



LEGENDARY
INVESTMENTS PLC

Annual Report and Accounts

Year ended 31 March 2014



Legendary Investments Plc

Annual Report & Accounts for the year ended 31 March 2014

	Page
Company Information	2
Executive Chairman's Statement	3
Strategic Report	10
Directors' Report	15
Remuneration Report	18
Corporate Governance	19
Statement of Directors' Responsibilities	20
Independent Auditor's Report	21
Profit and Loss Account	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial Statements	26
Notice of Annual General Meeting	39

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Company Information

Company address and Registered Office	Legendary Investments Plc 6th Floor 25 Farringdon Street London EC4A 4AB
Directors	Zafarullah Karim – Executive Chairman Thomas Werner Reuner – Executive Director
Secretary	Secretarial Services (UK) Limited
Registered number	3920241 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB
Solicitors	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH
Nominated adviser	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Joint brokers	Beaufort Securities Ltd 131 Finsbury Pavement London EC2A 1NT SI Capital Limited 1 High Street Godalming Surrey GU7 1AZ
Registrars	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 2014

Executive Chairman's Statement

The year under review has been one of landmark progress for Legendary Investments Plc ("Legendary" or the "Company"). Substantial progress was made by a number of investee companies, including Virtualstock, Bosques and Amedeo. In particular, a fund raise for Virtualstock placed a post money valuation on its equity of £25.4 million, in turn valuing Legendary's equity and derivative stake at £1,098,000, as at the balance sheet date, generating a landmark (unrealised) profit of £1,045,000. Total net gain on investments was £1,119,000 compared to £38,000 last year. Underperforming investments were divested. Legendary's investment in Regency Mines was disposed of and the proceeds were invested in Oracle Coalfields. Review of potential investments continued throughout the year, although no other suitable investments were identified. Overall, net and total assets as at the year end were £1,503,000 (2013: £554,000), an increase of 171%, and £1,732,000 (2013: £649,000), an increase of 167%, respectively. These results demonstrate the returns that can be generated by Legendary's proactive investment style and, indeed, vindicate its investment strategy.

Virtualstock Holdings Limited

Virtualstock provides software-as-a-service ("SaaS") supply-chain and data management solutions that seamlessly interface with the vast majority of components in inventory, supply and logistics value chain and data management systems and platforms, giving organisations superior control of data, without interfering with existing systems. Virtualstock SaaS solutions provided increased visibility of how organisations are performing through data intelligence and enable more efficient, leaner and cost effective operations. Implementation of Virtualstock's SaaS solutions is rapid, flexible and scalable.

Legendary invested £53,000 for a 2.5% equity stake in October 2012 at a valuation of £2.1 million. Shortly after the investment, in November 2012, Virtualstock implemented an "end-to-end turn-key solution" for the online branded product range of Bear Grylls Ventures LLP through its website, www.beargryllsstore.com.

Following this, in the year under review, in June 2013, Virtualstock signed a landmark three-year renewable contract with Tesco Plc, the UK's largest retailer. Virtualstock's SaaS solution was fully integrated and active at Tesco by late November 2013. It connects with Tesco's set of systems and suppliers, delivering a far greater range of products to be offered online. The solution enables Tesco to add rapidly third party suppliers and their associated product ranges onto the Tesco Direct platform with ease. Using the solution, all orders from Tesco's range of suppliers can be viewed and managed centrally, on the same intuitive web based interface. Virtualstock's solution has allowed Tesco to increase significantly its online presence by expanding its non-stocked product range supplied by hundreds of its drop-ship suppliers without having to take on inventory. It forms a key component of Tesco's online technology strategy and infrastructure, providing the suppliers with a tool which enables them to manage fully the selling of their products through Tesco's corporate website.

Winning Tesco as a client and becoming a key part of their online technology infrastructure is an outstanding reference point for Virtualstock. The win demonstrates that the UK's and, indeed, one of the world's largest retailers sees the benefit of Virtualstock's solution. Critically, they trust the solution to form an essential part of their online infrastructure. The win also underlines the robustness and scalability of Virtualstock's solution.

Also in November 2013, Virtualstock signed a significant contract extension with Office Depot International to support its expansion into Germany, Austria, Switzerland and Benelux, with the collaboration spanning eight European territories.

Following on from this, in December 2013, Virtualstock contracted with Kiddicare.com Limited, then part of WM Morrison Supermarkets PLC and now owned by Endless private equity, to supply Kiddicare with Virtualstock's SaaS solution. This contract win is another outstanding reference point for Virtualstock. The service went "live" with Kiddicare in late December 2013.

With landmark contract wins and increasing momentum, growth funding was raised for Virtualstock in early 2014. £525,000 was raised through an oversubscribed issuance of Virtualstock equity to accelerate Virtualstock's growth. The fundraising placed a post money value on Virtualstock of £25.4 million, which compares very favourably to the valuation of £2.1 million at which Legendary invested in Virtualstock in October 2012. As part of the fund raise, which is seen by Virtualstock as the first in a series of potential strategic transactions, its holding structure was simplified and new articles were put in place. This fund raising closed in early April 2014, a few

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Executive Chairman's Statement

days after Legendary's 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 stake held at the 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 representing 1.2% of the fully diluted equity. Consequently, in aggregate, following the fundraise, Legendary's equity and derivative stake in Virtualstock, rather than being diluted from 5.0% to 4.4%, rose to 5.6% of its fully diluted equity.

The fund raise, at a valuation of 12.1x the valuation at which Legendary initially invested, along with the landmark contracts that Virtualstock now has underline the potential of Legendary's proactive investment strategy and the confidence shown by third party investors and world class customers in Virtualstock.

Following on from the fund raise, in May 2014, also post balance sheet, Virtualstock was accepted on the UK Government's G-Cloud 5 Framework programme. G-Cloud 5 provides central government departments, executive agencies and non-departmental public bodies with an innovative, cheaper and faster way to access and purchase government-approved IT products and services through a service catalogue portal. By being accepted on G Cloud 5, Virtualstock is now able to provide its services to public sector organisations. Discussions with respect to large contracts with certain public sector organisations are underway.

In June 2014, post balance sheet, Legendary exercised all of its derivative instruments in Virtualstock taking its equity holding in Virtualstock from 2.2% to 5.6%. As at the balance sheet date, Legendary's equity stake and derivatives in Virtualstock were held on its balance sheet at £1,098,000. Post the exercise and at the growth fund raise valuation, Legendary's stake in Virtualstock is valued at £1,489,000.

Virtualstock's clients include Tesco, Kiddicare, Viking (stationery), Office Depot, Playtex, Wonderbra, Craghoppers and Bear Grylls amongst many others. It has a growing pipeline and is in discussions with several other organisations in both the private and public sectors. Its revenues are growing rapidly and it has extremely high gross margins, typical of companies in the SaaS space.

Virtualstock is in the critical 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. Critically, its solutions have the ability to connect with otherwise fragmented legacy systems without heavy integrations. Virtualstock is well on its way to becoming an industry standard inventory, supply and logistics value chain and data management utility.

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 assist Virtualstock in achieving further significant milestones and continuing to grow significantly its value. Legendary expects further strategic transactions in the near to medium term with an attendant crystallisation of value.

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

Bosques continues to make steady progress, having advanced its research, development and innovation program each year. 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 and the region. It was the first company to germinate pongamia seeds in Mexico; it was the first to root successfully pongamia scions in Mexico; and it was the first to have pongamia flowers (within two and a half years of planting compared with the normal time of five to six years). It was ahead of others in developing its inter and mixed multi-crop strategy.

In the year under review, Bosques has continued to develop and innovate. Importantly, its progress has been externally recognised.

Prior to November, 2013, Bosques's best pongamia strain was flowering in less than two and a half years compared to five or more years for normal pongamia. In November 2013, Legendary announced that Bosques had

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Executive Chairman's Statement

further improved its G2P pongamia, which was by then flowering in 23 months, less than two years, and exhibiting seed pods (which at maturity contain seed). This is believed to be another first for Bosques.

Since then, G2P pongamia have continued to flourish. Bosques currently has 300 G2P pongamia of which some 30% have already flowered and are already exhibiting seed pods.

Also in November 2013, Bosques announced that it had developed early and high yielding G4J jatropha. The G4J jatropha commences yielding seeds in as early as six months compared to up to two years for normal jatropha. In addition, the G4J jatropha exhibits multiple branching leading to high yields. Bosques expects that under optimal conditions, G4J jatropha could yield as much as 6,000 plus kg of seeds per hectare in year five. Moreover, G4J jatropha, unlike many jatropha variants, is non-toxic. Bosques currently has 28,000 G4J jatropha of which 14,000 are producing seeds.

Bosques has managed to reduce the time to seed for both its pongamia and jatropha plants, bringing forward cash flows and thereby increasing returns. Increasing yield also increases returns. In addition, its G4J jatropha is non-toxic. The cake remaining after pressing can be used as animal feed which commands a higher price than cake which can be used only as organic fertiliser.

In March 2014, Bosques reported that it had been invited to and had joined the Steering Committee of Project Jetropha on the basis of the strength of the Bosques' cutting edge development work and its strains of bio-diesel crops. Project Jetropha, established by Alternative Fuels America, Inc., is an industry organisation devoted to advocacy, support and collaboration by and for small and mid-sized jatropha producers and jatropha based biodiesel producers seeking to contribute to the growing movement to blend traditional aircraft petroleum with jatropha biodiesel for cleaner aviation fuel. Craig Frank, Chief Executive Officer of Alternative Fuels America, commented at the time "We are delighted that Bosques has joined Project Jetropha as a steering committee member. Its in the field research based approach is second to none and is producing advanced jatropha varieties with low time to yield and high yield characteristics. The varieties are also edible, further enhancing their economics. We look forward to working with Bosques on Project Jetropha".

The invitation to join the Steering Committee of Project Jetropha is an endorsement of the development and innovations that Bosques has brought about.

Post the year end in July 2014, Bosques announced that it has 18 ha under cultivation, 11 ha in Puebla and another 7 ha in Morelos, with 16,000 pongamia trees of which 300 are G2P, 28,000 jatropha plants of which 14,000 are G4J, and 3,000 castor plants. Having proven its techniques on its initial 11 ha test plantation and now successful growing G4J jatropha on an additional 7 ha in Morelos, Bosques is in early stage discussions on several fronts, including obtaining larger tracks of land on which to plant its cutting edge pongamia and jatropha.

Legendary has been assisting Bosques in all aspects of its development for the last few years and looks forward to continuing to do so.

Legendary has a substantial minority stake of 40% in Bosques which it holds on its balance sheet at £83,000. Companies similar to Bosques in size of test plantation and number of plants are valued at several million pounds. Value crystallisation might be expected in the medium term.

Amedeo Resources Plc (Formerly Creon Resources Plc)

Creon Resources plc was recapitalised in June 2012 and its strategy was reset to focus on resource and resource infrastructure and asset investments. Legendary noted at that time that Creon's new shareholders and management were financially strong, well-connected and experienced. Shortly after the recapitalisation, in July 2012, Creon invested in a new offshore vessel construction joint venture with a multi-billion dollar Singaporean listed shipbuilder, Yangzijiang Shipbuilding (Holdings) Ltd. The joint venture immediately began to build its new offshore vessel yard in Taicang, 50 miles north of Shanghai. In December, 2012, the new joint venture secured its first rig order worth US\$170 million for a Le Tourneau Super 116E Class design self-elevating mobile offshore jack up drilling rig named Explorer 1.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Executive Chairman's Statement

In January 2013, Legendary purchased 19 million shares in Creon in exchange for £125,000 of cash and shares in an off-market transaction. As of at the balance sheet date, the market value of the shares was £183,000

In April 2013, in the year under review, and following Legendary's investment, Creon acquired a 49% stake in a ferrous metal and ferrous ore trader, MGR Resources Pte Ltd. This investment was made as there was a natural vertical synergy with the offshore vessel construction joint venture and to provide Creon with near term recurring income (offshore vessel building has long lead times).

Since then, Creon has continued to make significant progress.

Creon's Board was strengthened in September 2013. Zafar Karim was appointed as an Executive Director and Philippe Petitpierre was appointed as a Non-Executive Director. In October 2014, Creon's name was changed to Amedeo Resources plc.

The build of the offshore vessel yard continued apace: Wharf building commenced in October 2013; and wharf and finger piers were nearing completion, with work on the skidway and 900 tonne gantry crane advanced and civil works and workshops 50% completed by January 2014. The yard became operational, post balance sheet, in April 2014.

Progress on the build of Explorer 1 continued to quality and on schedule: Steel was struck in August 2013 and the customer agreed an increased specification for the rig at an increased price of US\$175 million in October 2013. The keel was laid, at the by then operational new offshore vessel yard, post balance sheet, in April 2014.

MGR Resources, with the help from Amedeo's investment and Amedeo's contacts, increased the volume of ferrous metals broking it conducted. As a result of this increased activity, it was able to pay Amedeo fee income, interest income and dividend income totalling £311,000 (US\$488,000) from April 2013 to January 2014. This was on the back of an equity investment of US\$49,900 and the advancement of a US\$1.95 million convertible loan by Amedeo to MGR Resources.

Amedeo, with its new shareholders, management and strategy is on what we believe will be an exciting journey. The sectors that it has targeted are buoyant and are expected to remain so. The ticket size in the sectors, at around the US\$200 million mark for rigs, is an order of magnitude larger than Amedeo's current market capitalisation of around the £30 million mark. While rig builds take two to three years, Amedeo has secured immediate recurring income through its investment in MGR Resources.

Legendary is assisting Amedeo in various ways to add value rapidly and is pleased to have secured the investment at an early stage in a promising company. In addition, with both Amedeo and Legendary being investment companies, there may be opportunities for co-investments and deal flow.

Other Investments

Manas Minerals LLC

In July 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 of which 116 million is of coking coal quality. Legendary's investment is by way of a convertible loan note and a warrant.

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. In addition various discussions are taking place with respect to realising the investment.

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 Iron and Gold PLC. In October 2012, Sula was admitted to trading on AIM, and Legendary invested another £50,000 for further shares.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Executive Chairman's Statement

Sula is a multi-commodity exploration company focused on Sierra Leone and sub-Saharan Africa. Its current key objective is to explore and advance its 153 sq. km Ferensola Project in Northern Sierra Leone, which is highly prospective for iron and gold.

In order to maximise the value of its Ferensola licence, Sula has implemented a dual exploration programme, targeting both iron ore and gold resources. A scout drilling programme confirmed that Sula's flagship Ferensola asset hosts consistently high grade iron mineralisation, with best intersections of 14.59m at 55.54% Fe and 73.18m at 43.66% Fe. Sula is currently undertaking further infill drilling, with a view to defining a JORC compliant Direct Shipping Ore resource by the end of 2014.

Additionally, an initial gold exploration programme commenced in Q4 2013 and was completed in February 2014. The results of this programme, received in April 2014, have enabled Sula to identify several drill targets, targeting hard rock gold mineralisation.

SRK Exploration Services Ltd, have estimated an exploration target of 500 million tonnes at 30.4% iron and have placed a maximum potential valuation for the iron ore and gold in Sula's Ferensola licence area at US\$200 million.

Legendary continues to hold Sula. Current exploration results are promising, and should Sula prove its iron and gold resource, its value is likely to rise substantially. As at the balance sheet date, Legendary's shares in Sula had a market value of £69,000.

Medgold Resources Corp.

Medgold Resources Corp. 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, which is aiming to define 1 million ounces through the development of wholly-owned exploration assets, is run by a highly experienced management team with a successful and value accreting track record in the development of resource companies. Medgold's current portfolio consists of an extensive pipeline containing multiple projects which the Medgold Board believes fit within Medgold's project parameters.

Medgold acquired Klondike Gold Corp's Portuguese exploration assets in January 2014. This has allowed Medgold to control most of the highly prospective Valongo Belt in addition to their existing Boticas and Vila de Rei, Pietratonda, Galician Hercynian Massif and Pinzas Gold projects. The Boticas project is progressing strongly and the identification of a new zone of gold mineralisation is enhancing the commercial prospects of the investment. These findings are validating Medgold's strategy.

Legendary continues to hold Medgold. Should Medgold achieve its targets, its value is likely to rise substantially. As at the balance sheet date, the market value of Legendary's shares in Medgold was £74,000.

Regency Mines PLC

Regency is a mineral exploration and development company focusing on nickel and cobalt in Papua New Guinea (alongside JV partner Direct Nickel) and gold, flake graphite and base metals in Australia. Legendary invested £50,000 in Regency in July 2012. At the time of the investment, Regency provided exposure to several projects including the lignite project in South Eastern Pakistan being developed by Oracle Coalfields PLC. Regency has not performed as expected, and in May 2013 it disposed of its stake in Oracle. As a result of this, Legendary made a decision to exit Regency. This process was completed, post balance sheet, in June 2014, and the proceeds were invested into Oracle.

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

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Executive Chairman's Statement

developing the resource in collaboration with partners, including a Chinese consortium. Should it succeed in this, its value should rise substantially. As at the balance sheet date, the market value of Legendary's shares in Oracle was £21,000.

Financial Review

During the year, Legendary made a net gain on investments of £1,119,000 (2013: £38,000). This was primarily due to the gain on the Virtualstock equity and derivative stakes, although there were also gains and losses on other investments.

Administrative costs were £214,000 (2013: £196,000).

The Company has a policy of keeping administrative costs as low as practicable and aligning director interests with shareholder interests, keeping cash remuneration for directors at a minimum unless profitable realisations of investments are made. Of the £214,000 (2013: £196,000) of administrative costs, share based payments accounted for £48,000 (2013: £15,000), leaving cash administrative costs as £166,000 (2013: £181,000). In line with Legendary's policy of aligning shareholder and director interests, 180,000,000 (2013: 50,000,000) out of the money options with an exercise price of 0.2 pence and ten year life were granted to the Directors. In addition each Director received £1,200, or a total of £2,400 (2013: £23,230) of cash remuneration.

Within the remaining £164,000 (2013: £158,000) of administrative costs, certain costs rose (primarily subscriptions, accountancy and audit fees) while other costs fell (primarily travel) reflecting the various activities undertaken by the Company.

The operating profit was £905,000 (2013 loss: £158,000). There were £4,000 of finance charges (2013: £nil) as a result of Legendary taking out a short term loan of US\$250,000 (see below and note 10 to the financial statements). The profit before taxation for the year was £901,000 (2013 loss: £158,000).

As at the year end, Legendary's investments (fixed asset investments and current asset investments) were recorded at £1,628,000 (2013: £509,000), an increase of 210%.

Debtors due within one year were £39,000 (2013: £10,000 excluding £25,000 of the debtors due within one year which was attributable to cash balances held in the client account of Legendary's accountants). As at the balance sheet date, debtors due within one year included a short term loan to Virtualstock of £38,000 (2013: nil).

Cash amounted £63,000 (2013: £126,000 of cash, including £25,000 held in the client account of Legendary's accountants).

As at the year end, creditors falling due within one year increased to £199,000 (2013: £65,000). This was primarily due to Legendary taking out a short term loan of US\$250,000 bearing interest at 10% per annum (see note 10 to the financial statements).

Overall, net and total assets for the year were £1,503,000 (2013: £554,000) an increase of 171%, and £1,732,000 (2013: £649,000), an increase of 167%, respectively.

Post balance sheet, 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 2014

Executive Chairman's Statement

Legendary applied £392,000 of the funds to exercise options over shares in Virtualstock thereby raising Legendary's stake from 2.2% to 5.6% of the share capital of Virtualstock.

As at 18 July 2014, Legendary had cash and listed investments of £783,000.

Miscellaneous

As part of the development of the Company, early in the year under review, in April 2013, Legendary launched a new, more informative website. In addition, in November 2013, Legendary appointed Beaufort Securities Limited as joint broker.

Outlook

The year under review has been a highly successful one in which substantial progress has been made, particularly in the principal investments. Post the year end, the Virtualstock valuation achieved for the fund raise demonstrated the returns that Legendary is able to generate. Moreover, the Board believes that this is just the beginning of the journey for Virtualstock. Post year end, Bosques successfully cultivated an additional 7 ha with G4J Jatropa, and Amedeo also achieved the milestone of laying the keel on Explorer 1. Legendary's KPIs, its net and total assets, point to this being a landmark year: net and total assets as at the year end were £1,503,000 (2013: £554,000), an increase of 171%, and £1,732,000 (2013: £649,000), an increase of 167%, respectively. These results both demonstrate and vindicate Legendary's proactive investment strategy.

Zafar Karim
Executive Chairman
24 July 2014

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

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2014.

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 percent of the gross asset value of Legendary at the time of investment. Dependent on the nature and size of the investments, Legendary may take a passive or active role in the investments. Typically, investments will be held for between 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 £1,503,000 (2013: £554,000) and £1,732,000 (2013: £649,000), respectively.

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

- Virtualstock made substantial progress during the year: In June 2013, it signed a landmark three-year renewable contract with Tesco Plc; in November 2013, it signed a significant contract extension with Office Depot International; and in December 2013, it contracted with Kiddicare.com Limited, then part of WM Morrison Supermarkets PLC.
- Post year end, Virtualstock continued to make substantial progress: In April 2014, it raised £525,000 through an issuance of equity. The fund raise placed a post money value on Virtualstock of £25.4 million. This compares very favourably to the valuation at which Legendary initially invested in October 2012 of £2.1 million. In May 2014, Virtualstock was accepted on the UK Government's G-Cloud 5 Framework programme.
- Bosques made significant progress during the year and post year end: In November 2013, Bosques further improved its G2P pongamia, which was by then flowering and exhibiting seed pods in 23 months. This is believed to be a first for Bosques. Also in November 2013, Bosques developed non-toxic, early and high yielding G4J jatropa. In March 2014, Bosques was invited to and joined Steering Committee of Project Jetropha on the basis of the strength of the Bosques's cutting edge development work and its strains of bio-diesel crops. Post year end, Bosques increased the size of its plantation to 18 ha with 11 ha in Puebla and another 7 ha in Morelos. In total Bosques now had 18 ha under cultivation with 16,000 pongamia trees of which 300 are G2P, 28,000 jatropa plants of which 14,000 are G4J, and 3,000 castor plants.
- Amedeo also made significant progress during the year and post year end. In April 2013, Amedeo acquired a 49% stake in a ferrous metal and ferrous ore trader, MGR Resources Pte Ltd. This investment was made as there is a natural vertical synergy with the offshore vessel construction joint venture and to provide Creon with near term recurring income (offshore vessel building has long lead times). Creon's Board was

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Strategic Report

strengthened in September 2013 with Zafar Karim being appointed as an Executive Director and Philippe Petitpierre being appointed as a Non-Executive Director. In October 2014, Creon's name was changed to Amedeo Resources plc. The build of the offshore vessel yard continued apace during the year: Wharf building commenced in October 2013; and by January 2014, wharf and finger piers were nearing completion. The yard became operational, post balance sheet, in April 2014. Progress on the build of Explorer 1, YZJ Offshore's first rig order, continued to quality and on schedule: Steel was struck in August 2013 and the customer agreed an increased specification for the rig at an increased price of US\$175m in October 2013; post balance sheet, in April 2014, the keel was laid, at the by then operational new offshore vessel yard. MGR Resources, with the help from Amedeo's investment and Amedeo's contacts, increased the volume of ferrous metals broking it conducted. As a result of this increased activity, it was able to pay Amedeo fee income, interest income and dividend income totalling £311,000 (US\$488,000) from April 2013 to January 2014. This was on the back of an equity investment of US\$49,900 and the advancement of a US\$1.95m convertible loan.

- Progress was also made at the remaining investments:
 - Manas Minerals LLC: 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 of which 116 million is of coking coal quality. 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 have been held in terms realising the investment. Discussions continue.
 - Sula Iron and Gold PLC: Sula is an iron and gold exploration company focused on Sierra Leone and sub-Saharan Africa. Its current key objective is to explore and advance its 153 sq. km Ferensola Project in Northern Sierra Leone. Sula has implemented a dual exploration programme, targeting both iron ore and gold resources. A scout drilling programme confirmed that Sula's flagship Ferensola asset hosts consistently high grade iron mineralisation, with best intersections of 14.59 million at 55.54% Fe and 73.18m at 43.66% Fe. Sula is currently undertaking further infill drilling, with a view to defining a JORC compliant Direct Shipping Ore resource by the end of 2014. Additionally, an initial gold exploration programme commenced in Q4 2013 and was completed in February 2014. SRK Exploration Services Ltd, have estimated an exploration target of 500 million tonnes at 30.4% iron and have placed a maximum potential valuation for the iron ore and gold in Sula's Ferensola licence area at US\$200 million.
 - 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. Medgold is aiming to define 1 million ounces through the development of wholly-owned exploration assets. Medgold acquired Klondike Gold Corp's Portuguese exploration assets in January 2014. This has allowed Medgold to control most of the highly prospective Valongo Belt in addition to their existing Boticas and Vila de Rei, Pietratonda, Galician Hercynian Massif and Pinzas Gold projects. The Boticas project is progressing strongly and the identification of a new zone of gold mineralisation is enhancing the commercial prospects of the investment. These findings are validating Medgold's strategy.
- Legendary exited one investment, Regency Mines PLC, and invested the proceeds into a new investment, Oracle Coalfields PLC. Regency is a mineral exploration and development company focusing on nickel and cobalt in Papua New Guinea (alongside JV partner Direct Nickel) and gold, flake graphite and base metals in Australia. Regency has not performed as expected, and in May 2013 it disposed of its stake in Oracle. As a result of this, Legendary made a decision to exit Regency. This process was completed, post balance sheet, in June 2014, and the proceeds were invested into Oracle. 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.

In addition, post the year end, 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.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Strategic Report

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

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

Risk Factors

The principal risks and uncertainties facing the Company 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 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 in 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 in such countries, 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.

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 hectares. 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

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Strategic Report

of plants including jatropha and pongamia, the market for the jatropha and pongamia feed 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”) and the other in ferrous and other metals trading sector (“MGR”). The performance of YZJ is dependent on continuing demand for the types of vessels YZJ constructs. YZJ’s ability to construct such vessels is dependent on its ability to obtain credit to fund the builds. YZJ 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 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 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. Soviet surveys suggest that the region contains 182 million tonnes of coal reserves of which 116 million is of coking coal quality. 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. Legendary’s investment is by way of a convertible loan note and a warrant. In order for Legendary to realise its investment, Legendary would have to sell its convertible loan note and warrant, 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 and appreciation in its value is subject to it defining JORC compliant resources. Its current key objective is to explore and advance its 153 sq. km Ferensola Project in Northern Sierra Leone, which is highly prospective for iron and gold. 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 a JORC compliant resource will be defined by Sula.

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 defining a JORC compliant resource. Medgold owns the Klondike Gold Corp’s Portuguese exploration assets. This has allowed Medgold to control most of the highly prospective Valongo Belt in addition to their existing Boticas and Vila de Rei, Pietratonda, Galician Hercynian Massif and Pinzas Gold projects. The Boticas project is progressing strongly and the identification of a new zone of gold mineralisation is enhancing the commercial prospects of the investment. There can, however, be no certainty that a JORC compliant resource will be defined by Medgold.

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 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 much progress has been made, particularly in the principal investments. Post the year end, the Virtualstock fund raise demonstrates the returns that Legendary is able to

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Strategic Report

generate. Moreover, the Board believes that this is just the beginning of the journey for Virtualstock. Post year end, Bosques successfully cultivated an additional 7 ha with G4J Jatropa, and Amedeo also achieved the milestone of laying the keel on Explorer 1.

The Board expects progress to continue.

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

By order of the Board

Zafar Karim
Executive Chairman
24 July 2014

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

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2014.

Principal Activities and Review of Business

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

Future Developments

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

Risk and Uncertainties

The principal risks and uncertainties facing the Company during the year are those relating to the underlying performance of its investments. Other risks and uncertainties are as set out in note 20 to the financial statements.

Given the nature of the Company's current business activities, Key Performance Indicators are the Company's net and total assets. These were £1,503,000 (2013: £554,000) and £1,732,000 (2013: £649,000), respectively.

Results and Dividends

The results for the year are set out in the profit and loss account. For the year ended 31 March 2014, the Company made a net profit of £901,000 (2013: loss £158,000). The Directors are precluded from the payment of a dividend as a result of the accumulated losses of the Company. A commentary on the reported results is provided in the accompanying Executive Chairman's Statement on pages 3 to 9.

Going Concern

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

For the year under review, the Company had administrative costs, excluding non-cash items, of £166,000, and in the previous year, the Company had administrative costs, excluding non-cash items, of £181,000. 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.

Post balance sheet, in May 2014, the Company 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. Following admission of the new ordinary shares, the Company's enlarged issued share capital was 2,461,530,833 ordinary shares.

As at 18 July 2014, the Company had £489,000 of cash and £294,000 of listed investments. The listed investments may be realised for cash at short notice.

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 2014

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, 45, 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, 49, 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 18 July 2014, substantial shareholders of the Company comprised the following:

	Ordinary shares
	%
Alcazar 1 Pte Ltd	11.1
Ronald Bruce Rowan	9.1
Trustees in the Bankruptcy of Eaitisham Ahmed	9.1
Beaufort Nominees Limited	6.8
Barclayshare Nominees Limited	6.1
TD Direct Investing Nominees (Europe) Limited	5.5
Investor Nominees Limited	5.4
HDSL Nominees Limited	5.0

Post Balance Sheet Events

Virtualstock Holding Limited

Post the balance sheet date, on 8 April 2014, Virtualstock Holdings Limited raised £525,000 through an issuance of equity. The fundraising placed a post money value on Virtualstock Holdings Limited of £25.4 million. As part of the fund raise, the Company negotiated further warrants and options over shares of Virtualstock Holdings Limited representing 1.2% of the fully diluted equity. Consequently, in aggregate, following the fund raise, the Company's equity and derivative interest in Virtualstock Holdings Limited rose from 5.0% to 5.6% of the fully diluted equity of Virtualstock Holdings Limited.

Subsequent to the Company's fund raise (see below) in May 2014, in June 2014, the Company exercised all of its derivative instruments in Virtualstock Holdings Limited taking its equity holding in Virtualstock Holdings Limited from 2.2% to 5.6%. The aggregate exercise price was £392,000. Post the exercise and at Virtualstock Holdings Limited's growth fund raise valuation, the Company's stake in Virtualstock Holdings Limited is valued at £1,489,000.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Directors' Report

For further details, see the Executive Chairman's Statement of pages 3 to 9.

Fund Raise

Post balance sheet, in May 2014, the Company 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. Following admission of the new ordinary shares, the Company's enlarged issued share capital was 2,461,530,833 ordinary shares

For further details, see the Executive Chairman's Statement of pages 3 to 9.

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
24 July 2014

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

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Remuneration Report

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

£2,400 was charged to the profit and loss account in respect of directors' remuneration during the year (2013: £23,230).

	Fees	
	2014	2013
	£	£
Rajesh Rai (resigned 18 October 2012)	nil	100
Thomas Reuner	1,200	5,832
Zafar Karim	1,200	17,298
	<hr/>	<hr/>
	2,400	23,230
	<hr/>	<hr/>

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 2014		31 March 2013	
	Average		Average	
	Exercise		Exercise	
	Price		Price	
	per share	Number	per share	Number
Zafar Karim	0.20p	241,000,000	0.20p	106,000,000
Thomas Reuner	0.20p	77,000,000	0.20p	32,000,000

The market price of the Company's ordinary shares ranged from a high of 0.180p to a low of 0.0650p during the year.

Zafar Karim
Executive Chairman
24 July 2014

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

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
24 July 2014

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

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 2014

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

We have audited the financial statements on pages 23 to 38. 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 20 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.

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 2014 and of its profit 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 2014

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: 24 July 2014

Legendary Investments Plc
Annual Report for the year ended 31 March 2014

Profit and Loss Account
for the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Net gain on investments		1,119	38
Administrative expenses		(214)	(196)
		<hr/>	<hr/>
Operating profit		905	(158)
		<hr/>	<hr/>
Profit on ordinary activities before interest		905	(158)
Interest payable		(4)	–
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	901	(158)
Tax on profit on ordinary activities	4	–	–
		<hr/>	<hr/>
Profit for the financial year	15	901	(158)
		<hr/>	<hr/>
Earnings per share			
– basic (pence)	5	0.05p	(0.01)p
– fully diluted (pence)	5	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 2014 (Registered No: 3920241)

Balance Sheet
As at 31 March 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible Assets	6	2	4
Investments	7	1,281	236
		<u>1,283</u>	<u>240</u>
CURRENT ASSETS			
Debtors due within one year	9	39	35
Investments	8	347	273
Cash at bank and in hand		63	101
		<u>449</u>	<u>409</u>
CREDITORS: amounts falling due within one year	10	(199)	(65)
NET CURRENT ASSETS		<u>250</u>	<u>344</u>
CREDITORS: Amounts falling due after more than one year	11	(30)	(30)
NET ASSETS		<u>1,503</u>	<u>554</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,643	1,643
Share premium account	13	8,316	8,316
Share warrant and option reserve		219	171
Profit and loss account – deficit	15	(8,675)	(9,576)
EQUITY SHAREHOLDERS' FUNDS	16	<u>1,503</u>	<u>554</u>

The financial statements on pages 23 to 38 were approved by the Board of Directors and authorised for issue on 24 July 2014 and are signed on its behalf by:

Zafar Karim
Executive Chairman

Legendary Investments Plc
Annual Report for the year ended 31 March 2014

Cash Flow Statement
for the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	(190)	(140)
<hr/>			
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Fixed Asset investments during the year		–	(172)
<hr/>			
Net cash outflow from capital expenditure and financial investment		–	(172)
<hr/>			
MANAGEMENT OF LIQUID RESOURCES			
Current Asset investments made during the year		–	(196)
<hr/>			
		–	(196)
<hr/>			
FINANCING			
Increase in debt		152	–
Issue of new ordinary shares		–	75
<hr/>			
		152	75
<hr/>			
DECREASE IN CASH IN THE YEAR		(38)	(433)
<hr/>			
		2014	2013
		£'000	£'000
<hr/>			
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Decrease in cash in the year		(38)	(433)
Non-cash movement from investing activities		74	–
Cash inflow from financing activities		(152)	–
Cash outflow from increase in liquid resources		–	(196)
<hr/>			
		(116)	(237)
<hr/>			
Net funds at start of year	19	344	581
<hr/>			
Net funds at end of year		228	344
<hr/>			

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

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 2014

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 of 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 9.

For the year under review, the Company had administrative costs, excluding non-cash items, of £166,000, and in the previous year, the Company had administrative costs, excluding non-cash items, of £181,000. 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.

Post balance sheet, in May 2014, the Company 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. Following admission of the new ordinary shares, the Company's enlarged issued share capital was 2,461,530,833 ordinary shares.

As at 18 July 2014, the Company had £489,000 of cash and £294,000 of listed investments. The listed investments may be realised for cash at short notice.

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 2014

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 Profit/(Loss) on ordinary activities before tax

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax for the year is stated after charging:		
Depreciation of tangible fixed assets	2	1
Auditor's remuneration – statutory audit	26	18
– Services relating to taxation	–	5
– Other services	1	7
	<u> </u>	<u> </u>

3 Directors

	2014 Number	2013 Number
Number of employees		
The average monthly number of employees including directors, during the year was:	2	3
	<u> </u>	<u> </u>
	£'000	£'000
Directors' emoluments		
Directors' fees	2	23
	<u> </u>	<u> </u>

Other than the gross director's fees of £2,400 (2013: £23,230) accrued in the year there were no staff costs paid during the year (2013: £nil). The Company did not incur any social security costs in relation to the fees. With respect to directors' share based payments, see note 14.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

4 Tax on profit/(loss) on ordinary activities

	2014	2013
	£'000	£'000
Analysis of charge/(credit) in the year:		
Current tax	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>
	2014	2013
	£'000	£'000
Profit/(loss) on ordinary activities before tax	901	(158)
	<u>901</u>	<u>(158)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 23% (2013: 24%)	207	(38)
Expenses not deductible for tax purposes	40	3
Tax losses (utilised)/unutilised	(247)	35
	<u>–</u>	<u>–</u>
Current tax charge/(credit) for year	–	–
	<u>–</u>	<u>–</u>

As at 31 March 2014 the Company had losses of approximately £5.2m (2013: £6.2m) available to carry forward against future income. A deferred tax asset of £1.2m (2013: 1.4m) 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 Profit/(Loss) per ordinary share

	2014	2013
	£'000	£'000
Profit/(loss) for the financial year	901	(158)
	<u>901</u>	<u>(158)</u>
Average number of ordinary shares in issue (basic) ('000)	1,643,349	1,586,758
	<u>1,643,349</u>	<u>1,586,758</u>
Basic earnings per share (pence)	0.05p	(0.01)p
Diluted earnings per share (pence)	0.04p	–
	<u>0.04p</u>	<u>–</u>

The average number of undiluted shares in issue during the year was 1,643,349,016. The fully diluted number of shares in issue during the year was 2,083,121,743.

Legendary Investments Plc
Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

6 Tangible fixed asset

	Office Equipment £'000
Cost	
At 1 April 2013 and 31 March 2014	5
Depreciation	
At 1 April 2013	1
Charge for the year	2
At 31 March 2014	3
Net book value	
At 31 March 2014	2
At 31 March 2013	4

7 Fixed asset investments

	Unlisted Investments £'000
Valuation	
At 1 April 2013	236
Gain on revaluation	1,045
At 31 March 2014	1,281

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

	Class of holding	Proportion directly held	Nature of Business
Other Participating Interest:			
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. All investments are measured at fair value through profit and loss as detailed in the accounting policy.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

8 Current Asset Investments

	Listed Investments £'000
Valuation	
At 1 April 2013	
AIM listed investments	220
Other listed investments	53
	<hr/> 273
Additions	18
Disposals	(20)
Gain/(loss) on revaluation	76
	<hr/> 347
At 31 March 2014	<hr/> 347

9 Debtors: amounts due within one year

	2014 £'000	2013 £'000
Prepayments	1	10
Other Debtors	38	25
	<hr/> 39	<hr/> 35
	<hr/> 39	<hr/> 35

£37,500 of the other debtors as at 31 March 2014 represent a short term loan advanced to Virtualstock Holdings Limited for the purposes of the working capital. No interest on this loan is due to the Company as the whole of the loan amount advanced was, post the balance sheet date, offset against the exercise price of a warrant over equity in Virtualstock Holdings Limited.

£25,000 of other debtors as at 31 March 2013 represent cash balances held in the client account of the Company's accountant.

Due to their short term nature, the carrying value of debtors as above approximates to their fair value.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

10 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	21	21
Accruals	26	44
Short term loan	152	–
	<u>199</u>	<u>65</u>

Trade 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.

The short term loan of US\$250,000, equivalent to £152,000, was taken out in December 2013. The loan has a fixed term of 12 months payable on or before 31 December 2014. The loan carries a fixed interest of 10%. Interest accrued on the loan at balance sheet date totalled £4,000 and is included in accruals.

11 Creditors: amount falling due after more than a year

	2014 £'000	2013 £'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. As part of the terms of the loan, Legendary granted 260,000,000 warrants over new ordinary shares at an exercise price of 0.1p per share. At the date the warrants were granted, the Company's share price was 0.075p. The warrants expire in August 2015.

12 Called up share capital

	2014 £'000	2013 £'000
Authorised		
3,000,000,000 ordinary shares of £0.001 each	<u>3,000</u>	<u>3,000</u>
Allotted, issued and fully paid		
1,643,349,016 (2013: 1,643,349,016) ordinary shares of £0.001 each	<u>1,643</u>	<u>1,643</u>

13 Share premium

	2014 £'000	2013 £'000
At start of the year	8,316	8,309
Premium on Ordinary Shares Issued of 0.001 each	–	7
	<u>8,316</u>	<u>8,316</u>

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

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.

	31 March 2014		31 March 2013	
	Exercise price per share	Number	Exercise price per share	Number
Zafar Karim	0.20p	241,000,000	0.20p	106,000,000
Thomas Reuner	0.35p	5,000,000	0.35p	5,000,000
Thomas Reuner	0.20p	72,000,000	0.20p	27,000,000
		<u>318,000,000</u>		<u>138,000,000</u>

Movements in ordinary share options outstanding

	31 March 2014		31 March 2013	
	Number	Weighted average exercise price pence	Number	Weighted average exercise price pence
At start of the year	170,000,000	0.20p	120,000,000	0.20p
Granted during the year	<u>180,000,000</u>	0.20p	<u>50,000,000</u>	0.20p
At end of the year	<u>350,000,000</u>	0.20p	<u>170,000,000</u>	0.20p

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 2014
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
		<u>350,000,000</u>			<u>350,000,000</u>

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

14 Share based payment (continued)

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-0.11p
Risk free rate	0.88% -1.83%
Expected share price volatility	50%-55%
Expected dividend yield	0.00%
Estimate of % of options vesting	100%
Assumed staff attrition	0%
Fair value of options	0.016p -0.036p

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 £48,000 (2013: £12,000). This is included in administrative expenses within the profit and loss account.

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 2014
5 August 2015	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
25 November 2013	0.15p	30,000,000	30,000,000	–	nil
29 November 2015	0.20p	20,000,000	–	–	20,000,000
7 March 2014	0.16p	225,000,000	225,000,000	–	nil
17 January 2015	0.15p	37,500,000	–	–	37,500,000
		<u>607,500,000</u>			<u>352,500,000</u>

Movements in warrants outstanding

	31 March 2014		31 March 2013	
	Number	Weighted average exercise price pence	Number	Weighted average exercise price pence
At start of the year	607,500,000	0.13p	570,000,000	0.13p
Granted during the year	–	–	37,500,000	0.15p
Lapsed during the year	(255,000,000)	0.16p	–	0.15p
At end of the year	<u>352,500,000</u>	0.12p	<u>607,500,000</u>	0.13p

The fair value of warrants granted in the year was £nil (2013: £3,000).

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

14 Share based payment (continued)

Fair value

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)	2-3
Exercise price	0.10p – 0.20p
Share price at grant date	0.08p – 0.11p
Risk free rate	0.35%
Expected share price volatility	40%
Expected dividend yield	0.00%
Estimate of % of options vesting	100%
Assumed staff attrition	0%
Fair value of options	0.065p

Other Information

The market price of the Company's ordinary shares ranged from a high of 0.1800p to a low of 0.0650p during the year.

15 Profit and loss account

	2014 £'000	2013 £'000
At the start of the year	(9,576)	(9,418)
Profit for the financial year	901	(158)
	<hr/>	<hr/>
At the end of the year	<u>(8,675)</u>	<u>(9,576)</u>

16 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	554	622
Profit for the financial year	901	(158)
Share issue	–	75
Share warrant and option charge	48	15
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,503</u>	<u>554</u>

Legendary Investments Plc
Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

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

	2014	2013
	£'000	£'000
Operating profit	901	(158)
Share option/warrant charge	48	15
Depreciation	2	1
(Decrease)/increase in creditors	(18)	29
(Increase) in debtors	(4)	(29)
Loss on investment	–	2
Net gain on fixed investments	(1,045)	–
Net gain on current investments	(74)	–
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(190)</u>	<u>(140)</u>

18 Analysis of net funds

	At	Non-cash	Cash flows	At
	31 March	Movements	Cash flows	31 March
	£'000	£'000	£'000	£'000
Cash at bank and in hand	101	–	(38)	63
Current asset investments	273	74	–	347
Loan due after one year	(30)	–	–	(30)
Loan due within one year	–	–	(152)	(152)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>344</u>	<u>74</u>	<u>(190)</u>	<u>228</u>

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

19 Reconciliation of net cash flow to movement in net funds

	2014	2013
	£'000	£'000
Decrease in cash in the year	(38)	(433)
Non-cash movement from investing activities	74	–
Cash inflow from financing activities	(152)	–
Cash outflow from increase in liquid resources	–	196
	<hr/>	<hr/>
	<u>(116)</u>	<u>(237)</u>
	<hr/>	<hr/>
Net funds at start of year	344	581
	<hr/>	<hr/>
Net funds at end of year	<u>228</u>	<u>344</u>

Current asset investments of £nil (2013: £196,000) are disclosed on the face of the cash flow statement within management of liquid resources in 2014.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

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 facility (2013: £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 have exposure to interest rate.

The Company has 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 does not hold any deposits as at the year end.

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. Foreign currency is one of the factors considered when making investments, and as such it is implicitly managed at the point of investment.

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

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.

Legendary Investments Plc

Annual Report for the year ended 31 March 2014

Notes to the Financial Statements

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 2014				
Financial assets				
At fair value through profit and loss	347	1,098	183	1,628

£183,000 of fixed asset investments are classified as level 3 and £1,098,000 are classified as level 2. The movement on fixed asset investments 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 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.

21 Post balance sheet events

Virtualstock Holding Limited

Post the balance sheet date, in April 2014, Virtualstock Holdings Limited raised £525,000 through an issuance of equity. The fundraising placed a post money value on Virtualstock Holdings Limited of £25.4 million. As part of the fund raise, the Company negotiated further warrants and options over shares of Virtualstock Holdings Limited representing 1.2% of its fully diluted equity. Consequently, in aggregate, following the fund raise, the Company's equity and derivative interest in Virtualstock Holdings Limited rose from 5.0% to 5.6% of the fully diluted equity of Virtualstock Holdings Limited.

Subsequent to the Company's fund raise (see below) in May 2014, in June 2014, the Company exercised all of its derivative instruments in Virtualstock Holdings Limited taking its equity holding in Virtualstock Holdings Limited from 2.2% to 5.6%. The aggregate exercise price was £392,000. Post the exercise and at Virtualstock Holdings Limited's growth fund raise valuation, the Company's stake in Virtualstock Holdings Limited is valued at £1,489,000.

Fund Raise

Post balance sheet, in May 2014, the Company 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. Following admission of the new ordinary shares, the Company's enlarged issued share capital was 2,461,530,833 ordinary shares.

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 29 August 2014 at the offices of Marriott Harrison LLP at 11 Staple Inn, London WC1V 7QH. You will be asked to consider and pass the resolutions below. Resolution five and six 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 2014.
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 Zafarullah Karim 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 an aggregate 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 resolutions

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.

6. To adopt and approve the Company’s investment policy as set out below:

The Company makes investments in all sectors including technology, energy and natural resources, specifically in businesses with the potential for high capital appreciation. The focus is primarily on high growth economies and companies, although investments may be made in the anticipation of receiving dividends.

Investments may be structured primarily using equity, although debt or derivatives may be used where appropriate. In cases in which leverage is used, it is expected the leverage to be limited to 100 percent of the gross asset value of the Company at the time of investment. Dependent on the nature and size of the

investments, the Company 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.

BY ORDER OF THE BOARD

Signed:

Zafar Karim

Executive Chairman

For and on behalf of Legendary Investments Plc

Dated: 24 July 2014

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 27 August 2014 (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 27 August 2014 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 27 August 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

LEGENDARY INVESTMENTS PLC

(the “Company”)

FORM OF PROXY

I/We
(BLOCK CAPITALS)

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

.....
(see note 2) as my/our proxy to attend, speak and vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Company to be held on Friday 29 August 2014 at 10.00 a.m. 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 2014.			
2. <u>To re-appoint Baker Tilly UK Audit LLP as Auditors of the Company and to authorise the Directors to agree their remuneration.</u>			
3. <u>To re-elect Zafarullah Karim as a Director.</u>			
4. <u>To authorise the Directors to allot relevant securities of the Company pursuant to section 551 of the Companies Act 2006 (the “Act”).</u>			
5. <u>To disapply the pre-emption provisions of section 561(1) of the Act.</u>			
6. <u>To approve the Company’s investment policy.</u>			

Signature Dated2014

Notes:

- 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.
- 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.
- 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 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.
- 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.
- Where the appointor is a corporation this form must be under seal or under the hand of an officer or attorney duly authorised by the corporation. 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.
- 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.
- 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).
- 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 Wednesday 27 August 2014. 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.
- 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.





LEGENDARY
INVESTMENTS PLC