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ANNUAL REPORT & FINANCIAL STATEMENTS
for the year ended 30 September 2009

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COMPANY INFORMATION

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Registered number	3981468
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Nominated advisor	Grant Thornton Corporate Finance 30 Finsbury Square London EC2P 2YU
Bankers	Allied Irish Bank (GB) 10 Berkeley Square London W1J 6AA
Broker	Simple Investments 1 High Street Godalming Surrey GU7 1AZ
Registrars	Share Registrars Limited First Floor, Suite E 9 Lion & Lamb Yard Farnham Surrey GU9 7LL Tel: 01252 821390
Listing	London Stock Exchange Alternative Investment Market (AIM) Ticker: SVE Traded on PLUS
Website	Register for email alerts at www.starvest.co.uk – updated regularly to provide information as it is released to the market.

CHAIRMAN'S STATEMENT

I am pleased to present my eighth annual statement to Shareholders for the year ended 30 September 2009.

RESULTS FOR THE YEAR

I am pleased to report that your Company's results for the past year show that conditions in our chosen investment field have stabilised after the shocks of the latter half of 2008. The values have recovered sufficiently hence this year we have reinstated £295,884 net to the book value of our investments as required by the Companies Act. After deducting administration costs, this results in a profit before tax of £44,692.

A further positive result was the receipt earlier in 2009 of a refund of taxation amounting to £1.1m thus enabling your Company to repay a £1m loan in full.

TRADING PORTFOLIO VALUATION

In view of the economic challenges expected, last year we took the opportunity to critically examine the valuations we place on all our trading investments which were stated at the lower of cost or bid price or lower where we believed those facts of which we are aware cast doubt on the market prices or where the Company's interest was of such a size as to inhibit selling into a depressed market. This approach resulted in a trading portfolio valuation of £3.94m and a loss of £3.72m before taxation for the year ended 30 September 2008.

Given the events of the past twelve months it is abundantly clear that our cautious approach was warranted. Although some valuations have improved, conditions for small mineral exploration companies continue to be very tough; some require additional funds to continue exploration or to advance their projects and although some have been successful in this regard, it is by no means universal as many excellent and potentially profitable projects languish for lack of cash. Accordingly, we have continued with the same cautious policy adopted last year, namely to value investments at bid value or, where we are aware of specific factors, at a lower Directors' valuation. As a result, the closing portfolio value was £4.72m, a 20% increase in the year.

REVIEW OF THE CURRENT MARKET

A year ago, we took a long hard look at the values attributed to our investment portfolio as a result of which we wrote down the book values of many, but not all, of our investments by a total of £3.5m. We believed this to be appropriate; subsequent events have demonstrated this to be so.

As is shown in the table on the following page, the portfolio valuation has recovered during the year by 20%, a welcome increase. Within the portfolio we have some investments which we expect to be real 'winners' so anticipate further improvement during the coming year. The state of the world economy and markets for natural resources will continue to overshadow us, but we believe the prospects in the medium to long term to be encouraging. Over the next year or so, we will continue to contain our overheads to the minimum, seek to use our limited cash resources to best advantage and otherwise be patient as we await a full recovery.

It is encouraging to note that since the 30 September 2009 year end, the Company has raised over £300,000 through the sale of investments yielding a gross profit in excess of £150,000.

TRADING ACTIVITY

In furtherance of the stated trading objectives, during the year Starvest has made modest additions to its investments in Alba Mineral Resources plc, Greatland Gold plc, Red Rock Resources plc and Regency Mines plc by subscriptions to new issue placings.

CHAIRMAN'S STATEMENT, CONTINUED

COMPANY STATISTICS

	30 September 2009 at BID values as adjusted	30 September 2008 at BID values as adjusted	Change %
• Trading portfolio value	£4.72m	£3.94m	+20%
• Company asset value net of debt	£4.02m	£3.43m	+17%
• Net asset value – fully diluted per share	10.72p	9.06p	+18%
• Closing share price	11.75p	12.25p	-4%
• Share price premium to net asset value	9%	35%	
• Market capitalisation	£4.10m	£4.28m	-4%

The net asset values at 30 September 2008 and 2009 are based on bid prices or the Directors' valuation, if lower. These values include unrealised gains on elements of the trading portfolio that are not reflected in the financial statements.

DIVIDENDS

Owing to the depletion of cash resources it is not our intention to pay a dividend this year. For the future, your Board will keep the matter under review.

INVESTMENT POLICY

As required by AIM, your Company has established an investment policy reproduced on page 5 of this report and made available on its website, www.starvest.co.uk.

SHAREHOLDER INFORMATION

The Company's shares are traded on AIM and PLUS.

Announcements made to the London Stock Exchange are sent to those who register at the Company website, www.starvest.co.uk where historic reports and announcements are also available.

ANNUAL GENERAL MEETING

We plan to hold our annual general meeting at 3.00 pm on Monday 14 December 2009 when we look forward to meeting those Shareholders able to attend.

R Bruce Rowan
Chairman & Chief Executive

29 October 2009

INVESTING POLICY STATEMENT

ABOUT US

The Chairman, Bruce Rowan, has managed the Company since January 2002.

Bruce has a wealth of experience over many years of investing primarily in small company new issues and pre-IPO opportunities in the natural resources and mineral exploration sectors.

COMPANY OBJECTIVE

The Company is established as a source of early stage finance to fledgling businesses, to maximise the capital value of the Company and to generate benefits for Shareholders in the form of capital growth and modest dividends.

INVESTING STRATEGY

Whilst the Company has no exclusive commitment to the natural resources sector, the Board sees this as having considerable growth potential for the foreseeable future. Investments are generally made immediately prior to an IPO on the AIM or PLUS markets, at IPO and in the aftermarket. Investments are for varying amounts but usually in the range £100,000 - £300,000, although sometimes larger with the addition of later market purchases or fundings.

The business is inherently high risk and of a cyclical nature dependent upon fluctuations in world economic activity which impacts on the demand for minerals.

The investee companies, being small, almost invariably lack share market liquidity, even if they are quoted on AIM or PLUS. Therefore, it is rarely possible to sell an investment at anything approaching the quoted market price with the result that extreme patience is required whilst the investee company develops. If and when an explorer finds a large exploitable resource, it may become the object of a third party bid, or otherwise become a much larger entity; either way an opportunity to realise cash is expected to follow.

Of the thirty or so investments held at any one time, it is expected that no more than five will prove to be 'winners'; the remainder will either become total losses or may generate modest returns. Overall, the expectation is that Shareholder returns will be acceptable if not substantial.

Accordingly, the Board is unable to give any estimate of the quantum of returns. That stated when profits have been realised and adequate cash is available, it is the intention of the Board to recommend the payment of a modest dividend.

A limited number of investments have been made outside the natural resources sector. In each case, this arose by virtue of the personal contacts of Bruce Rowan and the opportunity to support early stage businesses being established by people competent in their field of expertise.

The Company currently has investments in the following companies which themselves are investment companies: Addworth plc, India Star Energy plc, Equity Resources plc and Guild Acquisitions plc.

The Company takes no part in the active management of investee companies, although Directors of the Company are also non-executive Directors on the boards of seven such companies, with one Director being the executive chairman of an eighth.

REVIEW OF TRADING PORTFOLIO

As at 30 September 2009, the portfolio comprised interests in the following companies:

MINERAL EXPLORATION VENTURES

Agricola Resources plc – PLUS ticker: AGRI
www.agricolaresources.com



Agricola Resources was previously focused on mineral exploration and development in the Baltic Region with required levels of funding which rapidly became unobtainable for essentially longer-term projects in the prevailing capital markets. Agricola therefore decided to sell off its Swedish licences, repay its outstanding loan, and redirect its activities towards purely gold exploration by applying for prospective licences being offered in Morocco. These are currently being negotiated and Agricola sees its new concentration on becoming a gold producer as more likely to generate earlier returns to shareholders. Australian Energy Ventures Limited continues to hold a 29.9% strategic equity stake.

Alba Mineral Resources plc – AIM ticker: ALBA
www.albamineralresources.com



Alba Mineral Resources is a mineral explorer focusing on nickel, uranium and gold prospects in Scotland, Mauritania, Sweden, and Ireland. Additional fund-raising in July 2009 has been primarily expended on ground exploration work in Mauritania where Alba has established a jointly-owned company and acquired seven uranium exploration licences covering 13,500 sq. km of prospective ground, while still negotiating for five further permits in Southern Mauritania for iron oxide-copper-gold style mineralisation. Several companies have approached Alba towards establishing joint venture operations in Mauritania and discussions are in progress.

Ariana Resources plc – AIM ticker: AAU
www.arianaresources.co.uk



Ariana Resources is exploring for, acquiring and developing economic gold deposits in Turkey, concentrating on the Tethyan metallogenic belt, which is believed to host a multi-million ounce world-class deposit. Its 100%-owned flagship project is the Western Turkey Sındirgi encompassing three main prospects: Kiziltepe with a current JORC resource of 186,000 oz gold equivalent; Kepez, and Karakavak, over all of which Ariana holds two ten year renewable operating licences. Also in Western Turkey, Ariana owns 100% at Ivrindi and Demirci which have undergone initial drilling and of the Tavsan gold project with an initial JORC resource of 215,000 oz of gold equivalent and the longer term Muratdag project.

Ariana is a 49% joint venture partner with European Goldfields on designated properties in North East Turkey with the latter fully funding an exploration programme with significant projects to be advanced to bankable feasibility, while also taking a near 20% equity interest in Ariana. The joint venture company is targeting deposits containing in excess of 1 million oz. of gold. Turkey is a politically stable country with an established mining industry and 2.5% of the world's industrial mineral resources.

REVIEW OF TRADING PORTFOLIO, CONTINUED

Belmore Resources (Holdings) plc – PLUS ticker: BELwww.belmoreresources.com

Belmore Resources is a minerals exploration company focusing solely on projects in the Republic of Ireland, priority being given to its zinc exploration properties in County Clare, where it has a current 100% interest in eleven prospecting licences covering 393 sq km.

Exploration activities have been accelerated following a joint venture agreement with Lundin Mining in February 2009 whereby Lundin has a right to earn a 70% interest in the County Clare licences if some £14.7 million is expended over the coming years, of which £700,000 had been spent as at end June: a very active drilling programme is currently being carried out, while further tests will also be run on targets identified on Belmore's other licences.

Beowulf Mining plc – AIM ticker: BEMwww.beowulfmining.com

Beowulf's focus is on the exploration and development of mineral deposits in Northern Sweden, where it has five separate projects covering iron, gold, copper and uranium. With its shares now quoted on both AIM and Stockholm's AktieTorget market, Beowulf's most advanced project is its 100%-owned Ruotevare iron titanium deposit, with a JORC compliant inferred resource of 140 million tonnes, grading 39.1% iron, 5.7% titanium dioxide, and 0.2% vanadium oxide. Production is targeted at 10 million tonnes of ore, for which Beowulf has obtained a letter of intent from the Chinese resource importer Hua Dong Corporation for shipment of eventual production.

Beowulf also owns the nearby Kallak magnetite project which has total target iron mineralisation of more than 120 million tonnes across two deposits at grades varying between 35-42% iron, as well as copper-gold-uranium interests at Ballek and Jokkmokk, and gold at Grundtrask. It has newly acquired the various Swedish licences previously held by Agricola Resources which included the Geddaur uranium-gold-silver licences adjacent to Ballek as well as regaining full control of the Ballek joint venture rights. Beowulf is now negotiating more favourable terms with its new partner, Australian Energy Ventures Limited.

Brazilian Diamonds plc – Toronto TSX ticker: BZDwww.braziliamonds.com

Brazilian Diamonds is a leading Brazil-based exploration company focusing on the discovery of kimberlites in its 190,000 hectare properties in the States of Minas Gerais and Bahia, with the goal of becoming a significant producer of diamonds. The Company has been suffering from a net working capital deficiency that has forced it to consider the sale or disposal of certain assets, relinquishment of exploration licences, and the suspension and termination of its exploration activities, while actively pursuing joint venture partnering opportunities. This has led to the disposal of its laboratory facilities so as to raise cash to advance its Canasta 1 kimberlite project, planned to become one of the first kimberlites in Brazil to be mined economically. However the issue of a mining licence for this project is delayed by a long-standing National Park boundary issue with the Brazilian Congress. Meanwhile all the Company's projects have been placed on a care and maintenance basis so as to conserve its cash reserves; a one for ten share consolidation was recently undertaken along with the cancellation of its AIM listing as a further cash conservation measure.

REVIEW OF TRADING PORTFOLIO, CONTINUED

CAP Energy Limited – PLUS ticker: CAPP - suspended

www.capenergy.co.uk

CAP Energy seeks to invest in smaller oil and gas exploration and production companies operating in North America. Initial investments were in producing properties in Oklahoma and Texas requiring remedial work to restore profitability, but this strategy was later abandoned for cash conservation reasons. In late 2008 the Company acquired from CSV Holdings interests in the Starks Dome Oilfield and the Iberia Dome Prospect in Southern Louisiana, which offered potential for many years' drilling and re-completion activity, albeit necessitating further funding in the short term, and when this was recently undertaken with a convertible loan note issue, the minimum sought was not attained. The shares had already been suspended in May pending clarification of the Company's financial position.

Carpathian Resources Ltd – AIM ticker: CPNR, and Sydney ASX

www.carpathian.com.au



Carpathian Resources is an Australian oil and gas explorer and producer focusing on projects in Central Europe, especially the Czech Republic and Slovakia, but which has recently undergone considerable management change and announced a broadening of its investment policies to take in start-up and second stage financing opportunities.

This diversification has been applied to projects covering retail fuel outlets, convenience stores, satellite and cable television, and outdoor mobile advertising, and involved investments approaching \$2 million, which on an annualised basis is already generating sales revenues approaching the level being earned from its main producing asset, the Janovice gas field in Northern Moravia. The OMV discovery of an estimated 140 billion cubic feet gas field in the Vienna Basin, only some 75 km from the Company's Morava permit (90% interest), has clear exploration implications for Carpathian Resources for developing a comprehensive exploration plan and budget and thereby revitalising the Company's oil and gas sector activities.

Concorde Oil & Gas plc

– PLUS quotation suspended

Concorde's focus is concentrated on exploring and developing oil and gas properties and projects in the Komi Republic of Russia. Its acquisition of Pechora Energy, ongoing exploration and production for the Luzhkoye oilfield and the new Chikshinskoe exploration licence was largely funded through substantial equity and loan injections by both Altima Partners and Kuwait Energy giving them equity interests of 47% and 37% respectively. Eight wells are now producing 750 barrels a day with over 1000 barrels a day targeted for the end of this year, while plans envisage these rates being significantly increased next year; capital expenditure this year and next of some \$20 million is expected to be met out of current cashflows.

Concorde's share listing was suspended in May 2006 and remains so to this day; the original shareholders have suffered substantial dilution over the years, but should eventually have an investment in a much larger company if and when a market quote is restored.

REVIEW OF TRADING PORTFOLIO, CONTINUED

Franconia Minerals Corporation

– Toronto TSX-V: FRA

www.franconiaminerals.com

Franconia Minerals, an Alberta-formed corporation, is focused on the development of the Birch Lake copper-nickel-platinum-palladium project in the highly prospective Duluth complex in north-east Minnesota, positioned to be one of the world's largest copper, nickel, PGM resources. The project consists of three deposits (Birch Lake, Maturi, and Spruce Road), with latest estimates giving an indicated resource of 131 million tonnes plus an inferred 37 million tonnes for Birch Lake, Maturi 120 million tonnes inferred and Spruce Road 376 million tonnes indicated open pit resource or 124 million tonnes inferred underground resources.

Fundy Minerals Limited – PLUS ticker: FUNDwww.fundyminerals.com

Fundy Minerals is actively involved in the exploration of gold, diamonds and base metals in Canada and West Africa, along with the development of a number of diversified mineral properties and a high-grade limestone deposit in New Brunswick. In West Africa, Fundy holds a minerals exploration licence over 1000 sq. km. of land in Liberia, having received a licence permit for its Sehnkweh Cestos claim. The Company's initial interest in Liberia was in gold discoveries along the Cestos shear and Todi shear belts where exploration work is continuing. However following its alluvial diamond discovery in the southern area of its permit, and considering the significant quantities of gem quality alluvial diamonds that have been previously extracted by artisan miners, Fundy's main efforts have been concentrated on locating the related kimberlitic source of its discovery. Diamond discoveries have been made other than in alluvial watercourses and wetland depressions, so an extensive geophysical survey has been undertaken, successfully yielding 12 new targets of interest for Kimberlitic intrusions and new gold targets.

Gippsland Limited – Sydney ASX ticker: GIPwww.gippslandltd.com.au

Gippsland is an Australian-based international resource company that focuses on projects that have been overlooked by major producers, having undergone detailed exploration and offer the potential of early production. Its Egyptian ventures are held 50:50 with the Egyptian government but with its Board having a casting vote.

Its prime assets are tantalum-tin projects in the Central Eastern desert of Egypt adjacent to the Red Sea, and notably include the 40 million tonne Abu Dabbab and the 98 million tonne Nuweibi projects. The Abu Dabbab project, with an annual mill-feed rate of 2 million tonnes for a production level in excess of 650,000 lbs of tantalum pentoxide, a likely 20 year mine-life, and a resource base in excess of 140 million tonnes, will rank Gippsland as the world's largest producer of tantalum. Negotiations on the forecast project financing need of US\$173 million based on 80% debt and 20% equity have taken longer than planned to complete. A 10 year off-take has been agreed with the German HC Starck group for the future annual supply of 600,000 lbs. Gippsland has undertaken exploration drilling within the Wadi Allaqi region where it has obtained highly encouraging gold results, and a copper-nickel deposit. Gippsland also has a 40% free-carried interest in the Tasmanian Queen Hill tin deposit, with an

REVIEW OF TRADING PORTFOLIO, CONTINUED

indicated and inferred resource of 7.3 million tonnes, and its wholly-owned subsidiary Nubian Resources has been granted three prospecting licences covering 300 sq. km in North Eritrea, in an area that has had minimal previous exploration but has the potential to host high-grade gold and base metal deposits.

In March 2009 Gippsland withdrew from AIM following the resignation of its Nomad and its joint brokers, and to be solely listed on the Sydney ASX, thereby enabling clear cost savings.

Goliath Resources Inc

– Pink Sheets OTC ticker – GHRI
www.goliathresources.com



Goliath Resources is a Vancouver-based mineral exploration company with interests in copper, gold and molybdenum in Western Canada and Zambia. Its main focus is centred on the Phelps Dodge-owned Mazonod Lake, a largely unexplored property in the North-West Territories, where under a joint venture agreement Goliath will ultimately earn a 75% interest. Previous drilling and geophysics identified project areas of mineralisation prospective for large-scale copper, gold and possibly uranium. Its second project is the Flume Licence in the Yukon, again owned by Phelps Dodge, in which Goliath has the right to earn a 100% interest under earn-in expenditure commitments and where drilling commenced in August; large areas of this project are as yet unexplored, but earlier geochemical studies indicated a high potential for gold mineralisation. A third project is the Java property in British Columbia, a copper-molybdenum porphyry prospect formerly owned by Kennecott. In Zambia Goliath leads a consortium which has been issued a 25 year mining licence covering tailing dumps of 150 million tons in the Zambian Copper Belt; their treatment is seen to have substantial near-term cash-flow potential.

Greatland Gold plc - AIM ticker: GGP
www.greatlandgold.com



Greatland Gold has three gold projects in Tasmania, consisting of the Firetower project in the north with an initial inferred JORC-compliant resource of 90,000 oz of gold, where surface sampling has yielded encouraging results and test drilling is currently in progress; the Warrentinna, Forester and Waterhouse field complex, first mined early last century and which has yielded a substantial amount of high grade gold at surface but where a current drilling programme has been delayed due to heavy rainfall; and lastly the East Lisle project where the Company will seek to determine the bedrock source of the 250,000 oz of gold reputedly produced in the past from alluvial workings in the area. In addition the Company has two gold projects in Western Australia, the 200 sq km Lackman Rock site, and its latest acquisition, the Ernest Giles project comprising two unexplored contiguous tenements covering a 686 sq km area in a remote desert region. The main focus of the Company until now has been on Firetower, and deciding whether to mine an existing resource of 50,000 oz or whether to establish first a larger resource and then to build its own mine. Greatland's aim to become a stand-alone producer remains on course but will require the raising of significant extra capital to bring Firetower into production.

REVIEW OF TRADING PORTFOLIO, CONTINUED

Hidefield Gold plc – AIM ticker: HIFwww.hidefieldgold.com

Hidefield has been focusing on the acquisition and development of highly prospective gold projects in Argentina, Brazil, and Alaska (held directly), and on projects in Canada, Nevada and Arizona held in independent self-funded associate companies.

Because Hidefield has been unable to secure further finance for its widely spread exploration work, it has reviewed its strategy to the extent of seeking to sell off certain properties or projects and to consolidate its exploration activities in Argentina, where it is actively exploring the advanced stage Don Nicolas gold project in Santa Cruz Province and working in joint venture with Minera Sud S.A. in three Patagonia provinces. The Don Nicolas project has a JORC compliant indicated resource of 200,700 ozs of gold with inferred 158,400 ozs using a high grade cut of 90 gpt gold. In Brazil, a sale of the advanced stage Cata Preta gold project in Minas Gerais State is being negotiated, while in Alaska Hidefield's 60/40% Golden Zone project venture with Mines Trust Inc. has received notice from Fire River Gold Corp. of its intention to acquire a full 100% of the project for completion by end May 2013. The Golden Zone property has a measured and indicated resource of 253,000 oz of gold, 1.2 million oz of silver, and 6.1 million pounds of copper.

On 20 October 2009, a recommended all share offer was announced for Hidefield by Minera IRL Limited.

Kefi Minerals plc – AIM ticker: KEFIwww.kefi-minerals.com

Kefi Minerals, a spin-off from 29% holder EMED plc, is an early stage gold and copper exploration company operating a joint venture in Turkey with TSX-listed Centerra Gold and in Saudi Arabia where it is operator of the 60:40 joint venture (GEMCO) with local conglomerate ANTAR and enjoys a first-mover advantage into the field of Saudi exploration, seeking to identify and develop local million ounce plus gold deposits.

Kefi's two most advanced exploration projects are Artvin in the north east and Derinin Tepe in the west of Turkey, but it has already identified several other attractive prospects to evaluate in other regions of the country. The Artvin Project comprises fifteen contiguous exploration licences covering 253 sq. km. A gold discovery at its Yanikli Prospect has already been announced. Kefi should be producing by 2013 and its strategy already includes building a shareholder base in Turkey and actively participating in the Government tender process so as to acquire further quality tenure.

Lisungwe plc – PLUS ticker: LISwww.lisungwe.com

Lisungwe explores for minerals over various tenements in Malawi where it has established a JORC compliant nickel resource, nickel extraction techniques through leaching and an initial scoping study for a mine. As a consequence and given the necessity of acquiring a local source of sulphuric acid, during 2008 Lisungwe identified and eventually acquired a source of pyrite used to manufacture acid. However, before a JORC compliant resource could be established the Company's cash

REVIEW OF TRADING PORTFOLIO, CONTINUED

resources became exhausted; it has struggled for most of the past year to raise new funds, so far without success. In the meantime, a draft study has demonstrated that the proposed project would be profitable given the shortage of acid in south eastern Africa.

Lotus Resources plc – PLUS ticker: LOTP

www.lotus-resources.com



Lotus Resources is a UK holding company seeking to identify and acquire mining and exploration assets in or close to production in Mongolia, with particular focus on building an integrated fluorspar business from the exploration stage through to mining, processing and ultimate trading. Lotus sees Mongolia as offering exciting possibilities for building profitable business in a sector ready for consolidation with many small operators who are lacking access to finance. The country is found to have a democratic, business-friendly environment with foreign investment in its mining sector suitably encouraged by the Government: the country's geology is exciting with over 6,000 known showings/deposits covering 80 different minerals, and as a result of good quality exploration work by the Russians in the past, extensive data is available and accessible from the Geofund central library. Fluorspar is used as flux in steel-making with Russia and Ukraine seen as likely main markets, and as acid in the chemicals industry with eventual world-wide clientele potential. The Company has commenced joint venture open mining operations on a 170,000 tonnes resource, has a second exploration licence covering a 290,000 tonnes resource awaiting mining licence approval, and has a further exploration licence area covering 1066 hectares; it has a 51% interest in each related joint venture. Meanwhile Lotus is continuing to evaluate other opportunities in Mongolia and in China.

Oracle Coalfields plc – PLUS ticker: ORCP

www.oraclecoalfields.com

Oracle Coalfields PLC

Oracle Coalfields is an emerging coal developer in Pakistan with an 80% interest in a JORC compliant measured resource of 1.4 billion tonnes (371 million tonnes proven reserves) located in Block V1 of the Thar Desert project in the Sindh province, 380 km east of Karachi and further distant from the insecurity of the north western frontier region. It benefits from past and ongoing major infrastructure investment by the Pakistan Government, eager to open up the Thar Desert region with its estimated lignite coal resource of 175 billion tonnes. Work on a bankable feasibility study is already underway for completion early next year and the mine development project will be linked to the construction of a mine-mouth 300MWe power plant. Initial mine production is planned for late 2010, and while the mine design will allow for an annual production of 2.5 million tonnes, this will only be achieved by 2014, by when the completed power plant will be in operation. Oracle is in preliminary discussions with potential power plant developers and operators. The power plant's annual intake from the mine will be 1.75 million tonnes, any supply balance being readily sold to local industry unless and until further capacity is added to the power plant. Pakistan suffers from critical shortages of electricity supply resulting in a proliferation of disruptive power cuts and stunting the growth of the vibrant economy. With such a major indigenous yet unexploited coal resource to hand, the Pakistan Government sees Oracle as a key contributor to the future development of the country's economy. Oracle is currently assessing the benefits of a near-term admission to the AIM market.

REVIEW OF TRADING PORTFOLIO, CONTINUED

Red Rock Resources plc – AIM ticker: RRR

www.rrrplc.com



Red Rock, in which Regency Mines holds a 30% interest, operates as a mineral exploration and development company, focusing on manganese, iron ore and gold properties in Australia, Kenya and Zambia. In addition, it has a 27% interest in Resource Star Ltd, expected to be re-admitted to ASX soon, to which it sold its uranium portfolio in exchange for shares and effective management control.

The hugely significant event of the last year has been the joint venture with Pallinghurst which has taken control of ASX quoted Jupiter Mines Limited to which Red Rock has disposed of its iron ore property interests consisting of the highly prospective Mt Alfred in Western Australia. In turn, POSCO of South Korea has taken a stake in Jupiter where Red Rock is the largest shareholder with 25% having a current market value of A\$18m.

More recently Red Rock has again shown its deal making expertise with the acquisition of interests in the greenstone belt of south west Kenya where it is expecting to develop a gold extraction project.

Regency Mines plc – AIM ticker: RGM

www.regency-mines.com



For Regency Mines, apart from its 30% interest in Red Rock Resources, the significant development during the past year has been the results of its exploration at the Mambare Plateau in Papua New Guinea where all the indications are that a world class nickel resource has been identified. More recently, the company has announced a possible joint venture deal with Direct Nickel Limited for the use of their patented extraction technology. Otherwise Regency is focused on exploring areas of copper and nickel potential at Bundarra in Queensland, Yilgarn in Western Australia and, for gold at Mount Stone in Queensland. As with its sister company, Red Rock, Regency has demonstrated skill in the development of these assets by joint venture, acquisition or disposal as well as a sound investment portfolio in small mining companies, evidencing its well executed strategy of converting licence interests into equity stakes.

Sheba Exploration (UK) plc – PLUS ticker: SHE

www.shebagold.com



Sheba is a mineral exploration company operating and fully owns in Northern Ethiopia five exclusive mineral licences covering 203 sq km: at Mereto Sheba is exploring a 3km long gold soil anomaly in detail; at Shehagne the Company has discovered and traced a 2.3km long gold soil anomaly and has started detailed exploration; at Una Deriam search is underway for an extension to the Mereto gold anomaly; Finarwa and Winibo are both being explored for gold and base metals. Joint venturing of mature properties, to raise capital for resource estimation and new property acquisitions, and the initiation of feasibility studies of small-scale opportunities for mining gold, remain the strategic objectives for its operations. Sheba has newly signed a joint venture letter of intent with Stratex International, granting the latter an option to earn a 60% share in Shehagne for £350,000 of exploration expenditures, and an option for the former to earn a 50% share in a further joint exploration project with Stratex in Northern Ethiopia. Stratex will take a 5.6% equity interest in Sheba for a £40,000 cash injection.

REVIEW OF TRADING PORTFOLIO, CONTINUED

Sunrise Diamonds plc – AIM ticker: SDSwww.sunrisediamonds.com

Sunrise Diamonds is focused on the identification, acquisition, exploration, and development of diamond projects in Finland. Its exploration activities are focused on two geographically distinct areas in the Karelian Craton, which extends over the border into Russia where it notably yields a number of world-class diamondiferous kimberlites: the first Sunrise area is at Kuusamo in north central Finland where it controls 100% of its claims in a recently discovered kimberlite cluster, the second is at Kaavi-Kuopio which Sunrise has newly acquired by earn-in under a joint venture agreement with Canadian Nordic Diamonds Ltd. Sunrise has no debt, but is not as yet in profit; its exploration field activities have been put on hold. It continues to enjoy exclusive access to the valuable BHP Billiton data base from its former Finnish diamond exploration activities.

Woburn Energy plc

(formerly Black Rock Oil & Gas plc)

– AIM ticker: WBN

www.woburnenergy.com

The new Woburn Energy remains focused on being active in oil and gas exploration and seeking new acquisition opportunities. It inherited a chequered past from Black Rock with cash-hungry projects in Colombia and the UK, while facing a critical funding shortage. The take-over of the original venture partner/operator Kappa Energy Colombia by Canadian Pacific Rubiates led to improved relations for its Colombian interests, and to the arrival of a Canadian private company, Prospero Hydrocarbures, and a US\$5 million purchase of 49% of its Colombian interests. Its funding difficulties led to an abortive attempt to sell its interest in North Sea block 49/8c. However by early 2009 a rescue funding was made by Cetus Investment which injected £2 million for an effective 86% stake in the Company with a commitment to further funding in the range of £5-10 million. This recapitalisation signified a 97% dilution for the original Black Rock shareholders, and resulted in the decisions to cease further exploration work and to relinquish remaining licences in Colombia, while assuming that the development of the UK Monterey gas field would be unlikely, all of which leaves Woburn in need of new acquisition prospects.

INVESTMENT COMPANIES WITH MINERAL EXPLORATION INTERESTS

Equity Resources plc

(formerly Franchise Investment Strategies) – PLUS ticker: EQRP

Following the total loss on its two investments in DTT and Myhome International, Equity Resources has abandoned its investment activities in franchise businesses in favour of the natural resource sector. It was fortunate to have available cash to invest at the bottom of the market in Red Rock Resources plc and Regency Mines plc, see above. The company's recently announced 2009 results show that this change of strategy was well timed.

REVIEW OF TRADING PORTFOLIO, CONTINUED

India Star Energy plc – AIM ticker: INDY

www.indiastarenergy.co.uk



India Star Energy is focused on investing in companies involved in mining or alternative sources of fuel, with three current investments. Firstly, New Fuels International Ltd (100% option) is a Seychelles-based specialised development company involved in the creation of renewable bio-fuels and bio-energy products, seeking to replicate the Brazilian bio-fuel model in carefully selected African countries. Secondly, Trillium North Minerals (11.5%) is a Toronto TVX quoted company (formerly known as Canadian Dragon Company) holding interests in resource properties as yet only in Ontario. Lastly, East West Resource Corporation (1.9%) is a Toronto TVX quoted company, exploring for copper, zinc, nickel, and precious metals in northwest Ontario, with three flagship assets plus an active portfolio of early stage projects.

COMPANIES WITH OTHER INTERESTS

Guild Acquisitions plc – PLUS ticker: GACQ

Guild Acquisitions is a fledgling investment trading company established to grow early-stage small to medium-sized companies by injecting seed capital, management support, and access to further funds from capital markets for their development. A shortage of available funds and the ongoing financial uncertainties of the current market have however restricted opportunities for seed capital investments over recent months. Its investments include a 7.33% interest in Equity Resources plc, see above.

The Core Business plc, in administration – AIM ticker: CORE

www.thecorebusiness.co.uk



The Core Business focuses primarily on the distribution of branded cosmetics to major retailers. As a personal care and beauty management group, it also provides consultancy services to companies and individuals in the development of existing brands and the creating of new ones. It has attracted considerable retailer interest through dynamic presentation of its brands which range from colour cosmetics, beauty and hair accessories, sun and skincare products, to fragrances, distributing selected products through the likes of Superdrug and Tesco. Funding concerns arose in the summer as a result of retailer de-stocking, declining consumer demand and the weakness of sterling impacting on gross margins: the shares are currently suspended pending clarification of past accounting discrepancies. An administrator was appointed on 12 October 2009.

REVIEW OF TRADING PORTFOLIO, CONTINUED

St Helen's Capital plc - AIM ticker: SHCP

www.sthelenscapital.com



St Helen's Capital has received shareholder approval to sell its operating business to Whim Gully plc, comprising all its institutional stockbroking, corporate finance, and PLUS advisory work activities. In the past year the general global economic downturn led to St Helen's Capital being unable to complete any fundraisings for its clients which reflects on the lack of confidence pervading in the junior markets. St Helen's Capital has therefore now become an Investing Company for the purposes of the AIM rules and its name will be shortly changed accordingly.

In addition to the above, Starvest has interests in the following unquoted companies, neither of which are deemed to have significant value at this present time:

- **Addworth plc** – general investment holding company
- **Treslow Limited** – a copper-nickel prospect near Armstrong in North West Ontario, Canada.

BOARD OF DIRECTORS



R BRUCE ROWAN
– **CHAIRMAN AND CHIEF EXECUTIVE**

Bruce Rowan, who has managed the Company's operations since January 2002, is well known in London as an investor in small mineral exploration start-up ventures. In addition to his chairmanship of the Company, he is chairman of AIM quoted Tiger Resource Finance plc, of Australian ASX quoted Sunvest Corporation Limited and is a non-executive director of PLUS quoted Gledhow Investments plc.



ANTHONY C R SCUTT
– **NON-EXECUTIVE DIRECTOR**

Tony is an experienced private investor and investment analyst as well as a director of investee companies Agricola Resources plc, Beowulf Mining plc, and Oracle Coalfields plc.



JOHN WATKINS, FCA
– **FINANCE DIRECTOR AND COMPANY SECRETARY**

John is a chartered accountant in public practice and a non-executive director of other companies including AIM quoted investee companies Greatland Gold plc, Red Rock Resources plc and Regency Mines plc and chairman of PLUS quoted Lisungwe plc and Equity Resources plc.

DIRECTORS' REPORT

The Directors present their ninth annual report on the affairs of the Company, together with the financial statements for the year ended 30 September 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

For the past seven years since Bruce Rowan was appointed Chief Executive on 31 January 2002, the Company's principal trading activity has been the use of his expertise to identify and, where appropriate, support small company new issues, pre IPO and ongoing fundraising opportunities with a view to realising profit from disposals as the businesses mature in the medium term.

The Company's investment policy is stated on page 5 above.

The Company's key performance indicators and developments during the period are given in the Chairman's statement and in the trading portfolio review, all of which form part of the Directors' report.

KEY RISKS AND UNCERTAINTIES

This business carries with it a high level of risk and uncertainty, although the rewards can be outstanding. Often there is a lack of liquidity in the Company's trading portfolio, most of which is, or in the case of pre IPO commitments is expected to be, quoted on AIM or PLUS, such that the Company may have difficulty in realising the full value in a forced sale. Accordingly, a commitment is only made after thorough research into both the management and the business of the target, both of which are closely monitored thereafter. Furthermore, the Company limits the amount of each commitment, both as to the absolute amount and percentage of the target company. Details of other financial risks and their management are given in Note 18 to the financial statements.

RESULTS AND DIVIDENDS

The Company's results are set out in the profit and loss account on page 22. The audited financial statements for the year ended 30 September 2009 are set out on pages 22 to 34.

DIRECTORS

The Directors who served during the period are as follows:

Ronald Bruce Rowan
Anthony Charles Raby Scutt
John Watkins

SUBSTANTIAL SHAREHOLDINGS

At the close of business on 30 September 2009, the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	Ordinary shares of £0.01 each	Percentage of issued share capital
Ronald Bruce Rowan	8,570,000	23.03%
Barclayshare Nominees Limited	5,339,583	14.35%
LR Nominees Limited	1,424,034	3.83%

SHARE CAPITAL

There were no share issues during the year.

In accordance with the authority to purchase up to 5,500,000 Ordinary shares renewed at the 2008 annual general meeting, the Company holds 2,300,000 of its own Ordinary shares in

DIRECTORS' REPORT, CONTINUED

treasury. These purchases were made to enhance the underlying net asset value per share given the substantial discount at which shares were traded at the time. The Directors will place a further resolution before Shareholders at the forthcoming annual general meeting so as to give themselves the opportunity to make further purchases should circumstances be favourable.

CHARITABLE AND POLITICAL DONATIONS

During the year there were no charitable or political contributions.

PAYMENT OF SUPPLIERS

The Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 14 days of receipt of invoice. At 30 September 2009, the Company's trade creditors were equal to costs incurred in 5 days (2008: Nil).

POST BALANCE SHEET EVENTS

There are no reportable post balance sheet events.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The directors understand that the requirement to prepare financial statements in accordance with IFRS currently only applies to groups. As the Company is not part of a group it will continue to take advantage of the exemption available to AIM companies which do not prepare consolidated accounts and so defer the transition for as long as the exemption remains available.

AUDITOR

The Directors will place a resolution before the annual general meeting to reappoint Grant Thornton UK LLP as auditor for the coming year in accordance with the Companies Act 2006.

REMUNERATION

The remuneration of the Directors has been fixed by the Board as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director without paying more than is necessary.

Details of Directors' fees and of payments made for professional services rendered are set out in Note 5 to the financial statements.

MANAGEMENT INCENTIVES

Other than options issued in accordance with the 2002 and 2005 share option schemes, see Note 12 to the financial statements, the Group has no bonus, share purchase, share option or other management incentive scheme. In accordance with legislation, the Company has introduced a stakeholders' pension plan for the benefit of any future employees.

CONTROL PROCEDURES

The Board has approved financial budgets and cash forecasts; in addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

By order of the Board

John Watkins
Finance Director and Company Secretary,
29 October 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 STARVEST PLC

We have audited the financial statements of Starvest plc for the year ended 30 September 2009 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes. 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 Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 APB's website at www.frc.org.uk/apb/scope/UKNP.

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 30 September 2009 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the company; 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 Etherington, Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Slough, 29 October 2009

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Note	Year ended 30 September 2009	Year ended 30 September 2008
		£	£
Operating income		-	16,700
Direct costs		-	(15,430)
Gross profit		-	1,270
Administrative expenses		(189,398)	(271,640)
Amounts written back to/(written off) trade investments	8	295,884	(3,461,919)
Operating profit/(loss)		106,486	(3,732,289)
Interest receivable		29,933	105,054
Interest payable		(91,727)	(98,430)
Profit/(loss) on ordinary activities before taxation	2	44,692	(3,725,665)
Tax on profit/(loss) on ordinary activities	3	(8,600)	1,118,201
Profit/(loss) on ordinary activities after taxation		36,092	(2,607,464)
Earnings/(loss) per share – basic	6	0.1 pence	(7.5) pence
Earnings/(loss) per share – fully diluted	6	0.1 pence	(7.5) pence

There are no recognised gains and losses in either year other than the result for the year.

All operations are continuing.

The accompanying accounting policies and notes form an integral part of these financial statements.

BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	Note	30 September 2009	30 September 2008
		£	£
Current assets			
Debtors	7	34,720	1,126,908
Trade investments	8	3,215,671	2,855,237
Cash at bank		-	-
		<u>3,250,391</u>	<u>3,982,145</u>
Creditors – amounts falling due within one year	10	(851,769)	(1,619,615)
Net current assets		<u>2,398,622</u>	<u>2,362,530</u>
Share capital and reserves			
Called-up share capital	11	372,173	372,173
Share premium account	13	2,026,396	2,026,396
Profit and loss account	13	53	(36,039)
Equity shareholders' funds	14	<u>2,398,622</u>	<u>2,362,530</u>

The financial statements on pages 22 to 34 were approved and authorised for issue by the Board of Directors on 29 October 2009 and signed on its behalf by:

R Bruce Rowan
Chairman and Chief Executive

John Watkins
Finance Director

The accompanying accounting policies and notes form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Note	Year ended 30 September 2009	Year ended 30 September 2008
		£	£
Net cash outflow from operating activities	15	(244,420)	(1,815,809)
Returns on investment and servicing of finance:			
Interest receivable		29,933	105,054
Interest payable		(91,727)	(98,430)
		<u>(61,794)</u>	<u>6,624</u>
Taxation recovered/(paid)		<u>1,118,401</u>	<u>(1,509,413)</u>
Equity dividends paid		<u>-</u>	<u>(174,587)</u>
Financing:			
Company shares repurchased		-	(73,480)
Loan advanced		100,000	-
Short term loan repaid		(1,000,000)	-
		<u>(900,000)</u>	<u>(73,480)</u>
Decrease in cash in the year	16	<u>(87,813)</u>	<u>(3,566,665)</u>

The accompanying notes and accounting policies form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 STATEMENT OF ACCOUNTING POLICIES

The Directors have reviewed the principal accounting policies summarised below. They have all been applied consistently throughout the year and the previous year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Operating income

Operating income represents amounts receivable for trade investment sales. Operating income is recognised on the date of sale contract.

Direct costs

Direct costs include the book cost of investments sold during the year.

Administrative expenses

All administrative expenses are stated inclusive of VAT, where applicable, as the company is not eligible to reclaim VAT incurred on its costs.

Investments

Current asset trade investments are stated at the lower of cost and recoverable amount. Recoverable amount is the lower of bid price and Directors' valuation. Where the recoverable amount falls below cost the investment is written down accordingly with the decline in value (and any subsequent reversals) being included in operating profit.

Increases in value are not recognised in the carrying amount (save for reversals of amounts previously written off as noted above) and are only recognised in the profit and loss account when they are realised by a disposal.

Going concern

The Company's day to day financing is via a bank overdraft and, on occasion, by the use of short term loans. At the date of approving the financial statements, the Company's formal overdraft facility has expired. The facility remains in use under an informal agreement with the bank and is expected to be formally renewed in the near future. Subsequent to the year end, the Company has sold certain investments resulting in a significant reduction to the overdraft balance. The Company also has an outstanding loan balance of £100,000 which is due for repayment before the end of 2009.

Whilst the Directors fully expect a sufficient overdraft facility to remain in place for the foreseeable future, the absence of a formal facility at present, coupled with the imminent maturity of the short term loan, means there is some risk that the Company may need to seek alternative financing arrangements in the short to medium term. The Directors are confident that sufficient funding can be raised as required to meet the Company's current and future liabilities, for the foreseeable future. In the very unlikely event that such finance could not be raised, the Directors could raise sufficient funds by disposal of certain of its current asset trade investments, although such a 'forced' sale is to be avoided if at all possible.

NOTES TO FINANCIAL STATEMENTS CONTINUED

1 STATEMENT OF ACCOUNTING POLICIES: CONTINUED

For the reasons outlined above, the Directors are satisfied that the Company will be able to meet its current and future liabilities, and continue trading, for the foreseeable future and, in any event, for a period of not less than twelve months from the date of approving the financial statements. The preparation of the financial statements on a going concern basis is therefore considered to remain appropriate.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax

Deferred tax is provided on an undiscounted full provision basis on all timing differences which have arisen but not reversed at the balance sheet date using rates of tax enacted or substantively enacted at the balance sheet date.

Options

No charge to profit is made in respect of the options over the Company's shares held by Directors as all of the options had fully vested prior to 1 October 2006, the effective date of Financial Reporting Standard 20, 'Share Based Payments'.

Treasury shares

Where the Company acquires its own shares ('treasury shares') these are deducted from retained profits. No profit or loss is recognised on purchase or subsequent sale of treasury shares.

2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditor's remuneration – audit	17,056	15,275
Auditor's remuneration - non-audit services	21,312	27,965
Directors' emoluments	95,000	146,125

Auditor's remuneration for non-audit services provided during the year comprises nominated advisor fees of £17,344, tax compliance service fees of £3,968, both stated inclusive of VAT at the prevailing rate (2008: nominated advisor fees of £17,625, tax compliance fees of £6,815 and tax advisory fees of £3,525, all stated inclusive of VAT at the prevailing rate).

NOTES TO FINANCIAL STATEMENTS CONTINUED

3 TAXATION

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Current year taxation		
UK corporation tax at 21% (2008: 29%) on profit/(loss) for the year	9,385	(1,117,615)
Adjustments in respect of prior years	(785)	(586)
Total current tax charge/(credit) for the year	<u>8,600</u>	<u>(1,118,201)</u>
The tax assessed is lower than the standard rate of corporation tax in the UK at 28% (2008: 29%). The differences are explained below:		
Profit/(loss) on ordinary activities before taxation	44,692	(3,725,665)
Profit/(loss) on ordinary activities at 21% (2008: 29%)	9,385	(1,080,443)
Effect of:		
Expenses not deductible for tax purposes	-	85
Losses relieved at higher rate	-	(37,257)
Adjustments in respect of prior years	(785)	(586)
Current tax charge/(credit) for the year	<u>8,600</u>	<u>(1,118,201)</u>

4 STAFF COSTS

The Company had no employees during the year or the previous year; the two executive Directors provide professional services as required on a part time basis.

5 DIRECTORS' EMOLUMENTS:

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
R B Rowan	48,000	84,000
A C R Scutt	13,250	17,000
J Watkins	33,750	45,125
	<u>95,000</u>	<u>146,125</u>

Amounts paid to third parties

Included in the above are the following amounts paid to third parties:

- In respect of the management services of Bruce Rowan, £48,000 (2008: £84,000) is due to Sunvest Corporation Limited, a company of which he is a director and shareholder.
- In respect of the professional services of John Watkins, FCA, £21,000 + VAT (2008: £30,000 + VAT) of the above remuneration was paid through his business.

NOTES TO FINANCIAL STATEMENTS CONTINUED

5 DIRECTORS' EMOLUMENTS: CONTINUED**Pensions**

No pension benefits are provided for any Director.

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire Ordinary shares in the Company granted to or held by the Directors.

Details of share options held by the Directors are set out in Note 12.

6 EARNINGS/(LOSS) PER SHARE

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
The basic earnings/(loss) per share is derived by dividing the profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of shares in issue.		
Profit/(loss) for the year	36,092	(2,607,464)
Weighted average number of Ordinary shares of £0.01 in issue	34,917,259	34,958,243
Earnings/(loss) per share – basic	0.1 pence	(7.5) pence
Weighted average number of Ordinary shares of £0.01 in issue inclusive of outstanding options	40,492,259	40,533,243
Earnings/(loss) per share – fully diluted	0.1 pence	(7.5) pence

7 DEBTORS

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Other debtors	9,506	-
Prepayments	25,214	9,292
Taxation recoverable	-	1,117,616
	34,720	1,126,908

NOTES TO FINANCIAL STATEMENTS CONTINUED

8 CURRENT TRADE INVESTMENTS, AT THE LOWER OF COST, MARKET VALUE OR DIRECTORS' VALUATION

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Cost		
At 30 September 2008	6,447,252	4,880,279
Additions at cost	64,550	1,566,973
Amounts written off	(260,502)	-
At 30 September 2009	<u>6,251,300</u>	<u>6,447,252</u>
Provisions		
At 30 September 2008	3,592,015	130,096
Provided during the year	505,573	3,461,919
Released during the year	(801,457)	-
Amounts written off	(260,502)	-
At 30 September 2009	<u>3,035,629</u>	<u>3,592,015</u>
Net book amount		
At 30 September 2009	<u>3,215,671</u>	<u>2,855,237</u>
At 30 September 2008	<u>2,855,237</u>	<u>4,750,185</u>
The market value or Directors' lower valuation of the trading portfolio was:		
Quoted on AIM	2,492,154	1,323,185
Quoted on PLUS	1,409,146	2,095,089
Quoted on foreign stock exchanges	591,722	254,175
Unquoted trade investments	226,000	263,128
	<u>4,719,022</u>	<u>3,935,577</u>

NOTES TO FINANCIAL STATEMENTS CONTINUED

9 TRADE INVESTMENTS

The Company has holdings in the companies described in the review of portfolio on pages 6 to 16.

Of these, the Company has holdings amounting to 20% or more of the issued share capital of the following companies:

Name	Country of incorporation	Class of shares held	Percentage of issued capital	Profit/(loss) for the last financial year	Capital and reserves at last balance sheet date	Accounting year end
Equity Resources plc, – see note 1	England & Wales	Ordinary	29.7%	(36,168)	(23,905)	31 May 2009
Lotus Resources plc – see note 2	England & Wales	Ordinary	33.14%	£(323,634)	£(361,844)	30 Sept 2008
Sheba Exploration (UK) plc – see note 3	England & Wales	Ordinary	22.56%	£(112,331)	£239,742	29 Feb 2009
Treslow Limited – see note 4	England & Wales	Ordinary	30.1%	Not available	Not available	31 Mar 2009

Note 1: Equity Resources plc is considered to be an associated undertaking. Equity accounting has not been used as the Company does not prepare consolidated accounts.

Note 2: The investment is at arm's length; the Company takes no part in the management of Lotus Resources plc nor does it exert significant influence over Lotus Resources plc and so it is not considered to be an associated undertaking despite the holding being in excess of 20% of issued share capital.

Note 3: The investment is at arm's length; the Company takes no part in the management of Sheba Exploration (UK) plc neither does it exert significant influence and so it is not considered to be an associated undertaking despite the holding being in excess of 20% of issued share capital.

Note 4: The Company is supporting Treslow Limited through its pre IPO processes; the required information is not available. The company does not exert significant influence over Treslow Limited and so it is not considered to be an associated undertaking despite the holding being in excess of 20% of issued share capital.

10 CREDITORS

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Amounts falling due within one year:		
Bank overdraft	647,890	560,077
Short term loan	100,000	1,000,000
Trade creditors	1,150	-
Corporation tax	9,385	-
Social security and other taxes	673	270
Accruals	92,671	59,268
	<u>851,769</u>	<u>1,619,615</u>

The bank overdraft is secured by a charge over certain of the company's investments having a market value at the balance sheet date of £2.7m.

NOTES TO FINANCIAL STATEMENTS CONTINUED

11 SHARE CAPITAL

The authorised share capital of the Company and the called up and fully paid amounts were as follows:

Authorised	Number	Nominal £
As at 30 September 2008 and 30 September 2009, Ordinary shares of £0.01 each	<u>250,000,000</u>	<u>2,500,000</u>
<i>Called up, allotted, issued and fully paid</i>		
As at 30 September 2008 and 30 September 2009	<u>37,217,259</u>	<u>372,173</u>

Shares held in treasury

	30 September 2009	30 September 2008
Total number of shares held in treasury	<u>2,300,000</u>	<u>2,300,000</u>

12 SHARE OPTIONS

The Company has established share option schemes: on 27 June 2002 the 2002 share option scheme; and on 14 February 2005 the 2005 share option scheme. Options have been granted under both schemes to subscribe for ordinary shares as follows:

	At 30 Sept 2008	Granted during the year	At 30 Sept 2009	Exercise price	Date from which exercisable	Expiry date (Note 1)
RB Rowan	1,400,000	-	1,400,000	5 pence	27 June 2002	31 May 2012
RB Rowan	200,000	-	200,000	6 pence	18 November 2003	31 May 2012
RB Rowan	1,750,000	-	1,750,000	15 pence	14 February 2005	31 January 2015
ACR Scutt	200,000	-	200,000	6 pence	18 November 2003	31 May 2012
ACR Scutt	350,000	-	350,000	15 pence	14 February 2005	31 January 2015
J Watkins	700,000	-	700,000	5 pence	27 June 2002	31 May 2012
J Watkins	100,000	-	100,000	6 pence	18 November 2003	31 May 2012
J Watkins	875,000	-	875,000	15 pence	14 February 2005	31 January 2015
	<u>5,575,000</u>		<u>5,575,000</u>			

Note 1: By resolution at the extraordinary general meeting held on 23 May 2007, the expiry dates of options were extended to the dates quoted above.

Note 2: The market value of the company's shares at 30 September 2009 was 11.75p (2008: 12.25p) and the range during the year was 12.50p to 5.50p (2008: 12.75p to 32.4p), the average for the year being 8.25p (2008: 21.41p).

NOTES TO FINANCIAL STATEMENTS CONTINUED

13 RESERVES

The movements on reserves during the year were as follows:

	Share premium account £	Profit and loss account £
As at 30 September 2008	2,026,396	(36,039)
Profit for the year	-	36,092
As at 30 September 2009	<u>2,026,396</u>	<u>53</u>

14 MOVEMENT ON EQUITY SHAREHOLDERS' FUNDS

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Profit/(loss) for the year	36,092	(2,607,464)
Dividend paid	-	(174,587)
Shares held in treasury	-	(73,480)
Net increase/(decrease) in shareholders' funds	<u>36,092</u>	<u>(2,855,531)</u>
Opening equity shareholders' funds	<u>2,362,530</u>	<u>5,218,061</u>
Closing equity shareholders' funds	<u>2,398,622</u>	<u>2,362,530</u>

15 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Operating profit/(loss)	106,486	(3,732,289)
Amounts written (back to)/off trade investments	(295,884)	3,461,919
(Increase)/decrease in debtors	(25,427)	965
Increase in creditors	34,955	20,569
Purchase of trade investments at cost	<u>(64,550)</u>	<u>(1,566,973)</u>
Net cash outflow from operating activities	<u>(244,420)</u>	<u>(1,818,809)</u>

NOTES TO FINANCIAL STATEMENTS CONTINUED

16 ANALYSIS AND RECONCILIATION OF NET FUNDS

	30 September 2008 £	Cash flow £	30 September 2009 £
Overdraft	(560,077)	(87,813)	(647,890)
Short term loan	(1,000,000)	900,000	(100,000)
Net debt	<u>(1,560,077)</u>	<u>812,187</u>	<u>(747,890)</u>
		Year ended 30 September 2009 £	Year ended 30 September 2008 £
Decrease in cash in the year		(87,813)	(3,566,665)
Repayment of short term loan		1,000,000	-
Short term loan		(100,000)	-
Movement in net debt in the year		<u>812,187</u>	<u>(3,566,665)</u>
Net (debt)/funds at 1 October 2008		<u>(1,560,077)</u>	<u>2,006,588</u>
Net debt at 30 September 2009		<u>(747,890)</u>	<u>(1,560,077)</u>

17 COMMITMENTS

As at 30 September 2009, the Company had no commitments other than for expenses incurred in the normal course of business.

18 FINANCIAL INSTRUMENTS

The Company uses financial instruments, comprising cash, bank overdraft, short term loan, trade investments and trade creditors, which arise directly from its operations. The main purpose of these instruments is to further the Company's operations.

Short term debtors and creditors

Short term debtors and creditors have been excluded from all the following disclosures.

Trade investments

Trade investments are stated at cost less any provision for impairment. The difference between fair and book value is set out in Note 8. The Board meets quarterly to consider investment strategy in respect of the Company's portfolio.

Interest rate risk

The Company finances its operations through retained profits and new investment funds raised. The Board utilises short term floating rate interest bearing accounts and a short term floating rate loan to ensure adequate working capital is available whilst maximising returns on deposits.

NOTES TO FINANCIAL STATEMENTS CONTINUED

18 FINANCIAL INSTRUMENTS: CONTINUED**Liquidity risk**

The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. More information about the company's liquidity risk, and the management of that risk, is given under 'going concern' in note 1 to the financial statements.

Borrowing facilities

As at 30 September 2009, the Company had an overdraft facility of £720,000 arranged with its bankers (2008: £1,250,000) secured on certain investments with a market value at 30 September 2009 of £2.7m.

On 6 November 2006, the Company was granted a loan of £1million, for a period of one year extendable at the company's option, secured on certain investments. The loan was fully repaid on 10 July 2009.

On 4 February 2009, the Company was granted a loan of £100,000 for a period of six months and thereafter at 45 days notice. Subsequently, the loan period was extended to 22 January 2010.

Currency risk

The Company trades substantially within the United Kingdom and all transactions are denominated in Sterling. Consequently, the Company is not significantly exposed to currency risk.

Fair values

Except where shown above, the fair values of the company's financial instruments are considered equal to the book value.

19 CONTROL

There is considered to be no controlling related party.

NOTICE OF ANNUAL GENERAL MEETING

STARVEST plc

Notice is hereby given that the ninth Annual General Meeting of STARVEST plc will be held at St Ethelburga's, 78 Bishopsgate, London EC2N 4AG on Monday 14 December 2009 at 3.00 pm for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the case of resolutions 1 to 4 and 6 and as special resolutions in the case of resolutions 5 and 7.

ORDINARY BUSINESS

- 1** To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 September 2009.
- 2** To re-appoint Anthony Charles Raby Scutt retiring by rotation as a Director in accordance with the Articles of Association at the conclusion of the meeting and, being eligible, offers himself for re-election as a Director of the Company.
- 3** To re-appoint Grant Thornton UK LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.
- 4** That in substitution for all existing authorities under the following section to the extent unutilised, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot relevant securities (within the meaning of section 560) up to an aggregate nominal amount of £500,000. The authority referred to in this resolution shall be in substitution for all other existing authorities, and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the next Annual General Meeting of the Company and the date falling 15 months following the date of the Annual General Meeting being convened by this Notice. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the authority and the Directors are hereby authorised to allot relevant securities in pursuance of such offer or agreement as if the authority had not expired.

Special resolution

- 5** That in substitution for all existing authorities to the extent unutilised, the Directors, pursuant to Section 570 of the Act, be empowered to allot relevant securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 4 as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of Ordinary shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- (b) the allotment, other than pursuant to (a) above, of equity securities:
- (i) arising from the exercise of options and warrants outstanding at the date of this resolution;
 - (ii) other than pursuant to (i) above, up to an aggregate nominal value of £500,000,

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months following the date of the Annual General Meeting being convened by this Notice. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

SPECIAL BUSINESS**Ordinary resolution**

6 THAT the Company be unconditionally and generally authorised to make market purchases (as defined by the Companies Act 1985 Section 163(3)) of Ordinary shares of £0.01 each in its capital, provided that:

- a) the maximum number of shares that may be so acquired is 5,500,000, being a number that approximates to 15% of the issued ordinary share capital of the Company at the date of the meeting;
- b) the minimum price that may be paid for the shares is £0.01 per share, being the nominal value per share;
- c) the maximum price that may be so paid per share is an amount equal to 20% higher than the average of the middle market quotations per share as derived from the Daily List of the Alternative Investment Market of the London Stock Exchange for the fifteen business days immediately preceding the day on which the shares are purchased; and

the authority conferred by this resolution shall expire on the date falling eighteen months from the date of passing of this resolution but not so as to prejudice the completion of a purchase contracted before that date.

Special resolution

7 That the existing Memorandum and Articles of Association of the Company shall no longer apply and that in the place of those, the Memorandum and Articles of Association attached to these resolutions and signed by the chairman for identification purposes shall be adopted by the Company, and that the Company Secretary be instructed to file them with the Registrar of Companies.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

If you are a registered holder of Ordinary shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided, which may be sent to the Company's registrar. This may be sent by facsimile transfer to 01252 719232, or by mail using the enclosed reply paid card to:

The Company Secretary
Starvest plc
c/o Share Registrars Limited
Suite E, First Floor, 9 Lion & Lamb Yard
Farnham, Surrey, GU9 7BR

In either case, the signed proxy must be received by 3.00 pm on Thursday 10 December 2009.

By Order of the Board

John Watkins
Director and Company Secretary

13 November 2009

Registered Office:

123 Goldsworth Road
Woking
Surrey
GU21 6LR

EXPLANATORY NOTES CONCERNING THE ANNUAL GENERAL MEETING AND THE RESOLUTIONS TO BE PROPOSED

Entitlement to attend and vote

- 1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

- 2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.
- 5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

- 6 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

completed and signed;

sent or delivered to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232; and

received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

- 7 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 is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

- 8 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- 9 In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

- 10 As at 29 October 2009, the Company's issued share capital comprised 37,217,259 Ordinary shares of £0.01 each of which 2,300,000 Ordinary shares were held by the Company in treasury. Each Ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 29 October 2009 is 34,917,259.

EXPLANATORY NOTES AGM CONTINUED

Communications with the Company

- 11 Except as provided above, members who have general queries about the Meeting should telephone John Watkins on 01483 771992 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES CONCERNING THE ANNUAL GENERAL MEETING RESOLUTIONS

Articles of Association

The Notice of Meeting includes resolution 7 to amend the Company's articles of association. The amended articles (the "New Articles") include amendments to ensure that they fully comply with the provisions of the Companies Act 2006 which have come into force. All provisions were anticipated to be in force by 1 October 2009. It is, therefore, proposed that the Company adopts new articles of association at the Meeting to incorporate such key changes.

By way of a brief summary, the principal changes to be made to the current articles include:

1 The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 7 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

2 Articles which duplicate statutory provisions

Provisions in the current articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3 Change of name

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

4 Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

5 Redeemable shares

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

6 Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the law currently in force a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The current articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7 Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

8 Use of seals

A company currently requires authority in its articles to have an official seal for use abroad. After 1 October 2009 such authority is no longer required. Accordingly the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

9 Suspension of registration of share transfers

The current articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the current articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

10 General

Generally the opportunity has been taken to bring clearer language into the New Articles.

The new articles will, subject to the passing of resolution 7, come into effect at the conclusion of the AGM. A full copy of the amended articles of association are available from the Company's website at www.starvest.co.uk or alternatively a hard copy can be requested by telephoning John Watkins, director and the company secretary, on 01483 771992.

AGM VENUE St Ethelburga's

78 Bishopsgate
London EC2N 4AG

Directions to St Ethelburga's

The Centre is located within St Ethelburga's Church, on the east side of Bishopsgate between St Helen's Place and Clarke's Place, just south of Camomile Street. (It is exactly opposite a very tall office block clearly marked no. 99 Bishopsgate.)

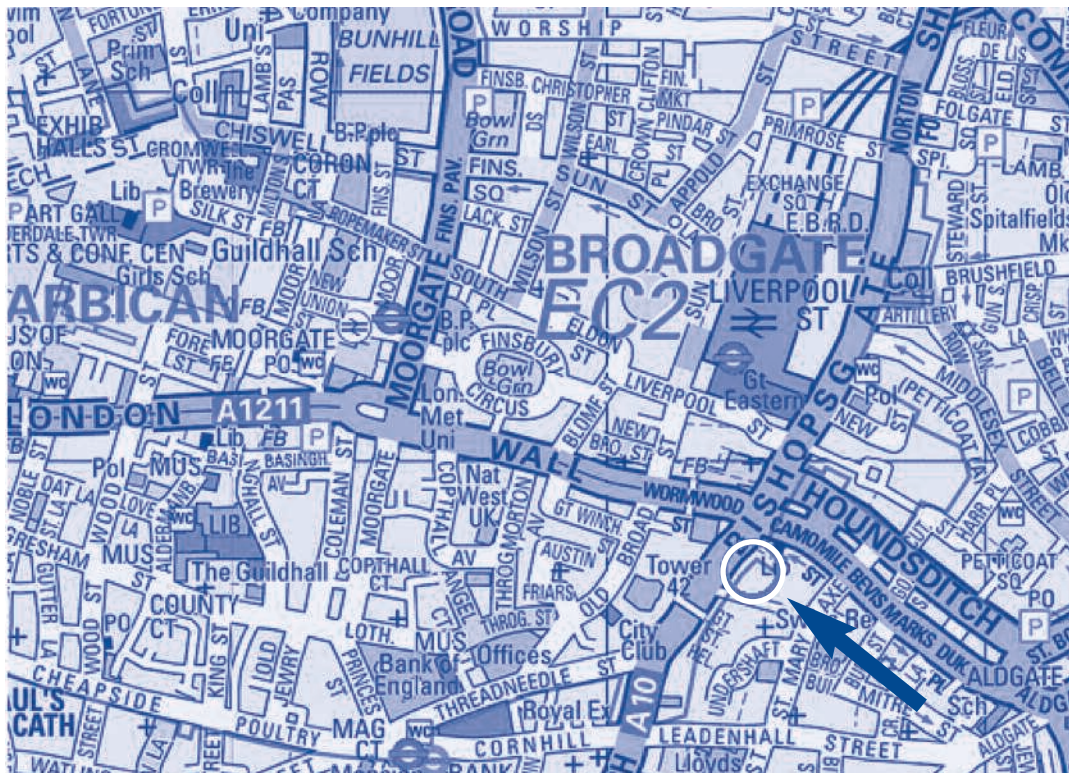
Entrance is by the passageway at the side of the church.

The nearest mainline/underground station is Liverpool Street (about 3 minutes walk). Exit the mainline Station onto Bishopsgate, turn right (south) and cross over the road. Continue past Houndsditch and Camomile Street and St Ethelburga's is a few yards further on, on the left.

Alternatively Bank or Monument Underground stations are both about 6/7 minutes walk. From Bank, take Threadneedle Street to Bishopsgate. Turn left into Bishopsgate and cross over the road. Pass under the foot-bridge and St Ethelburga's is a few yards up the road on the right. From Monument, take Gracechurch Street, which becomes Bishopsgate after you cross Leadenhall Street. Pass under the foot-bridge and St Ethelburga's is a few yards up the road on the right.

Bus route numbers 8, 26, 35, 47, 48, 149, 242, 344 and 388 stop outside the Centre.

The Centre has no car park and Bishopsgate is a red route.
The nearest NCP car park is in Stoney Lane, off Houndsditch.



www.starvest.co.uk