Starvest plc Annual Report

for the year ended 30 September 2011

2011

SVE

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COMPANY INFORMATION

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Listing	Alternative Investment Market of the London Stock Exchange (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 tenth annual statement to Shareholders for the year ended 30 September 2011.

Results for the year

I am pleased to report a profit for the year after taxation of £2.06m, or 5.1 pence per share. Other highlights are:

- investment sales of £3.79m, including three investee company takeovers;
- a gross profit from investment sales of £3.16m, five times cost;
- profit before taxation of £2.83m; £2.06m post taxation;
- elimination of bank borrowings, and
- resumption of dividend payments.

Trading portfolio valuation

A year ago, when reporting on the year to 30 September 2010, I drew attention to the continuing adverse conditions in our chosen market for early stage mineral exploration stocks. The year to September 2011 has been a year of two parts: during the three months to 31 December 2010, we enjoyed a substantial recovery when we declared a net asset value of £10.44m; during the subsequent nine months we have suffered a steady decline ending the year at £6.62m. However, this remains 58% above the value a year earlier.

Following the challenges of the past years, we continue to value our portfolio investments conservatively at the lower of cost or bid price or lower directors' valuation where we believe those facts of which we are aware cast doubt on the market prices or where the Company's interest is of such a size as to inhibit selling into a depressed market. This cautious approach has proved to be appropriate in these difficult times; these discounts total £605,000 (2010: £450,000).

A detailed review of the portfolio companies follows from page 6. Whilst the portfolio contains investments in a number of companies that have made real progress during the year, there are many, particularly smaller companies, that have struggled for one or more of several reasons, such as an inability to raise new capital to finance continued exploration, not having the good fortune to target a mineral currently in demand, finding minerals but not in commercially viable quantities and/or market preference for short term cash generating opportunities which most of our holdings do not. It is worth reminding ourselves that much of our portfolio does not enjoy institutional support but is reliant on the private investor.

Our commentary focuses on the 'winners' but does not exclude others, some of which may well rebound; we remain resolved to allow our investments time to mature; most certainly this proved to be appropriate with the companies for which a takeover offer was received this year.

The key performance indicators are set below.

Company statistics

	30 September 2011 at BID values as adjusted	30 September 2010 at BID values as adjusted	**Change %**
• Trading portfolio value	**£5.47m**	£4.57m	**20%**
• Company asset value net of debt	**£6.62m**	£4.19m	**58%**
• Net asset value – fully diluted per share	**17.57p**	11.28p	**56%**
• Closing share price	**13.0p**	7.75p	**68%**
• Share price discount to net asset value	**26%**	31.3%	
• Market capitalisation	**£4.77m**	£2.84m	**68%**

These values include unrealised gains on elements of the trading portfolio that are not reflected in the financial statements.

Since the year end values have increased slightly; as at 21 October 2011, the net asset value was £6.84m.

Review of the current market

I have no intention of making speculative statements regarding the future; we live in a changeable world, one in which there can be no certainty of tomorrow! However, within the portfolio we continue to hold investments which we anticipate will make further improvement in more settled times. These include companies with interests in gold, iron ore, nickel, coal and manganese as well as other minerals which, short of a complete worldwide economic collapse, will continue to be much in demand from developing countries whose people increasingly expect to enjoy the mobile telephones, refrigerators, motor cars and other benefits of 21st century life that we take for granted.

The challenge for the explorers is to raise sufficient cash to move towards production and therefore revenue or to manage their operations within the constraints of the cash available to them.

The state of the world economy and markets for natural resources will continue to overshadow us, but we continue to believe that the prospects in the medium to long term are encouraging. As always, 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.

Dividends

Against the background of the interim profit declared at 31 March 2011, the Directors resumed dividend payment on 15 June 2011 with an interim payment of 0.25 pence per share. At the forthcoming annual general meeting, it is the intention of the Directors to recommend the payment of a final dividend of 0.5 pence per share making a total of 0.75 pence for the full year. This is equivalent to a yield of 7% on the closing price on 21 October 2011.

For the future, your Board will keep the matter under review but presently intends to declare an interim dividend payable in June 2012.

Investment policy

The Company investment policy is reproduced on page 5 of this report and made available on its website, www.starvest.co.uk. In the past investments were predominantly in early stage ventures; now where funds are available your Company will be looking either to support existing investee companies or take positions in selected later stage ventures where mineral resources have been confirmed and where shorter term returns are expected.

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 will hold our annual general meeting at 3.00 pm on Tuesday 6 December 2010 at St Stephen's Club, Queen Anne Gate, London SW1 when we look forward to meeting those Shareholders able to attend.

R Bruce Rowan
Chairman & Chief Executive

26 October 2011

INVESTING POLICY STATEMENT

About us

The Board has managed the Company as an investment company since January 2002.

Collectively, the Board has a wealth of experience over many years of investing 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. Historically, investments were generally made immediately prior to an initial public offering, at IPO on the AIM or PLUS markets and in the aftermarket. As the nature of the market has changed since 2008, it is more likely that the future investment portfolio will include a spread of up to forty companies that generally have moved beyond the IPO stage but remain in the early stages of identifying a commercial resource and/or moving towards development with the appropriate finance.

Initial investments are for varying amounts but usually in the range £100,000 - £300,000. These companies are invariably not generating cash, rather they have a constant requirement to raise new equity cash in order to continue exploration and development. Therefore after appropriate due diligence, the Company may provide further funding support and make later market purchases so that the total investment may be greater than £300,000.

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, PLUS, ASX, TSX or TSX-V. Therefore, in the early years it is rarely possible to sell an investment at the quoted market price with the result that extreme patience is required whilst the investee company develops and ultimately attracts market interest. 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 to forty investments held at any one time, it is expected that more than five will prove to be 'winners'; from half of the remainder we may expect to see modest share price improvements. Overall, the expectation is that in time Shareholder returns will be acceptable if not substantial.

Accordingly, the Board is unable to give any estimate of the quantum or timing of returns. That stated, when profits have been realised and adequate cash is available, it is the intention of the Board to recommend the distribution of up to half the profits realised.

The Company currently has investments in the following companies which themselves are investment companies: Equity Resources plc, Guild Acquisitions plc; Addworth plc and International Mining & Infrastructure Corporation 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

Introduction

During the year to 30 September 2011, the portfolio comprised interests in the companies commented on below.

The tough trading and fundraising conditions of the past two years have taken a toll on some of the businesses in which Starvest is invested to such an extent that as at 30 September 2011:

- eight portfolio companies accounted for 87% of the portfolio value; all of these companies are mineral exploration ventures on which we comment first; in every case, the year end valuation exceeds original cost;
- the next six investments account for a further 11% of the portfolio value;
- the remainder, amounting to 2% only, include both mineral exploration ventures as well as other businesses which are all valued below cost; we hope that some in this final grouping will recover and will yet surprise us.

Transactions

During the year, three investee companies received takeover offers:

- **Belmore Resources (Holdings) plc** with exploration interests in Ireland received a cash offer from **Lundin Mining**; a warrant to subscribe for further shares was first exercised;
- **Sheba Exploration (UK) plc** with exploration interests in Ethiopia received an offer consisting of a mix of cash and shares in **Centamin Egypt Limited**;
- having sold a part of the holding of **Franconia Minerals Corporation** in the previous year, the balance was sold following an agreed takeover approach from **Duluth Metals Limited**.

These three investments had each been held for seven years and yielded a substantial return on the initial modest outlay; they are good examples of the Starvest investment philosophy.

- In addition, a part of the holding in **Beowulf Mining plc** was sold at substantial profit, and a small re-purchase has been made subsequently.

Additional investments were made in the following mineral exploration ventures: **Ariana Resources plc, Oracle Coalfields plc, Regency Mines plc, Red Rock Resources plc**. A further subscription was made to a placing from **Guild Acquisitions plc**.

MINERAL EXPLORATION VENTURES ACCOUNTING FOR 87% OF PORTFOLIO VALUE

Ariana Resources plc

– AIM ticker: AAU

www.arianaresources.co.uk

Ariana Resources is an exploration and development company focused on epithermal gold-silver and porphyry copper-gold deposits in Turkey, using its first mover advantage in the country's recent exploration boom to build up an impressive portfolio of prospective licences. Its flagship assets are its Sindirgi and Tavsan gold projects in western Turkey, forming the Red Rabbit 50/50 joint venture with US$8 million Turkish buy-in partner Procea Construction with useful international industry experience in developing mine process plants. Red Rabbit is scheduled to commence production in late 2012 after a further US$18 million capital spend to be shared between the partners.

Ariana meanwhile has further exploration projects in the same area and in July acquired from KEFI Minerals four properties including the Kizilcukur and Muratdag projects, leading Ariana to target a significant 1 million oz gold resource base for the whole Red Rabbit area. In addition to its own pipeline of exploration projects Ariana has a 49% joint venture agreement with 11% shareholder European Goldfields, targeting the highly prospective Artvin Province of north-eastern Turkey, and has a 13% investment in private company Tigris Resources opening up the little-explored south-eastern region of Turkey.

With £1.45 million of cash in hand at mid-year and an additional £1 million of equity funding since raised, backed up by a £5 million Standby Equity Distribution Agreement arranged earlier in the year, Ariana would seem to be adequately funded for its promising ongoing activities. Furthermore Turkey, with its now well-established mining industry and an estimated 2.5% of the world's industrial mineral resources, is seen as a politically stable country with a favourable tax regime, so with the gold price having attained new highs, Ariana's potential is increasingly attractive.

Beowulf Mining plc

– AIM ticker: BEM

www.beowulfmining.com

Beowulf Mining's focus in the past year has been on increasing and accelerating its exploration activities in Northern Sweden, where it has separate projects covering iron ore, gold, copper, uranium and molybdenum. With already a JORC inferred resource of 150 million tonnes of iron ore for its 100% owned Ruoutevare project, this is now being dwarfed by its 100% owned Kallak project for which a maiden JORC assessment is awaited imminently with expectations of exceeding that of Ruoutevare very significantly. Being therefore eager to establish just how large its overall iron ore resources are, Beowulf is planning a further major infill drilling programme on Kallak in two phases with some 7,000 metres in late 2011 and a further 50,000 metres from the second quarter 2012 onwards. Beowulf has also been granted a further new exploration licence over 2,219 hectares adjoining the Kallak licence area. For its other interests, further drilling is also planned in 2012 of some 3,000 metres on the Ballek copper-gold project where Beowulf is in 50/50 joint venture with the Australian company Energy Ventures.

Beowulf shares have performed strongly but with volatile price movements over the past year, governed by variable factors including positive company news-flow, buoyant iron ore prices, severe winter conditions in Sweden leading to a lengthy suspension of drilling activity and more recently market reluctance to support those mining companies with major development fund-raising in prospect. Beowulf, with its significant and broad asset portfolio and further resource determination news awaited, remains with a very strong base for seeking future development capital.

Centamin Egypt Limited

– LSE ticker: CEY; TSX ticker: CEE

www.centamin.com.au

Our shareholding in the Australian gold miner Centamin Egypt was acquired in July 2011 through the combined cash and share offer under Centamin's recent take-over of Sheba Exploration; we have retained the shares in the Starvest portfolio for Centamin's prospects as a significant gold producer. While the take-over was completed against a background of political change and unrest in Egypt, Centamin has not encountered any governmental restrictions on gold ore shipments from its flagship Sukari mine situated in the Eastern Desert, while continuing to receive international spot prices thereon. Sukari nonetheless has suffered from some disruption in its local supplies but still expects to produce some 200,000 oz in 2011, some 20% below initial forecasts. It nonetheless targets to raise this within three years to an ultimate 500,000 oz per year level with an investment of some US$265 million that it expects to meet out of its own income generation.

Despite the unhindered production reassurances from Centamin, the shares have almost halved in value over the last year, and at their present £1 billion capitalisation level look well placed for recovery or even a predatory take-over.

Greatland Gold plc

- AIM ticker: GGP

www.greatlandgold.com

Greatland Gold has gold projects in Tasmania and Western Australia. It has recently announced a major development in concluding a farm-in agreement with Unity Mining Limited (ASX) in respect of the Tasmanian Firetower licences where it expects further drilling to lead to an improvement in the inferred JORC-compliant resource of 90,000 oz. of gold. The deal provides for Unity Mining to spend A$2m to earn 51% and a further A$5m to earn 24%.

Exploration continues at Warrentinna and Forester in Tasmania, first mined early last century and which has yielded a substantial amount of high grade gold at surface; and 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.

Initial exploration at the Western Australia Lackman Rock and Ernest Giles licences was encouraging with further drilling planned.

KEFI MINERALS

Kefi Minerals plc

- AIM ticker: KEFI

www.kefi-minerals.com

KEFI Minerals is an exploration company seeking world-class mineral deposits in the well-endowed and under-explored Tethyan Mineral Belt of Turkey and in prolifically mineralised and incredibly diverse geological structure of the Arabian Shield which makes up almost half of the Kingdom of Saudi Arabia. KEFI is also widening its interests by reviewing a possible re-opening of the now closed Tioutit gold-copper mine in Morocco and its associated tailings re-treatment project.

In Saudi Arabia KEFI enjoys a distinct first-mover advantage through being a first non-Saudi explorer engaged on Arabian Shield work, and has recently been granted a mineral exploration licence for the Selib North project, for which KEFI will be operator in a 40/60 joint venture with local construction conglomerate Avtar. The licence covers favourable fault structures and quartz carbonate veined alteration zones as well as containing evidence of hard rock and alluvial workings for gold. In addition, KEFI has two other exploration licences awaiting final sign-off and a further seventeen applications now in process, most of which it expects to be granted.

With gold production in Morocco a possibility within the short-term, linked with the exciting news-flow anticipated from Saudi Arabia, we expect KEFI's potential to be appropriately recognised by the market.

Oracle Coalfields PLC

Oracle Coalfields plc

– AIM ticker: ORCP

www.oraclecoalfields.com

The emergence of Oracle Coalfields as the first developer of local coal mining and ultimately as a major UK investor in Pakistan has continued in 2011 and was reinforced by its move from PLUS Markets to AIM in April of this year, accompanied by a £3 million over-subscribed equity placement, attracting new institutional support. Oracle enjoys notable status in Pakistan as a key contributor to the future national economy in its role as first mover in the development of the Thar Desert lignite coal resource in the south-east Sindh Province where it has a 66sq km Block VI with a JORC-compliant measured resource of 1.4 billion tonnes of which 371 million tonnes is proven reserves; the Thar Desert region has an estimated total resource of 175 billion tonnes. With all coal being currently imported at sharply increasing cost, indigenous oil and gas supplies in decline and the serious power supply deficit worsening with regular electricity power cuts of between 6 to 8 hours a day, it is inevitable that the demand for Thar coal is rapidly increasing. Oracle is targeting its first production by mid-2013, a likely 2 year minimum advantage over its future rivals, and will target a minimum annual production rate of 5 million tonnes by end 2014.

Pakistan might be seen to be a risky investment area, but coal mining will become vital, no matter who holds the political reins, while ensuring a considerable saving of foreign exchange.

Oracle has strengthened its Board and Management team and appointed Citibank as its financial adviser and lead bank for a serial fund raising programme commencing in early 2012 with a likely overall target of US$500 million. Off-take Memoranda of Understanding have been signed with local consumers in the cement and power industries. A Definitive Feasibility Study is due for imminent issue and the Bankable Feasibility Study will follow by early next year.

Against this promising yet challenging background, it is disappointing to note that the Oracle share price has fallen sharply from its AIM listing level.

REGENCYMINES

Regency Mines plc

– AIM ticker: RGM

www.regency-mines.com

Regency Mines has mineral exploration interests in Australia and Papua New Guinea where the principal metal target is nickel. The joint venture with Direct Nickel Limited for the use of their patented technology to extract nickel at the Mambare Plateau in PNG has been formalised and drilling is now taking place. In addition, the JV has been granted a licence to explore for geothermal heat over 1,473 km2, the objective being to significantly lower the cost of operating a future mine.

Aside from nickel in PNG, Regency has the potential for copper, gold and other minerals in Queensland where it recently carried out extensive VTEM survey at its Bundarra ground.

During the last year, Regency acquired an 11% stake in Oracle Coalfields plc, see above.

However, the potential star of its portfolio must be its continuing 21% interest in sister company Red Rock Resources plc, see below, to which management continues to devote considerable attention.

Red Rock Resources plc

– AIM ticker: RRR

www.rrrplc.com

Since Red Rock Resources came to AIM in 2005, it has been transformed from a small early stage Australian mineral exploration venture to become a £37m market capitalisation venture with a variety of interests:

- gold mining in Columbia's Frontino gold belt where it now holds 51% of Mineras Four Points SA to which it provides expertise and finance and is close to generating positive cash flow from an upgraded producing mine;
- a 26.9% interest in Resource Star Limited, ASX quoted, www.resourcestar.com.au to which it disposed of its Australian and Malawian uranium and rare earth interests and more recently its interest in Cue Resources Limited, TSX-V, www.cue-resources.com;
- a hugely successful iron ore and manganese steel feed venture through Jupiter Mines Limited, ASX quoted, www.jupitermines.com into which Red Rock disposed of its Australian iron ore and manganese interests; Red Rock continues to hold a 4% equity interest in Jupiter Mines which has a JORC compliant resource at its Mt Ida magnetite deposit which it expects to bring into production as early as 2014; Red Rock enjoys the benefit of a 1.5% gross production royalty;
- a joint venture exploring for iron ore in Greenland with North American Mining Associates Limited; this correlates with the iron-rich rocks hosting the Mary River Iron Ore project of northern Baffin Island, Canada;
- an equity interest in Kansai Mining Corporation Limited, www.kansaimining.com; the earlier indication of an offer did not materialise; meanwhile, gold exploration in the Migori greenstone belt Kenya continues; a consultant was recently appointed to prepare a scoping study on the Migori tailings;
- an equity interest in its associate, Regency Mines plc, engaged in a nickel venture with Direct Nickel Limited in Papua New Guinea.

Red Rock declared a pre-tax profit of £2.3m for the six months to 31 December 2010. As the market comes to understand the potential, we anticipate further share price increases during the coming year.

MINERAL EXPLORATION VENTURES ACCOUNTING FOR 11% OF PORTFOLIO VALUE

Alba Mineral Resources plc

- AIM ticker: ALBA

www.albamineralresources.com

Alba holds a portfolio of mineral properties and interests in Mauretania and Ireland, where projects are at different stages of development ranging from early exploration targets to more advanced drill-ready projects. Activities have been severely restricted due to difficulties in obtaining requisite finance.

Assay results for the single hole drilled in 2010 at the Irish Limerick licence were encouraging and a joint venture partner is being sought, as yet unsuccessfully even though the licence area is considered to be very prospective.

In Mauretania, Alba's 50% owned local subsidiary holding a fully paid-up current uranium licence in the north of the country had this withdrawn by the Mining Authorities for undisclosed reason. Discussions with a third party lead Alba to believe that the permit will be recovered, in which case funds will be needed to commence early exploration activities in the licence area. Based on previous prospecting results for this area, Alba believes it to be prospective for uranium, base metals and gold, and is seeking to attract joint venture partners to develop further licensing awards. But until essential capital is found, progress will remain stunted.

Equity Resources plc

– PLUS ticker: EQRP

Equity Resources has had a slow year. Its share price rose on the back of its holdings in Red Rock Resources plc and Regency Mines plc, see above, but then stayed at a high level unsupported by current asset values. Therefore, we have valued the holding at net asset value.

The company's recently announced 2011 results show continuing modest improvement.

Gippsland Limited

- Sydney ASX ticker: GIP

www.gippslandltd.com.au

Perth Australia based and Sydney ASX listed, Gippsland is an international resource company primarily operating in the Middle East and focused on the Arabian Nubian Shield region which in recent times has yielded a number of world-scale projects particularly in regard to gold, copper, and volcanic massive sulphide. Its Australian interests are confined to its 40% interest in the Heemskirk tin project in Tasmania.

The development of the 44.5 million tonne Abu Dabbab tantalum/tin feldspar deposit, located in the Central Eastern Desert in Egypt, will result in the creation of one of the world's foremost sources of tantalum, a metal vital to the electronics and aerospace industries. The project is managed under a 50/50 partnership agreement between an Egyptian State company and a Gippsland local subsidiary. With a minimum 2 million tonne mill feed-rate per annum yielding 650,000 lb of tantalum, a mine life of up to 20 years is envisaged scheduled to commence in February 2012.

Being adjacent to and serving as an eventual back-up to Abu Dabbab on its final completion, Gippsland's 50% interest in the 98 million tonne Nuweibi tantalum/niobium/feldspar deposit will continue to provide significant returns in the following years. Further exploration drilling will be undertaken on Nuweibi and in the Wadi Allaqi region in the south western part of Egypt, historically known to have been producing alluvial gold many centuries B.C.

Gold and copper prospects have attracted Gippsland's 100%-owned subsidiary Nubian Resources to Eritrea where it holds prospecting and exploration licences in the Adobha region in the north western part of the country.

Gippsland's ability to finance its future exploration work across its broad licence portfolio has still to be established. Last year's decision to relinquish its AIM listing and rely solely on its ASX presence, risks having reduced its sources of future funding.

International Mining & Infrastructure Corporation plc

- AIM ticker: IMIC

www.imicplc.com

International Mining and Infrastructure Corporation has switched its geographical emphasis from India to Africa, to better represent its existing investments and its intended revised investment strategies which are to be redirected towards the mining sector and infrastructure projects. At a recent AGM, it was agreed that while Africa would be the principal focus, targets elsewhere in the world could always be considered.

The company presently has three principal investments:

- Trillium North Minerals, quoted in Toronto on the TSX, involved in exploration and development project participations in Canada.
- Rainy Mountain Royalty Corporation, involved in exploration primarily in Ontario, and a 50% partner in the Hamlin project where Xstrata Copper have been recently undertaking a four core hole drilling programme under an earn-in arrangement and identified wide zones of copper mineralisation.
- New Fuels International Ltd, a Seychelles-based company specialising in the creation and development of renewable bio-fuels and bio-energy projects in selected African countries, replicating bio-fuel models developed in Brazil and using sugar cane as a base feedstock.

The company has announced that its intended investment targets will be iron ore and other metals, as well as mining and associated infrastructure projects for delivering the mined product to market.

Minera IRL Limited

formerly Hidefield Gold plc

- AIM ticker: MIRL

www.minera-irl.com

Minera IRL is a Jersey registered company focused on precious metals mining, development and exploration in Latin America, and listed on the Lima and Toronto markets as well as on London's AIM. It consists of the Corihuarmi gold mine and Ollachea gold project in Peru, and Don Nicolas gold project in Patagonia with a significant range of exploration licences. The result is a substantial mining group in the South American context.

Corihuarmi, located in Central Peru at a 5,000 metre altitude, is producing consistently in excess of 30,000 oz gold a year, with an expected mine life to mid-2015. Ollachea, located in southern Peru, is seen as the flagship project, planned as a low cost mechanised underground mine with over 115,000 oz gold a year as an ultimate production target, with a mine life expectancy of 10 years, and with full production attained by the Corihuarmi completion date. Don Nicolas, located in the Santa Cruz Province of Argentina, adds high-grade epithermal power to the Minera story with back-up from an extensive land position in some highly prospective licensed areas under the lead of the Escondido project.

Minera is expected to be producing 175,000oz gold by 2015 and with cash and cash equivalents as at mid-2011 of over US$24 million it is well placed to support extensive exploration and project development work planned in the near term. The completion of the Don Nicolas feasibility report expected by the year-end, the completion of the Ollachea bankable feasibility study in the second half of 2012, and continuing positive exploration drilling results, should further enhance Minera's potential.

Sunrise Resources plc

formerly Sunrise Diamonds plc

– AIM ticker: SRES

www.sunriseresourcesplc.com

Sunrise Resources is a multi-commodity exploration company with projects in Canada (gold), Ireland (barite), Australia and Finland (diamonds). Originally formed in 2005 to continue the diamond exploration activities of parent company Tertiary Minerals in Finland, Sunrise decided to broaden its commodity interests and geographic focus in response to the then low level of investor interest in the diamond sector. This change led to the Derryginagh barite project in south-west Ireland and an option to purchase the historic Long Lake gold mine near Sudbury, Ontario with a claim area prospective for nickel, copper and platinum.

Sunrise exploration work has concentrated on these two later projects. Drilling at Long Lake has determined that gold mineralisation extends near surface beyond that mined prior to the mine's closure in 1939 and confirmed that mineralisation continues at depth below the mine workings. A diamond drilling programme of 10 holes for 1000 metres has been completed; analytical results are awaited. Further evaluation work on the adjacent claim area is being undertaken as a possible extension to the Copper Cliff dyke system which has produced over 200 million tonnes of nickel-copper-PGM ore. At Derryginagh a concept study on the development of an underground mine producing at least 50,000 tonnes of barite a year has shown positive results and a drilling programme for its further evaluation is envisaged. Meanwhile, drilling is also planned to commence on the Cuin, Western Australia.

Although now valued at a sharp discount to its original AIM admission price in 2005 Sunrise has an interesting range of projects to develop, inevitably subject to raising further funds.

THE REMAINDER ACCOUNTING FOR 2% OF THE PORTFOLIO VALUE

Agricola Resources plc

– PLUS ticker: AGRI - suspended

www.agricolaresources.com

Agricola Resources is currently focused on gold exploration in Morocco, where it holds two prospective licences at Ain Kerma and Toufrite in the south of the country. The former project potentially hosts both low-grade bulk tonnage and high-grade strata-bound gold deposits with many gold-bearing quartz veins identified. While Agricola aims to seek an eventual AIM admission, the attendant raising of fresh equity would require it to expand first on its existing portfolio base which its present limited temporary loan fiinancing provided by 5.9% shareholder Beowulf Mining plc would be unable to cover. Various projects both in and outside Morocco have been and are currently being examined, but the PLUS Market listing remains suspended pending finalisation of these studies.

CAP Energy Limited

- PLUS ticker: CAPP - suspended

www.capenergy.co.uk

PLUS-listed but currently suspended CAP Energy was established to invest in smaller oil and gas exploration and production assets, particularly focused on North America with five producing properties in Oklahoma and Texas. Its strategy is threefold: generate income to more than cover its corporate overheads; participate in progressively larger projects to generate higher margins than realisable from buying into smaller projects; and to move up to AIM once a larger asset base is achieved.

With 2010 revenues limited to a mere £4.6 million and resulting in a loss of £0.2 million, CAP Energy has found it difficult to progress without higher production and without being able to offer attraction for the injection of new funds to enable expansion, with the result that it was obliged in June to seek the suspension of its shares from trading, which persists to date.

Carpathian Resources Ltd

– Sydney ASX ticker: CPN

www.carpathian.com.au

Carpathian Resources is an Australian ASX-quoted oil and gas explorer and producer with a focus on Central Europe and primary concentration on the Czech Republic. Its activities cover the exploration, production and sale of oil and natural gas, operating retail outlets and convenience stores, along with interests in outdoor mobile advertising, and satellite and cable television. Its main production interests are 50% participations in the Janovice gas block in northern Moravia and the Krasna oil field. Faced with increasing losses on static trading volumes, the company is in the process of refocusing, reconstituting its board of directors, instituting an improved framework of corporate governance and planning recapitalisation. Its rationalisation has been evidenced by the recent sale of two retail outlets owned in Florida, USA. The board has indicated that it is seeking acquisitions further afield such as in Russia and Kazakstan but clearly would need to raise new capital for any new investments. A 15% stake in Carpathian has been recently acquired by Singapore-based Somap International, more commonly associated with ship-breaking.

Concorde Oil & Gas plc

Concorde, absorbed several years ago by Middle East private company Kuwait Energy, remains reliant on the latter's intention to go public with a London quote which would then enable shareholders to receive the new Kuwait Energy shares in a realisable exchange for their outstanding minority Concorde interest. The planned Kuwait Energy listing had already been mooted last year but, owing to the market downturn, was deferred, although the listing is now thought to be imminent. Concorde shareholders have yet to be given any indication of the exchange terms proposed for their shares and the likely valuation that can then be placed on their holdings. Starvest has maintained a full provision against the historical investment cost of the Concorde holding.

Kuwait Energy is a fast-growing substantial oil and gas exploration and production venture currently operating in Egypt, Iraq, Yemen, Oman, Ukraine, Latvia, Russia, and Pakistan, with production of some 15,000 bbl a day, some 50 million of proven and probable reserves, and operating twenty oil and gas leases. A listing on the Kuwait exchange is also planned. Profitable since its inception in 2005, Kuwait Energy has the potential to redeem previous Concorde disappointment.

Fundy Minerals Limited

www.fundyminerals.com

New Brunswick-based Fundy Minerals has followed up its withdrawal from West African gold and diamond exploration activities by relinquishing its PLUS Markets listing, in both cases costs having proved prohibitive for its restricted finances. Therefore, Fundy has returned more realistically to concentrate solely on its Canadian gold, diamond and base metals exploration operations and the development of mineral properties. The exploitation of its high-grade limestone deposit in New Brunswick should start to reverse the record of losses that Fundy has had difficulty in containing so far.

KINCORA COPPER

Kincora Copper Limited

formerly Brazilian Diamonds Limited

– Toronto TSX ticker: KCC

www.kincoracopper.com

Kincora Copper is a development stage resource company previously engaged in the acquisition, exploration and development of kimberlite and alluvial diamond properties in Brazil, known as Brazilian Diamonds at the time Starvest originally invested. In July, Brazilian Diamonds acquired from AIM-listed Origo Partners the latter's interest in private company Kincora Group, as a result of which Origo became a 34.8% shareholder. Kincora was then renamed Kincora Copper, having acquired through Origo a 75% interest in the Mongolian Bronze Fox copper-gold prospect, located close to the world-class OyuTolgoi copper deposit and to the Chinese border.

Kincora Copper will focus on the development of Bronze Fox as its flagship project and on acquiring other copper and gold exploration and development projects in Mongolia. Origo personnel will continue to manage the exploration work and thereby maintaining Origo's interest in Mongolian developments. Meanwhile in August Kincora Copper acquired the outstanding 25% of Bronze Fox and its 22,000 hectares of highly prospective target zones, in exchange for 20% of Kincora Copper shares.

Kincora Copper looks well positioned with the backing of Origo to establish itself as a first tier copper and gold explorer and consolidator in Mongolia. Kincora Copper shares are traded on the Toronto TSX Venture Exchange.

RARE EARTHS AND METALS

Rare Earths and Metals plc

formerly Lisungwe plc

- PLUS ticker: REMP

www.rareearthsandmetals.com

A year ago, the survival of 'Lisungwe' was uncertain. In the event, a new management team and a change of name coupled with the disposal of the Malawian subsidiary and the raising of new funds have given the company a new lease of life. The focus now is on a joint venture exploration licence at Chikangawa in Malawi prospective for various rare earth elements. We await the results of exploration.

COMPANIES WITH OTHER INTERESTS

Alpha Universal Management plc

formerly Lotus Resources plc

- PLUS ticker: AUNP

Alpha Universal Management was formed in December 2010 out of the cash remaining in Lotus Resources following the disposal for cash of its main subsidiary Lotus Minerals Mongolia, which had had no revenue in the previous year. The resultant cash shell was then re-named and a new investment strategy adopted whereby the specialist knowledge of its investment managers would be applied to investing for its own account or for that of its clients in opportunistic situations, including notably distressed debt market cases.

In the current economic climate, the acquisition of debt portfolios and of other discounted assets should present increasing levels of opportunity. However, this necessitated an early capital reorganisation by which every 50 existing Old shares were consolidated into one New Ordinary share of 10p and one new Deferred share of 40p. The Deferred shares should to all intents and purposes be treated as being of nil value and likely to be cancelled in due course.

GUILD ACQUISITIONS PLC

Guild Acquisitions plc

– PLUS ticker: GACQ

Guild Acquisitions is an 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. A successful modest placing occurred in June but with the current uncertainty in the markets, new investments have been held in abeyance awaiting clearer signs that a sustained improving trend is under way, at which stage neglected undervalued bargains should be clearly available for the taking.

Its investments include a 20.63% interest in Equity Resources plc, see above.

MARECHALE CAPITAL

Marechale Capital plc

- AIM ticker: MAC

www.marechalecapital.com

Marechale Capital is an investment banking and corporate finance business using its established long-standing relationships to raise capital for quoted or unquoted high growth companies emanating from the leisure, renewable energy and infrastructure sectors.

In addition to the above, Starvest has interests in the following quoted and unquoted companies, none of which are deemed to have significant value at this present time:

Addworth plc – *general investment holding company;*

Silvermere Energy plc, *formerly Chalkwell Investments plc;*

Goliath Resources Inc – *Pink Sheets OTC ticker – GHRI;*

Treslow Limited – *a copper-nickel prospect near Armstrong in North West Ontario, Canada;*

Woburn Energy plc - *AIM ticker: WBN*
Website: www.woburnenergy.com

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 Rare Earths and Metals plc and Equity Resources plc.

DIRECTORS' REPORT

The Directors present their eleventh annual report on the affairs of the Company, together with the financial statements for the year ended 30 September 2011.

Principal activities and business review

For the past ten 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. The risk arises from the very nature of early stage mineral exploration where there can be no certainty of outcome. In addition, 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 19 to the financial statements.

Results and dividends

The Company's results are set out in the profit and loss account on page 20. The audited financial statements for the year ended 30 September 2011 are set out on pages 20 to 32.

The Directors recommend payment of a dividend amounting to 0.75 pence per share of which 0.25 pence per share was paid on 15 June 2011 (2010: NIL).

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 2011, 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	10,170,000	26.07%
Barclayshare Nominees Limited	5,044,218	12.93%
LR Nominees Limited	1,659,916	4.25%

Share capital

There were no share issues during the year.

In accordance with the authority to purchase up to 5,600,000 Ordinary shares renewed at the 2010 annual general meeting, the Company holds 2,300,000 of its own Ordinary shares in treasury bought in previous years. 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 (2010: NIL)

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 2011, the Company's trade creditors were equal to costs incurred in 14 days (2010: 14 days).

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

A resolution to reappoint Grant Thornton UK LLP as auditor for the coming year will be proposed at the forthcoming AGM in accordance with section 481 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 Company has no share purchase, share option or other management incentive scheme. No options were exercised during the year.

As required by legislation, the Company has introduced a stakeholders' pension plan for the benefit of any future employees.

Going concern

The Company's day to day financing is from its available cash resources or via a bank overdraft and, on occasion, by the use of short term loans. The Company's formal overdraft facility was last confirmed by the bank in early 2011.

Whilst the Directors fully expect a sufficient overdraft facility to remain in place for the foreseeable future, they are confident that adequate funding can be raised as required to meet the Company's current and future liabilities without resorting to this facility. 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.

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.

Management of capital

The Company's objectives when managing capital are:

- to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by trading its current asset investments.

The Company sets the level of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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,

26 October 2011

Company registration number: 3981468

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities for the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing those 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2011 which comprise the profit and loss account, the balance sheet, the 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' responsibilities set out on page 18, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 2011 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 returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Creasey
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Slough
26 October 2011

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Operating income		**3,788,942**	640,044
Direct costs		**(629,896)**	(237,713)
Gross profit		**3,159,046**	402,331
Administrative expenses		**(228,799)**	(182,760)
Amounts written off trade investments	8	**(104,724)**	(257,953)
Operating profit/(loss)		**2,825,523**	(38,382)
Interest receivable		**1,877**	8,083
Interest payable		**(1,837)**	(18,063)
Profit(loss) on ordinary activities before taxation	2	**2,825,563**	(48,362)
Tax on profit/(loss) on ordinary activities	3	**(762,418)**	9,385
Profit(loss) on ordinary activities after taxation		**2,063,145**	(38,977)
Earnings/(loss) per share – basic	6	**5.6 pence**	(0.1) pence
Earnings/(loss) per share – fully diluted	6	**5.1 pence**	(0.1) 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 2011

	Note	30 September 2011	30 September 2010
		£	£
Current assets			
Debtors	7	**27,710**	33,514
Trade investments	8	**3,368,759**	2,795,770
Cash at bank and in hand		**1,893,536**	-
		5,290,005	2,829,284
Creditors – amounts falling due within one year	10	**(867,008)**	(377,639)
Net current assets		**4,422,997**	2,451,645
Share capital and reserves			
Called-up share capital	11	**390,173**	390,173
Share premium account	13	**2,100,396**	2,100,396
Profit and loss account	13	**1,932,428**	(38,924)
Equity shareholders' funds	14	**4,422,997**	2,451,645

The financial statements on pages 20 to 32 were approved and authorised for issue by the Board of Directors on 26 October 2011 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 2011

	Note	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Net cash inflow from operating activities	15	**2,317,308**	333,851
Returns on investment and servicing of finance:			
Interest receivable		**1,877**	8,083
Interest payable		**(1,837)**	(18,063)
		40	(9,980)
Taxation recovered/(paid)		**9,490**	(9,490)
Dividend paid		**(91,793)**	-
Financing:			
Issue of new shares		**-**	92,000
Short term loan repaid		**-**	(100,000)
		-	(8,000)
Increase in cash in the year	16	**2,235,045**	306,381

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 Statement of accounting policies

The Directors have reviewed the principal accounting policies summarised below and consider them to be the most appropriate for the Company. 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. The lower Directors' valuation is applied where the Company's interest in the investee company amounts to 7% or more of the investee company's issued share capital or more than 7% of the investment portfolio or where there are factors of which the Directors are aware which call for some further adjustment.

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. The Company's formal overdraft facility was last confirmed by the bank in early 2011.

Whilst the Directors fully expect a sufficient overdraft facility to remain in place for the foreseeable future, they are confident that sufficient funding can be raised as required to meet the Company's current and future liabilities. 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.

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 rates enacted or substantially enacted at the balance sheet date.

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 acquired 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 2011 £	Year ended 30 September 2010 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditor's remuneration – audit	**13,650**	13,000
Auditor's remuneration - non-audit services	**18,250**	17,950
Directors' emoluments	**134,305**	90,000

Auditor's remuneration for non-audit services provided during the year comprises nominated advisor fees of £15,000 and tax compliance service fees of £3,250, both stated exclusive of VAT (2010: nominated advisor fees of £15,000 and tax compliance fees of £2,950 both stated exclusive of VAT).

3 Taxation

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Current year taxation		
UK corporation tax at 27% (2010: 21%) on profit/(loss) for the year	**762,418**	(9,490)
Adjustments in respect of prior years	**-**	105
Total current tax charge/(credit) for the year	**762,418**	(9,385)
The tax assessed is at the standard rate of corporation tax in the UK at 27% (2010: reduced rate 21%). The differences are explained below:		
Profit/(loss) on ordinary activities before taxation	**2,825,563**	(48,362)
Profit/(loss) on ordinary activities at 27% (2010: 21%)	**762,902**	(10,156)

Effect of:		
Expenses not deductible for tax purposes	**62**	111
Adjustments in respect of prior years	**-**	105
Losses brought forward	**(555)**	-
Losses carried forward	**-**	555
Rounding	**9**	-
Current tax charge/(credit) for the year	**762,418**	(9,385)

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 2011

	Fees	Amounts paid to third parties - see note	Bonus	Total
	£	£	£	£
R B Rowan	**-**	54,000	24,000	**78,000**
A C R Scutt	**13,500**	-	2,500	**16,000**
J Watkins	**15,000**	15,000	7,500	**37,500**
	28,500	69,000	34,000	**131,500**
Year ended 30 September 2010				
R B Rowan	-	48,000	-	48,000
A C R Scutt	12,000	-	-	12,000
J Watkins	12,000	18,000	-	30,000
	24,000	66,000	-	90,000

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, £54,000 (2010: £48,000) is payable to Sunvest Corporation Limited, a company of which he is a director and shareholder. Of this £18,000 relates to the provision of an office (2010: £12,000). At 30 September 2011, the sum of £51,000 was outstanding.
- In respect of the professional services of John Watkins, FCA, £15,000 + VAT (2010: £18,000 + VAT) of the above remuneration was paid through his business. At 30 September 2010, the sum of £1,500 + VAT was outstanding.

Pensions

No pension benefits are provided for any Director in the current or previous year.

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. No gains were made from the exercise of share options.

Details of share options held and exercised during the year by the Directors are set out in Note 12.

6 Earnings/(loss) per share

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
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	**2,063,145**	(38,977)
Weighted average number of Ordinary shares of £0.01 in issue	**36,717,259**	35,193,423
Earnings/(loss) per share – basic	**5.6 pence**	(0.11) pence
Weighted average number of Ordinary shares of £0.01 in issue inclusive of outstanding options	**40,492,259**	40,492,259
Earnings/(loss) per share – fully diluted	**5.1 pence**	(0.11) pence

7 Debtors

	30 September 2011 £	30 September 2010 £
Other debtors	**-**	1,403
Prepayments	**27,710**	22,621
Taxation recoverable	**-**	9,490
	27,710	33,514

8 Current trade investments, at the lower of cost, market value or directors' valuation

	30 September 2011 £	30 September 2010 £
Cost		
At 30 September 2010	**6,089,352**	6,251,300
Additions at cost	**1,292,054**	66,327
Disposals	**(614,341)**	(228,275)
Amounts written off	**(1,286)**	-
At 30 September 2011	**6,765,779**	6,089,352
Provisions		
At 30 September 2010	**3,293,582**	3,035,629
Released during the year	**(295,075)**	(288,109)
Provided during the year	**399,799**	546,062
Amounts written off	**(1,286)**	-
At 30 September 2011	**3,397,020**	3,293,582
Net book amount		
At 30 September 2011	**3,368,759**	2,795,770
At 30 September 2010	**2,795,770**	3,215,671
The net book carrying values of the investments above were as follows:		
Quoted on LSE	**423,450**	-
Quoted on AIM	**2,654,304**	1,939,928
Quoted on PLUS	**215,090**	675,124
Quoted on foreign stock exchanges	**75,915**	180,718
	3,368,759	2,795,770
The market value or Directors' lower valuation of the trading portfolio was:		
Quoted on LSE	**423,450**	-
Quoted on AIM	**4,759,823**	3,049,032
Quoted on PLUS	**215,310**	1,085,349
Quoted on foreign stock exchanges	**75,915**	432,836
	5,474,498	4,567,217

9 TRADE INVESTMENTS

The Company has holdings in the companies described in the review of portfolio on pages 6 to 14.

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%	£34,702	£80,828	31 May 2011
Treslow Limited – see note 2	England & Wales	Ordinary	30.1%	£(292)	£29,934	30 April 2010

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 financial statements.

Note 2: During 2008, the Company agreed to support 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

	30 September 2011 £	30 September 2010 £
Amounts falling due within one year:		
Bank overdraft	**-**	341,509
Trade creditors	**35,112**	3,525
Corporation tax	**762,418**	-
Social security and other taxes	**4,037**	673
Accruals	**65,441**	31,932
	867,008	377,639

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 £3.1m.

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 2010 and 30 September 2011, Ordinary shares of £0.01 each	250,000,000	2,500,000

Called up, allotted, issued and fully paid		
As at 30 September 2010 and 30 September 2011	39,017,259	390,173

Shares held in treasury

	30 September 2011	30 September 2010
Total number of shares held in treasury	**2,300,000**	2,300,000

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. During the year ended 30 September 2011, no new options were granted and none were exercised.

	At 30 Sept 2010	Exercised during the year	At 30 Sept 2011 outstanding & exercisable	Exercise price	Mid market price on date of exercise	Date from which exercisable	Expiry date
RB Rowan	1,750,000	-	1,750,000	15 pence	-	14 Feb 2005	31 Jan 2015
ACR Scutt	200,000	-	200,000	6 pence	-	18 Nov 2003	31 May 2012
ACR Scutt	350,000	-	350,000	15 pence	-	14 Feb 2005	31 Jan 2015
J Watkins	500,000	-	500,000	5 pence	-	27 June 2002	31 May 2012
J Watkins	100,000	-	100,000	6 pence	-	18 Nov 2003	31 May 2012
J Watkins	875,000	-	875,000	15 pence	-	14 Feb 2005	31 Jan 2015
	3,775,000	-	3,775,000				

Note 1: The market value of the Company's shares at 30 September 2011 was 13.0 pence (2010: 7.75 pence) and the range during the year was 7 pence to 21 pence (2010: 4.5 pence to 10.5 pence), the average for the year being 13.7 pence (2010: 7.5 pence).

13 Reserves

The movements on reserves during the year were as follows:

	Share premium account £	Profit and loss account £
As at 30 September 2010	**2,100,396**	(38,924)
Profit for the year	**-**	2,063,145
Interim dividend paid	**-**	(91,793)
As at 30 September 2011	**2,100,396**	**1,932,428**

14 Movement on equity shareholders' funds

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Profit/(loss) for the year	**2,063,145**	(38,977)
Shares issued	**-**	92,000
Interim dividend paid	**(91,793)**	-
Net increase in shareholders' funds	**1,971,352**	53,023
Opening equity shareholders' funds	**2,451,645**	2,398,622
Closing equity shareholders' funds	**4,422,997**	2,451,645

15 Reconciliation of operating profit/(loss) to operating cash flows

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Operating (loss)/profit	**2,825,523**	(38,382)
Amounts written off trade investments	**104,724**	257,953
(Increase)/decrease in debtors	**(3,686)**	10,697
Increase/(decrease) in creditors	**68,460**	(58,364)
Purchase of trade investments at cost	**(1,292,054)**	(66,327)
Profit on sale of investments	**(3,159,046)**	(402,331)
Proceeds on sale of investments	**3,788,942**	640,044
Sales costs	**(15,555)**	(9,439)
Net cash inflow from operating activities	**2,317,308**	333,851

16 Analysis and reconciliation of net (debt)/funds

	30 September 2010 £	Cash flow £	**30 September 2011 £**
(Overdraft)cash at bank	(341,509)	2,235,045	**1,893,536**
Net cash/(debt)	(341,509)	2,235,045	**1,893,536**

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Increase in cash in the year	**2,235,045**	306,381
Short term loan	**-**	100,000
Movement in net debt in the year	**2,235,045**	406,381
Net debt at 1 October 2010	**(341,509)**	(747,890)
Net cash at 30 September 2011	**1,893,536**	(341,509)

17 Commitments

As at 30 September 2011 and 30 September 2010, the Company had no commitments other than for expenses incurred in the normal course of business.

18 Related party transactions

During the year, the Directors received the following dividends in respect of their holdings in the Company (2010: Nil)

Related party	*Net dividend*
Ronald Bruce Rowan	£25,425.00
Anthony Charles Raby Scutt – personal	£125.00
Anthony Charles Raby Scutt – as trustee	£275.00
Mrs Diane Mary Watkins – wife of John Watkins	£2,500.00
John Watkins	£87.50

19 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 to ensure adequate working capital is available whilst maximising returns on deposits.

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 2011, the Company had an overdraft facility of £250,000 arranged with its bankers (2010: £500,000) secured on certain investments with a market value at 30 September 2011 of £3.1m.

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.

20 Post balance sheet event

There are no reportable post balance sheet events.

21 Control

There is considered to be no controlling related party.

NOTICE OF ANNUAL GENERAL MEETING

STARVEST PLC

Notice is hereby given that the Annual General Meeting of Starvest plc (the "Company") will be held at St Stephen's Club, 34 Queen Anne's Gate, London SW1H 9AB on Tuesday 6 December 2011 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 cases of resolutions 1 to 5 and 7, and as a special resolution in the case of resolution 6.

ORDINARY BUSINESS

Ordinary resolutions

1 To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 September 2011.

2 To declare a final dividend of £0.005 per Ordinary share in respect of the year ended 30 September 2011. This dividend will be paid on 20 January 2012 to the holders of Ordinary shares as at the close of business on 6 January 2012.

3 To re-elect John Watkins as a Director of the Company, who retires by rotation under the Articles of Association of the Company and, being eligible, offers himself for re-election.

4 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 the remuneration of the auditors.

5 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 £250,000. 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

6 That in substitution for all existing authorities to the extent unutilised, the Directors, pursuant to Section 570 of the Act, be empowered to allot equity 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

(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 £250,000,

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

7 That the Company be unconditionally and generally authorised to make market purchases (as defined by the Companies Act 2006 Section 701(1)) of Ordinary shares of £0.01 each in its capital, provided that:

(a) the maximum number of shares that may be so acquired is 5,850,000, 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 is an amount equal or 5% higher than the average of the middle market quotations per share as derived from the Daily List of the AIM market of the London Stock Exchange for the five 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.

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.

This may be sent by facsimile transfer to 01252 719 232 or by mail using the reply paid card to:

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

In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting, or any adjournment thereof.

Registered Office:	***By order of the Board***
55 Gower Street	John Watkins
London	Company Secretary
WC1E 6HQ	

27 October 2011

Registered in England and Wales Number: 3981498

NOTES TO THE NOTICE OF GENERAL MEETING

ENTITLEMENT TO ATTEND AND VOTE

1 Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, 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. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day.

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 27 October 2011, the Company's issued share capital comprised 39,017,259 ordinary shares of £0.01 each. 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 27 October 2011 is 39,017,259.

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.

CREST

12 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via euroclear.com/CREST).

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

NOTES TO THE PROXY FORM

1 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

2 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.

3 A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.

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 To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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.

6 To appoint a proxy using this 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; and
- received by Share Registrars Limited no later than 48 hours (excluding non-business days) before the time of the meeting.

7 In the case of a member which is a company, this 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.

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

9 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).

10 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.

11 For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.

12 You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

AGM VENUE

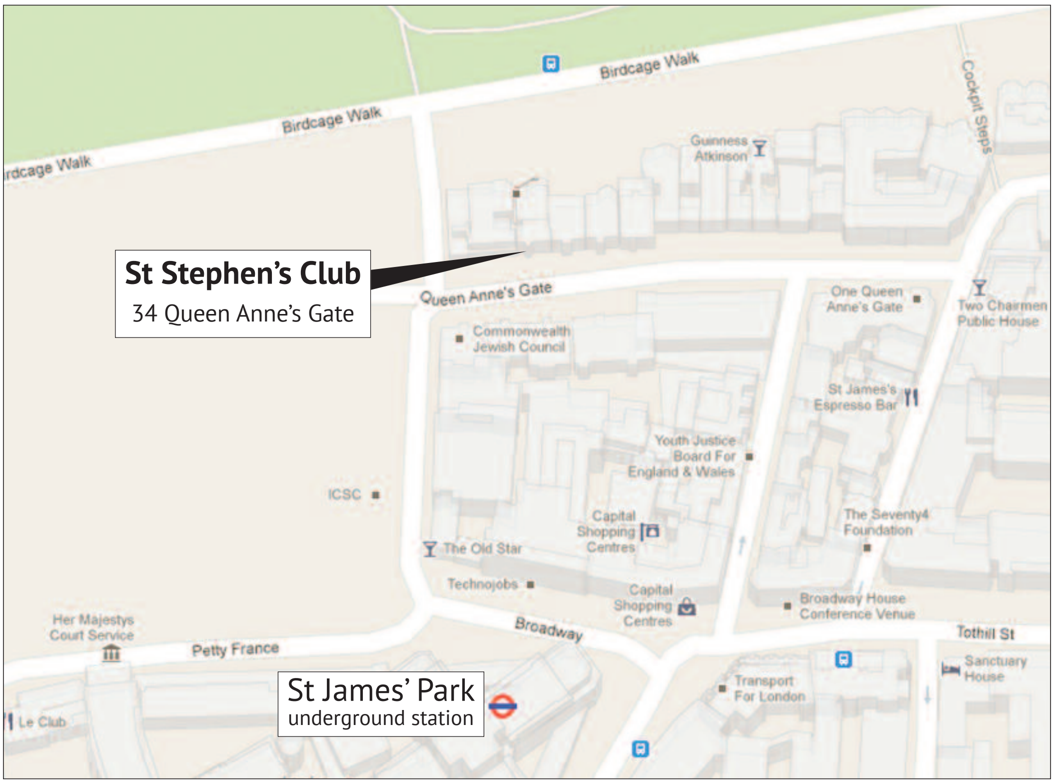
St Stephen's Club

34 Queen Anne's Gate

London SW1H 9AB

Directions to St Stephen's

Within easy walking distance of St James' Park underground station



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