LEGENDARY
INVESTMENTS PLC

Annual Report and Accounts

Year ended 31 March 2011

Legendary Investments Plc

Annual Report & Accounts
for the year ended 31 March 2011

Company Information
for the year ended 31 March 2011

Company address and Registered Office	Legendary Investments Plc 25 Farringdon Street London EC4A 4AB		
Directors	Zafarullah Karim	–	Non-Executive Director
	Rajesh Kumar Rai	–	Executive Director
	Thomas Werner Reuner	–	Executive Director
Secretary	Zafarullah Karim		
Registered number	3920241 (England and Wales)		
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 and broker	Northland Capital Partners Limited 60 Gresham Street London EC2V 7BB		
Registrars	Share Registrars Limited, Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL		

Board's Statement

Review of Activities

The year under review has been one of change with the turnaround and rebuilding of Legendary. The Company's liabilities were negotiated down; funding has been raised; new investments have been made; and the Board has been strengthened. Legendary is now on a significantly better footing than at the start of the year under review.

In the early part of the year, Legendary's investments were assessed in the light of the investment environment and capital available. The Company's liabilities were also assessed. Capital was realised by disposing of investments and suppliers and creditors were negotiated with, leading to a significant reduction in liabilities.

Funding was then raised by the Company. At the time (August 2010), the Company's share price was 0.075p. This precluded the issuance of shares so instead funding was raised via a loan facility of £30,000. The facility bears no interest and has no fixed repayment date. At the time the loan was made, the providers of the facility confirmed that there is no intention to call this facility in the foreseeable future. In exchange for the facility, the lenders were issued 260,000,000 warrants with an exercise price of 0.10p over ordinary shares. In order to minimise dilution, the Directors cancelled 250,000,000 options that they held. Thus funding was raised with an increase in the diluted share capital of 10,000,000 shares or 1%.

Having dealt with past issues and raised funding, the Company then sought to make investments with the potential for high capital appreciation over a relatively short period with a focus on high growth companies, sectors and economies.

In November 2010, Legendary negotiated an option to invest in Bosques Energicos EBE S.A. de C.V. ("Bosques"), a Mexican bio fuel company. The option was granted in exchange for the Company providing its expertise and assistance to Bosques in growing Bosques' business. This option enabled Legendary to invest in three tranches and to obtain representation on Bosques' Board. As at the balance sheet date, progress was being made against the business plan. Post the balance sheet date (see below) the first investment was made. Bosques specialises in oil and food crop production in Mexico and has a nursery consisting of 15,000 saplings of Pongamia Pinnata. Pongamia Pinnata is regarded as a premier crop for bio diesel production. The bio fuel industry is still in its infancy and the expectation is that there will be dramatic growth in demand for its use in Europe and world-wide driven by the desire for more environmentally friendly fuels and regulation.

At the same time, Legendary raised £60,000 by placing 40,000,000 ordinary shares at 0.15p each, a 63% premium to the then closing price. The shares had attached to them three warrants for every four shares subscribed to. The warrants have an exercise price of 0.15p per share and have a life of three years.

In December 2010, the Board was strengthened with the appointment of Rajesh (Raj) Rai as an Executive Director. Raj was instrumental in bringing and assisting in closing the deal with Bosques. Raj is an entrepreneurial renewable energy specialist. He has significant experience and contacts in that sector. As well as bringing sector expertise, Raj adds to the Board legal expertise. He is a qualified barrister and a member of Lincoln's Inn.

The Bosques deal and the fund raising at a 63% premium to the share price started to attract attention to the Company from both investors and potential investees.

In March 2011, 225,000,000 shares were placed with Ronald Bruce Rowan at a price of 0.10p per share. These shares had attached to them one warrant for each share. The warrants are exercisable at 0.16p per share and have a three year life. This placing gave Mr Rowan an interest of 23.4% of the Company's enlarged share capital. The Board is pleased to have a strong investor with a successful track record.

Also in March 2011, Gavin Preston resigned, (effective 1 April 2011), from the Board. We thank Gavin for his contribution to Legendary. At the same time, Thomas (Tom) Reuner was appointed to the Board as an Executive Director. Tom is an experienced strategy consultant with a deep understanding of the dynamics of IT and telecommunications. A number of opportunities that the Company is seeing are in the IT sector. Tom is well placed to assess these. In addition to his sector experience, Tom brings strategic management consultancy skills to the Board.

Board's Statement

With this change the Board now has skills and experience (investment banking, management consulting and legal) pertinent to its investment strategy. In addition to strengthening the Board, Legendary has established an audit committee, remuneration committee and nominations committee. Further, as well as Gavin Preston and Zafar Karim cancelling in August 2010 all of the options that had been granted to them and waiving part or all of their remuneration, the Company has adopted a policy of paying directors only £100 per annum until the Company makes cash realisations from its investments. In order to incentivise directors and align their interest with those of shareholders, directors take their remuneration in options. All options were awarded at a premium to the share price of the Company at the time of award.

During the year under review, Legendary made a net loss on investments of £10,000 (2010: net loss of £7,000). This related to the disposals made in the first half of the year. Administrative costs were £108,000 (2010: £81,000). The rise was primarily due to increased fees associated with consultants and other professional services and travel associated with investments. Along with negotiations with various suppliers to reduce costs, in the first half of the year, a loan of £88,000 which bore no interest and had no repayment terms was cancelled. The non-cash share option charge of £62,000 (2010: £123,000) related to the options granted to the Directors in January 2011. Overall operating loss was £92,000 (2010: £274,000). A non-cash finance charge of £21,000 was incurred. This related to the warrants issued in August 2010 in connection with the August fund raising.

Overall, Legendary made a net loss of £113,000 (2010: £274,000).

Post the year end, Legendary, has been active. An intellectual property licence and service agreement for the supply of elite Pongamia scions and grafts to Bosques was entered into in April 2011. This agreement enhances the value of Bosques by making available to it materials required to develop the Pongamia mother garden in Mexico. Bosques will pay to Legendary a royalty fee on the sales of elite Pongamia material thereby produced. Following this agreement, and in light of the progress made by Bosques, investment was made thereby obtaining a 15.4% stake in Bosques.

In May 2011, Legendary negotiated a 42.5% stake in Raw Games Limited ("Raw Games"), a company specialising in the development of computer games on several platforms. Legendary assisted the management in putting together a milestone plan, the first milestone of which, development of a publisher demonstration, has already been completed. In July 2011, the principals of Raw Games earned back 2% of the equity of Raw Games for hitting this milestone. The Company is now assisting Raw Games with developing a business plan and is in discussions with international games publishers.

Legendary also made two investments in pre-IPO situations: an investment in Terra Energy Limited in May 2011, a company established to exploit unconventional oil and gas resources, and MedGold Resources Limited, in July 2011, a gold and precious metal discovery and development company.

In total, the above investments amounted to £108,000.

Outlook

As mentioned above, the year under review has been one of turnaround and rebuilding. Legendary now has a strong Board with a mix of skills and expertise which will serve the Company well. In addition, the Directors are remunerated on a basis which preserves cash until the Company realises cash from its investments, and aligns their interests with those of the shareholders. The Company's balance sheet has been strengthened and several investments negotiated and made. The Board looks confidently to building on the progress made thus far.

The Board
31 August 2011

Registered Office:
25 Farringdon Street
London EC4A 4AB

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2011.

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 Board's Statement.

Future developments

The Board's Statement 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 and the credit risk associated with the custodians of its assets.

Given the nature of the Company's current business activities, the use of Key Performance Indicators is not necessary for an understanding of the performance, development or position of the business.

Results and dividends

The results for the year are set out in the profit and loss account. For the year ended 31 March 2011, the Company made a net loss of £113,000 (2010: loss £274,000). 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 Board's Statement.

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 Board's Statement. Legendary has made significant progress over the year under review and subsequent to the balance sheet date. It now has a strengthened Board and made new investments in a range of sectors.

As at the year end the Company had £238,000 of cash held in its accountant's client account which is included within debtors in the Company's balance sheet as at 31 March 2011. Following the year end, a proportion of this money has been utilised in order to make further investments (totalling £108,000) and to pay on-going costs associated with the business. In addition, the directors have taken measures to reduce expenditure. 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.

The Company may realise some of the investments made for cash in order to continue to provide cash flow for the business to enable it to continue as a going concern. In addition, included within creditors due after more than one year are loans totalling £30,000 with no fixed repayment date, which the directors believe will not be repaid within 12 months and for which they have received confirmation that it is the intention of the loan holders that the loans are long term and interest free. There can be no certainty that such investments might be realised for sufficient cash or that the loans that have been treated as long term will not be called in.

On the basis of the above, 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.

Charitable and political donations

During the current and prior years no political or charitable donations were made.

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:

Gavin Anthony Preston (resigned 1 April 2011)

Zafarullah Karim

Zafarullah (Zafar) Karim, 42, brings over two decades of investment banking and financial experience, including turning around companies, restructurings, financial strategy and investment and risk management to the Company.

Zafar has served 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. Zafar is also a principal investor. From 1994 to 2002, Zafar worked for NM Rothschild in London, Warsaw, Prague and Johannesburg. Here he garnered wide-ranging experience in a range of sectors, geographies and products. He started his career in 1990 with the investment banking division of Salomon Brothers.

Zafar is the driving force behind the turnaround and rebuilding of Legendary Investments. Zafar was educated at Churchill College, Cambridge.

Rajesh Kumar Rai (appointed 15 December 2010)

Rajesh (Raj) Kumar Rai, 44, is an entrepreneurial renewable energy specialist. Raj founded and has been a director of a number of businesses including a company specialising in the transfer worldwide of know-how developed by large scale plantation companies in India. He was also a founder director of Human Energy (Uganda) Ltd which has developed nursery plantation operations in Uganda. Raj has a deep understanding of bio fuels and overcoming the inherent issues in developing large scale plantations. In 2009, he founded Earth Bio Energy Ltd which promotes ethical bio fuel production and provides assistance in developing bio energy producing plantations.

Raj started his professional life as a Barrister called in 1993 to Lincoln's Inn.

Thomas Werner Reuner (appointed 29 March 2011)

Thomas (Tom) Reuner 46 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.

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

Substantial shareholders

As at 26 August 2011, substantial shareholders of the Company comprised the following:

	Ordinary shares
	%
Ronald Bruce Rowan	23.4%
Trustees in the Bankruptcy of Eaitisham Ahmed	23.4%
Barclayshare Nominees Limited	5.1%
TD Waterhouse (Europe) Nominees Limited	3.8%
Credit Agricole Cheuvreux International Limited	3.3%

Directors' Report

Suppliers payment policy

Terms and conditions are agreed with suppliers individually and the Company pays its suppliers in accordance with these terms, provided that the suppliers meet the agreed conditions.

As at 31 March 2011, trade creditors represented approximately 57 days (2010: 59) of administration costs.

Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements 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.

On behalf of the Board

Rajesh Kumar Rai
Thomas Werner Reuner
Directors
31 August 2011

Registered Office:
25 Farringdon Street
London EC4A 4AB

Remuneration Report

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

Amounts charged to the profit and loss account in respect of directors' remuneration during the year were as follows:

	Fees	
	2011	**2010**
	£	**£**
Gavin Preston	–	–
Raj Rai	100	–
Tom Reuner	100	–
Zafar Karim	7,100	12,000
	7,300	12,000

During the year, Gavin Preston waived his entire remuneration of £15,000 for 2011. In addition, during the year, he waived remuneration of £13,750 accrued for but not paid to him for 2010.

During the year, Zafar Karim waived £5,000 of the £12,100 remuneration due to him for the fiscal year 2011.

None of the Directors received any bonus payments or other benefits.

The service contract of the Directors is terminable on three months notice by the Company. The service contracts provide for cash remuneration for each of the Directors of £100 per annum. Each of the Directors has been awarded out of the money (at the time of grant) options to align their interests with those of the shareholders.

In order to minimise cash burn and to continue to incentivise the Directors, the Remuneration Committee expects not to award cash remuneration (other than the £100 per annum mentioned above) until such time as the Company makes cash realisations from its investments. Instead, Directors shall be remunerated in options.

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 2011		31 March 2010	
	Exercise Price per share	**Number**	**Exercise Price per share**	**Number**
Gavin Preston	0.2p	10,000,000	0.4p	150,000,000
Zafar Karim	0.2p	55,000,000	0.4p	100,000,000
Raj Rai	0.2p	25,000,000	–	–

As part of the August 2010 fund raise, and to minimise dilution due to that fund raise, on 11 August 2010, Gavin Preston and Zafar Karim agreed to waive their 250,000,000 options then outstanding (and outstanding as at 31 March 2010).

Post the balance sheet date, on 16 May 2011,Tom Reuner was awarded 5,000,000 options with an exercise price of 0.35p.

The market price of the Company's ordinary shares ranged from a high of 0.31p to a low of 0.07p during the year.

Rajesh Kumar Rai
Thomas Werner Reuner
Directors
31 August 2011

Corporate Governance

Under the rules of the AIM Market the Company is not required to comply with the Combined Code (2008). The Board of Directors is committed to high standards of corporate governance and has regard to the principals of the Combined Code. The Corporate Governance procedures that are in effect are described below.

Audit committee

The Audit Committee comprises Zafar Karim (chairman) and Tom Reuner. The purpose of the Committee is to ensure the preservation of good financial practices throughout the Company; to monitor that controls are enforced to ensure the integrity of financial information; to review the interim and annual financial statements; and to provide a line of communication between the Board and external auditors. The Committee is also responsible for reviewing the independence of the Auditors and for agreeing their remuneration. The terms of any related party transactions are required to be approved by the Committee.

Remuneration committee

The Remuneration Committee comprises Zafar Karim (chairman), Raj Rai and Tom Reuner. It is responsible for the directors' remuneration, other benefits and terms of employment, including performance related benefits and share options. Board members absent themselves from discussions involving their own remuneration.

Nominations committee

The Nominations Committee comprises Zafar Karim (chairman), Raj Rai and Tom Reuner. It meets as necessary to select suitable candidates for the appointment of directors and other senior appointments.

Model code for dealings

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 will take all reasonable steps to ensure compliance.

Board and Directors

The Board comprises two Executive Directors and one Non-Executive Director. The Directors work together throughout the year.

The Board meets formally, as required but at least 6 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 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.

Financial Controls

The Audit Committee considers matters relating to the financial accounting controls, the reporting of results, and the effectiveness and cost of the audit.

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;

Corporate Governance

- 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 1 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.

Rajesh Kumar Rai
Thomas Werner Reuner
Directors
31August 2011

Statement of Directors' Responsibilities

The directors are responsible for preparing 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.

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

We have audited the financial statements on pages 14 to 26. 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 11, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the 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 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies on page 17 of the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a net loss of £113,000 for the year ended 31 March 2011 and its ability to continue as a going concern is dependent on the success of the steps taken by the directors to reduce expenditure, the realisation of investments to provide cash flow for the business and the continued provision of its existing loan finance. These conditions, along with other matters explained on page 17 of the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

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

31 August 2011

Profit and Loss Account
for the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Net loss on investments held for trading		(10)	(7)
Net administrative expenses before exceptional items and share option charge		(108)	(81)
Exceptional provision against debtors	2	–	(63)
Exceptional cancellation of loan	8	88	–
Share option charge	12	(62)	(123)
Administrative expenses		(82)	(267)
Operating loss		(92)	(274)
Interest payable and similar charges	4	(21)	–
Loss on ordinary activities before taxation	1	(113)	(274)
Tax on loss on ordinary activities	5	–	–
Loss for the financial year	13	(113)	(274)
Loss per share	6		
– basic and fully diluted (pence)		(0.02)p	(0.04)p

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 loss noted above.

All activities derive from continuing operations.

Balance Sheet
as at 31 March 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Debtors due within one year	7	242	39
		242	39
Creditors: amounts falling due within one year	8	(35)	(122)
Net current assets/(liabilities)		207	(83)
Creditors: Amounts falling due after more than one year	9	(30)	–
Net assets/(liabilities)		177	(83)
Capital and reserves			
Called up share capital	10	960	695
Share premium account	11	8,309	8,338
Share warrant and option reserve	12	137	123
Profit and loss account – deficit	13	(9,229)	(9,239)
Equity shareholders' funds/(deficit)	14	177	(83)

The financial statements were approved by the Board and authorised for issue on 31 August 2011 and signed on its behalf by:

Rajesh Kumar Rai
Thomas Werner Reuner

Cash Flow Statement
for the year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Net cash outflow from operating activities	15	(304)	(139)
Financing			
Increase in debt	16	30	4
Issue of new ordinary shares		285	135
Expenses paid in connection with share issues		(11)	–
Movement in cash	17	–	–

Notes to the Financial Statements
31 March 2011

Accounting convention

The accounts 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

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.

All investments are initially recognised at cost, being the fair value of the consideration given.

After initial recognition, investments that are classified as held for trading are measured at fair value. Gains or losses on investments held for trading are recognised in income.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date.

For un-listed investments, fair value is determined by reference to the latest transaction (if any) in that investment and the directors' judgement of the repeatability or otherwise of such transaction. There can be no certainty that fair value thus ascribed may be realised in a short period, or at all.

Deferred taxation

Deferred tax is recognised in respect of 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 substantially 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 Board's Statement. The Company has made significant progress over the year under review and subsequent to the balance sheet date. It now has a strengthened Board and made new investments in a range of sectors.

As at the year end the Company had £238,000 of cash held in its accountant's client account which is included within debtors in the Company's balance sheet as at 31 March 2011. Following the year end, a proportion of this money has been utilised in order to make further investments totalling £108,000 and to pay on-going costs associated with the business. In addition, the directors have taken measures to reduce expenditure. 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.

Notes to the Financial Statements
31 March 2011

The Company may realise some of the investments made for cash in order to continue to provide cash flow for the business to enable it to continue as a going concern. In addition, included within creditors due after more than one year are loans totalling £30,000 with no fixed repayment date, which the directors believe will not be repaid within 12 months and for which they have received confirmation that it is the intention of the loan holders that the loans are long term and interest free. There can be no certainty that such investments might be realised for sufficient cash or that the loans that have been treated as long term will not be called in.

On the basis of the above, the Directors believe that it is appropriate to prepare the Company's financial statements on a going concern basis. This assumes that the Company is to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

Share based payments

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

An expense or charge 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

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.

Notes to the Financial Statements
31 March 2011

1 Loss on ordinary activities before tax

	2011 £'000	2010 £'000
Loss on ordinary activities before tax for the year is stated after charging:		
Auditor's remuneration - statutory audit	18	12
– Services relating to taxation	5	7
– Other services	5	4

2 Exceptional provision against debtors

	2011 £'000	2010 £'000
Exceptional provision against balances held with brokers	–	63

3 Directors

	2011 Number	2010 Number
Number of employees		
The average monthly number of employees, including directors, during the year was:	2	2

	£'000	£'000
Directors' emoluments		
Directors' fees	7	12

Other than the director's fees of £7,300 (2010: £12,000) paid to directors there were no staff costs paid during the year (2010: £nil).

4 Interest payable and similar charges

The non-cash finance charge of £21,000 relates to the 260,000,000 warrants issued in connection with the August 2010 loan. These warrants have an exercise price of 0.1p per share and a life of 5 years.

Notes to the Financial Statements
31 March 2011

5 Tax on loss on ordinary activities

	2011 £'000	2010 £'000
Analysis of charge in the year:		
Current tax	–	–
Deferred tax	–	–
	–	–
Loss on ordinary activities before tax	(113)	(274)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2010: 28%)	(32)	(77)
Expenses not deductible for tax purposes	17	34
Tax losses unutilised	15	43
Current tax charge for year	–	–

As at 31 March 2011 the Company had losses of approximately £5.8m (2010: £5.7m) available to carry forward against future income. No deferred tax asset is 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.

6 Loss per ordinary share

	2011 £'000	2010 £'000
Loss for the financial year	(113)	(274)
Average number of ordinary shares in issue (basic) ('000)	727,251	683,917
Basic and diluted loss per share (pence)	(0.02)p	(0.04)p
Average potential number of ordinary shares in issue (fully diluted) ('000)	1,392,251	683,917

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purposes of calculating the diluted loss per share are identical to those used for basic loss per ordinary share. This is because the exercise of share options and other benefits would have the effect of reducing loss per share and is therefore not dilutive under the terms of FRS 22 *Earnings Per Share*.

Notes to the Financial Statements
31 March 2011

7 Debtors: amounts due within one year

	2011 £'000	2010 £'000
Balances held with brokers	–	652
Less: provision for impairment	–	(613)
Other debtors	242	–
	242	39

£238,000 of the other debtors represents the cash balance held in the client account of the Company's accountants as at the year end date. The balance is payable on demand. Due to their short term nature, carrying value approximates to fair value.

8 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	17	13
Accruals	18	21
Other loans	–	88
	35	122

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

The other loan of £88,379 which was interest free and had no repayment terms was cancelled during the year.

9 Creditors: amount falling due more than a year

	2011 £'000	2010 £'000
Loan	30	–
	30	–

The loan represents the funding of £30,000 that 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 that time, the Company's share price was 0.075p.

Notes to the Financial Statements
31 March 2011

10 Share capital

	2011 £'000	2010 £'000
Authorised		
3,000,000,000 ordinary shares of £0.001 each	3,000	3,000
Allotted, called up and fully paid		
960,167,198 (2010: 695,167,198) ordinary shares of £0.001 each	960	695

On 25 November 2010, the Company placed 40,000,000 ordinary shares of nominal value 0.1p per share at 0.15p per share thereby raising £60,000. On 7 March 2011, the Company placed a further 225,000,000 shares of nominal value 0.1p per share at nil premium thereby raising £225,000.

11 Share premium

	2011 £'000	2010 £'000
At start of the year	8,338	8,270
Premium on Ordinary Shares Issued of 0.1 pence each	20	68
Share issue costs	(49)	–
At end of the year	8,309	8,338

Transaction costs amounting to £49,650 (£38,400 of warrant charge and £11,250 in fees) (2010: nil) in regard to issue of shares were deducted from equity and charged against the share premium account.

12 Share based payment

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

Under the Company's approved share option scheme, the Company grants options and shares to certain directors and employees of the Company. If the options remain unexercised for a period after 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 2011		31 March 2010	
	Exercise Price per share	Number	Exercise Price per share	Number
Gavin Preston	0.2p	10,000,000	0.4p	150,000,000
Zafar Karim	0.2p	55,000,000	0.4p	100,000,000
Raj Rai	0.2p	25,000,000	–	–

During the year 250,000,000 share options relating to Gavin Preston and Zafarullah Karim were cancelled.

Notes to the Financial Statements
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Movements in ordinary share options outstanding

	31 March 2011		31 March 2010	
	Number	Weighted average exercise price pence	Number	Weighted average exercise price pence
At start of the year	250,000,000	0.4p	200,000,000	1.4p
Granted during the year	90,000,000	0.2p	175,000,000	0.2p
Cancelled in the year	(250,000,000)	0.4p	(125,000,000)	2p
At end of the year	90,000,000	0.2p	250,000,000	0.4p

All options were exercisable at the end of the year.

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)	10
Exercise price	0.2p
Share price at grant date	0.16p
Risk free rate	2.19%
Expected share price volatility	55%
Expected dividend yield	–
Estimate of % of options vesting	100%
Assumed staff attrition	0%
Fair value of options	0.069p

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 based 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 £62,000 (2010: £123,000).

Other than the employee share options set out in note 12, 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 2011
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
29 November 2015	0.20p	20,000,000	–	–	20,000,000
7 March 2014	0.16p	225,000,000	–	–	225,000,000
		570,000,000			570,000,000

The fair value of warrants granted in the year was £75,400 (2010: £nil).

Notes to the Financial Statements
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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)	3 – 5
Exercise price	0.10p – 0.20p
Share price at grant date	0.08p – 0.16p
Risk free rate	0.78% – 2.19%
Expected share price volatility	40% – 60%
Expected dividend yield	0.00%
Estimate of % of options vesting	100%
Assumed staff attrition	0%
Fair value of options	0.006p – 0.069p

Other Information

Post the balance sheet date, on 16 May 2011,Tom Reuner was awarded 5,000,000 options with an exercise price of 0.35p.

The market price of the Company's ordinary shares ranged from a high of 0.31p to a low of 0.07p during the year.

13 Profit and loss account

	2011 £'000	2010 £'000
At the start of the year	(9,239)	(8,965)
Loss for the year	(113)	(274)
Equity share based payment reserve movement	123	–
At the end of the year	(9,229)	(9,239)

14 Reconciliation of movements in shareholders' funds/(deficit)

	2011 £'000	2010 £'000
Opening shareholders' deficit	(83)	(67)
Loss for the financial year	(113)	(274)
Share issue	285	135
Share warrant and option charge	137	123
Expenses on shares issued (Note 11)	(49)	–
Closing shareholders' funds/(deficit)	177	(83)

Notes to the Financial Statements
31 March 2011

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

	2011 £'000	2010 £'000
Operating loss	(92)	(274)
Loss on investments	–	7
Exceptional provision against debtors	–	63
Share option/warrant charge	78	123
Cancellation of loan	(88)	–
Cash outflow on trading of current asset investments	–	1
Increase/(Decrease) in creditors	1	(23)
Increase in debtors	(203)	(36)
Net cash outflow from operating activities	(304)	(139)

16 Analysis of net debt

	At 31 March 2010 £'000	Non-cash movements £'000	Cash flows £'000	At 31 March 2011 £'000
Other loan	(88)	88	(30)	(30)

17 Reconciliation of net cash flow to movement in net debt

	2011 £'000	2010 £'000
Movement in cash in the year	–	–
Cash outflow from financing activities	(30)	(4)
Cancellation of loan	88	–
Net debt at start of year	(88)	(84)
Net debt at end of year	(30)	(88)

18 Financial instruments

Interest rate risk

The Company had no floating rate financial liabilities at 31 March 2011 and 31 March 2010.

Borrowing facilities

At the year end the Company had no overdraft facility (2010: £Nil).

Capital Management

The Company is financed primarily with equity capital, which is then utilised to meeting 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.

Notes to the Financial Statements
31 March 2011

Currency risk

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

Credit risk

Credit risk arises on the cash balance the Company holds in a client account with its accountants. These balances are held in a segregated account with banks that have high credit ratings assigned to them by international credit agencies.

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 its investments on a regular basis, and takes action when it deems appropriate.

19 Post balance sheet events

Post the year end, in April 2011, the Company entered into an intellectual property licence and service agreement for the supply of elite Pongamia scions and grafts to Bosques. This agreement makes available to Bosques materials required to develop the Pongamia mother garden in Mexico. Bosques will pay to the Company a royalty fee on the sales of elite Pongamia material thereby produced.

Following this agreement, and in light of the progress made by Bosques, the Company invested thereby obtaining a 15.4% stake in Bosques in April 2011.

In May 2011, the Company negotiated a 42.5% stake in Raw Games, a company specialising in the development of computer games on several platforms. The Company assisted the management in putting together a milestone plan, the first milestone of which, development of a publisher demonstration, has already been completed. In July 2011, the principals of Raw Games earned back 2% of the equity of Raw Games for hitting this milestone. The Company is now assisting Raw Games with developing a business plan and is in discussions with international games publishers.

The Company also made two investments in pre-IPO situations: an investment in Terra Energy Limited in May 2011, a company established to exploit unconventional oil and gas resources, and MedGold Resources Limited, in July 2011, a gold and precious metal discovery and development company.

In total, the above investments amounted to £108,000.

LEGENDARY
INVESTMENTS PLC