



ANNUAL REPORT AND ACCOUNTS 2014

Investing for the future

CONTENTS

2	CHAIRMAN'S STATEMENT
3	INVESTING POLICY STATEMENT
4	REVIEW OF TRADING PORTFOLIO
6	INTERESTS IN GOLD EXPLORATION
9	INTERESTS IN IRON ORE
10	INTERESTS IN OIL & GAS
13	INTERESTS IN COAL MINING & POWER GENERATION
14	OTHER INVESTMENTS
16	COMPANY INFORMATION & BOARD OF DIRECTORS
17	STRATEGIC REPORT
18	DIRECTORS' REPORT
20	STATEMENT OF DIRECTORS' RESPONSIBILITIES
21	INDEPENDENT AUDITOR'S REPORT
22	PROFIT AND LOSS ACCOUNT
23	BALANCE SHEET
24	CASH FLOW STATEMENT
25	NOTES TO FINANCIAL STATEMENTS
34	NOTICE OF ANNUAL GENERAL MEETING

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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

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I am pleased to present my thirteenth annual statement to Shareholders for the year ended 30 September 2014.

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CHAIRMAN'S STATEMENT

Results for the year

Following the previous tough years of 2011, 2012 and 2013, in the last nine months, we have begun to see the signs of a change for the better. However, this has not been as a result of an upturn in the market generally but as a consequence of our investments in oil and gas, for many of our portfolio companies exploring for gold, iron ore and other such minerals have continued to find it difficult to raise essential cash and so have seen share price falls in what has become a harsh environment for early stage mineral explorers.

At the balance sheet date, more than 70% of the portfolio value was attributed to oil stocks on which we comment in the portfolio review.

Investing policy

The Company's investing policy is reproduced on page 3 of this report and made available on our website, www.starvest.co.uk

Trading portfolio valuation

A detailed review of the portfolio companies follows from page 4. Our commentary focuses on the exploration areas in which our investee companies are involved as well as on other investments; the Company's interests include gold, iron ore, coal and oil and gas.

Shareholder information

The Company's shares are traded on AIM.

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

Annual general meeting

We will hold our annual general meeting at 11.30 am on Thursday 11 December 2014 at the City office of Grant Thornton UK LLP, our Nominated Adviser, when we look forward to meeting those Shareholders able to attend.

R Bruce Rowan

Chairman & Chief Executive
30 October 2014

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

Natural resources

Whilst the Company has no exclusive commitment to the natural resources sector, the Board sees this as having considerable growth potential in the medium term. Historically, investments were generally made immediately prior to an initial public offering, on AIM or ISDX 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 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.

Investment size

Initial investments are for varying amounts but usually in the range of £100,000 - £300,000. These companies are invariably not generating cash, rather they have a constant requirement to raise new equity 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.

High risk

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. However, it offers the investor a spread of investments in an exciting sector, which the Board believes will continue to offer the potential of significant returns for the foreseeable future.

Lack of liquidity

The investee companies, being small, almost invariably lack share market liquidity, even if they are quoted on AIM, ISDX, ASX, 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.

Success rate

Of the 25 to 30 investments held at any one time, it is expected that no 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.

Profit distribution

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.

Other matters

The Company currently has investments in the following companies, which themselves are investment companies: Equity Investors plc; Equity Resources plc and Guild Acquisitions plc.

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

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REVIEW OF TRADING PORTFOLIO

Introduction

During the year to 30 September 2014, the portfolio comprised interests in the companies commented on below.

The tough trading and fundraising conditions of the past three years have taken a toll on some of the businesses in which Starvest is invested to such an extent that, as at 30 September 2014, the portfolio had been transformed with most of the value now in oil and gas exploration ventures.

Transactions

During the year the Company sold its stake in Centamin plc, an interest that arose from the sale in 2011 of the interest in Sheba Exploration UK plc; otherwise there were no sales.

Additional investments were made in Alba Mineral Resources plc in addition to which loans were advanced to Goldcrest Resources plc. The former investee company, Woburn Energy plc, withdrew from the market. In addition, our interest in Silvermere Energy plc was repeatedly diluted so we no longer have an interest in the successor company.

Trading portfolio valuation

When reporting in previous years, attention was drawn to the continuing adverse conditions in our chosen market for early stage mineral exploration stocks. The year to September 2014 has been no better with a continuing steady decline in market prices.

Against this background, we continue to value our portfolio of 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. We attribute no value to those of our investments that do not enjoy a market quote.

This cautious approach has proved to be appropriate in these difficult times; these provisions total £351,000 (2013: £196,000).

A detailed review of the portfolio companies follows. Whilst the portfolio contains investments in companies that have made real progress during the year, there are many, particularly smaller companies, that have struggled for one or more reasons. Raising new finance, which is essential to progress in any mineral exploration business, has proved to be very tough; two have effectively failed this year.

Our commentary focuses on those companies that have become our core portfolio but also includes others 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 in previous years and when we generated substantial profits.

This year, we have seen a dramatic rise in **Nordic Energy plc**, but also to our interests in the **Horse Hill** companies, **Alba Mineral Resources plc** and **Regency Mines plc**. Added to this, we have a small interest in **CAP Energy plc** as well as an interest in **Kuwait Energy plc**. We give more detail in our investment commentary from page 6. This somewhat dramatic change in our fortunes has led us to change the presentation of our investee companies in the report this year.

Whilst the net asset value has increased substantially during the year by £1.68m to £4.41m, the loss before taxation has decreased from £1.01m to £356k. In addition;

- we have no debt, but a bank overdraft facility only;
- we continue to believe that we are in a strong position to benefit from an upturn in markets which must surely come!
- the fundamentals have not changed: the world is becoming more affluent with an increasing number of people expecting refrigerators, motor cars, air conditioning, laptop computers and all other tools of 21st Century living.

Financial Reporting Standards (FRS102)

To date we have prepared our financial statements under UK Generally Accepted Accounting Standards (UK GAAP). However, with effect from 1 October 2015 we will be required to adopt FRS 102 ("New UK GAAP"). The significant impact of this change will be on the valuation of the Company's investments. To date, we have been able to carry all our investments at the lower of cost or current value. However, under the new accounting standard, we will be required to mark-to-market all our investments. Based on the closing prices at 30 September 2014, the investments (and hence net assets of the group) will rise by £2,298,507.

Company statistics

The Company considers the following statistics to be its Key Performance Indicators (KPIs) and is satisfied with the results achieved in the year given the uncertain market conditions.

	30 September 2014 at BID values as adjusted	30 September 2013 at BID values as adjusted	Change %
Trading portfolio value	£4.15m	£2.52m	64.68%
Company asset value net of debt	£4.41m	£2.73m	61.54%
Net asset value per share	11.87p	7.44p	59.54%
Closing share price	5.88p	5.62p	4.62%
Share price discount to net asset value	50%	24%	
Market capitalisation	£2.18m	£2.09m	4.31%

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 fluctuated; as at the close of business on 24 October 2014, the asset value net of debt was £3.61m

Review of the current market

We and our investee companies have endured yet another tough year; extreme short termism leading to lower prices and/or greater volatility has become the norm. It is clear that many private investors upon whom we and our investee companies have relied have withdrawn their support or, at best, are awaiting a recognisable upturn in world-wide economic fortunes; this is compounded in that few institutional investors have an appetite for small early stage projects.

World markets continue to be volatile. For instance, in the past two years the gold price has been as high as \$1,795 per oz but has also been as low as \$1,192; at the present time it is approximately \$1,200, down \$100 from a year ago. Only those with a sound business plan and cost control will succeed in such volatile markets.

Then there is iron ore which is in plentiful supply but with Australia the dominant exporter. Prices have fallen from \$130/t to as low as \$79/t.

However, demand for raw materials continues to fall. Although there may be timing issues, we expect demand to recover to be followed by prices. Meanwhile, opportunities for junior explorers to realise value and generate cash are few.

In spite of all the gloom and doom, the strengthening of the US\$ has been and will be a factor in determining world commodity prices.

Patience is the key as we continue to await a recovery.

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INTERESTS IN GOLD EXPLORATION

We have endured another tough year! The Company has investments in six gold explorers. With one exception only, the closing share prices have declined during the past year by as much as 80%. During this time, the gold price has mostly been approximately \$1,300 per oz but has recently traded nearer to \$1,200 and we have probably not yet seen the bottom of the cycle.

Our interests are in the following six companies:



Ariana Resources plc

Comment

Despite the continuing gold price fluctuations, **Ariana** offers interesting potential once planned **cash flow materialises from its Red Rabbit operations as is expected during the fourth quarter 2014**. Importantly, the cash generated will enable Ariana to pursue its wider interests.

Against this background, surely a share price re-rating is due, if not overdue!

What they are doing

- With earn-in contributions from Turkish construction company Proccea towards its eventual 50% stake on production start-up, **Ariana's** interest in Red Rabbit, where it has a resource of 450,000 oz Au, has been reduced. However, production is expected to be at the rate of approximately 21,000 oz Au per annum for the first five years with a mine life of eight years. The capital required having been raised, an estimated cash cost of up to \$611 with a payback of 2.4 years is expected.
- In addition to Red Rabbit, **Ariana** has a JORC (Joint Ore Reserves Committee) resource of 1,162,000 oz Au in the Artvin province in north-east Turkey. This project is now being advanced through a Joint Venture agreement with Eldorado Gold Corporation (TSX:ELD, NYSE: EGO); Ariana has a 49% interest in the project.
- **Ariana** also has a 3.7% interest in Tigris Resources with exploration interests in the south-east of Turkey.

www.arianaresources.com



Goldcrest Resources plc

Goldcrest has had a challenging year. A year ago, all the indications were that Goldcrest was expecting to be admitted to AIM by the end of 2013 and to raise sufficient cash to commence exploration at its two properties in north-east Ghana over which it held purchase options. We continue to await a news announcement with a full explanation.

The Company website indicates that it is intending to take advantage of its early-mover position to explore a highly prospective portfolio of gold projects covering over 700km² on the under-explored Bole-Nangodi gold belt of Ghana, Africa's 2nd largest gold producer. Goldcrest's aim is to build a focused gold exploration company based around its two existing projects, Zamsa and Fumbisi.

www.goldcrestresourcesplc.com



Minera IRL Limited

Minera's activities are now focused on the flagship Ollachea gold project, the company having announced the sale of its interest in the Argentinian Don Nicholas for \$11.5m.

Minera, listed on the AIM, Lima and Toronto TSX markets, now focuses its activities entirely on Peru where it operates the 100%-owned Corihuarmi gold mine, and is developing the Ollachea underground mine while also exploring a number of other gold prospects. Expected lower production, grades and revenues from Corihuarmi have recently impacted on **Minera's** significant financing requirement for the Ollachea development. The total capital cost of Ollachea is estimated at \$220m, but the scheduled production over an initial mine life of nine years is 930,000 oz leading to an operating cost of \$507 per oz. **Minera** has an offer of finance from Macquarie Bank for \$70m towards construction of the mine and discussions with other providers continue.

www.minera-irl.com



GREATLANDGOLD

Greatland Gold plc

Comment

In common with many other such companies, the share price continues to be at little more than 1/8th of the AIM admission price. **Some progress towards realising value would doubtless help a re-rating.**

Background information

Greatland has been conducting early stage exploration for gold since 2006 having been admitted to AIM that year. Having made progress on two properties, Warrentinna and Lisle, **Greatland** has entered into farm-in agreements with larger entities which will earn an increasing percentage share of the projects in exchange for expenditure incurred.

Recent developments

- Several new targets identified at its Western Australian projects including an exciting new 'Nova' style nickel sulphide licence;
- Ernest Giles airborne magnetics outlines multiple additional gold targets;
- Work on the Firetower project, the subject of a farm-in agreement with Unity Mining, continues apace;
- Following a review of licences, reductions have been made to the licence areas at Bromus, and Warrentinna. The Lackman Rock licence has been disposed of;
- Robust nickel sulphide target defined at Bromus in southern Western Australia, a project covering approximately 112 square kilometres where a review of detailed airborne geophysics has defined a 4.5km long nickel sulphide prospective ultramafic unit in the central parts of the project area with coherent elevated surface geochemistry to 2,690ppm Ni. Recent field work has confirmed flow textured ultramafic lithologies are present and no previous exploration activities for nickel sulphides are apparent despite proximity to other deposits. This represents a sizeable nickel sulphide target at surface which can be explored with common geochemical, electromagnetic and drilling techniques.

Future plans

- Drilling at Ernest Giles scheduled for Q4;
- A ground EM survey has been outlined for Bromus which is scheduled to be carried out during Q4.

www.greatlandgold.com



KEFI Minerals plc

Comment

KEFI has all the appearance of a company on the move. The share price is beginning to respond to recent news, especially from Tula Kapi in Ethiopia.

Background information

In **Saudi Arabia** it has a 40% interest with a local construction company, ARTAR, in a JV partnership which has enabled **KEFI** to gain accelerated attention from the notoriously slow Saudi licensing authorities in granting exploration licences; 30 have been applied for of which four have been granted. A resource of 495,000 oz Au has been confirmed.

Meanwhile, **KEFI** seized the opportunity to acquire the Tulu Kapi project in **Ethiopia** formerly held by Nyota Minerals Limited. This 100%-owned project has recently announced a reserve of 1.0m oz Au and a JORC compliant reserve totalling 1.9m oz Au. The mining licence has been re-activated.

Future plans

Plans for a mine at Tula Kapi are taking shape to include the assembly of a bank syndicate and agreement of plans for project finance for as much as \$130m with a view to commencement of mine construction in early 2015. In **Saudi Arabia**, application for a mining licence at Jibal Qutman is to be made.

www.kefi-minerals.com



Red Rock Resources plc

Background information

Red Rock was launched on to AIM in mid-July 2005 by Regency Mines, see below, with a portfolio of exploration licences of properties in Western Australia.

What they are doing

Red Rock is an early stage exploration company with a diverse range of projects in Colombia, Greenland, Kenya and Ivory Coast, as well as interests in Australia. These include:

- a 50% interest in a producing gold mine in Colombia, although this is in the process of being sold;
- a direct interest of 15% in tenements in Kenya prospective for gold, with the prospect of a further 45% on completion of a bankable feasibility study, plus a 33% interest in the holder of the remaining interest; a JORC estimate shows a 1.193m oz resource;
- newly acquired during 2014, an interest in tenements in the Ivory Coast prospective for gold.

In addition to its interests in gold, Red Rock has other interests as follows:

- a 60% interest in an iron ore project in Greenland with a JORC resource; an offer for a partial sale has been received but did not complete;
- an interest in **Jupiter Mines Limited** which has a major interest in a South African manganese producer as well as other assets in Western Australia; www.jupitermines.com
- an interest in ASX quoted **Resource Star Limited** which, whilst retaining its mineral exploration interests in Australia and Malawi, has announced an option to acquire an Australian based cloud services provider, www.resourcestar.com.au
- a small interest in **Regency Mines plc**, see below.

www.rrrplc.com

INTERESTS IN IRON ORE



International Mining & Infrastructure Corporation plc

The African continent is known to be rich in iron ore resources with the largest untapped iron ore bodies found in West and Central Africa. Of three major iron ore clusters, one includes Cameroon, Gabon and the Republic of Congo. It is in Cameroon that **IMIC** has its interest having successfully bid £120 million for Afferro Mining with its Nkout and Ntem projects being the most advanced. This acquisition represents a significant multiple of **IMIC's** own capitalisation and met with initial scepticism in the market.

The Nkout resource is seen to be a world class asset with 2.5 billion tonnes of indicated and inferred resource with a high grade product of up to 70% Fe, while Cameroon is seen as one of the West African countries with a more stable environment for development.

IMIC's success marks a significant extension of its original objectives which were focused on providing infrastructure solutions for West African iron ore development projects.

Comment

IMIC enjoys support from its strategic partner, the privately held African and Iron Ore Group (AIOG), as well as from Chinese interests in assuring access to supply sources for its future iron ore requirements. With its Cameroon mining and infrastructure project and with first production planned for three years hence now added to its Guinea infrastructure work, **IMIC** has become a major player in West Africa.

www.imicplc.com



Beowulf Mining plc

Beowulf is the developer of natural resources projects in Sweden, and is dual-listed on the AIM and the Stockholm AktieTorget markets. During the past year, **Beowulf** has been progressing its major fully-owned Kallak iron ore project whilst also undertaking exploration drilling on its Ballek copper-gold project in a joint venture partnership with Australian Energy Ventures.

The Kallak North and South deposits were designated as an area of National Interest by the Swedish Geological Society. This was followed by an application for an Economic Concession mining licence for Kallak North still under review. Meanwhile, an exploration permit for Agasjiegge2, adjacent to Kallak, has been granted.

The latest assay results obtained from the current year's drilling campaign have returned the highest grades over the longest intersections seen since **Beowulf** started exploration on the Kallak ore-body.

Beowulf's determination to achieve a full JORC assessment of its Kallak resource by this year-end with the aim of establishing its options for mine development, has advanced against a background of weakening world iron ore prices, the market's unease caused by the collapse of the larger Swedish peer group Northland Resources, its own drilling cost budget overruns and of Sami reindeer herder and activist protests delaying licensing applications.

Despite these frustrations, **Beowulf** continues to enjoy vital local and governmental support in its aim to create new employment opportunities and economic activity for Northern Sweden, as well as being secure in the knowledge that the superior quality of its resource and its proximity to its eventual European steel-making clientele, must remain strongly to its advantage. Sweden is the largest iron ore producer in the EU with over 26 million tonnes produced in 2012 but Kallak's resource potential has been estimated at more than ten times this level, and with a likely 30 years of production.

Meanwhile **Beowulf** has an attractive range of other assets including the Grundtrask gold project, the Majves iron oxide copper gold (IOCG) project and the Munka licence area in northern Sweden, which covers approximately 800 hectares and hosts Sweden's largest drill-confirmed deposit of molybdenum.

www.beowulfmining.com

INTERESTS IN OIL & GAS

What a change has come about in one year! It was two years ago that we became one of the founding shareholders in Nordic Energy plc which has since become a major constituent in the Company portfolio. Our interests in the sector comprise stakes in the following five companies:



Alba Mineral Resources plc

Alba is a UK-based exploration company with an overall strategy to develop a portfolio of well-researched, promising and prospective exploration interests but it has recently changed its focus having taken a 5% stake in **Horse Hill Developments Limited**, a company with a 65% interest in drilling for oil and gas in Surrey at Horse Hill, just to the north of Gatwick Airport www.horsehilldev.co.uk.

Horse Hill Developments has received full planning approvals and landowner agreements to construct an exploratory well site, to include plant, buildings and equipment, for the drilling of one borehole and the subsequent short-term conventional testing for hydrocarbons.

Drilling is currently being carried out with the first of three expected signs of oil having been found.

Otherwise, Alba has projects prospective for:

- uranium in Mauretania;
- gold, nickel and base metals in western Ireland; work on its JV agreement with Teck Resources has been financed by Teck towards its ultimate 75% interest by mid-2015.

www.albamineralresources.com



CAP Energy plc

Cap Energy plc is an independent upstream oil and gas company focused on the exploration, production, and development of conventional hydrocarbons in sub-Saharan Africa.

- The company has 30% interests in Block 1 and Block 5B offshore Guinea-Bissau and a 44.1% interest in Block Djiffere offshore Senegal;
- The company's strategy is to acquire under-explored, but highly prospective, exploration acreage in the sub-Saharan region;
- During the 6 months to June 2014, CAP Energy has invested over \$3 million (£1.9 million) in exploration;
- 3700 Km 2D survey of Senegal Block Djiffere were completed with the interpretation due H2 2014;
- Adjacent blocks operated by Cairn Energy currently being drilled: first results due imminently;
- Guinea Bissau 2D survey with Virtual Drilling analysis reveals significant leads in Block 5B;
- 3D survey of Guinea Bissau Block 5B: preparations being finalised;
- A move to AIM is planned.

www.capenergy.co.uk



Kuwait Energy plc

The Company's interest in **Kuwait Energy** arises from it having been a major founding shareholder in Concorde Oil and Gas plc in 2006, which was subsequently taken over by **Kuwait Energy**. After much delay, **Kuwait Energy** has announced an intention of seeking a listing on the London Stock Exchange which, we are advised, may come as soon as fourth quarter 2014.

Kuwait Energy operates in the Middle East and North Africa (MENA) region where it has significant participation interests ranging from 15% to 100% across its 55 exploration, development and producing leases, providing a balance of risk diversification with significant upside exploration potential. Kuwait Energy currently operates 30 of these 55 leases.

Kuwait Energy recently announced a 12.6% year on year revenue increase.

Until **Kuwait Energy** obtains a quotation, the cost remains fully provided for and so is carried in the Company's books at Zero.

www.kec.com





Nordic Energy plc

Comment

A year ago, we wrote: "The Directors of the Company all have significant experience in the oil and gas sector, specifically in the Nordic region and believe that significant opportunities exist and that their expertise and extensive contacts will assist them in the identification, evaluation and funding of appropriate investment opportunities." *And so it has proved to be if the share price is anything to go by!*

Nordic was formed in 2012 and admitted to trading on ISDX in November of that year; Starvest contributed core funding for an initial 42% stake.

What they are doing

Nordic is focussed on oil and gas opportunities in Denmark, Norway, and the North Sea sectors of the Netherlands and the UK where it holds licence 1/13 in the Danish sector, the largest exploration and production licence in the Danish North Sea, covering an area of 3,600 sq. km; the licence is located approximately 50 km from the edge of the Central Graben, where existing production and multiple discoveries are located, and 100 km from the Siri Area which has a number of tertiary fields.

A CPR which was delivered in June 2014 identified multiple drilling targets to be followed by farm-out discussions with major players.

Future plans

Nordic plans to apply for new licences, is in the process of strengthening its Board and technical team as well as making a move to AIM which is in prospect for Q4 2014.

www.nordicenergyplc.com



Regency Mines plc

Regency has varied interests in mineral exploration ventures but we include a comment here in view of its stakes in the following oil and gas exploration ventures:

- A direct stake in the Horse Hill oil and gas project; www.horsehilldev.co.uk, see the comment under **Alba** above;
- An indirect stake in Horse Hill by virtue of its interest in **Alba Mineral Resources plc**, see above;
- A newly acquired 25% interest in a West Virginia shallow oil project located in Ritchie WV, with drilling due to commence Q4 2014.

Background information

Regency came to AIM in 2005 with a portfolio of exploration properties in Australia since when it transferred some to Red Rock Resources plc, see above, and continued to deal with others as well as take stakes in other mineral exploration ventures, hence these oil ventures. We provide further comment on **Regency** in the other investments section below.

www.regency-mines.com

INTERESTS IN COAL MINING & POWER GENERATION



Oracle Coalfields PLC

Oracle Coalfields plc

Background information

Six years ago the Company was attracted by the exciting opportunity of entering a fledgling market seeking to develop a newly discovered major coal resource and which offered the potential of resolving a critical shortage of indigenous energy that was seriously restricting the economic development of the host country, Pakistan. This led to the creation of, and our investment in **Oracle Coalfields**. However Pakistan's inherent political and economic risks tended to undermine investor confidence in supporting the longer-term major development needs of the project which were having to be met by periodic recourse to the equity market.

Meanwhile, Management's determination to realise its Block VI 1.4 billion tonne Thar Coalfields lignite mine project had been noticed and appreciated by the Chinese who were embarking on a major investment exercise in wide areas of Pakistan's national infrastructure. The 4.2 million tonnes per annum coal mine project was soon enhanced by adding a planned integrated 600MW power plant adjacent to the mine, resulting in a likely total realisation cost of some US\$1.3 billion: Engineering Procurement and Construction (EPC) Framework Agreements have been signed with SEPCO, a leading Chinese power and construction group, for the combined projects. SEPCO has proposed a financing structure to potentially securitise up to 85% of these contracts which would be financed by State-owned Sinosure, the China Export & Credit Insurance Corporation, and certain Chinese banks.

Comment

While the Chinese involvement has materially de-risked the project, this has undoubtedly also ensured and accelerated its realisation, a fact well recognised by the Pakistani authorities who have been facing increasing unrest among the population over the lengthy disruptions caused by regular electricity power cuts. Oracle's local standing has meanwhile reached levels far beyond those normally attributed to a junior AIM stock.

Future plans

The path to project completion remains long and complex with the initial production not expected before 2017.

www.oraclecoalfields.com

OTHER INVESTMENTS

The first two companies in this section are best described as 'diversified mineral exploration and development specialists'.



Regency Mines plc

"We add value to our assets by joint venture, acquisition and disposal of mineral resource interests in addition to being an active investor in the mineral resources corporate market.", a quote from the Regency website.

Comment

The significance of the Mambare nickel project in Papua New Guinea with the associated technological breakthrough by Direct Nickel should not be overlooked. But in the short term, the striking of oil at Horse Hill (www.horsehilldev.co.uk) is expected to provide some immediate relief to the share price which has suffered over the past year so that Regency has had no option but to raise the cash required, at very low prices, to pursue its operations. We hope that Regency has turned the corner!

Regency has a variety of interests including:

- 10.29% of **Red Rock Resources plc**: www.rrrplc.com see Gold Exploration page 8, which it floated on AIM in 2005;
- Having put its Fraser Range tenements in Western Australia into an Australian listed company, **RAM Resources Limited**, (ASX:RMR), Regency now holds 7.28%; in addition **Regency** has a 13.5% carried interest in the Fraser West project as a whole: www.ramresources.co.au;
- 6.78% interest in **Direct Nickel Limited**, an Australian developer of a game changing nickel processing technology, www.directnickel.com;
- 9.39% interest in **Alba Mineral Resources plc**, see Oil & Gas above: www.albamineralresources.com;
- With the support of the Sudanese government, a 51% interest in IMRAS exploring for agro-minerals in Sudan;
- 5% interest in **Horse Hill Developments Limited**: www.horsehilldev.co.uk, more fully described in the Oil and Gas section of this report;
- 50% of **Oro Nickel Vanuatu**, which itself holds the Mambare property in Papua New Guinea with a JORC resource of 162.6 mt nickel grading 0.94% with 1.53 Mt of contained nickel plus cobalt, from 3% only of the tenement; there is also potential for base metals, gold and geothermal resources. Work on the project was first begun in 1960 since when Anaconda Nickel Inc held the licence until acquired by **Regency** in 2006. The potential is massive given that only 3% of the target plateau has been drill tested to date; it could be the world's largest nickel laterite deposit.

www.regency-mines.com



SUNRISE RESOURCES PLC

Sunrise Resources plc

Background information

Sunrise was admitted to AIM in 2005 initially with a portfolio of diamond exploration assets from Tertiary Minerals plc. Tertiary remains a major shareholder.

The company's strategy is to acquire, explore and develop mineral projects in stable, democratic and mining friendly jurisdictions - targeting advanced projects which have the potential to generate a sustaining cash flow as well as near-drill stage projects where there is potential for significant mineral discovery. The barite project and the diamond project are respectively examples of this two-pronged strategy with a focus on countries that have low levels of corruption and political risk.

The company's objective is to develop profitable mining operations to sustain the Company's wider exploration efforts and create value for shareholders through the discovery of world-class deposits.

Sunrise is exploring for

- **diamonds** in Western Australia;
- **barites** in South West Ireland; there is no major mine supplier outside of China;
- **gold** in Western Australia where it has two projects, and has an active project programme to generate new exploration projects in Australia and Nevada, USA, where it has recently staked claims over the Strike Copper Project, the County Line Diatomite Project and the Garfield Gold-Silver-Copper Project and has now acquired an interest in the Bay State Silver Project.

Through the cost sharing arrangement with Tertiary, Sunrise has the services of their five full time employees who also oversee a range of carefully selected and experienced consultants and contractors as and when work requires.

www.sunriseresourcesplc.com

MARECHALE CAPITAL

Marechale Capital plc

Unlike the Company's other investments, **Marechale** is not involved in the mineral exploration business but an interest was acquired some years ago when it was an adviser to companies quoted on what became PLUS Markets and more recently, ISDX. Today it describes itself as an investment banking and corporate finance business, using its established relationships and sector specialisation to raise capital and refinance high growth companies and funds in the retail, leisure, renewable energy and infrastructure sectors.

www.marechalecapital.com

Guild Acquisitions plc

Guild has a mixture of assets including stakes in Starvest investee companies **Goldcrest Resources plc** and **Equity Resources plc**.

Guild does not maintain a website. ISDX ticker: GACQ

The Company also holds investments in the following companies to which little value is attributed: **Agricola Resources plc**; **Alpha Universal Management plc**; **Carpathian Resources Limited**; **Equity Investors plc**; **Equity Resources plc**; **Fundy Minerals Limited**; **Gippsland Limited**; **Goliath Resources Inc.**; **Kincora Copper Limited** and **Treslow Limited**. **Equity Resources plc**, a small investment company, holds investments in **Regency Mines plc** and **Red Rock Resources plc**, see above.

COMPANY INFORMATION

Directors

R Bruce Rowan - Chairman & Chief Executive

Anthony C R Scutt - Non Executive Director

John Watkins, FCA - Finance Director

Secretary and registered office

John Watkins, FCA
55 Gower Street, London, WC1E 6HQ

Business address

67 Park Road, Woking, Surrey, GU22 7DH

email@starvest.co.uk

Tel: 01483 771992

Fax: 01483 772087

Registered Number

3981468

Auditor

Grant Thornton UK LLP Chartered Accountants and Statutory Auditor

1020 Eskdale Road, Winnersh, Wokingham, Berkshire, RG41 5TS

Solicitors

Ronaldsons LLP

55 Gower Street, London, WC1E 6HQ

Nominated adviser

Grant Thornton UK LLP

30 Finsbury Square, London, EC2P 2YU

Bankers

Allied Irish Bank (GB)

10 Berkeley Square, London, W1J 6AA

Clydesdale Bank plc

2 Bishops Wharf, Walnut Tree Close, Guildford, Surrey, GU1 4UP

Broker

S I Capital Limited

1 High Street, Godalming, Surrey, GU7 1AZ

Registrars

Share Registrars Limited

First Floor, Suite E, 9 Lion & Lamb Yard, Farnham, Surrey, GU9 7LL

Tel: 01252 821390

Listing

AIM Market of the London Stock Exchange (AIM)

Ticker: SVE

Website

Register for email alerts at

www.starvest.co.uk – updated regularly to provide information as it is released to the market.

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 an executive director of ISDX 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, and Oracle Coalfields plc.



John Watkins, FCA

Finance Director and Company Secretary

John is a chartered accountant in 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 both Equity Resources plc and Goldcrest Resources plc.

STRATEGIC REPORT

Principal activities and business review

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 on-going fundraising opportunities with a view to realising profit from disposals as the businesses mature in the medium term. The directors expect this to continue in the future.

The Company's investing policy is stated on page 3.

The Company's key performance indicators and developments during the year 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 ISDX, 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.

By order of the Board

John Watkins

Finance Director and Company Secretary
30 October 2014

Company registration number: 3981468

DIRECTORS' REPORT

The Directors present their fourteenth annual report on the affairs of the Company, together with the financial statements for the year ended 30 September 2014.

Results and dividends

The Company's results are set out in the profit and loss account on page 22. The audited financial statements for the year ended 30 September 2014 are set out on pages 22 to 33.

The Directors cannot recommend the payment of a dividend for the year (2013: £nil).

Directors

The Directors who served during the year are as follows:

R Bruce Rowan
Anthony C R Scutt
John Watkins

Substantial shareholdings

At the close of business on 30 September 2014, 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	27.40%
Barclayshare Nominees Limited	4,437,428	11.96%
LR Nominees Limited	1,624,249	4.38%
Hargreaves Lansdown Nominees Limited	2,159,302	5.82%
TD Direct Investing Nominees Limited	1,339,204	3.61%
Mrs Diane Mary Watkins	1,200,000	3.23%

Share capital

In accordance with the authority to purchase up to 5,850,000 Ordinary shares renewed at the 2013 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 (2013: £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 2014, the Company's trade creditors were equal to costs incurred in 46 days (2013: 66 days).

Post balance sheet events

There are no reportable post balance sheet events.

Transition to FRS102

The Directors understand that the requirement to prepare financial statements in accordance with FRS 102 will be effective for the year ended 30 September 2016. The first financial statements for this year will include comparatives for the year ended 30 September 2015 being re-stated in accordance with FRS 102 and a reconciliation between the old and new GAAP will be provided in the notes.

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 489 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 2005 share option schemes as set out in Note 12 to the financial statements, the Company has no share purchase, share option or other management incentive scheme.

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 2014.

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.

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 2014, the Company had an overdraft facility of £250,000 arranged with its bankers (2013: £250,000) secured on certain investments with a market value at 30 September 2014 of £1.11m. The overdraft facility is renewable annually with the next review due in March 2015.

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.

Price and credit risk

Management do not consider price or credit risk to be material to the Company.

By order of the Board

John Watkins
Finance Director and Company Secretary
30 October 2014

Company registration number: 3981468

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the Directors' report, the Strategic 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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.

The Directors confirm that so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are 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 2014 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 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC'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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and the Strategic 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, 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
30 October 2014

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Turnover		262,940	-
Cost of sales		(194,801)	-
Gross profit		68,139	-
Administrative expenses		(206,837)	(206,702)
Amounts written off trade investments	8	(220,101)	(802,394)
Operating loss		(358,799)	(1,009,096)
Interest receivable		2,475	1,835
Loss on ordinary activities before taxation	2	(356,324)	(1,007,261)
Tax on loss on ordinary activities	3	-	127
Loss on ordinary activities after taxation		(356,324)	(1,007,134)
Loss per share – basic and diluted	6	(0.96) pence	(2.7) 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 2014

	Notes	30 September 2014 £	30 September 2013 £
Current assets			
Debtors	7	100,184	37,200
Trade investments	8	1,855,061	2,258,662
Cash at bank and in hand		239,540	257,556
		2,194,785	2,553,418
Creditors – amounts falling due within one year	10	(44,350)	(46,659)
Net current assets		2,150,435	2,506,759
Share capital and reserves			
Called-up share capital	11	394,173	394,173
Share premium account	13	2,118,396	2,118,396
Profit and loss account	13	(362,134)	(5,810)
Equity shareholders' funds	14	2,150,435	2,506,759

The financial statements on pages 22 to 33 were approved and authorised for issue by the Board of Directors on 30 October 2014 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 2014

	Notes	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Net cash outflow from operating activities	15	(20,491)	(227,360)
Returns on investment and servicing of finance:			
Interest received		2,475	1,835
		2,475	1,835
Taxation recovered/(paid)		-	284,045
(Decrease)/increase in cash in the year	16	(18,016)	58,520

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. Statement of principal 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 financial statements 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 net realisable value. Net realisable value 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. At 30 September 2014, these provisions totalled £351,000 (2013: £196,000).

Where the net realisable 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 2014.

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. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Auditor's remuneration – audit	15,100	14,500
Auditor's remuneration – non-audit services	15,000	18,700
Directors' emoluments – Note 5	90,000	105,000

Auditor's remuneration for non-audit services provided during the year comprises nominated advisor fees of £15,000, stated exclusive of VAT (2013: nominated advisor fees of £15,000 and tax compliance fees of £3,700 both stated exclusive of VAT).

3. Taxation

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Current year taxation		
UK corporation tax at 22% (2013: 23.5%) on loss for the year	-	-
Adjustments in respect of prior years	-	(127)
Total current tax charge / (credit) for the year	-	(127)

The tax assessed is at the standard rate of corporation tax in the UK at 22% (2013: standard rate 23.5%). The differences are explained below:

Loss on ordinary activities before taxation	(356,324)	(1,007,261)
Loss on ordinary activities at 22% (2013: 23.5%)	(78,391)	(236,706)
Effect of:		
Expenses not deductible for tax purposes	-	36
Adjustments in respect of prior years	-	(127)
Losses carried forward	78,391	236,670
Utilisation of tax losses and other deductions	-	-
Other permanent differences	-	-
Current tax charge / (credit) for the year	-	(127)

A deferred tax asset has not been recognised in respect of carried forward losses as there is insufficient evidence of future recoverability.

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 2014	Fees £	Amounts paid to third parties – see note £	Total £
R B Rowan	-	48,000	48,000
A C R Scutt	12,000	-	12,000
J Watkins	15,000	15,000	30,000
	27,000	63,000	90,000

Year ended 30 September 2013	Fees £	Amounts paid to third parties – see note £	Total £
R B Rowan	-	54,000	54,000
A C R Scutt	15,000	-	15,000
J Watkins	18,000	18,000	36,000
	33,000	72,000	105,000

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, £48,000 (2013: £54,000) 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 (2013: £18,000). At 30 September 2014, the sum of £12,000 (2013: £13,500) was outstanding.
- In respect of the professional services of John Watkins, FCA, £15,000 (VAT not chargeable; 2013: £18,000, VAT not chargeable) of the above remuneration was paid through his personal business. At 30 September 2014, the sum of £3,750 (2013: £4,500) was outstanding.

Pensions

No pension benefits were provided for any director in the current or previous year.

Directors' share options

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

6. Loss per share

The basic loss per share is derived by dividing the loss for the year attributable to ordinary shareholders by the weighted average number of shares in issue.

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Loss for the year	(356,324)	(1,007,134)
Weighted average number of Ordinary shares of £0.01 in issue	37,117,259	37,117,259
Loss per share – basic and diluted	(0.96) pence	(2.7) pence

The weighted average number of shares in issue excludes outstanding options exercisable at 15 pence per share as they are out of the money.

In view of the loss for the year, the options have no dilutive effect.

7. Debtors

	30 September 2014 £	30 September 2013 £
Prepayments	34,086	27,200
Short term loans to related parties	66,098	10,000
	100,184	37,200

Short term loans to related parties

- During a prior year, a loan of £10,000 was advanced to Equity Resources plc ("EQR") at 0% interest with no formal agreement as to repayment date. The purpose of the loan was to assist the EQR to meet its necessary operational costs during a period when it seemed inappropriate that EQR should realise cash from its investments. The Company holds 28.41% of the equity.
- During the year, a loan of £35,000 was advanced to Goldcrest Resources plc ("GCRP") at 20% pa interest in order to assist GCRP in funding its necessary operational costs prior to an expected AIM listing.
- During the year, a loan of £20,000 was advanced to Guild Acquisitions plc ("Guild") at 12% pa interest to assist Guild in funding its necessary operational costs. This loan, with interest, is due to be repaid in full by 31 December 2014.

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

	30 September 2014 £	30 September 2013 £
Cost		
At 30 September 2013	7,300,779	7,290,779
Additions at cost	10,000	80,000
Disposals	(630,000)	(70,000)
At 30 September 2014	6,680,779	7,300,779
Provisions		
At 30 September 2013	5,042,117	4,239,723
Released during the year	(692,060)	(44,977)
Provided during the year	475,661	847,371
At 30 September 2014	4,825,718	5,042,117
Net book amount		
At 30 September 2014	1,855,061	2,258,662
At 30 September 2013	2,258,662	3,051,056

The net book carrying values of the investments above were as follows:

Quoted on LSE	-	193,500
Quoted on AIM	1,390,407	1,677,835
Quoted on ISDX	455,812	373,483
Quoted on foreign stock exchanges	8,842	13,844
Unquoted	-	-
	1,855,061	2,258,662

The market value of the trading portfolio was:

	30 September 2014 £	30 September 2013 £
Quoted on LSE	-	193,500
Quoted on AIM	1,433,913	1,805,944
Quoted on ISDX	2,710,812	468,483
Quoted on foreign stock exchanges	8,842	13,844
Unquoted	-	-
	4,153,567	2,481,771

No directors' valuations have taken place this year.

9. Trade investments

The Company has holdings in the companies described in the review of portfolio on pages 6 to 15.

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	28.41%	£(31,328)	£4,723	31 May 2014
Nordic Energy plc – see note [2]	England & Wales	Ordinary	39.71%	(110,451)	325,703	31 May 2013
Treslow Limited – see note [3]	England & Wales	Ordinary	30.1%	-	-	30 April 2013
Guild Acquisitions plc – see note [4]	England & Wales	Ordinary	22.22%	£(177,391)	£246,144	31 Dec 2013

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]: The Company has no representation on the Board of Directors of Nordic Energy plc (“Nordic”) nor does it exert significant influence in any other way. Accordingly, Nordic is not accounted for as an associate undertaking despite the holding being in excess of 20% of the issued share capital. The Company’s expectation is that its interest will be heavily diluted as Nordic develops its business for which it issues new equity.

Note [3]: During 2008, the Company agreed to support Treslow Limited through its pre IPO processes. The Company has no representation on the Board of Directors so it 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 the issued share capital.

Note [4]: Guild Acquisitions plc is considered not to be an associated undertaking by virtue of its entirely separate management based in the Isle of Man; there is no common director.

The Company’s share of the gross assets of its Associates at 30 September 2014 is £185,371. The share of gross assets has been derived from the latest available financial information in respect of the Associates. The company’s share of the items making up the profit and loss account and cash flow statements of its Associates has not been disclosed as the numbers are not considered material.

10. Creditors

Amounts falling due within one year:

	30 September 2014 £	30 September 2013 £
Trade creditors	20,641	27,734
Social security and other taxes	931	3,750
Accruals	22,778	15,175
	44,350	46,659

A bank overdraft facility is secured by a charge over certain of the Company’s investments having a market value at the balance sheet date of £1.11m.

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 2014 and 30 September 2013, Ordinary shares of £0.01 each	250,000,000	2,500,000
Called up, allotted, issued and fully paid		
As at 30 September 2014 and 30 September 2013	39,417,259	394,173

Shares held in treasury

	30 September 2014	30 September 2013
Total number of shares held in treasury	2,300,000	2,300,000

12. Share options

The Company's share option scheme, established on 14 February 2005, expires on 31 January 2015. During the year ended 30 September 2014, no new options were granted. As at 30 September 2014, the outstanding options were as follows:

	At 30 September 2013	Exercised during the year	At 30 September 2014 outstanding and exercisable	Exercise price	Date from which exercisable	Expiry date
RB Rowan	1,750,000	-	1,750,000	15 pence	14 February 2005	31 January 2015
ACR Scutt	350,000	-	350,000	15 pence	14 February 2005	31 January 2015
J Watkins	875,000	-	875,000	15 pence	14 February 2005	31 January 2015
	2,975,000	-	2,975,000			

Note 1: The market value of the Company's shares at 30 September 2014 was 5.88 pence (2013: 5.62 pence) and the range during the year was 5.6 pence to 5.9 pence (2013: 6.5 pence to 5.6 pence), the average for the year being 5.8 pence (2013: 6.0 pence).

13. Reserves

The movements on reserves during the year were as follows:

	Share premium account £	Profit and loss account £
As at 30 September 2013	2,118,396	(5,810)
Loss for the year	-	(356,324)
As at 30 September 2014	2,118,396	(362,134)

14. Movement on equity shareholders' funds

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Loss for the year and net decrease in shareholders' funds	(356,324)	(1,007,134)
Opening equity shareholders' funds	2,506,759	3,513,893
Closing equity shareholders' funds	2,150,435	2,506,759

15. Reconciliation of operating loss to operating cash flows

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
Operating loss	(358,799)	(1,009,096)
Amounts written off trade investments	220,101	802,394
(Increase)/decrease in debtors	(62,984)	(11,076)
(Decrease)/increase in creditors	(2,309)	418
Purchase of trade investments at cost	(10,000)	(80,000)
Profit on sale of investments	(66,500)	-
Disposals	260,000	70,000
Net cash outflow from operating activities	(20,491)	(227,360)

16. Analysis and reconciliation of net funds

	30 September 2013 £	Cash flow £	30 September 2014 £
Cash at bank	257,556	(18,016)	239,540
Net cash	257,556	(18,016)	239,540

	Year ended 30 September 2014 £	Year ended 30 September 2013 £
(Decrease)/increase in cash in the year	(18,016)	58,520
Movement in funds in the year	(18,016)	58,520
Net cash at 1 October	257,556	199,036
Net cash at 30 September	239,540	257,556

17. Commitments

As at 30 September 2014 and 30 September 2013, the Company had no commitments other than for expenses incurred in the normal course of business.

18. Related party transactions

There were no related party transactions during the year other than those disclosed in notes 5 and 7 above.

19. Post balance sheet event

There are no reportable post balance sheet events.

20. Control

There is considered to be no controlling party.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Starvest plc (the "Company") will be held at the offices of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU on Thursday 11 December 2014 at 11.30am 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 4 and 6 and as a special resolution in the case of resolution 5.

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 2014.
- 2 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.
- 3 To re-appoint Grant Thornton UK LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration of the auditors.
- 4 That in substitution for all existing authorities under the following section to the extent unutilised, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot relevant securities (within the meaning of section 560) up to an aggregate nominal amount of £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

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

- 6 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 5,900,000, 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 paid is an amount equal to 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 fifteen 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:
55 Gower Street
London WC1E 6HQ

By order of the Board
John Watkins
Company Secretary

12 November 2014
Registered in England and Wales Number: 3981468

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 31 October 2014, the Company's issued share capital comprised 39,417,259 ordinary shares of £0.01 each of which 2,300,000 were held in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 31 October 2014 is 37,117,259.

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 purpose other than those expressly stated.

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.

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