the Company's accounting policies and IPEVG guidelines.

# **Legendary Investments Plc**

## **Annual Report for the year ended 31 March 2015**

### **Notes to the Financial Statements**

#### **21 Post balance sheet events**

In April 2015, the Company increased its stake in Virtualstock to 7.0%.

In May 2015, the Company obtained a loan of US\$250,000 from Alcazar 1 Pte Limited, which holds 272,727,273 shares (11.1% stake) in the Company. The loan has an interest rate of 10% per annum and is repayable in May 2016. The loan is secured on shares in the Company valued at the market price of the shares at the time when the loan becomes repayable.

The loan from Alcazar 1 Pte Limited has been treated under related party provisions by virtue of Alcazar 1 Pte Limited's 11.1% stake in Legendary shares.

#### **22 Related party transactions**

In August 2014, the Company fully repaid the loan of US\$250,000 from Alcazar 1 Pte Limited which was drawn in December 2013. At the time the loan was drawn, Alcazar 1 Pte Limited had no relationship with Legendary. At the time of its repayment, Alcazar 1 Pte Limited held an 11.1% stake in the Company and is therefore a related party.

Director's transactions are detailed on note 3 and note 10 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”)**

**NOTICE OF ANNUAL GENERAL MEETING**

This year’s annual general meeting (“AGM”) will be held at 10:00 a.m. on 18 September 2015 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 2015.
2. To re-appoint Baker Tilly UK Audit LLP of 6th Floor, 25 Farringdon Street, London EC4A 4AB 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 £2,461,530.83 such authority to apply in substitution for all previous authorities and to expire on the date which is 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 £2,461,530.83 as if Section 561(1) of the Act did not apply to any such allotment, such authority to expire on the date which is 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: 18 August 2015  
Registered Office: 6th Floor, 25 Farringdon Street, London EC4A 4AB



**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, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL, by not later than 10:00 a.m. on 16 September 2015 (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 10:00 a.m. on 16 September 2015 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 10:00 a.m. on 16 September 2015 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 18 September 2015 at 10.00 a.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 2015.			
2. To re-appoint Baker Tilly UK Audit 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 ..... Dated .....2015

**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 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL 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 10.00 a.m. on 16 September 2015. 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.













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